



CARROLLTON
TEXAS

**SUMMARY FINANCIAL STATEMENTS
BUDGET BASIS**

FISCAL YEAR 2017

AS OF FEBRUARY 28, 2017

Year to Date October 1, 2016 to February 28, 2017

YTD % - 41.67%

General Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues:						
Taxes and franchise fees	\$ 88,229,265	\$ 200,000	\$ 88,429,265	\$ 36,845,527	\$ 59,063,620	66.79%
Other	15,515,848	-	15,515,848	6,464,937	5,353,669	34.50%
Transfers in from :						
Utility Fund for						
Paymt in lieu of taxes	2,539,497	-	2,539,497	1,058,124	1,058,124	41.67%
Golf Loan Repayment	373,661	-	373,661	155,692	169,846	45.45%
Expenditures	(94,212,979)	-	(94,212,979)	(39,255,408)	(37,292,377)	39.58%
Transfers out to:						
Rate Review	(25,000)	-	(25,000)	(10,417)	-	0.00%
Hotel/Motel Tax Subsidy	(195,000)	-	(195,000)	(81,250)	-	0.00%
Golf Course Subsidy	(962,128)	-	(962,128)	(400,887)	-	0.00%
Economic Development						
Incentives	-	(200,000)	(200,000)	(83,333)	-	0.00%
Capital Projects/Fleet	(11,263,164)	-	(11,263,164)	(4,692,985)	-	0.00%
Net increase (decrease)	-	-	-	-	28,352,882	
Beg. Working Capital	14,999,670	3,259,466	18,259,136		18,259,136	
End Working Capital	<u>\$ 14,999,670</u>	<u>\$ 3,259,466</u>	<u>\$ 18,259,136</u>		<u>\$ 46,612,018</u>	

Overview - Revenues and Transfers In

Revenues and Transfers In are projected to end the year approximately \$879k thousand **under** the original budget primarily due to projected overages in sales tax (\$826K), ad valorem tax (\$410K) and franchise fees (\$139K) offset by deficits in licenses and permits (\$985K), fines and forfeitures (\$1,110K) and miscellaneous revenues (\$144k).

Year to date, sales tax receipts are 3.0% over the original budget and 3.7% over prior years' actual. Sales tax receipts summary:

	<u>Current Month</u>	<u>Year to Date</u>
Original Budget	\$2,648,209	\$14,725,319
Actual – Current Year	\$2,721,053	\$15,164,808
Actual – Prior Year	\$2,523,626	\$14,626,691

In February 2013, Council approved a new financial standard that sales tax in excess of the Fiscal Year 2013 Budget and adjusted annually for inflation (\$25,046,261 for fiscal year 2017) 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 \$36,403,833 or \$11,357,572 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 2016. Other changes were from a budget adjustment adopted March 7, 2017.

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at \$18,259,136 which represents 70 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, 2016 to February 28, 2017

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	\$ 37,867,527	\$ -	\$ 37,867,527	\$ 15,778,136	\$ 14,491,782	38.27%
Other	1,195,820	-	1,195,820	498,258	632,656	52.91%
Expenditures	(33,246,613)	-	(33,246,613)	(13,852,755)	(13,523,649)	40.68%
Transfers out to:						
General Fund for						
Paymt in lieu of taxes	(2,539,497)	-	(2,539,497)	(1,058,124)	(1,058,124)	41.67%
Debt Service	(1,795,351)	-	(1,795,351)	(748,063)	(764,325)	42.57%
Capital Projects	(2,900,000)	-	(2,900,000)	(1,208,333)	-	0.00%
Net increase (decrease)	(1,418,114)	-	(1,418,114)	(590,881)	(221,660)	
Beg. Working Capital	10,684,776	897,212	11,581,988		11,581,988	
End Working Capital	<u>\$ 9,266,662</u>	<u>\$ 897,212</u>	<u>\$ 10,163,874</u>		<u>\$ 11,360,328</u>	

	Rain Fall	Rain Days	Av Hgh Tmp.	Billed (000 gal)	Received (000 gal)	Unacct'd Water	Daily Per Capita (gals)
FEB-CY	2.3	4	71	376,332	442,684	14.99%	124
FEB-PY	2.2	3	67	367,161	429,227	14.46%	118
YTD-CY	12.5	30	70	2,494,016	2,830,423	11.89%	
YTD-PY	26.8	29	68	2,588,631	2,794,374	7.36%	

Unaccounted for water for the past 12 months was 8.91%

Overview - Revenues

Fiscal year-to-date sales and charges revenues are under target due to seasonality of revenues. Additionally, budgeted revenues include a 3.5% rate increase effective January 1, 2017. Subsequent to budget adoption, Council adopted a 4% rate increase effective February 1, 2017.

