

City of McKinney

Audit Highlights

Fiscal Year 2010-2011

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, 2011

- Statement of Net Assets (Pages 6 &15)

	Governmental Activities Million \$	Business Type Activities Million \$	Total Million \$
Total Assets	622	375	997
Total Liabilities	237	84	321
Net Assets	<u>385</u>	<u>291</u>	<u>676</u>

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

	Governmental Activities Thousand \$	Business Type Activities Thousand \$	Total Thousand \$
Total Revenues	123,105	70,478	193,583
Total Expenses	128,379	54,028	182,407
Transfers	2,643	(2,643)	0
Change in Net Assets	<u>(2,631)</u>	<u>13,807</u>	<u>11,176</u>

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

Non-Spendable:	
Inventory & Prepays	\$ 396,975
Note receivable from component unit	2,917,500
Assigned:	
OPEB	1,530,120
Insurance Risk	1,600,559
Unassigned:	
Unreserved	14,194,650
Operating Reserve - 90 days	21,326,382
Total Fund Balance	<u><u>\$ 41,966,186</u></u>

4. General Fund Budget Performance (Page 25)

	Final Budget	Actual	Variance
	Thousand \$	Thousand \$	Thousand \$
Revenues	85,346	86,833	1,487
Expenditures	(91,524)	(86,490)	5,034
Transfers / Other	1,950	1,955	5
Change in Net Assets	(4,228)	2,298	6,526
Beginning Fund Balance	39,503	39,503	0
Ending Fund Balance	35,275	41,801	6,526

5. Major revenues are property taxes, sales and use taxes, licenses/permits and franchise fees. (Page 25, actual amount column). Revenue changes compared to prior year are listed below:

General Fund Revenues	FY10	FY11	Change \$	Change %
Property taxes	\$43,872,597	\$43,675,704	(\$196,893)	-0.5%
Sales and use taxes	16,371,853	16,435,845	63,992	0.4%
Franchise fees	10,731,125	11,941,486	1,210,361	10.1%
Licenses and permits	4,809,193	4,692,292	(116,901)	-2.5%
Intergovernmental	14,085	242,755	228,670	94.2%
Charges for services	5,049,832	5,507,587	457,755	8.3%
Fines and forfeitures	1,976,587	2,121,957	145,370	6.9%
Investment income	1,325,497	650,061	(675,436)	-103.9%
Contributions	59,318	487,197	427,879	87.8%
Miscellaneous	241,367	1,078,376	837,009	77.6%
Total Revenues	\$84,451,454	\$86,833,260	\$2,381,806	3%

6. Annual General Debt Service amounts to more than \$20.2 million and is equal to 16% of the total general governmental expenditures \$130.6 million. (Page 22)
7. Street Construction Fund expenditures total \$7.6 million. The total ending fund balance for Street Construction Fund is \$31.4 million. (Page 23)
8. Other Governmental Funds consist of Special Revenue Funds and Other Capital Project Funds. Total expenditures are \$16.3 million. The total ending fund balances are \$37.7 million. (Page 23)