

FINANCIAL SUMMARY



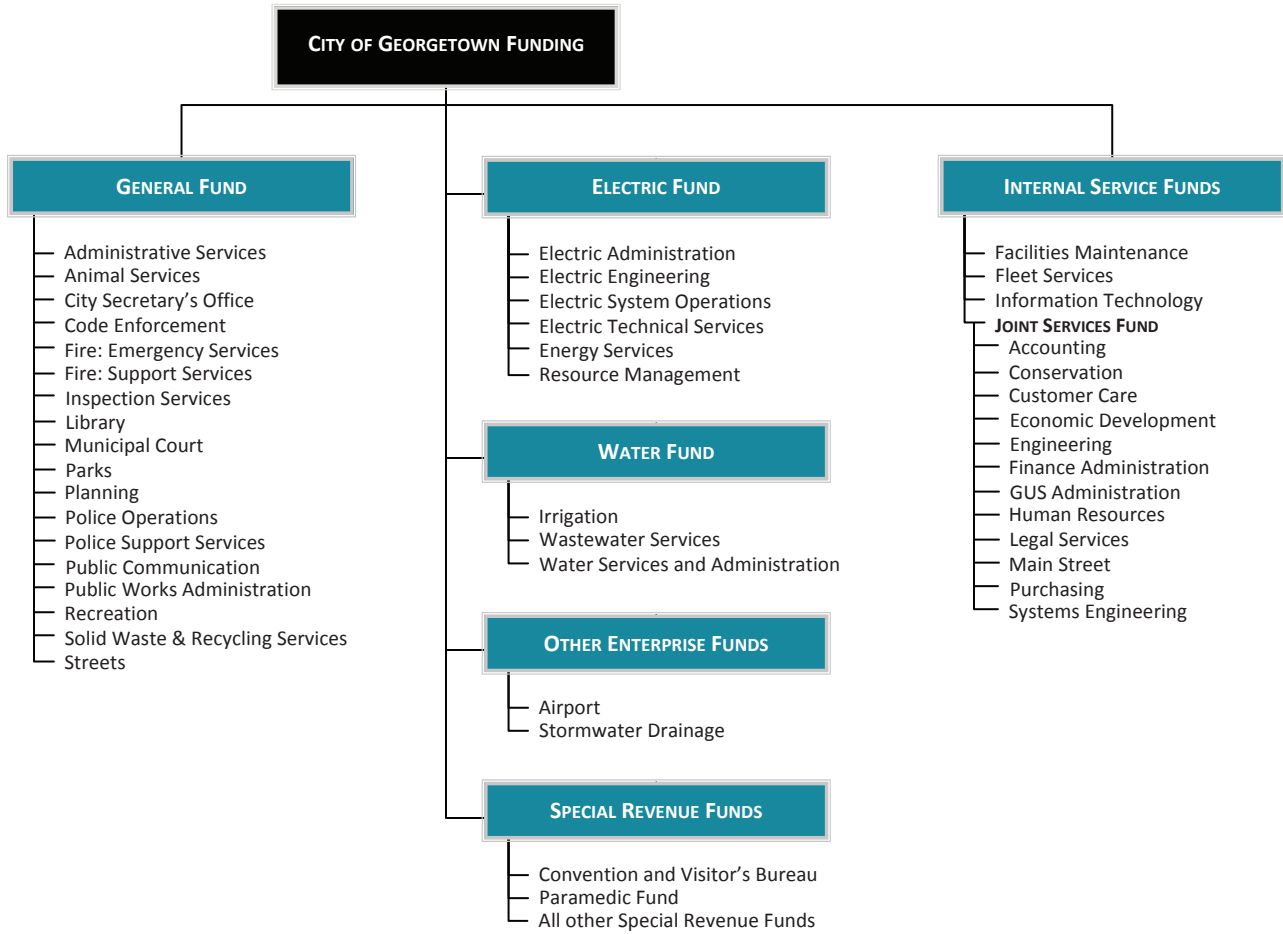
Family picnic at Music on the Square

FINANCIAL SUMMARY

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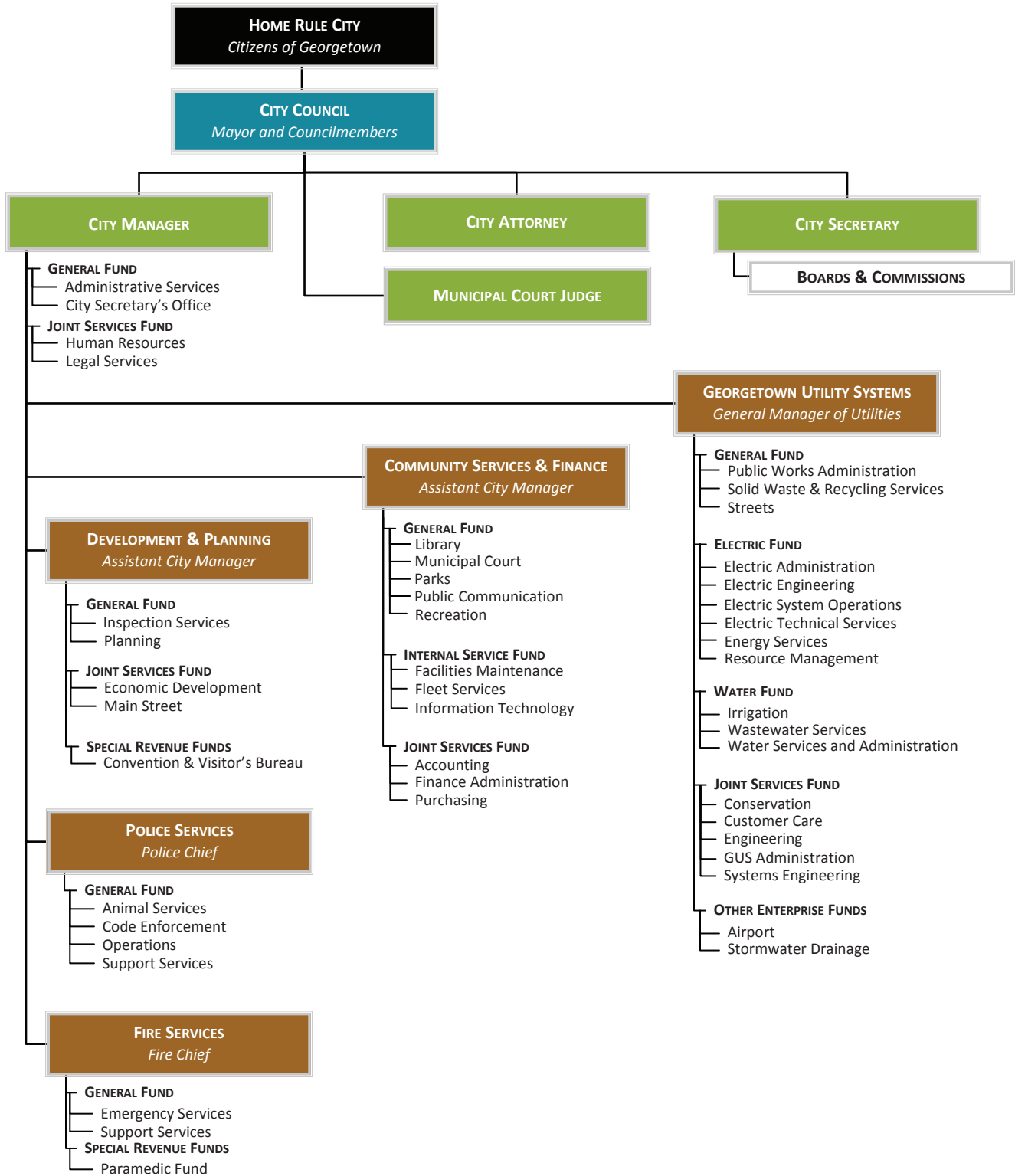
CITY DEPARTMENTS BY FUND

This page visually represents the Departments of the City listed by their funding source.



CITY DEPARTMENTS BY DIVISION AND FUND

This page visually represents the Divisions and Departments of our City with their funding sources.



