



CARROLLTON
T E X A S

**SUMMARY FINANCIAL STATEMENTS
BUDGET BASIS**

FISCAL YEAR 2015

AS OF JUNE 30, 2015

Year to Date October 1, 2014 to June 30, 2015

YTD % - 75.00%

General Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues:						
Taxes and franchise fees	\$ 74,052,091	\$ -	\$ 74,052,091	\$ 55,539,068	\$ 64,273,653	86.80%
Other	15,198,941	-	15,198,941	11,399,206	11,584,268	76.22%
Transfers in from :						
Utility Fund for						
Paymt in lieu of taxes	2,489,458	-	2,489,458	1,867,094	1,867,094	75.00%
Solid Waste Fund for						
General Fund Support	828,900	-	828,900	621,675	-	0.00%
Golf Loan Repayment	407,630	-	407,630	305,723	305,723	75.00%
Expenditures	(87,564,849)	-	(87,564,849)	(65,673,637)	(60,982,820)	69.64%
Transfers out to:						
Rate Review	(25,000)	-	(25,000)	(18,750)	-	0.00%
Hotel/Motel Tax Subsidy	(188,570)	-	(188,570)	(141,428)	-	0.00%
Capital Projects/Fleet	(5,198,601)	-	(5,198,601)	(3,898,951)	-	0.00%
Net increase (decrease)	-	-	-	-	17,047,918	
Beg. Working Capital	14,586,768	3,066,826	17,653,594		17,653,594	
End Working Capital	<u>\$ 14,586,768</u>	<u>\$ 3,066,826</u>	<u>\$ 17,653,594</u>		<u>\$ 34,701,512</u>	

Overview - Revenues and Transfers In

Revenues and Transfers In are projected to end the year approximately \$2.9 million **over** the original budget primarily due to projected overages sales tax (\$3.0M), franchise fees (\$729K), licenses and permits (\$222K), offset by deficits in ad valorem taxes (\$668K), charges for services (\$356k) and fines and forfeitures (\$157K). Year to date, sales tax receipts are 11.9% over the original budget and 12.2% prior years' actual.

Sales tax receipts summary:

	<u>Current Month</u>	<u>Year to Date</u>
Original Budget	\$2,359,908	\$20,215,762
Actual – Current Year	\$2,398,652	\$22,617,654
Actual – Prior Year	\$2,363,194	\$20,158,669

In February 2013, Council approved a new financial standard that sales tax in excess of the \$23,225,400 Fiscal Year 2013 Budget and adjusted annually for inflation (\$24,073,684 for fiscal year 2015) will be transferred to capital projects funds for non-recurring, one-time uses. This transfer will be made at year-end when the final sales tax amount is available. Sales tax is currently projected to end the year at \$30,763,717 or \$6,690,033 over the capped amount.

Overview - Expenditures and Transfers Out

Fiscal year-to-date expenditures are below target due to the timing of some expenditures. Additionally, transfers out are not made evenly throughout the year with many transfers out being made when the receiving funds have need for the funding or at the end of the year.

Overview - Budget Adjustments

The increase in Budgeted Beginning Working Capital is due to better-than-budget actual results from Fiscal Year 2014

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at \$17,653,594 which represents 74 days of budgeted operating expenditures. The City's financial standards call for a minimum of 60 days ending fund balance.

Year to Date October 1, 2014 to June 30, 2015

YTD % - 75.00%

Water and Sewer Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues:						
Sales and Charges	\$ 34,642,621	\$ -	\$ 34,642,621	\$ 25,981,966	\$ 21,955,015	63.38%
Other	935,500	-	935,500	701,625	906,091	96.86%
Expenditures	(30,614,104)	-	(30,614,104)	(22,960,578)	(20,338,843)	66.44%
Transfers out to:						
General Fund for						
Paymt in lieu of taxes	(2,489,458)	-	(2,489,458)	(1,867,094)	(1,867,094)	75.00%
Debt Service	(1,806,274)	-	(1,806,274)	(1,354,706)	(1,372,751)	76.00%
Capital Projects	(2,900,000)	-	(2,900,000)	(2,175,000)	-	0.00%
Net increase (decrease)	(2,231,715)	-	(2,231,715)	(1,673,787)	(717,582)	
Beg. Working Capital	12,673,724	78,725	12,752,449		12,752,449	
End Working Capital	<u>\$ 10,442,009</u>	<u>\$ 78,725</u>	<u>\$ 10,520,734</u>		<u>\$ 12,034,867</u>	

	Rain Fall	Rain Days	Av Hgh Tmp.	Billed (000 gal)	Received (000 gal)	Unacct'd Water	Daily Per Capita (gals)
JUN-CY	4.0	7	92	435,191	502,856	13.46%	135
JUN-PY	3.3	8	91	620,712	675,830	8.16%	184
YTD-CY	41.2	87	67	4,012,134	4,208,734	4.67%	
YTD-PY	18.6	57	70	4,401,711	4,563,526	3.55%	

Unaccounted for water for the past 12 months was 4.63%

Overview - Revenues

Fiscal year-to-date sales and charges revenues are under target due to seasonality of revenues and the extremely wet weather so far in 2015. Additionally, budgeted revenues include a 3% increase in water rates and 5% increase in sewer rates effective January 1, 2015.

Overview - Expenditures and Transfers Out

Expenditures are below target due to the timing of expenditures. Additionally, transfers out are not made evenly throughout the year with many transfers out being made when the receiving funds have need for the funding or at the end of the year.

Overview - Budget Adjustments

The increase in Budgeted Beginning Working Capital is due to better-than-budget actual results from Fiscal Year 2014.

