

FINANCIAL SUMMARY



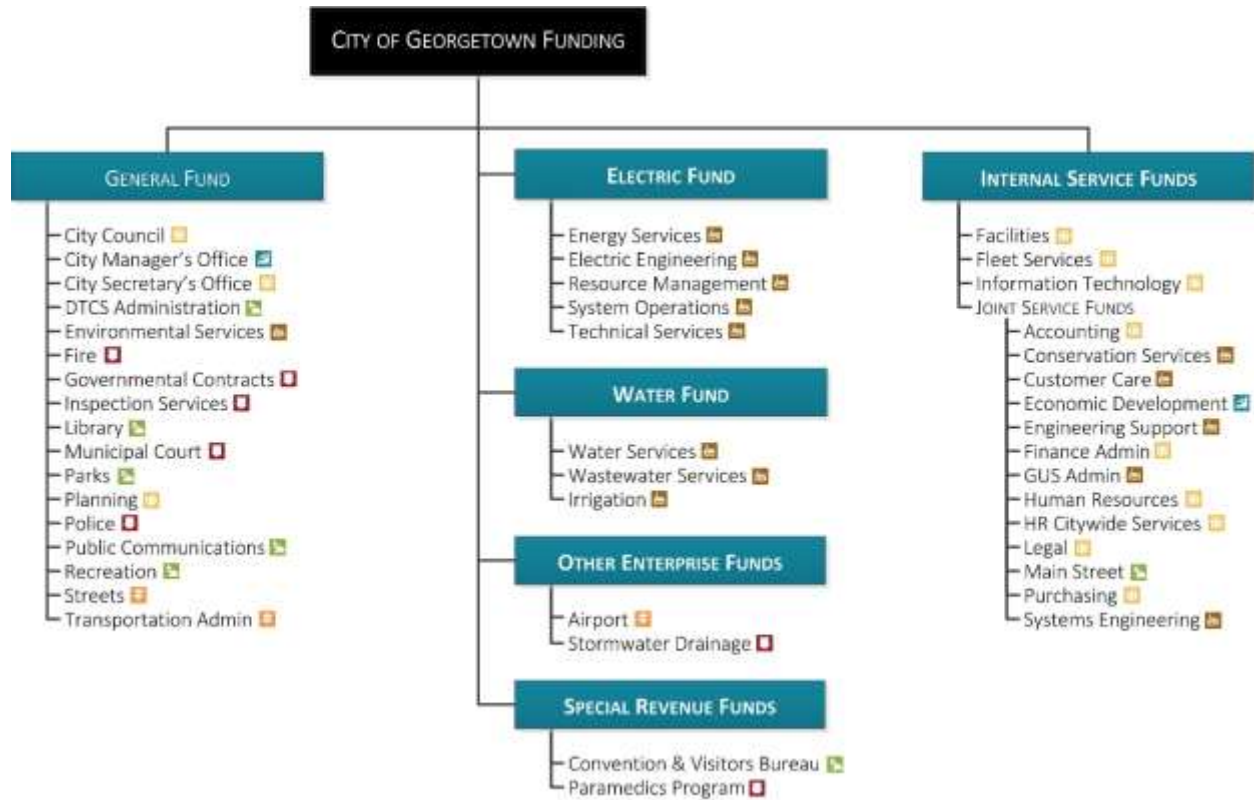
A view of Lake Georgetown from the dam

FINANCIAL SUMMARY

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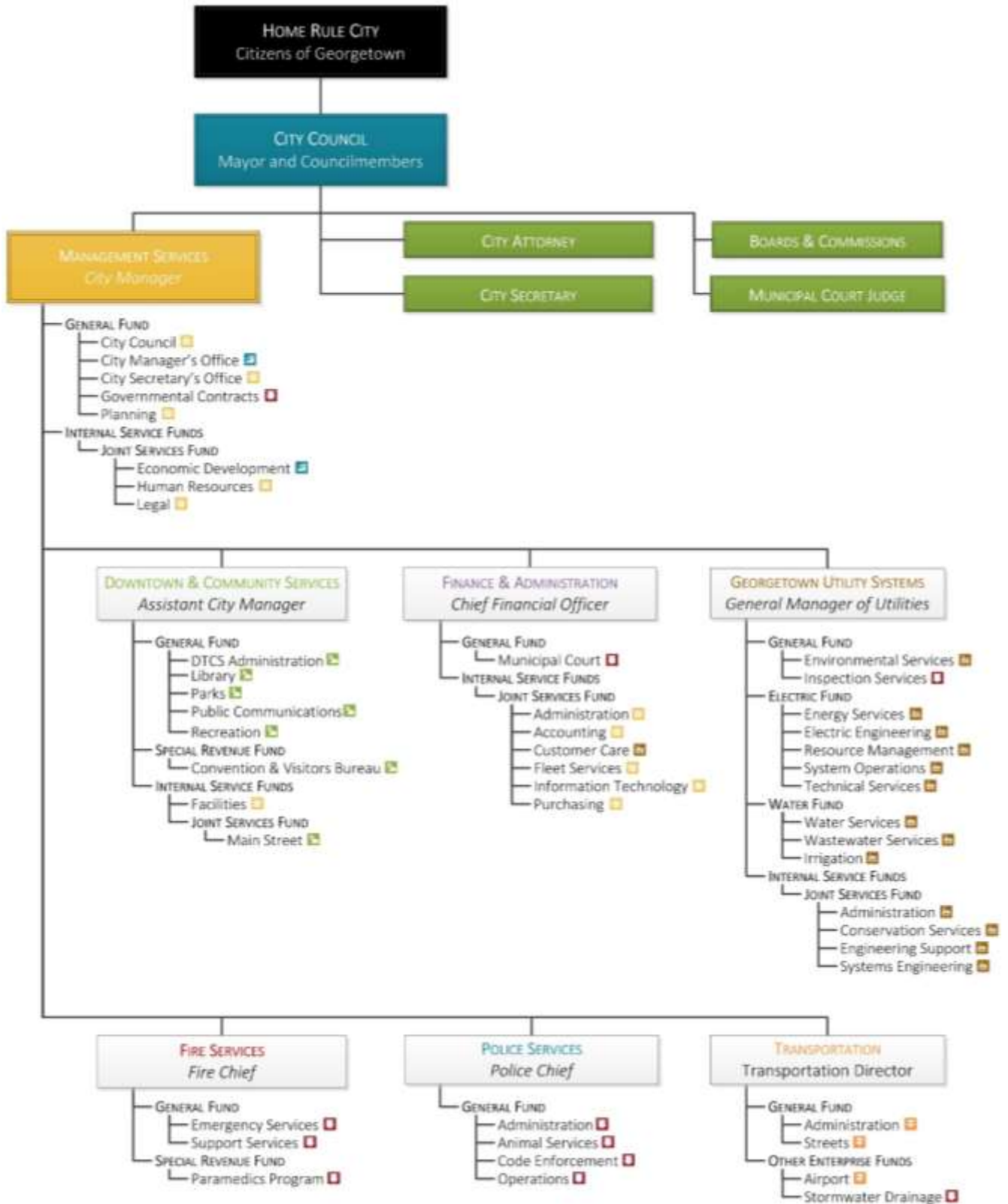
CITY OPERATIONS AND DEPARTMENTS BY FUND

This page visually represents the Departments of the City listed by their funding source. This chart also shows