



CARROLLTON
T E X A S

**SUMMARY FINANCIAL STATEMENTS
BUDGET BASIS**

FISCAL YEAR 2016

AS OF FEBRUARY 29, 2016

Year to Date October 1, 2015 to February 29, 2016

YTD % - 41.67%

General Fund

	<u>Original Budget</u>	<u>Budget Adj.</u>	<u>Amended Budget</u>	<u>YTD % Budget</u>	<u>Actual to Date</u>	<u>% of Budget to Date</u>
Revenues:						
Taxes and franchise fees	\$ 80,773,541	\$ -	\$ 80,773,541	\$ 33,655,642	\$ 55,483,443	68.69%
Other	14,865,531	-	14,865,531	6,193,971	5,837,837	39.27%
Transfers in from :						
Utility Fund for						
Paymt in lieu of taxes	2,514,353	-	2,514,353	1,047,647	1,047,647	41.67%
Golf Loan Repayment	407,630	-	407,630	169,846	169,846	41.67%
Expenditures	(90,144,011)	(267,718)	(90,411,729)	(37,671,554)	(34,973,395)	38.68%
Transfers out to:						
Rate Review	(25,000)	-	(25,000)	(10,417)	-	0.00%
Hotel/Motel Tax Subsidy	(213,325)	-	(213,325)	(88,885)	-	0.00%
Golf Course Subsidy	(1,249,984)	(676,272)	(1,926,256)	(802,607)	-	0.00%
Capital Projects/Fleet	(6,928,735)	943,990	(5,984,745)	(2,493,644)	-	0.00%
Net increase (decrease)	-	-	-	(1)	27,565,378	
Beg. Working Capital	14,999,670	1,443,610	16,443,280		16,443,280	
End Working Capital	<u>\$ 14,999,670</u>	<u>\$ 1,443,610</u>	<u>\$ 16,443,280</u>		<u>\$ 44,008,658</u>	

Overview - Revenues and Transfers In

Revenues and Transfers In are projected to end the year approximately \$2.7 million **over** the original budget primarily due to projected overages in sales tax (\$3.2 million) and charges for services (\$324K) offset by deficits in licenses and permits (\$634k) and fines and forfeitures (\$207K). Year to date, sales tax receipts are 14.5% over the original budget and 15.5% over prior years' actual.

Sales tax receipts summary:

	<u>Current Month</u>	<u>Year to Date</u>
Original Budget	\$2,306,315	\$12,773,479
Actual – Current Year	\$2,523,626	\$14,626,691
Actual – Prior Year	\$2,430,699	\$12,662,883

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 (\$24,475,158 for fiscal year 2016) 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 \$34,629,337 or \$10,154,179 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 2015. Other changes are from a budget amendments adopted for the planned reopening of the Golf Courses and the activation of a 5th full-time medic unit.

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at \$16,443,280 which represents 66 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, 2015 to February 29, 2016

YTD % - 41.67%

Water and Sewer Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues:						
Sales and Charges	\$ 37,303,083	\$ -	\$ 37,303,083	\$ 15,542,951	\$ 13,517,979	36.24%
Other	1,222,500	-	1,222,500	509,375	576,460	47.15%
Expenditures	(32,017,582)	-	(32,017,582)	(13,340,659)	(13,063,381)	40.80%
Transfers out to:						
General Fund for						
Paymt in lieu of taxes	(2,514,353)	-	(2,514,353)	(1,047,647)	(1,047,647)	41.67%
Debt Service	(1,803,637)	-	(1,803,637)	(751,515)	(764,252)	42.37%
Capital Projects	(2,900,000)	-	(2,900,000)	(1,208,333)	-	0.00%
Net increase (decrease)	(709,989)	-	(709,989)	(295,828)	(780,841)	
Beg. Working Capital	9,669,445	2,578,659	12,248,104		12,248,104	
End Working Capital	<u>\$ 8,959,456</u>	<u>\$ 2,578,659</u>	<u>\$ 11,538,115</u>		<u>\$ 11,467,263</u>	

	Rain Fall	Rain Days	Av Hgh Tmp.	Billed (000 gal)	Received (000 gal)	Unacc'ted Water	Daily Per Capita (gals)
FEB-CY	2.2	3	67	367,161	429,227	14.46%	118
FEB-PY	3.0	8	56	347,661	391,096	11.11%	112
YTD-CY	26.6	29	68	2,588,631	2,794,374	7.36%	
YTD-PY	8.0	20	64	2,445,966	2,537,770	3.62%	

Unaccounted for water for the past 12 months was 6.76%

Overview - Revenues

Fiscal year-to-date sales and charges revenues are under target due to seasonality of revenues. Additionally, budgeted revenues include an average 7.5% rate increase effective January 1, 2016.

