



Progress in Motion

City of Frisco, Texas
POPULAR
ANNUAL
FINANCIAL REPORT
SEPTEMBER 30, 2013

CITY OF FRISCO, TEXAS



POPULAR ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2013

Prepared by: Financial Services Department

**Assistant City Manager
Director
Assistant Director - Controller
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The Popular Annual Financial Report (PAFR) is intended to summarize the statistical, economic and financial information contained in the 2013 Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformance with generally accepted accounting principles (GAAP) and was independently audited by Crowe Horwath LLP. The PAFR, while unaudited, provides a brief analysis of where the City's revenues come from and where the dollars are spent as well as trends and local economic information. It is presented as a means of increasing public awareness about the City's financial condition through a more user-friendly presentation. Most of the detailed financial information in this report refers to our operating accounts, not all the individual funds and component unit funds. For a more detailed, GAAP basis, full disclosure review of the individual funds and component unit financial statements, one should refer to the City's CAFR that is accessible through the City's website: www.friscotexas.gov

CITY MANAGER MESSAGE

Frisco Residents,

I am pleased to present the City of Frisco's 2nd publication of the Popular Annual Financial Report. With this report, we summarize our City's financial operations for the fiscal year ended September 30, 2013, in a clear concise presentation. Continuing to provide open communications and transparency in financial presentation to our Citizens is a priority for the City and our elected officials.

The report highlights our City's financial position at a point in time, with financial forecasts for FY 2014. As we continue to foster further development and growth we must, at the same time, maintain our healthy financial reserves. Basic demographics about the City, which I hope you find interesting, are provided, with more details available from our *Development Services Annual Report* which is posted on the City's website. Economic Development activity for 2013 is provided with more detailed analysis also available from our Frisco Economic Development Corporation website. Growth maps for new construction permits during 2013 outline our development, as we near 60% buildout. It is our hope that this summarized data gives the reader a snapshot of the challenges and opportunities we are managing in Frisco today.

A condensed analysis of our revenues and expenses is provided, and it is designed to help you understand Frisco government financing and growth drivers. We provide summarized trend data for the City finances as a whole and then for our major operating fund - the General Fund. The Popular Annual Financial Report is based on audited financial statements and schedules contained in the 2013 Comprehensive Annual Financial Report and is a summary of our financial outcomes for the year.

This report is about your City financials in a summarized format. If you have questions or comments, or would like more details, please contact me or our Financial Services Department. We welcome your feedback.

George Purefoy, City Manager
6101 Frisco Square
Frisco, TX 75034
972-292-5050



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FRISCO CITY COUNCIL - 2013

The City of Frisco, incorporated in 1908, is located in west central Collin County and east central Denton County, approximately 25 miles north of downtown Dallas at the intersection of the Dallas North Tollway (DNT) and State Highway 121, now known as Sam Rayburn Tollway (SRT). US Highway 380 is the northern border for the City, FM 423 is the western border, Custer Road the eastern border and State Highway 289 is a major north/south corridor. DFW Airport and Love Field are within a short 30 minute drive.

Frisco is a political subdivision that operates as a home-rule city under the laws of the State of Texas and a charter approved by the voters in 1987 and amended in 2002 and 2010.

The City operates under the Council/Manager form of government. Policy-making and legislative authority are vested in the governing council, which consists of a Mayor and a six-member Council. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the government's manager, attorney and municipal judge.



Tim Nelson
Place 5

Jeff Cheney
Mayor Pro Tem
Place 2

Bob Allen
Place 1

Will Sowell
Place 3

Scott Johnson
Place 6

Maher Maso
Mayor

John Keating
Deputy Mayor Pro Tem
Place 4

QUICK FACTS

The data shown below provides a quick “at-a-glance” version of the most commonly requested statistics for Frisco as of **January 1, 2014**.

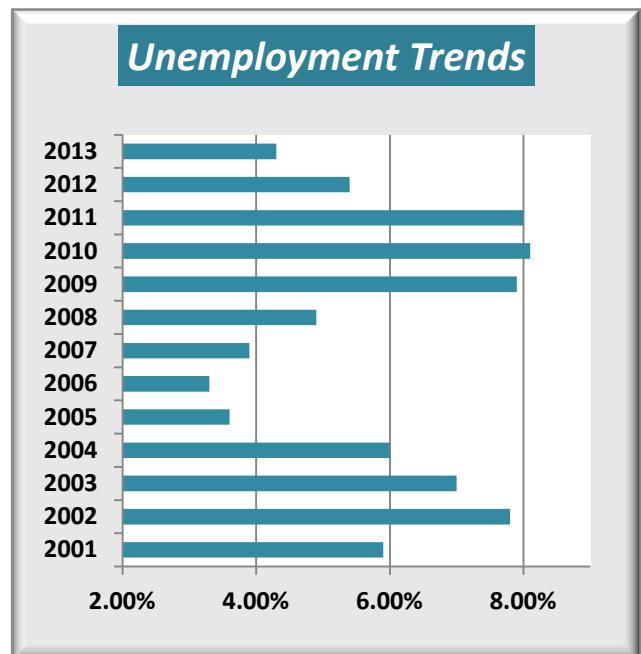
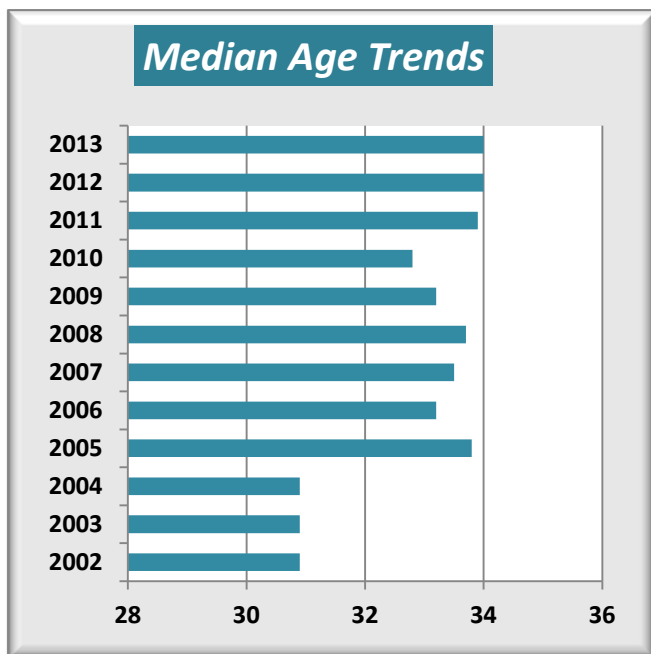
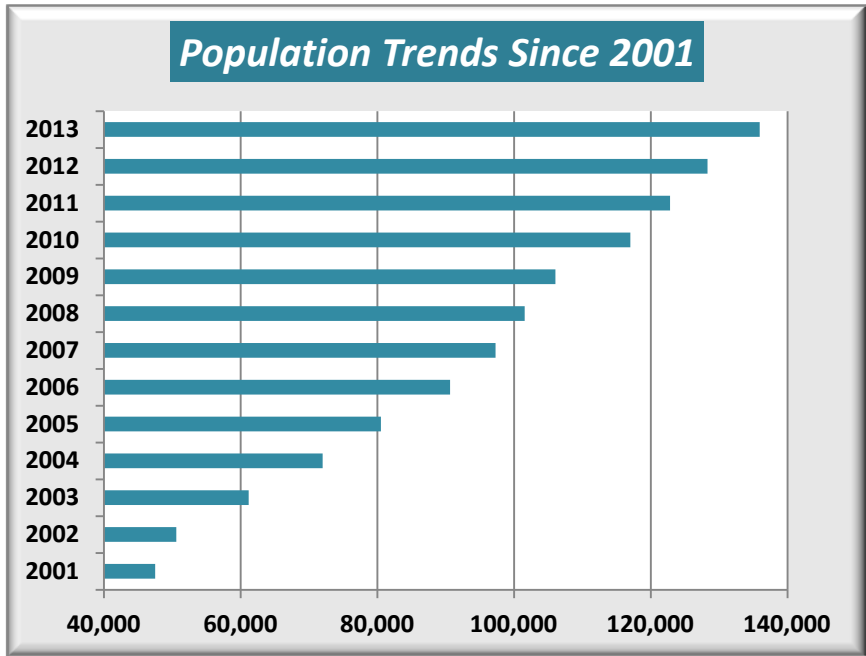
Population		Housing		Economy	
Total Population:	137,330	Total Housing Units:	49,240	Median HH Income:	\$111,690
Males:	50%	Single Family:	82.5%	<i>Workforce Estimate:</i>	66,400
Females:	50%	Multi-Family or Mixed Use:	17.5%	<i>Educational Attainment:</i>	
Median Age:	34	Other:	0.6%	High-School / GED:	96.5%
Children:	33.3%	Housing Unit Types 		Bachelor's or greater:	58.7%
Under 5	8.9%			<i>Unemployment Rate:</i>	4.3%
5 - 17	24.3%			<i>Top Occupations:</i>	
Adults (18 - 64):	60.5%			Mgmt, Science, Bus:	54.9%
Seniors (65+):	6.2%	Tenure Type: Owner Units: 74.4% Rental Units: 25.5%	Households (HH): Married Couple: 67.8% w/children 42.8% w/o children 25.0% Single Person: 15.5% Other: 16.7% Seniors: 13.2% w/Child(ren): 53.0% Single Parent: 8.6%	Sales & Office:	26.9%
Population w/Disability:	5.2%			Service:	11.3%
Seniors w/Disability	26.2%			<i>Average Commute (minutes)</i>	27.6
Population by Age Groups 		<i>Method of Commute:</i>		Drive Alone:	80.6%
		<i>Median SF Appraisal:</i>		Carpool:	7.2%
		Median Monthly Mortgage:		Public Transit:	0.3%
		Median Monthly Rent		Work at Home:	10.5%
Minority Population:	34.4%			Median SF Appraisal:	\$300,620
White Alone:	65.6%			Median Monthly Mortgage:	\$2,080
Black Alone:	7.7%			Median Monthly Rent	\$1,250
Asian Alone:	10.0%			<i>Housing Burden (>30% Income)</i>	
Hispanic (Any Race):	12.7%			Homeowner:	20.7%
Other:	4.0%			Renter:	41.0%
				<i>Poverty Rate:</i>	4.5%
				Families:	3.8%
				Children:	5.9%
				Seniors:	1.7%

Source: City of Frisco Development Services Annual Report www.friscotexas.gov

POPULATION AND DEMOGRAPHIC TRENDS

Frisco continues to experience a substantial population growth and has been considered one of the fastest growing cities in the U.S. over the past ten years.

