

Financial Summary



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Revenues

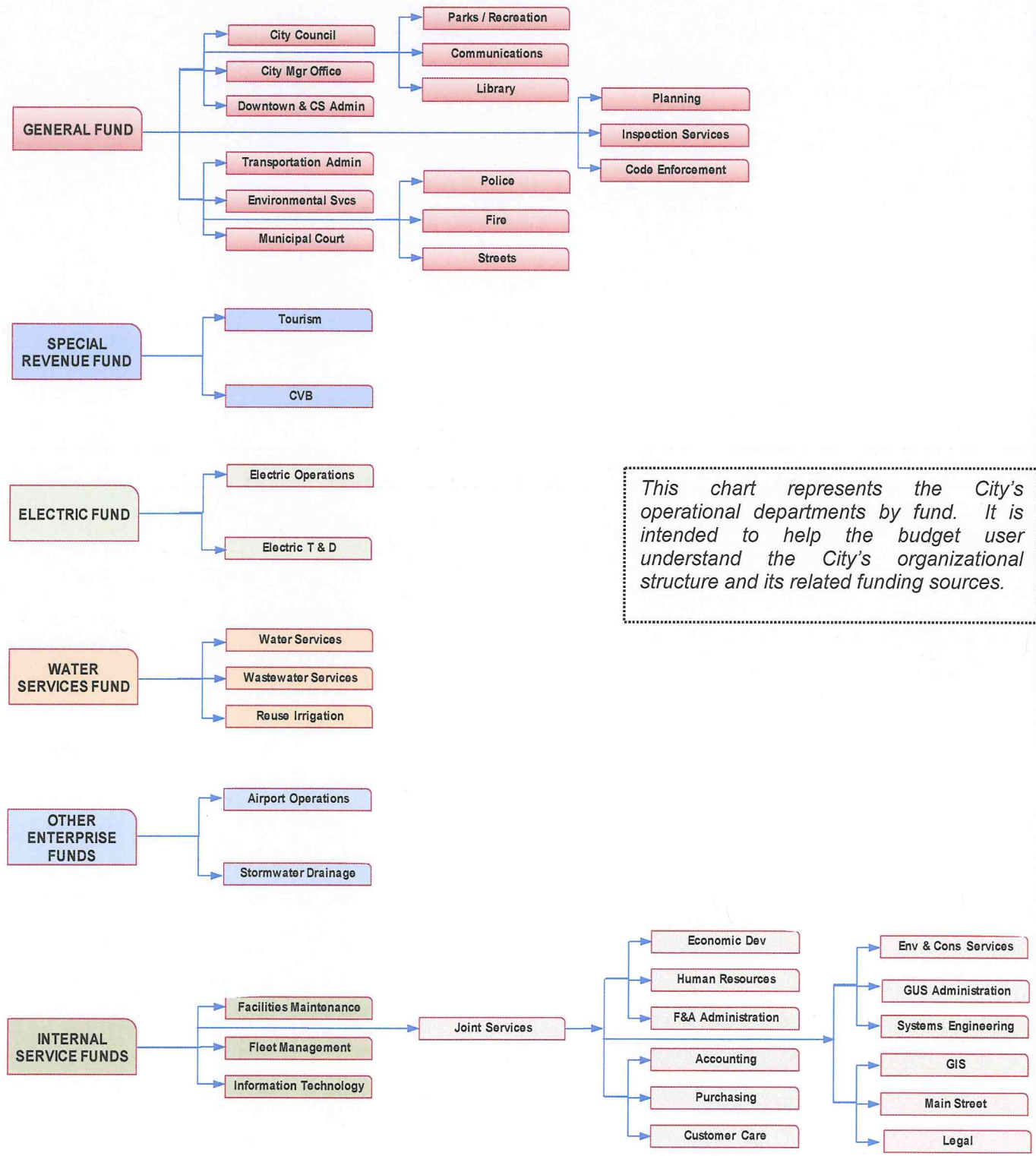
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CAFR Adjustments on the Fund Schedules are made to the previous actual (2010/11) provided. These adjustments balance the budgeted fund balances to the City's Comprehensive Annual Financial Report (CAFR).

City Operations and Departments by Fund

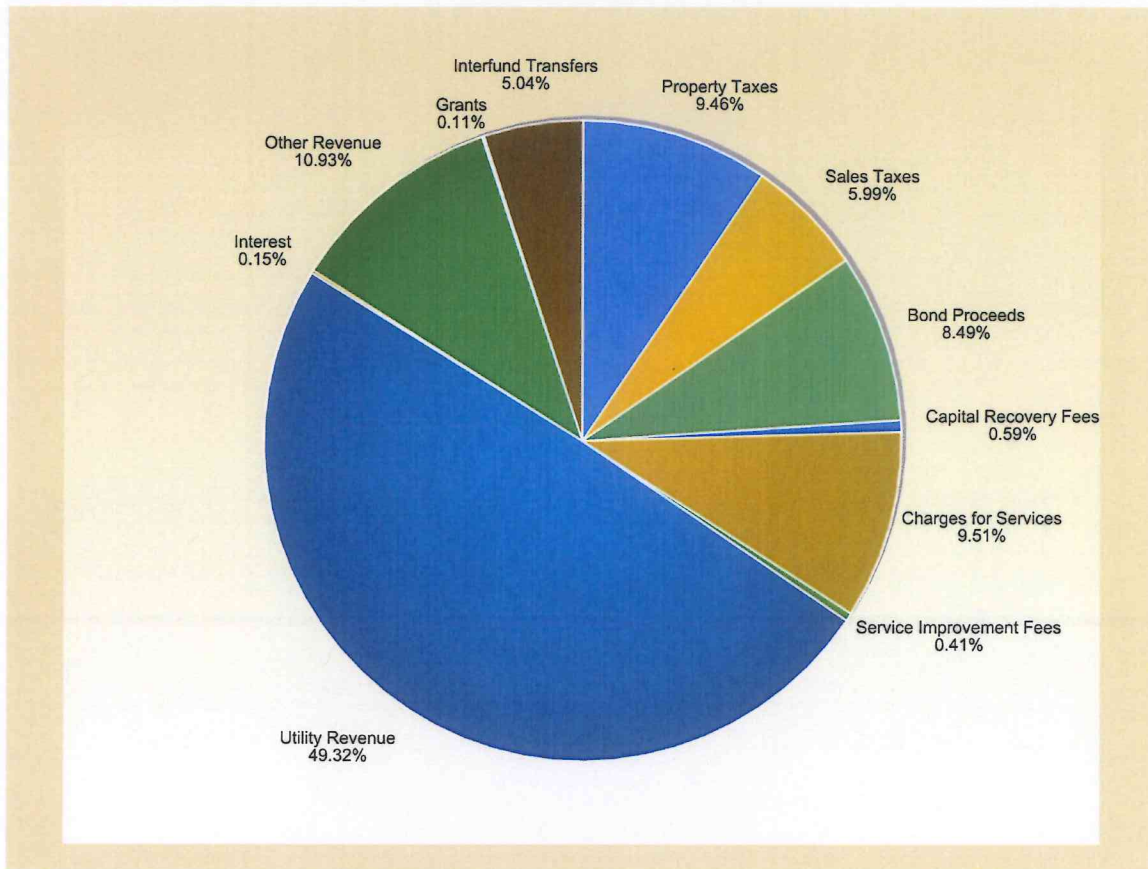


City Operations and Departments by Fund / by Division

<p><i>This matrix represents the City's operational departments by fund / by division. It is intended to help the budget user understand the City's organizational structure and its related funding sources.</i></p>	General Fund	Special Revenue Funds	Electric Fund	Water Services Fund	Other Enterprise Funds	Internal Service Funds	Joint Services Fund
Downtown and Community Services	Administration Parks Recreation Library	**CVB Tourism					Main Street
Finance and Administration	Municipal Court					Facilities Maintenance Fleet Management Information Technology	Administration Accounting Purchasing Customer Care Geographic Information Systems (GIS)
Fire	Administration Operations						
Georgetown Utility Systems (GUS)	Environmental Services Inspection Services		Electric Operations *Electric T&D	Water Services Wastewater Services Reuse Irrigation			GUS Administration Systems Engineering Environmental & Conservation Services
Management Services	City Council City Manager's Office Governmental Contracts Communications Planning						Human Resources Economic Development Legal
Police	Administrative Services Support Services Field Operations Animal Services Code Enforcement						
Transportation	Administration Streets				Stormwater Drainage Airport Operations		

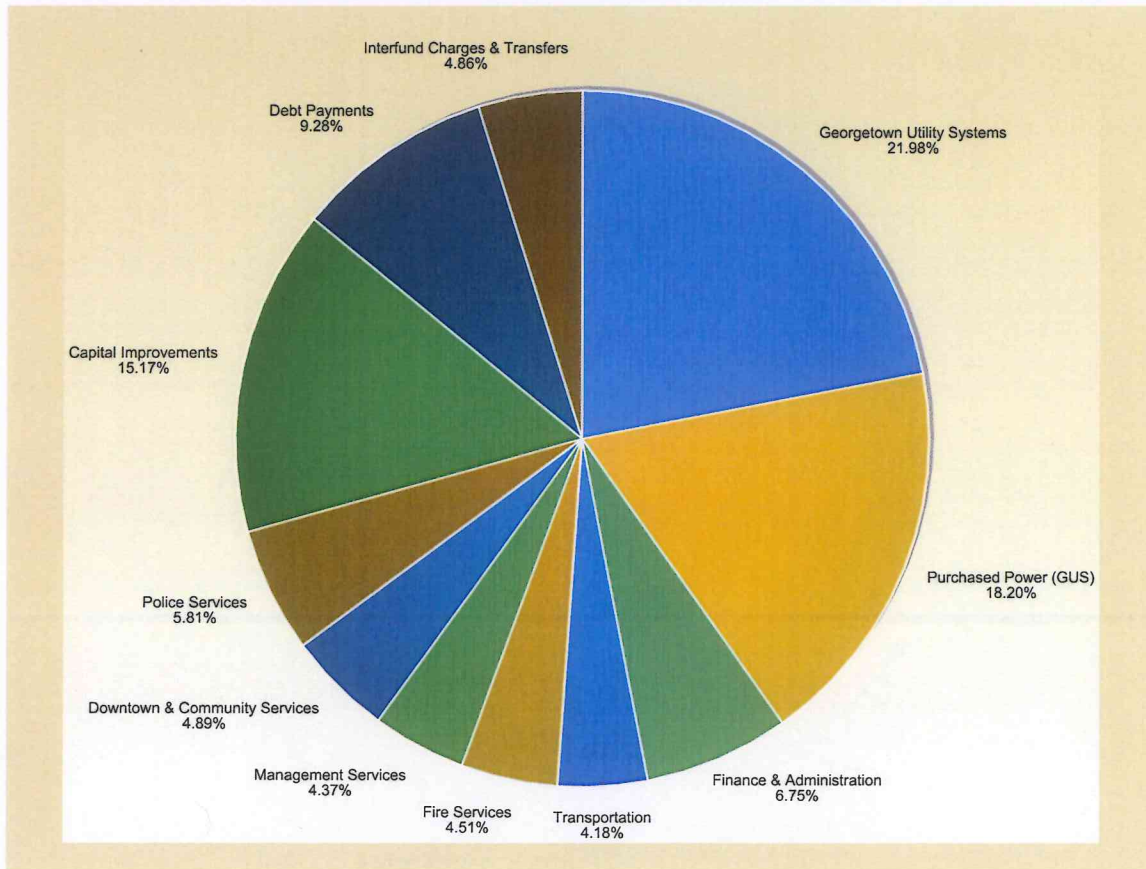
* Electric Transmission and Distribution
 ** Convention and Visitor's Bureau

