

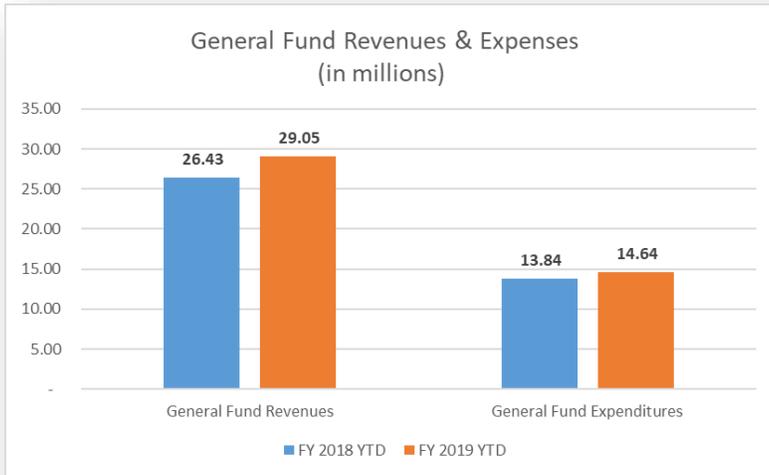
FY 2019 MONTHLY FINANCE UPDATE THROUGH JANUARY

March 27, 2019

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

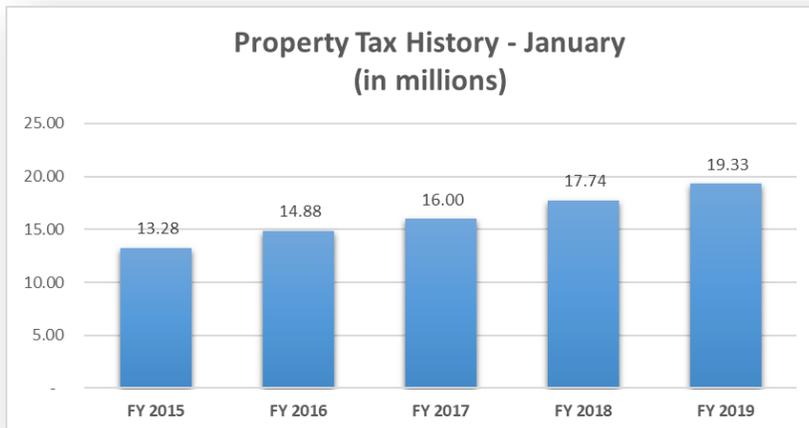
I am pleased to present to you the Monthly Finance Update for FY 2019 year-to-date activities through January 2019. This update includes a detailed look at key revenues, expenditures and summary for all operating funds. Overall, the revenues and expenses in the General Fund and Utility Fund are in line with budget expectations.

General Fund Overview



The chart to the left displays the City's revenues and expenses through January. Revenues to date are \$29.05 million, up by 9.9% over last year's collections year-to-date. This is primarily due to the implementation of the 1/8 cent sales tax funded storm water drainage program, which began in October 2018. Expenditures to date are \$14.64 million, up by 5.8% over last year's expenses year-to-date.

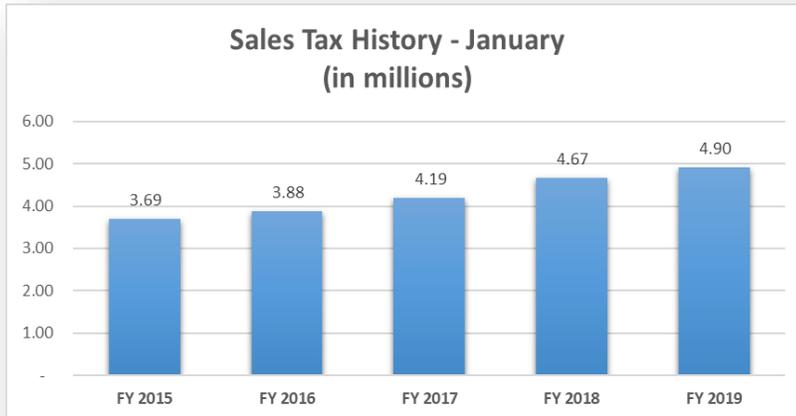
Property Tax Collections



Property tax collections, excluding any delinquent or penalty property tax collections and the annual transfer to TIRZ, amount to \$ 19.33 million through January. The majority of collection activity occurs between December and February.

