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## MEMORANDUM

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**TO:** MATT MUELLER, TOWN MANAGER  
**FROM:** KELLY WILSON, CHIEF FINANCIAL OFFICER  
**SUBJ:** BUDGET REPORT FOR PERIOD DECEMBER 31, 2023  
**CC:** MAYOR AND COUNCIL

The attached is Budget to Actual Information for the fiscal period ending December 31, 2023, representing 25% of the Town's fiscal year. This information is unaudited and provides a snapshot of our financial status on a budgetary basis.

**Cash and Investment Position:** The Town maintains an excellent cash position with all idle funds in interest bearing accounts or secured investments. Total interest earned through this reporting period was \$1,702,514. Total cash and investments on hand at the end of the reporting period is \$171,302,962. For detailed information, please refer to the quarterly investment report.

**Budget:** As of December 31, 2023, the budget is as follows for major funds with the **target at 25%**; the major funds are presented in summary below.

**Revenues:**

<i><b>Major Funds - Sources</b></i>	<b>Budget</b>	<b>YTD Actual</b>	<b>% Earned</b>
General Fund	\$ 51,757,341	\$ 27,209,628	52.6%
Parks and Recreation Fund	5,296,500	750,906	14.2%
Street Maintenance Fund	1,866,805	150,905	8.1%
Water and Sewer Fund	23,834,485	4,819,426	20.2%
Solid Waste Fund	4,114,762	961,030	23.4%
Storm Drainage System Fund	818,000	178,341	21.8%

**Expenditures:**

<i><b>Major Funds - Sources</b></i>	<b>Budget</b>	<b>YTD Actual</b>	<b>% Earned</b>
General Fund	\$ 58,871,081	\$ 16,208,946	27.5%
Parks and Recreation Fund	5,562,182	1,281,145	23.0%
Street Maintenance Fund	1,879,465	731,282	38.9%
Water and Sewer Fund	27,669,141	3,806,806	13.7%
Solid Waste Fund	4,113,255	894,457	21.7%
Storm Drainage System Fund	666,991	106,642	16.0%

**General Fund Revenue and Expense Summary:** Total General Fund revenue is pacing ahead of last year relative to the total budget by 1%. Total revenue through this period is \$27,209,628, or 52% of the budget, due to the timing of property tax collections. Property Tax collections typically start in October and spike with collections in December and January. Total General Fund expenditures through this period total

FINANCE DEPARTMENT  
BUDGET REPORT

to \$16,208,946, or 27.5% of the budget. All department activities are within expected levels through the reporting period. Please refer to the quarterly financial report for detailed information.

**General Fund and Debt Service Fund Property Taxes:**

Property Tax collections for the fiscal year received through December are as follows:

Property Taxes	General Fund		Debt Service Fund	
	Budget	Actual	Budget	Actual
Current Levy	\$ 25,441,466	\$ 21,787,534	\$ 9,872,576	\$ 7,416,276
Penalty and Interest	60,000	14,102	-	5,039
Prior Year Property Taxes	75,000	(25,448)	-	(10,122)
<b>Total</b>	<b>\$ 25,576,466</b>	<b>\$ 21,776,188</b>	<b>\$ 9,872,576</b>	<b>\$ 7,411,193</b>

Town-wide Ad Valorem property tax collections at the end of this reporting period reflect \$29,203,664 or 64% on a tax levy of \$45,527,161.

**Sales Tax:** The Town's total sales tax budget is \$14,435,720. For this reporting period, the Town has received one distribution of sales tax from the State Comptroller's office. This sales tax distribution reflects the Town's portion of October sales tax. The table below summarizes total sales tax collections through this reporting period. The figures below do not include any reduction to Sales Tax associated with any development agreements.

