

CITY OF PRINCETON

December 31, 2017

1st Quarter Financial Report

(unaudited)

FY 2017-18



CITY OF PRINCETON

December 31, 2017

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FY 2017-18

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 1st Quarter Report (unaudited) December 31, 2017

Revenues Summary:

	FY 2017-18		
Revenues	Budget	as of 12/31/2017	% of Budget
Administration	\$ 3,894,952	\$ 2,156,375	55.36%
Library	21,808	1,578	7.24%
Community Relations	58,500	4,539	7.76%
Municipal Court	401,065	76,129	18.98%
Development	1,805,388	297,664	16.49%
Public Works	1,109,000	140,948	12.71%
Parks & Recreation	189,200	22,432	11.86%
Police	74,500	340	0.46%
Fire	148,850	54,030	36.30%
Total	\$ 7,703,263	\$ 2,754,035	35.75%

General Fund revenues as of December 31, 2017 were 21%, more than the same period for FY2017. This is due in large part to an increase in ad valorem tax collections of 18%. Development consulting fees more than doubled in comparison to the prior year.

Revenues for the Community Relations Department are just beginning to come in for upcoming events. The Parks Department is beginning to collect registration fees for spring youth sports activities and currently is above the prior year's revenue by 50%.

Overall, revenues for the General government are as expected for the first quarter of this fiscal year. Sales tax revenues increased slightly from the prior year. This is expected to increase significantly next quarter with the recording of sales tax revenues during the holiday season.

CITY OF PRINCETON

General Fund Expenditures
1st Quarter Report (unaudited)
December 31, 2017

Expenditures Summary:

	FY 2017-18		
	Budget	as of 12/31/2017	% of Budget
Administration	\$ 450,750	\$ 112,999	25.07%
City Council	23,000	6,043	26.27%
Finance	201,560	42,452	21.06%
Library	149,476	30,436	20.36%
Community Events	203,448	60,114	29.55%
Municipal Court	284,966	56,708	19.90%
Development	1,074,726	161,126	14.99%
Public Works	1,151,286	119,942	10.42%
Parks & Recreation	650,456	112,282	17.26%
Police	2,393,836	453,295	18.94%
Emergency Management	8,775	5,846	66.62%
Fire	2,136,588	1,055,357	49.39%
Total	\$ 8,728,867	\$ 2,216,600	25.39%

As expected, total expenditures are 25% of budget as of December 31, 2017. Total expenditures increased 69% in comparison to FY2017.

The largest increase is in the Fire Department and this is due to the purchase of a fire rescue pumper. This purchase is part of the capital lease agreement with BB&T for equipment and vehicles.

Community Events is slightly more than expected budget for this first quarter. This is due to deposits that had to be made to secure entertainment and equipment for upcoming events.

The Parks Department's expenditures increased 53% over the prior year. More youth participation in sporting events requires more uniforms and supplies to be purchased.

Emergency Management has expended more than 66% of budget with the annual payment for CodeRED (emergency notification) support.

CITY OF PRINCETON

General Fund

1st Quarter Report (unaudited)

