

FINANCIAL SUMMARY



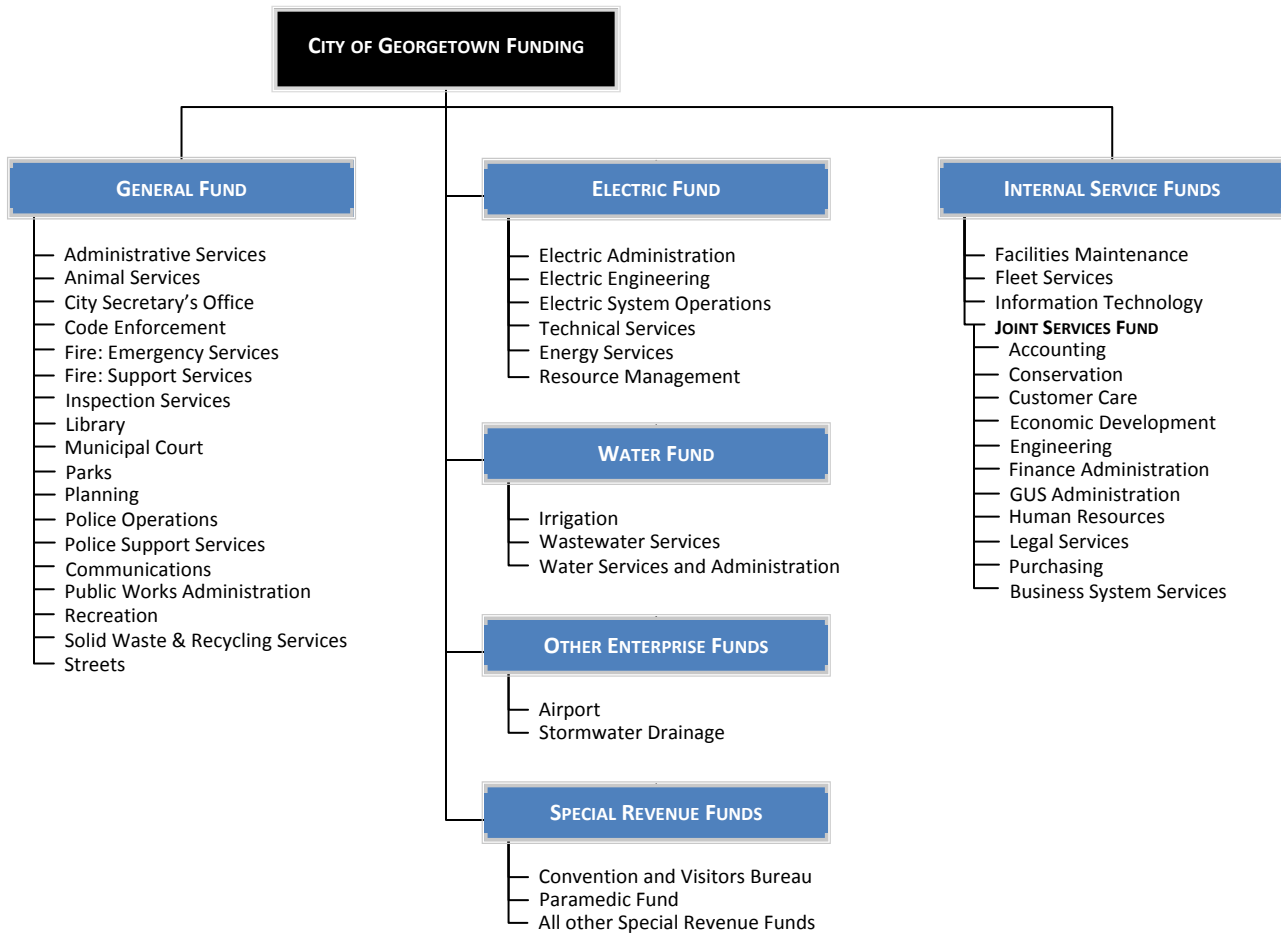
Family picnic at Music on the Square

FINANCIAL SUMMARY

City Departments by Fund	31
Financial Summary	
Budgeted Revenues	32
Budgeted Expenses.....	33
Major Revenue Sources.....	34
Fund Structure	37
All Funds Summary: by Fund/by Division ...	38
All Funds Summary: by Fund/by POC	40