Budgeted Revenues 2012/13



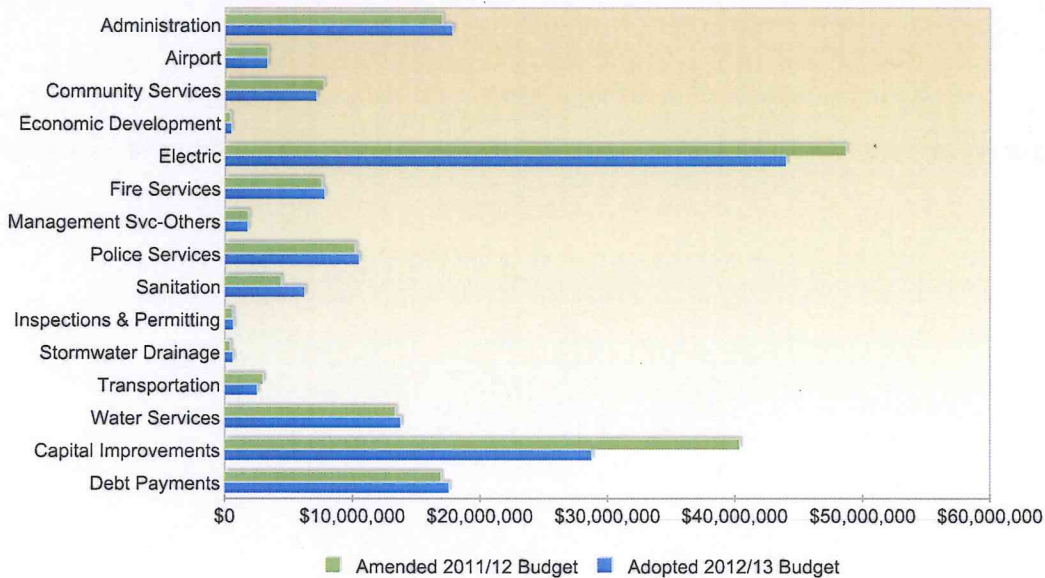
	10/11 Actual	11/12 Amended Budget	11/12 Projected Actual	12/13 Proposed Budget	13/14 Estimated Budget
Property Taxes	14,709,251	15,928,682	16,345,994	17,293,467	18,701,617
Sales Taxes	10,246,310	10,315,000	10,607,500	10,950,750	11,485,000
Bond Proceeds	21,650,000	6,170,000	14,150,000	15,532,560	16,657,980
Charges for Services	15,707,884	15,977,787	15,788,651	17,395,120	17,431,853
Capital Recovery Fees	830,933	1,099,499	1,065,000	1,085,000	1,095,000
Service Improvement Fees	885,425	470,000	759,800	754,250	754,250
Utility Revenue	90,478,503	91,670,192	87,618,447	90,208,270	94,363,170
Grants	3,949,720	1,077,513	1,059,129	200,331	0
Interest	339,800	288,750	355,732	279,170	303,170
Other Revenue	20,453,724	19,137,484	22,274,664	19,997,526	20,080,749
Interfund Transfers	7,941,362	8,574,501	8,976,613	9,226,526	9,539,636
TOTAL REVENUE	187,192,912	170,709,408	179,001,530	182,922,970	190,412,425
*Fund balance (increase) or use	1,462,504	29,914,327	12,520,600	6,913,655	15,009,874
TOTAL BUDGET	188,655,416	200,623,735	191,522,130	189,836,625	205,422,299

Budgeted Expenses by Division 2012/13



	10/11 Actual	11/12 Amended Budget	11/12 Projected Actual	12/13 Proposed Budget	13/14 Estimated Budget
Downtown & Community Services	8,143,410	9,645,967	9,261,390	9,284,349	8,876,068
Finance & Administration	10,057,519	13,118,789	12,960,966	12,822,380	11,967,912
Fire Services	7,691,229	8,251,208	7,987,231	8,558,191	8,578,474
Georgetown Utility Systems (GUS)	35,884,881	38,412,247	37,852,958	41,721,317	41,996,395
Purchased Power (GUS)	37,455,227	39,149,279	36,880,197	34,550,709	38,818,807
Management Services	10,312,084	7,390,188	7,386,140	8,287,111	10,248,531
Police Services	10,183,311	10,723,410	10,540,203	11,025,951	11,065,998
Transportation	13,029,666	7,972,325	5,525,262	7,939,742	8,672,563
Capital Improvements	31,582,751	40,414,155	37,155,120	28,807,000	38,047,000
Debt Payments	16,373,976	16,971,666	16,996,050	17,613,349	17,610,915
Interfund Charges & Transfers	7,941,362	8,574,501	8,976,613	9,226,526	9,539,636
TOTAL BUDGET	188,655,416	200,623,735	191,522,130	189,836,625	205,422,299

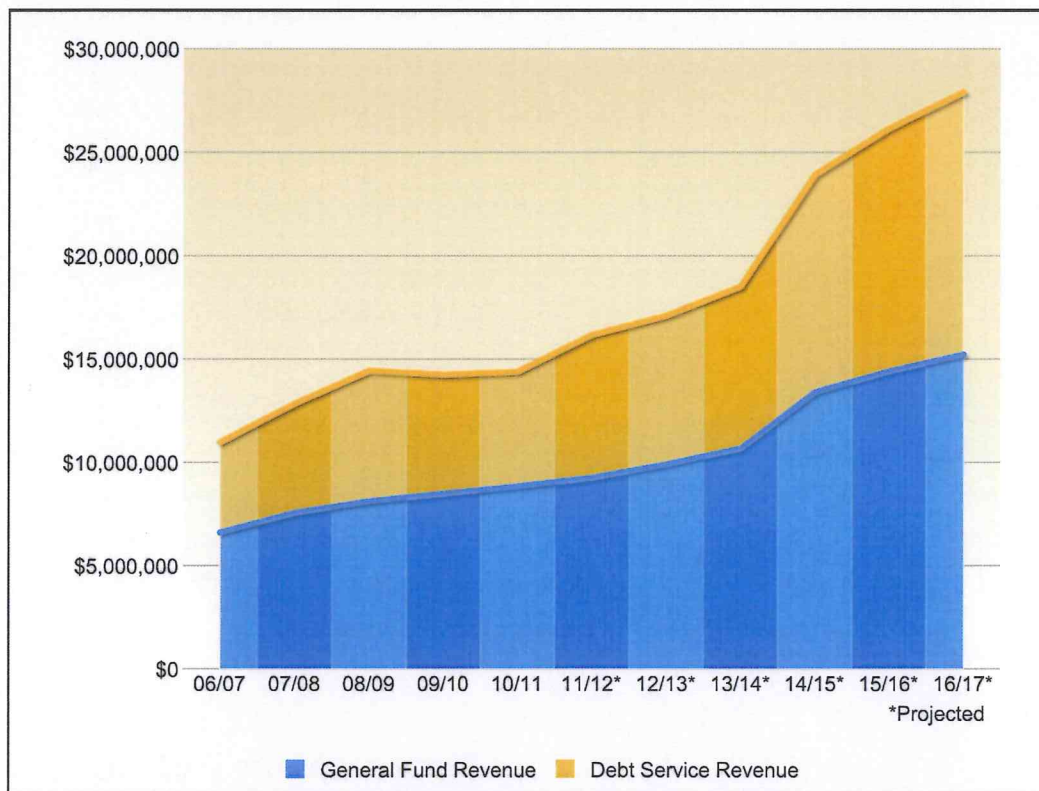
Budgeted Expenses by Program 2012/13



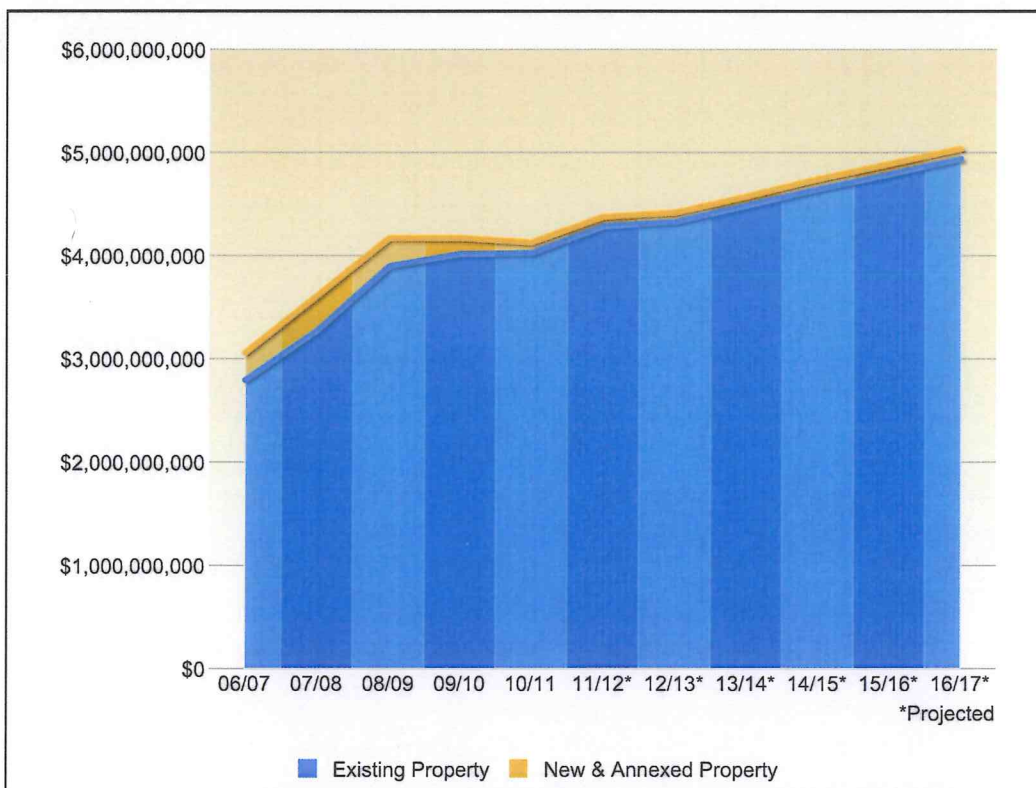
	Amended		Adopted	
	2011/12 Budget	%	2012/13 Budget	%
Administration	17,027,684	9.7%	17,843,471	10.9%
Airport	3,348,714	1.9%	3,324,524	2.0%
Downtown & Community Services	7,717,305	4.4%	7,170,589	4.4%
Economic Development	439,572	0.2%	525,903	0.3%
Electric	48,696,932	27.6%	44,006,044	26.9%
Fire Services	7,585,617	4.3%	7,803,761	4.8%
Management Svc-Others	1,855,832	1.1%	1,796,382	1.1%
Police Services	10,232,209	5.8%	10,516,125	6.4%
Environmental Services	4,427,364	2.5%	6,247,058	3.8%
Inspections & Permitting	635,781	0.4%	705,149	0.4%
Stormwater Drainage	470,639	0.3%	661,672	0.4%
Transportation	3,026,724	1.7%	2,564,620	1.6%
Water Services	13,389,878	7.6%	13,812,517	8.5%
Capital Improvements	40,414,155	22.9%	28,807,000	17.6%
Debt Payments	16,971,666	9.6%	17,613,349	10.8%
Budget Total By Program	176,240,072	100.0%	163,398,164	100.0%
<i>Interfund Transfers & Premiums</i>	24,383,663		26,438,461	
TOTAL OPERATING BUDGET	200,623,735		189,836,625	

"Programs" are related activities performed among various departments for the purpose of accomplishing a specific function.