the primary focus of each Department, depicted by icons.



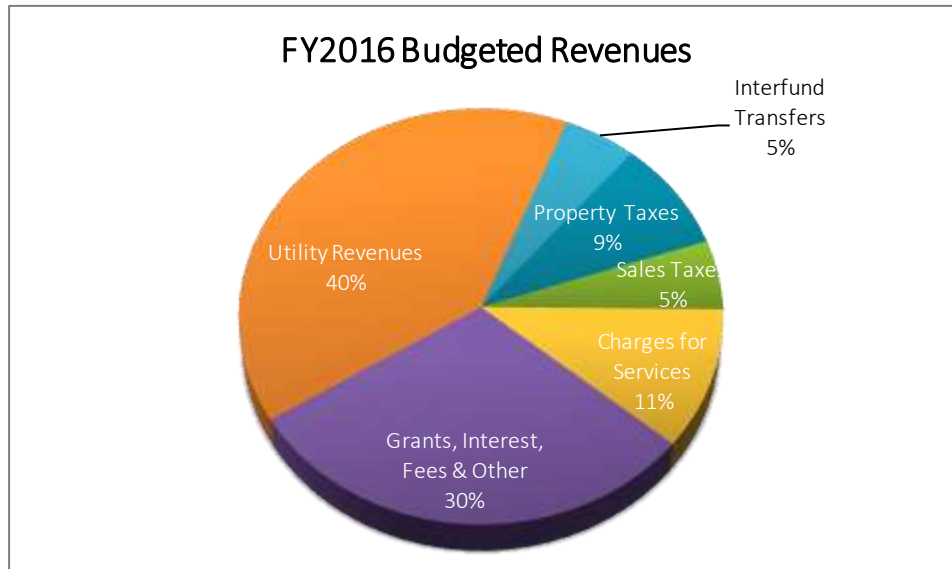
CITY OPERATIONS AND DEPARTMENTS BY DIVISION/FUND

This page visually represents the Divisions and Departments of our City with their funding sources. This chart also shows what City Council Strategic Goal is the primary focus of each Department, depicted by icons.



