



CARROLLTON

T E X A S

SUMMARY FINANCIAL STATEMENTS BUDGET BASIS

FISCAL YEAR 2024

As of April 30, 2024

Table of Contents

- GENERAL FUND 3
 - Financial Summary 3
 - Fund Characteristics 3
 - April 2024 Highlights 4
- UTILITY FUND 5
 - Financial Summary 5
 - Fund Characteristics 5
 - April 2024 Highlights 5
- GOLF COURSE FUND 6
 - Financial Summary 6
 - Fund Characteristics 6
 - April 2024 Highlights 6
- SOLID WASTE FUND 7
 - Fund Characteristics 7
 - April 2024 Highlights 7

GENERAL FUND

The General Fund is the main operating fund of the City. All general tax revenues and other receipts that are not restricted by law or contractual agreement to another fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid through the General Fund. This fund includes most of the basic operating services such as Fire, Police, Environmental Services, Parks and Recreation, Libraries, Development Services, and Street Maintenance.

Financial Summary

General Fund				
	Original Budget	YTD Portion of Budget	Actual to Date	% of Budget to Date
Revenues:				
Taxes & franchise fees	\$ 125,779,214	\$ 73,367,016	\$ 106,799,254	84.91%
Other	\$ 13,238,036	\$ 7,721,746	\$ 8,128,210	61.40%
Transfers in from:				
Utility Fund for Payment In Lieu of Taxes	\$ 2,722,683	\$ 1,588,141	\$ 1,588,232	58.33%
Expenditures:				
Recurring Operating Costs	\$ (129,759,005)	\$ (75,688,428)	\$ (75,911,171)	58.50%
Transfers out/Non-operating uses:				
		\$ -		
Rate Review	\$ (25,000)	\$ (14,583)	\$ -	0.00%
Hotel/Motel Tax Subsidy	\$ (135,000)	\$ (78,746)	\$ -	0.00%
Essential Tech Funds	\$ (1,691,225)	\$ (986,492)	\$ -	0.00%
Addtl. Sources/Reduct. Uses	\$ 762,975	\$ 445,043	\$ -	0.00%
One-time Comp Adj.	\$ (629,409)	\$ (367,134)	\$ -	0.00%
Capital Projects	\$ (27,683,337)	\$ (16,147,690)	\$ -	0.00%
Net increase (decrease)	\$ (17,420,068)	\$ (10,161,126)	\$ 40,604,525	
Beg. Working Capital	\$ 39,032,435		\$ 53,699,990	
End Working Capital	\$ 21,612,367		\$ 94,304,515	

Fund Characteristics

Target fund balance is equal to 60 days of operating expenditures.

Revenue consists of:

1. Property (ad valorem) taxes plus their penalties and interest which represent over half of the revenue.
2. Sales and use taxes represent the City's second highest revenue source.
3. Licenses and permits, franchise fees, fines and forfeitures, charges for services, interest, and other miscellaneous fees.

Used to account for all financial resources and all expenditures, fixed charges, and capital improvement costs not accounted for or paid through other funds.

April 2024 Highlights

The General Fund has received approximately 82.37% of its overall revenues for the fiscal year. The City receives most of its property tax revenue in the first five months of the year since payments for the year are due on January 31, 2024. Property tax revenues are hitting their budgeted targets. As part of its conservative budgeting practices, the City budgets at a 98.5% collection rate for the fiscal year which has allowed the General Fund to still meet its performance targets.

Sales tax revenue has continued to exceed budgeted amounts due to conservative business practices because of the rule change to 3.334. Overall, sales tax revenues are projected to be \$4.4 million or 10.87% over the budgeted amount for Fiscal Year 2024. These excess funds will be available as part of the one-time available funding in the 2025 budget season. Investment income continues to come in above FY2024 projections and will be monitored by the City's Treasury Department. Through April, we have received approximately 87.65% of our budgeted amount. Details related to Investment performance can be found on the City's website at <https://www.cityofcarrollton.com/departments/departments-a-f/finance/treasury>. Revenue trends are mixed, with some revenues below targets (fines and forfeiture), while others are coming in above targets, like charges for services. We continue to monitor these across the organization. Any excess funding will be available for one-time expenses in the upcoming annual budgeting discussions which will occur during the Summer of 2024.

Recurring expenditures are trending higher when compared to the previous year. This is primarily due to increased capital outlay expenses and in personnel services. Purchases include one-time funded ATB's that are purchased out of the General Fund rather than out of Capital Project Funds, like the Purpose-built reserve unit for Fire. Transfers out for subsidies and various capital projects are made at the end of the year, to ensure that the General Fund can meet its financial obligations and maintains a minimum fund balance of 60 days of recurring expenditures. Currently, we do not anticipate an issue with maintaining the minimum required fund balance.

Throughout April, the Departments began their budgeting process for Fiscal Year 2025. Increases experienced across the organization for supplies and services are being taken into consideration and were planned for as part of the multi-year budget and additional opportunities for departments to request inflationary adjustments were again provided. The Budget Team will now begin its work on developing the Proposed Budgets over the summer. Budget work sessions will begin in late June for your first look at what's to come for Fiscal Year 2025.

UTILITY FUND

The Utility Fund is used to account for the costs of water and sewer services to the residents and businesses of the City. Activities of the fund include administration, operation, and maintenance of the water and sewer system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are primarily financed by charges to utility customers via water and sewer rates.