Property Tax Revenue



Taxable Property Values



Fiscal Year	07/08	08/09	09/10	10/11	11/12*	12/13*	13/14*	14/15*	15/16*	16/17*
Property Tax Revenues: (in thousands)										
General Fund	7,542	8,103	8,422	8,821	9,240	9,890	10,659	13,394	14,399	15,220
Debt Service	5,288	6,329	5,766	5,560	6,918	7,200	7,840	10,515	11,731	12,676
Property Values: (in millions)										
Existing Property	3,275	3,895	4,014	4,023	4,283	4,324	4,482	4,641	4,788	4,937
New & Annexed Property	336	275	156	104	93	92	90	100	100	100
Tax Rates										
Per \$100 - taxable valuation	0.3566	0.3562	0.3562	0.3562	0.3875	0.4100	0.4108	0.5587	0.5959	0.6181
<i>*Projected "City of Excellence" Impacts</i>										

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 roles are certified in July and the tax rate is adopted in September, along with the budget. The City's tax collector, currently the Williamson County Tax Collector, sends statements in October to each taxpayer. The City's tax collection rate for 2012/13 was 99.2%.

Taxable Valuations:

- ▶ Over the past 5 years, new residential construction permits have averaged 560 a year. In 2012, 664 permits, valued at over \$171 million were issued. The general slowdown in the local economy, which impacted the current year, is also taken into consideration for future projections.
- ▶ Values on existing property were nearly flat compared to prior year. The average home value is \$185,915, which increased 2.98% compared to the prior year. Overall, total assessed valuation approximately the same as the previous year due to \$90 million of new or annexed property added to the roll.
- ▶ 2012/13 new values include \$90 million in new construction and annexed property

Adopted Property Tax Rate for 2011/12 is \$0.41000/\$100 valuation:

- ▶ Represents a 3.14% increase over the effective rate of \$0.39752/\$100 valuation, which includes a \$1,043,750 adjustment of \$0.033748 for sales tax dedicated to property tax relief.
- ▶ Breakdown:

		<u>12/13</u>	<u>11/12</u>
M & O	Maintenance and Operations (General Fund)	\$0.23637	\$0.22290
I & S	Debt Service (payment on existing debt)	\$0.17363	\$0.16460

*Future Projections:

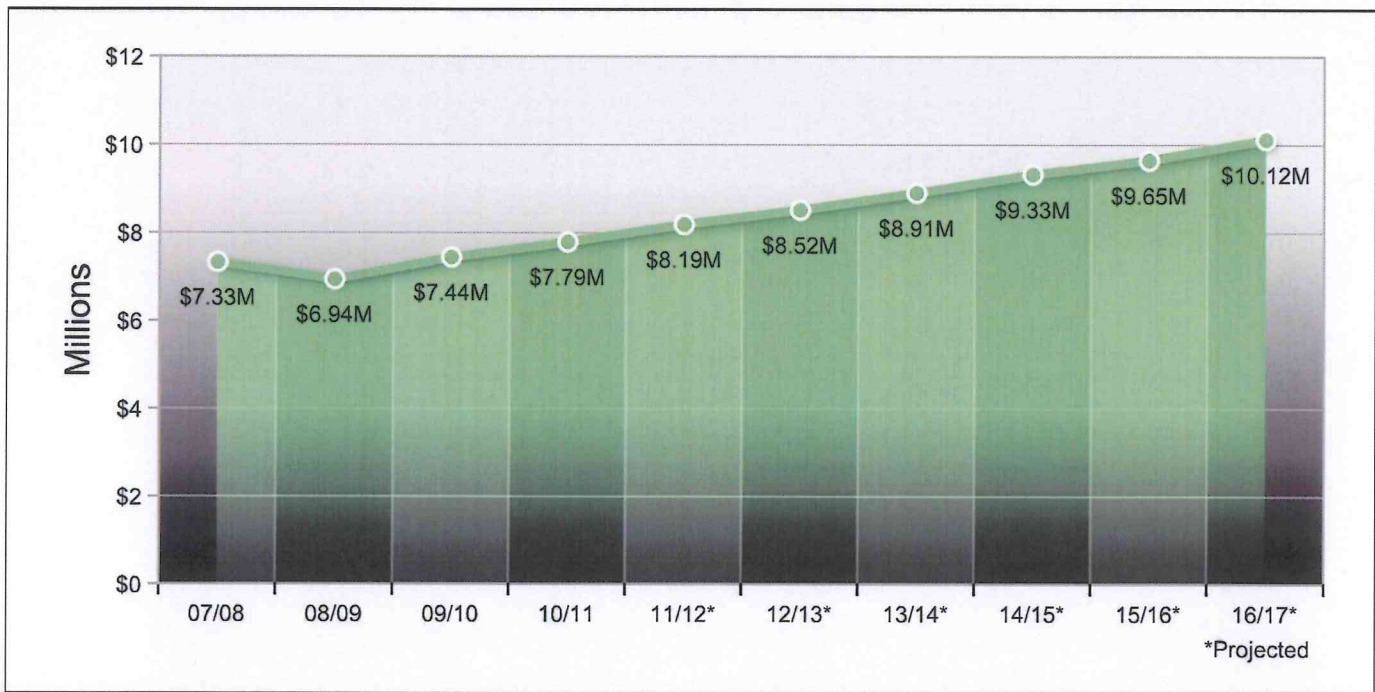
Assumptions for the forecasts of future years are based upon historical trends, expected build out of planned subdivisions, and utility tap requests. Assumptions include:

- ▶ New Property of \$90 million in 2013/2014, then \$100 million for out years. 1.5% increase in existing values for 2013/2014 and 2014/2015 with 1% increases after.
- ▶ Reflects impact of 1/8% sales tax for property tax relief.
- ▶ Assumes that frozen properties account for an increasing share of total properties by a rate of 1.5% per year, averaging 32% over the next five years.
- ▶ Also assumes funding requirements of "City of Excellence" model that may be adjusted or mitigated in future years.



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Sales Tax Revenue – 1% General Operating



The City receives 2% of the 8.25% sales and use taxes that are remitted by retailers within the City limits:

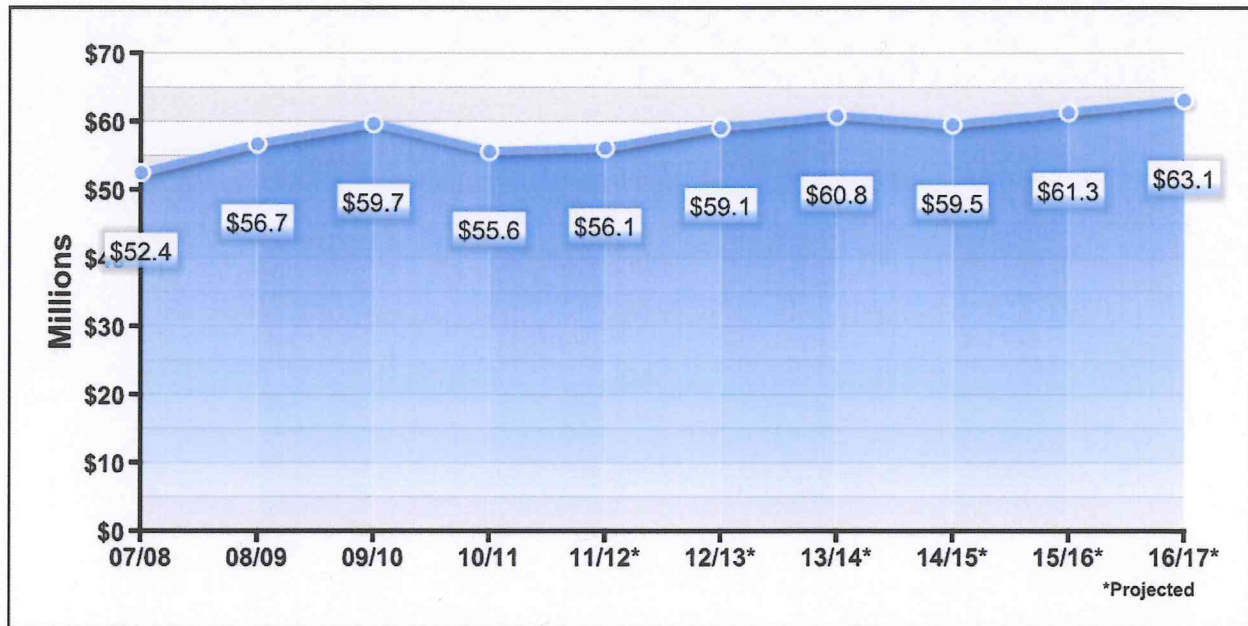
- 1.000% is used for general operating purposes
- 0.500% is used for transportation improvements through the Georgetown Transportation Enhancement Corporation (GTEC), the City's 4B Economic Development Corporation, authorized in May 2001
- 0.125% is for Georgetown Economic Development Corporation (GEDCO), 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; sunset revision approved November 2010, expires in March 2015
- 2.000% City portion**
- 6.250% is collected and retained by the State of Texas
- 8.250% Total sales tax rate

The City's sales tax base is diverse, with revenues being generated by national retailers, building materials and utilities, etc. The heavy residential growth over the past few years has also created a demand for more restaurants and other retailers that have also expanded the City's tax base. Sales tax has increased over the past few years due to an increase in new retail developments within the City.

