

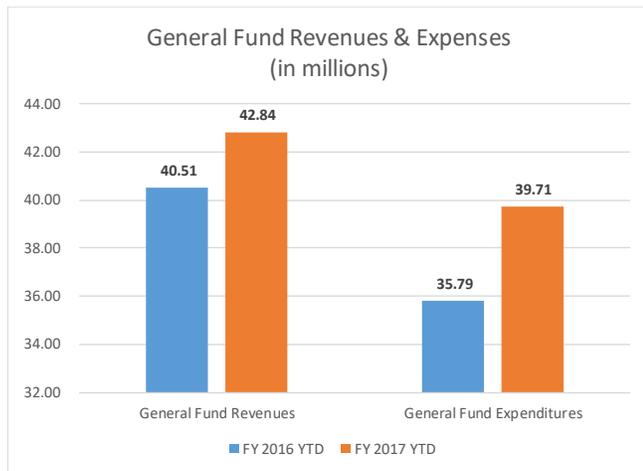
FY 2017 MONTHLY FINANCE UPDATE THROUGH AUGUST

December 4, 2017

To: The Honorable Mayor Powell, Members of the City Council and Citizens of Cedar Park:

I am pleased to present to you the Monthly Finance Update for FY 2017 year-to-date activities through August 2017. This update includes a detailed look at key revenues and expenditures and summary for all operating funds. Overall, the revenues and expenses in the General Fund and Utility Fund are in line with budget expectations.

General Fund Overview



The chart to the left displays the City's revenues and expenses through August. Revenues to date are \$42.8 million, up by 5.8% over last year's collections year-to-date. The increased collections are primarily due to increased property and sales tax collections. The majority of revenues collected in August were sales tax collections. AV taxes (property tax) collections as a proportion of total revenue peaked in December through February as expected. We've collected 100% of the budgeted AV revenue for the year. Expenditures to date are \$39.7 million, up by 11%

over last year's expenses year-to-date. Increases over the prior year include planned one-time capital expenditures in public safety, budgeted increased personnel costs and economic development incentives.

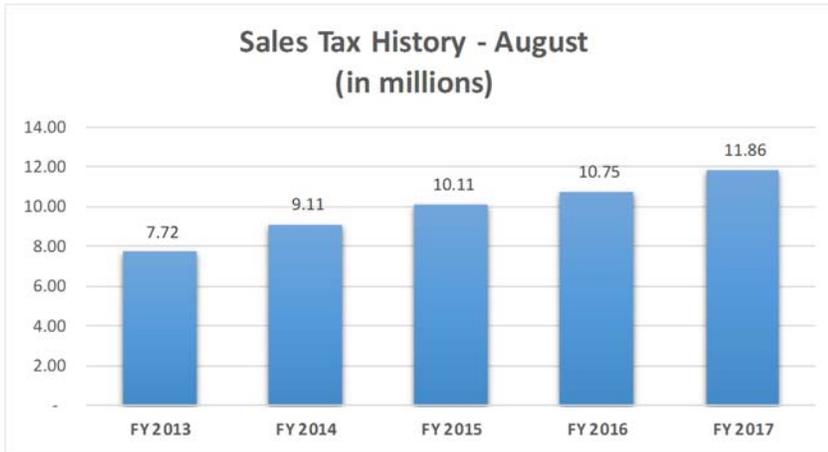
Property Tax Collections



Property tax collections, excluding any delinquent or penalty property tax collections and the annual transfer to TIRZ, amount to \$18.14 million through August. This reflects an upward trend in property tax collections since FY 2013. The majority of collection activity occur between December and February.