Fiscal Year	Total Sales Tax Received	1¢ City	.50¢ EDC	.25¢ CDC	.25¢ SMF
2024 Budget	14,435,720	7,217,860	3,608,930	1,804,465	1,804,465
2024 Actual	1,228,996	651,452	288,772	144,386	144,386

**Water and Sewer Fund:** The Town's Water-Wastewater Utility revenue is pacing behind last year relative to the total budget by 2% due to the timing of wholesale water payments due to the Town. Total Utility revenue through this reporting period is \$4,819,426, or 20% of the budget. This year water payers saw an increase of 2% in water rates. Sewer rates remained unchanged. Actual expenditures through this reporting period are \$3,806,806, or 13.7% of the budget. Total operational expenses are within expected levels through this period. Please see the quarterly financial report for detailed information.

**Water Purchases and Consumption:** The water purchases take or pay budget reflects \$8,155,102 or 29.5% of the budget. The town is reporting the water purchases through the 1st quarter of \$1,690,425. The Town of Little Elm has billed 415 million gallons of water through the 1st quarter of FY 2024 and has purchased 426 million gallons from NTMWD. The Town's take or pay water consumption is 1.804 billion gallons of water for the fiscal year from NTMWD. Please see the quarterly financial report for detailed information.



# FY 2023 - 2024 Quarter 1 Financial Report

## October 1, 2023 - December 31, 2023

Total All Funds						
	Adopted Budget	Amended Budget	Actual			
Revenue	\$ 107,087,449	\$ 107,307,250	\$ 43,010,711	40.1%		
Expenditures	\$ 113,956,666	\$ 120,723,164	\$ 26,223,003	21.7%		
Net Gain/(Loss)	\$ (6,869,217)	\$ (13,415,914)	\$ 16,787,708			

General Fund					Street Maintenance Fund				
	Adopted Budget	Amended Budget	Actual			Adopted Budget	Amended Budget	Actual	
Revenue	\$ 51,537,540	\$ 51,757,341	\$ 27,209,628	52.6%	Revenue	\$ 1,879,465	\$ 1,866,805	\$ 150,905	8.1%
Expenditures	\$ 54,629,328	\$ 58,871,081	\$ 16,208,946	27.5%	Expenditures	\$ 1,850,000	\$ 1,879,465	\$ 731,282	38.9%
Net Gain/(Loss)	\$ (3,091,788)	\$ (7,113,740)	\$ 11,000,682		Net Gain/(Loss)	\$ 29,465	\$ (12,660)	\$ (580,377)	

Utility Fund					Debt Service Fund				
	Adopted Budget	Amended Budget	Actual			Adopted Budget	Amended Budget	Actual	
Revenue	\$ 23,834,485	\$ 23,834,485	\$ 4,819,426	20.2%	Revenue	\$ 10,083,649	\$ 10,083,649	\$ 7,425,330	73.6%
Expenditures	\$ 26,915,634	\$ 27,669,141	\$ 3,244,325	11.7%	Expenditures	\$ 10,515,369	\$ 10,515,369	\$ 12,791	0.1%
Net Gain/(Loss)	\$ (3,081,149)	\$ (3,834,656)	\$ 1,575,101		Net Gain/(Loss)	\$ (431,720)	\$ (431,720)	\$ 7,412,539	

Parks and Recreation Fund					Other Non-Major Funds				
	Adopted Budget	Amended Budget	Actual			Adopted Budget	Amended Budget	Actual	
Revenue	\$ 5,296,500	\$ 5,296,500	\$ 750,906	14.2%	Revenue	\$ 14,455,810	\$ 14,455,810	\$ 2,654,517	18.4%
Expenditures	\$ 5,556,134	\$ 5,562,182	\$ 1,281,145	23.0%	Expenditures	\$ 14,490,201	\$ 16,238,585	\$ 2,758,033	17.0%
Net Gain/(Loss)	\$ (259,634)	\$ (265,682)	\$ (530,239)		Net Gain/(Loss)	\$ (34,391)	\$ (1,782,776)	\$ (103,516)	

The information in this report represents financial transactions through the 1st Quarter (October - December) of the fiscal year ending September 30, 2024, unless otherwise specified. All current financial figures are unaudited and may be subject to change or adjustment.

CIP funds are not included in this report.

