



CARROLLTON
TEXAS

**SUMMARY FINANCIAL STATEMENTS
BUDGET BASIS**

FISCAL YEAR 2019

AS OF AUGUST 31, 2019

Year to Date August 1, 2019 to August 31, 2019
YTD % - 83.33
General Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues:						
Taxes and franchise fees	\$ 102,471,251	\$ -	\$ 102,471,251	\$ 93,931,980	\$ 94,775,799	92.49%
Other	13,975,272	-	13,975,272	12,810,666	12,797,098	91.57%
Transfers in from :						
Utility Fund for						
Paymt in lieu of taxes	2,590,541	-	2,590,541	2,374,663	2,374,663	91.67%
Utility Loan Repayment	365,482	-	365,482	335,025	335,027	91.67%
Expenditures	(104,336,967)	-	(104,336,967)	(95,642,220)	(92,744,467)	88.89%
Transfers out and						
Non-operating uses:						
Rate Review	(25,000)	-	(25,000)	(22,917)	-	0.00%
Hotel/Motel Tax Subsidy	(285,000)	-	(285,000)	(261,250)	-	0.00%
Utility Fund Loan	(250,000)	-	(250,000)	(229,167)	-	0.00%
Public Safety 1-time costs	(1,261,581)	-	(1,261,581)	(1,156,449)	-	
1-time Comp adj.	(121,626)	-	(121,626)	(111,491)	-	
Economic Development						
Incentives	(994,000)	-	(994,000)	(911,167)	-	0.00%
Capital Projects	(17,402,404)	-	(17,402,404)	(15,952,204)	-	0.00%
Net increase (decrease)	(5,274,032)	-	(5,274,032)	(4,834,531)	17,538,120	
Beg. Working Capital	16,213,395	8,736,446	24,949,841		24,949,841	
End Working Capital	\$ 10,939,363	\$ 8,736,446	\$ 19,675,809		\$ 42,487,961	

Overview - Revenues and Transfers In

Property tax revenue collected through 8/31/19 as a percentage of the current year's tax levy is comparable with prior year collections (99%). Overall, 92.49% of total General Fund tax and franchise revenues budgeted have been collected through July 31st.

Year to date, sales tax receipts are 2.96% under the original budget and .4% over prior years' actual. Sales tax receipts summary:

	<u>Current Month</u>	<u>Year to Date</u>
Original Budget	\$3,210,599	\$37,404,647
Actual – Current Year	\$3,648,736	\$36,295,611
Actual – Prior Year	\$2,788,470	\$36,261,069

As per the financial policy adopted by council in 2018, the fiscal year 2019 sales taxes revenue for recurring uses is capped at \$27,621,618. Sales taxes revenue in excess of that amount 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 \$12,116,061 over the capped amount. There were \$500,000 of negative sales tax audit adjustments in August of 2018 versus the \$332,193 positive sales tax audit adjustments in August of 2019.

Overview - Expenditures and Transfers Out

Fiscal year-to-date expenditures are on target. 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 2018.

Overview - Fund Balance

At the 2019 fiscal year end the City's General Fund fund balance is currently projected to be \$42,487,961, which represents 147 days of budgeted recurring expenditures and transfers out. The City's financial standards call for a minimum of 60 days ending fund balance. As of 8/31/19, there were 20,339,611 in pending transfers planned for the fiscal year end.

Year to Date August 1, 2019 to August 31, 2019

YTD % - 83.33

Water and Sewer Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues:						
Sales and Charges	\$ 45,035,279	\$ -	\$ 45,035,279	\$ 41,282,339	\$ 37,145,736	82.48%
Other	1,455,000	-	1,455,000	1,333,750	1,296,572	89.11%
Transfers in from :						
Loan from General Fund	-	-	-	-	-	0.00%
Expenditures	(40,588,690)	-	(40,588,690)	(37,206,299)	(34,877,460)	85.93%
Transfers out and						
Non-operating uses:						
General Fund for						
Paymt in lieu of taxes	(2,590,541)	-	(2,590,541)	(2,374,663)	(2,374,663)	91.67%
Debt Service	(1,674,313)	-	(1,674,313)	(1,534,787)	(1,471,225)	87.87%
Debt Redemption	-	-	-	-	-	0.00%
Capital Projects	(900,000)	-	(900,000)	(825,000)	-	0.00%
Net increase (decrease)	736,735	-	736,735	675,340	(281,040)	
Beg. Working Capital	10,323,045	1,376,578	11,699,623		11,699,623	
End Working Capital	<u>\$ 11,059,780</u>	<u>\$ 1,376,578</u>	<u>\$ 12,436,358</u>		<u>\$ 11,418,583</u>	

	Rain Fall	Rain Days	Av Hgh Tmp.	Billed (000 gal)	Received (000 gal)	Unacc'ted Water	Daily Per Capita (gals)
AUGUST-CY	2.4	6.0	97.1	789,903	884,417	10.69%	218
AUGUST-PY	3.0	7.0	85.2	912,030	1,019,611	10.55%	251
AUG-CY-YTD	48.2	90.0	73.9	5,137,877	5,700,503	9.87%	
AUG-PY-YTD	30.2	64.0	75.5	6,321,736	6,959,436	9.16%	

Unaccounted for water for the past 12 months was 8.70%

Overview - Revenues

Fiscal year-to-date sales and charges revenues are under target due to excessive rain days in the current year. Original budgeted revenues include a 7.9% rate increase effective January 1, 2019. Actual increase adopted January 1, 2019 was a 7.1% rate increase comprised of a 2.8% increase in water rates and an 11.1% increase in wastewater. Due to excessive rainfall, current year water revenues are significantly below prior year water revenues even after the fee increase. Wastewater fee increases are operating as intended.