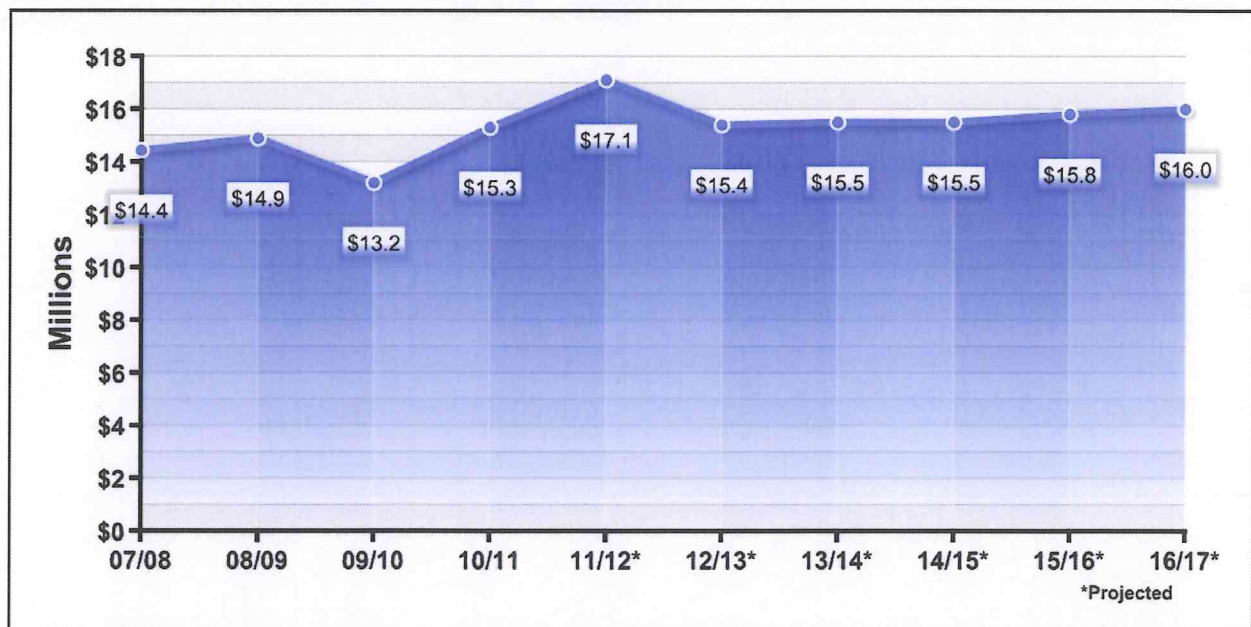
Future projections are based on the following assumptions:

- ▶ 2012/13 includes a 1% increase in overall sales tax projections from the prior year. Sales Tax revenue for FY12 is estimated to end at \$8.3 million, about 6.4% higher than in FY11. The growth has mostly been attributed to large growth in construction, manufacturing, and building material wholesalers of the local economy, as well as very moderate growth in other areas.
- ▶ Long term projections assume modest growth based on population projections, lower unemployment rates, and modest inflation as well as a return to rising per capita disposable income locally in 2014. Significant increases in sales tax revenue will be contingent on the development of new retail and continued improvement in national, as well as, local economic conditions.

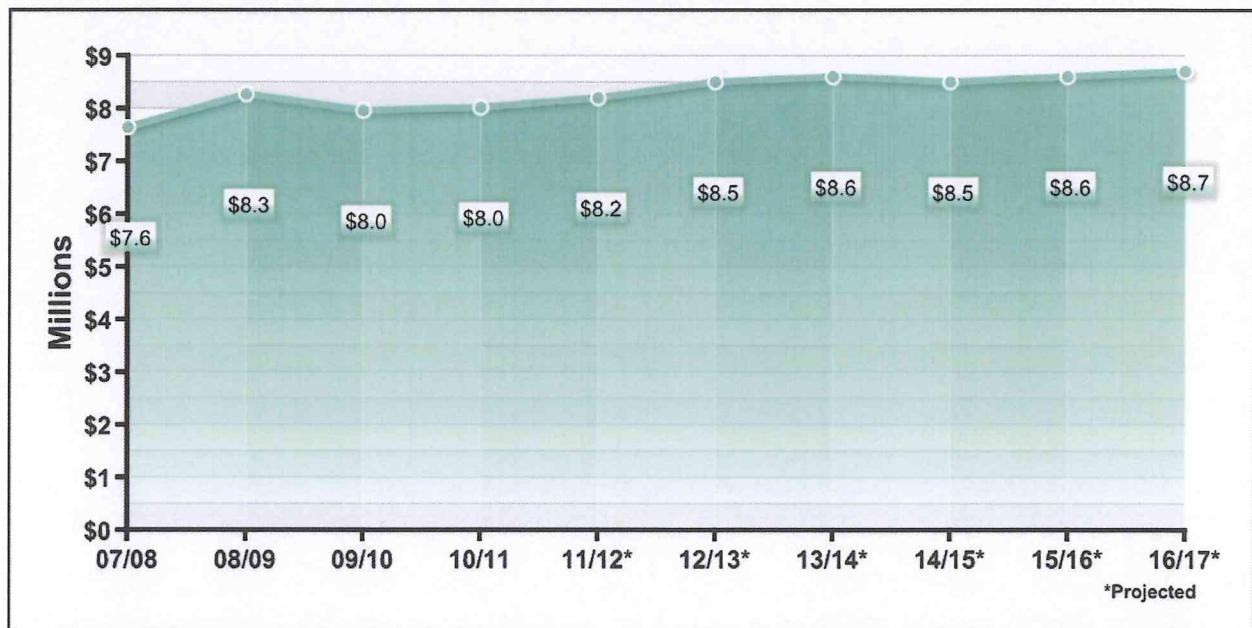
Electric Revenue



Water Services Revenue – Water



Water Services Revenue - Wastewater



Utility Revenues:

The revenue shown includes tap or hookup fees. Developer contributions, such as capital recovery or impact fees and interest are presented elsewhere.

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 and ten 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:

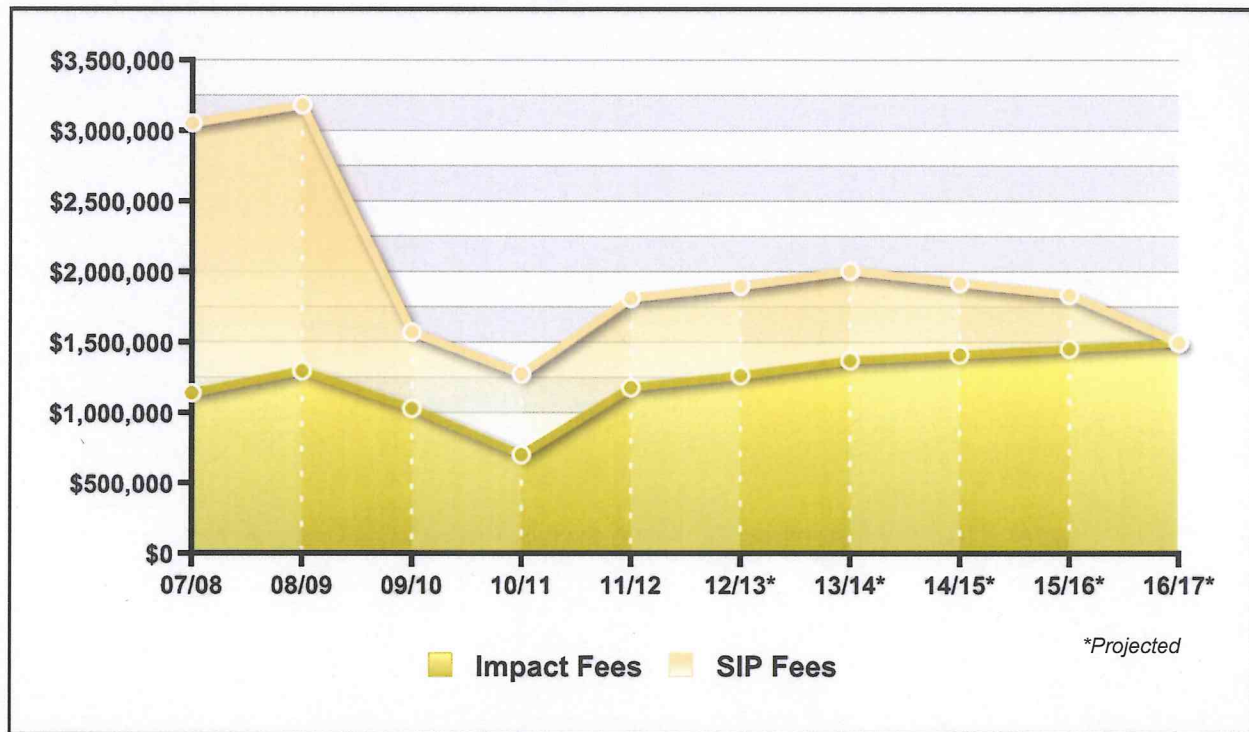
- ▶ Calculated on a five-year rolling average of per capita consumption in order to hedge against variations in weather conditions.
- ▶ Growth estimates are based upon building permits, expected build out of subdivisions and other planning and development activity.
- ▶ Assumes a 3% peak load growth for 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.
- ▶ The City conducted an electric rate review during 2011/12 but is still reviewing the data after changing power suppliers late in the year. Update review to Council in January 2013.

The City continues to be proactive in planning for regional water needs. The City has signed additional agreements with Brazos River Authority to ensure future water needs are met. Major treatment and system expansions will be made as growth occurs and are included in the 5-year capital improvement schedule.

Wastewater Revenues:

- ▶ Assumes a 1-2% customer growth over the next five years. (*historical average is 5-6%*)
- ▶ Flat rates allocate cost equitability between all system users, and thus eliminates any cross-class subsidies.

Capital Recovery Fee Revenue



Fiscal Year	07/08	08/09	09/10	10/11	11/12	12/13*	13/14*	14/15*	15/16*	16/17*
Service Improvement Fees:										
Water	1,155	899	338	320	381	381	381	304	228	0
Wastewater	757	986	203	254	254	254	254	203	152	0
Total (thousands)	1,912	1,886	541	573	634	634	634	507	381	0
Impact Fees:										
Water	806	882	738	487	891	992	1,098	1,131	1,165	1,200
Wastewater	333	412	290	212	285	270	270	278	286	295
Total (thousands)	1,139	1,294	1,028	699	1,176	1,262	1,368	1,410	1,452	1,495

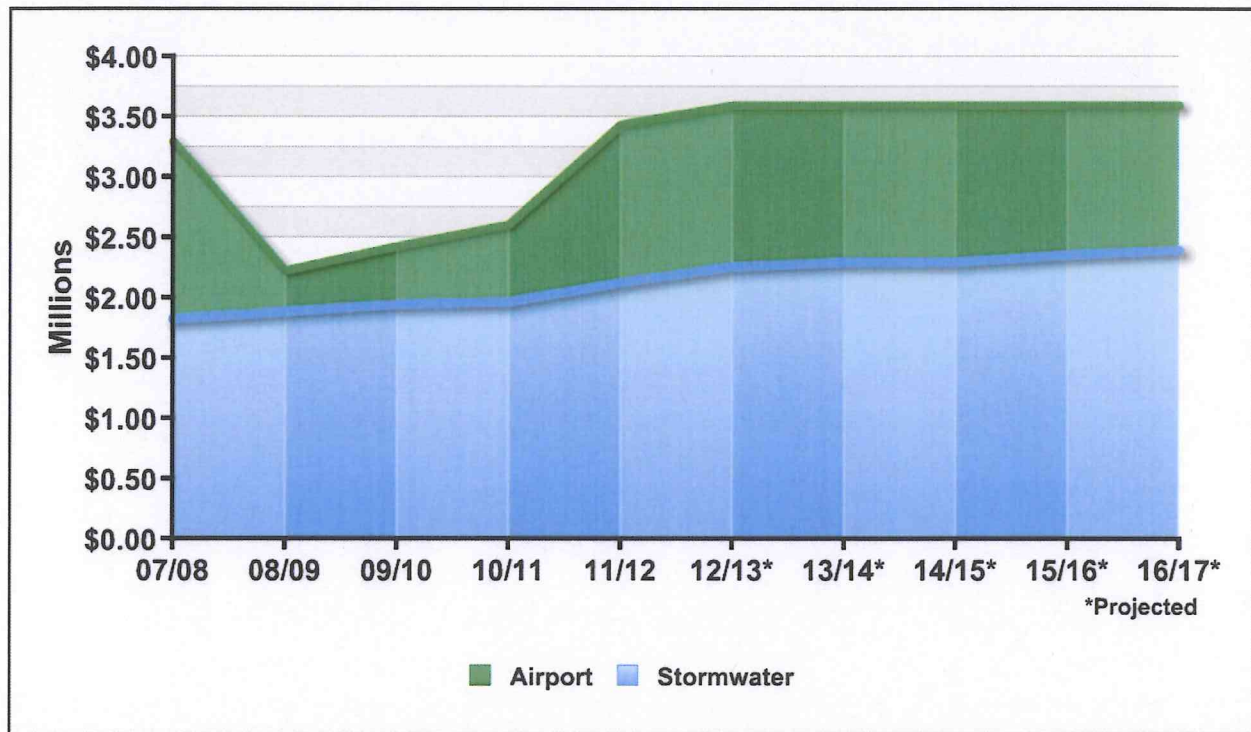
Service Improvement Fees:

These 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 these development agreements.