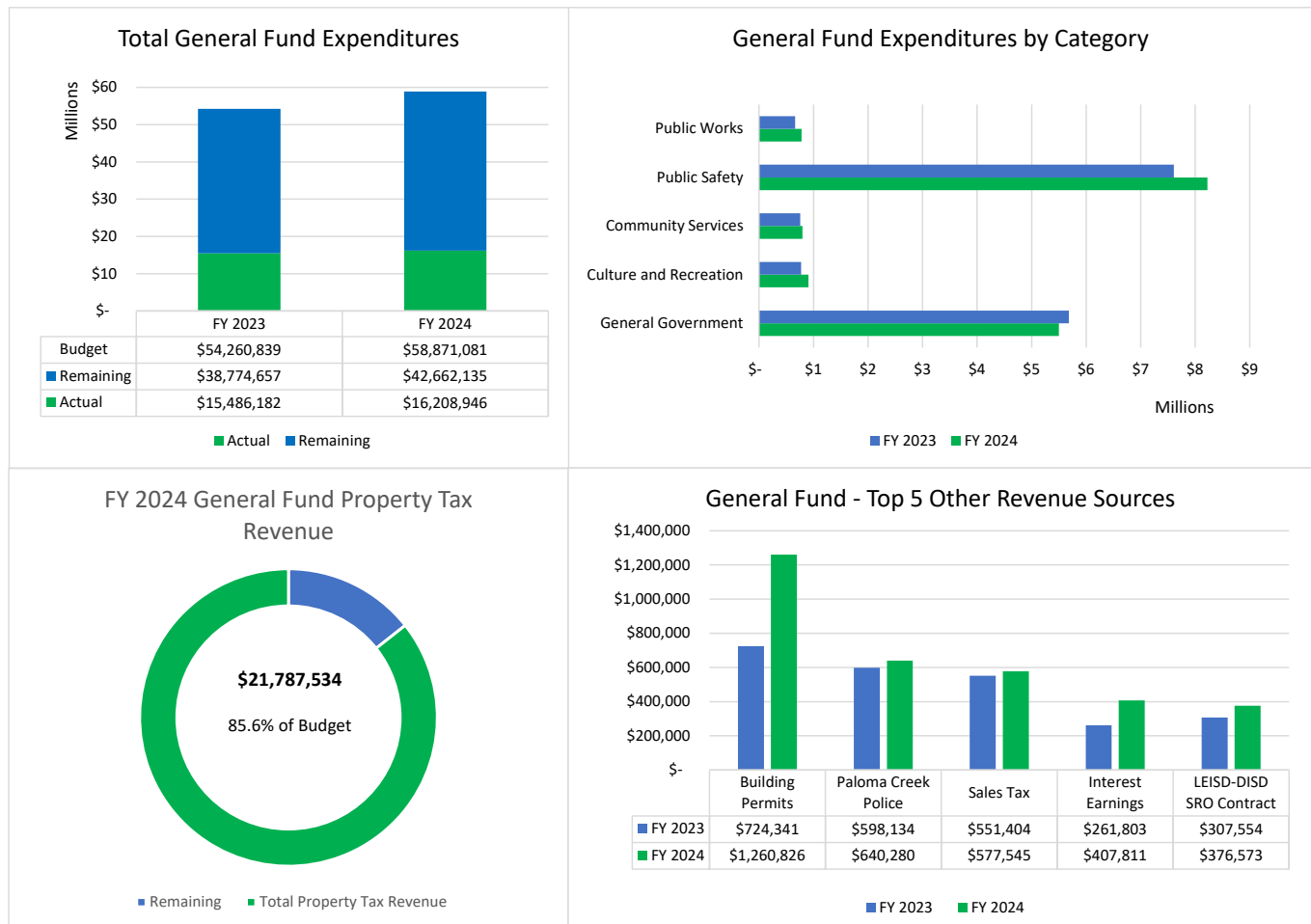
This report includes the amended budget presented to Council December 2023 for the encumbrance roll of \$6,766,498.

Expenditures in this report do not include current encumbrances.