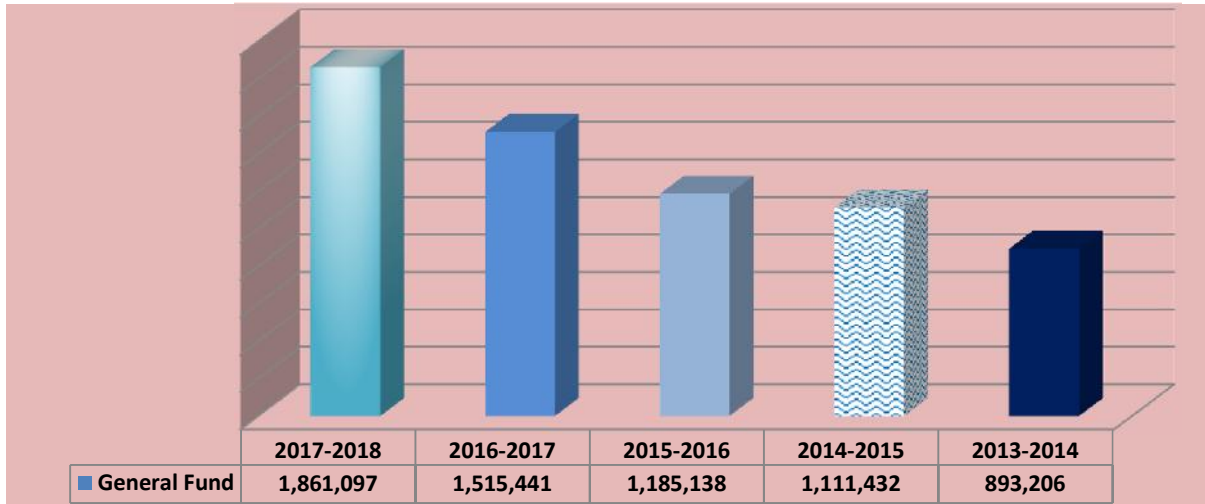
December 31, 2017

	Current FY 2017-2018			Prior FY 2016-2017		
	Current Budget	Year-to-Date Actual	% of Budget	Current Budget	Year-to-Date Actual	% of Budget
REVENUES						
Property Taxes	\$ 2,262,811	\$ 1,866,685	82.49%	\$ 2,074,125	\$ 1,578,451	76.10%
Sales Tax	1,090,000	165,749	15.21%	1,109,432	153,505	13.84%
Franchise Taxes	232,797	31,214	13.41%	195,073	19,048	9.76%
Interest	10,111	5,423	53.63%	7,433	2,161	29.07%
Miscellaneous	308,253	93,497	30.33%	285,885	16,993	5.94%
Donations & Grants	749,308	53,508	7.14%	234,876	53,377	22.73%
Court Fines	401,065	76,129	18.98%	278,840	88,225	31.64%
Parks & Recreation	156,200	22,432	14.36%	159,327	11,500	7.22%
Building Permits	685,000	81,336	11.87%	873,233	96,233	11.02%
Other Permits	173,000	31,350	18.12%	126,660	30,225	23.86%
Licenses & Fees	36,500	20,053	54.94%	40,950	9,051	22.10%
Construction & Consulting	875,388	169,221	19.33%	647,548	42,422	6.55%
Impact Fees	1,100,000	137,438	12.49%	-	-	0.00%
Capital Lease Proceeds	1,489,400	-	0.00%	59,647	-	0.00%
Total Revenue	\$ 9,569,833	\$ 2,754,035	28.78%	\$ 6,093,029	\$ 2,101,191	34.49%

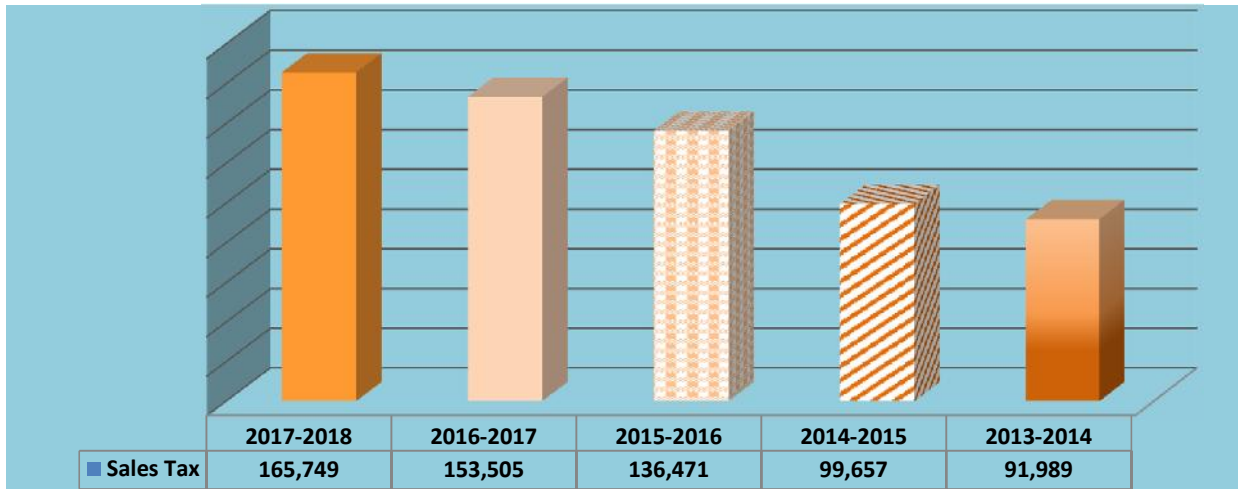
	Current FY 2017-2018			Prior FY 2016-2017		
	Current Budget	Year-to-Date Actual	% of Budget	Current Budget	Year-to-Date Actual	% of Budget
EXPENDITURES						
Administration	\$ 450,750	\$ 112,999	25.07%	\$ 446,660	\$ 147,990	33.13%
City Council	23,000	6,043	26.27%	461,460	148,153	32.11%
Finance	201,560	42,452	21.06%	195,438	40,354	20.65%
Library	149,476	30,436	20.36%	141,527	27,135	19.17%
Community Events	203,448	60,114	29.55%	194,773	44,498	22.85%
Municipal Court	284,966	56,708	19.90%	277,775	63,063	22.70%
Development	1,074,726	161,126	14.99%	625,598	148,913	23.80%
Facilities	494,342	67,101	13.57%	304,414	78,902	25.92%
Streets	656,944	52,840	8.04%	444,125	69,197	15.58%
Parks & Recreation	650,456	112,282	17.26%	518,201	73,193	14.12%
Emergency Management	8,775	5,846	66.62%	19,534	7,192	36.82%
Police	2,173,360	418,487	19.26%	1,704,261	354,810	20.82%
Police - SRO	220,476	34,807	15.79%	148,178	33,481	22.60%
Fire	2,039,826	1,041,983	51.08%	1,099,865	206,028	18.73%
Fire Marshal	96,762	13,374	13.82%	49,337	9,464	19.18%
Total Expenditures	\$ 8,728,867	\$ 2,216,598	25.39%	\$ 6,631,146	\$ 1,452,373	21.90%

CITY OF PRINCETON
 General Fund
 1st Quarter Property Tax Collections
 December 31, 2017