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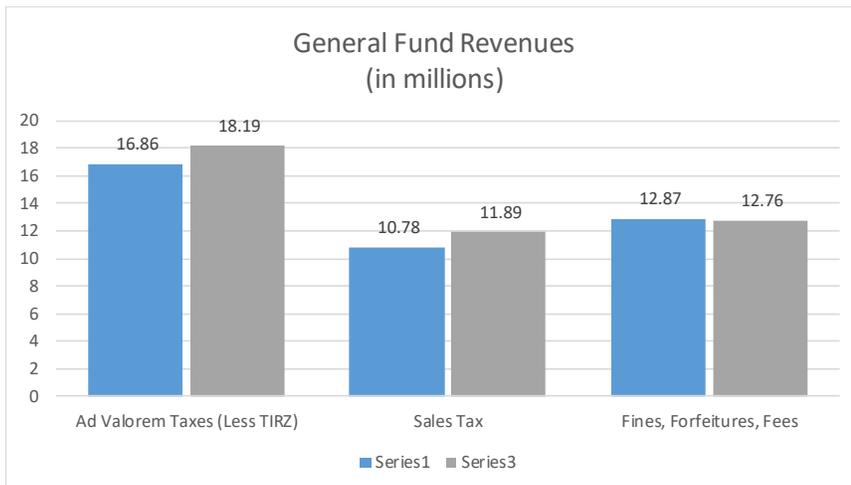
Sales Tax Collections



Sales tax collections were \$11.86 million through August, up by \$1.1 million (10.3%) through the same period last year. Sales tax collections continue to trend upward.

Other Revenue

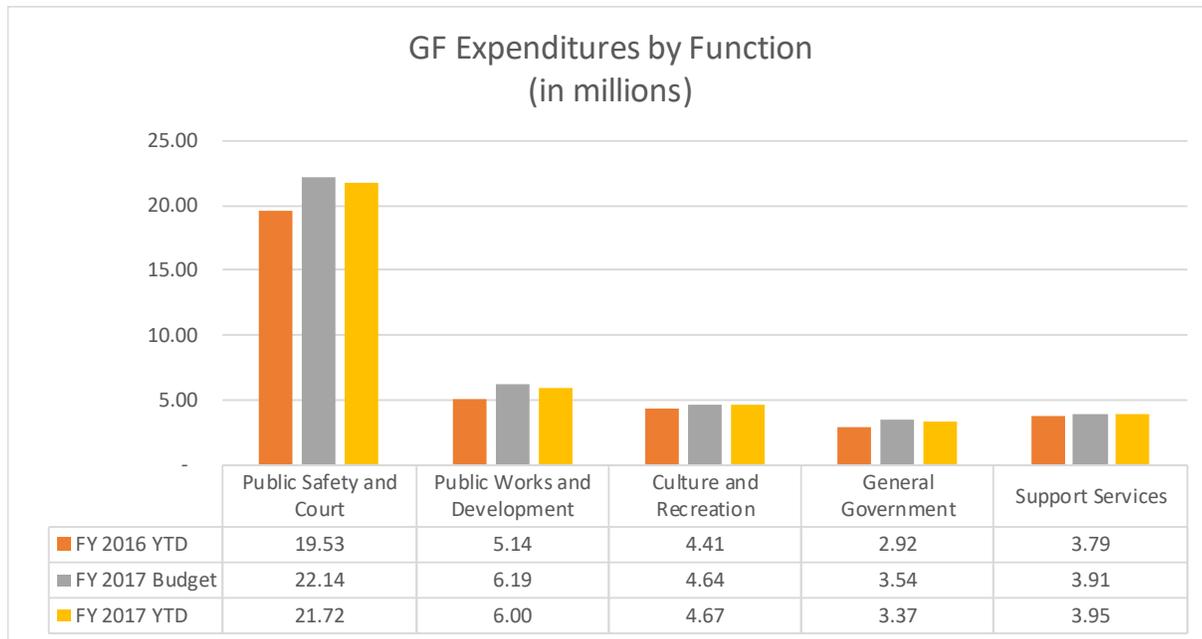
Other revenue received through fines, forfeitures, and fees for the General Fund total \$12.76 million through August. Of the \$12.76 million, fees for service, such as fire protection and park fees, totaled \$2.9 million, development related fees totaled \$1.7 million, fines and forfeitures totaled \$613K, administrative and contract service fees totaled \$3.3 million, franchise fees totaled \$3.3 million, and other miscellaneous fees totaled \$866K. To note, several revenues are provided after the reconciliation of the month or quarter such as franchise fees and beverage tax, and therefore payments are received a month or two after the related activity occurred.