## FY 2023 - 2024 Quarter 1 Financial Report - General Fund

### October 1, 2023 - December 31, 2023



### REVENUE

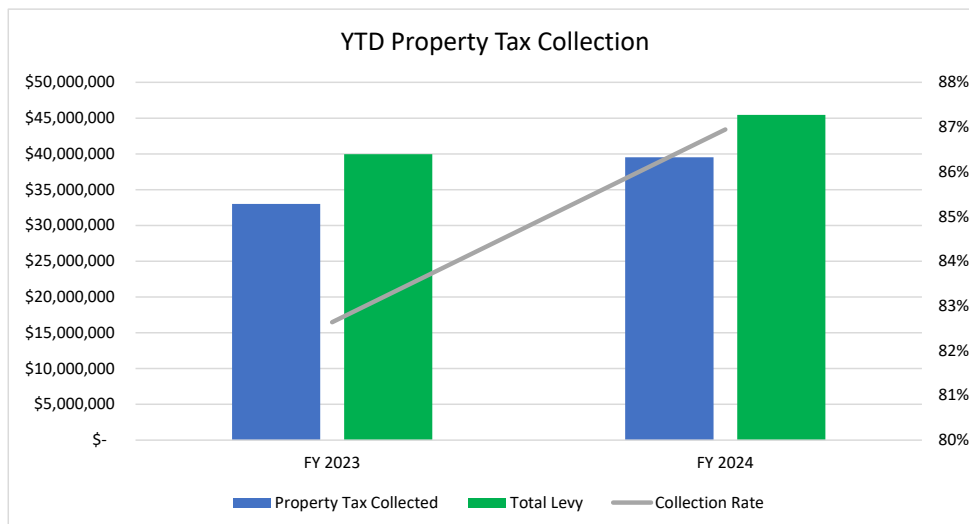
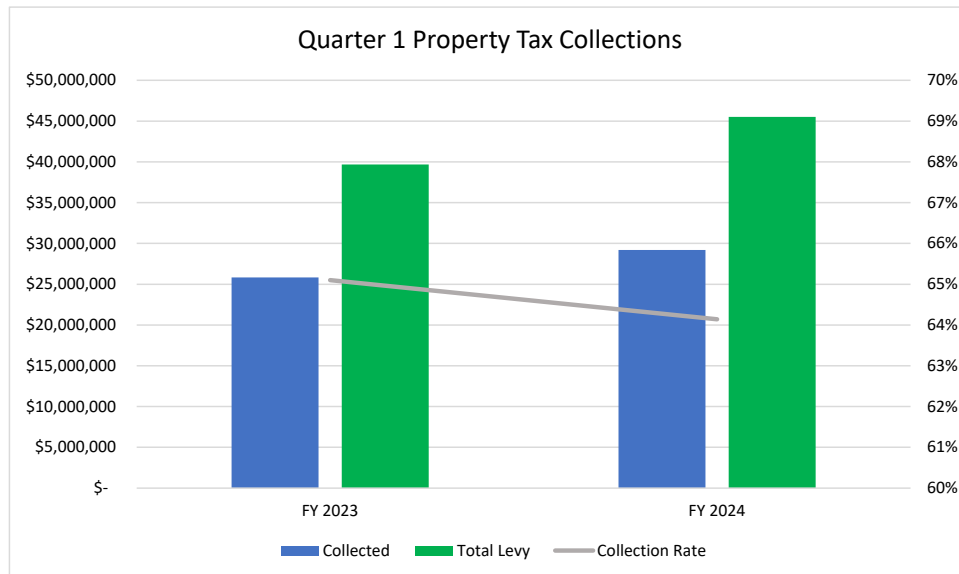
- General Fund Revenue is pacing ahead of last year relative to the total budget by 1%. Revenue through this period has reached 52% of the budget. Due to the timing of property tax collections, the majority of budgeted revenue has been received.
- For this reporting period, the Town has received one distribution of sales tax from the State Comptroller's office. Sales tax revenue is trending the same as last year relative to the total budget. Total Sales tax revenue in the General Fund through this period reflects a 5% increase over last year. See Sales Tax report for more information.
- Due to current market conditions, interest earnings have seen a 56% increase over last year through this period.
- Building permit revenue through this period has seen a 74% increase over last year. This is due to construction of two new elementary schools in Town.