Impact Fees:

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. The fees were updated in 2003 and again in 2005, through a study prepared by an Impact Fee Advisory Committee, to reflect changes in the City's five and ten year Capital Improvements Plans, the Future Land Use Plan, and updated construction costs. The fee is \$5,204 per unit for water and wastewater. These fees were reviewed in 2010 but no changes are expected through 2013.

Other Enterprise Fund Revenues



Fiscal Year (in thousands)	07/08	08/09	09/10	10/11	11/12	12/13*	13/14*	14/15*	15/16*	16/17*
Stormwater Drainage	1,816	1,883	1,945	1,956	2,116	2,254	2,287	2,287	2,354	2,388
Airport	3,293	2,221	2,422	2,603	3,432	3,587	3,587	3,587	3,587	3,587

Airport Revenue:

Airport revenue consists primarily of fuel sales, T-hangar rentals and tie down fees. The revenue fluctuations between 2007/08 to present are primarily a result of fluctuating fuel prices. In late 2011/12, the Airport lost a major fuel customer causing the City to begin re-evaluating projections and the operating model. A detailed operating analysis is underway with a sustainability plan scheduled to be ready to present to Council by April 2013.

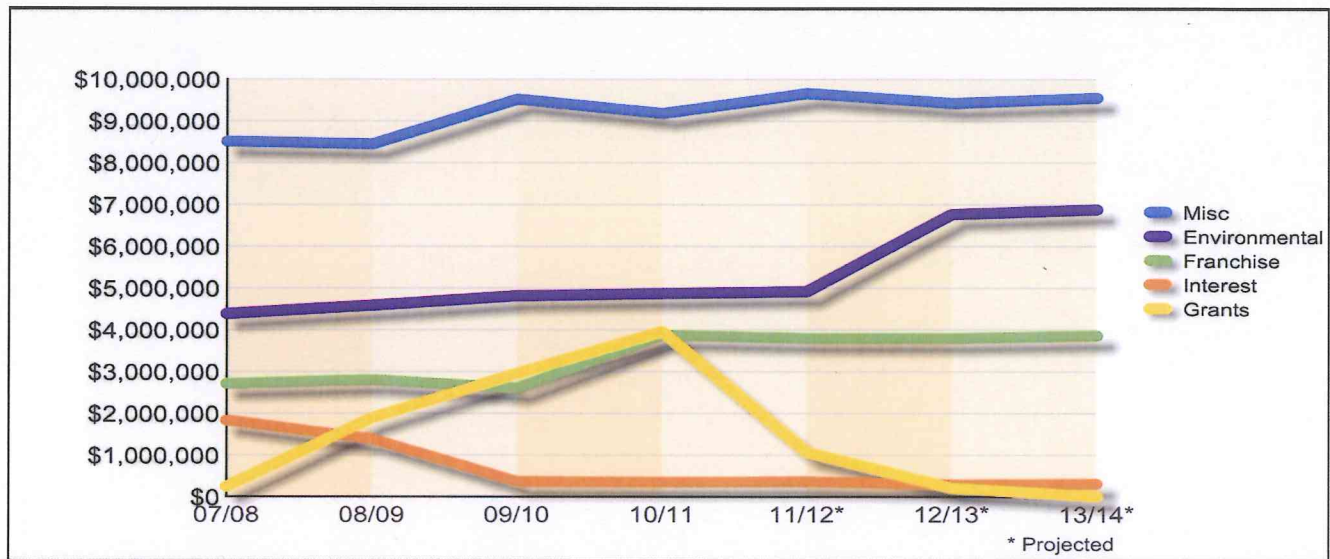
Stormwater Drainage Revenue:

Revenue for stormwater drainage 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 beginning in March 2012. The cost of maintenance of detention ponds continues to increase, and other environmental mandates are expected to be forthcoming, which may further impact rates in future years.



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Miscellaneous Revenues



Fiscal Year (in thousands)	07/08	08/09	09/10	10/11	11/12*	12/13*	13/14*
Interest Income	2,408	1,369	354	340	356	279	303
Grant Revenue	157	1,880	2,947	3,950	1,059	200	-
Miscellaneous Revenue	9,708	8,452	9,524	9,183	9,664	9,428	9,553
Franchise Fees	2,740	2,802	2,603	3,875	3,799	3,796	3,860
Environmental Svcs	4,320	4,583	4,809	4,864	4,915	6,765	6,879

Interest Income:

Interest income continues to decrease due to the existing economic conditions that have resulted in lower yields for all investments. Projections are based on anticipated cash balances from contingency reserves, bond proceeds invested through the life of construction projects and fund balances, as well as, continued existing market conditions.

Grant Revenue:

The City receives grants for a variety of purposes. Council approves all grant applications prior to submission. The City budgets for grants that have been approved and awarded by the granting agency.

Miscellaneous Revenue:

Revenues not falling into another category are classified as miscellaneous revenue. The sources of this revenue are building permits, fines, parks fees, recreation charges and other user fees, as well as, revenue for services from the Williamson County Emergency Service District (ESD) #8 which began in 2006/07. Surplus property sales and donations are also included in this category.

Franchise Fee Revenue:

The City receives revenue from franchise fees. These fees are paid to the City's General Fund by both City and outside utilities for use of right of ways and public properties and are collected to offset the cost of street maintenance. The franchise fee rate collected is 3% or greater of applicable revenue.

Environmental Services Revenue:

Environmental Services revenue includes fees collected for curbside garbage pick-up, including recycling and special pick-ups, as well as rents paid for use of the old landfill site. The City renegotiated the contract with Texas Disposal Services during fiscal year 2011/12. The City is now offering single stream recycling at the curb for customers in an effort to reduce waste going to landfills. City residents will experience an estimated 11% increase in rates to cover the increased cost of the new and expanded services.

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	46,398,087	9,025,829	3,135,953	14,996,119	1,701,184
SOURCES & REVENUES:					
Property taxes	17,293,467	9,890,000	153,467		7,250,000
Sales taxes	10,950,750	8,863,750	2,087,000		
Bond Proceeds	15,532,560			15,532,560	
Charges for Services	17,395,120	1,206,333			
Capital Recovery Fees	1,085,000				
Special Improvement Fees	754,250	120,000			
Utility Revenues	90,208,270	6,765,000			
Grants	200,331		200,331		
Interest	279,170	40,000	24,570	50,000	10,000
Other Revenue	19,997,526	9,970,230	1,189,120		1,949,387
Interfund Transfers - ROI, Etc.	9,226,526	6,429,042	1,020,053		
Total Revenues	182,922,970	43,284,355	4,674,541	15,582,560	9,209,387
USES & EXPENSES:					
Downtown & Community Services	9,284,349	7,990,835	1,176,644		
Finance & Administration	12,822,380	531,298	213,652		
Fire Services	8,558,191	8,386,611	171,580		
Georgetown Utility Systems	41,721,317	7,066,309	257,394		
Purchased Power	34,550,709				
Management Services	8,287,111	5,666,835			
Police Services	11,025,951	10,866,444	159,507		
Transportation	7,939,742	2,853,239			
Capital Improvements	28,807,000	875,000	2,757,000	14,405,000	
Debt Payments	17,285,689				9,728,035 (2)
Debt Issuance Costs	327,660			304,560	
Interfund Transfers	9,226,526	104,553	340,000	1,843,000	
Total Uses & Expenses	189,836,625	44,341,124	5,075,777	16,552,560	9,728,035
Ending Fund Balance / Working Capital	39,484,432	7,969,060	2,734,717	14,026,119	1,182,536
RESERVATIONS:					
Contingency	16,086,000	7,400,000	75,000		
Capital Projects/Other	19,367,010		2,659,717	14,026,119	1,182,536
Available Fund Balance/ Working Capital	4,031,422	569,060	0	0	0

(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

All Funds Summary (By Fund / By Division)

	PROPRIETARY FUND TYPES			
	ENTERPRISE FUNDS			Internal Service Funds
	Electric Fund	Water Fund	Other Enterprise Funds (1)	
Beginning Fund Balances / Working Capital	4,339,775	11,220,117	756,988	1,222,122
SOURCES & REVENUES:				
Property taxes				
Sales taxes				
Bond Proceeds				
Charges for Services				16,188,787
Capital Recovery Fees		1,085,000		
Special Improvement Fees		634,250		
Utility Revenues	57,777,014	23,412,312	2,253,944	
Grants				
Interest	70,000	32,600	15,000	37,000
Other Revenue	2,090,793	968,200	3,782,296	47,500
Interfund Transfers - ROI, Etc.		69,108		1,708,323
Total Revenues	59,937,807	26,201,470	6,051,240	17,981,610
USES & EXPENSES:				
Downtown & Community Services				116,870
Finance & Administration				12,077,430
Fire Services				
Georgetown Utility Systems	14,179,729	17,310,582		2,907,303
Purchased Power	34,550,709			
Management Services				2,620,276
Police Services				
Transportation			5,086,503	
Capital Improvements	3,083,000	6,902,000	785,000	
Debt Payments (2)	3,187,255	3,811,185 (3)	559,214	
Debt Issuance Costs	1,800	19,800	1,500	
Interfund Transfers	4,493,414	2,236,333	189,226	20,000
Total Uses & Expenses	59,495,907	30,279,900	6,621,443	17,741,879
Ending Fund Balance / Working Capital	4,781,675	7,141,687	186,785	1,461,853
RESERVATIONS:				
Contingency	3,895,000	4,566,000	150,000	
Capital Projects/Other			36,785	1,461,853
Available Fund Balance/ Working Capital	886,675	2,575,687	0	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	46,398,087	9,025,829	3,135,953	14,996,119	1,701,184
SOURCES & REVENUES:					
Property taxes	17,293,467	9,890,000	153,467		7,250,000
Sales taxes	10,950,750	8,863,750	2,087,000		
Bond Proceeds	15,532,560			15,532,560	
Charges for Services	17,395,120	1,206,333			
Capital Recovery Fees	1,085,000				
Special Improvement Fees	754,250	120,000			
Utility Revenues	90,208,270	6,765,000			
Grants	200,331		200,331		
Interest	279,170	40,000	24,570	50,000	10,000
Other Revenue	19,997,526	9,970,230	1,189,120		1,949,387 (2)
Interfund Transfers - ROI, Etc.	9,226,526	6,429,042	1,020,053		
Total Revenues	182,922,970	43,284,355	4,674,541	15,582,560	9,209,387
USES & EXPENSES:					
Personnel	40,642,072	24,817,793	326,383		
Operating	88,639,642	17,921,778	1,406,358		
Capital	4,908,036	622,000	246,036		
Capital Improvements	28,807,000	875,000	2,757,000	14,405,000	
Debt Payments	17,285,689				9,728,035 (2)
Debt Issuance Costs	327,660			304,560	
Interfund Transfers	9,226,526	104,553	340,000	1,843,000	
Total Uses & Expenses	189,836,625	44,341,124	5,075,777	16,552,560	9,728,035
Ending Fund Balance / Working Capital	39,484,432	7,969,060	2,734,717	14,026,119	1,182,536
RESERVATIONS:					
Contingency	16,086,000	7,400,000	75,000		
Capital Projects/Other	19,367,010		2,659,717	14,026,119	1,182,536
Available Fund Balance/ Working Capital	4,031,422	569,060	0	0	0