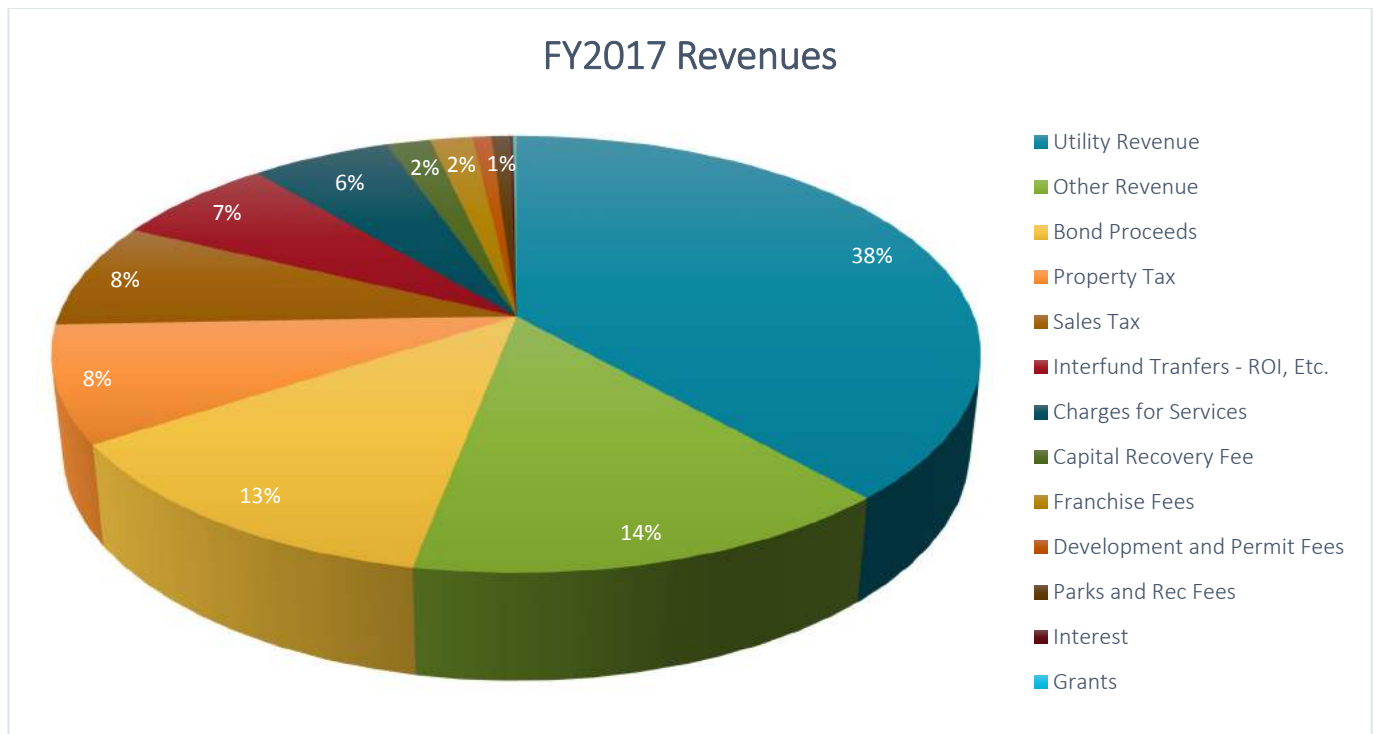
FINANCIAL SUMMARY

FY2017 BUDGETED REVENUES

Budgeted revenues total \$295.1 million in FY2017. The primary revenue categories consist of property taxes, sales tax, charges for services, utility revenues, and bond proceeds.

Overall, budget revenues are 0.15% lower than FY2016 year-end projections, primarily due to the variance in debt proceeds issued for capital projects. Utility revenue represents 38.4% of all revenue and is budgeted at \$113.3 million in FY2017. Due to population growth and increased valuation of existing property, property tax revenue is budgeted to increase by 8.79% relative to year-end projections. Sales tax revenue is also expected to increase in FY2017. It is anticipated sales tax revenue will exceed \$23 million for the first time in the City's history.

Revenue Type	FY2015 Actual	FY2016 Budget	FY2016 Projected	FY2017 Base	FY2017 Changes	FY2017 Budget
Utility Revenue	102,879,942	105,415,442	106,895,018	113,344,441	-	113,344,441
Bond Proceeds	42,164,703	59,207,000	59,862,304	37,660,000	-	37,660,000
Other Revenue	27,236,521	33,193,429	30,013,155	42,929,371	144,506	43,073,877
Interfund Trnfers - ROI, Etc.	23,601,127	21,083,515	21,491,787	18,952,424	715,213	19,667,637
Property Tax	21,129,627	23,208,869	23,384,947	25,442,837	-	25,442,189
Sales Tax	20,477,518	21,005,000	22,201,611	23,099,933	-	23,099,933
Charges for Services	14,229,231	16,178,157	15,069,804	16,940,332	-	16,940,332
Capital Recovery Fee	5,924,452	5,945,574	5,081,780	5,367,300	-	5,367,300
Franchise Fees	4,925,043	5,129,030	4,960,206	5,142,035	-	5,142,035
Development and Permit Fees	2,340,128	2,392,400	2,387,950	2,292,691	-	2,292,691
Parks and Rec Fees	2,108,976	2,112,000	2,099,553	2,171,740	19,006	2,190,746
Grants	838,716	938,304	1,067,471	170,500	63,350	233,850
Special Improvement Fees	705,428	642,373	632,970	205,000	-	205,000
Interest	434,290	280,217	386,769	407,635	-	407,635
Grand Total	268,995,702	296,731,310	295,535,324	294,126,238	942,075	295,067,665



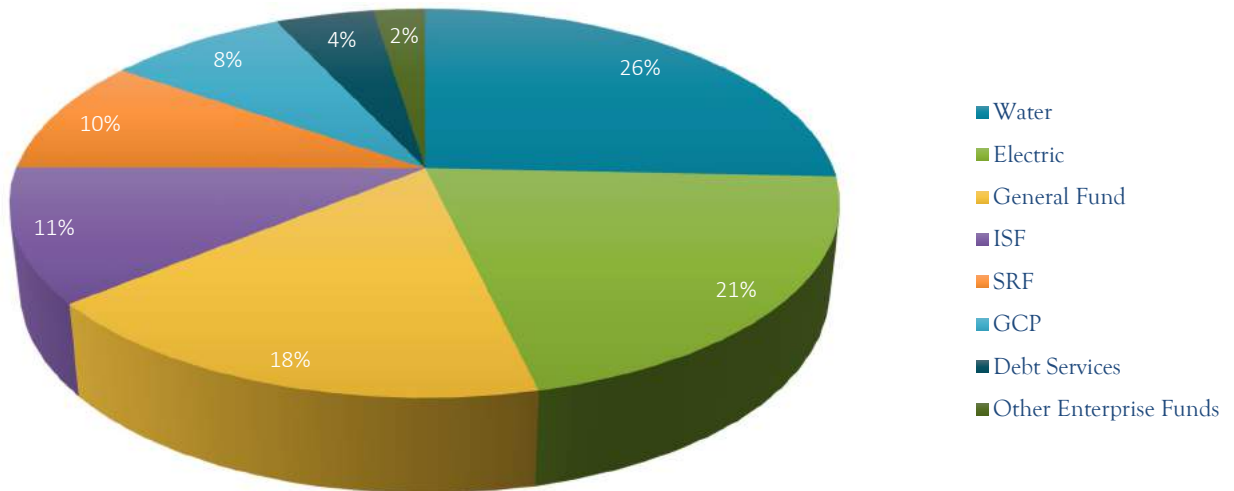
FY2017 BUDGETED EXPENSES

Budgeted expenses total \$325.8 million in FY2017, which represents a decrease of 3.74% relative to FY2016 year-end projections.