### Expenditures

- Excluding interfund transfers, General Fund expenditures are pacing the same as last year relative to the total budget. Expenditures through this period have reached 21% of the budget.
- Public safety expenditures are trending the same as last year relative to the total budget. Total Public Safety expenditures are greater than last year by 8% due to personnel costs.
- General Government expenditures are trending lower than last year relative to the total budget by 3% due to interfund transfers.



## FY 2023 - 2024 Quarter 1 Financial Report - Property Tax October 1, 2023 - December 31, 2023

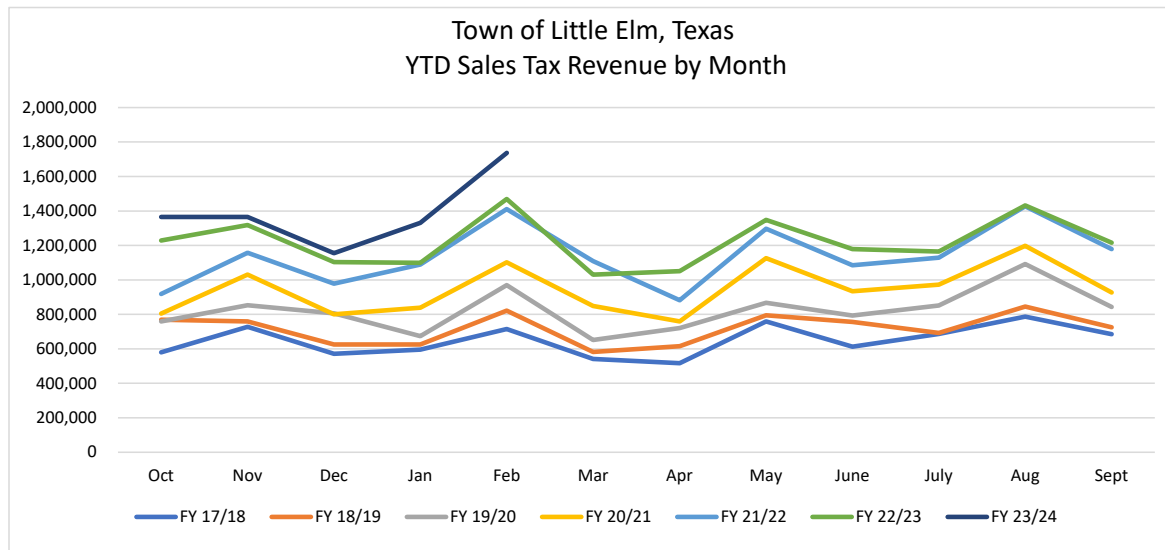
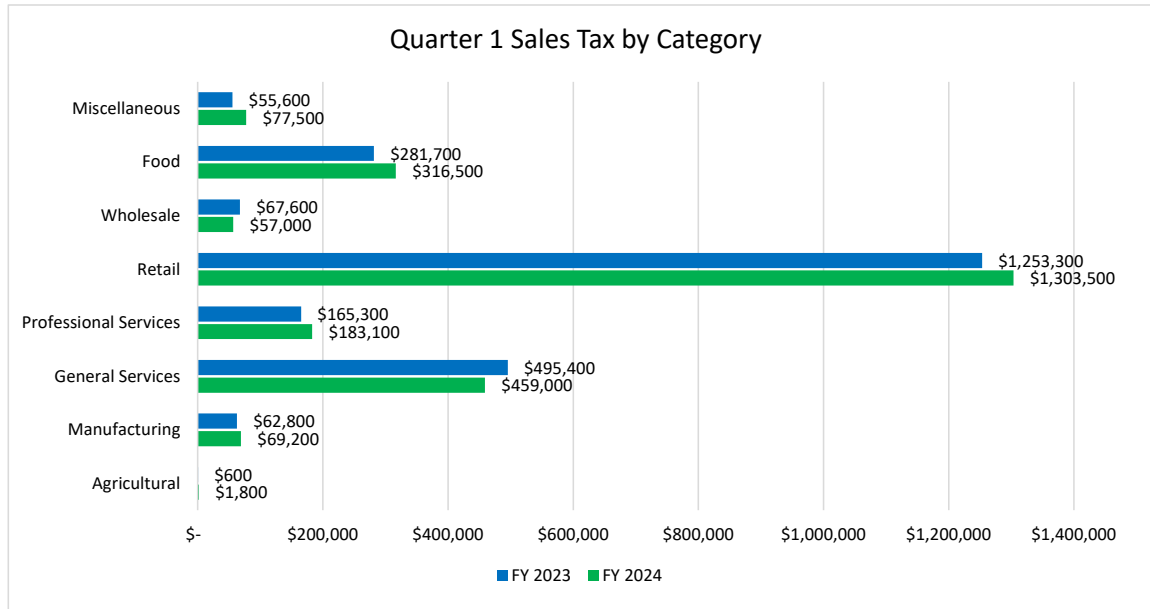