Financial Summary

Utility Operating Fund				
	Original Budget	YTD Portion of Budget	Actual to Date	% of Budget to Date
Revenues:				
Sales and Charges	\$ 56,191,001	\$ 32,776,211	\$ 28,504,047	50.73%
Other	\$ 1,351,508	\$ 788,335	\$ 1,107,994	81.98%
Expenses:				
Recurring Operating Costs	\$ (49,510,956)	\$ (28,879,741)	\$ (25,888,744)	52.29%
Transfers out/Non-operating uses:				
General Fund for Payment in lieu of Taxes	\$ (2,722,683)	\$ (1,588,141)	\$ (1,588,232)	58.33%
Debt Service	\$ (2,107,700)	\$ (1,229,421)	\$ (476,467)	22.61%
Capital Projects	\$ (6,465,750)	\$ (3,771,472)	\$ -	0.00%
Net increase (decrease)	\$ (3,264,580)	\$ (1,904,230)	\$ 1,658,598	
Beg. Working Capital	\$ 16,380,726		\$ 21,220,214	
End Working Capital	\$ 13,116,146		\$ 22,878,812	

Fund Characteristics

1. Target fund balance is equal to 90 days of operating expenditures.
2. Revenue consists of:
 - a. Water sales and charges, which represent a little over half of the fund’s revenue.
 - b. Sewer sales and charges, which represent approximately 40% of the revenue received.
 - c. Tag and reconnect fees, industrial surcharge, backflow prevention, interest, etc.
3. As an enterprise fund, the operations are financed through its sales and run similarly to a private business.
4. Costs for providing goods and services to the public are financed through user charges.

April 2024 Highlights

Water and Wastewater revenue is trending higher when compared to the previous year because of the increases that went into effect on January 1st. Currently, we have received 51.46% of the budgeted revenue for the fiscal year, however, the City historically receives 35% of its annual water/wastewater revenue in the last quarter of the year. Operational costs have spent approximately 52% of their annual budget. The Utility Fund Payment in Lieu of Taxes (PILOT) is \$2,722,683 for Fiscal Year 2024, which provides a recurring revenue source to the General Fund each year.

GOLF COURSE FUND

The Golf Course Fund is designated as an enterprise fund and is used to account for the maintenance and upkeep of Indian Creek Golf Club. The City utilizes a management services contract to oversee the operations of the courses. Under the current contract signed in March 2021, Orion reimburses the City for utilities, equipment depreciation/refresh, and a portion of the golf course revenue. The percentage of revenue shared with the City is based on a tiered sliding scale and is calculated on a year-to-date basis. The revenue is then used to make improvements to the City’s course, administration, operations, and maintenance costs.

Financial Summary

Golf Course Operating Fund				
	Original Budget	YTD Portion of Budget	Actual to Date	% of Budget to Date
Revenues:	\$ 920,169	\$ 536,735	\$ 478,676	52.02%
Expenses:	\$ (656,702)	\$ (383,054)	\$ (90,679)	13.81%
Transfers out to Capital Projects	\$ (300,000)	\$ (174,990)	\$ -	0.00%
Net increase (decrease)	\$ (36,533)	\$ (21,310)	\$ 387,997	
Beg. Working Capital	\$ 1,431,729		\$ 1,756,022	
End Working Capital	\$ 1,395,196		\$ 2,144,019	

Fund Characteristics

1. Target fund balance is equal to 50% of annual debt service.
2. Revenue consists of a percentage of the income attained by Orion Management based on a tiered sliding scale on the YTD amount and reimbursement of certain expenses.
3. Susceptibility to extreme weather patterns, including floods due to its location next to the Trinity River, and environmental factors like the pandemic may prompt a need for subsidizing during repairs and inclement weather closures.

April 2024 Highlights

The Golf Course continues to outperform expectations and revenues are 9.95% higher than its YTD expectations. The City’s revenue-share model resets in and continues to grow throughout the year as performance at the course continues to grow. All golf course utility and depreciation expenses charged to the City are reimbursed by Orion. The Golf Course Fund transfers \$300k annually for capital improvements to the facility. A new golf card barn was completed this month and was funded out of the Golf Capital Projects Fund.

SOLID WASTE FUND

The Solid Waste Fund is an enterprise fund that is funded through its user fees. Residential, multifamily, and commercial solid waste services are outsourced to a private waste provider, Republic Services. Residential fees also fund an annual capital transfer for alley replacements. Due to the continual growth in multifamily dwellings and change in service demand, apartments are now charged on a per-service basis rather than a set rate per unit.

Solid Waste Operating Fund				
	Original Budget	YTD Portion of Budget	Actual to Date	% of Budget to Date
Revenues:	\$ 13,145,348	\$ 7,667,681	\$ 6,991,518	53.19%
		\$ -		
Expenses:	\$ (11,804,778)	\$ (6,885,727)	\$ (5,946,873)	50.38%
Transfers out to Capital Projects	\$ (1,364,487)	\$ (795,905)	\$ -	0.00%
Net increase (decrease)	\$ (23,917)	\$ (13,951)	\$ 1,044,645	
Beg. Working Capital	\$ 239,893		\$ 202,102	
End Working Capital	\$ 215,976		\$ 1,246,747	

Fund Characteristics

1. Target fund balance is \$200,000.
2. Revenue consists of:
 - a. Residential collection fees, which account for about 75% of the entire monthly revenue.
 - b. Apartment collections fees, including commercial/business, represent about a third of the revenue.
 - c. Expenditures – payments to third party provider and capital pay-go funding for alley replacements.

April 2024 Highlights

The Solid Waste Fund is budgeted for a capital transfer for alley rehabilitation of \$1.36 million in Fiscal Year 2024. The capital projects transfer is scheduled for the end of the year once staff have verified the Solid Waste Fund will meet its target fund balance of \$200,000.