



CARROLLTON
T E X A S

**SUMMARY FINANCIAL STATEMENTS
BUDGET BASIS**

FISCAL YEAR 2015

AS OF AUGUST 31, 2015

Year to Date October 1, 2014 to August 31, 2015

YTD % - 91.67%

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	\$ 3,999,030	\$ 78,051,121	\$ 71,546,861	\$ 72,411,324	92.77%
Other	15,198,941	(135,940)	15,063,001	13,807,751	14,033,263	93.16%
Transfers in from :						
Utility Fund for						
Paymt in lieu of taxes	2,489,458	-	2,489,458	2,282,003	2,282,003	91.67%
Solid Waste Fund for						
General Fund Support	828,900	-	828,900	759,825	-	0.00%
Golf Loan Repayment	407,630	-	407,630	373,661	373,661	91.67%
Expenditures	(87,564,849)	3,248,471	(84,316,378)	(77,290,013)	(75,599,907)	89.66%
Transfers out to:						
Rate Review	(25,000)	-	(25,000)	(22,917)	-	0.00%
Hotel/Motel Tax Subsidy	(188,570)	53,313	(135,257)	(123,986)	-	0.00%
Golf Course Subsidy	-	(28,150)	(28,150)	(25,804)	-	0.00%
Capital Projects/Fleet	(5,198,601)	(9,746,484)	(14,945,085)	(13,699,661)	-	0.00%
Net increase (decrease)	-	(2,609,760)	(2,609,760)	(2,392,280)	13,500,344	
Beg. Working Capital	14,586,768	3,066,826	17,653,594		17,653,594	
End Working Capital	<u>\$ 14,586,768</u>	<u>\$ 457,066</u>	<u>\$ 15,043,834</u>		<u>\$ 31,153,938</u>	

Overview - Revenues and Transfers In

Revenues and Transfers In are projected to end the year approximately \$3.7 million **over** the original budget primarily due to projected overages in sales tax (\$3.1M) and franchise fees (\$549K) offset by deficits in charges for services (\$364K). Year to date, sales tax receipts are 11.3% over the original budget and 12.8% prior years' actual.

Sales tax receipts summary:

	<u>Current Month</u>	<u>Year to Date</u>
Original Budget	\$2,453,256	\$25,443,173
Actual – Current Year	\$2,451,108	\$28,310,689
Actual – Prior Year	\$2,361,221	\$25,105,984

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 \$30,843,717 or \$6,770,033 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. Other changes are from the mid-year re-estimates calculated during preparation of the Fiscal Year 2016 Preliminary Budget.

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at \$15,043,834 which represents 64 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 August 31, 2015

YTD % - 91.67%

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	\$ (3,067,621)	\$ 31,575,000	\$ 28,943,750	\$ 29,568,065	93.64%
Other	935,500	283,500	1,219,000	1,117,417	1,127,100	92.46%
Expenditures	(30,614,104)	1,932,832	(28,681,272)	(26,291,166)	(25,661,225)	89.47%
Transfers out to:						
General Fund for						
Paymt in lieu of taxes	(2,489,458)	-	(2,489,458)	(2,282,003)	(2,282,003)	91.67%
Debt Service	(1,806,274)	-	(1,806,274)	(1,655,751)	(1,678,451)	92.92%
Capital Projects	(2,900,000)	-	(2,900,000)	(2,658,333)	-	0.00%
Net increase (decrease)	(2,231,715)	(851,289)	(3,083,004)	(2,826,086)	1,073,486	
Beg. Working Capital	12,673,724	78,725	12,752,449		12,752,449	
End Working Capital	<u>\$ 10,442,009</u>	<u>\$ (772,564)</u>	<u>\$ 9,669,445</u>		<u>\$ 13,825,935</u>	

	Rain Fall	Rain Days	Av Hgh Tmp.	Billed (000 gal)	Received (000 gal)	Unacc'ted Water	Daily Per Capita (gals)
AUG-CY	0.5	2	98	954,290	1,041,986	8.42%	270
AUG-PY	4.3	5	96	703,950	767,235	8.25%	202
YTD-CY	42.6	90	73	5,629,226	5,929,866	5.07%	
YTD-PY	23.9	66	75	5,799,052	6,010,822	3.52%	

Unaccounted for water for the past 12 months was 5.25%

Overview - Revenues

Fiscal year-to-date sales and charges revenues are slightly over target due to the hot dry weather in the final two months of the summer. Potable water purchases from Dallas Water Utilities increased by 274 million gallons (9 million gallons per day) in August 2015 compared to August 2014. 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. Other changes are from the mid-year re-estimates calculated during preparation of the Fiscal Year 2016 Preliminary Budget.