Water related expenses are the largest category totaling \$83.6 million and includes capital improvement expenses totaling \$46.7 million. Electric expenses are budgeted to decrease over year-end projections by 2.39% in FY2017. General Fund expenses total \$57.4 million, which represents an increase of 5.41% relative to year-end projections.

Expenses	FY2015 Actual	FY2016 Budget	FY2016 Projected	FY2017 Base	FY2017 Changes	FY2017 Budget
Debt Services	16,984,994	12,810,464	20,717,452	14,804,714	-	14,804,714
Electric	68,757,280	70,318,153	68,979,957	66,718,081	613,288	67,331,369
GCP	15,033,479	47,805,549	41,522,414	27,053,883	-	27,053,883
General Fund	51,052,834	54,816,774	54,539,932	55,648,876	1,843,769	57,492,644
ISF	27,379,840	33,596,176	32,238,973	34,465,380	1,641,856	36,107,236
Other Enterprise Funds	6,780,644	8,608,730	7,649,059	7,408,877	453,276	7,862,153
SRF	27,498,109	51,139,995	38,010,525	30,781,053	726,268	31,507,321
Water	45,555,944	77,371,774	74,802,097	81,357,992	2,263,535	83,621,527
Grand Total	259,043,123	356,467,615	338,460,409	318,238,855	7,541,992	325,780,846

FY2017 Expenses



MAJOR REVENUE SOURCES

Property Taxes: Taxes are levied on January 1 of each year. The Williamson Central Appraisal District determines the value for each property in the city. Property tax rolls are certified in July and the tax rate is adopted in September, along with the budget. The City’s tax collector, the Williamson County Tax Collector, sends statements in October to each taxpayer.

Budgeted revenues from ad valorem taxes total \$25.4 million. The adopted property tax rate for FY2017 is \$0.4240 per \$100 valuation. The tax rate is one cent lower than the FY2016 rate and represents the lowest tax rate in the greater Austin MSA. For FY2017, 0.19666 cents per \$100 valuation is allocated for Operations and Maintenance (O&M). The remaining 0.22734 cents per \$100 valuation is allocated for Interest and Sinking (I&S) to retire general debt.

Due to projected population growth and proposed new development in the pipeline, it is anticipated that property tax revenue will continue to grow for the next few years.

Property Tax Rev. by Fund	FY2015 Actual	FY2016 Budget	FY2016 Projected	FY2017 Base	FY2017 Changes	FY2017 Budget
100 - General	10,719,097	11,636,698	11,673,060	12,475,000	-	12,475,000
159 - Debt	9,817,979	10,900,000	10,900,000	12,000,000	-	12,000,000
234 - Village PID	345,340	416,520	416,520	334,713		334,065
293 - Downtown TIRZ	180,485	205,433	202,632	216,100	-	216,100
294 - Rivery TIRZ	39,628	21,063	88,204	249,517	-	249,517
295 - Gateway TIRZ	27,098	29,155	32,843	36,858	-	36,858
296 - South Georgetown TIRZ			71,688	130,649	-	130,649
Grand Total	21,129,627	23,208,869	23,384,947	25,442,837	-	25,442,189

Sales tax revenue is budgeted at \$23.1 million. The City’s sales tax rate is 8.25% for goods or services sold or delivered within the boundaries of the City. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, quarterly, or annual basis.

Of the 8.25% tax, the State retains 6.25% and distributes 2% to the City. The 2% is allocation in the following categories.

- 1.000% is used for general operating purposes.
- 0.500% is used for transportation improvements through the Georgetown Transportation Enhancement Corporation (GTEC), the City’s 4B Economic Development Corporation, authorized in May 2001.
- 0.125% is for Georgetown Economic Development Corporation (GEDCO), the City’s 4A Economic Development Corporation, approved in May 2005.
- 0.125% is for property tax relief, approved in May 2005.
- 0.250% is used for street maintenance, with a sunset revision approved in November 2010, and the tax reauthorized in November 2014.

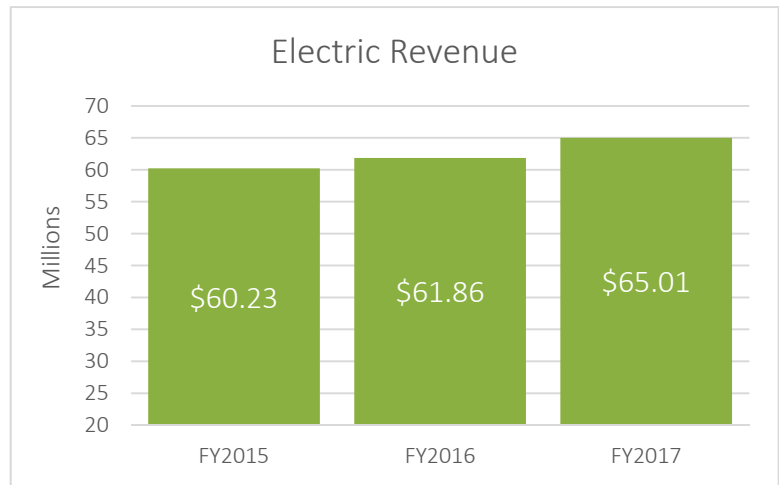
Sales Tax Rev. by Fund	FY2015 Actual	FY2016 Budget	FY2016 Projected	FY2017 Base	FY2017 Changes	FY2017 Budget
100 - General	11,296,645	11,587,812	12,357,361	12,818,683	-	12,818,683
203 - Street Maintenance Tax	2,623,106	2,690,625	2,812,500	2,937,500		2,937,500
400 - GTEC	5,246,213	5,381,250	5,625,000	5,875,000	-	5,875,000
420 - GEDCO	1,311,553	1,345,313	1,406,750	1,468,750	-	1,468,750
Grand Total	20,477,518	21,005,000	22,201,611	23,099,933	-	23,099,933