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 2016.

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at \$10,163,874 which represents 98 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, 2016 to February 28, 2017

YTD % - 41.67%

Golf Course Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues	\$ 1,092,850	\$ -	\$ 1,092,850	\$ 455,354	\$ 639,088	58.48%
Transfers in from :						
General Fund	962,128	-	962,128	400,887	-	0.00%
Expenditures	(1,202,478)	-	(1,202,478)	(501,033)	(756,610)	62.92%
Transfers out to:						
Capital Projects	(478,839)		(478,839)			
Debt Service	(373,661)	-	(373,661)	(155,692)	(169,846)	45.45%
Net increase (decrease)	-	-	-	199,516	(287,368)	
Beg. Working Capital	-	82,214	82,214		82,214	
End Working Capital	\$ -	\$ 82,214	\$ 82,214		\$ (205,154)	

	Paid Rounds of Golf	
	Outings	Total
FEB-CY	-	2,989
FEB-PY	-	-
YTD-CY	842	16,956
YTD-PY	-	-

Overview – Revenues and Transfers in

The first three months of the year, the City contracted with Arcis Golf to maintain the course. The City received 100% of revenue and was responsible for all expenses plus a management fee for Arcis. The fiscal year budget assumed that the City would enter into a management contract similar to what was in place before the flood effective January 1, 2017. Under the prior management contract, the City received 28% of revenues net of cost of goods sold and the contract was responsible for most maintenance costs. Thus, as the budget was projected based on the City 100% of revenues for the first three months and 28% of net revenues for the next 9 months, fiscal year-to-date actual revenues year-to-date are ahead of the 25% target based on the percentage of the year elapsed.

Under the contract signed with Orion Golf effective January 1, 2017, the City will receive 23% of gross revenues. It is hoped that with improved revenue and City’s percentage being applied to gross revenues rather than revenues net of cost of goods sold, the City’s share of revenue under this contract will be comparable with the prior contract.

Overview - Expenditures and Transfers Out

Expenditures are above target due to the City being responsible for all expenses for the first three months while the budget is based on the assumption that starting January 1, 2017 a management contractor will take over responsibility for the maintenance expenses.

Overview - Budget Adjustments

The increase in Budgeted Beginning Working Capital is due to better-than-budget actual results from Fiscal Year 2016.

Overview - Fund Balance

The current operating fund balance is a negative \$205,154. A subsidy from the General Fund is will be needed and is currently budgeted at \$962,128 for FY 2017. The target fund balance is 50% of debt service or \$186,831. However, due to the current situation, the fund balance will subsidized only to breakeven.

Year to Date October 1, 2016 to February 28, 2017

YTD % - 41.67%

Solid Waste Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues	\$ 9,874,756	\$ -	\$ 9,874,756	\$ 4,114,482	\$ 4,117,298	41.70%
Expenditures	(8,518,205)	-	(8,518,205)	(3,549,252)	(3,572,425)	41.94%
Transfers out to:						
Capital Projects	(1,356,551)	-	(1,356,551)	(565,230)	-	0.00%
Net increase (decrease)	-	-	-	-	544,873	
Beg. Working Capital	400,000	(8,059)	391,941		391,941	
End Working Capital	400,000	(8,059)	391,941		936,814	

Overview – Revenues

Total Revenues are just slightly above target.

Overview - Expenditures and Transfers Out

Expenditures are just slightly above target. 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 a slight shortfall in actual results compared to budget in Fiscal Year 2016.

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at \$391,941. The City's financial standards call for a Fund Balance target of \$200,000.

Year to Date October 1, 2016 to February 28, 2017

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 \$3,114,884 which exceeds the City’s financial standard of one year of claims net of recoveries.

Fleet Services Fund – The current fund balance is \$697,176, well in excess of the financial standard of break-even.

Employee Health and Disability Fund – Year-to-date the Employee Health and Disability Fund has a net loss of \$1,569,246. The Fund has a current fund balance of \$1,519,912. This fund balance is net of the liability for estimated outstanding claims of \$1,038,000 and the liability for other post-employment benefits (OPEB – Retiree Health) of \$1,835,904. The current cash balance is \$4,225,048.