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General Fund Expenditures by Function

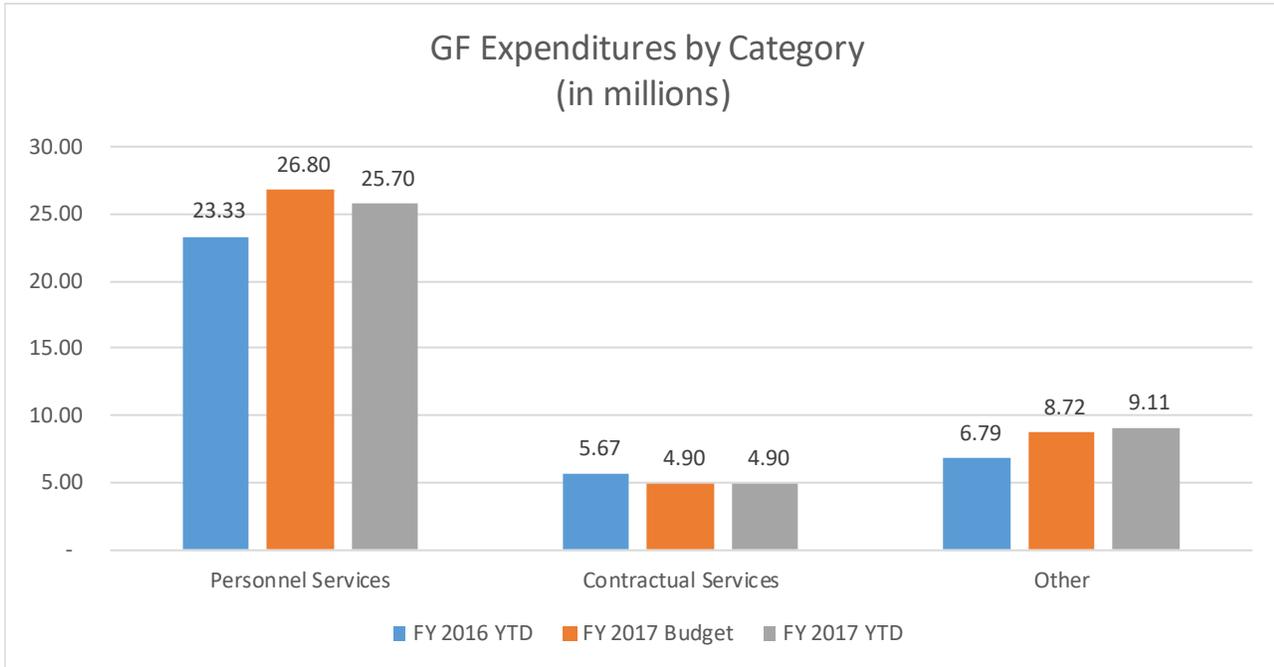
Expenditures totaled \$39.7 million through August, up by 11% compared to the same period last year. The chart below provides FY 2016 and FY 2017 budget and actual expenses comparisons by function through the month of August. Public safety expenses account for 55% of all General Fund expenses.



General Fund Expenditures by Category

The following chart provides the General Fund expenses by category. Personnel expenses represent \$25.7 million or 65% of General Fund expenses to date. Contractual services totaled \$4.9 million, accounting for 12% of General Fund expenses. The remaining \$9.1 million, or 23% of General Fund expenses represent expenditures on materials and supplies, repairs and maintenance, occupancy, economic development, capital outlay, and other charges.