Overall, the City sales tax revenue has been increasing over the past 18 months. New development coupled with population growth has resulted in the City’s sales tax revenue to increase by nearly 10% in FY2016 relative to FY2015.

The City of Georgetown uses detailed, confidential, Georgetown-specific sales tax information from the State, as well as permitting data, and aggregate sales tax information from all Texas cities to produce a sector based, multiple regression predictive model. The model is reviewed, analyzed, and updated monthly.

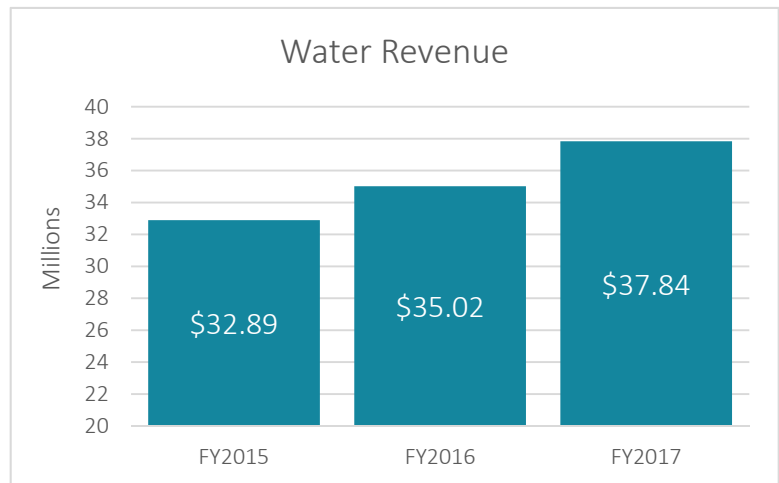
Utility Revenue charges for electric, water, and wastewater services are anticipated to generate \$113.3 million in FY2017, which represents an increase of 6.03% relative to year-end projections.

Generally, utility revenue projections are based on five-year forecasting models for each utility. The City prepares a financial model of each utility, forecasting revenues, expected infrastructure needs, and other expected expenses. The models are prepared based upon assumptions regarding customer growth, the City's five year capital improvements plans, forecasted increases in costs, including personnel, and historical data. The models serve as a planning tool to forecast the ability to pay cash for infrastructure, anticipate debt needs for the upcoming five to ten year period, as well as predict rate increases for customers.



Electric and Water Revenues:

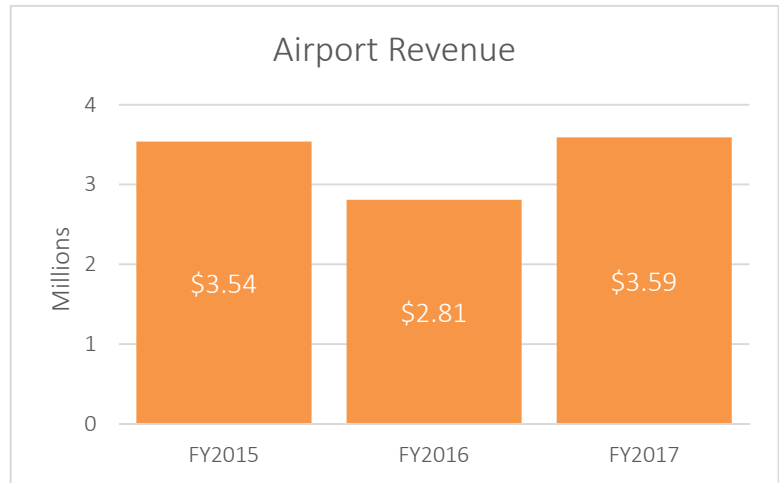
- Calculated on a five-year rolling average of per capita consumption in order to hedge against variations in weather conditions.
- Growth estimates are based upon building permits, expected build out of subdivisions and other planning and development activity.
- Assumes a 3% peak load growth for Electric through the next five years, as the City's southern electric service area continues to develop.
- Assumes a 1 - 2% customer growth for Water for the next five years.