U.S. Census Counts	
1910	332
1920	733
1930	618
1940	670
1950	736
1960	1,184
1970	1,845
1980	3,420
1990	6,138
2000	33,714
2010	116,989



ECONOMIC DEVELOPMENT

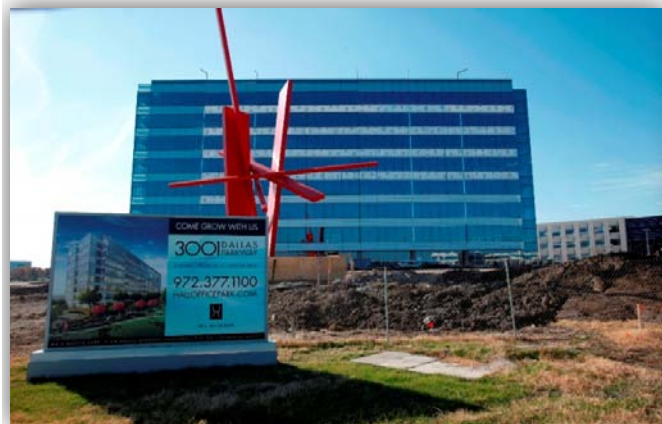
Frisco is home to a diversified group of companies. The Frisco Economic Development Corporation (FEDC) continues implementing concepts identified in the comprehensive economic development strategy adopted in 2010. The areas of industry focus are: Computers & Electronics, Medical Services, Telecommunications, Financial Services, Software & Media, Entertainment & Recreation and Renewable Energy. Also included in the strategy are four major focus goals for the FEDC:

- Attract jobs from outside the DFW metroplex;
- Retain & expand local businesses;
- Enhance Frisco's innovation culture through entrepreneurship;
- Improve product readiness & competitiveness.

For FY13, the FEDC facilitated 20 new projects in Frisco, potentially filling or adding over 2.6 million square feet, with a estimated capital investment exceeding \$1 billion and potentially creating/retaining over 3,100 jobs.

Summary of FEDC Projects for FY 2013

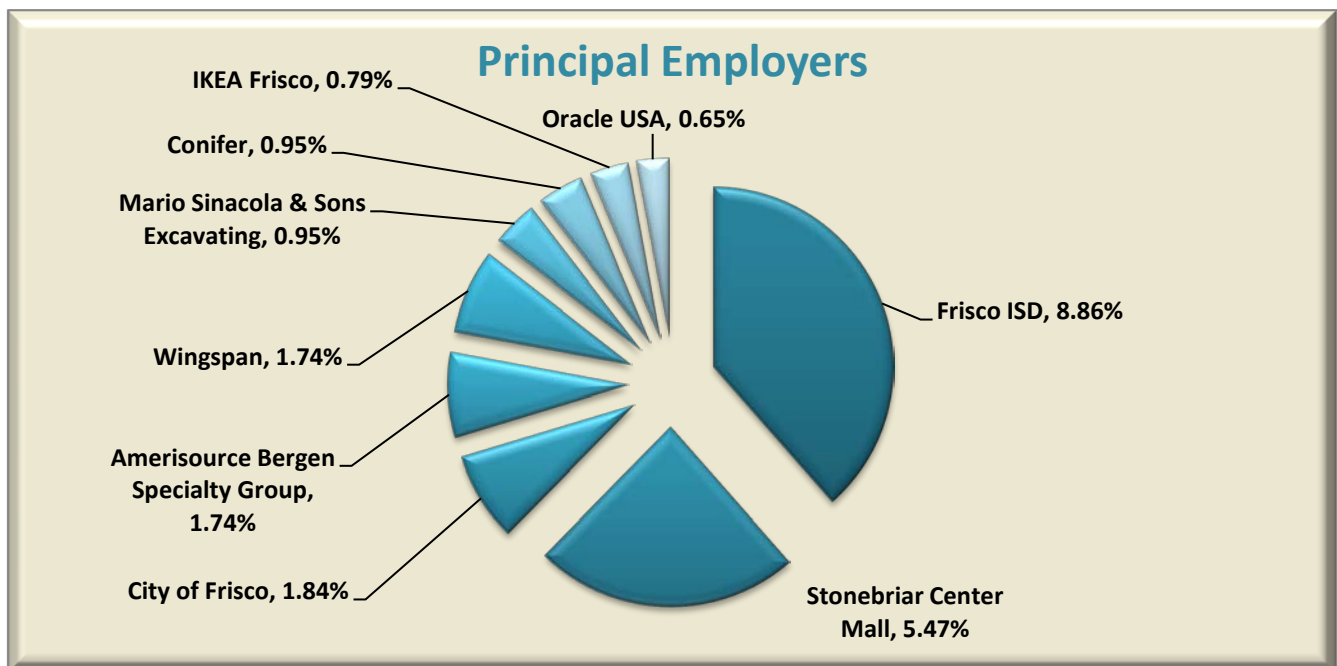
Year	Number of Projects	Potential Square Feet	Potential Capital Investment	Potential Direct Jobs Created/Retained
Q1	4	1,578,500	\$919,000,000	1125
Q2	2	22,965	\$2,780,000	21
Q3	7	354,244	\$67,323,000	1225
Q4	7	684,081	\$85,590,000	791
Total YTD	20	2,639,790	\$1,074,693,000	3,162



CORPORATE PRESENCE

The City added two new companies to our community during the year: Provident Payment Solutions and Telligent Systems. We also had several of our local companies expand their office space. Conifer Health Solutions, Call-Em-All, Novus Health Services and Cornerstone Automation Systems were all retained and expanded during the year.

New development included: Forest City - Frisco North, a 320 acre, master mixed-use development; Rochester Frisco Medical, a retail/medical facility; Frisco Gun Club, a 43,000 square-foot facility with the largest indoor gun range in the United States; Skygroup Investments (dba iFLY), an indoor skydiving entertainment facility, the first in North Texas; and Blue Star HQ, Inc., a mixed-used development that will feature the Dallas Cowboys World Corporate Headquarters and Training Facility and will also be used by the school district and community for many different events.



Looking forward, the City anticipates continued development interest and investment as our business attraction and retention efforts, as well as our schools, public safety, infrastructure and parks systems make Frisco one of the best places to locate and grow a business or raise a family.



EDUCATIONAL FACILITIES

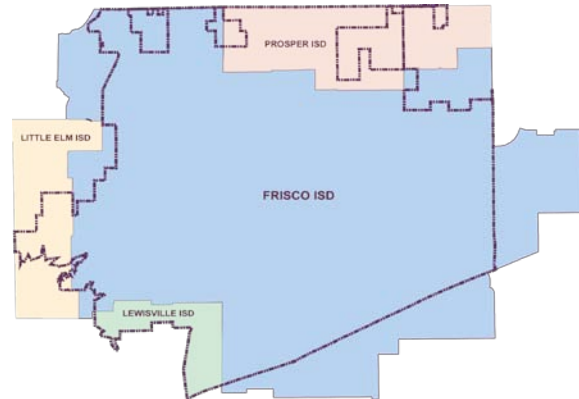
School-Aged Population

Children make up one-third of the population of Frisco. Approximately 24% are school-aged children, with another 9% under five years old. 53% of Frisco households have one or more children, with 43% of households married with children.

Frisco is served by four school districts, primarily the Frisco Independent School District (FISD). All four districts have seen growth from construction in Frisco. Educational facilities continue to open to meet the needs of our rapidly growing population.

NEW SINGLE-FAMILY PERMITS BY SCHOOL DISTRICT

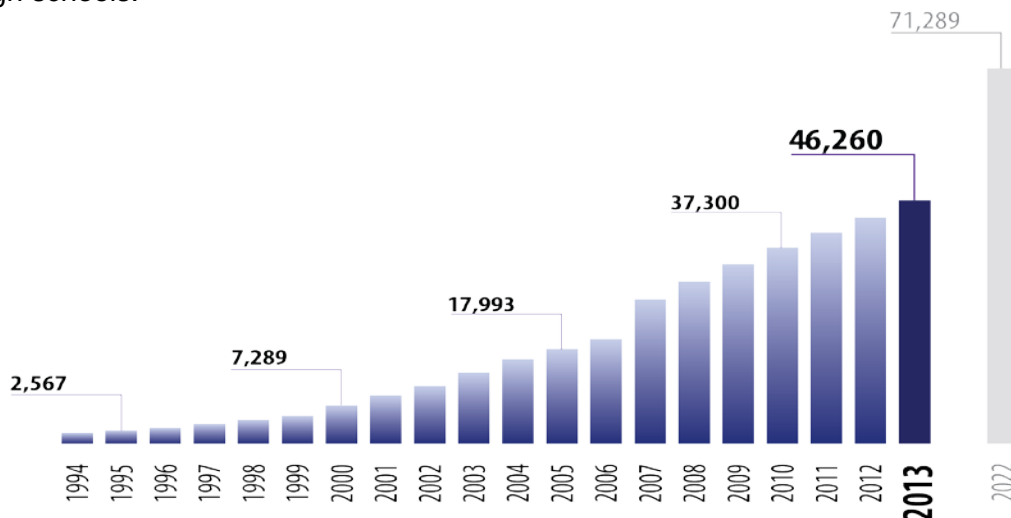
	2010	2011	2012	2013
FRISCO	990	1,079	1,310	1,874
LITTLE ELM	205	151	210	216
PROSPER	80	49	47	98
LEWISVILLE	9	23	11	27
	1,284	1,302	1,578	2,215



FISD Enrollment History & Projections

Frisco Independent School District (FISD) had an enrollment of over 46,000 students as of January 6, 2014, up 7.8% from the prior year (see student enrollment chart below).