(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

All Funds Summary *(By Fund / By Personnel-Operating-Capital)*

	PROPRIETARY FUND TYPES			
	ENTERPRISE FUNDS			Internal Service Funds
	Electric Fund	Water Fund	Other Enterprise Funds (1)	
Beginning Fund Balances / Working Capital	4,339,775	11,220,117	756,988	1,222,122
SOURCES & REVENUES:				
Property taxes				
Sales taxes				
Bond Proceeds				
Charges for Services				16,188,787
Capital Recovery Fees		1,085,000		
Special Improvement Fees		634,250		
Utility Revenues	57,777,014	23,412,312	2,253,944	
Grants				
Interest	70,000	32,600	15,000	37,000
Other Revenue	2,090,793	968,200	3,782,296	47,500
Interfund Transfers - ROI, Etc.		69,108		1,708,323
Total Revenues	59,937,807	26,201,470	6,051,240	17,981,610
USES & EXPENSES:				
Personnel	4,277,726	2,310,926	525,879	8,383,365
Operating	43,238,212	14,814,656	4,375,124	6,883,514
Capital	1,214,500	185,000	185,000	2,455,000
Capital Improvements	3,083,000	6,902,000	785,000	
Debt Payments	3,187,255	3,811,185 (3)	559,214	
Debt Issuance Costs	1,800	19,800	1,500	
Interfund Transfers	4,493,414	2,236,333	189,226	20,000
Total Uses & Expenses	59,495,907	30,279,900	6,621,443	17,741,879
Ending Fund Balance / Working Capital	4,781,675	7,141,687	186,785	1,461,853
RESERVATIONS:				
Contingency	3,895,000	4,566,000	150,000	
Capital Projects/Other			36,785	1,461,853
Available Fund Balance/ Working Capital	886,675	2,575,687	0	0

General Fund

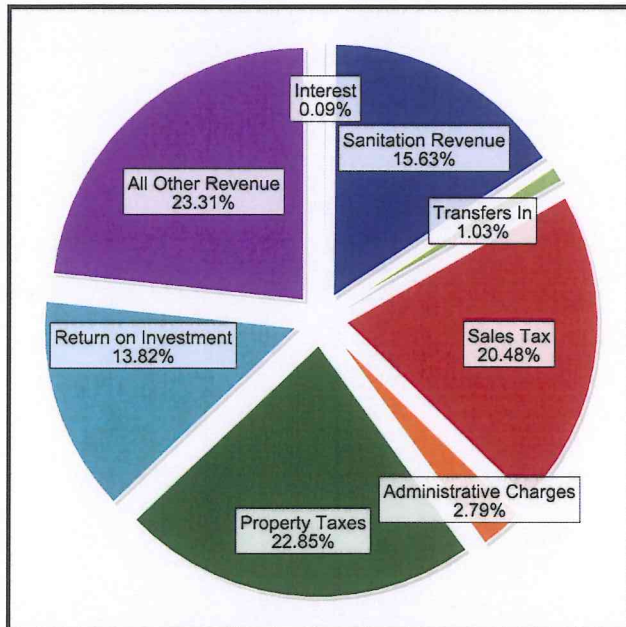
	10/11 ACTUAL	11/12 BUDGET	11/12 PROJECTED ACTUAL	12/13 ADOPTED BUDGET	13/14 ESTIMATED BUDGET
Beginning Fund Balance	8,604,398	8,469,050	8,746,108	9,025,829	7,969,060
<i>REVENUES:</i>					
Property Taxes	8,983,315	9,220,000	9,240,000	9,890,000	10,658,500
Sales Tax	8,295,344	8,375,000	8,582,500	8,863,750	9,335,000
Sanitation Revenue	4,863,739	4,937,000	4,915,000	6,765,000	6,879,240
Interest	46,422	40,000	40,000	40,000	40,000
Administrative Charges	1,115,219	1,174,767	1,160,990	1,206,333	1,268,999
All Other Revenue	9,493,308	9,311,419	9,734,588	10,090,230	10,484,824
Return on Investment	5,957,853	5,808,393	5,926,190	5,984,042	6,124,763
Transfers In	121,948	485,812	445,000	445,000	445,000
Total Revenues	38,877,148	39,352,391	40,044,268	43,284,355	45,236,326
<i>EXPENSES:</i>					
Downtown & Community Svcs	7,328,040	7,352,892	7,311,067	7,990,835	7,957,466
Finance & Administration	552,230	526,256	489,797	531,298	514,621
Fire Department	7,000,975	7,606,409	7,208,006	8,386,611	8,523,474
Georgetown Utility Systems	5,123,013	5,133,127	5,123,018	7,066,309	7,220,490
Management Services	2,969,523	2,743,654	2,805,094	3,163,634	3,485,740
Police Department	10,029,703	10,587,777	10,428,698	10,866,444	11,038,228
Transportation	3,269,758	3,992,179	3,720,756	3,728,239	3,755,379
Administrative Expense	2,377,174	2,375,138	2,333,266	2,503,201	2,526,880
Transfers Out	85,022	19,718	344,845	104,553	28,053
Total Expenses	38,735,438	40,337,150	39,764,547	44,341,124	45,050,331
Ending Fund Balance	8,746,108	7,484,291	9,025,829	7,969,060	8,155,055
<i>RESERVATIONS:</i>					
Contingency	6,847,000	7,000,000	7,000,000	7,400,000	7,550,000
Available Fund Balance	1,899,108	484,291	2,025,829	569,060	605,055

Fund Description:

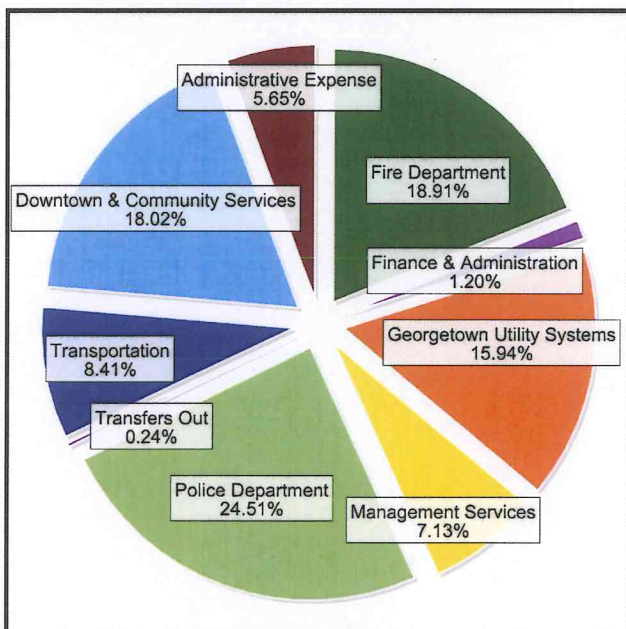
The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Fiscal Year 2012/13

Revenues

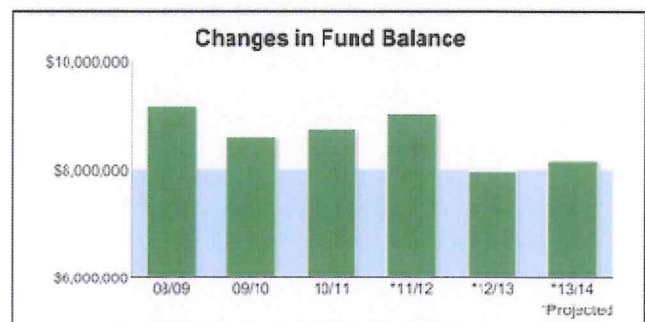


Expenditures



Significant Issues/Comments:

- ▶ The General Fund is within Fiscal & Budgetary compliance, the operating budget is balanced with sustainable funding sources.
- ▶ Funds for street capital maintenance total \$1,250,000 and represents 3% of the General Fund on-going operating budget.
- ▶ The Environmental Services department is funded through garbage rates. The majority of these rates are passed through for contracted services with Texas Disposal Services. This contract was renegotiated in 2011/12 and now includes single stream recycling. The revenue margin is similar to prior years.
- ▶ The Council adopted a new compensation plan in 2011/12. Funds are included in 2012/13 to implement the plan to bring employee salaries within market range. Additional funds have been added in 2012/13 to complete full implementation of the plan.
- ▶ Funds are included for Public Safety step increases and equipment, as well as, capital maintenance for Parks.
- ▶ Contingency Reserves were increased to comply with the City's Fiscal and Budgetary Policy that requires the City to reserve 90 days of operating expenses to offset any potential revenue shortfall or other unexpected event.



Electric Fund

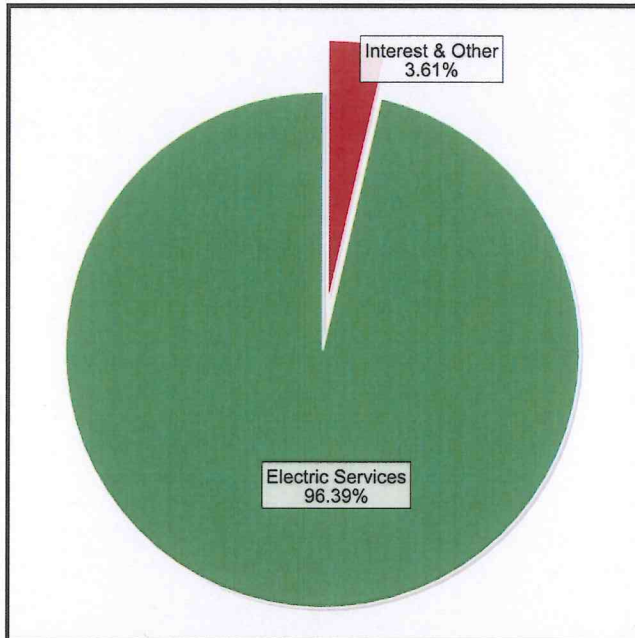
	10/11 ACTUAL	11/12 BUDGET	11/12 PROJECTED ACTUAL	12/13 ADOPTED BUDGET	13/14 ESTIMATED BUDGET
Beginning Working Capital	15,223,575	11,658,335	10,855,467	4,339,775	4,781,675
<i>REVENUES:</i>					
Electric Services	57,694,311	61,527,544	55,792,238	57,777,014	61,428,700
Interest	74,464	35,000	70,000	70,000	70,000
All Other Revenue	2,560,736	1,813,584	2,912,493	2,090,793	2,094,793
Total Revenues	60,329,511	63,376,128	58,774,731	59,937,807	63,593,493
<i>EXPENSES:</i>					
Georgetown Utility Systems	8,597,121	12,559,003	12,209,482	12,965,229	12,845,095
Operating Capital Improvements	3,053,848	1,116,000	1,116,000	1,214,500	1,237,500
Purchased Power	37,455,227	39,149,279	36,880,197	34,550,709	38,818,807
Capital Projects	8,140,180	6,111,712	7,550,000	3,083,000	3,747,000
Debt Payments	3,108,796	3,117,398	3,124,930	3,187,255	3,025,160
Debt Issuance Costs	1,978	1,800	1,800	1,800	1,800
Transfers Out	4,664,377	4,413,349	4,408,014	4,493,414	4,526,325
Total Expenses	65,021,527	66,468,541	65,290,423	59,495,907	64,201,687
Ending Working Capital	10,531,559	8,565,922	4,339,775	4,781,675	4,173,481
<i>RESERVATIONS:</i>					
Contingency	3,262,000	3,400,000	3,400,000	3,895,000	3,895,000
Other	323,908	5,000,000			
Available Working Capital	7,593,467	165,922	939,775	886,675	278,481

Fund Description:

The Electric Fund is used to account for the revenues from all operating and maintenance activities of the utility and the expenses of the departments, which support those activities. This includes the Electric department, the Automated Meter Reading (AMR) Department, purchased power costs, debt payments and capital projects. The fund also makes transfers out to the General Fund for the City's return on investment for the Electric utility.