Wastewater Revenues:

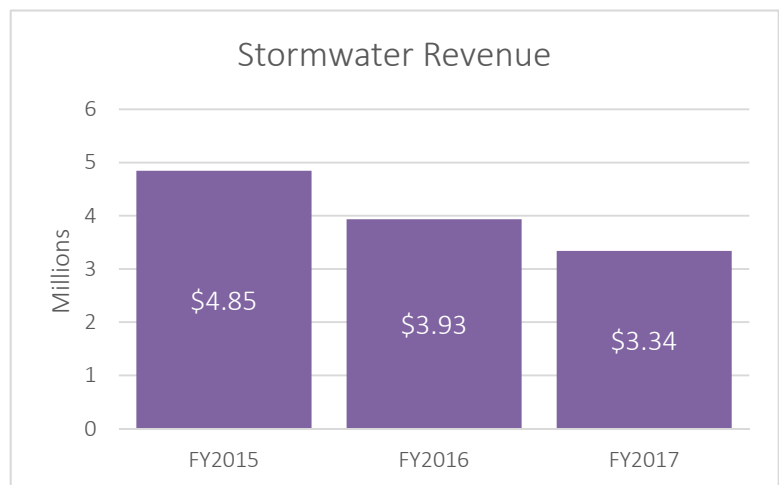
- Assumes a 1 - 2% customer growth over the next five years.
- Flat rates allocate cost equitably between all system users and eliminating any cross-class subsidies.
- In FY2017, an increase of 4.7% is applied to the wastewater base rate of each customer class. For residential customers, this equates to an increase of \$1.40 per month. The wastewater rate has not changed since 2007.

Airport Revenue consists primarily of fuel sales, T-hangar rentals, and tie down fees. Throughout FY2015, the City engaged in activities to improve the business model of the Airport, including a third party audit of operations, completing a lease hangar survey, and implementing new fuel rates. All of these moves were designed to restore the Airport fund to self-sufficient status. Entering FY2017, it is projected the fund will have a positive cash flow and will be self-sufficient.



The reduction in revenue from FY2015 to FY2016 is due to less bond proceeds for capital projects in FY2016. Additionally, the cost of fuel was significantly less relative to FY2015, which resulted in the City’s retail price for fuel sales to be reduced as well.

Stormwater Drainage Revenue is collected on a per unit basis to pay for maintenance of drainage, detention, and filtration infrastructure, and to pay for the debt service on bonds issued for major capital drainage improvements. In FY2016, the rate was adjusted to \$6.50 to help cover the impacts of federally regulated Municipal Separate Storm Sewer System (MS4) requirements.



Overall revenues are budgeted lower in FY2017 relative to the previous years. In FY2015 and FY2016, stormwater capital improvement projects were largely funded by bond proceeds. In FY2017, all capital improvements are funded with a planned drawdown of available fund balance and no bond proceeds will be needed.

Capital Recovery Fee Revenue consists of Service Improvement Fees and Impact Fees. Service Improvement fees are collected from several developments, such as Sun City, on a per unit basis to offset costs of infrastructure improvements to serve these developments. The fees, similar to impact fees, are collected for water and wastewater improvements as part of the development agreements. In 1996, the City adopted water and wastewater Impact Fees under Chapter 395 of the Texas Local Government Code. These revenues are used as partial funding for qualifying water and wastewater infrastructure projects for increased system capacity.

Interfund Transfers include transfers between funds (e.g. the return on investment or ROI transferred to the general fund from the utility fund each year).

Miscellaneous Revenues include interest income, grant revenue, franchise fees, and environmental service revenue, which is associated with pass-through billing for Solid Waste and Recycling services the City contracts with Texas Disposal Systems (TDS).

ALL FUNDS SUMMARY BY FUND/BY DIVISION

	GOVERNMENTAL FUND TYPES				
	Total Budget	General Fund	Special Revenue Funds	General Capital Projects Funds	General Debt Service Fund
Beginning Fund Balances / Working Capital	71,170,267	9,956,779	15,130,045	6,143,883	1,543,287
SOURCES & REVENUES					
Property Tax	25,442,189	12,475,000	967,189	-	12,000,000
Sales Tax	23,099,933	12,818,683	10,281,250	-	-
Bond Proceeds	37,960,000	-	1,850,000	12,360,000	-
Charges for Services	16,940,332	1,886,221	392,410	-	-
Development and Permit Fees	2,292,691	2,292,691	-	-	-
Parks and Rec Fees	2,190,746	2,190,746	-	-	-
Franchise Fees	5,142,035	5,142,035	-	-	-
Grants	233,850	63,350	135,500	-	-
Interest	407,635	-	80,610	75,000	2,000
Utility Revenue	113,344,441	7,181,300	-	-	-
Capital Recovery Fee	5,367,300	-	-	-	-
Special Improvement Fee	205,000	-	-	-	-
Other Revenue	42,773,877	3,508,328	8,038,543	8,475,000	-
Interfund Transfers - ROI, Etc.	19,667,637	8,505,241	1,763,410	-	2,916,878
Total Revenues	295,067,665	56,063,595	23,508,912	20,910,000	14,918,878
USES & EXPENSES					
Community Development	2,435,075	2,350,075	85,000	-	-
Community Services	14,066,274	9,577,813	943,739	-	-
Finance & Administration	8,109,651	564,620	65,985	-	-
Fire	14,685,246	12,465,078	2,220,168	-	-
Georgetown Utility Systems	53,438,703	-	304,647	-	-
Purchased Power	38,000,000	-	-	-	-
CRR Credits	(1,500,000)	-	-	-	-
Management Services	15,883,407	6,107,302	-	-	-
Police	14,930,325	14,595,077	335,248	-	-
Public Works	21,548,420	10,387,963	3,325,000	-	-
Economic Development	23,085,795	-	22,500,268	-	-
Information Technology	5,423,802	-	-	-	-
Capital Improvements	80,281,369	-	824,086	25,065,883	-
Debt Payments	22,344,457	-	-	-	14,804,714
Debt Issuance Cost	20,800	-	-	-	-
Interfund Transfers	13,052,523	1,444,716	903,180	1,988,000	-
Total Uses & Expenses	325,805,847	57,492,644	31,507,321	27,053,883	14,804,714
Ending Fund Balance / Working Capital	40,432,085	8,527,730	7,131,635	-	1,657,451
RESERVATIONS					
Arterial Reservation	675,000	-	675,000	-	-
Contingency	21,871,128	8,000,000	2,035,938	-	1,462,911
Economic Stability	500,000	500,000	-	-	-
Maintenance Contingency	25,000	-	25,000	-	-
Perpetual Reserve	3,250,000	-	3,250,000	-	-
Rate Stabilization/Credit Reserve	5,762,280	-	-	-	-
IBNR Reserve	631,140	-	-	-	-
Available Fund Balance / Working Capital	7,717,537	27,730	1,145,697	-	194,540
⁽¹⁾ Includes Airport & Stormwater Drainage					
⁽²⁾ Includes debt service payments on behalf of GTEC offset by transfer from GTEC					
⁽³⁾ Includes debt service payments on behalf of GEDCO offset by transfer from GEDCO					