Property Tax

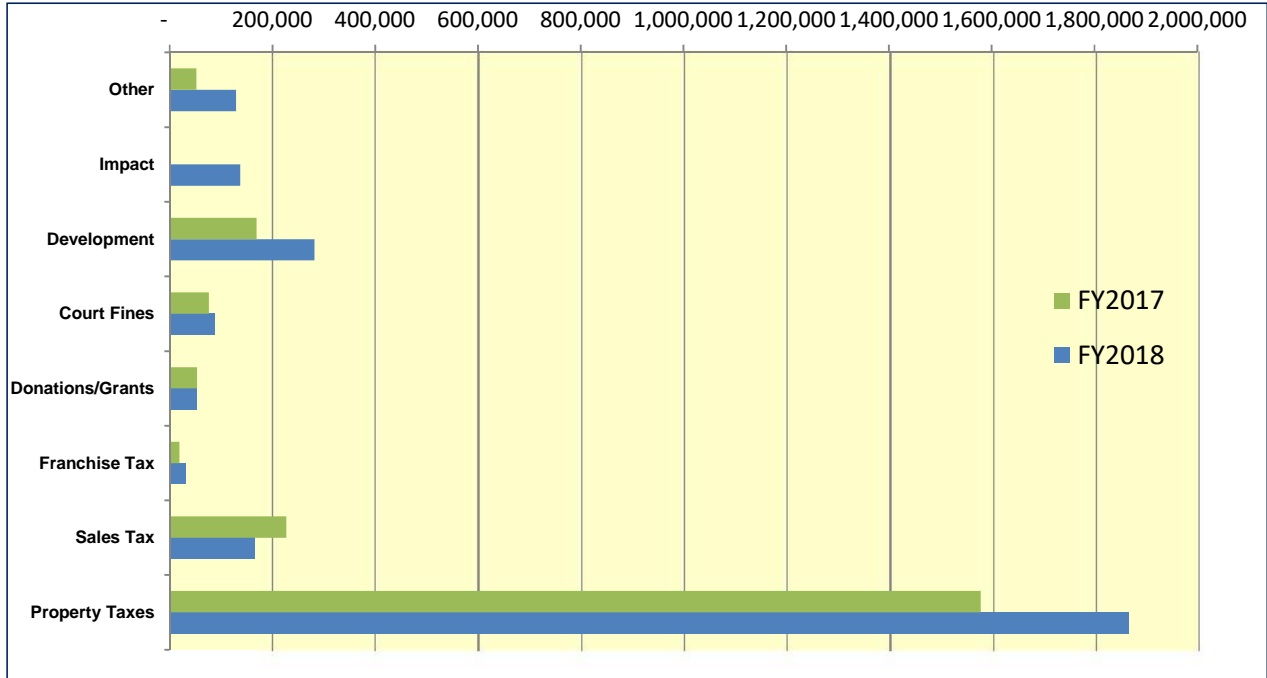


Sales Tax

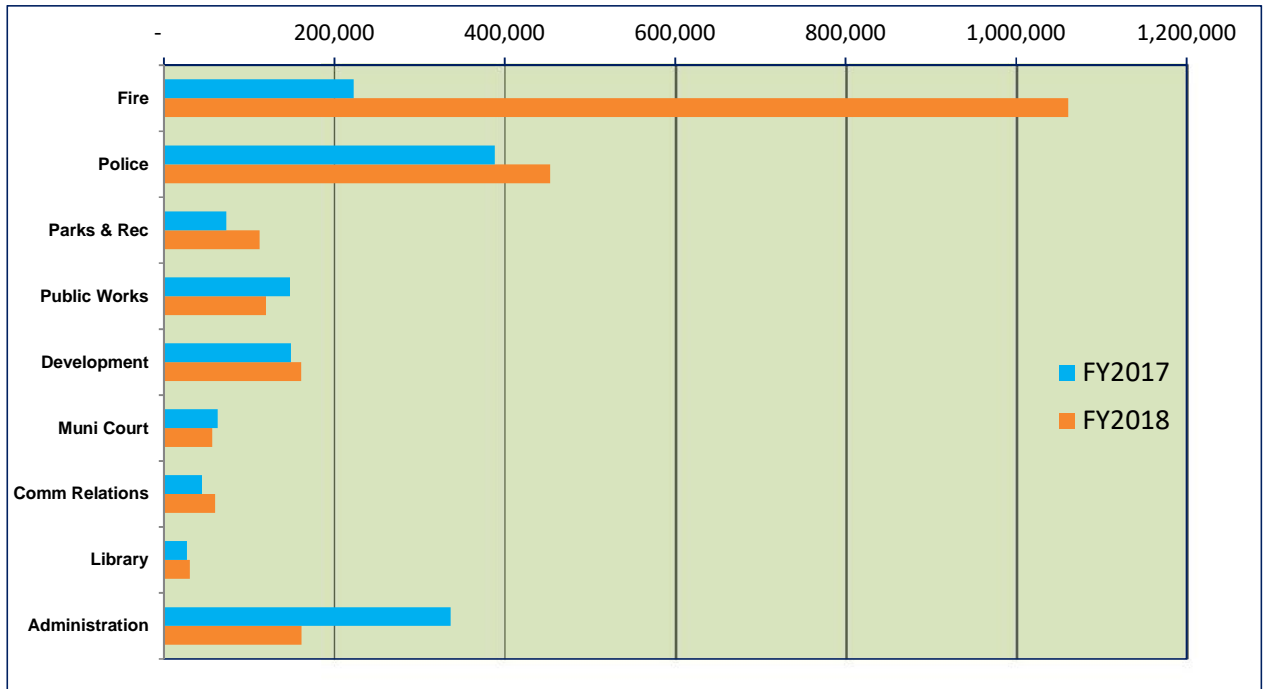


CITY OF PRINCETON
 General Fund
 1st Quarter Property Tax Collections
 December 31, 2017