Fiscal Year 2012/13

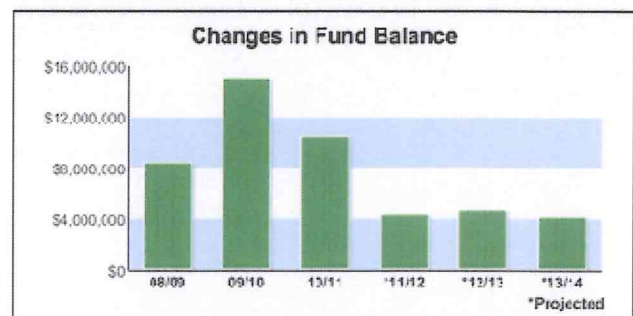
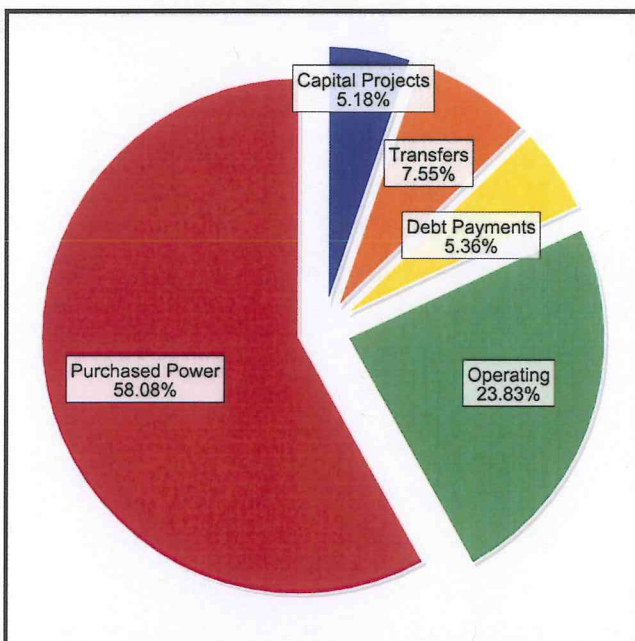
Revenues



Significant Issues/Comments:

- ▶ Purchased power costs fluctuate with the variances in the ERCOT Nodal market. The majority of the City's power purchases are hedged in price from multiple suppliers including LCRA, AEP, JPM, and Garland P&L. These hedges vary in term length from a single day to multiple years and are designed to give the utility flexibility in controlling energy costs as well as carbon exposure.
- ▶ The Electric and Water Services funds share the maintenance of the City's automated meter reading system. A new vendor was selected in 2009/10 and the implementation began in 2010/11, continued into 2011/12, and will be complete in 2013. Funds have been included to upgrade the Customer Information System to compliment the automated meter reading system.
- ▶ Capital projects are funded through operating revenues and debt when necessary. In 2013, \$3.1 million of operating revenues fund the annual capital projects plan.
- ▶ Transfers out include the 7% return on investment to the General Fund. The fund also includes a 3% franchise fee payment to the General Fund, which constitutes a payment for the continuing use of public property and right of ways.
- ▶ A rate stabilization reserve has been established to mitigate future rate fluctuations. In 2011/12, funds were used on CIP to avoid issuing debt. In 2012/13 a negative PCA will further return funds to customers.

Expenditures



Water Services Fund

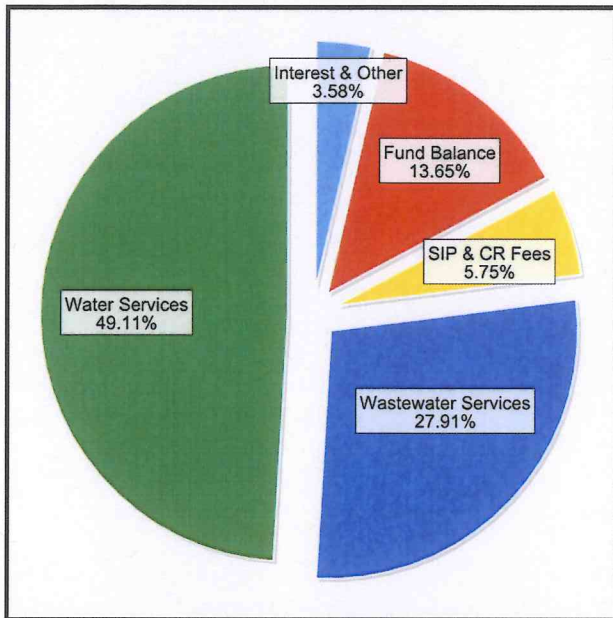
	10/11 ACTUAL	11/12 BUDGET	11/12 PROJECTED ACTUAL	12/13 ADOPTED BUDGET	13/14 ESTIMATED BUDGET
Beginning Working Capital	21,907,677	7,713,546	12,922,166	11,220,117	7,141,687
<i>REVENUES:</i>					
Water Services	17,416,629	14,401,320	16,433,280	14,674,689	14,925,790
Wastewater Services	7,974,330	8,050,729	7,976,268	8,341,925	8,427,344
Irrigation Services	505,685	421,178	376,855	395,698	415,483
Bond Proceeds		2,200,000			6,000,000
Impact Fees	830,933	1,099,499	1,065,000	1,085,000	1,095,000
Service Improvement Fees	532,770	350,000	634,250	634,250	634,250
Interest	86,227	104,100	47,600	32,600	42,600
All Other Revenue	1,071,034	656,923	769,260	866,000	786,000
Transfer In	170,508	173,508	173,508	171,308	169,108
Total Revenues	28,588,116	27,457,257	27,476,021	26,201,470	32,495,575
<i>EXPENSES:</i>					
Georgetown Utility Systems	16,575,717	16,632,964	16,502,281	17,310,582	17,486,801
Capital Projects	15,158,886	7,345,800	6,011,235	6,902,000	10,529,000
Debt Payments	4,115,540	4,107,833	4,116,926	3,811,185	3,823,088
Debt Payments - New Debt		80,000	80,000		
Bond Issue Costs	820	19,800	19,800	19,800	19,800
Transfers Out	1,923,805	2,309,841	2,447,828	2,236,333	2,292,282
Total Expenses	37,774,768	30,496,238	29,178,070	30,279,900	34,150,971
Ending Working Capital	12,721,025	4,674,565	11,220,117	7,141,687	5,486,291
CAFR Adjustment	201,141				
<i>RESERVATIONS:</i>					
Contingency	4,266,000	4,566,000	4,566,000	4,566,000	4,566,000
Available Working Capital	8,656,166	108,565	6,654,117	2,575,687	920,291

Fund Description:

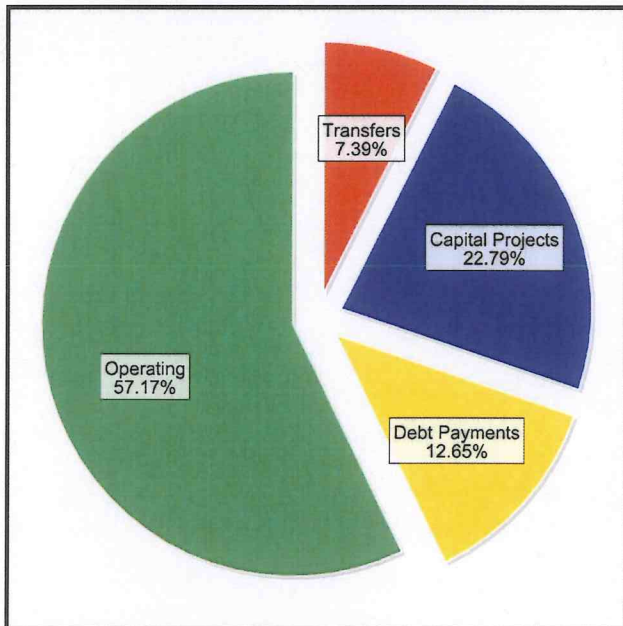
The Water Services Fund is used to account for the revenues from all operating and maintenance activities for water, wastewater and irrigation utilities. Expenses also include debt payments, capital costs and the transfers out to the General Fund for the City's return on investment. Each utility service type is tracked separately for rate design purposes to ensure rates are charged to fully recover operational costs.

Fiscal Year 2012/13

Revenues

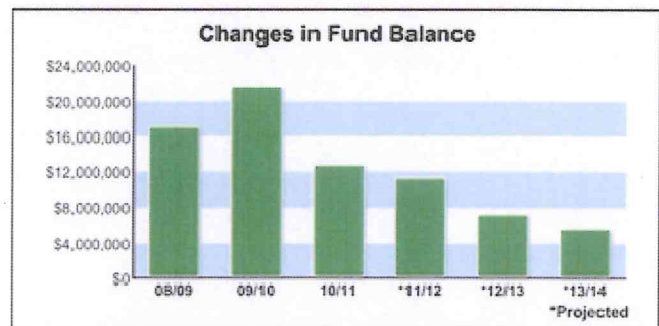


Expenditures



Significant Issues/Comments:

- ▶ The City's water supply is provided through agreements with the Brazos River Authority (BRA). BRA expenses increased 15% over the prior year, due to an increase in raw water cost, as well as, principal and interest payments and operational cost for the Williamson County Raw Water Line. Future raw water increases are projected at 15% per year.
- ▶ Capital projects are funded through operating revenues, impact fees and debt when necessary. In 2012/13, \$6.9 million will be spent in capital improvements, including areas identified by prior year testing related to the Edwards Aquifer Recharge Zone (EARZ).
- ▶ The City is required to test 20% of the collection system each year by testing wastewater lines for inflow and infiltrations as required by the Texas Commission on Environmental Quality (TCEQ) for environmental safety for the Edwards Aquifer. Because 98% of the city is located over the Aquifer, testing and repair costs are a major component of the wastewater capital improvement program. The City budgets repairs for all problems found in the next budget cycle.
- ▶ The City and Chisholm Trail Special Utility District are evaluating a possible merger, but it is not expected to significantly change the financial shape of the utility in the short term. Consolidation and related impacts will be addressed in 2012/13.



