



**CARROLLTON**  
TEXAS

**SUMMARY FINANCIAL STATEMENTS  
BUDGET BASIS**

**FISCAL YEAR 2021**

**AS OF FEBRUARY 28, 2021**

## Year to Date October 1, 2020 to February 28, 2021

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	\$ 104,990,573	\$ 4,175,730	\$ 109,166,303	\$45,485,960	\$ 79,808,228	73.11%
Other	13,127,312	-	13,127,312	5,469,713	4,020,893	30.63%
Transfers in from :						
Utility Fund for						
Paymt in lieu of taxes	2,642,610	-	2,642,610	1,101,088	1,101,088	41.67%
Utility Loan Repayment	365,482	-	365,482	152,284	152,284	41.67%
Expenditures:	(110,289,785)	-	(110,289,785)	(45,954,077)	(44,816,184)	40.63%
Transfers out and						
Non-operating uses:						
Rate Review	(25,000)	-	(25,000)	(10,417)	-	0.00%
Hotel/Motel Tax Subsidy	(145,000)	-	(145,000)	(60,417)	-	0.00%
Essential Tech Funds	(1,450,000)	-	(1,450,000)	(604,167)	-	0.00%
Transfer to Admin Fund	-	(183,783)	(183,783)	(76,576)	-	0.00%
COVID-19 Response	(500,000)	-	(500,000)	(208,333)	-	0.00%
Golf Course	(200,000)	-	(200,000)	(83,333)	(200,000)	100.00%
1-time Comp adj.	(1,187,711)	-	(1,187,711)	(494,880)	-	0.00%
Economic Development						
Incentives	-	-	-	-	-	0.00%
Capital Projects	(13,629,201)	(3,991,947)	(17,621,148)	(7,342,145)	-	0.00%
Net increase (decrease)	(6,300,720)	-	(6,300,720)	(2,625,300)	40,066,309	
Beg. Working Capital	24,673,013	-	24,673,013		32,414,562	
End Working Capital	\$ 18,372,293	\$ -	\$ 18,372,293		\$ 72,480,871	

#### Overview - Revenues and Transfers In

Property tax revenue collected through end of February 28<sup>th</sup>, 2021 as percentage of the current year's tax levy is 100% comparable with prior year collections at 98.3%. In addition, 73% of the total budgeted General Fund Tax and Franchise fee revenue have been collected.

Year to date, sales tax receipts are 6.02% over the original budget and 8.79% under prior years' actual. Sales tax receipts summary:

	<u>Current Month</u>	<u>Year to Date</u>
Original Budget	\$2,837,309	\$15,212,480
Actual – Current Year	\$2,984,763	\$16,128,648
Actual – Prior Year	\$3,045,882	\$17,682,446

As per the financial policy adopted by council in 2018, the fiscal year 2021 sales taxes revenue for recurring uses is capped at \$26,987,129. 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 \$9,902,879 over the capped amount, and about 2.55% above the original budget.

#### 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

There was a budget amendment to increase the budgeted non-recurring "one-time" sources of funds related to property taxes by \$4,175,730 in November 2020. In addition, this amendment increased Strategic Community Investment Activity capital project transfers by \$3,991,947 and Administrative Fund transfers by \$183,783.

#### Overview - Fund Balance

As of February 28<sup>th</sup>, 2021, the budget estimates and the complete expenditure of the entire approved budget would result in an ending fund balance of 60 days. On 9/30/2021, approved 2021 Capital Transfers will be made as will any necessary modifications to maintain the mandatory 60-day fund balance. This will be monitored throughout the year. Currently, no capital transfer modifications appear necessary to maintain financial standards.

**Year to Date October 1, 2020 to February 28, 2021**  
**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	\$ 49,293,061	\$ -	\$ 49,293,061	\$20,538,775	\$ 19,160,494	38.87%
Other	1,360,000	-	1,360,000	566,667	610,897	44.92%
Transfers in from :						
Loan from General Fund	-		-	-	-	0.00%
Expenses:	(44,067,956)	-	(44,067,956)	(18,361,648)	(15,919,885)	36.13%
Transfers out and						
Non-operating uses:						
General Fund for						
Paymt in lieu of taxes	(2,642,610)	-	(2,642,610)	(1,101,088)	(1,101,088)	41.67%
Debt Service	(2,443,042)	-	(2,443,042)	(1,017,934)	(1,049,180)	42.95%
Debt Redemption	-	-	-	-	-	0.00%
Capital Projects	(3,100,000)	-	(3,100,000)	(1,291,667)	-	0.00%
Net increase (decrease)	(1,600,547)	-	(1,600,547)	(666,895)	1,701,238	
Beg. Working Capital	13,701,895	-	13,701,895		17,803,743	
End Working Capital	\$ 12,101,348	\$ -	\$ 12,101,348		\$ 19,504,981	

	Rain Fall	Rain Days	Av Hgh Tmp.	Billed (000 gal)	Received (000 gal)	Unacc'ted Water	Daily Per Capita (gals)
FEBRUARY-CY	2.2	9.0	50.8	391,105	441,522	11.42%	113
FEBRUARY-PY	3.9	11.0	59.8	379,419	384,399	1.30%	101
FEB-CY-YTD	8.9	34.0	63.1	2,552,490	2,521,092	(1.25%)	
FEB-PY-YTD	16.3	43.0	64.6	2,668,417	2,742,105	2.69%	

**Overview - Revenues**

Fiscal year-to-date sales and charges revenues are currently on target. In addition, typically more revenue is usually collected during the last quarter of the year. Actual increase in water and wastewater rates adopted January 1, 2020 was 4.6%. No water and sewer rate increases were adopted for FY 2021.