FINANCIAL SUMMARY

FY2016 BUDGETED REVENUES



Revenues	FY2014 Actual	FY2014 Budget	FY2015 Proj Budget	FY2016 Budget
Property taxes	19,219,430	20,676,321	21,181,321	22,872,349
Sales taxes	13,541,750	14,531,625	13,917,500	14,278,437
Bond Proceeds	24,991,000	25,063,000	25,063,000	37,762,000
Charges for Services	22,527,393	29,880,792	28,731,399	28,690,245
Capital Recovery Fees	4,127,394	3,994,600	5,628,570	5,945,574
Special Improvement Fees	948,643	814,250	835,858	892,373
Utility Revenues	95,166,540	104,260,755	102,691,701	105,435,442
Grants	5,352,116	1,125,580	1,108,149	488,304
Interest	303,709	299,070	514,394	294,217
Other Revenue	24,781,663	21,272,642	23,083,567	34,157,397
Interfund Transfers - ROI, Etc.	13,333,072	14,077,704	14,494,689	13,432,759
Total Revenues	224,292,710	235,996,339	237,250,148	264,249,097

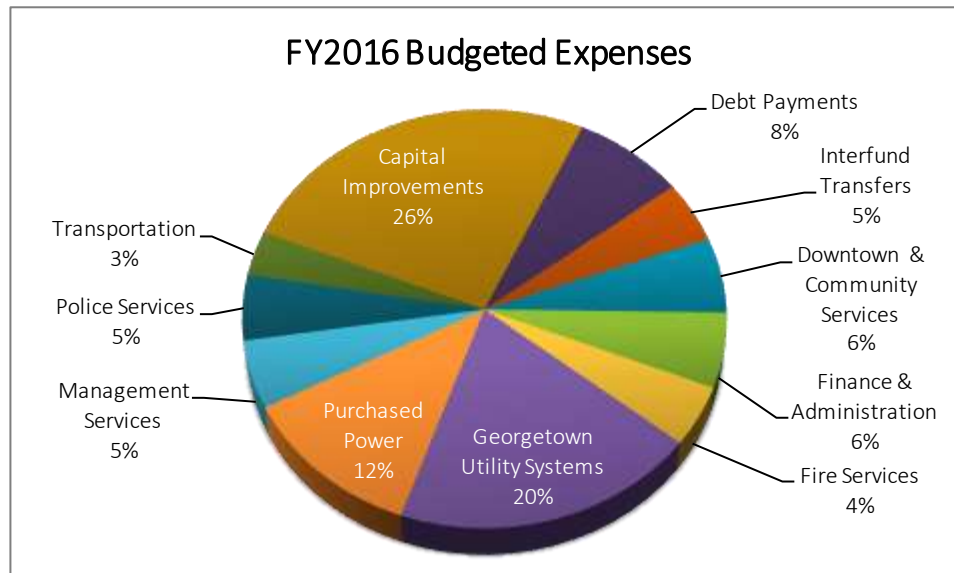
Budgeted revenues total \$264.2 million in FY2016. The primary revenue categories are comprised of property taxes, sales tax, charges for services, utility revenues, and bond proceeds.

Overall, budget revenues are 11.13% higher than FY2015 year-end projections. The growth in revenues is largely attributable to increases in bond proceeds. In FY2016, the City will issue the first \$20 million of the 2015 voter approved Transportation Bond.

Due to population growth and increased valuation of existing property, property tax revenue is budgeted to increase by 7.98% relative to year-end projections. Utility revenues are budgeted to increase by \$2.74 million, an increase of 2.67%. Sales tax is projected to increase by 2.5% in FY2016.

Budgeted expenditures exceed budgeted revenues, therefore, there will be a drawdown of fund balance in several funds.