CITY DEPARTMENTS BY FUND

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



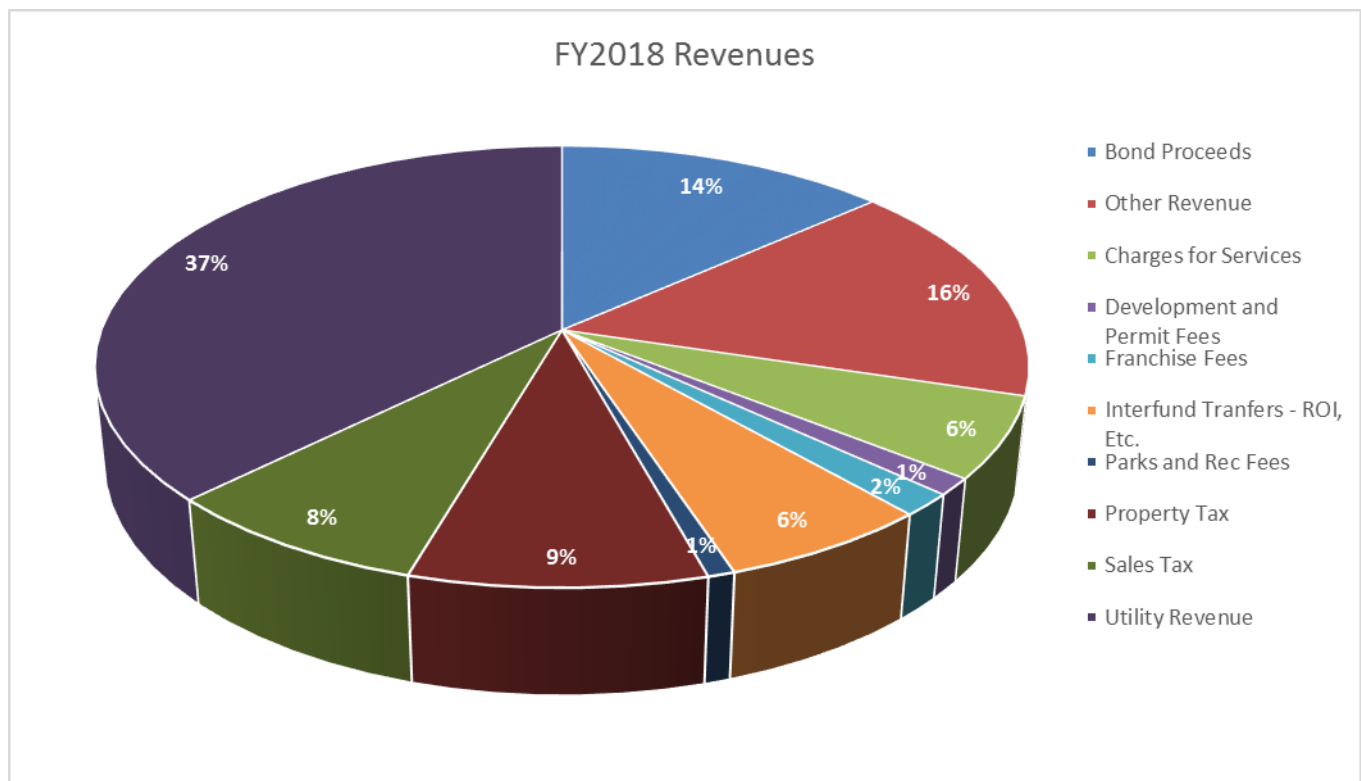
FINANCIAL SUMMARY

FY2018 BUDGETED REVENUES AND SOURCES OF FUNDS

Budgeted revenues total \$317.6 million in FY2018. The primary revenue categories consist of property tax, sales tax, charges for services, utility revenues, and bond proceeds.

Revenue	FY2016 Actual	FY2017 Budget	FY2017 Projected	FY2018 Base	FY2018 Changes	FY2018 Budget
Bond Proceeds	64,404,409	51,315,000	51,315,000	42,737,000	-	42,737,000
Other Revenue	50,743,174	52,643,366	47,535,809	51,650,440	70,211	51,720,651
Charges for Services	13,313,857	16,940,332	16,982,080	18,841,683	-	18,841,683
Development and Permit Fees	2,630,236	2,846,191	3,792,333	3,922,000	-	3,922,000
Franchise Fees	4,926,316	5,142,035	5,141,726	5,203,863	-	5,203,863
Interfund Tranfers - ROI, Etc.	19,043,318	22,278,928	23,531,534	19,545,710	676,900	20,222,610
Parks and Rec Fees	2,174,958	2,190,746	2,270,030	2,324,220	240,000	2,564,220
Property Tax	23,546,205	25,442,837	25,430,510	28,033,429	-	28,033,429
Sales Tax	22,933,093	23,340,788	24,771,600	25,806,750	-	25,806,750
Utility Revenue	106,616,256	113,930,941	114,717,513	117,384,159	1,250,000	118,634,159
Grand Total	310,331,822	316,071,163	315,488,135	315,449,254	2,237,111	317,686,365

Overall, budgeted revenues are 0.69% higher than FY2017 year-end projections, primarily due to the variance in bond proceeds. Utility revenue represents 37% of all revenue and is budgeted at \$118 million in FY2018. Due to population growth and increased valuation of existing property, property tax revenue is budgeted to increase by 9.29%, relative to the year-end projections. Sales tax revenue is also expected to increase in FY2018. It is anticipated that sales tax revenue will exceed \$25 million for the first time in the City's history.