FISD has several new schools under construction. A new high school is set to open in August of 2014, along with 4 new elementary schools. Another elementary school is planned to open in the Fall of 2015. Prosper ISD has one new elementary school under design. FISD is proposing a Bond election for 2014 that includes 8 new elementary schools, 3 middle schools, and 3 high schools.



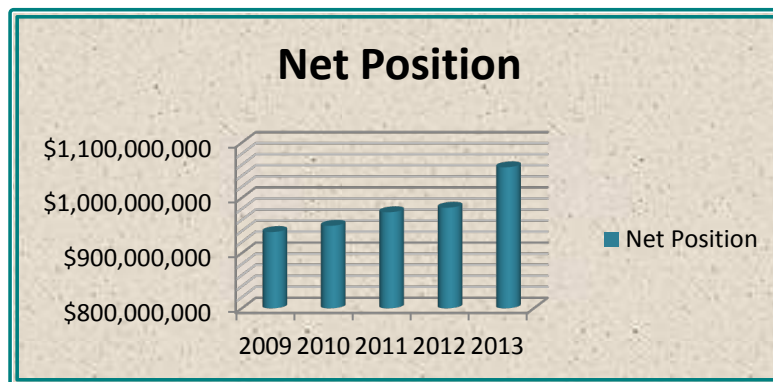
Source: City of Frisco Development Services Annual Report www.friscotexas.gov

GOVERNMENT-WIDE STATEMENT OF NET POSITION

Government-wide financial statements provide financial information about the City as a whole. The government-wide focus is on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period for governmental activities and business-type activities.

<i>Summary Statement of Net Position - 5 year Analysis</i>					
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
ASSETS	\$ 1,710,011,787	\$ 1,608,208,729	\$ 1,631,533,265	\$ 1,638,443,923	\$ 1,645,137,750
LIABILITIES	654,530,778	625,938,922	657,451,026	688,935,567	706,901,795
NET POSITION					
Net Investment in capital assets	925,126,294	871,045,696	877,640,841	868,322,920	859,082,251
Restricted	22,282,772	17,046,486	14,810,125	13,910,449	11,862,314
Unrestricted	108,071,943	94,177,625	81,631,273	67,274,987	67,291,390
Total Net Position	\$ 1,055,481,009	\$ 982,269,807	\$ 974,082,239	\$ 949,508,356	\$ 938,235,955

Net Position, the amount that assets exceed liabilities, may serve over time as a useful indicator of a City's financial position. It is a snapshot of the City's entire resources and obligations, or net worth, at the close of the fiscal year. The City of Frisco's combined net position is \$1.055 billion as of September 30, 2013, which consists of \$816 million in governmental activities and \$239 million in business-type activities.



The three components of net position are:

Net Investment in Capital Assets, represent the City's investment in land, buildings, improvements other than buildings, machinery, equipment, vehicles and construction in progress, less unspent bond proceeds.

Restricted assets represent external restrictions imposed by creditors, grantors, contributors, or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted assets represent assets that may be used to meet the City's ongoing obligations to citizens and creditors.

GOVERNMENT WIDE-STATEMENT OF ACTIVITIES

Summary Statement of Activities - 5 year Analysis					
REVENUES	2013	2012	2011	2010	2009
General:					
Property tax	\$ 69,014,412	\$ 67,161,904	\$ 64,673,844	\$ 65,648,801	\$ 61,909,279
Sales tax	29,158,661	24,489,084	21,852,287	20,068,824	18,753,757
Other tax	30,448,373	33,053,515	32,276,834	29,867,176	28,586,689
Investment & other	722,397	692,414	715,991	1,235,989	4,824,259
Program:					
Charges for services	95,659,529	84,119,979	83,484,121	75,197,468	65,928,452
Grants and contributions	81,349,065	20,120,558	34,769,478	26,539,712	58,479,668
Total revenue	306,352,437	229,637,454	237,772,555	218,557,970	238,482,104
EXPENSES					
Total expenses	233,141,235	221,449,886	213,198,672	207,285,569	196,344,405
Change in net position	73,211,202	8,187,568	24,573,883	11,272,401	42,137,699
Net position, beginning	982,269,807	974,082,239	949,508,356	938,235,955	896,098,256
Net position, ending	\$ 1,055,481,009	\$ 982,269,807	\$ 974,082,239	\$ 949,508,356	\$ 938,235,955

The **Statement of Activities** presents information showing how the government's net position changed during the most recent fiscal year. All revenues and expenses are taken into account as soon as the underlying event, regardless of the timing of related cash flows. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

FUNDS

The City utilizes several different fund types to track financial activity. Descriptions of the most common are :

General Fund - The chief operating fund of the local government. Generally accepted accounting principles prescribes that the general fund be used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Accounts for proceeds of specific sources that are legally restricted or have been restricted for specific purposes.

Capital Project Funds - Accounts for major capital acquisition and construction activities.

Debt Service Funds - Accounts for the accumulation of resources and the payment of general long-term debt.

Enterprise Funds- Accounts for services financed by fees charged for goods and services. Financially managed like a business and referred to as business-type activities.

REVENUE CLASSIFICATIONS

General: Taxes - Property taxes (ad valorem) are the largest revenue source for the City. Sales tax, franchise tax from utilities and mixed beverage taxes are also collected by the City. Details for the major governmental revenue sources can be found on the following pages of this report.

Program: Charges for Services - Revenues in this classification include our permits and licenses fees, ambulance and public safety fees, parks and recreation user fees, rentals, utility fees for water, sewer, garbage, and stormwater.

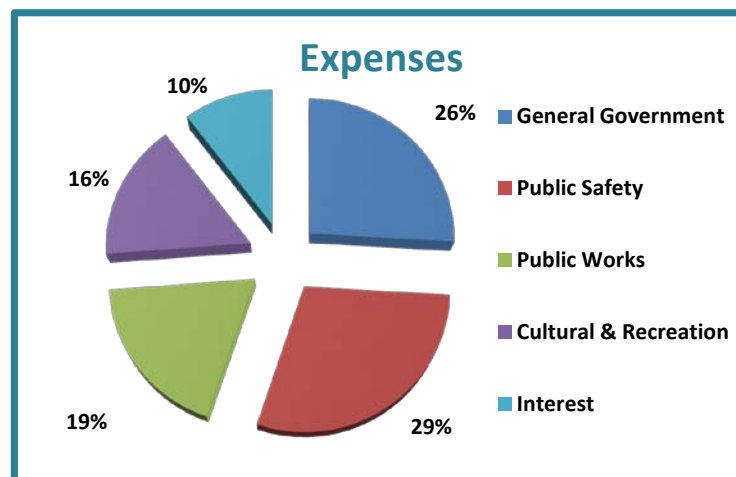
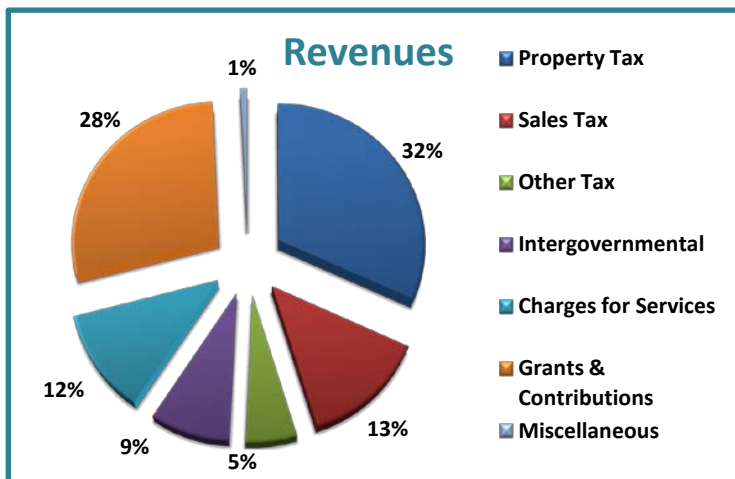
Program: Grants & Contributions - Revenues in this classification include any grants we have received during the year. Contributions include the developer contributions for infrastructure (roads and utilities), impact fee collections, assessment fee collections and various smaller donations for operations.

GOVERNMENTAL ACTIVITIES ANALYSIS

The City's governmental totals include the general fund, special revenue funds, capital project funds, and debt service funds; while business-type include the enterprise funds. The information below provides a short-term view of government operations and illustrates how services are financed.

The majority of the City's basic services, such as police, fire, libraries, parks, recreation, development, public services and operations, public works, technology services, and general administration are reported in governmental funds. Property taxes, sales taxes, and franchise fees finance most of these activities. Governmental funds focus on how money flows in and out of those funds and the balances left at year end that are available for spending. The City of Frisco maintains 15 individual governmental funds. As of September 30, 2013, the City of Frisco's governmental funds reported a combined ending fund balance of \$137 million, an increase of \$17 million in comparison to the prior fiscal year.

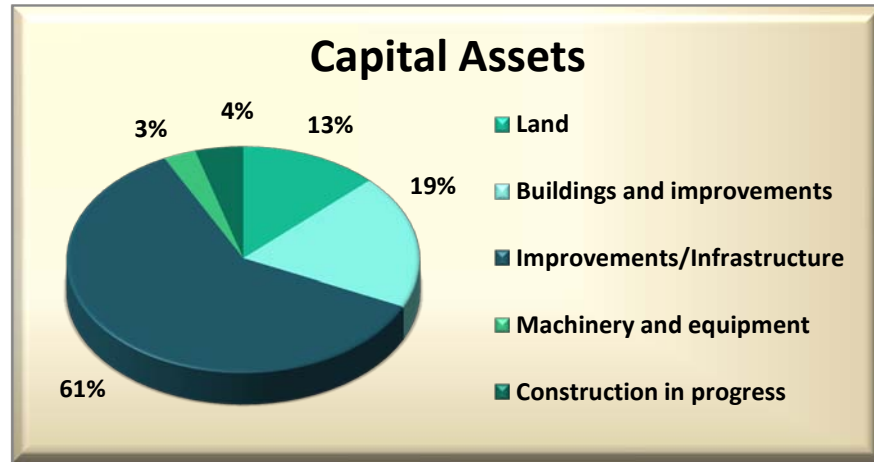
Total revenues for governmental activities increased when compared to the prior year by \$55 million. General revenue had a net increase of \$4 million attributed to an increase in property tax revenue and sales tax collections. Program revenues had an increase of \$51 million where we saw charges for services increase for recreation fees and building permits, and we saw major increases in capital contributions due in part to increases in developer contributions and intergovernmental revenue recognized for capital projects. Total expenses for governmental activities increased \$6.9 million or 4%. Major expenses include salaries and benefits of \$65.5 million or 40%, and depreciation expense of \$45.2 million or 27%.