FY2016 BUDGETED EXPENSES BY DIVISION



Expenses	FY2014 Actual	FY2014 Budget	FY2015 Proj Budget	FY2016 Budget
Downtown & Community Services	10,271,422	12,109,927	11,884,336	16,396,057
Finance & Administration	15,642,804	17,252,249	16,917,296	16,331,552
Fire Services	9,774,756	12,563,155	11,585,684	13,079,631
Georgetown Utility Systems	40,849,943	51,512,850	50,668,714	55,789,533
Purchased Power	38,384,323	37,073,038	37,073,038	34,000,000
Management Services	10,825,613	14,039,250	13,537,923	14,778,161
Police Services	11,541,970	13,439,841	13,205,682	14,319,849
Transportation	9,348,189	9,884,317	9,124,676	9,765,277
Capital Improvements	39,552,668	58,456,225	53,605,288	72,906,484
Debt Payments	18,370,918	19,987,494	20,111,804	21,533,021
Debt Issuance Costs	123,047	357,489	345,545	482,800
Interfund Transfers	13,333,072	14,077,704	14,494,689	13,432,759
Total Uses & Expenses	218,018,725	260,753,539	252,554,675	282,815,124

Budgeted expenses total \$282.8 million in FY2016. The primary expense categories are comprised of capital improvements, public safety, debt service, and the Georgetown Utility System (G.U.S.), including purchased power.

Overall, budget expenses are 11.19% higher than FY2015 year-end projections. The growth in expenses is largely attributable to increases in capital improvements due to the first issuance of debt for the 2015 Transportation Bond. Debt service payments are budgeted to increase by 7.06% in FY2016.

Expenses in the Fire Services category are projected to increase with the expansion of the EMS program. It is anticipated increase revenue from medical transports will defray some of these costs. Overall, public safety expenses are budgeted to increase by 10.52% in FY2016.

Expenses in G.U.S. are budgeted to increase by \$5.01 million due to new positions in Water Services and Electric Funds. Purchased power expenses are projected to decrease in FY2016 by \$3.03 M due to new long term contracts signed by the City.

MAJOR REVENUE SOURCES

Property Taxes: Taxes are levied on January 1 of each year and are considered past due on February 1 of the following 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.

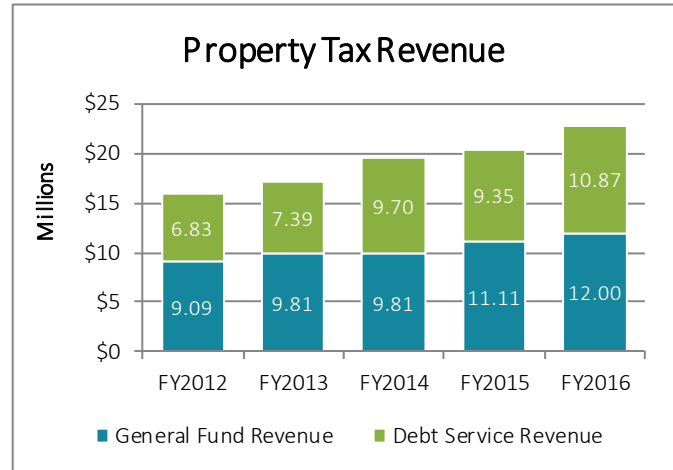
Budgeted revenues from ad valorem taxes total \$22.87 million and represent 8.65% of overall revenues for the City. The adopted property tax rate for FY2016 is \$0.4340 per \$100 valuation. The tax rate is the same as the FY2015 rate and represents the second lowest rate in the greater Austin MSA. For FY2016, 0.20716 cents per \$100 valuation is allocated for Maintenance and Operations (O&M). The remaining 0.22684 cents per \$100 valuation is allocated for Interest and Sinking (I&S) to retire general debt.