### REVENUE

- Town wide property tax collections through the reporting period are pacing behind last year relative to the total levy by 1%. Total collections through this period have increased by 13%
- Town wide property tax collections through January are pacing ahead of last year relative to the total levy by 5%. Total collections through January have increased by 20%



## FY 2023 - 2024 Quarter 1 Financial Report - Sales Tax October 1, 2023 - December 31, 2023



### REVENUE

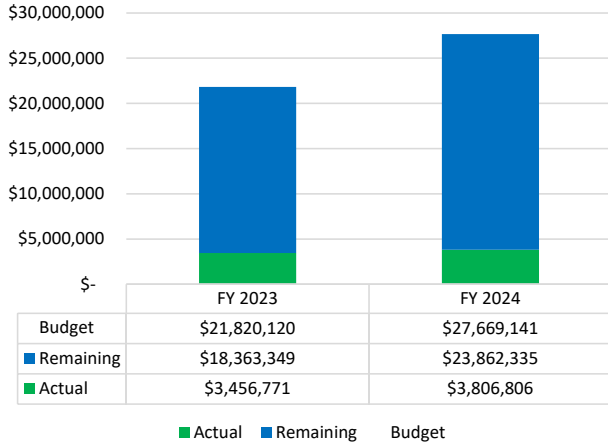
- Through February of the current Fiscal Year, the Town has received a total of \$3.30 million in sales tax. This is a 12% increase over last year through the same period. The Town's year to date sales tax revenue is over projected budgeted sales tax revenue by 15%.
- Categorical Sales Tax data reflects October and November disbursements from the State Comptroller's Office. Categorical data for December's disbursement is not yet available and will be reflected in future reports.



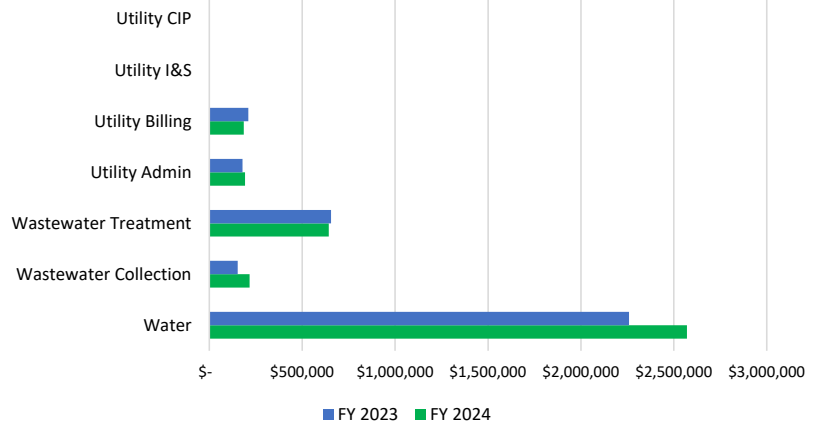
## FY 2023 - 2024 Quarter 1 Financial Report - Utility Fund