REVENUES



EXPENDITURES

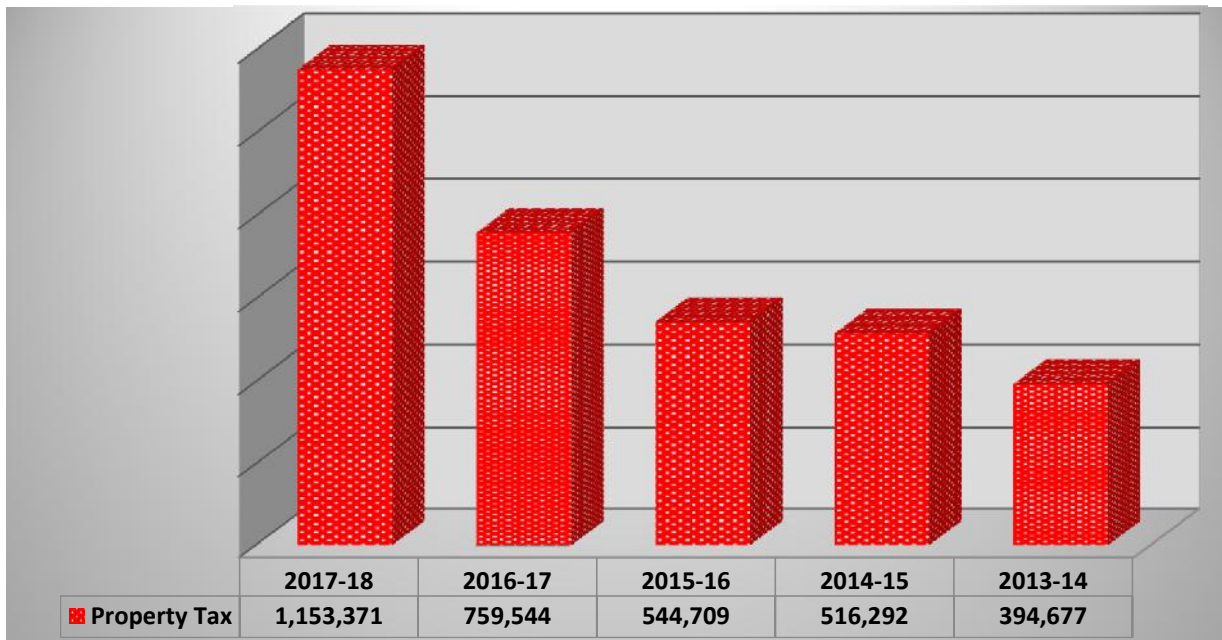


CITY OF PRINCETON

Debt Service Fund
1st Quarter Report (unaudited)
December 31, 2017

	FY 2017-18		
	Budget	as of 12/31/2017	% of Budget
REVENUES	\$ 1,713,136	\$ 1,153,371	67.33%
EXPENDITURES	1,631,665	750	0.05%
	\$ 81,471	\$ 1,152,621	

Property Tax revenue trend - 5 years



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.

CITY OF PRINCETON

Proprietary Funds
1st Quarter Report (unaudited)
December 31, 2017

Revenues Summary:

	FY 2017-18		
	Budget	as of 12/31/2017	% of Budget
Water	\$ 4,708,724	\$ 1,299,003	27.59%
Wastewater	2,395,890	635,438	26.52%
Storm Water Drainage	403,650	86,051	21.32%
Impact Fees	2,695,390	195,593	7.26%
Total	\$ 10,203,654	\$ 2,216,085	21.72%

Revenues for the Utility Fund increased 23% when compared to the prior fiscal year. This increase is expected to continue throughout the current fiscal year due to the new customers being added to the system regularly.

This increase in revenue is reflected in the storm water drainage fee. As of December 31, 2017, the collection of this fee increased 9% when compared to the same period in the prior fiscal year.

Expense Summary:

	FY 2017-18		
	Budget	as of 12/31/2017	% of Budget
Customer Service			
Utility Billing	\$ 873,356	\$ 221,378	25.35%
Water Department	2,337,363	527,683	22.58%
Wastewater Department	1,557,800	360,078	23.11%
Storm Water Drainage	534,068	109,139	20.44%
Impact Fund	1,782,130	788,566	44.25%
Total	\$ 7,084,717	\$ 2,006,844	28.33%

Utility Billing, Water, and Wastewater departments increased expenses by 10% when compared to the prior fiscal year. However, this is inline with expected budget for this time period.

Water revenues increased 36% over the prior year and storm water drainage increased 37% in this same period.

Impact fees are restricted to water and sewer infrastructure improvement projects. Project expense in the current fiscal year increased significantly due to ongoing projects including the Tickey Creek sewer line, Peachtree sewer line, and water line along Highway 380.