CAPITAL ASSETS - WHAT WE OWN

By far, the largest portion of the City's net position (88%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the liabilities.

As of September 30, 2013, \$1.4 billion, of the City's assets are invested in a broad range of capital assets, such as roads, water & sewer lines, public buildings, park facilities, machinery & equipment and construction in progress.



The last major City Bond Authorization Election was held in 2006, with a small Fire Department Bond Authorization Election held in 2013. The chart below summarizes the unissued authorized general obligation bonds remaining by proposition.

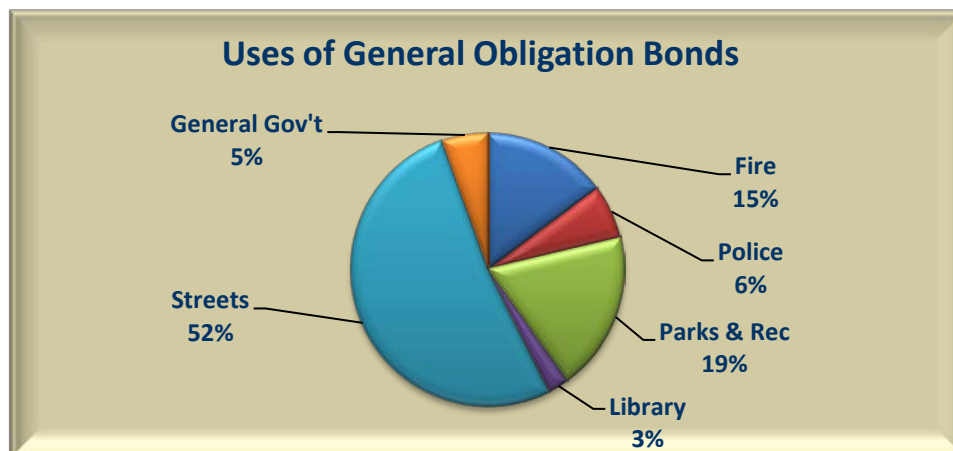
Authorized/Unissued Bonds							
	Voted Bonds	FY 2006	FY 2007	FY 2008	FY 2011	FY 2013	Unissued Balance
Election May 13, 2006							
Fire Dept Facilities (Prop. 1)	20,000,000	-	6,500,000	-	8,000,000	5,500,000	-
Police Dept Facilities (Prop. 2)	3,500,000	2,000,000	-	-	-	-	1,500,000
Public Safety Comm System (Prop.3)	8,000,000	-	-	8,000,000	-	-	-
Street Improvements (Prop. 4)	100,000,000	30,000,000	30,000,000	16,000,000	-	12,000,000	12,000,000
Branch Library (Prop. 5)	8,000,000	-	-	-	-	-	8,000,000
Heritage Center (Prop. 6)	2,000,000	2,000,000	-	-	-	-	-
Senior Center Facility (Prop. 7)	2,500,000	-	-	-	-	-	2,500,000
Community Cultural Arts & Science Center (Prop. 8)	5,000,000	-	-	1,000,000	-	-	4,000,000
Public Parking Facilities (Prop. 9)	4,000,000	4,000,000	-	-	-	-	-
Improv & Renov Frisco Muni Complex (Prop. 10) (not issued)	1,000,000	-	-	-	-	-	-
Parks, Trails & Rec Fac (Prop. 11)	21,500,000	-	5,000,000	-	-	-	16,500,000
Dev of Grand Park (Prop. 12)	22,500,000	12,000,000	-	-	-	-	10,500,000
Remaining 2006	198,000,000	50,000,000	41,500,000	25,000,000	8,000,000	17,500,000	55,000,000
Election May 13, 2013							
Fire Dept Facilities (Prop. 1)	8,000,000	-	-	-	-	8,000,000	-
Total Authorized/Unissued Bonds	206,000,000	50,000,000	41,500,000	25,000,000	8,000,000	25,500,000	55,000,000

LONG TERM DEBT SERVICE - WHAT WE OWE

As of September 30, 2013, the City's total long-term debt for its governmental and business-type activities amounted to \$594,832,441, which includes all debt for the city.



The chart below represents GO bonds issued for each type of City project over the past several years. As you can see, the major expend is to construct new streets.



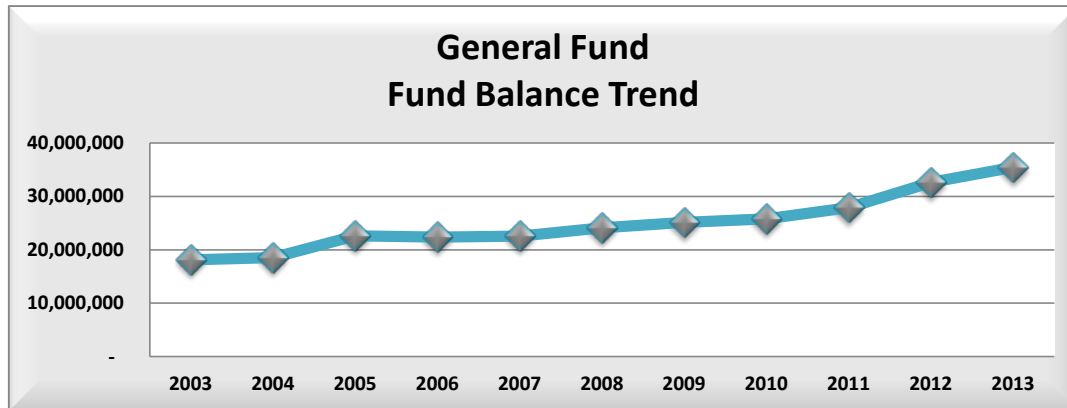
Current Bond Ratings

	Standard & Poor's Corporation	Moody's Investor Services
General Obligation Bonds	AA	Aa1
Certificate of Obligation Bonds	AA	Aa2



GENERAL FUND TRENDS

The fund balance (equity) of the general fund increased \$2.8 million to \$35.4 million from the prior year balance of \$32.6 million. Fund balance is a particularly important measure in the general fund because it reflects the primary functions of the government and includes local tax revenues. At the end of the current fiscal year, unassigned fund balance for the general fund of \$31,295,715 is 35% of total general fund expenditures. City financial policy requires us to maintain at least three months of expenditures or 25% in fund balance.