FY2018 BUDGETED EXPENSES

Budgeted expenses total \$336 million in FY2018, which represents a decrease of 5.9%, relative to the FY2017 year-end projections.

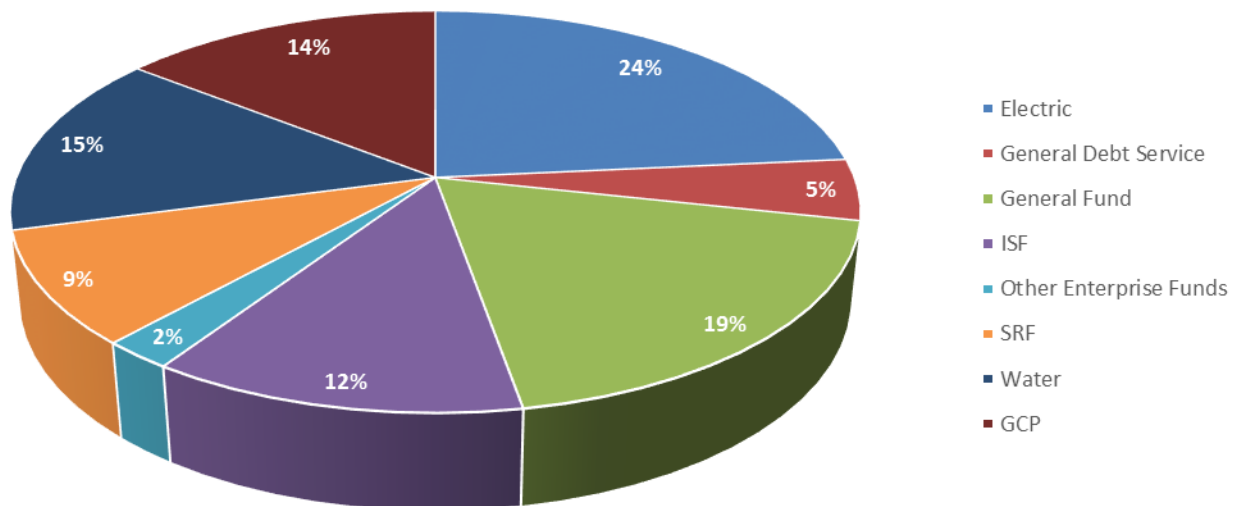
Electric related expenses are the largest category totaling \$79.1 million, this includes capital improvement expenses totaling \$9.6 million. Water expenses are expected to decrease over year-end projections by 54.21% in FY2017. This is primarily due to finishing current Water capital projects before bringing new projects on line.

General Fund expenses total \$63.2 million, which represents an increase of 7% relative to year-end projections. The increase to the General Fund is primarily driven by new operational expenses for Garey Park and an increase in the solid waste contract.

The variance between total expenses and total revenues reflects the use of fund balances from previous fiscal years for capital and other one-time uses, per the City's fiscal policy.

Expenses	FY2016 Actual	FY2017 Budget	FY2017 Projected	FY2018 Base	FY2018 Changes	FY2018 Budget
Electric	72,855,643	69,201,351	71,085,229	78,862,928	276,377	79,139,305
General Debt Service	20,555,262	14,804,714	14,789,115	16,621,744		16,621,744
General Fund	53,922,609	58,994,716	58,904,395	60,200,285	3,046,337	63,246,622
ISF	30,034,944	36,717,319	34,449,330	39,089,330	1,965,903	41,055,233
Other Enterprise Funds	7,282,165	8,480,083	8,229,794	7,776,010	25,772	7,801,782
SRF	33,170,982	41,336,184	29,532,142	30,099,146	610,475	30,709,621
Water	48,816,102	112,380,480	108,551,103	49,094,406	607,574	49,701,980
GCP	32,402,487	42,447,947	32,509,800	48,551,383	-	48,551,383
Grand Total	299,040,194	384,362,793	358,050,909	330,295,232	6,532,438	336,827,670

FY2018 Expenses



MAJOR REVENUE SOURCES

Property 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 \$28.03 million. The adopted property tax rate for FY2018 is \$0.42000 per \$100 of valuation. The tax rate is lower than the FY2017 rate and represents the lowest tax rate in the greater Austin MSA. For FY2018, 19.266 cents per \$100 valuation is allocated for Operations and Maintenance (O&M). The remaining 22.734 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.