CITY OF PRINCETON

Proprietary Funds

1st Quarter Report (unaudited)

December 31, 2017

	Current FY 2017-2018			Prior FY 2016-2017		
	Current Budget	Year-to-Date Actual	% of Budget	Current Budget	Year-to-Date Actual	% of Budget
REVENUES						
Water Sales	\$ 3,693,327	\$ 1,166,741	31.59%	\$ 3,582,442	\$ 851,403	23.77%
Wastewater Sales	1,798,210	480,643	26.73%	1,668,187	393,151	23.57%
Impact Fees	2,687,890	184,743	6.87%	1,000,000	234,526	100.00%
Refuse	662,680	169,699	25.61%	557,675	148,186	26.57%
Drainage Fees	296,000	86,051	29.07%	212,561	68,279	32.12%
Interest	12,500	12,335	98.68%	4,362	2,800	64.19%
Other Sales Revenues	555,555	83,452	15.02%	595,713	98,908	16.60%
Miscellaneous	61,672	32,421	52.57%	44,200	6,000	13.57%
Capital Lease Proceeds	435,820	-	0.00%	-	-	#DIV/0!
Total Revenue	\$ 10,203,654	\$ 2,216,085	21.72%	\$ 7,665,140	\$ 1,803,253	23.53%

	Current FY 2017-2018			Prior FY 2016-2017		
	Current Budget	Year-to-Date Actual	% of Budget	Current Budget	Year-to-Date Actual	% of Budget
EXPENDITURES						
Refuse Collection	\$ 575,000	\$ 153,045	26.62%	\$ 563,110	\$ 88,087	15.64%
Water Purchases	1,350,765	337,687	25.00%	1,229,287	204,882	16.67%
Contract Services	1,234,301	251,922	20.41%	678,091	91,146	13.44%
Customer Svc/Util Billing	298,356	68,333	22.90%	282,340	53,951	19.11%
Water Operating Exp	1,524,899	242,757	15.92%	1,506,483	234,404	15.56%
Wastewater Operating Exp	1,557,800	360,078	23.11%	1,147,034	338,453	29.51%
Storm Water Drainage	534,068	109,139	20.44%	494,861	18,482	3.73%
Impact Fund	1,782,130	788,566	44.25%	2,745,403	69,861	2.54%
Total Expenditures	\$ 8,857,319	\$ 2,311,527	26.10%	\$ 8,646,609	\$ 1,099,266	12.71%

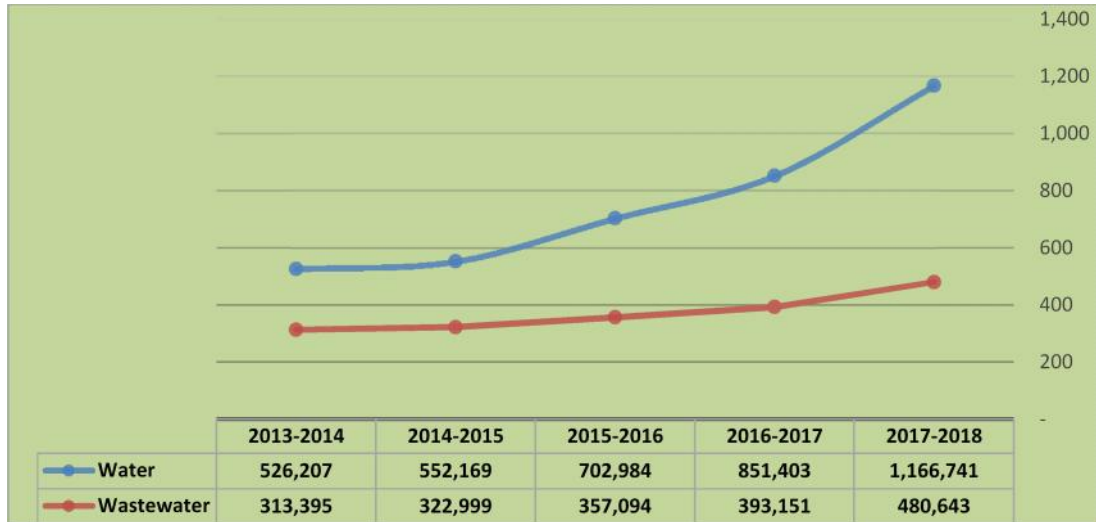
CITY OF PRINCETON

Utility Fund

1st Quarter Water and Wastewater Sales Revenues

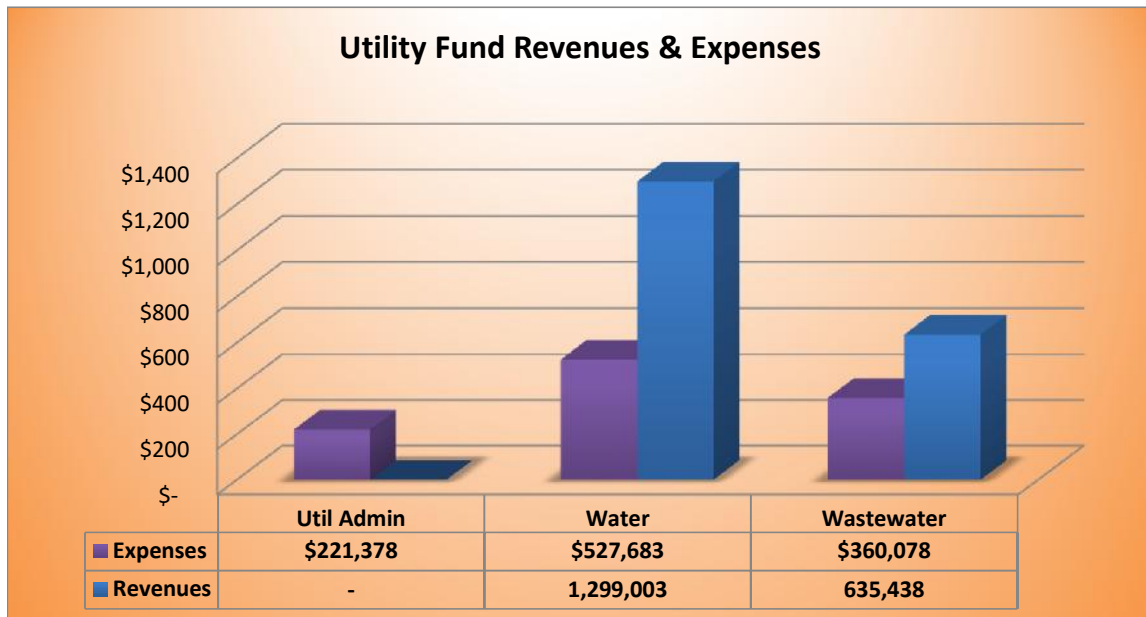
December 31, 2017

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 1st quarter revenues by 10%.