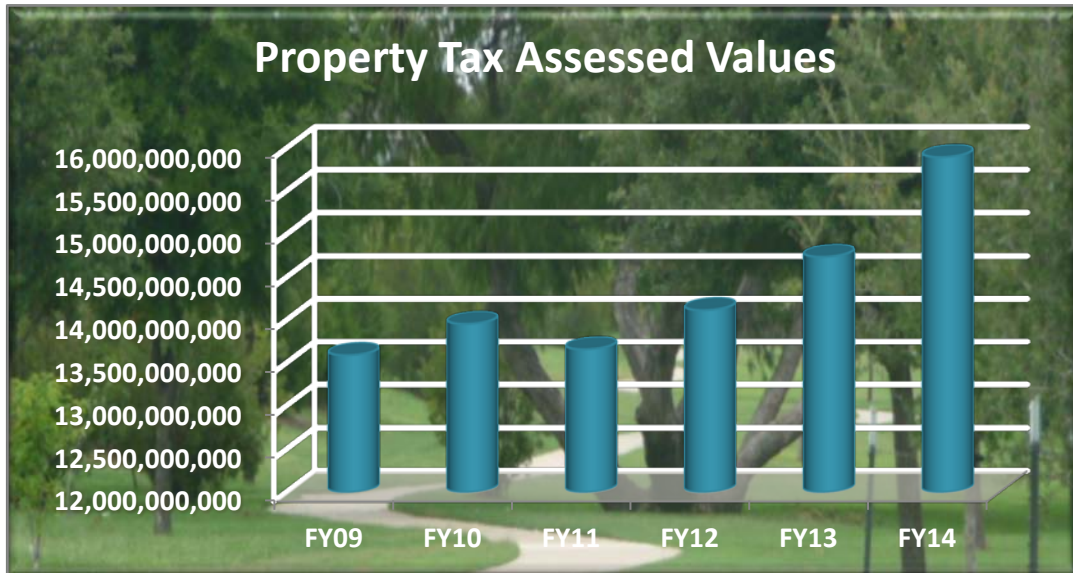


	2013	2012	2011	2010	2009
REVENUES:					
Taxes:					
Property	\$ 38,344,822	\$ 36,360,872	\$ 34,568,461	\$ 34,522,040	\$ 31,507,819
Sales	29,158,661	24,489,084	21,852,287	20,068,824	18,753,757
Franchise	7,472,273	7,590,666	7,752,004	6,949,049	6,984,008
Other	491,559	423,237	520,843	455,675	413,989
Charges for services	19,147,046	16,049,400	15,071,719	13,626,470	12,753,117
Intergovernmental	875,654	944,210	1,321,345	687,885	819,152
Investment earnings	92,730	133,098	113,462	108,386	600,473
Contributions, donations and grants	143,452	194,263	122,443	79,858	36,832
Payments from component units	45,000	25,508	-	10,000	-
Miscellaneous	2,210,177	217,989	201,309	323,924	173,225
Total revenues	<u>97,981,374</u>	<u>86,428,327</u>	<u>81,523,873</u>	<u>76,832,111</u>	<u>72,042,372</u>
EXPENDITURES:					
Current:					
General government	25,215,566	21,229,301	20,900,494	20,659,292	18,710,599
Public safety	42,027,753	39,018,640	36,330,406	34,698,935	32,691,370
Public works	7,078,839	6,477,940	6,209,736	6,086,605	6,456,242
Culture and recreation	12,917,182	12,808,617	12,682,723	11,979,035	11,936,774
Capital outlay	<u>2,692,240</u>	<u>1,803,334</u>	<u>1,791,451</u>	<u>883,773</u>	<u>25,072</u>
Debt service:					
Principal retirement	-	-	718,456	1,586,668	1,373,537
Interest and fiscal charges	-	-	-	99,837	179,123
Total expenditures	<u>89,931,580</u>	<u>81,337,832</u>	<u>78,633,266</u>	<u>75,994,145</u>	<u>71,372,717</u>
	<u>8,049,794</u>	<u>5,090,495</u>	<u>2,890,607</u>	<u>837,966</u>	<u>669,655</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of assets	76,962	98,334	38,675	42,693	90,727
Transfers in	729,498	722,080	728,583	742,624	726,656
Transfers out	<u>(6,043,503)</u>	<u>(1,182,294)</u>	<u>(1,544,607)</u>	<u>(3,880,265)</u>	<u>(463,469)</u>
Total other financing sources and uses	<u>(5,237,043)</u>	<u>(361,880)</u>	<u>(777,349)</u>	<u>(3,094,948)</u>	<u>353,914</u>
Net change in fund balances	2,812,751	4,728,615	2,113,258	(2,256,982)	1,023,569
Fund balances, beginning	32,598,464	27,869,849	25,756,591	25,106,113	24,082,544
Fund balance restatement GASB 54	-	-	-	2,907,460	-
Fund balances, ending	<u>\$ 35,411,215</u>	<u>\$ 32,598,464</u>	<u>\$ 27,869,849</u>	<u>\$ 25,756,591</u>	<u>\$ 25,106,113</u>

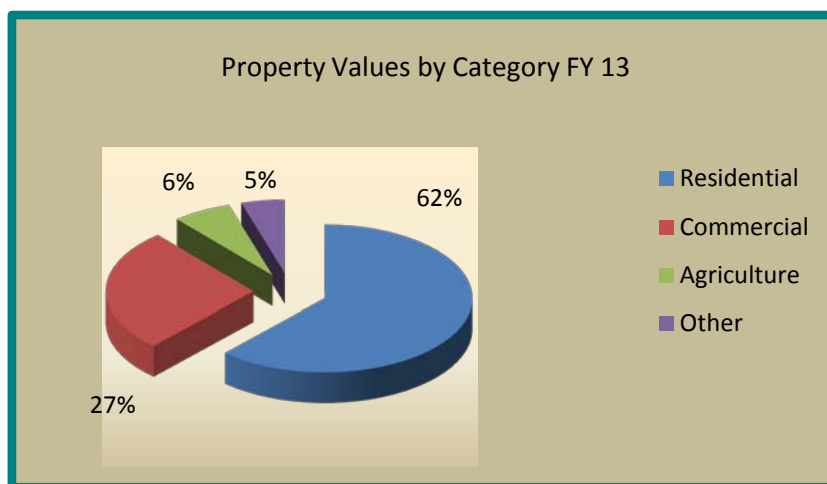
REVENUE SOURCES - PROPERTY TAX

Ad valorem property tax collections for operations and debt service are the City's largest revenue source and were \$69 million for FY 13. The Appraisal District's assessed value for the tax roll on January 1, 2012, (which the 2013 levy was based), totaled \$14.7 billion. This tax roll included \$459.4 million in new property and an increase of \$164 million or 1.16%, in existing property values. Overall, the January 1, 2012 tax roll increased \$623.4 million or 4.42% over the prior year. For illustration, we have also included our FY 14 assessed values of \$15.9 billion, an increase of 7.85% over FY 13.

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation.



89% of Frisco's property tax value is the combination of single-family residence and commercial real property. The City's top five taxpayers are Stonebriar Mall LTD, BPR Shopping Center, Tenet Frisco, Hall Office Portfolio and Specified Properties with a combined taxable value of \$549 million.



REVENUE SOURCES - PROPERTY TAX RATES

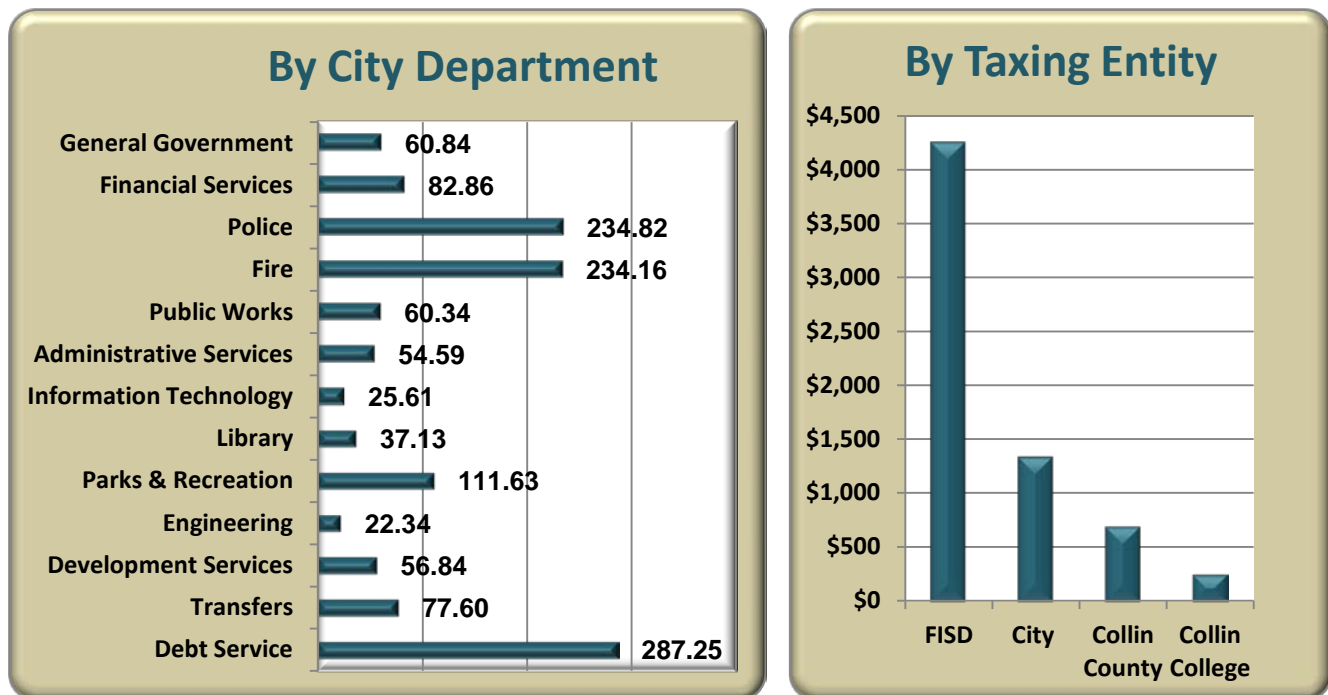
Frisco's tax rate was 46.191 cents per \$100 of assessed valuation for FY13. The total tax rate includes 27.2957 cents for operations and maintenance (O&M) with 18.8953 cents for debt service (I&S). Frisco continues to offer one of the lowest municipal tax rates in the area, based on a property tax base of \$14.7 billion, with a \$60,000 exemption for Seniors Over 65.

Where the Money Goes



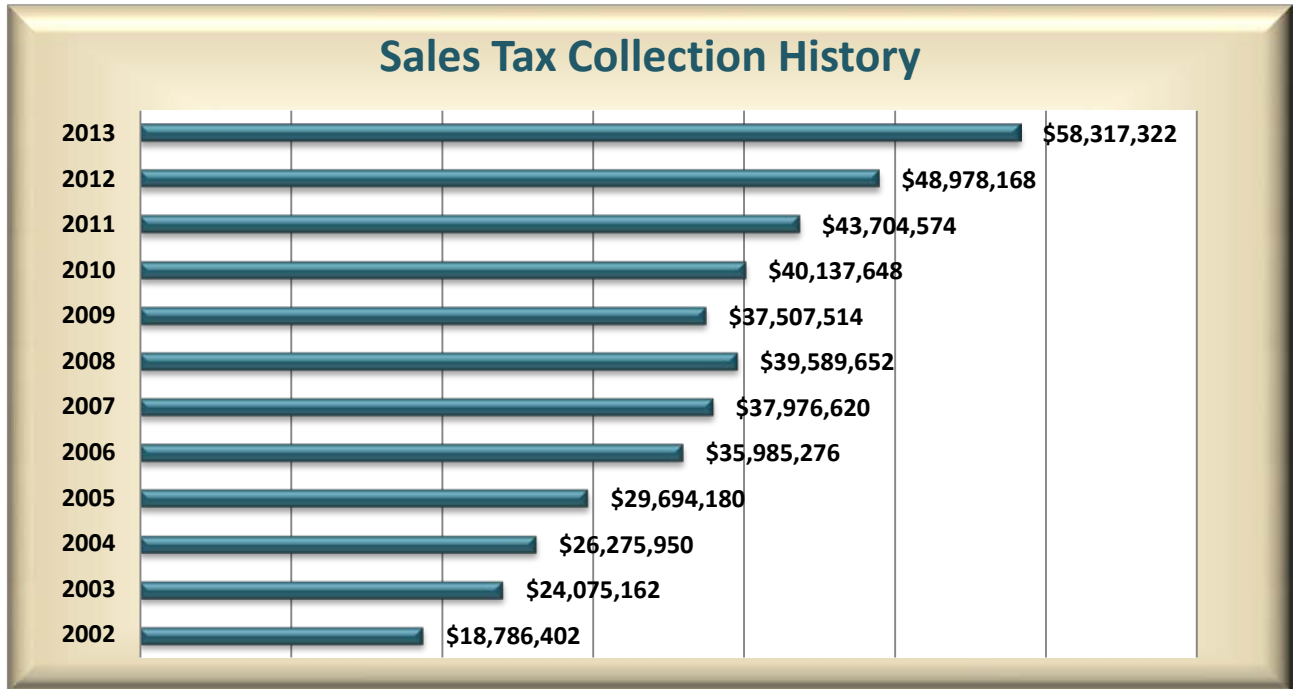
Value for Your Tax Dollars

The annual residential property tax bill for an average home valued at \$291,431 in Collin County, Frisco ISD was \$6,552. The City's share is \$1,346 per year or \$112.16 per month. The charts below show how much of the annual City tax bill is allocated to each department and then to each taxing entity.