Subsequent to budget adoption, Council adopted an average 7.5% rate increase effective March 1, 2016. Revenues are currently projected to end the year \$1.6 million under budget. This deficit will be funded by better-than-budget actual results from Fiscal Year 2015. However, these projections are highly susceptible to weather extremes

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 2015.

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at \$11,538,115 which represents 116 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, 2015 to February 29, 2016

YTD % - 41.67%

Golf Course Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues	\$ -	\$ 682,460	\$ 682,460	\$ 284,358	\$ (535)	-0.08%
Transfers in from :						
General Fund	1,249,984	374,665	1,624,649	676,937	-	0.00%
Expenditures	(842,354)	(1,057,125)	(1,899,479)	(791,450)	(379,243)	19.97%
Transfers out to:						
Debt Service	(407,630)	-	(407,630)	(169,846)	(169,846)	41.67%
Net increase (decrease)	-	-	-	(1)	(549,624)	
Beg. Working Capital	-	53,484	53,484		53,484	
End Working Capital	\$ -	\$ 53,484	\$ 53,484		\$ (496,140)	

	Paid Rounds of Golf	
	Outings	Total
FEB-CY	-	-
FEB-PY	331	2,852
YTD-CY	-	-
YTD-PY	3,356	19,335

Overview – Revenues and Transfers in

Fiscal year-to-date sales and charges revenues represent a negative investment earning on the negative fund balance due to the closure of the golf course. 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. Amended budget revenues assume the Lakes Course will reopen April 15, 2016 and the Creek Course will reopen June 15, 2016. A subsidy from the General Fund is will be needed and is currently budgeted at \$1,926,256 for FY 2016.

Overview - Expenditures and Transfers Out

Expenditures are below target due to the timing of expenditures and the closure of the courses.

Overview - Budget Adjustments

The increase in Budgeted Beginning Working Capital is due to better-than-budget actual results from Fiscal Year 2015. Other changes are from a budget amendments adopted for the planned reopening of the Golf Courses.

Overview - Fund Balance

The current operating fund balance is a negative \$496,140. A subsidy from the General Fund is will be needed and is currently budgeted at \$1,926,256 for FY 2016. The target fund balance is 50% of debt service or \$203,815. However, due to the current situation, the fund balance will subsidized only to breakeven.

Year to Date October 1, 2015 to February 29, 2016

YTD % - 41.67%

Solid Waste Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues	\$ 9,474,510	\$ -	\$ 9,474,510	\$ 3,947,713	\$ 3,971,662	41.92%
Expenditures	(8,214,429)	-	(8,214,429)	(3,422,679)	(3,414,414)	41.57%
Transfers out to:						
Capital Projects	(1,260,081)	-	(1,260,081)	(525,034)	-	0.00%
Net increase (decrease)	-	-	-	-	557,248	
Beg. Working Capital	400,000	56,596	456,596		456,596	
End Working Capital	400,000	56,596	456,596		1,013,844	

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.

Overview - Budget Adjustments

The increase in Budgeted Beginning Working Capital is due to better-than-budget actual results from Fiscal Year 2015.

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at \$456,596. The City's financial standards call for a Fund Balance target of \$200,000.

Year to Date October 1, 2015 to February 29, 2016

YTD % - 41.67%

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 is currently \$2,901,499 which exceeds the City’s financial standard of one year of claims net of recoveries.

Fleet Services Fund – The Fleet Operations were outsourced effective July 1, 2010. The current fund balance is \$385,862. Management will continue to closely monitor this operation.

Employee Health and Disability Fund – Year-to-date the Fund has a net loss of \$2,394,543. The fund has a current fund balance of \$3,542,035.