As water sales increase so does wastewater collection. The current year's budget is a 17% increase over the prior year. Currently, sales collections are inline with budget.



CITY OF PRINCETON

Project Listing

1st Quarter Report (unaudited)

December 31, 2017

Project Name	Proj #	Project Budget	Current FY Activity	Proj to-date Activity	Funding
Beauchamp Blvd (north & south)	R19. R05	\$ 6,874,686	\$ -	\$ 5,095,490	Collin County, EDC, & 2015 & 2016 Bonds
City Hall - eng/design	B47	135,000	17	110,273	2016 Bond
Public Works Building	B46	2,490,600	502,602	2,093,289	2015 & 2016 Bonds
Parkview Park	P17	260,000	15,664	272,351	2016 Bond & park fees
Park Master Plan	P18	333,315	32,370	185,628	CDC
Hike and Bike Trail	P19	600,553	32,370	147,687	2016 Bond & grant
Safer Routes	R37	695,000	210,918	292,840	Grant & local match
San Remo Round-about	R35	100,000	1,847	15,917	2014 CO & General Revenues
Florence Dr	R25	370,558	135,716	160,907	Roadway Impact Fees
CR 400/FM 546 Connector	R45	224,000	8,888	21,951	TIRZ Funds-Eng services
Briar Grove	R46	215,866	83,875	93,052	2016 CO
Master Drainage Plan	D01	238,100	52,580	124,255	Storm Water Fund
Tickey Creek wastewater line	S15	1,400,000	36,162	1,665,034	Util Impact Fees
Peachtree sewer line	S16	671,219	136,534	140,098	Util Impact Fees
Hazelwood sewer line	S21	356,103	-	78,786	Util Impact Fees
Gravity Main	S30	152,750	1,936	173,524	Util Impact Fees
Hwy 380 water line	W32	729,838	181,086	630,397	Util Impact Fees
Forest Grove Pump Station	W33	975,000	116,250	116,250	GTUA loan proceeds

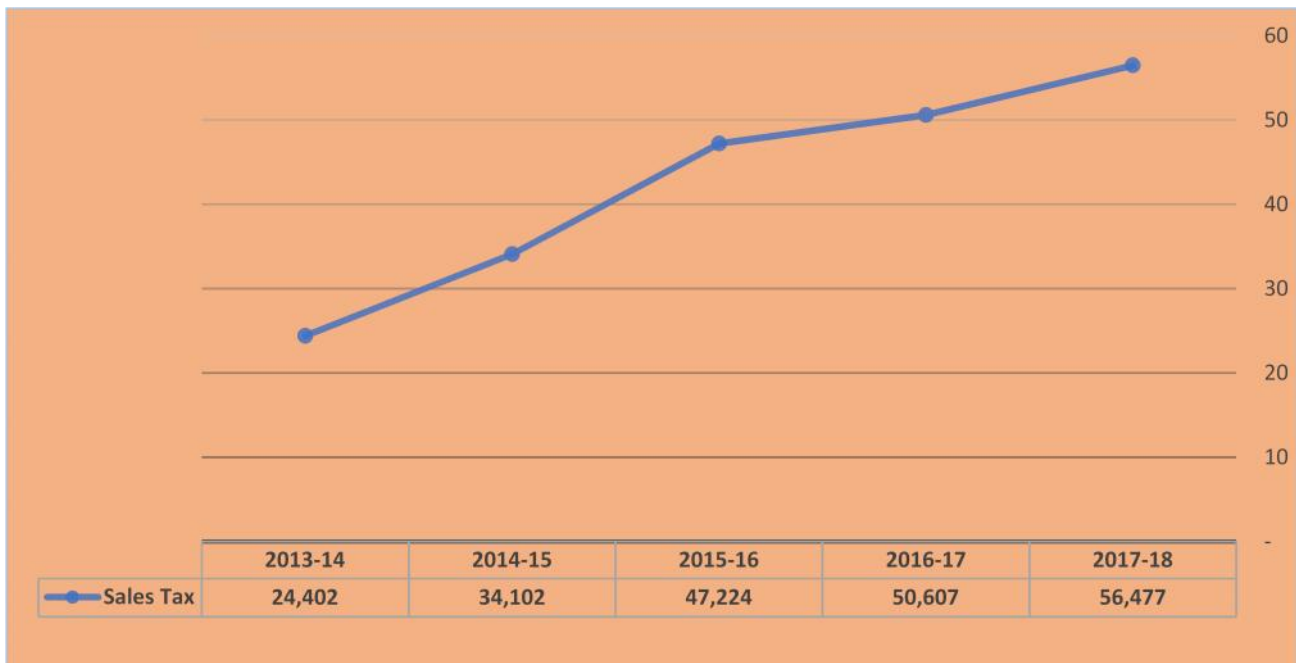
CITY OF PRINCETON
 Economic Development Corporation
 1ST Quarter Report (unaudited)
 December 31, 2017

	FY 2017-18		
	Budget	as of 12/31/2017	% of Budget
REVENUES	\$ 646,700	\$ 56,477	8.73%
EXPENDITURES	313,789	97,953	31.22%
	\$ 332,911	\$ (41,476)	

The EDC has spent \$67,021 toward the Industrial Park & Roadways project in the current period. This brings the total for this project to \$409,026. Budget for this project is \$584,440.