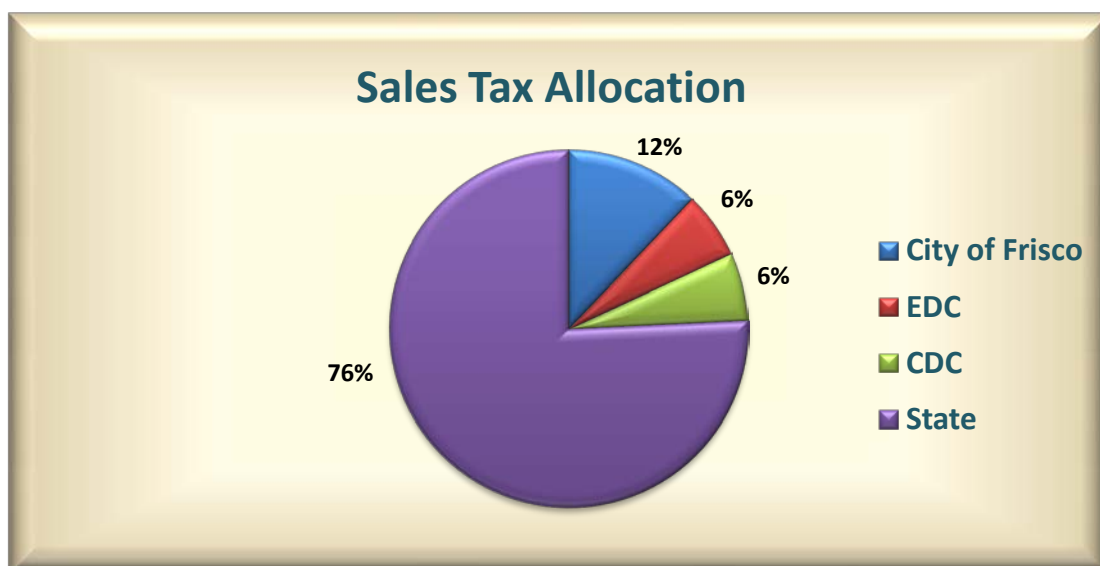


REVENUE SOURCES - SALES TAX COLLECTIONS

Total Sales Tax collections were over \$58 million for FY13, an increase of 12% over the prior fiscal year. The increase is due to overall collection increases particularly in retail and includes the 1% collected for our Type A and Type B Corporations (our component units).



The City's local portion of 1% of the 8.25% sales tax is used to fund the City's general fund expenses. The other 1% is used to fund our Type A & Type B corporations at .50% for economic development and park development. Sales tax collections are produced from Frisco's sizeable retail base, including a regional shopping mall, hundreds of specialty shops/boutiques and several other major retailers located in the City.

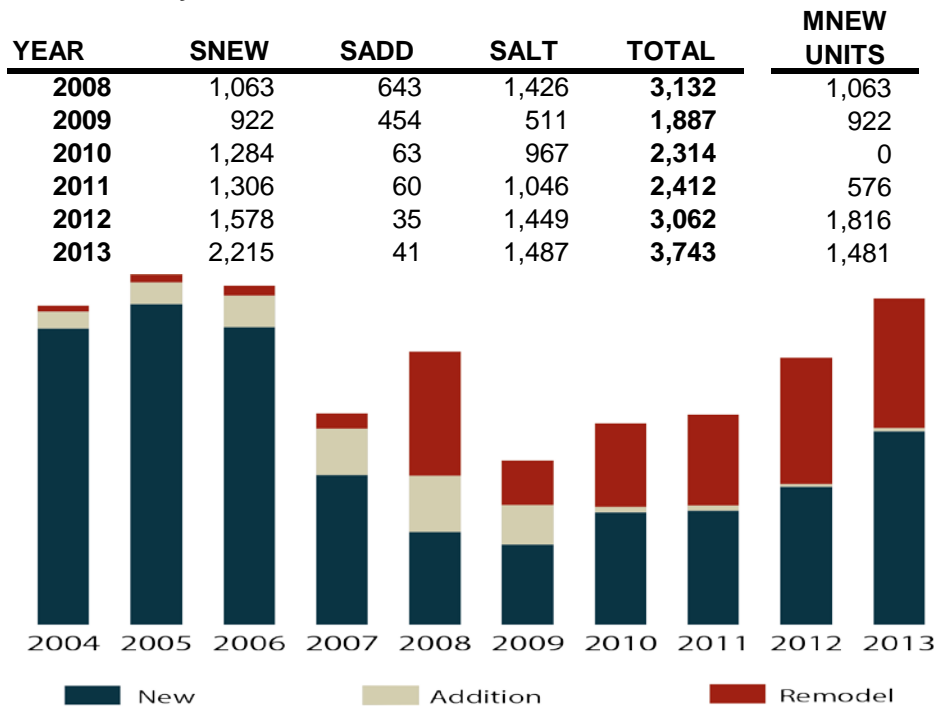


REVENUE SOURCES - BUILDING PERMITS

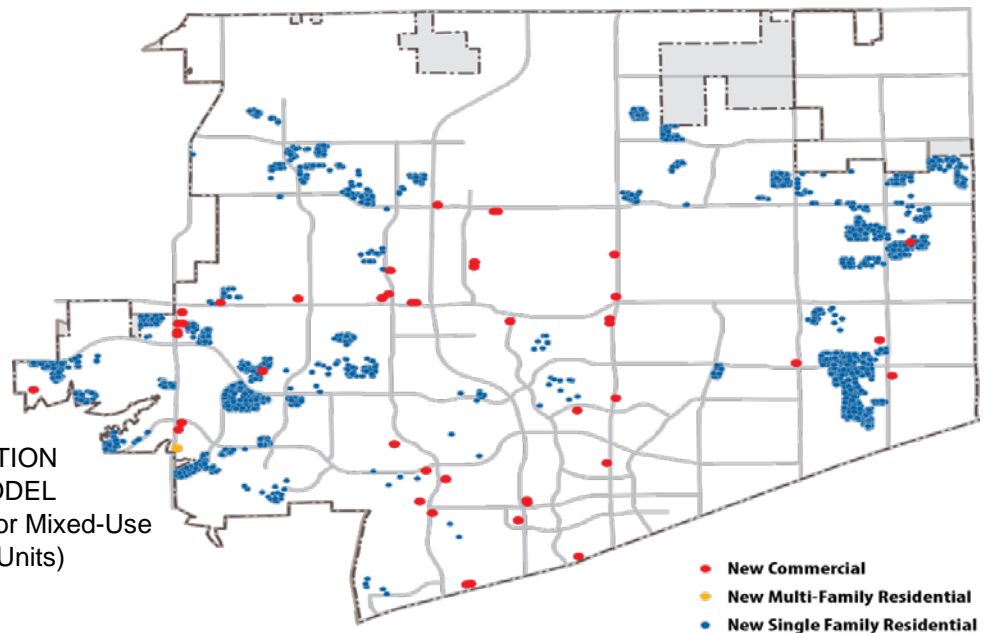
Residential Development - 2013 Residential Permit Activity

New Single-Family (SF) construction activity increased again in 2013, with 2,215 new permits issued compared to 1,578 in 2012. The City issued five multi-family permits in 2013 - one multi-family project (134 units) and four mixed-use projects (1,347 units).

Permit History



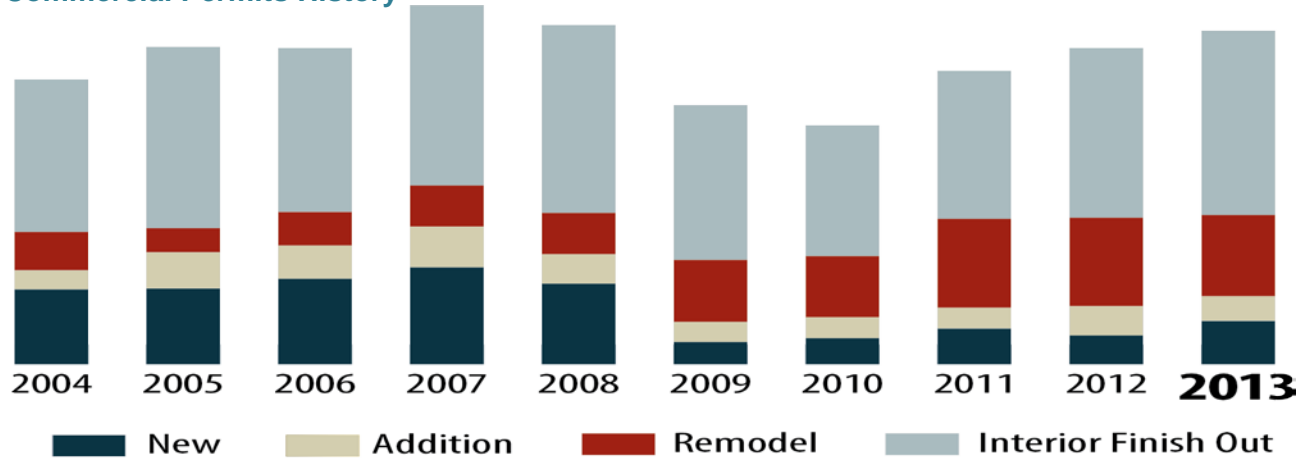
SNEW = NEW Single-Family
SADD = Single-Family ADDITION
SALT = Single-Family REMODEL
MNEW = NEW Multi-Family or Mixed-Use Residential (Shown as Total Units)