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Sales Tax Collections



Sales tax collections were \$4.90 million through January, up by 5.1% through the same period last year. Sales tax collections continue to trend upward.

Sales Tax – Storm Water

Beginning in October of 2018, the city implemented a Storm Water Drainage program. In May of 2018, residents voted to redirect one-fourth of revenue (or 1/8 of one cent) from the Economic Development Corporation Fund to the City's General Fund to provide revenue for storm water drainage and related street repairs. Through January, the City has collected \$612,968 in Sales Tax for the Storm Water Drainage program.

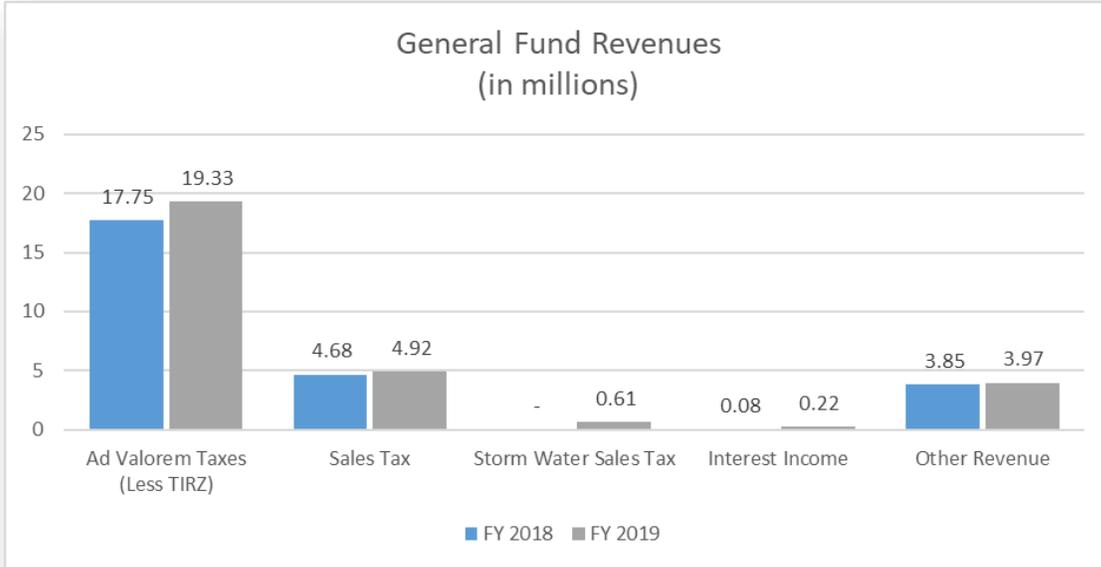
Interest Income

Through January, the City has collected \$216,217 in interest revenue in the General Fund. This is \$131,724 more than the prior year. Revenue through interest has grown as a result of sound investment practices and rising interest rates.

