



**CARROLLTON**  
TEXAS

**SUMMARY FINANCIAL STATEMENTS  
BUDGET BASIS**

**FISCAL YEAR 2019**

**AS OF MARCH 31, 2019**

**Year to Date March 1, 2019 to March 31, 2019**

**YTD % - 50%**

**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	\$ 51,235,626	\$ 71,965,503	70.23%
Other	13,975,272	-	13,975,272	6,987,636	7,048,292	50.43%
Transfers in from :						
Utility Fund for						
Paymt in lieu of taxes	2,590,541	-	2,590,541	1,295,271	1,295,271	50.00%
Utility Loan Repayment	365,482	-	365,482	182,741	182,742	50.00%
Expenditures	(104,336,967)	-	(104,336,967)	(52,168,484)	(50,553,165)	48.45%
Transfers out and						
Non-operating uses:						
Rate Review	(25,000)	-	(25,000)	(12,500)	-	0.00%
Hotel/Motel Tax Subsidy	(285,000)	-	(285,000)	(142,500)	-	0.00%
Utility Fund Loan	(250,000)	-	(250,000)	(125,000)	-	0.00%
Public Safety 1-time costs	(1,261,581)	-	(1,261,581)	(630,791)	-	
1-time Comp adj.	(121,626)	-	(121,626)	(60,813)	-	
Economic Development						
Incentives	(994,000)	-	(994,000)	(497,000)	-	0.00%
Capital Projects	(17,402,404)	-	(17,402,404)	(8,701,202)	-	0.00%
Net increase (decrease)	(5,274,032)	-	(5,274,032)	(2,637,016)	29,938,643	
Beg. Working Capital	16,213,395	8,736,446	24,949,841		24,949,841	
End Working Capital	<u>\$ 10,939,363</u>	<u>\$ 8,736,446</u>	<u>\$ 19,675,809</u>		<u>\$ 54,888,484</u>	

**Overview - Revenues and Transfers In**

Property tax revenue collected through 3/31/19 as a percentage of the current year's tax levy is comparable with prior year collections (98%). Overall 70% of total General Fund tax and franchise revenues budgeted have been collected through March 31<sup>st</sup>.

Year to date, sales tax receipts are 0.93% under the original budget and 2.47% over prior years' actual. Sales tax receipts summary:

	<u>Current Month</u>	<u>Year to Date</u>
Original Budget	\$2,975,744	\$19,855,389
Actual – Current Year	\$2,885,855	\$19,670,950
Actual – Prior Year	\$3,017,073	\$19,226,310

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 \$13,040,658 over the capped amount.

**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 Revenue fund balance is currently projected to be \$54,888,484, which represents 189 days of budgeted recurring expenditures and transfers out. The City's financial standards call for a minimum of 60 days ending fund balance. There are currently 20,339,611 in pending transfers planned for the fiscal year end.

**Year to Date March 1, 2019 to March 31, 2019**

**YTD % - 50%**

**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	\$ 22,517,640	\$ 18,590,860	41.28%
Other	1,455,000	-	1,455,000	727,500	688,240	47.30%
Transfers in from :						
Loan from General Fund	-	-	-	-	-	#DIV/0!
Expenditures	(40,588,690)	-	(40,588,690)	(20,294,345)	(18,625,195)	45.89%
Transfers out and						
Non-operating uses:						
General Fund for						
Paymt in lieu of taxes	(2,590,541)	-	(2,590,541)	(1,295,271)	(1,295,271)	50.00%
Debt Service	(1,674,313)	-	(1,674,313)	(837,157)	(847,216)	50.60%
Debt Redemption	-	-	-	-	-	#DIV/0!
Capital Projects	(900,000)	-	(900,000)	(450,000)	-	0.00%
Net increase (decrease)	736,735	-	736,735	368,367	(1,488,582)	
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>\$ 10,211,041</u>	

	Rain Fall	Rain Days	Av Hgh Tmp.	Billed (000 gal)	Received (000 gal)	Unacc'ted Water	Daily Per Capita (gals)
MARCH-CY	2.0	9.0	64.8	370,718	376,921	1.65%	93
MARCH-PY	2.9	5.0	74.7	360,425	393,182	8.33%	97
MAR-CY-YTD	26.0	54.0	62.2	2,488,071	2,693,398	7.62%	
MAR-PY-YTD	22.6	35.0	68.1	2,909,346	3,134,807	7.19%	

Unaccounted for water for the past 12 months was 8.48%

**Overview - Revenues**

Fiscal year-to-date sales and charges revenues are slightly 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.

**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 \$10,211,041 represents an ending fund balance of 83 days. During the same month in the prior fiscal year, the projected ending fund balance was 66 days.

**Year to Date March 1, 2019 to March 31, 2019**  
**YTD % - 50%**  
**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	\$ 714,569	\$ 163,809	9.55%
Transfers In	\$ 121,626	\$ 96,955	\$ 218,581			
Transfer from Golf Capital		\$ 518,075	\$ 518,075			
Expenditures	(590,854)	(1,761,893)	(2,352,747)	(980,311)	(612,178)	26.02%
Transfers out to:						
Capital Projects	(280,873)		-	-	-	#DIV/0!
Net increase (decrease)	121,626	(303,624)	98,875	(265,742)	(448,369)	
Beg. Working Capital	-	(101,395)	(101,395)		(101,395)	
End Working Capital	\$ 121,626	\$ (405,019)	\$ (2,520)		\$ (549,764)	

	Paid Rounds of Golf	
	Outings	Total
MARCH-CY	246	3,241
MARCH-PY	598	5,051
MAR-CY-YTD	2,750	16,235
MAR-PY-YTD	2,500	24,801

**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 12<sup>th</sup> 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.

**Overview - Fund Balance**

Operating fund balance is projected to be at a deficit.

**Year to Date March 1, 2019 to March 31, 2019**  
**YTD % - 50%**  
**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	\$ 5,301,253	\$ 5,218,453	49.22%
Expenditures	(9,304,243)	-	(9,304,243)	(4,652,122)	(4,580,409)	49.23%
Transfers out to:						
Capital Projects	(1,298,262)	-	(1,298,262)	(649,131)	-	0.00%
Net increase (decrease)	1	-	1		638,044	
Beg. Working Capital	400,000	111,468	511,468		511,468	
End Working Capital	<u>\$ 400,001</u>	<u>\$ 111,468</u>	<u>\$ 511,469</u>		<u>\$ 1,149,512</u>	

**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 estimated year end fund balance is projected at \$1,149,512 before transfers out. The City's financial standards call for a Fund Balance target of \$200,000.

**Year to Date March 1, 2019 to March 31, 2019**

**YTD % - 50%**

**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 \$4,011,087 which exceeds the City’s financial standard of one year of claims net of recoveries.

**Fleet Services Fund** – The current fund balance is \$86,411, which is slightly in excess of the financial standard of break-even.

**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 \$3,729,436.