Revenue	FY2016 Actual	FY2017 Budget	FY2017 Projected	FY2018 Base	FY2018 Changes	FY2018 Budget
Property Tax						
General Debt Service	11,098,231	12,000,000	11,987,946	13,541,712		13,541,712
General Fund	11,636,698	12,475,000	12,475,000	13,400,000	-	13,400,000
Village PID	415,909	334,713	334,713	388,128		388,128
Rivory TIRZ	88,204	249,517	249,517	291,582	-	291,582
Downtown TIRZ	202,632	216,100	216,100	237,227	-	237,227
South Georgetown TIRZ	71,688	130,649	130,649	141,494	-	141,494
Gateway TIRZ	32,843	36,858	36,585	33,286	-	33,286
Grand Total	23,546,205	25,442,837	25,430,510	28,033,429	-	28,033,429

Sales Tax Revenue is budgeted at \$25.8 million. 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.

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 allocated in the following categories.

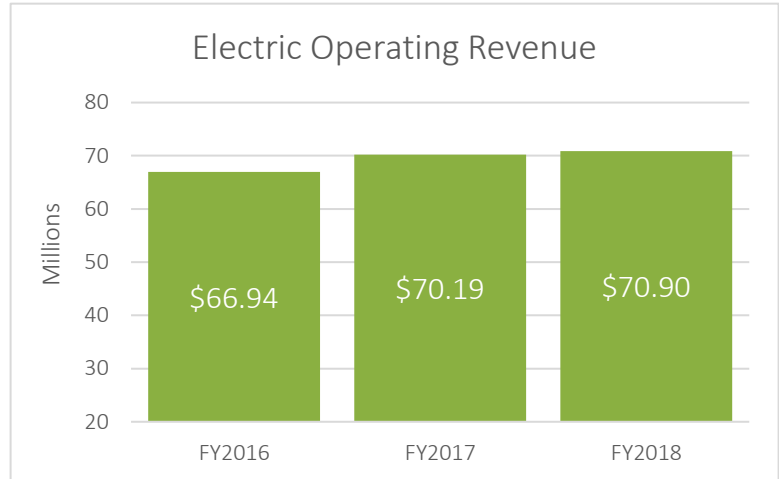
- 1.000% is used for general operating purposes.
- 0.500% is used for transportation improvements through the Georgetown Transportation Enhancement Corporation (GTEC), the City's 4B Economic Development Corporation, authorized in May 2001.
- 0.125% is for the Georgetown Economic Development Corporation (GEDCO), the City's 4A Economic Development Corporation, approved in May 2005.
- 0.125% is for property tax relief (budgeted in the General Fund) was 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.

Revenue	FY2016 Actual	FY2017 Budget	FY2017 Projected	FY2018 Base	FY2018 Changes	FY2018 Budget
Sales Tax						
General Fund	12,679,188	13,059,538	13,702,850	14,300,500	-	14,300,500
GTEC	5,859,375	5,875,000	6,325,000	6,575,000	-	6,575,000
Street Maintenance	2,929,687	2,937,500	3,162,500	3,287,500	-	3,287,500
GEDCO	1,464,844	1,468,750	1,581,250	1,643,750		1,643,750
Grand Total	22,933,093	23,340,788	24,771,600	25,806,750	-	25,806,750

Overall, the City sales tax revenue has increased over the past 24 months. New development coupled with population growth has resulted in the City's sales tax revenue increasing by nearly 7% in FY2017 relative to FY2016. Sales tax is conservatively estimated to increase by 4% in FY2018.

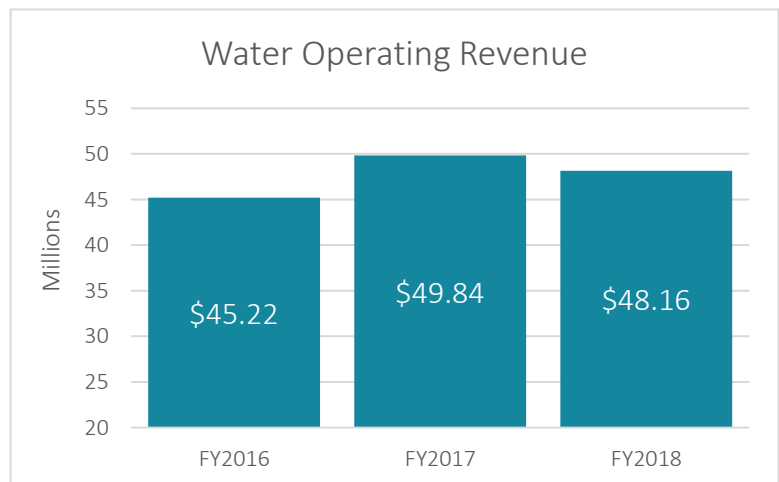
Operating Utility Revenue for electric, water, and wastewater services is anticipated to generate \$119 million in FY2018, which represents an increase of 0.59% relative to year-end projections.