Airport Fund

	10/11 ACTUAL	11/12 BUDGET	11/12 PROJECTED ACTUAL	12/13 ADOPTED BUDGET	13/14 ESTIMATED BUDGET
Beginning Working Capital	457,755	379,145	(1,864,843)	205,092	33,654
REVENUES:					
Fuel & Terminal Sales	2,876,097	3,104,180	3,028,096	3,031,096	3,031,096
Leases & Rents	498,888	556,100	556,100	556,100	556,100
Interest	2,979	4,000	4,000	4,000	4,000
Grant	59,880				
All Other Revenue	91,972	57,600	47,600	47,600	47,600
Transfers In					
Total Revenues	3,529,816	3,721,880	3,635,796	3,638,796	3,638,796
EXPENSES:					
Transportation	5,356,848	3,406,642	1,257,183	3,489,013	3,488,007
Capital Projects	331,008	110,000	100,000	85,500	75,000
Supplemental Fac Maint Cost				72,723	72,723
Debt Payments	164,558	162,738	162,738	162,998	165,486
Transfers Out		45,940	45,940		
Total Expenses	5,852,414	3,725,320	1,565,861	3,810,234	3,801,216
Ending Working Capital	(1,864,843)	375,705	205,092	33,654	(128,766)
RESERVATIONS:					
Contingency		150,000	150,000	150,000	150,000
Future Capital Improvements		225,705	55,092		
Available Working Capital	(1,864,843)	0	0	(116,346)	(278,766)

Fund Description:

The Airport fund is used to account for revenues and expenses related to the operation and maintenance of the Georgetown Municipal Airport. Capital improvements for the Airport and debt payments on outstanding debt for the Airport fund are also accounted for here.

Significant Issues/Comments:

- ▶ Airport operations and financial condition are currently being evaluated. The financial capacity and asset condition has been in decline for several years. Council approved a contract for a business case analysis to be performed on the Airport by a third party contractor to provide advice and solutions for the airport funding issues. A business operating plan to address the financial condition will be presented to Council by April 2013.
- ▶ The Electric Fund is technically covering the contingency requirements for the Airport to meet city-wide contingency reserves per policy.

Stormwater Drainage Fund

	10/11 ACTUAL	11/12 BUDGET	11/12 PROJECTED ACTUAL	12/13 ADOPTED BUDGET	13/14 ESTIMATED BUDGET
Beginning Working Capital	2,551,773	1,832,647	1,965,895	551,896	153,131
<i>REVENUES:</i>					
Stormwater Fees	2,023,809	2,332,421	2,124,806	2,253,944	2,286,613
Interest	9,094	8,000	11,000	11,000	11,000
All Other Revenue	12,238	19,000	15,000	147,500	20,000
Total Revenues	2,045,141	2,359,421	2,150,806	2,412,444	2,317,613
<i>EXPENSES:</i>					
Transportation	1,052,610	1,202,517	1,120,323	1,509,267	1,356,454
Capital Projects	1,001,760	1,896,240	1,896,240	715,000	317,000
Debt Payments	433,606	396,956	396,956	396,216	401,031
Bond Issue Costs	55	1,500	1,500	1,500	1,500
Transfers Out	142,523	164,641	149,786	189,226	208,976
Total Expenses	2,630,554	3,661,854	3,564,805	2,811,209	2,284,961
Ending Working Capital	1,966,360	530,214	551,896	153,131	185,783
CAFR Adjustment	465				
<i>RESERVATIONS:</i>					
Contingency		150,000	150,000	150,000	150,000
Available Working Capital	1,966,825	380,214	401,896	3,131	35,783

Fund Description:

The Stormwater Fund is used to account for all operating and maintenance activities of the City's drainage system and the debt payments for bonds issued in past years to improve drainage problems.

Significant Issues/Comments:

- ▶ Operating costs continue to increase due to the increase in the number of detention ponds within the city.
- ▶ A rate analysis was concluded in 2012 to evaluate calculations for impervious cover and future environmental mandates. The Stormwater drainage fee was adjusted to \$4.75 per month for residential customers, and \$4.75 per 2,808 square feet of impervious cover per month to non-residential customers beginning in March 2012. These changes were revenue neutral with minor increases due to growth.

General Capital Projects Fund

	10/11 ACTUAL	11/12 BUDGET	11/12 PROJECTED ACTUAL	12/13 ADOPTED BUDGET	13/14 ESTIMATED BUDGET
Beginning Working Capital	2,595,665	17,519,511	17,746,893	14,996,119	14,026,119
REVENUES:					
Service Improvement Fees	220,355		5,550		
Bond Proceeds	21,650,000	3,970,000	14,150,000	15,532,560	10,657,980
Interest	50,710	10,000	65,000	50,000	50,000
All Other Revenue	82,461	846,000	528,796		
Transfers In			1,409,224		
Total Revenues	22,003,526	4,826,000	16,158,570	15,582,560	10,707,980
EXPENSES:					
New Equipment		90,000	399,224		
Streets CIP	4,116,781	9,159,389	5,553,420		
General CIP	1,733,983	10,146,162	10,146,162	12,820,000	19,700,000
Downtown & Community Svcs CIP	60,097	1,139,903	1,139,903	1,585,000	2,300,000
Debt Issuance Cost	176,957	150,000	126,635	304,560	208,980
Transfers Out	765,991	1,544,000	1,544,000	1,843,000	2,449,000
Total Expenses	6,853,809	22,229,454	18,909,344	16,552,560	24,657,980
Ending Working Capital	17,745,382	116,057	14,996,119	14,026,119	76,119
CAFR Adjustment	1,511				
RESERVATIONS:					
SIP Reservation		67,200	67,200		
Available Working Capital	17,746,893	48,857	14,928,919	14,026,119	76,119

Fund Description:

Capital projects funds are used to account for the acquisition and construction of major capital facilities and equipment other than those financed by Special Revenue (grants) and Enterprise Funds (i.e. utilities and airport).

Facilities Capital Projects Fund:

- Includes funding for the design of the Public Safety Facility and remodel of the old library for a possible Civic Center Complex

Parks Capital Projects Fund:

- Funding has been included for land for a Westside Park and to replace the Creative Playscape in San Gabriel Park. Additional funds have been included for park rehabilitation and updates at McMaster and San Jose Parks.

Downtown Improvements Capital Projects Fund:

- Includes projects in the downtown for ADA sidewalks, pocket parks and a master plan update. There is also funding to remodel old Fire Station 1 for an Arts Center and funding for the design of a future downtown parking garage.

Special Revenue Funds – Summary 2012/13

FUND	DIVISION	BEGINNING FUND BALANCE	REVENUES	EXPENDITURES	ENDING FUND BALANCE
Cemetery Fund	<i>Downtown & Community Svcs</i>	20,913	55,600	76,513	0
Library Donations	<i>Downtown & Community Svcs</i>	23,868	134,263	158,131	0
Parks Restricted	<i>Downtown & Community Svcs</i>	657,055	69,850	726,905	0
Tourism Fund	<i>Downtown & Community Svcs</i>	476,818	534,370	583,613	427,575
Main Street Facade Fund	<i>Downtown & Community Svcs</i>	39,401	95,400	134,801	0
Downtown Master Plan	<i>Downtown & Community Svc.</i>	334,952	925,000	1,075,000	184,952
CDBG Grants Fund	<i>Downtown & Community Svc.</i>	0	135,180	135,180	0
Courts Fund	<i>Finance & Administration</i>	111,799	121,853	233,652	0
Downtown TIF Fund	<i>Finance & Administration</i>	89,573	129,928	219,501	0
Rivory TIRZ	<i>Finance & Administration</i>	38,259	7,776	0	46,035
Gateway TIRZ	<i>Finance & Administration</i>	20,331	16,763	0	37,094
Fire Fund	<i>Fire Services</i>	116,580	55,000	171,580	0
Conservation Fund	<i>GUS</i>	1,894	240,500	242,394	0
Permitting Fund	<i>GUS</i>	0	15,000	15,000	0
Animal Services Fund	<i>Police Services</i>	42,568	25,400	67,968	0
Police Restricted	<i>Police Services</i>	75,881	15,658	91,539	0
Street Tax	<i>Transportation</i>	1,086,061	2,097,000	1,144,000	2,039,061
Total Special Revenue Funds		3,135,953	4,674,541	5,075,777	2,734,717

Fund Description:

Special revenue funds (SRF's) are used to account for specific revenues that are legally restricted for expenditures for particular purposes. The City uses these funds to track revenues and expenditures for:

- Grants
- Hotel Occupancy Tax (HOT)
- Parkland dedication fees
- Tax Incremental Reinvestment Zones
- Donations
- Police seizures
- Street Maintenance Sales Tax

Significant Issues/Comments:

- ▶ These funds vary significantly with the level of donation and grant activity for each year.
- ▶ The ¼ cent Street Maintenance Sales Tax was originally approved by voters in November 2002. These funds may only be spent on existing city streets. The tax was reauthorized by voters in November 2006 and 2010. This authorization will sunset in March 2015 unless reauthorized by voters in November 2014. Projects for 2012/13 are included in the Capital Improvement Project section of this document.

Internal Service Funds – Summary 2012/13

	FACILITIES MAINTENANCE FUND	FLEET MANAGEMENT FUND	INFORMATION SERVICES FUND	JOINT SERVICES FUND	INTERNAL SERVICES FUND TOTAL
Beginning Working Capital	244,198	629,001	299,398	49,525	1,222,122
REVENUES:					
Charges for Services	2,047,782	2,056,603	2,550,861	9,533,541	16,188,787
Interest & Other	8,000	19,000	13,000	12,500	52,500
Sale of Property		20,000			20,000
Interfund Transfers	36,000	1,249,500	158,500	276,323	1,720,323
Total Revenues	2,091,782	3,345,103	2,722,361	9,822,364	17,981,610
EXPENSES:					
Downtown & Comm Services				116,870	116,870
Finance & Administration	1,868,643	3,280,634	2,714,418	4,213,735	12,077,430
Georgetown Utility Systems				2,907,303	2,907,303
Management Services				2,620,276	2,620,276
Interfund Transfers	20,000				20,000
Total Expenses	1,888,643	3,280,634	2,714,418	9,858,184	17,741,879
Ending Working Capital	447,337	693,470	307,341	13,705	1,461,853
CIP/Other	447,337	693,470	307,341	13,705	1,461,853
Available Working Capital	0	0	0	0	0

Fund Description:

Internal Service Funds are used to account for operations of the City that provide services to other departments within the City, and are allocated to using department based on specific criteria which is reviewed annually.

Facilities Maintenance Fund:

- Provides janitorial services, light maintenance, equipment repair and replacement (copiers, HVAC, etc.), landscape maintenance, building repair and replacement (roofs, painting, carpet) on an established schedule. Charges for services to each department are made based on predetermined lease fees.

Fleet Management Fund:

- Provides vehicles, vehicle equipment and communications equipment to all using City departments, as well as maintenance of all vehicles. Charges for services are based on annualized replacement and maintenance costs of each vehicle.

Information Services Fund:

- Provides computer hardware, software, training, staff support to all using City departments and Geographic Information Systems (GIS) analysis. Charges are based on hardware and software replacements for each department.

Joint Services Fund:

- Composed of departments providing administrative support to City funds and departments. GUS Administration, Systems Engineering and Customer Care provide support to the City's utility funds. Administrative departments, including Accounting, Finance Administration, Human Resources and Safety, and Purchasing provide support to all City funds and departments. The City's Economic Development department is included, which is funded by the General Fund and the City's Electric and Water Service funds.