



CITY COUNCIL REPORT

CITY OF FAIR OAKS RANCH, TEXAS

August 3, 2023

AGENDA TOPIC: Presentation of the Quarterly Financial Update for the Nine Months Ended June 30, 2023

DATE: August 3, 2023

DEPARTMENT: Finance

PRESENTED BY: Summer Fleming, Interim Director of Finance

INTRODUCTION/BACKGROUND:

The purpose of this presentation is to review the City's financial results for the nine months ended June 30, 2023.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Fiscal transparency informs the Council and citizens how the City spent tax revenues and is a critical element of effective public financial management.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The Finance Department has updated its FY 2022-23 projections based on financial performance through the 3rd quarter of the fiscal year. The department projects a \$816,591 total increase in General Fund revenues over budget, largely attributable to interest earnings. Due to the rise in yield for both TexPool and Texas CLASS, interest earnings are expected to be \$478,000 higher than the budget of \$72,000. Ad valorem taxes are projected to be \$145,634 higher than budget due to levy adjustments made after the settlement of appraisal value protests. Additionally, grants and contributions are projected to be \$196,400 higher than budget due to the Disabled Veterans Exemption Relief Fund, grant funding to the police department for ballistic shields, and receipt of a contribution from BISD for the Chartwell realignment project.

General Fund expenditures are projected to be \$38,957 less than budget mostly due to personnel savings for vacancies offset with costs of brush removal throughout the City. In total the General Fund is projected to have a positive budget variance of \$855,548.

The Strategic Projects Fund is projected to have a \$440,793 savings to budget due to the cancellation or decreased scope of budgeted projects.

The department projects a net loss in the Utility Fund of \$90,940, which is a savings to budget of \$141,895. The savings to budget is largely due to a projected \$314,000 increase in budgeted interest earnings offset with decreased impact fee revenue.

LEGAL ANALYSIS:

Not applicable.

RECOMMENDATION/PROPOSED MOTION:

This presentation is for informational purposes only.