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 2019 on target. 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 increase in Budgeted Beginning Working Capital is due to actual results for Fiscal Year 2018 being higher than the mid-year re-estimates calculated during preparation of the Fiscal Year 2019 Budget.

Overview - Fund Balance

Budgetary Fund Balance was budgeted to end the year at 12,436,358, which represented 101 days of budgeted recurring expenditures and transfers out. The City's financial standards call for a minimum of 90 days ending fund balance. The Water Utilities currently projected year end fund balance of \$11,418,583 represents an ending fund balance of 93 days. During the same month in the prior fiscal year, the projected ending fund balance was 95 days.

Year to Date August 1, 2019 to August 31, 2019
YTD % - 83.33
Golf Course Fund

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues	\$ 871,727	\$ 843,239	\$ 1,714,966	\$ 1,572,052	\$ 1,041,248	60.72%
Transfers In	\$ 121,626	\$ 96,955	\$ 218,581			
Transfer from Golf Capital		\$ 518,075	\$ 518,075		\$ 518,075	
Expenditures	(590,854)	(1,761,893)	(2,352,747)	(2,156,685)	(1,672,586)	71.09%
Transfers out to:						
Capital Projects	(280,873)		-	-	-	0.00%
Net increase (decrease)	121,626	(303,624)	98,875	(584,633)	(113,263)	
Beg. Working Capital	-	(101,395)	(101,395)		(101,395)	
End Working Capital	\$ 121,626	\$ (405,019)	\$ (2,520)		\$ (214,658)	

	Paid Rounds of Golf	
	Outings	Total
AUGUST-CY	248	3,732
AUGUST-PY	327	5,602
AUG-CY-YTD	4,740	33,359
AUG-PY-YTD	7,066	55,215

Overview – Revenues and Transfers in

Flooding and impacts from planned construction on the Lakes course necessitated a contract amendment with Orion Golf for managed services. Managed services is the model in which the City simply compensates Orion for management of the golf course through a preset fee with the City retaining all revenues and golf operating expenses. In March 2020, the 23% revenue share is to resume. The City booked a receivable for revenue due from Orion that will be paid out over the 2019 fiscal year.

Overview - Expenditures and Transfers Out

Effective December 12th the City began receiving expenditures and revenue and was approved to enter into the managed services agreement. .

Overview - Budget Adjustments

The City budgeted a \$121,626 subsidy transferred in from the General Fund. \$518,075 was transferred from the Golf Capital Fund to the Golf Operating Fund to fund operations. In addition, effective December 12, 2018 City Council approved a contract and budget amendment that converted the contract from Orion retaining 77% of all revenue and paying all operating expenses to the managed services model mentioned above. These amendments reflect the City retaining all revenues and paying both a majority of the expenses and the managed services fee. The FY 20 adopted budget modified the subsidy transfer to \$426,384

Overview - Fund Balance

Operating fund balance is projected to be at a deficit which will be corrected by an increase in the transfer from the General Fund on 9/30/19.

Year to Date August 1, 2019 to August 31, 2019

YTD % - 83.33

Solid Waste Fund

Solid Waste Fund						
	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues	\$ 10,602,506	\$ -	\$ 10,602,506	\$ 9,718,964	\$ 9,674,855	91.25%
Expenditures	(9,304,243)	-	(9,304,243)	(8,528,889)	(8,511,646)	91.48%
Transfers out to:						
Capital Projects	(1,298,262)	-	(1,298,262)	(1,190,074)	-	0.00%
Net increase (decrease)	1	-	1		1,163,209	
Beg. Working Capital	400,000	111,468	511,468		511,468	
End Working Capital	\$ 400,001	\$ 111,468	\$ 511,469		\$ 1,674,677	

Overview – Revenues

Total fiscal year-to-date revenues are close to target.

Overview - Expenditures and Transfers Out

Fiscal year-to-date expenditures are close to 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 2018.

Overview - Fund Balance

The currently estimated year end fund balance is projected at \$1,674,677 before transfers out. The City's financial standards call for a Fund Balance target of \$200,000.

Year to Date August 1, 2019 to August 31, 2019

YTD % - 83.33

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 \$4,383,796 which exceeds the City’s financial standard of one year of claims net of recoveries.

Fleet Services Fund – The current fund balance is \$315,248, which is slightly above the financial standard of break-even. This was a result of a change in the billing and collection of overhead from user Department after the contract transition. Adjustments were made to the overhead billing methodology in July.

Employee Health and Disability Fund – City contributions were increased in both one-time transfer and through increased premiums per enrolled member. These steps were necessary to address a trend of declining fund balance due to higher than expected claims. The liability for other post-employment benefits (OPEB – Retiree Health) of \$2,032,573 was removed in 2018 due to the implementation of GASB 75. As of December 31, 2017, the Total OPEB Liability (TOL) for benefits was \$19,167,307, all of which is unfunded. The current cash balance in the Employee Health and Disability Fund is \$3,509,746.