



CARROLLTON
T E X A S

**SUMMARY FINANCIAL STATEMENTS
BUDGET BASIS**

FISCAL YEAR 2018

AS OF FEBRUARY 28, 2018

Year to Date October 1, 2017 to February 28, 2018

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	\$ 93,787,522	\$ -	\$ 93,787,522	\$ 39,078,134	\$ 63,520,683	67.73%
Other	14,403,238	-	14,403,238	6,001,349	5,857,656	40.67%
Transfers in from :						
Utility Fund for						
Paymt in lieu of taxes	2,564,892	-	2,564,892	1,068,705	1,068,705	41.67%
Utility Loan Repayment	335,025	-	335,025	139,594	60,914	18.18%
Expenditures	(97,156,485)	-	(97,156,485)	(40,481,869)	(38,921,482)	40.06%
Transfers out and Non-operating uses:						
Rate Review	(25,000)	-	(25,000)	(10,417)	-	0.00%
Hotel/Motel Tax Subsidy	(155,000)	-	(155,000)	(64,583)	-	0.00%
Utility Fund Loan	(2,915,000)	-	(2,915,000)	(1,214,583)	(2,915,000)	100.00%
Public Safety 1-time costs	(314,270)	-	(314,270)	(130,946)	(314,270)	
1-time Comp adj.	(287,500)	-	(287,500)	(119,792)	(287,500)	
Economic Development Incentives	(314,000)	-	(314,000)	(130,833)	-	0.00%
Capital Projects	(9,923,422)	-	(9,923,422)	(4,134,759)	-	0.00%
Net increase (decrease)	-	-	-	-	28,069,706	
Beg. Working Capital	16,213,395	1,772,023	17,985,418		17,985,418	
End Working Capital	<u>\$ 16,213,395</u>	<u>\$ 1,772,023</u>	<u>\$ 17,985,418</u>		<u>\$ 46,055,124</u>	

Overview - Revenues and Transfers In

Revenues and Transfers In are projected to end the year approximately \$1,554K **over** the original budget primarily due to projected overages in sales tax \$1,057K, ad valorem tax \$446K, franchise fees \$280K, licenses and permits \$283K, and investment income \$220K offset by deficits in and fines and forfeitures (\$776K).

Year to date, sales tax receipts are 4.1% over the original budget and 6.9% over prior years' actual. Sales tax receipts summary:

	<u>Current Month</u>	<u>Year to Date</u>
Original Budget	\$2,786,093	\$15,570,021
Actual – Current Year	\$3,137,717	\$16,209,237
Actual – Prior Year	\$2,721,053	\$15,164,808

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 (\$25,547,186 for fiscal year 2018) 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 \$13,174,809 over the capped amount.

Overview - Expenditures and Transfers Out

Fiscal year-to-date expenditures are below target due to the timing of some expenditures. Transfers out are 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 2017.

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at \$17,985,418, which represents 67 days of budgeted recurring expenditures and transfers out. The City's financial standards call for a minimum of 60 days ending fund balance.

Year to Date October 1, 2017 to February 28, 2018

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	\$ 43,534,586	\$ -	\$ 43,534,586	\$ 18,139,411	\$ 15,106,694	34.70%
Other	1,376,750	-	1,376,750	573,646	629,586	45.73%
Transfers in from :						
Loan from General Fund	2,915,000		2,915,000	1,214,583	2,915,000	
Expenditures	(38,646,289)	-	(38,646,289)	(16,102,620)	(14,717,106)	38.08%
Transfers out and Non-operating uses:						
General Fund for						
Paymt in lieu of taxes	(2,564,892)	-	(2,564,892)	(1,068,705)	(1,068,705)	41.67%
Debt Service	(1,531,271)	-	(1,531,271)	(638,030)	(739,123)	48.27%
Debt Redemption	(4,915,000)		(4,915,000)	(2,047,917)	(4,915,000)	
Capital Projects	(900,000)	-	(900,000)	(375,000)	-	0.00%
Net increase (decrease)	(731,116)	-	(731,116)	(304,632)	(2,788,654)	
Beg. Working Capital	11,270,351	(643,936)	10,626,415		10,626,415	
End Working Capital	<u>\$ 10,539,235</u>	<u>\$ (643,936)</u>	<u>\$ 9,895,299</u>		<u>\$ 7,837,761</u>	

	Rain Fall	Rain Days	Av Hgh Tmp.	Billed (000 gal)	Received (000 gal)	Unacc'ted Water	Daily Per Capita (gals)
FEB-CY	7.4	11	61	370,328	438,938	15.63%	120
FEB-PY	2.3	4	71	376,332	442,684	14.99%	124
YTD-CY	15.7	30	83	2,548,921	2,741,625	7.03%	
YTD-PY	12.5	30	70	2,494,016	2,830,423	11.89%	

Unaccounted for water for the past 12 months was 5.71%

Overview - Revenues

Fiscal year-to-date sales and charges revenues are under target due to seasonality of revenues. Original budgeted revenues include a 12.1% rate increase effective January 1, 2018. Actual rate increase adopted is an average 12% effective March 1, 2018.