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Other Revenue

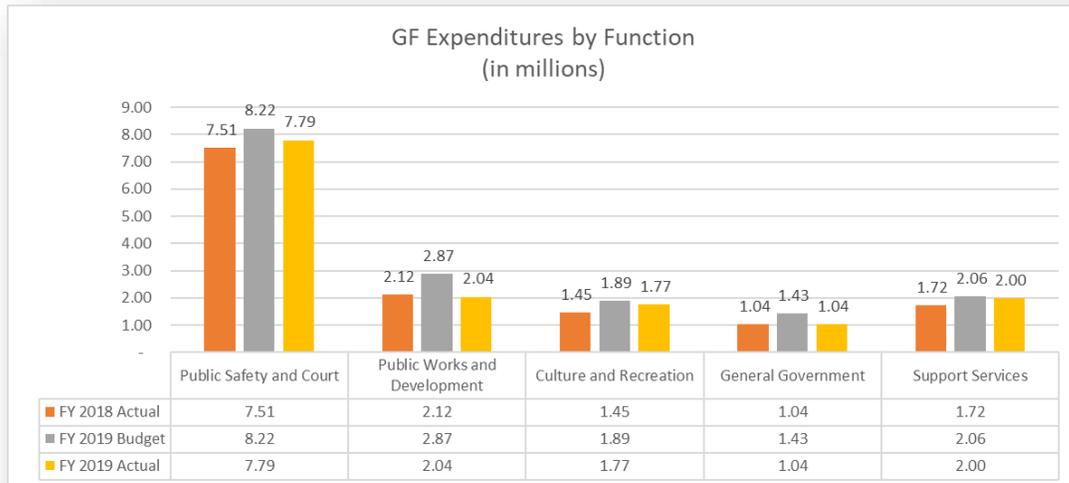
Other Revenue received through fines, forfeitures, and fees for the General Fund total \$ 3,971,889 through January (\$123,924 more than prior year). Of the \$3,971,889, fees for service, such as fire protection and park fees, totaled \$1,068,245 (\$617,007 more than prior year), development related fees totaled \$362,427 (\$162,175 less than prior year), fines and forfeitures totaled \$180,358 (\$21,154 less than prior year), administrative and contract service fees totaled \$ 1,200,438 (\$29,936 less than prior year), and franchise fees totaled \$903,990 (\$277,611 less than prior year).



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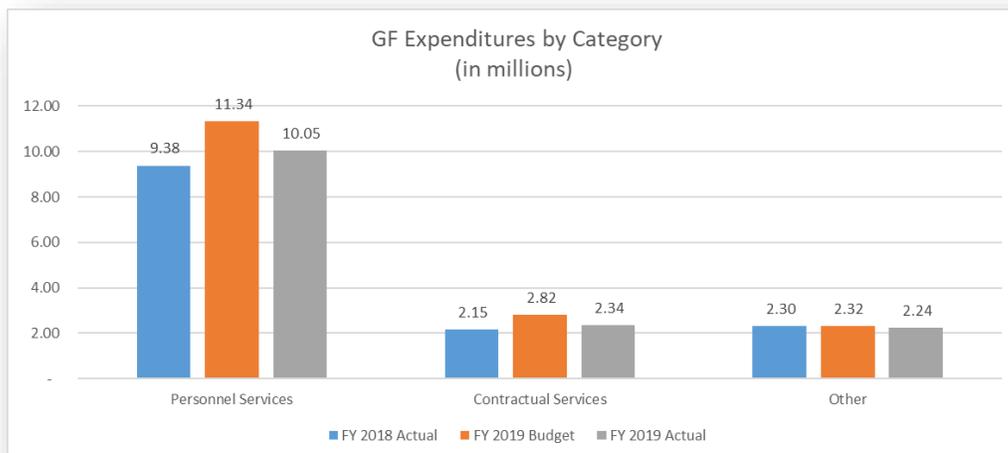
General Fund Expenditures by Function

Expenditures totaled \$14.64 million through January up by 5.8% compared to the same period last year. The chart below provides FY 2018 and FY 2019 budget and actual expense comparisons by function through the month of January. Public safety expenses account for 53% of all General Fund expenses.



