

MEMO

To: Honorable Mayor Ken Fulk

Allen City Council

Eric Ellwanger, City Manager

Department Heads

From: Jennifer Fung, Interim Chief Financial Officer

Chris Landrum, Assistant Chief Financial Officer

Date: February 23, 2021

Re: Fiscal Year 2021 – First Quarter Financial Report

Attached is the report of revenues and expenditures for the first quarter of Fiscal Year 2021. This activity transacted during the period from October 1, 2020, to December 31, 2020.

GENERAL FUND

- Sales tax revenue represents one month of collections.
- Multi-Family, Tree Permits and Commercial Permits revenues are usually high-dollar, low-volume permits and are not cyclical. These revenues are currently trending as expected.
- Charges for Services continues to be impacted due to cancellations of sporting events and live shows.
- The majority of Franchise Fees are received quarterly. Payments are received within 60 days of quarter-end; thus, this category is currently trending as anticipated.

DEBT SERVICE FUND

- Principal payments are made in the fourth quarter of each fiscal year. Interest payments are made biannually during the second and fourth quarters of each fiscal year.

HOTEL OCCUPANCY FUND

- Hotel occupancy tax has been drastically impacted because of the Coronavirus. Occupancy for the period averaged 34.3%. Occupancy for the same period in the previous year averaged 58.4%.
- A large portion of the Hotel Occupancy Tax Grants are for performance guarantees to secure events at the event center. The dollars were not requested because of fewer events taking place.



ASSET FORFEITURE FUND

- Revenues are recognized through awards that stem from Federal and state forfeitures.

TAX INCREMENT FINANCING (TIF) FUND

- Revenues in TIF#2 must meet the increment prior to collecting Property and Sales Taxes. Collections were anticipated to be made in the third and fourth quarters of each fiscal year. Economic Grant Expenses are typically paid in third quarter each fiscal year.

SPECIAL REVENUE FUND

- Public, Educational and Governmental (PEG) Fees are collected on a quarterly basis. Financials represent a full year of payments.
- Court-related revenues continue to decline due to a decrease in number of citations issued.

GIFT PERMANENT FUND

- This fund was created in fiscal year 2019 to account for revenue and expenditures associated with cash gifts to the Police Department, Fire Department, and Library in the amounts of \$300,000, \$300,000, and \$200,000, respectively. No gifts were received in fiscal year 2020.

GRANT FUND

- Revenue and expenditures are trending as expected.

REPLACEMENT FUND

- Contributions are made quarterly to cover required amounts needed for asset replacements.
- Expenses for vehicle purchases are typically recognized later in the fiscal year due to the lead time required to fulfill orders. Larger vehicles like fire engines are purchased in installment payments made over several fiscal years due to the build time for these vehicles.

FACILITY MAINTENANCE FUND

- Contributions have been reduced because of revenue shortages related to the Coronavirus.
- Maintenance projects not completed will be completed in the next fiscal year.

RISK MANAGEMENT FUND

- Property and Liability revenue is collected in the second quarter of fiscal years.
- Expenses related to Property & Liability Insurance and Worker's Comp premiums are paid at the beginning of each fiscal year, and the policies cover the duration of each fiscal year.
- Expenses related to Workers Compensation are dependent upon the number of claims that are paid by the Risk Fund and fluctuate from year to year.

WATER & SEWER FUND

- Revenues from Water sales and Sewer Charges performed slightly below expectations. The weather and rainfall have a significant impact of revenues.

- Transfers-In are recorded as capital projects commence, while transfers to cover operations are recorded throughout the Fiscal Year.

SOLID WASTE FUND

- Commercial Garbage revenues are performing as expected.

DRAINAGE FUND

- Revenues are performing as anticipated.

GOLF COURSE FUND

- Revenues are performing better than expected.

ECONOMIC DEVELOPMENT CORPORATION

- Sales tax represents one month of collections.

COMMUNITY DEVELOPMENT CORPORATION

- Sales tax represents one month of collections.