	PROPRIETARY FUND TYPES				
	Total Budget	Electric Fund	Water Fund	Other Enterprise Funds	Internal Service Funds
Beginning Fund Balances / Working Capital	71,170,267	6,436,145	24,911,799	1,598,357	5,449,972
SOURCES & REVENUES					
Property Tax	25,442,189	-	-	-	-
Sales Tax	23,099,933	-	-	-	-
Bond Proceeds	37,960,000	3,750,000	20,000,000	-	-
Charges for Services	16,940,332	-	-	-	14,661,701
Development and Permit Fees	2,292,691	-	-	-	-
Parks and Rec Fees	2,190,746	-	-	-	-
Franchise Fees	5,142,035	-	-	-	-
Grants	233,850	-	-	35,000	-
Interest	407,635	18,100	199,975	4,950	27,000
Utility Revenue	113,344,441	65,018,216	37,836,975	3,307,950	-
Capital Recovery Fee	5,367,300	-	5,367,300	-	-
Special Improvement Fee	205,000	-	205,000	-	-
Other Revenue	42,773,877	1,745,000	3,147,088	3,579,993	14,279,925
Interfund Transfers - ROI, Etc.	19,667,637	-	115,839	-	6,366,269
Total Revenues	295,067,665	70,531,316	66,872,177	6,927,893	35,334,895
USES & EXPENSES					
Community Development	2,435,075	-	-	-	-
Community Services	14,066,274	-	-	-	3,544,722
Finance & Administration	8,109,651	-	-	-	7,479,046
Fire	14,685,246	-	-	-	-
Georgetown Utility Systems	53,438,703	16,854,453	29,292,915	-	6,986,688
Purchased Power	38,000,000	38,000,000	-	-	-
CRR Credits	(1,500,000)	(1,500,000)	-	-	-
Management Services	15,883,407	-	-	-	9,776,105
Police	14,930,325	-	-	-	-
Public Works	21,548,420	-	-	5,549,111	2,286,346
Economic Development	23,085,795	-	-	-	585,527
Information Technology	5,423,802	-	-	-	5,423,802
Capital Improvements	80,281,369	5,157,000	48,258,400	976,000	-
Debt Payments	22,344,457	3,462,471	3,351,787	725,485	-
Debt Issuance Cost	20,800	16,800	-	4,000	-
Interfund Transfers	13,052,523	5,365,645	2,718,425	607,557	25,000
Total Uses & Expenses	325,805,847	67,356,369	83,621,527	7,862,153	36,107,236
Ending Fund Balance / Working Capital	40,432,085	9,611,092	8,162,449	664,097	4,677,631
RESERVATIONS					
Arterial Reservation	675,000	-	-	-	-
Contingency	21,871,128	5,000,000	5,000,000	372,279	-
Economic Stability	500,000	-	-	-	-
Maintenance Contingency	25,000	-	-	-	-
Perpetual Reserve	3,250,000	-	-	-	-
Rate Stabilization/Credit Reserve	5,762,280	4,500,000	-	-	1,262,280
IBNR Reserve	631,140	-	-	-	631,140
Available Fund Balance / Working Capital	7,717,537	111,092	3,162,449	291,818	2,784,211