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

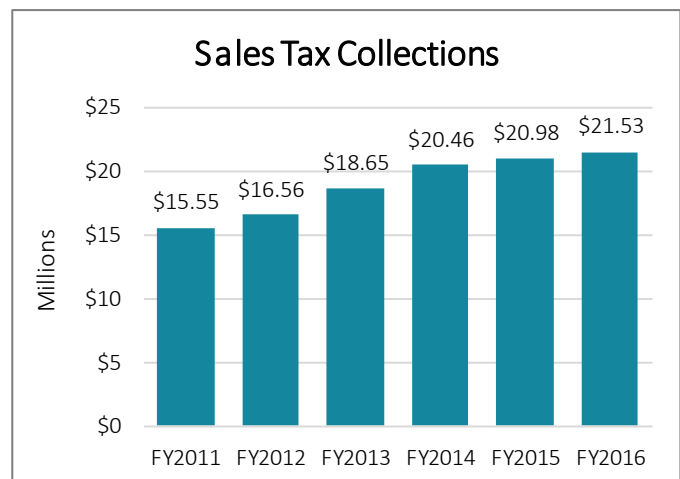
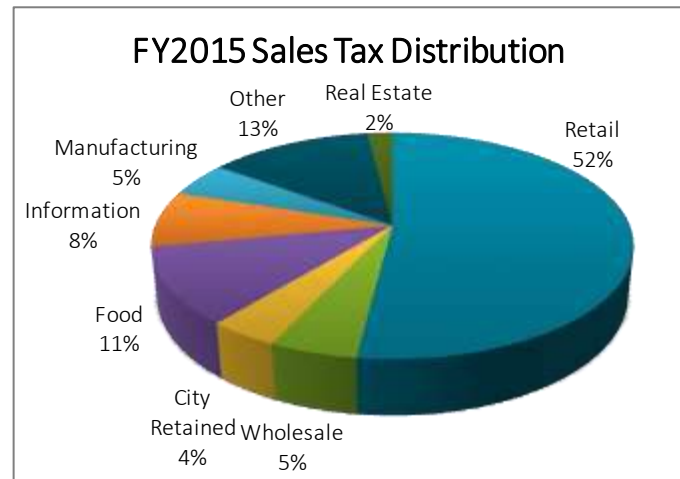
Sales tax revenue is budgeted at \$21.52 million and represents 8.14% of total revenues. The City’s sales tax rate is 8.25% for goods or services sold or delivered within the boundaries of the City. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, quarterly, or annual basis.

Of the 8.25% tax, the State retains 6.25% and distributes 2% to the City.

- 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.



Component	FY2015	FY2016
O&M	0.20738	0.20716
I&S	0.22662	0.22684
Total	0.43400	0.43400



- 0.250% is used for street maintenance, with a sunset revision approved in November 2010, and the tax reauthorized in November 2014.

Overall, the City has seen a slowing of sales tax collections over the past 18 months. The hyper growth seen in FY2013 and FY2014 has given way to a more normalized growth pattern. The slowing trend of the City correlates with the overall slowing trend seen in the State of Texas as a whole. Moving into FY2016, forecasting models project the City’s sales tax bases will grow by 2.5%. It is anticipated that the City could see stronger growth trends in FY2017 and FY2018 when possible future retail development comes on line.

The City uses detailed, confidential, Georgetown-specific sales tax information received 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 and updated monthly.

Utility Revenue charges for electric, water and wastewater services are anticipated to generate \$105.4 million in FY2016, which represents 39.9% of total revenues.

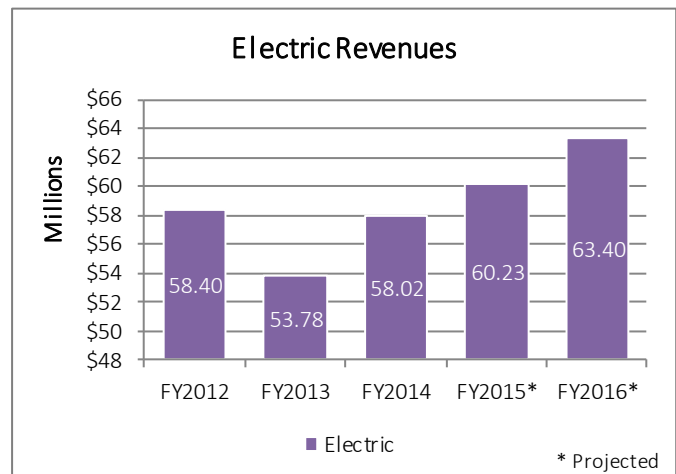
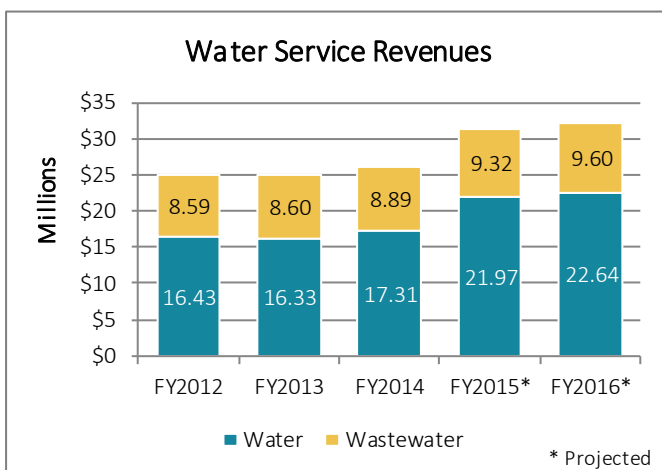
Generally, utility revenue projections are based on five-year forecasting models for each utility. The City prepares a financial model of each utility, forecasting revenues, expected infrastructure needs, and other expected expenses. The models are prepared based upon assumptions regarding customer growth, 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.