Source: City of Frisco Development Services Annual Report www.friscotexas.gov

REVENUE SOURCES - BUILDING PERMITS

Commercial Permits History

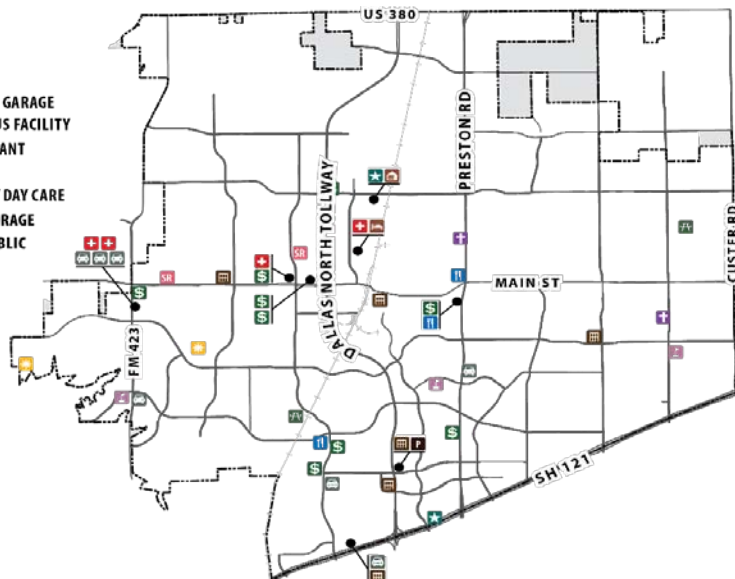


YEAR	CNEW	CADD	CALT	CIFO	TOTAL
2008	84	1,201,971	39	2,531,351	356
2009	23	533,514	21	397,140	275
2010	27	737,898	22	148,367	253
2011	37	1,032,777	25	55,420	312
2012	30	815,653	31	70,777	331
2013	45	1,425,761	26	273,283	349

2013 Commercial Permits Issued

2013 PERMITS FOR NEW COMMERCIAL

- AMUSEMENT
- ASSISTED LIVING
- AUTOMOTIVE
- HOTEL
- MEDICAL OFFICE
- OFFICE
- PARK
- PARKING GARAGE
- RELIGIOUS FACILITY
- RESTAURANT
- RETAIL
- SCHOOL / DAY CARE
- SELF-STORAGE
- SEMI-PUBLIC



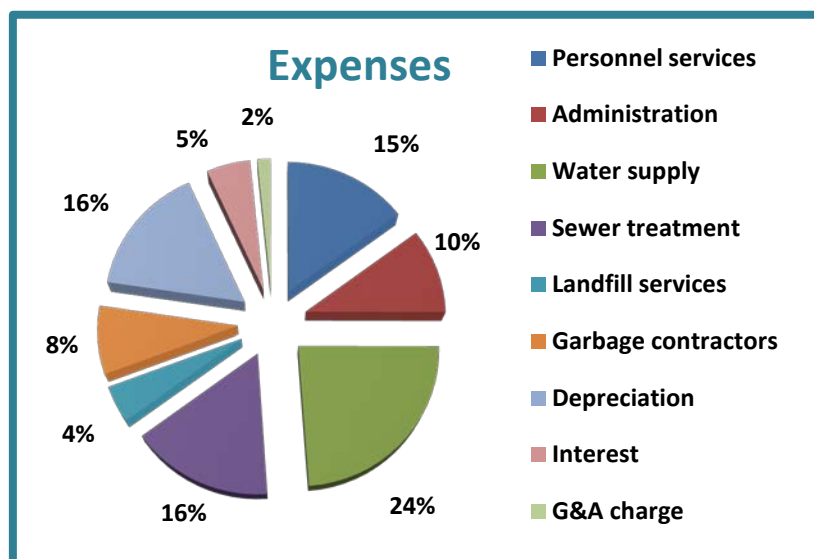
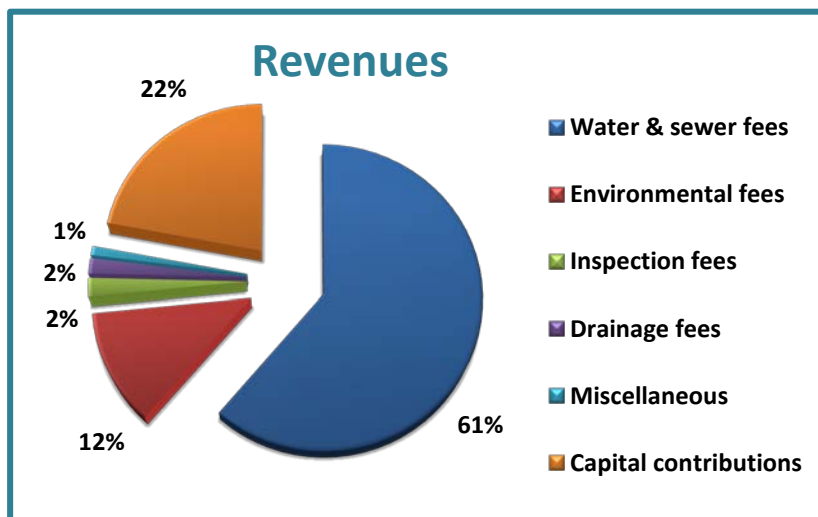
CNEW = New Commercial
 CADD = Addition
 CALT = Remodel
 CIFO = Interior Finish Out

Source: City of Frisco Development Services Annual Report www.friscotexas.gov

BUSINESS-TYPE REVENUES AND EXPENSES

We maintain separate enterprise funds to account for water and sewer, environmental services and stormwater drainage activities. These funds account for "business-type activities", similar to those found in the private sector, that include services funded through user charges.

The City's water and sewer system recorded charges for services of \$57.8 million and impact fees and contributions of \$20 million. Revenues showed an increase during the year due to increases in the sale of water of \$2.5 million and sewer service charges increases of \$2.4 million. Total operating expenses were \$57.5. The most significant expenses of the water and sewer fund were \$16.6 million to purchase water, \$11.1 million for the cost of sewage treatment, \$10.9 million for depreciation and \$9.0 million for salaries and benefits.



BUDGET APPROPRIATIONS FY 2014-LOOKING AHEAD

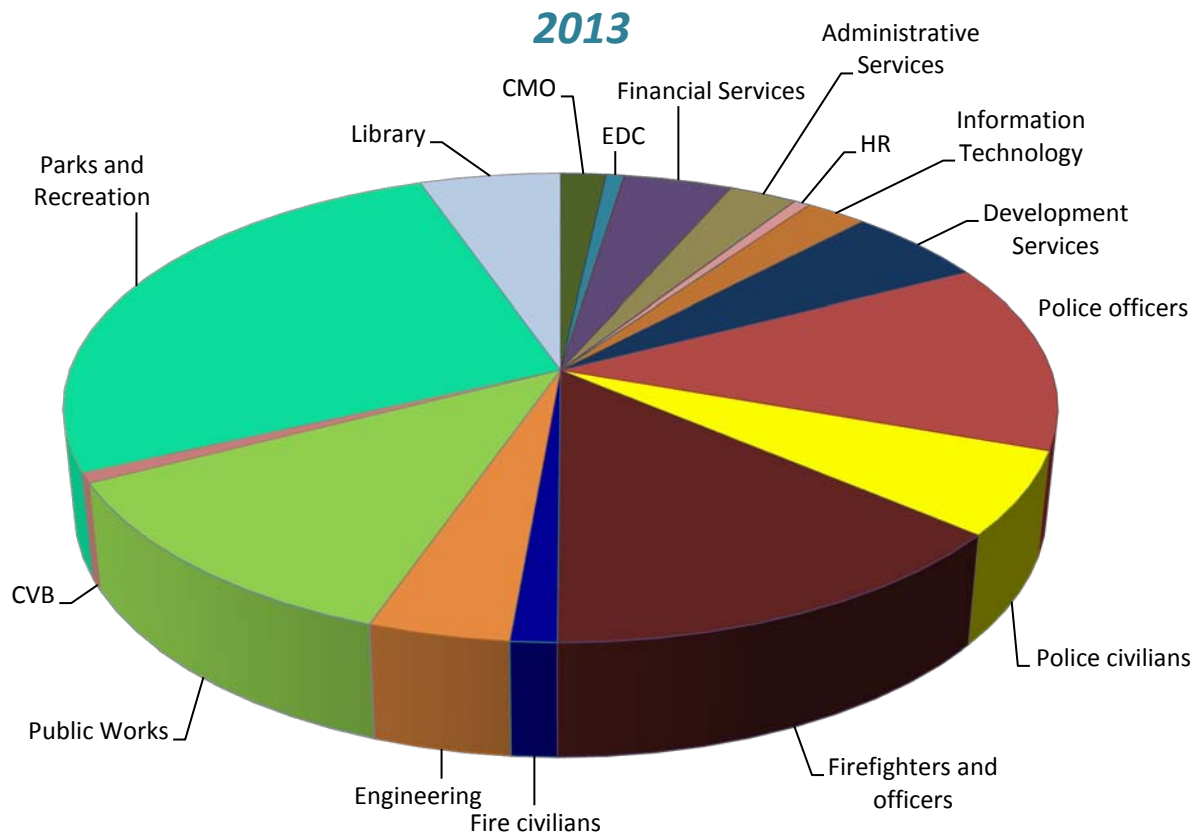
Fund Title	Estimated Beginning Balance 10/01	Revenues by Type						Expenses by Object				Estimated Ending Balance 9/30
		Taxes	Licenses & Permits	Fees	Interest	Miscellaneous	Interfund Transfers In	Salary & Benefit	Service & Commodity	Capital Outlay	Interfund Transfers Out	
General Fund	27,430,638	86,168,188	6,156,500	9,831,412	101,000	1,664,001	1,575,746	70,718,598	31,205,371	2,814,542	503,140	27,685,834
Insurance Reserve Fund	3,056,410	-	-	-	4,000	-	-	-	-	-	-	3,060,410
Downtown Improvement Fund	201,791	-	-	87,900	150	-	-	-	28,972	-	-	260,869
Special Events Fund	193,809	-	-	225,000	-	75,000	25,000	-	212,500	46,925	-	259,384
Workforce Housing Fund	485,258	-	-	-	4,000	-	-	-	32,300	-	-	456,958
Public Arts Fund	287,386	-	-	-	600	-	24,850	-	25,450	-	-	287,386
Superdome Fund	1,740,959	-	-	-	5,000	-	-	-	80,004	-	-	1,665,955
TIRZ #1 Fund	3,214,982	4,730,844	-	17,803,522	2,000	4,260,445	3,051,366	-	12,105,761	-	17,005,613	3,951,785
Court Technology Fund	438,994	-	-	196,500	1,000	-	-	-	130,195	-	108,000	398,299
Traffic Control Enforcement	160,332	-	-	336,572	136	-	-	-	220,980	-	-	276,060
Hotel/Motel Tax Fund	441,867	3,468,522	-	-	1,000	419,500	-	972,030	561,975	894,193	1,477,925	424,766
Frisco Square MMD Fund	-	-	-	-	-	490,292	-	-	-	-	490,292	-
Panther Creek PID Fund	6,242	-	-	140,000	75,000	-	-	-	-	-	215,000	6,242
Grants Fund	-	-	-	-	-	4,103,525	80,000	-	3,048,675	-	1,134,850	-
CDBG Fund	-	-	-	-	-	404,928	-	-	404,928	-	-	-
Public Television Franchise Fund	758,681	332,000	-	-	500	-	-	-	-	331,261	-	759,920
Capital Projects Fund	1,210,332	-	-	-	-	130,488,000	17,408,140	-	-	147,245,174	44,670	1,816,628
Capital Reserve Fund	3,347,544	-	-	-	3,500	-	350,000	-	-	-	-	3,701,044
Thoroughfare Impact Fee Fund	14,519,922	-	-	-	-	-	-	-	-	-	1,000,000	13,519,922
Park Dedication Fee Fund	8,009,895	-	-	-	-	-	-	-	-	-	-	8,009,895
Debt Service Fund	4,541,502	26,777,386	-	-	20,000	5,668,760	17,910,904	-	50,735,169	-	-	4,183,383
Utility Fund	30,287,384	-	-	61,628,483	17,000	199,200	2,217,736	10,658,629	51,511,998	1,412,653	-	30,766,523
Utility Capital Projects Fund	2,789,854	-	-	-	-	-	-	-	-	-	-	2,789,854
Utility Impact Fee Fund	16,374,858	-	-	-	-	-	-	-	-	-	2,000,000	14,374,858
Stormwater Fund	345,738	-	-	1,493,050	500	-	-	731,477	487,040	50,890	205,043	364,838
Environmental Services Fund	4,680,956	-	-	11,935,857	1,000	-	83,356	706,583	9,763,865	275,892	669,124	5,285,705
Community Development Fund	47,522,404	17,452,882	-	-	24,000	15,696,042	-	-	11,528,676	37,200,000	17,068,518	14,898,134
Economic Development Fund	48,699,365	17,452,882	-	-	44,000	26,566,949	-	963,464	39,295,323	26,446,399	804,923	25,253,087
Charitable Foundation Fund	28,452	-	-	-	-	-	-	-	-	-	-	28,452
Totals	220,775,555	156,382,704	6,156,500	103,678,296	304,386	190,036,642	42,727,098	84,750,781	211,379,182	216,717,929	42,727,098	164,486,191