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at \$10,520,734 which represents 110 days of budgeted operating expenditures. The City's financial standards call for a minimum of 90 days ending fund balance.

Year to Date October 1, 2014 to June 30, 2015

YTD % - 75.00%

Golf Course Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues	\$ 1,097,680	\$ (356)	\$ 1,097,324	\$ 822,993	\$ 566,422	51.62%
Expenditures	(502,087)	-	(502,087)	(376,565)	(339,243)	67.57%
Transfers out to:						
Debt Service	(407,630)	-	(407,630)	(305,723)	(305,723)	75.00%
Capital Projects	(171,594)	-	(171,594)	(128,696)	-	0.00%
Net increase (decrease)	16,369	(356)	16,013	12,009	(78,543)	
Beg. Working Capital	187,446	53,088	240,534		240,534	
End Working Capital	<u>\$ 203,815</u>	<u>\$ 52,732</u>	<u>\$ 256,547</u>		<u>\$ 161,991</u>	

	Paid Rounds of Golf	
	Outings	Total
JUN-CY	-	-
JUN-PY	1,518	7,851
YTD-CY	6,870	33,759
YTD-PY	9,502	50,156

Overview - Revenues

Fiscal year-to-date sales and charges revenues are under target as a percentage of budget due to the seasonality of revenues and flooding experienced in 2015. The Creeks Course has been closed due to flooding since May 16th and both courses have been completely shut down since May 28, 2015. It is very unlikely either course will reopen during fiscal year 2015. Thus, revenues are expected to remain at their current level for the remainder of the year.

The City's share of revenue is calculated as 28% of contract revenues. The golf course Year to date total contract revenues were \$1,727,795 compared to \$2,508,104 for the same period in the prior fiscal year. In addition to contract revenues, this fund has revenues from rental of equipment to EAGLE.

Overview - Expenditures and Transfers Out

As part of the contract with EAGLE, they pay all normal operating expenses. Expenditures budgeted by the city consist primarily of consulting services, risk and overhead allocations, capital improvements and the repayment of a loan to the general fund that allowed the course to retire high interest certificates of obligation. The final payment on the loan was planned for 2017. Staff is currently evaluating options and in negotiation with EAGLE for a month by month maintenance and management agreement. In addition, to any fees paid to EAGLE it is likely that the city will need to begin paying certain operating expense until the future direction for the course is determined.

Overview - Budget Adjustments

A significant budget amendment for 2015 will be necessary either as part of the 2016 budget process (through the mid-year re-estimate) or as a separate council action.

Overview - Fund Balance

The current operating fund balance is \$161,991. The target fund balance is 50% of debt service or \$203,815. In addition to operating funds, the Golf Course Capital and Fleet Replacement funds have current fund balances totaling \$550,390 which should be used to cover the operating deficit for fiscal year 2015. However, a subsidy from other City funds is will most likely be need in fiscal year 2016. The amount of the subsidy is not currently known and will be dependent on the future direction for the course.

Year to Date October 1, 2014 to June 30, 2015

YTD % - 75.00%

Solid Waste Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues	\$ 8,145,054	\$ -	\$ 8,145,054	\$ 6,108,791	\$ 6,194,357	76.05%
Expenditures	(6,724,782)	-	(6,724,782)	(5,043,587)	(4,930,751)	73.32%
Transfers out to:						
General Fund for						
General Fund Support	(828,900)	-	(828,900)	(621,675)	-	0.00%
Capital Projects	(591,372)	-	(591,372)	(443,529)	-	0.00%
Net increase (decrease)	-	-	-	-	1,263,606	
Beg. Working Capital	400,000	43,983	443,983		443,983	
End Working Capital	400,000	43,983	443,983		1,707,589	

Overview – Revenues

Total Revenues are just slightly above target.

Overview - Expenditures and Transfers Out

Expenditures are below target due to the timing of some expenditures. Transfers out are not made evenly throughout the year with many transfers out being made when the receiving funds have need for the funding or at the end of the year.

At a Council work session on June 23rd, Council provided guidance for fiscal year 2016 rates. This guidance will increase the monthly residential collection rate from the current \$16.95 to \$19.75 and the monthly per apartment rate from \$8.00 to \$9.00. These increases will cover the impact from the new contract with Waste Management, eliminate the annual funding transfer to the General Fund and increase capital project funding for alley repair from about \$600,000 annually to \$1,250,000.

Overview - Budget Adjustments

The increase in Budgeted Beginning Working Capital is due to better-than-budget actual results from Fiscal Year 2014.

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at \$443,983. The City's financial standards call for a Fund Balance target of \$200,000.

Year to Date October 1, 2014 to June 30, 2015

YTD % - 75.00%

Other Operating Funds

Information on the other operating funds of the City (Risk, Fleet, Administrative Services, Employee Health and Disability, Hotel/Motel and Debt Service) is provided on an exception only basis. All other operating funds are on target with budget.

Risk Management Fund – Fund balance for the Risk Management Fund ended Fiscal Year 2014 at \$2,038,883 which was \$467,942 less than what was projected in the re-estimates prepared as part of the Fiscal Year 2015 Budget due to an increase in the long-term risk liability at September 30, 2014. This ending fund balance still exceeds the City’s financial standard of one year of claims net of recoveries. The fund has a current fund balance of \$2,239,838.

Fleet Services Fund – The Fleet Operations were outsourced effective July 1, 2010. The current fund balance is \$235,410. Management will continue to closely monitor this operation.

Employee Health and Disability Fund – Year-to-date the Fund has a net loss of \$2,232,918. The fund has a current fund balance of \$5,992,131.