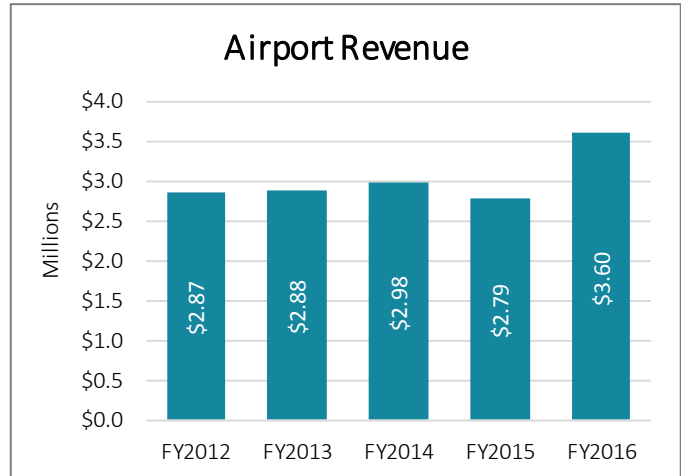
Wastewater Revenues:

- Assumes a 1 - 2% customer growth over the next five years.
- Flat rates allocate cost equitably between all system users, and thus eliminates any cross-class subsidies.

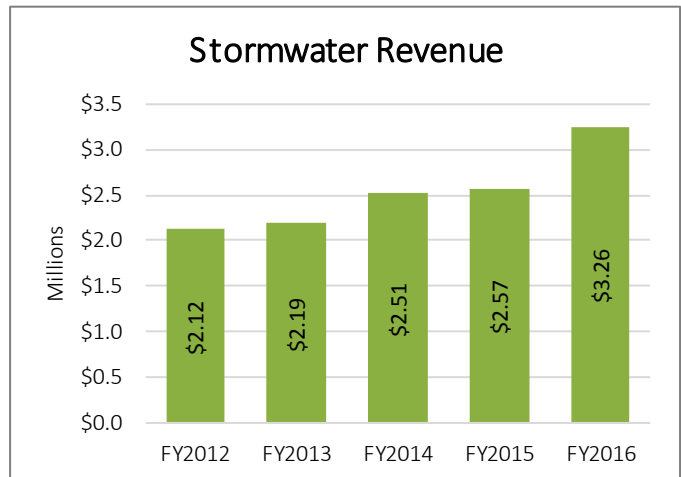


Airport Revenue consists primarily of fuel sales, T-hangar rentals, and tie down fees. Throughout FY2015, the City engaged in activities to improve the business model of the Airport, including a third party audit of operations, completing a lease hangar survey, and implementing new fuel rates. All of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

Its anticipated increased fuel rates and hangar leases will result in \$3.60 million of revenue. The plan projects the fund to become self-sufficient in three to five years.



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. A rate analysis was finalized in 2012. The analysis included an evaluation of the current commercial and residential calculations for impervious cover, which has not been reviewed since the fee was established in 1995. The Stormwater drainage fee was adjusted to \$4.75 per month for residential customers, and \$4.75 per 2,808 square feet for impervious cover per month to non-residential customers in March 2012. The fee was raised to \$5.25 in October 2013 to fund additional remediation work and other projects. For FY2016, the rate has been adjusted to \$6.50 to help cover the impacts of Municipal Separate Storm Sewer System (MS4) requirements.



Capital Recovery Fee Revenue consist 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 includes transfers between funds (e.g. the return on investment or ROI transferred to the general fund from the utility fund each year).

Miscellaneous Revenues includes interest income, grant revenue, franchise fees, and environmental service revenue, which is associated with the Solid Waste and Recycling contract the City has with Texas Disposal Systems (TDS).