**Overview - Expenses and Transfers Out**

Fiscal year-to-date expenses are below target due to the timing of some expenses. Expenses are expected to end Fiscal year 2020 on target. Transfer out will be made when the receiving funds have need for the funding or at the end of the year.

**Overview - Budget Adjustments**

There have been no budget adjustments to date in the current year.

**Overview - Fund Balance**

As of February 28<sup>th</sup>, 2021, the budget estimates and the complete expense of the entire approved budget would result in an ending fund balance of 90 days. The operating fund balance is \$19,504,981 represents 144.84 days of recurring activities but will be adjusted for the impact of capital project transfers. The anticipated year end fund balance after capital transfers are made represents 121.82 days of fund balance. The City also anticipates an early payoff of the Utility Fund loan during FY2021. If the entire outstanding balance were paid, in addition to completed capital transfers, the anticipated year end fund balance would represent 107.93 days. The City's financial standards call for a minimum of 90 days ending fund balance. The year-end balance is subject to change based on weather and economic impact to water sales. Water leak adjustments resulting from the February weather event will continue to be monitored for impacts to the Water and Sewer Fund

**Year to Date October 1, 2020 to February 28, 2021**

**YTD % - 41.67%**

**Golf Course Fund**

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues:	\$ 166,432	\$ -	\$ 166,432	\$ 69,347	\$ 115,938	69.66%
Transfers In	200,000	-	200,000	83,333	200,000	100.00%
Transfer from Golf Capital	-	-	-	-	-	0.00%
Expenses:	(310,432)	(180,000)	(490,432)	(204,347)	(117,085)	23.87%
Transfers out to:						
Repay FEMA & A/R Writeoff	-	-	-	-	(99,471)	0.00%
Capital Projects	-	-	-	-	-	0.00%
Net increase (decrease)	56,000	(180,000)	(124,000)	(51,667)	99,382	
Beg. Working Capital	(23,910)	-	(23,910)		100,500	
End Working Capital	<u>\$ 32,090</u>	<u>\$ (180,000)</u>	<u>\$ (147,910)</u>		<u>\$ 199,882</u>	

	Paid Rounds of Golf	
	Outings	Total
FEBRUARY-CY	-	1,784
FEBRUARY-PY	398	3,487
FEB-CY-YTD	1,939	20,921
FEB-PY-YTD	2,404	13,808

**Overview – Revenues and Transfers in**

The revenue share model between Orion and the City splits revenue based on the monthly course revenue and utility and maintenance costs are reimbursed to the City. This was the model used from June 2020 through November 2020. Due to the impacts of COVID-19 the contract was amended in December 2020 which changed from a revenue share model to a monthly management fee. Under this new model, rather than receiving a revenue share, the City will receive the net operating income (loss) from the golf course and pay Orion a \$7,000 monthly management fee through the end of February 2021. Actual year-to-date revenues are above projected target of estimated budget; however, revenues are subject to potential net operating losses through February 2021 and may also be negatively impacted by COVID-19 restrictions.

**Overview - Expenses and Transfers Out**

Actual year-to-date expenses are below projected target of estimated budget due to expense reimbursements and a contract amendment.

**Overview - Budget Adjustments**

There was a budget adjustment of \$180,000 which increased the golf expense budget to allow for continued management fee payments to Orion throughout the fiscal year if necessary.

**Overview - Fund Balance**

The Budgetary Fund Balance is projected to end the year at \$(147,910). This budgeted deficit is a function of budgeting for utility costs that are later reimbursed via contract. Currently, the operating fund balance is \$199,882. The golf course will be monitored throughout the year to determine if the course will require any additional transfers at the fiscal year end.

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**YTD % - 41.67%**

**Solid Waste Fund**

	Original Budget	Budget Adj.	Amended Budget	YTD % Budget	Actual to Date	% of Budget to Date
Revenues:	\$ 11,464,946	\$ -	\$ 11,464,946	\$ 4,777,061	\$ 4,726,580	41.23%
Expenses:	(9,989,681)	-	(9,989,681)	(4,162,367)	(4,027,654)	40.32%
Transfers out to:						
Capital Projects	(1,524,357)	-	(1,524,357)	(635,149)	-	0.00%
Net increase (decrease)	(49,092)	-	(49,092)		698,926	
Beg. Working Capital	451,883	-	451,883		311,398	
End Working Capital	<u>\$ 402,791</u>	<u>\$ -</u>	<u>\$ 402,791</u>		<u>\$ 1,010,324</u>	

**Overview – Revenues**

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

**Overview - Expenses and Transfers Out**

Total fiscal year-to-date expenses are on target. Transfers out will be made at the end of the year.

**Overview - Budget Adjustments**

There have been no budget adjustments to date in the current year.

**Overview - Fund Balance**

The Budgetary Fund Balance is currently projected to end the year at \$402,791. Currently, the operating fund balance is \$1,010,324, however, a capital transfer is budgeted for \$1,524,357 that will occur at the end of the fiscal year. Due to rising costs far outpacing revenue for multifamily sanitation, the City moved the multi-family sanitation fees to a cost-recovery model in October 2020. We will continue to monitor fund balance closely throughout the year.

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**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 \$3,987,197, which exceeds the City’s financial standard of one year of claims net of recoveries.

**Fleet Services Fund** – The current fund balance is \$697,823, which exceeds the financial standard of break-even.

**Employee Health and Disability Fund** –The current cash and cash equivalent balance of this fund is \$5,318,083.