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 operations. The models are prepared based upon assumptions regarding customer growth, the City's five year capital improvement 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 Model Assumptions:

- 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.



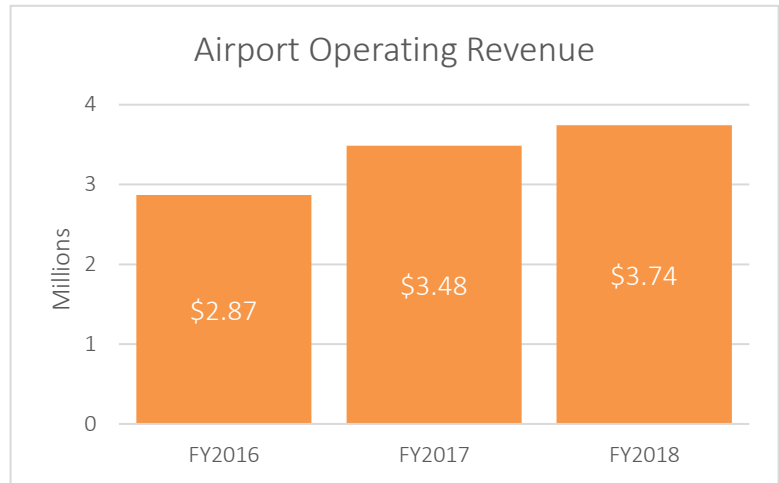
- The decrease in water revenue in FY2018 is due to capital recovery and other revenue.

Wastewater Revenues Model Assumptions:

- 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.

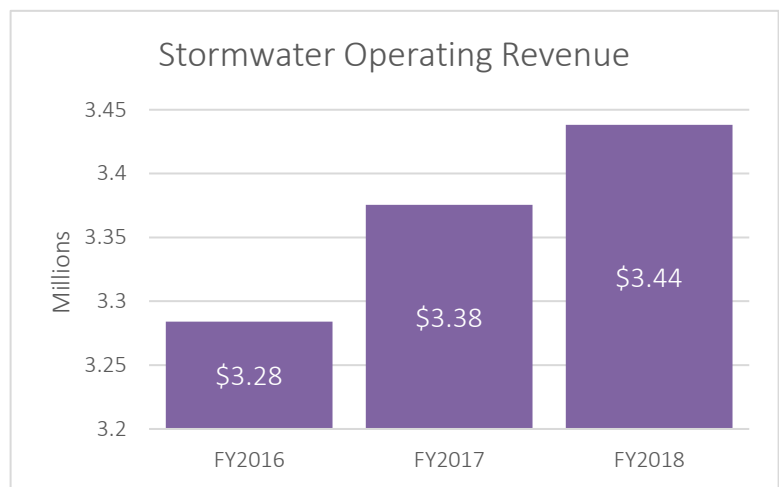
Airport Revenue consists primarily of fuel sales, T-hangar rentals, and tie down fees. Beginning in FY2015, the City engaged in activities to improve the business model of the Airport, including a third party audit of operations, completing a lease hangar survey, and implementing new fuel rates. All of these moves were designed to restore the Airport fund to a self-sufficient status. By the end of FY2016, the fund had a positive cash flow.

Operating revenue is projected to increase by 7% in FY2018 over FY2017 year-end projections.



Stormwater Revenue is collected on a per unit basis to pay for maintenance of drainage, detention, and filtration infrastructures, 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 higher in FY2018 relative to the previous years due to growth in the City.



Capital Recovery Fee Revenue consists of Service Improvement Fees and Impact Fees. Service Improvement fees are collected from specific developments by agreement on a per unit basis to offset costs of infrastructure improvements to serve these developments. Impact fees are assessed to all development units and are updated at least every five years in accordance with Texas Local Government Code Chapter 395.