ALL FUNDS SUMMARY BY FUND/BY DIVISION

	Total Budget	GOVERNMENTAL FUND TYPES			
		General Fund	Special Revenue Funds	General Capital Projects Funds	General Debt Service Fund
Beginning Fund Balances / Working Capital	67,854,178	9,264,307	3,708,225	5,689,710	1,493,107
SOURCES & REVENUES					
Property taxes	22,872,349	11,716,698	255,651	-	10,900,000
Sales taxes	14,278,437	11,587,812	2,690,625	-	-
Bond Proceeds	37,762,000	-	-	29,850,000	-
Charges for Services	28,690,245	1,922,100	2,053,000	-	-
Capital Recovery Fees	5,945,574	-	-	-	-
Special Improvement Fees	892,373	250,000	-	-	-
Utility Revenues	105,435,442	6,554,000	-	-	-
Grants	488,304	-	238,304	-	-
Interest	294,217	25,000	26,660	75,000	2,000
Other Revenue	34,157,397	12,458,450	2,369,337	3,405,000	1,686,759
Interfund Transfers - ROI, Etc.	13,432,759	8,048,263	891,885	1,232,000	265,800
Total Revenues	264,249,097	52,562,323	8,525,462	34,562,000	12,854,559
USES & EXPENSES					
Downtown & Community Services	16,396,057	10,250,696	2,666,621	-	-
Finance & Administration	16,331,552	561,439	71,171	-	-
Fire Services	13,079,631	11,284,109	1,795,522	-	-
Georgetown Utility Systems	55,789,533	6,794,002	276,547	-	-
Purchased Power	34,000,000	-	-	-	-
CRR Credits	-	-	-	-	-
Management Services	14,778,161	5,764,209	-	-	-
Police Services	14,319,849	13,946,482	373,367	-	-
Transportation	9,765,277	4,187,882	-	-	-
Capital Improvements	72,906,484	-	3,362,000	35,881,549	-
Debt Payments	21,533,021	-	-	-	12,810,464
Debt Service - New	-	-	-	-	-
Debt Issuance Costs	482,800	-	-	402,000	-
Interfund Transfers	13,432,759	943,624	1,387,008	1,153,000	-
Total Uses & Expenses	282,815,124	53,732,443	9,932,236	37,436,549	12,810,464
Ending Fund Balance / Working Capital	49,288,151	8,094,187	2,301,451	2,815,161	1,537,202
RESERVATIONS					
Arterial	625,000	-	625,000	-	-
Contingency	22,330,000	7,925,000	200,000	-	-
Reserved for Capital (Debt Proceeds)	11,000,000	-	-	-	-
Rate Stabilization/Credit Reserve	5,000,000	-	-	-	-
Perpetual Reserve	250,000	-	250,000	-	-
Capital Projects/Other	7,016,831	-	1,226,451	2,815,161	-
Available Fund Balance / Working Capital	3,066,320	169,187	0	0	1,537,202

(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			
	Other Enterprise Funds			Internal Service Funds
	Electric Fund	Water Fund	Other Enterprise Funds ⁽¹⁾	
Beginning Fund Balances / Working Capital	8,231,940	34,385,214	1,761,528	3,320,147
SOURCES & REVENUES				
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Bond Proceeds	1,500,000	6,000,000	250,000	162,000
Charges for Services	-	-	-	24,715,145
Capital Recovery Fees	-	5,945,574	-	-
Special Improvement Fees	-	642,373	-	-
Utility Revenues	63,400,000	32,243,822	3,237,620	-
Grants	-	-	250,000	-
Interest	17,425	119,232	2,400	26,500
Other Revenue	1,782,350	3,441,051	3,617,550	5,396,900
Interfund Transfers - ROI, Etc.	-	69,108	-	2,925,703
Total Revenues	66,699,775	48,461,160	7,357,570	33,226,248
USES & EXPENSES				
Downtown & Community Services	-	-	-	3,478,740
Finance & Administration	-	-	-	15,698,942
Fire Services	-	-	-	-
Georgetown Utility Systems	15,937,179	27,428,713	-	5,353,092
Purchased Power	34,000,000	-	-	-
CRR Credits	-	-	-	-
Management Services	-	-	-	9,013,952
Police Services	-	-	-	-
Transportation	-	-	5,577,395	-
Capital Improvements	6,098,000	25,757,000	1,807,935	-
Debt Payments	3,470,507	4,575,034	677,016	-
Debt Service - New	-	-	-	-
Debt Issuance Costs	16,800	60,000	4,000	-
Interfund Transfers	5,611,766	4,013,527	297,384	26,450
Total Uses & Expenses	65,134,252	61,834,274	8,363,730	33,571,176
Ending Fund Balance / Working Capital	9,797,463	21,012,100	755,368	2,975,219
RESERVATIONS				
Arterial	-	-	-	-
Contingency	4,775,000	9,180,000	250,000	-
Reserved for Capital (Debt Proceeds)	-	10,500,000	500,000	-
Rate Stabilization/Credit Reserve	5,000,000	-	-	-
Perpetual Reserve	-	-	-	-
Capital Projects/Other	-	-	-	2,975,219
Available Fund Balance / Working Capital	22,463	1,332,100	5,368	0