General Fund Expenditures by Category:

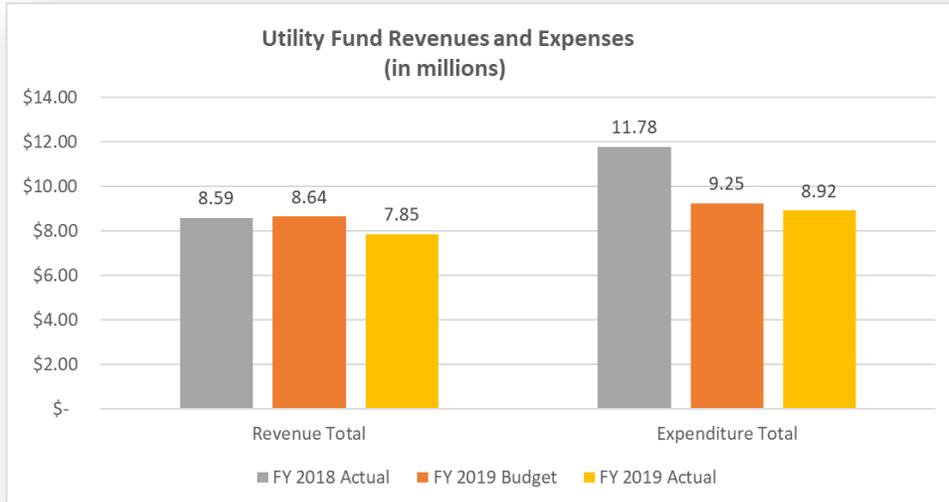
The following chart provides the General Fund expenses by category. Personnel expenses represent \$10.05 million or 69% of General Fund expenses to date. Contractual services totaled \$2.34 million, accounting for 16% of General Fund expenses. The remaining \$2.24 million or 15% of General Fund expenses represent expenditures on materials and supplies, repairs and maintenance, occupancy, economic development, capital outlay, and other charges.



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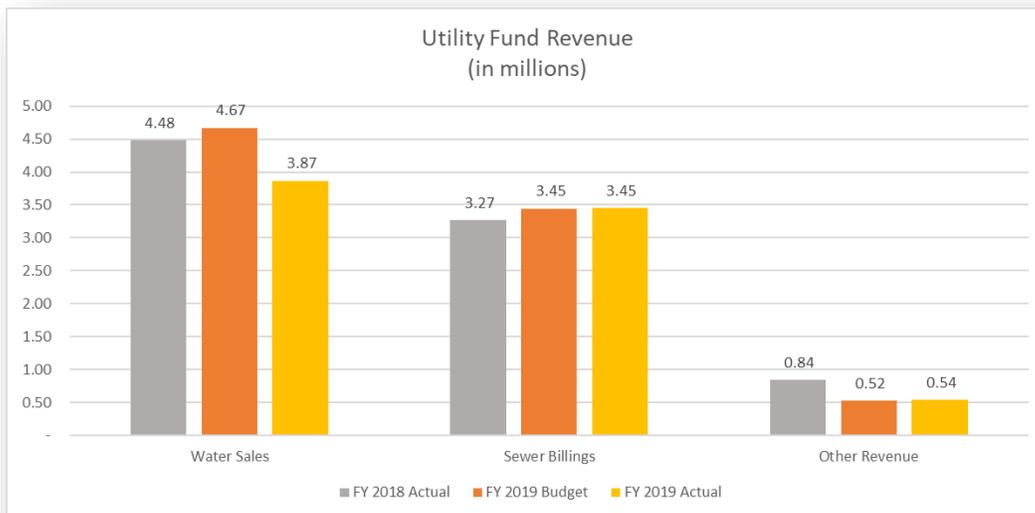
Utility Fund:

Revenues through January totaled \$7.85 million while expenses totaled \$8.92 million. Revenues are \$736,498, or 8.6% less than the same period last year and expenditures are \$2,862,461 or 24.3% less than last year. The reduction in expenses compared to last year is a result of less funding transferred to utility funded projects.