ALL FUNDS SUMMARY BY FUND/BY PERSONNEL-OPERATING-CAPITAL

	GOVERNMENTAL FUND TYPES				
	Total Budget	General Fund	Special Revenue Funds	General Capital Projects Funds	General Debt Service Fund
Beginning Fund Balances / Working Capital	71,170,267	9,956,779	15,130,045	6,143,883	1,543,287
SOURCES & REVENUES					
Property Tax	25,442,189	12,475,000	967,189	-	12,000,000
Sales Tax	23,099,933	12,818,683	10,281,250	-	-
Bond Proceeds	37,960,000	-	1,850,000	12,360,000	-
Charges for Services	16,940,332	1,886,221	392,410	-	-
Development and Permit Fees	2,292,691	2,292,691	-	-	-
Parks and Rec Fees	2,190,746	2,190,746	-	-	-
Franchise Fees	5,142,035	5,142,035	-	-	-
Grants	233,850	63,350	135,500	-	-
Interest	407,635	-	80,610	75,000	2,000
Utility Revenue	113,344,441	7,181,300	-	-	-
Capital Recovery Fee	5,367,300	-	-	-	-
Special Improvement Fee	205,000	-	-	-	-
Other Revenue	42,773,877	3,508,328	8,038,543	8,475,000	-
Interfund Transfers - ROI, Etc.	19,667,637	8,505,241	1,763,410	-	2,916,878
Total Revenues	295,067,665	56,063,595	23,508,912	20,910,000	14,918,878
USES & EXPENSES					
Personnel	59,532,173	32,562,365	2,023,027	-	-
Operating	119,183,828	22,048,271	3,947,658	-	-
Capital	106,073,710	1,437,293	20,891,400	25,065,883	-
Debt Payments	27,917,813	-	3,742,056	-	14,804,714
Debt Issuance Costs	20,800	-	-	-	-
Interfund Transfers	13,052,523	1,444,716	903,180	1,988,000	-
Total Uses & Expenses	325,780,846	57,492,644	31,507,321	27,053,883	14,804,714
Ending Fund Balance / Working Capital	40,432,085	8,527,730	7,131,635	-	1,657,451
RESERVATIONS					
Arterial Reservation	675,000	-	675,000	-	-
Contingency	21,871,128	8,000,000	2,035,938	-	1,462,911
Economic Stability	500,000	500,000	-	-	-
Maintenance Contingency	25,000	-	25,000	-	-
Perpetual Reserve	3,250,000	-	3,250,000	-	-
Rate Stabilization/Credit Reserve	5,762,280	-	-	-	-
IBNR Reserve	631,140	-	-	-	-
Available Fund Balance / Working Capital	7,717,537	27,730	1,145,697	-	194,540
⁽¹⁾ Includes Airport & Stormwater Drainage					
⁽²⁾ Includes debt service payments on behalf of GTEC offset by transfer from GTEC					
⁽³⁾ Includes debt service payments on behalf of GEDCO offset by transfer from GEDCO					

	PROPRIETARY FUND TYPES				
	Total Budget	Electric Fund	Water Fund	Other Enterprise Funds	Internal Service Funds
Beginning Fund Balances / Working Capital	71,170,267	6,436,145	24,911,799	1,598,357	5,449,972
SOURCES & REVENUES					
Property Tax	25,442,189	-	-	-	-
Sales Tax	23,099,933	-	-	-	-
Bond Proceeds	37,960,000	3,750,000	20,000,000	-	-
Charges for Services	16,940,332	-	-	-	14,661,701
Development and Permit Fees	2,292,691	-	-	-	-
Parks and Rec Fees	2,190,746	-	-	-	-
Franchise Fees	5,142,035	-	-	-	-
Grants	233,850	-	-	35,000	-
Interest	407,635	18,100	199,975	4,950	27,000
Utility Revenue	113,344,441	65,018,216	37,836,975	3,307,950	-
Capital Recovery Fee	5,367,300	-	5,367,300	-	-
Special Improvement Fee	205,000	-	205,000	-	-
Other Revenue	42,773,877	1,745,000	3,147,088	3,579,993	14,279,925
Interfund Transfers - ROI, Etc.	19,667,637	-	115,839	-	6,366,269
Total Revenues	295,067,665	70,531,316	66,872,177	6,927,893	35,334,895
USES & EXPENSES					
Personnel	59,532,173	6,884,498	4,672,141	1,048,120	12,342,023
Operating	119,183,828	46,369,955	22,790,074	4,500,391	19,527,479
Capital	106,073,710	5,232,000	48,258,400	976,000	4,212,734
Debt Payments	27,917,813	3,462,471	5,182,487	726,085	-
Debt Issuance Costs	20,800	16,800	-	4,000	-
Interfund Transfers	13,052,523	5,365,645	2,718,425	607,557	25,000
Total Uses & Expenses	325,780,846	67,331,369	83,621,527	7,862,153	36,107,236
Ending Fund Balance / Working Capital	40,432,085	9,611,092	8,162,449	664,097	4,677,631
RESERVATIONS					
Arterial Reservation	675,000	-	-	-	-
Contingency	21,871,128	5,000,000	5,000,000	372,279	-
Economic Stability	500,000	-	-	-	-
Maintenance Contingency	25,000	-	-	-	-
Perpetual Reserve	3,250,000	-	-	-	-
Rate Stabilization/Credit Reserve	5,762,280	4,500,000	-	-	1,262,280
IBNR Reserve	631,140	-	-	-	631,140
Available Fund Balance / Working Capital	7,717,537	111,092	3,162,449	291,818	2,784,211

FUND STRUCTURE

The City uses fund accounting, a system in which accounts are organized on the basis of fund and each fund is considered to be a separate accounting entity. All funds, both governmental and proprietary, are subject to appropriation.

Basis of Accounting: *Governmental Funds* use the modified accrual basis of accounting. Revenues are recognized when they become available and measurable. Expenditures are recognized in the accounting period in which they are incurred. *Proprietary Funds* use the full-accrual basis of accounting. Revenues are recognized when they are earned and measurable. Expenses are recognized when they are incurred regardless of timing or related cash flows.