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

	Total Budget	GOVERNMENTAL FUND TYPES			
		General Fund	Special Revenue Funds	General Capital Projects Funds	General Debt Service Fund
Beginning Fund Balances / Working Capital	67,854,178	9,264,307	3,708,225	5,689,710	1,493,107
SOURCES & REVENUES					
Property taxes	22,872,349	11,716,698	255,651	-	10,900,000
Sales taxes	14,278,437	11,587,812	2,690,625	-	-
Bond Proceeds	37,762,000	-	-	29,850,000	-
Charges for Services	28,690,245	1,922,100	2,053,000	-	-
Capital Recovery Fees	5,945,574	-	-	-	-
Special Improvement Fees	892,373	250,000	-	-	-
Utility Revenues	105,435,442	6,554,000	-	-	-
Grants	488,304	-	238,304	-	-
Interest	294,217	25,000	26,660	75,000	2,000
Other Revenue	34,157,397	12,458,450	2,369,337	3,405,000	1,686,759
Interfund Transfers - ROI, Etc.	13,432,759	8,048,263	891,885	1,232,000	265,800
Total Revenues	264,249,097	52,562,323	8,525,462	34,562,000	12,854,559
USES & EXPENSES					
Personnel	55,782,912	30,683,181	1,511,085	-	-
Operating	110,781,607	20,904,672	2,474,534	-	-
Capital	7,895,541	1,200,966	1,197,609	-	-
Capital Improvements	72,906,484	-	3,362,000	35,881,549	-
Debt Payments	21,533,021	-	-	-	12,810,464
Debt Service - New	0	-	-	-	-
Debt Issuance Costs	482,800	-	-	402,000	-
Interfund Transfers	13,432,759	943,624	1,387,008	1,153,000	-
Total Uses & Expenses	282,815,124	53,732,443	9,932,236	37,436,549	12,810,464
Ending Fund Balance / Working Capital	49,288,151	8,094,187	2,301,451	2,815,161	1,537,202
RESERVATIONS					
Arterial	625,000	-	625,000	-	-
Contingency	22,330,000	7,925,000	200,000	-	-
Rate Stabilization/Credit Reserve	5,000,000	-	-	-	-
Perpetual Reserve	250,000	-	250,000	-	-
Capital Projects/Other	18,016,831	-	1,226,451	2,815,161	-
Available Fund Balance / Working Capital	3,066,320	169,187	0	0	1,537,202

⁽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			
	Other Enterprise Funds			Internal Service Funds
	Electric Fund	Water Fund	Other Enterprise Funds ⁽¹⁾	
Beginning Fund Balances / Working Capital	8,231,940	34,385,214	1,761,528	3,320,147
SOURCES & REVENUES				
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Bond Proceeds	1,500,000	6,000,000	250,000	162,000
Charges for Services	-	-	-	24,715,145
Capital Recovery Fees	-	5,945,574	-	-
Special Improvement Fees	-	642,373	-	-
Utility Revenues	63,400,000	32,243,822	3,237,620	-
Grants	-	-	250,000	-
Interest	17,425	119,232	2,400	26,500
Other Revenue	1,782,350	3,441,051	3,617,550	5,396,900
Interfund Transfers - ROI, Etc.	-	69,108	-	2,925,703
Total Revenues	66,699,775	48,461,160	7,357,570	33,226,248
USES & EXPENSES				
Personnel	6,130,749	4,469,239	938,978	12,049,680
Operating	43,655,430	22,466,873	4,618,417	16,661,681
Capital	151,000	492,601	20,000	4,833,365
Capital Improvements	6,098,000	25,757,000	1,807,935	-
Debt Payments	3,470,507	4,575,034	677,016	-
Debt Service - New				
Debt Issuance Costs	16,800	60,000	4,000	-
Interfund Transfers	5,611,766	4,013,527	297,384	26,450
Total Uses & Expenses	65,134,252	61,834,274	8,363,730	33,571,176
Ending Fund Balance / Working Capital	9,797,463	21,012,100	755,368	2,975,219
RESERVATIONS				
Arterial	-	-	-	-
Contingency	4,775,000	9,180,000	250,000	-
Rate Stabilization/Credit Reserve	5,000,000	-	-	-
Perpetual Reserve	-	-	-	-
Capital Projects/Other	-	10,500,000	500,000	2,975,219
Available Fund Balance / Working Capital	22,463	1,332,100	5,368	0

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.