Utility Fund Revenue by Category:

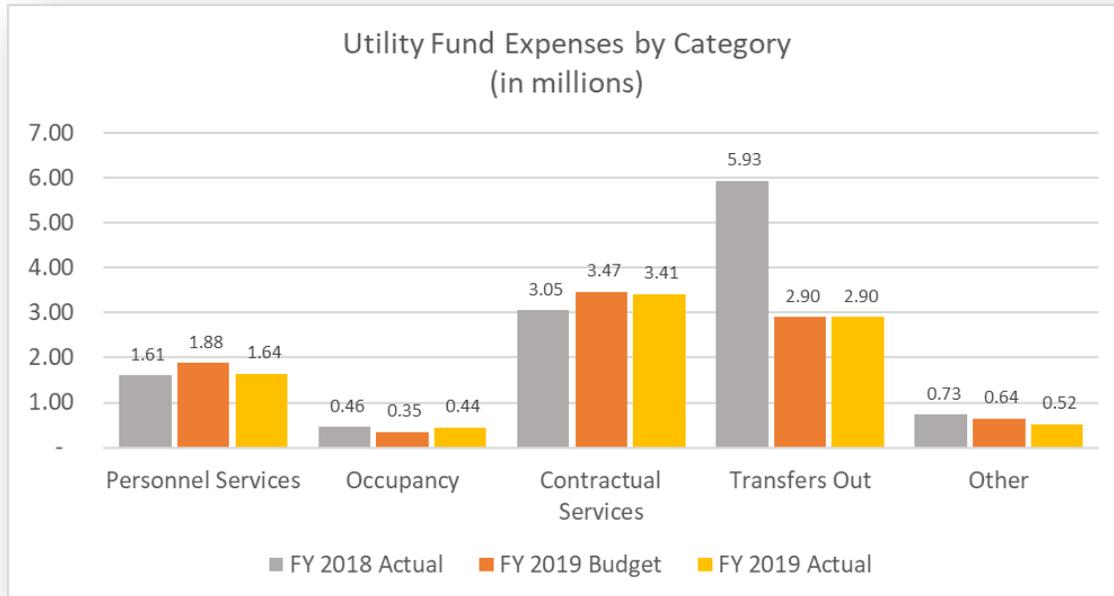
Of the \$7.85 million in revenue collected, 3.87 million was collected through water sales, \$3.45 million was collected through sewer billings, and \$538,692 was collected as other revenue. The lower than expected collection on water sales is attributed to the higher than normal amount of rain that occurred in October. Total precipitation for October this fiscal year was 7.39 inches compared to 1.33 inches last fiscal year.



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Utility Fund Expenses by Category:

The chart below displays the Utility Fund budget and actual expenses by category through January for FY 2018 and FY 2019. Of the \$8.92 million in total expenses through January, contractual services totaled \$3.41 million, personnel services totaled \$1.64 million, occupancy totaled \$439,863, transfers for CIP projects total \$2.9 million, and other expenses totaled \$522,474. All expenses are in line or within budget expectations.



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Investment Activity:

The information below details the City's cash and investment activity for the month of January in relation to our investment policy. In summary, the City is managing \$217.4 million in cash and investments. \$206.7 million is invested, while \$10.7 million is available cash. The total investment yield in January was 2.377% compared to 1.383% 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 January, we had 12.13% invested in CDs with 12.13% of our portfolio invested in a single bank.

<i>Diversity</i>		<i>Max %</i>	<i>\$ Amount</i>	<i>Actual %</i>
CD	Certificates of Deposit	40.00%	26,380,955	12.13%
CP	Commercial Paper	25.00%	41,596,272	19.13%
MM	Money Market Funds	100.00%	-	0.00%
MUNI	Municipal Obligations	35.00%	2,510,951	1.15%
AGENCY	US Agencies	80.00%	44,738,894	20.58%
USOB	US Obligations	80.00%	-	0.00%
	Total Securities		115,227,073	
LGIP	Local Gov Investment Pools	100.00%	91,450,637	42.06%
	Portfolio Total		206,677,709	95.06%
BANK	Cash in Bank Accounts		10,737,559	4.94%
	Portfolio Total		217,415,268	100.00%
	Maximun in any single institution:			
	CD - Investment in any one bank	20%	26,380,955	12.13%
	CP - Investment in any one Issuer	5%	9,864,789	4.54%
	<u>Performance</u>			
		<u>Max</u>	<u>Jan-18</u>	<u>Jan-19</u>
	Weighted Avg Maturity (days)	365	184	85
	Weighted Avg Yield	N/A	1.383%	2.377%