### October 1, 2023 - December 31, 2023

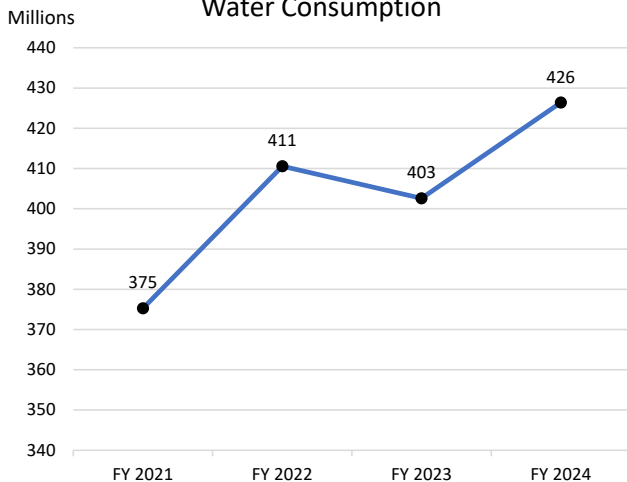
**Total Utility Fund Expenditures**



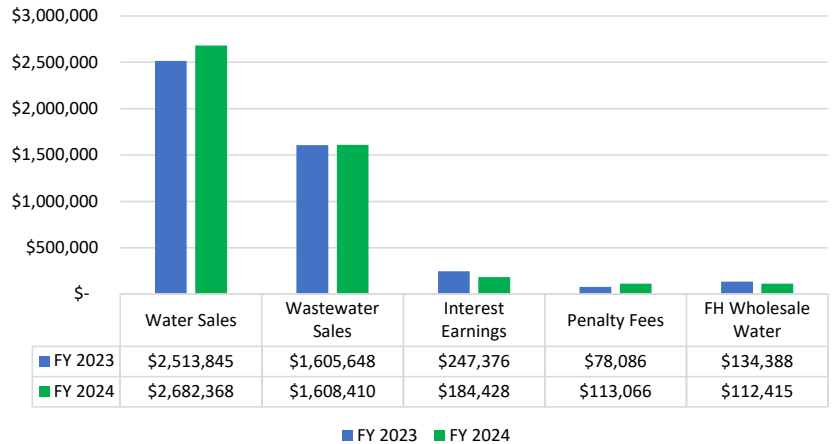
**Utility Fund Expenditures by Department**



**Water Consumption**



**Utility Fund - Top 5 Revenue Sources**



### REVENUE

- Utility Fund Revenue is pacing behind last year relative to the total budget by 2%. This is due to the timing of wholesale water and wastewater payments to the Town. Revenue through this period has reached 20% of the budget.
- Total water sales are \$165K higher than last year through this period due to increased rates and consumption.

### EXPENDITURES

- Excluding interfund transfers, Utility Fund expenditures are trending the same as last year. Expenditures through this period have reached 14% of the budget.



## FY 2023 - 2024 Quarter 1 Financial Report - Utility Consumption

### October 1, 2023 - December 31, 2023

	Oct-23		Nov-23		Dec-23	
	WATER	SEWER	WATER	SEWER	WATER	SEWER
# of Accts Residential	12,200	11,943	12,205	11,950	12,197	11,942
#of Accts Commercial	471	238	474	240	473	240
Consumption-Residential	135,111,000	76,125,000	102,746,000	75,611,000	81,938,000	75,218,000
Consumption-Commercial	44,435,000	6,780,000	30,344,000	6,382,000	20,676,000	5,532,000
Average Residential Water Consumption	11,075		8,418		6,718	
Billed (\$) Residential	\$ 1,133,842	\$ 610,318	\$ 914,854	\$ 609,356	\$ 764,164	\$ 607,602
Billed (\$) Commercial	\$ 306,536	\$ 37,228	\$ 225,705	\$ 35,354	\$ 162,364	\$ 31,454
Total Billed (\$)	\$ 1,440,378	\$ 647,546	\$ 1,140,558	\$ 644,709	\$ 926,528	\$ 639,056
Rainfall (Inches)	10.24		1.11		4.01	