Overview - Expenditures and Transfers Out

Fiscal year-to-date expenditures are below target due to the timing of some expenditures. Expenditures are expected to end Fiscal Year 2018 \$880,000 under budget due to the DWU settlement with Sabine River Authority. Some transfers out are made when the receiving funds have need for the funding or at the end of the year.

Overview - Budget Adjustments

The decrease in Budgeted Beginning Working Capital is due to actual results for Fiscal Year 2017 being less than the mid-year re-estimates calculated during preparation of the Fiscal Year 2018 Budget.

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at \$9,895,299, which represents 85 days of budgeted recurring expenditures and transfers out. The City's financial standards call for a minimum of 90 days ending fund balance. This shortfall is due to actual results for Fiscal Year 2017 being less than the mid-year re-estimates calculated during preparation of the Fiscal Year 2018 Budget. It is currently projected that the fund balance will be at 90 days or better at the end of Fiscal Year 2018.

Year to Date October 1, 2017 to February 28, 2018

YTD % - 41.67%

Golf Course Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues	\$ 871,727	\$ -	\$ 871,727	\$ 363,220	\$ 220,866	25.34%
Expenditures	(590,854)	-	(590,854)	(246,189)	(261,458)	44.25%
Transfers out to:						
Capital Projects	(280,873)	-	(280,873)	(117,030)	-	0.00%
Net increase (decrease)	-	-	-	1	(40,592)	
Beg. Working Capital	-	-	-		-	
End Working Capital	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (40,592)</u>	

	Paid Rounds of Golf	
	Outings	Total
FEB-CY	-	2,010
FEB-PY	-	2,989
YTD-CY	-	19,750
YTD-PY	842	16,956

Overview – Revenues and Transfers in

Under the contract signed with Orion Golf, the City receives 23% of gross revenues. Fiscal year-to-date revenues are under target due to seasonality of revenues. Additionally, the course was closed due to flooding for 16 days in February and March. Revenues include an accrual for contractor payments for January and February activity totaling \$52,946 which have not yet been received. City staff is currently in negotiations with the contractor for a possible reduction in these payments due to the flooding.

Overview - Expenditures and Transfers Out

Fiscal year-to-date expenditures are above target as the City has covered several non-recurring replacements for kitchen and miscellaneous small equipment at the course. Capital transfers out are made when the capital fund has need for the funding or at the end of the year. Expenditures are net of an accrual for contractor reimbursements for January and February activity totaling \$40,549 which have not yet been received.

Overview - Budget Adjustments

None.

Overview - Fund Balance

Amended Budgetary Fund Balance is budgeted to end the year at zero.

Year to Date October 1, 2017 to February 28, 2018

YTD % - 41.67%

Solid Waste Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues	\$ 10,265,616	\$ -	\$ 10,265,616	\$ 4,277,340	\$ 4,276,641	41.66%
Expenditures	(8,952,372)	-	(8,952,372)	(3,730,155)	(3,705,051)	41.39%
Transfers out to:						
Capital Projects	(1,313,244)	-	(1,313,244)	(547,185)	-	0.00%
Net increase (decrease)	-	-	-	-	571,590	
Beg. Working Capital	400,000	30,398	430,398		430,398	
End Working Capital	<u>\$ 400,000</u>	<u>\$ 30,398</u>	<u>\$ 430,398</u>		<u>\$ 1,001,988</u>	

Overview – Revenues

Total fiscal year-to-date revenues are just slightly below target.

Overview - Expenditures and Transfers Out

Fiscal year-to-date expenditures are just slightly below target. Transfers out will be made 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 2017.

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, 2017 to February 28, 2018

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 \$3,318,866 which exceeds the City’s financial standard of one year of claims net of recoveries.

Fleet Services Fund – The current fund balance is \$883,779, 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 \$1,957,878. The Fund has a current fund balance is a deficit of \$696,468. This fund balance is net of the liability for estimated outstanding claims of \$1,300,000 and the liability for other post-employment benefits (OPEB – Retiree Health) of \$2,032,574. The current cash balance is \$2,623,507.