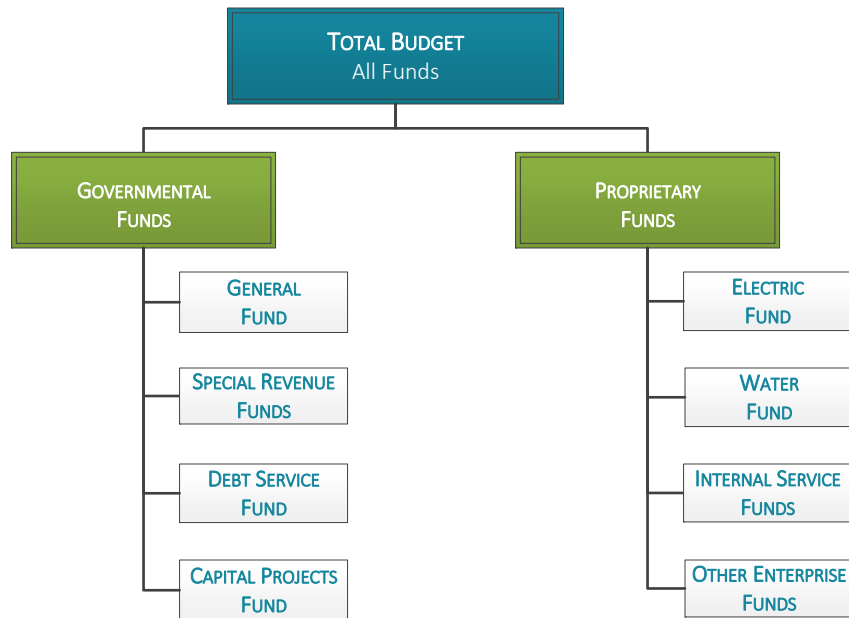
Interfund Transfers include transfers between funds (e.g. the return on investment or ROI transferred to the General Fund from the utility funds each year).

Miscellaneous Revenues include charges for services, interest income, grant revenue, franchise fees, and environmental service revenue, which is associated with pass-through billing for Solid Waste recycling services.

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.



ALL FUNDS SUMMARY BY FUND/BY DIVISION

	GOVERNMENTAL FUND TYPES				
	Total Budget	General Fund	Special Revenue Funds	General Capital Projects Fund	General Debt Service Fund
Beginning Fund Balance	83,905,509	11,155,457	21,666,284	10,578,178	2,032,898
SOURCES AND REVENUES					
Bond Proceeds	42,737,000	-	-	35,150,000	-
Capital Recovery Fee	2,142,500	-	-	-	-
Charges for Services	18,841,683	2,087,555	352,500	-	-
Development and Permit Fees	3,922,000	2,553,500	-	-	-
Franchise Fees	5,203,863	5,203,863	-	-	-
Interest	627,253	2,000	177,575	156,000	20,000
Interfund Transfers - ROI, Etc.	20,222,610	8,852,835	2,002,059	-	3,080,032
Other Revenue	48,469,170	4,140,842	11,332,718	3,500,000	-
Parks and Rec Fees	2,564,220	2,564,220	-	-	-
Property Tax	28,033,429	13,400,000	1,091,717	-	13,541,712
Sales Tax	25,806,750	14,300,500	11,506,250	-	-
Special Improvement Fees	37,000	-	-	37,000	-
Utility Revenue	118,634,159	8,824,500	-	-	-
Grant Revenue	407,060	63,350	108,710	-	-
Grand Total	317,648,697	61,993,165	26,571,529	38,843,000	16,641,744
USES AND EXPENSES					
Capital Improvements	49,276,297	-	442,914	46,752,383	-
Community Services & Finances	31,879,860	11,376,206	1,182,658	-	-
CRR Credits	(2,000,000)	-	-	-	-
Debt Issuance Cost	20,800	-	-	-	-
Debt Payments	22,326,756	-	-	-	16,621,744
Development & Planning	5,620,730	2,759,352	2,228,286	-	-
Fire	15,650,018	13,438,450	2,211,568	-	-
GEDCO	6,988,798	-	6,988,798	-	-
Georgetown Utility Systems	116,489,583	12,656,577	10,941,581	-	-
GTEC	4,572,091	-	4,572,091	-	-
Interfund Transfers	8,611,412	1,739,523	1,377,580	1,799,000	-
Management Services	17,626,226	6,275,562	-	-	-
Police	15,083,920	15,000,953	82,967	-	-
Purchased Power	44,000,000	-	-	-	-
TIRZ	681,177	-	681,177	-	-
Grand Total	336,827,670	63,246,622	30,709,621	48,551,383	16,621,744
Ending Fund Balance	64,726,536	9,902,000	17,528,192	869,795	2,052,898
RESERVATIONS					
Arterial Reservation	750,000	-	750,000	-	-
Benefit Payout Reserve	252,000	252,000	-	-	-
Contingency	22,294,125	8,500,000	598,085	-	1,607,882
Contingency 25% of Op Rev	1,643,750	-	1,643,750	-	-
Economic Stability Reserve	1,150,000	1,150,000	-	-	-
IBNR	631,140	-	-	-	-
Maintenance Contingency	25,000	-	25,000	-	-
Perpetual Reserve	356,659	-	356,659	-	-
Rate Stabilization	6,762,280	-	-	-	-
Reserve for TIA	153,327	-	-	153,327	-
Reserved Bond Proceeds	4,150,000	-	4,150,000	-	-
Reserved for Capital	1,464,027	-	987,474	-	-
Available Fund Balance	25,094,228	(0)	9,017,224	716,468	445,016