#### CONSUMPTION

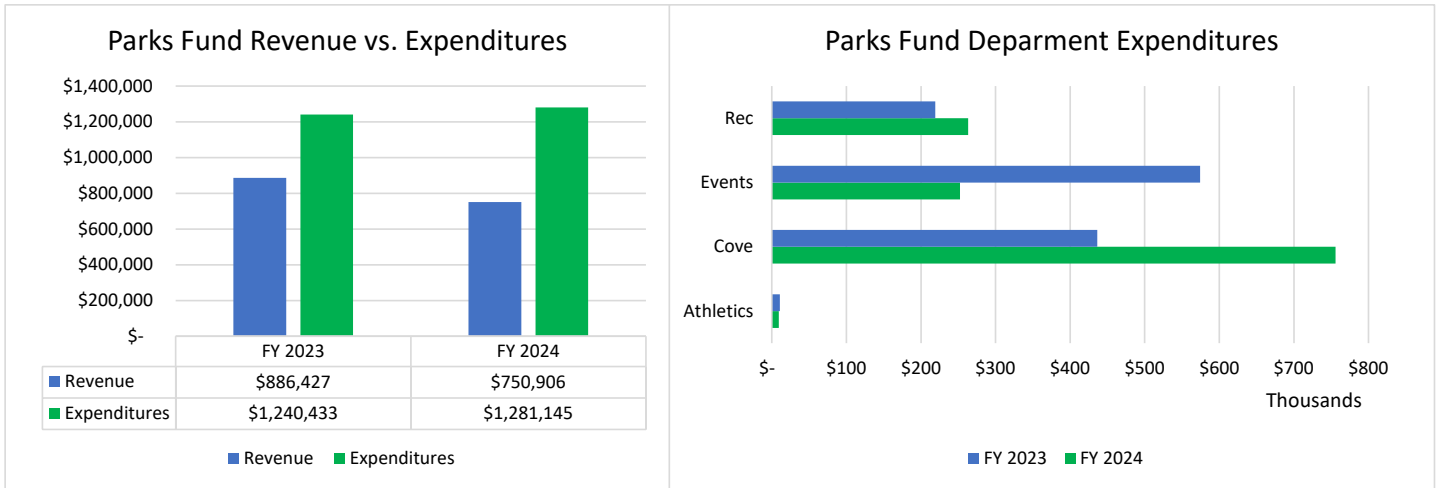
- Total water consumption through this reporting period has increased from last year by 5.5%
- Total sewer consumption through this reporting period has remained approximately the same as last year.
- Denton County area rainfall increased by 3.44 inches from last year during this reporting period.





## FY 2023 - 2024 Quarter 1 Financial Report - Parks Fund

### October 1, 2023 - December 31, 2023



	Athletics	Cove	Rec Programming	Special Events	Other	Fund Total
Revenue	\$ 23,545	\$ 347,048	\$ 240,426	\$ 104,995	\$ 34,891	\$ 750,906
Expenditures	\$ 9,404	\$ 755,908	\$ 263,368	\$ 252,466	\$ -	\$ 1,281,145
<b>Cost Recovery</b>	<b>250%</b>	<b>46%</b>	<b>91%</b>	<b>42%</b>	<b>N/A</b>	<b>59%</b>

### REVENUE

- Parks Fund Revenue is pacing behind last year relative to the total budget by 5%. Revenue through this period has reached 14% of the budget.
- Special Events revenue is pacing behind last year relative to the total budget by 10%. This is due to changes in Special Events programming for this period.

### EXPENDITURES

- Through this reporting period, expenditures for the Cove® are exceeding last year relative to the total budget by 7%. This is due to planned maintenance and updates to the facility.
- Through this reporting period, expenditures for the Parks Fund are lower than last year relative to the total budget by 2% due to changes in Special Event programming. Total expenditures have reached 23% of the budget.

### COST RECOVERY

- The Cove® is currently 46% cost recovered due to planned maintenance and updates during the less active winter season.
- Special events is currently 42% cost recovered due to pre-event expenses and non-ticketed events.
- Through this reporting period, the Parks Fund is currently 59% cost recovered. This is down from last year through the same period by 12%.