Sales tax revenues increased 12% in the current fiscal year which is the increase in revenues that was recorded in the prior fiscal year.

Sales Tax trend - 5 year



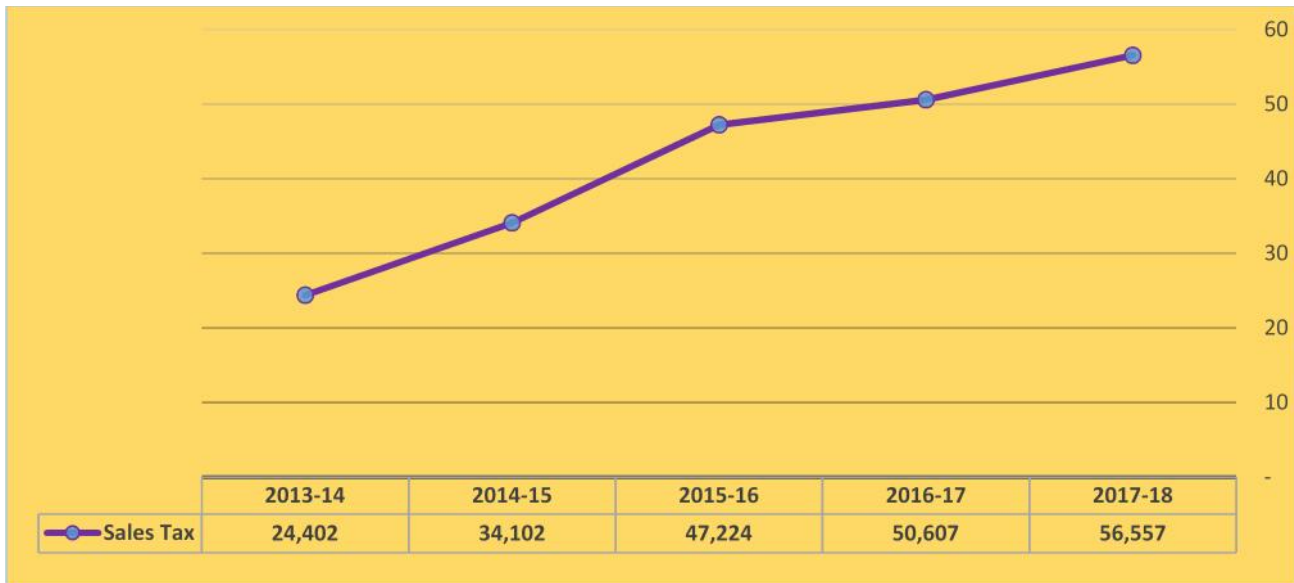
CITY OF PRINCETON
 Community Development Corporation
 1ST Quarter Report (unaudited)
 December 31, 2017

	FY 2017-18		
	Budget	as of 12/31/2017	% of Budget
REVENUES	\$ 646,700	\$ 56,557	8.75%
EXPENDITURES	563,925	56,713	10.06%
	\$ 82,775	\$ (156)	

The CDC has spent \$41,814 for historical/preservation of the Methodist Church in this period. The total cost for this project to-date is \$202,558. Total budget for this project is \$209,558.

Sales tax revenues increased 12% in the current fiscal year which is the increase in revenues that was recorded in the prior fiscal year.