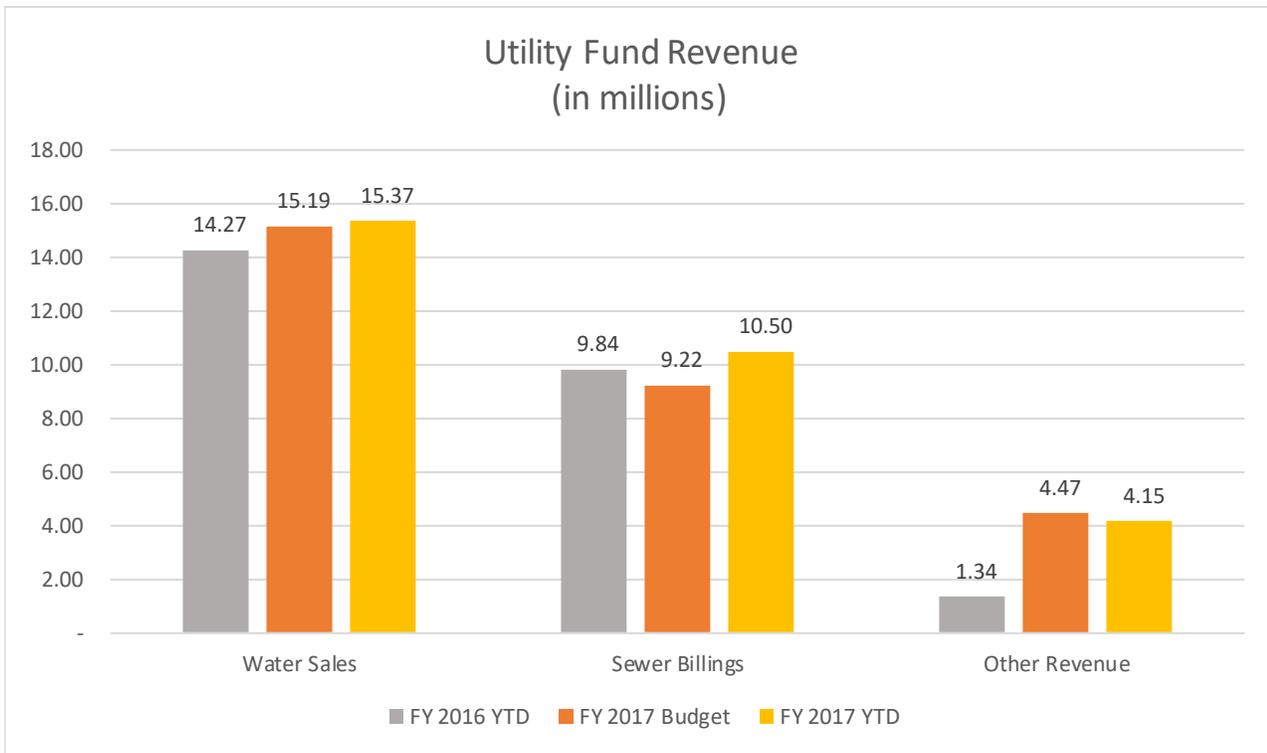
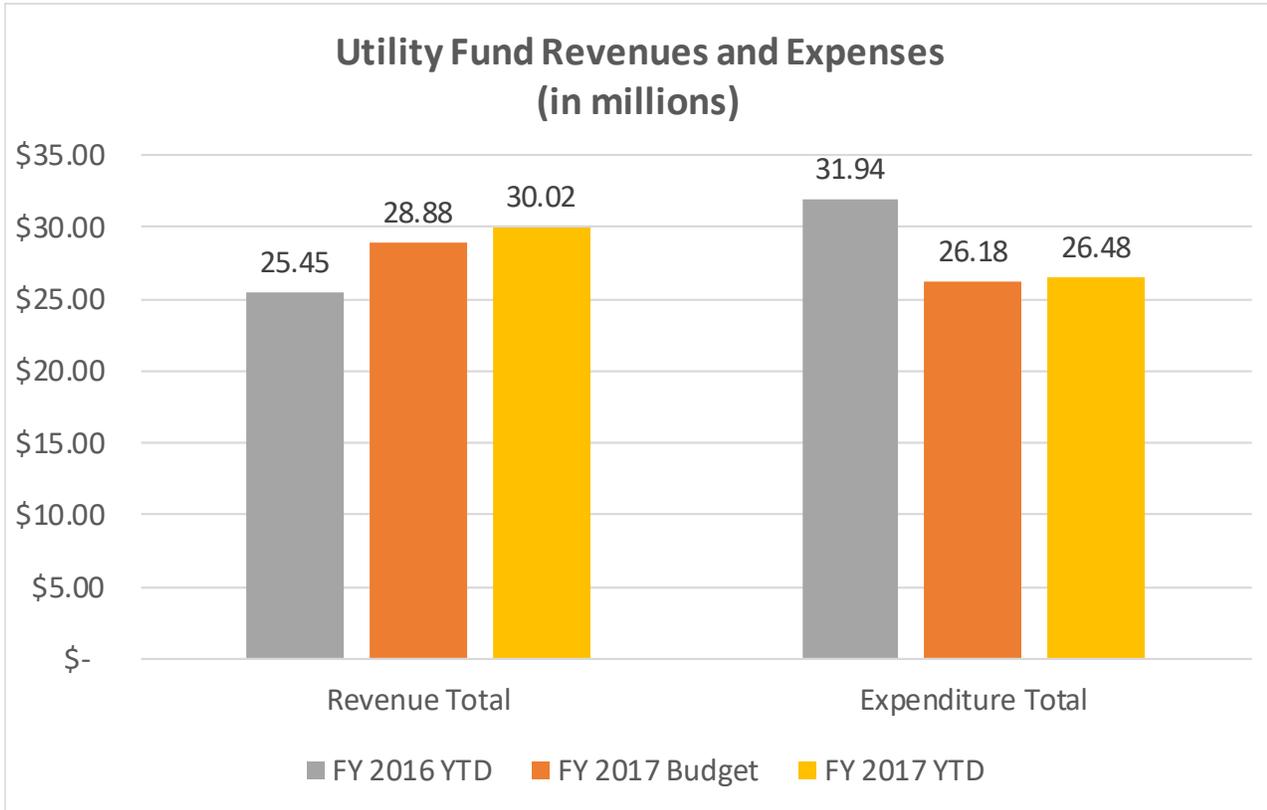
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Utility Fund:

Revenues through August totaled \$30.02 million, while expenses totaled \$26.48 million. Revenues are \$4.6 million (18%) more than the same period last year and expenditures are \$5.5 million less than prior year. The relatively large differences between revenues and expenses in FY 2016 compared to FY 2017 are attributable to significant transfers into and out of the utility funds to clean up capital project accounts and to account for bonds proceeds. During FY 2016, we closed projects and moved residual revenues back to the various funds that made the contributions to the projects. On projects that were short-funded, we moved the revenues needed to close the projects.

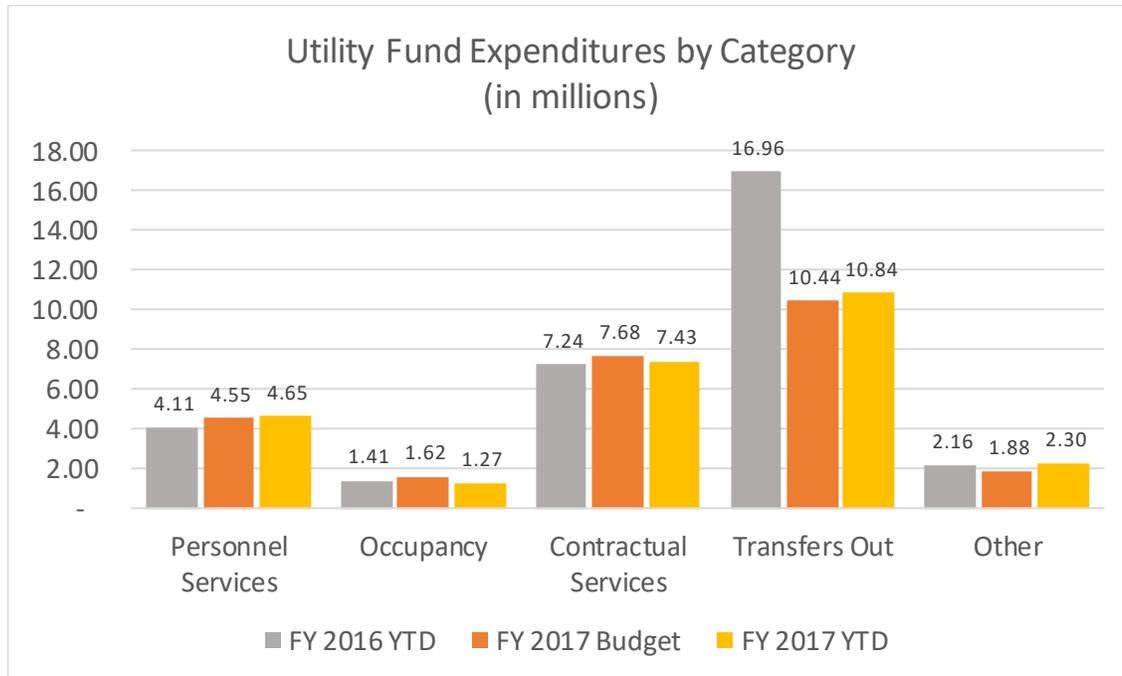
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Utility Fund Expenses by Category

The chart below displays the Utility Fund budget and actual expenses by category through August for FY 2016 and FY 2017. Of the \$26.5 million in total expenses through August, contractual services totaled \$7.4 million, personnel services totaled \$4.7 million, occupancy totaled \$1.3 million, and other expenses totaled \$2.3 million. Transfers out to the General Fund, Debt Service and CIP projects make up \$10.8 million of the remaining year to date expenditures. All expenses are in line and within budget expectations.



Investment Activity

The information below details the City's cash and investment activity for the month of August in relation to our investment policy. In summary, the City is managing \$176.3 million in cash and investments. \$167.4 million is invested, while \$8.9 million is available cash. The total investment yield in August was 1.088% compared to .452% for the same period last year. The "Max" column in the table indicates the maximum percentage of the portfolio that can be invested in each type according to our investment policy. For example, we can invest up to 40% of our portfolio in Certificates of Deposits (CDs). Our policy further limits investments in CDs to no more than 20% in any one bank. In August, we had 15.5% invested in CDs with 14.6% of our portfolio invested in a single bank.

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<i>Diversity</i>		<i>Max %</i>	<i>\$ Amount</i>	<i>Actual %</i>
CD	Certificates of Deposit	40.00%	25,989,351	15.53%
CP	Commercial Paper	25.00%	19,980,414	11.94%
MM	Money Market Funds	100.00%	248,781	0.15%
MUNI	Municipal Obligations	35.00%	6,783,244	4.05%
AGENCY	US Agencies	80.00%	78,008,829	46.60%
USOB	US Obligations	80.00%	4,996,847	2.99%
	Total Securities		136,007,466	
LGIP	Local Gov Investment Pools	100.00%	31,381,122	18.75%
	Portfolio Total		167,388,588	100.00%
BANK	Cash in Bank Accounts		8,861,470	
	Portfolio Total		176,250,058	

Maximun in any single institution:

CD - Investment in any one bank	20%	25,744,350	14.61%
CP - Investment in any one Issuer	5%	4,998,208	2.84%

Performance

	<i>Max</i>	<i>Aug-16</i>	<i>Aug-17</i>
Weighted Avg Maturity (days)	365	59	202
Weighted Avg Yield	N/A	0.452%	1.088%