		PROPRIETARY FUND TYPES			
	Total Budget	Electric Fund	Water Fund	Other Enterprise Funds	Internal Service Funds
Beginning Fund Balance	83,905,509	12,328,770	16,101,907	627,920	9,414,095
SOURCES AND REVENUES					
Bond Proceeds	42,737,000	6,537,000	-	1,050,000	-
Capital Recovery Fee	2,142,500	-	2,142,500	-	-
Charges for Services	18,841,683	-	-	-	16,401,628
Development and Permit Fees	3,922,000	-	1,368,500	-	-
Franchise Fees	5,203,863	-	-	-	-
Interest	627,253	48,318	192,385	9,975	21,000
Interfund Transfers - ROI, Etc.	20,222,610	90,981	116,613	9,000	6,071,090
Other Revenue	48,469,170	3,165,000	5,516,250	3,770,828	17,043,532
Parks and Rec Fees	2,564,220	-	-	-	-
Property Tax	28,033,429	-	-	-	-
Sales Tax	25,806,750	-	-	-	-
Special Improvement Fees	37,000	-	-	-	-
Utility Revenue	118,634,159	67,595,139	38,823,195	3,391,325	-
Grant Revenue	407,060	-	-	235,000	-
Grand Total	317,648,697	77,436,438	48,159,443	8,466,128	39,537,250
USES AND EXPENSES					
Capital Improvements	49,276,297	225,000	1,155,000	701,000	-
Community Services & Finances	31,879,860	-	-	-	19,320,996
CRR Credits	(2,000,000)	(2,000,000)	-	-	-
Debt Issuance Cost	20,800	16,800	-	4,000	-
Debt Payments	22,326,756	1,697,769	3,427,453	579,790	-
Development & Planning	5,620,730	-	-	-	633,092
Fire	15,650,018	-	-	-	-
GEDCO	6,988,798	-	-	-	-
Georgetown Utility Systems	116,489,583	35,107,136	41,855,041	6,209,569	9,719,680
GTEC	4,572,091	-	-	-	-
Interfund Transfers	8,611,412	92,600	3,264,486	307,423	30,800
Management Services	17,626,226	-	-	-	11,350,664
Police	15,083,920	-	-	-	-
Purchased Power	44,000,000	44,000,000	-	-	-
TIRZ	681,177	-	-	-	-
Grand Total	336,827,670	79,139,305	49,701,980	7,801,782	41,055,233
ENDING FUND BALANCE					
Ending Fund Balance	64,726,536	10,625,903	14,559,370	1,292,266	7,896,112
RESERVATIONS					
Arterial Reservation	750,000	-	-	-	-
Benefit Payout Reserve	252,000	-	-	-	-
Contingency	22,294,125	5,125,000	6,000,000	463,158	-
Contingency 25% of Op Rev	1,643,750	-	-	-	-
Economic Stability Reserve	1,150,000	-	-	-	-
IBNR	631,140	-	-	-	631,140
Maintenance Contingency	25,000	-	-	-	-
Perpetual Reserve	356,659	-	-	-	-
Rate Stabilization	6,762,280	5,500,000	-	-	1,262,280
Reserve for TIA	153,327	-	-	-	-
Reserved Bond Proceeds	4,150,000	-	-	-	-
Reserved for Capital	1,464,027	-	-	476,553	-
Available Fund Balance	25,094,228	903	8,559,370	352,555	6,002,692

