

City of McKinney  
Audit Highlights  
Fiscal Year 2009-10

1. The independent auditor Weaver LLP has reviewed the City's Comprehensive Annual Financial Report (CAFR). According to the auditor's opinion, the financial statements present fairly, in all material respects, the financial position of the City.
  
2. City-wide financials as at September 30, 2010
  - Statement of Net Assets (Pages 6 and 15)

	Governmental Activities	Business Type Activities	Total
	Million \$	Million \$	Million \$
Total Assets	636	367	1,003
Total Liabilities	248	90	338
Net Assets	388	277	665

- Statement of Activities (Pages 7, 16-17)

	Governmental Activities	Business Type Activities	Total
	Thousand \$	Thousand \$	Thousand \$
Total Revenues	128,355	64,114	192,469
Total Expenses	138,747	52,139	190,886
Transfers	2,643	(2,643)	0
Change in Net Assets	(7,749)	9,332	1,583

3. The General Fund balance consists of: (Page 18)

Reserve for Inventory/Prepaid Items	\$	368,905
Note receivable from component unit		4,102,500
Insurance Risk		1,600,559
Operating Reserve - 90 days		21,112,864
Unreserved		12,317,757
Total Fund Balance		\$ 39,502,585

4. General Fund Budget Performance (Page 25)

	Final Budget	Actual	Variance
	Thousand \$	Thousand \$	Thousand \$
Revenues	83,212	84,451	1,239
Expenditures	(92,278)	(88,390)	3,888
Transfers / Other	1,670	1,725	55
Change in Net Assets	(7,396)	(2,214)	5,182
Beginning Fund Balance	41,716	41,716	0
Ending Fund Balance	34,320	39,502	5,182

5. Major revenues are property taxes, sales and use taxes, licenses/permits and franchise fees. (Page 22). Revenue changes compared to prior year are listed below:

General Fund Revenues	FY2009	FY2010	Changes	
			Amount	Percent
Property taxes	\$43,778,789	\$43,872,597	\$93,808	0%
Sales and use taxes	16,541,102	16,371,853	(169,249)	-1%
Franchise fees	9,759,548	10,731,125	971,577	9%
Licenses and permits	4,726,614	4,809,193	82,579	2%
Intergovernmental	353,969	14,085	(339,884)	-2413%
Charges for services	4,541,221	5,049,832	508,611	10%
Fines and forfeitures	2,255,275	1,976,587	(278,688)	-14%
Investment income	1,337,078	1,325,497	(11,581)	-1%
Contributions	57,468	59,318	1,850	3%
Miscellaneous	171,890	241,367	69,477	29%
<b>Total Revenues</b>	<b>\$83,522,954</b>	<b>\$84,451,454</b>	<b>\$928,500</b>	<b>1%</b>

6. Annual General Debt Service amounts to more than \$20.5 million and is equal to 14% of the total general governmental expenditures \$145.3 million. (Pages 22, 23)

7. Street Construction Fund expenditures total \$15.1 million. The total ending fund balance for Street Construction Fund is \$33.6 million. (Page 23)

8. Other governmental funds consist of Special Revenue Funds and Other Capital Project Funds. Total expenditures are \$21.3 million. The total ending fund balances are \$48.1 million. (Page 23)
  
9. Change in net assets (net income) for Water and Wastewater Fund amounts to \$9.9 million, and the year-end net assets are \$261.0 million. Net Revenue Available for Debt Service for the Water and Wastewater Fund is \$14.8 million and annual debt requirement is \$5.8 million. The Water and Wastewater Fund debt service coverage ratio is 2.55 times. (Pages 28, 118)
  
10. Change in net assets (net loss) for Solid Waste Fund amounts to \$(0.5) million. The year-end net assets are \$12.2 million. (Page 28)
  
11. Unrestricted Cash & Investments by Fund Type are as follows: (Page 18-19, 26)

Fund	Cash	Investments	Cash & Investments
General	\$5,630,146	\$31,161,768	\$36,791,914
Debt Service	1,921,723		1,921,723
Street Construction	13,791,733	22,760,149	36,551,882
Other Governmental	38,488,400	10,018,300	48,506,700
Water	2,997,889	3,012,400	6,010,289
Solid Waste	4,425,734		4,425,734
Other Enterprise	1,561,175		1,561,175
Total	\$68,816,800	\$66,952,617	\$135,769,417