

# MEMO

To: Honorable Mayor Kenneth Fulk

Allen City Council

Eric Ellwanger, City Manager

Department Heads

From: Peter Phillis, Chief Financial Officer

Chris Landrum, Assistant Chief Financial Officer

Ryan Patterson, Strategic Services Auditor

Date: July 27, 2021

Re: Fiscal Year 2021 – Third Quarter Financial Report

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Attached is the report of revenues and expenditures for the third quarter of Fiscal Year 2021. This activity transacted during the period from April 1, 2021, to June 30, 2021.

## GENERAL FUND

- Sales tax revenue represents seven months 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 higher than 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.
- Intergovernmental revenue is higher due to Cares Act.

## 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 57.8%. Occupancy for the same period in the previous year averaged 22.8%. The market is recovering well despite a slow return to travel.



- 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 are anticipated to be made in the third and fourth quarters of fiscal year 2021.
- Economic Grant Expenses are typically paid in the third quarter each fiscal year.

#### **SPECIAL REVENUE FUND**

- Public, Educational and Governmental (PEG) Fees are collected on a quarterly basis, and the second payment was collected during the third quarter of FY2021, as expected.
- Court-related revenues are down due to a decrease in the number of citations issued.

#### **GRANT FUND**

- The Police Department was awarded a grant for a 3D scanner.
- The Library was awarded a grant for technology related enhancements.
- CDBG emergency rental assistance was recognized in the third quarter.
- Planning CARES Act revenue was recognized in the first and second quarter.

#### **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 was collected in the third quarter of FY2021, as expected.
- 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 on 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 expected.

## **GOLF COURSE FUND**

- Revenues are performing better than expected.

## **ECONOMIC DEVELOPMENT CORPORATION**

- Sales tax represents seven months of collections.

## **COMMUNITY DEVELOPMENT CORPORATION**

- Sales tax represents seven months of collections.