Sales Tax trend - 5 year



INVESTMENT REPORT

FUND	DESC	BEGINNING BALANCE 9/30/2017	DEPOSITS	WITHDRAWALS	INTEREST	ENDING BALANCE 12/31/2017	% OF TOTAL	12/31/2017 YIELD/ APR	90 DAY T- BILL YIELD/ APR
LOCAL GOVERNMENT INVESTMENT POOL - TEXPOOL									
GENERAL FUND	TEXPOOL RESERVE FUND	\$ 980,135	\$ -	\$ (200,000)	\$ 3,133	\$ 783,268		1.1764%	
GENERAL FUND	TEXPOOL FIRE DEPARTMENT	67,110	-	-	184	67,294		1.1764%	
DEBT SERVICE FUND	TEXPOOL I&S FUND	541,204	1,151,250	-	2,121	1,694,575		1.1764%	
CDC CORPORATION	TEXPOOL COMMUNITY DEVELOPMENT COF	715,707	165,677	(57,000)	2,125	826,509		1.1764%	
EDC CORPORATION	TEXPOOL ECONOMIC DEVELOPMENT CORP	691,437	165,677	(69,000)	2,045	790,159		1.1764%	
ENTERPRISE FUND	TEXPOOL 2007 CO	5,651	-	-	16	5,667		1.1764%	
ENTERPRISE FUND	TEXPOOL UTILITY CUSTOMERS DEPOSITS	529,958	-	-	1,453	531,411		1.1764%	
ENTERPRISE FUND	TEXPOOL UTILITY IMPACT ACCOUNT	3,802,193	237,141	-	10,850	4,050,184		1.1764%	
TOTAL - LOCAL GOVERNMENT INVESTMENT POOL - TEXPOOL		7,333,395	1,719,745	(326,000)	21,927	8,749,067	52.41%		1.37%
TEXPOOL NET ASSET VALUE PER SHARE						\$ 0.99992			
TEXPOOL WEIGHTED AVERAGE MATURITY (DAYS)						33			
TEXSTAR ACCOUNTS									
TEXSTAR	TEXSTAR 2014 CERTIFICATE OF OBLIGATION	191,715	-	-	532	192,247		1.1762%	
TEXSTAR	TEXSTAR 2015 CERTIFICATE OF OBLIGATION	1,026,798	-	-	2,845	1,029,643		1.1762%	
TEXSTAR	TEXSTAR 2016 CERTIFICATE OF OBLIGATION	6,062,354	-	(2,268,400)	12,950	3,806,904		1.1762%	
TOTAL - LOCAL GOVERNMENT INVESTMENT POOL - TEXSTAR		7,280,867	-	(2,268,400)	16,327	5,028,794	30.12%		1.37%
TEXSTAR NET ASSET VALUE PER SHARE						\$ 0.999954			
TEXSTAR WEIGHTED AVERAGE MATURITY (DAYS)						30			
FIRST STATE BANK									
OPERATING ACCOUNT	CITIZENS CONSOLIDATED CASH	2,285,071	8,589,973	(10,239,118)	536	636,462		0.34%	
OPERATING MONEY MARKET	CITIZENS CONSOLIDATED CASH MONEY MAI	1,153,617	-	-	432	1,154,049		0.15%	
OPERATING PAYROLL	CITIZENS PAYROLL	923	678,007	(677,761)	-	1,169		0.00%	
CIP PARK ACCOUNT	CITIZENS PARK IMPROVEMENT	36,845	-	-	18	36,863		0.43%	
GEN. FUND POLICE ACCOUNT	CITIZENS LAW ENFORCEMENT SEIZURE	3,660	-	-	2	3,662		0.43%	
CIP STREET IMPROVE.	CITIZENS STREET IMPROVEMENT	162,689	-	-	102	162,791		0.25%	
WATER CUSTOMER DEP. EF	CITIZENS WATER METER	36,521	10,425	(18,945)	17	28,018		0.42%	
BEAUCHAMP BLVD SO CO BON	CITIZENS THOROUGHFARE PROJECT	377,969	-	-	142	378,111		0.15%	
CITIZENS CD RESERVES	CITIZEN GENERAL RESERVES CD	515,540	-	-	-	515,540		2.05%	
TOTAL - FIRST STATE BANK		4,572,835	9,278,405	(10,935,824)	1,249	2,916,665	17.47%		1.37%

FUND	DESC	BEGINNING BALANCE 9/30/2017	DEPOSITS	WITHDRAWALS	INTEREST	ENDING BALANCE 12/31/2017	% OF TOTAL	12/31/2017 YIELD/ APR	90 DAY T- BILL YIELD/ APR
GRAND TOTAL CASH AND INVESTMENTS		<u>\$ 19,187,097</u>	<u>\$ 10,998,150</u>	<u>\$ (13,530,224)</u>	<u>\$ 39,503</u>	<u>\$ 16,694,526</u>			
<u>COLLATERALIZATION OF BANK DEPOSITS</u>									
		BOOK VALUE	MARKET VALUE						
		<u>12/31/2017</u>	<u>12/31/2017</u>						
TOTAL FEDERAL SECURITIES		<u>\$ 4,945,974</u>	<u>\$ 4,945,974</u>						
BANK BALANCE			3,095,592						
FDIC COVERAGE			<u>(500,000)</u>						
DIFFERENCE			2,595,592						
DIFFERENCE @ 102%			<u>1.02</u>						
AMOUNT TO BE COVERED BY COLLATERAL			<u>\$ 2,647,504</u>						

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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

SIGNED:

 1-17-2018
INVESTMENT OFFICER DATE

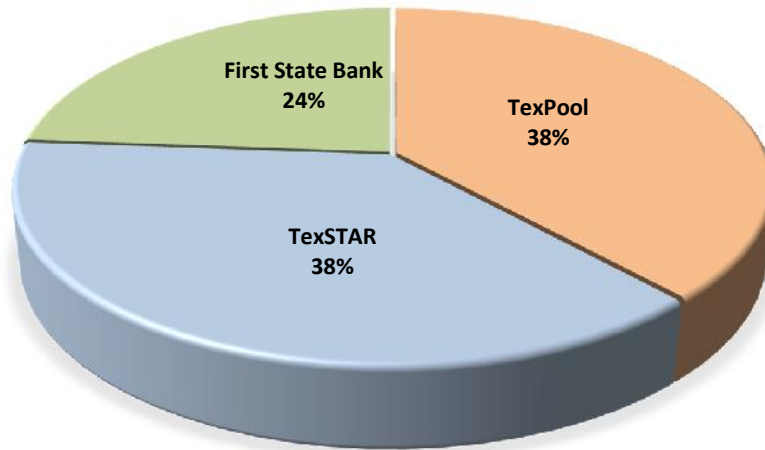
SIGNED:

 1-17-2018
INVESTMENT OFFICER DATE

CITY OF PRINCETON, TEXAS

Quarterly Portfolio Change
as of December 31, 2017

as of 9/30/2017



as of 12/31/2017