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

		GOVERNMENTAL FUND TYPES			
	Total Budget	General Fund	Special Revenue Funds	General Capital Projects Fund	General Debt Service Fund
Beginning Fund Balance	83,905,509	11,155,457	21,666,284	10,578,178	2,032,898
SOURCES AND REVENUES					
Bond Proceeds	42,737,000	-	-	35,150,000	-
Capital Recovery Fee	2,142,500	-	-	-	-
Charges for Services	18,841,683	2,087,555	352,500	-	-
Development and Permit Fees	3,922,000	2,553,500	-	-	-
Franchise Fees	5,203,863	5,203,863	-	-	-
Interest	627,253	2,000	177,575	156,000	20,000
Interfund Transfers - ROI, Etc.	20,222,610	8,852,835	2,002,059	-	3,080,032
Other Revenue	48,469,170	4,140,842	11,332,718	3,500,000	-
Parks and Rec Fees	2,564,220	2,564,220	-	-	-
Property Tax	28,033,429	13,400,000	1,091,717	-	13,541,712
Sales Tax	25,806,750	14,300,500	11,506,250	-	-
Special Improvement Fees	37,000	-	-	37,000	-
Utility Revenue	118,634,159	8,824,500	-	-	-
Grant Revenue	407,060	63,350	108,710	-	-
Grand Total	317,648,697	61,993,165	26,571,529	38,843,000	16,641,744
USES AND EXPENSES					
Capital	90,282,156	1,795,293	10,070,030	48,551,383	-
Debt Issuance Costs	1,443,198	-	-	-	1,362,698
Debt Payments	26,540,267	-	1,055,519	-	15,259,046
Interfund Transfers	3,280,698	386,000	2,699,298	-	-
Operations	153,822,778	26,977,758	14,974,725	-	-
Personnel	61,458,573	34,087,571	1,910,049	-	-
Grand Total	336,827,670	63,246,622	30,709,621	48,551,383	16,621,744
Ending Fund Balance					
Ending Fund Balance	64,726,536	9,902,000	17,528,192	869,795	2,052,898
RESERVATIONS					
Benefit Payout Reserve	252,000	252,000	-	-	-
Contingency	22,294,125	8,500,000	598,085	-	1,607,882
Contingency 25% of Op Rev	1,643,750	-	1,643,750	-	-
Economic Stability Reserve	1,150,000	1,150,000	-	-	-
IBNR	631,140	-	-	-	-
Maintenance Contingency	25,000	-	25,000	-	-
Perpetual Reserve	356,659	-	356,659	-	-
Reserved Bond Proceeds	4,150,000	-	4,150,000	-	-
Reserved for Capital	1,464,027	-	987,474	-	-
Reserve for TIA	153,327	-	-	153,327	-
Rate Stabilization	6,762,280	-	-	-	-
Arterial Reservation	750,000	-	750,000	-	-
Available Fund Balance					
Available Fund Balance	25,094,228	(0)	9,017,224	716,468	445,016

		PROPRIETARY FUND TYPES			
		Total Budget	Electric Fund	Water Fund	Other Enterprise Funds Internal Service Funds
Beginning Fund Balance		83,905,509	12,328,770	16,101,907	627,920 9,414,095
SOURCES AND REVENUES					
Bond Proceeds		42,737,000	6,537,000	-	1,050,000 -
Capital Recovery Fee		2,142,500	-	2,142,500	- -
Charges for Services		18,841,683	-	-	- 16,401,628
Development and Permit Fees		3,922,000	-	1,368,500	- -
Franchise Fees		5,203,863	-	-	- -
Interest		627,253	48,318	192,385	9,975 21,000
Interfund Transfers - ROI, Etc.		20,222,610	90,981	116,613	9,000 6,071,090
Other Revenue		48,469,170	3,165,000	5,516,250	3,770,828 17,043,532
Parks and Rec Fees		2,564,220	-	-	- -
Property Tax		28,033,429	-	-	- -
Sales Tax		25,806,750	-	-	- -
Special Improvement Fees		37,000	-	-	- -
Utility Revenue		118,634,159	67,595,139	38,823,195	3,391,325 -
Grant Revenue		407,060	-	-	235,000 -
Grand Total		317,648,697	77,436,438	48,159,443	8,466,128 39,537,250
USES AND EXPENSES					
Capital		90,282,156	9,631,900	13,205,000	1,240,000 5,788,549
Debt Issuance Costs		1,443,198	15,000	60,000	5,500 -
Debt Payments		26,540,267	4,237,027	5,284,535	704,140 -
Interfund Transfers		3,280,698	32,600	62,000	70,000 30,800
Operations		153,822,778	58,197,503	26,389,526	4,844,951 22,438,316
Personnel		61,458,573	7,025,275	4,700,919	937,191 12,797,568
Grand Total		336,827,670	79,139,305	49,701,980	7,801,782 41,055,233
Ending Fund Balance		64,726,536	10,625,903	14,559,370	1,292,266 7,896,112
RESERVATIONS					
Benefit Payout Reserve		252,000	-	-	- -
Contingency		22,294,125	5,125,000	6,000,000	463,158 -
Contingency 25% of Op Rev		1,643,750	-	-	- -
Economic Stability Reserve		1,150,000	-	-	- -
IBNR		631,140	-	-	- 631,140
Maintenance Contingency		25,000	-	-	- -
Perpetual Reserve		356,659	-	-	- -
Reserved Bond Proceeds		4,150,000	-	-	- -
Reserved for Capital		1,464,027	-	-	476,553 -
Reserve for TIA		153,327	-	-	- -
Rate Stabilization		6,762,280	5,500,000	-	- 1,262,280
Arterial Reservation		750,000	-	-	- -
Available Fund Balance		25,094,228	903	8,559,370	352,555 6,002,692



THIS PAGE INTENTIONALLY LEFT BLANK.