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at \$9,669,445 which represents 107 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 August 31, 2015

YTD % - 91.67%

Golf Course Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues	\$ 1,097,680	\$ (540,841)	\$ 556,839	\$ 510,436	\$ 557,550	100.13%
Transfers in from :						
Golf Fleet Replacement	-	435,819	435,819	399,501	441,640	101.34%
General Fund	-	28,150	28,150	25,804	-	0.00%
Expenditures	(502,087)	(351,625)	(853,712)	(782,569)	(709,334)	83.09%
Transfers out to:						
Debt Service	(407,630)	-	(407,630)	(373,661)	(373,661)	91.67%
Capital Projects	(171,594)	171,594	-	-	-	0.00%
Net increase (decrease)	16,369	(256,903)	(240,534)	(220,489)	(83,805)	
Beg. Working Capital	187,446	53,088	240,534		240,534	
End Working Capital	<u>\$ 203,815</u>	<u>\$ (203,815)</u>	<u>\$ -</u>		<u>\$ 156,729</u>	

	Paid Rounds of Golf	
	Outings	Total
AUG-CY	-	-
AUG-PY	697	7,646
YTD-CY	6,870	33,759
YTD-PY	10,736	65,321

Overview – Revenues and Transfers in

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 16, 2015, and both courses have been completely shut down since May 28, 2015. Neither course will reopen during fiscal year 2015. Thus, revenues are expected to remain at their current level for the remainder of the year.

The management contract with EAGLE was terminated as of the end of July 2015. The City has entered into a month-by-month contract with EAGLE for continued base maintenance until decisions are made regarding the future of the course.

The Golf Course Fleet Replacement fund has a current fund balances totaling \$435,819 which will be used to cover the operating deficit for fiscal year 2015. Additionally, a subsidy from the General Fund is will most likely be needed and is currently estimated at \$28,150 for FY 2015.

Overview - Expenditures and Transfers Out

Under the now terminated management contract with EAGLE, they paid all normal operating expenses. The City’s costs consisted 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. The termination of the management contract included a buyout payment of \$270,000 which as paid in August. Going forward, in addition to any fees paid to EAGLE under the new maintenance agreement, the City will begin paying operating expense, i.e. utilities.

Overview - Budget Adjustments

The increase in Budgeted Beginning Working Capital is due to better-than-budget actual results from Fiscal Year 2014. Other changes are from the mid-year re-estimates calculated during preparation of the Fiscal Year 2016 Preliminary Budget.

Overview - Fund Balance

The current operating fund balance is \$156,729. The target fund balance is 50% of debt service or \$203,815. However, due to the current situation, the fund balance will be fully depleted before any subsidy is made from the General Fund. Thus, the amended budgeted ending fund balance is zero.

Year to Date October 1, 2014 to August 31, 2015

YTD % - 91.67%

Solid Waste Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues	\$ 8,145,054	\$ (35,854)	\$ 8,109,200	\$ 7,433,433	\$ 7,548,492	93.09%
Expenditures	(6,724,782)	101,276	(6,623,506)	(6,071,547)	(6,068,390)	91.62%
Transfers out to:						
General Fund for						
General Fund Support	(828,900)	-	(828,900)	(759,825)	-	0.00%
Capital Projects	(591,372)	(109,405)	(700,777)	(642,379)	-	0.00%
Net increase (decrease)	-	(43,983)	(43,983)	(40,318)	1,480,102	
Beg. Working Capital	400,000	43,983	443,983		443,983	
End Working Capital	400,000	-	400,000		1,924,085	

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 are solely a result of the increase in rates under the new contract with Waste Management.

It was decided to eliminate the annual funding transfer from the Solid Waste Fund to the General Fund. Council requested an increase in capital project funding for alley repair to \$1,250,000 from about \$600,000 annually.

Overview - Budget Adjustments

The increase in Budgeted Beginning Working Capital is due to better-than-budget actual results from Fiscal Year 2014. Other changes are from the mid-year re-estimates calculated during preparation of the Fiscal Year 2016 Preliminary Budget.

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at \$400,000. The City's financial standards call for a Fund Balance target of \$200,000.

Year to Date October 1, 2014 to August 31, 2015

YTD % - 91.67%

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 \$2,269,466.

Fleet Services Fund – The Fleet Operations were outsourced effective July 1, 2010. The current fund balance is \$336,436. Management will continue to closely monitor this operation.

Employee Health and Disability Fund – Year-to-date the Fund has a net loss of \$2,151,952. The fund has a current fund balance of \$6,073,097.