Total estimated revenues for FY14 include 31% for taxes, 22% for fees charged, 6% for interest income & miscellaneous, 9% for interfund transfers and 33% for bond proceeds to continue the Capital Improvement Program, which is classified above in miscellaneous income.

Services account for 38% of the total expense, with salary and personnel costs totaling 15%. Capital outlay for the new budget year is projected to be 39% of the total outlay with interfund transfers accounting for 8%. This budget added 101 new positions, or 49 FTE.

STAFFING LEVEL HISTORY

Function	Staffing Levels - 5 Year History				
	2009	2010	2011	2012	2013
General government	193	194	197	206	202
Public safety					
Police					
Officers	149	150	146	146	151
Civilians	49	49	58	59	67
Fire					
Firefighters and officers	142	142	140	161	161
Civilians	11	11	13	13	15
Highways and streets					
Engineering	46	46	46	48	46
Maintenance	49	49	49	49	42
Culture and recreation	367	366	355	360	378
Environmental services	12	12	12	12	12
Water	63	63	63	63	61
Sewer	16	16	16	16	19
Stormwater	0	4	6	7	6
Total	1,097	1,102	1,101	1,140	1,160



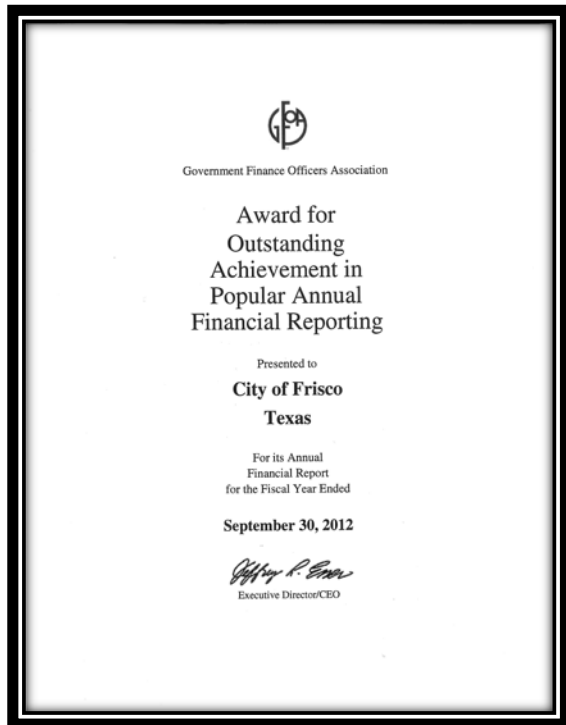
CITY ADMINISTRATORS - DEPARTMENT HEADS - DIVISION MANAGERS

City Manager	George A. Purefoy
Deputy City Manager	Henry J. Hill, III
Assistant City Manager	Ron Patterson
Assistant City Manager	Nell Lange
City Attorney	Richard Abernathy
City Judge	Michael Drewry
City Secretary	Jenny Page
Director of Communications	Dana Baird
Director of Human Resources	Lauren Safranek
Economic Development President	James Gandy
CVB Executive Director	Marla Roe

Director of Financial Services	Anita Cothran
Assistant Finance Director - Controller	Danny Collier
Assistant Finance Director - Budget	Jennifer Hundt
Municipal Court Administrator	Matthew Freeman
Revenue Collections Manager	April Spann
Director of Public Safety	Todd Renshaw
Police Chief	John Bruce
Assistant Police Chief	Darren Stevens
Fire Chief	Mark Piland
Assistant Fire Chief	Paul Siebert
Assistant Fire Chief	Lee Glover
Director of Public Works	Gary Hartwell
Assistant Director - Public Works	Kevin Grant
Business Manager	Danny Carroll
Environmental Services Manager	Jeremy Starritt
Director of Administrative Services	Tom Johnston
Facilities Manager	Gerry Burns
Fleet Services Manager	David McBurnett
Purchasing Manager	Daniel Ford

Director of Information Tech Services	Curt Balogh
Assistant Director - IT	Susan Olson
MIS Computer Technology Manager	Steve LeBlond
Director of Library Services	Shelley Holley
Assistant Director Library Services	Gary Werchan
Assistant Director Library Services	Mayra Diaz
Director of Parks & Recreation	Rick Wieland
Parks Manager	Vacant
Recreation Facilities Manager	Steve Walsh
Recreation Services Manager	Marcy Jones
Parks Planning Manager	Dudley Raymond
Director of Engineering Services	Paul Knippel
Assistant Director of Engineering	Brian Moen
Engineering Services Manager	Lori Chapin
Engineering Services Manager	Jason Brodigan
Chief Construction Inspector	Rick Kvaal
Director of Development Services	John Lettelleir
Chief Building Official	Steve Covington
Planning Manager	John Webb
Code Enforcement Manager	Mike Zapata

ACHIEVEMENTS



The Government Finance Officers Association of the United States and Canada (GFOA) has presented an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Frisco, Texas for its Popular Annual Financial Report for the fiscal year ended September 30, 2012. This was the first Popular Annual Financial Report that the City published.

The City Finance Department has also received two other recognitions from GFOA including the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for the last thirteen years and the Distinguished Budget Presentation Award for our Annual Budget for the past five years.

Our Purchasing Division has received the NPI Achievement of Excellence in Procurement for nine consecutive years. And, finally, the City has participated in the Texas Comptroller Leadership Circle Transparency Program since it was introduced in 2009. We have been recipients of the Gold Award for the past four years.



Contact Information

Main Number	972-292-5000
City Manager	972-292-5105
City Secretary	972-292-5020
Animal Services	972-292-5303
Budget	972-292-5511
Building Inspections	972-292-5301
Code Enforcement	972-292-5302
Communications & Media Relations	972-292-5070
Convention & Visitors Bureau	972-292-5250
Development Services	972-292-5300
Engineering	972-292-5400
Environmental Services	972-292-5900
Finance	972-292-5500
Fire Department (Central Station)	972-292-6300
Frisco Athletic Center	972-292-6600
Frisco Economic Development Corporation	972-292-5150
Health & Food Safety	972-292-5304
Heritage Museum	972-292-5665
Human Resources	972-292-5200
Library	972-292-5669
Municipal Court	972-292-5555
Parks & Recreation	972-292-6500
Police Department	972-292-6000
Public Works	972-292-5800
Purchasing	972-292-5543
Records Management	972-292-5023
Risk Management	972-292-5543
Senior Center	972-292-6550
U.S.P.S. Contract Postal Unit	972-292-5550
Utility Billing	972-292-5575

Websites

www.friscotexas.gov
www.frisco cvb.com
www.visitfrisco.com
www.friscoedc.com
www.friscolibrary.com



