FY 2019 Finance Update

Third Quarter – Through June 2019

Kent Meredith
Finance Director
August 22, 2019
Third Quarter Highlights

**General Fund Revenue = $45,880,738**
- Ad Valorem = $21,444,940; collected as projected
- Sales Tax = $11,061,282; 1% under budget projections
- 1/8 Cent Storm Water Sales Tax = $1,382,660
- Interest Income = $529,514

**General Fund Expenditures = $37,335,412**
- 6.6% less than budget projections

**Utility Fund**
- Revenues = $20,088,333; 8% less than budget projections
- Expenditures = $21,980,532; 5% less than budget projections
AD VALOREM REVENUE
SALES TAX REVENUE
General Fund Sales Tax Collections

- GF Collections through June = $11,061,282
- 1% less than projections
- $300,503 (2.8%) more than last year for the same period
General Fund Sales Tax Collections

Sales Tax History - June
(in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>8.40</td>
<td>8.92</td>
<td>9.80</td>
<td>10.76</td>
<td>11.06</td>
</tr>
</tbody>
</table>
Cedar Park - Sales Tax Growth

Sales Tax – Major Categories

- General Merchandise Stores
- Restaurants and Bars
- Building Material Supplies
- Food and Beverage Stores
- Telecommunications
- Utilities

2015 2016 2017 2018 2019
Sales Tax Growth – New Establishments

- Sales tax growth for new establishments from 2013 to 2019.
- The chart illustrates the growth for each fiscal year (FY) from FY12 to FY19, with the base year.
- The data shows an increasing trend in sales tax revenue over the years.

INTEREST INCOME
Interest Income – 3rd Quarter Comparison

Interest Income Earning for FY2019 = $3,868,521
GF: $529,514
UF: $828,779
Capital Programs: $1,459,872
Other: $1,050,356

Interest Income Earnings for FY2018 = $1,978,022

Interest Income Earnings for FY2017 = $1,308,883
GENERAL FUND EXPENDITURES
General Fund Expenditures By Function

GF Expenditures by Function (in millions)

<table>
<thead>
<tr>
<th>Function</th>
<th>FY 2018 Actual</th>
<th>FY 2019 Budget</th>
<th>FY 2019 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Safety and Court</td>
<td>18.36</td>
<td>19.93</td>
<td>19.43</td>
</tr>
<tr>
<td>Public Works and Development</td>
<td>5.63</td>
<td>6.95</td>
<td>5.50</td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td>3.76</td>
<td>4.58</td>
<td>4.41</td>
</tr>
<tr>
<td>General Government</td>
<td>3.52</td>
<td>3.53</td>
<td>3.16</td>
</tr>
<tr>
<td>Support Services</td>
<td>12.46</td>
<td>4.99</td>
<td>4.84</td>
</tr>
</tbody>
</table>
UTILITY FUND
Utility Fund Summary

Utility Fund Revenues and Expenses (in millions)

Revenue Total
- FY 2018 Actual: 22.63
- FY 2019 Budget: 21.87
- FY 2019 Actual: 20.09

Expenditure Total
- FY 2018 Actual: 25.37
- FY 2019 Budget: 23.07
- FY 2019 Actual: 21.98
Utility Fund Revenue

- **FY 19 Water Sales** = $10,136,220
  - 13% under budget projections

- **FY 19 Sewer Billings** = $8,623,554
  - 5% lower than budget projections

- Other revenue include interest income, connection fees, transfers from other funds, etc.
  - Exceeding budget projections
Utility Fund Expenditures

Utility Fund Expenses by Category
(in millions)

FY 2018 Actual | FY 2019 Budget | FY 2019 Actual

Personnel Services: 3.94 | 4.47 | 4.07
Occupancy: 1.08 | 1.06 | 0.96
Contractual Services: 6.59 | 7.28 | 6.87
Transfers Out: 12.15 | 8.71 | 8.71
Other: 1.60 | 1.55 | 1.37
Water Consumption Per Account

May Avg Max Temp. / Precip.
2019 = 86 / 9.24”
2018 = 86 / 3.23”
2017 = 88 / 2.99”
2016 = 81 / 15.82”
2015 = 81 / 13.44”

Jun Avg Max Temp. / Precip.
2019 = 89 / 5.59”
2018 = 89 / 0.62”
2017 = 90 / 2.43”
2016 = 87 / 2.63”
2015 = 84 / 3.21”
• Questions?

• Monthly and quarterly finance reports are available online at http://www.cedarparktexas.gov/departments/finance/documents-budgets
Sales Tax Allocation

- For every $1 spent, 8.25 cents collected as sales tax

General Fund, 1.125 ¢
  - 1.0 ¢ for City Operations
  - 0.125 ¢ for Storm Water Program
    (New for FY 2019)

Economic Development, 0.375 ¢

Community Development, 0.5 ¢

State of Texas 6.25 ¢
FY 2019 General Fund Sources

General Fund Revenues

- Ad Valorem Taxes: $21,212,399 (37%)
- Sales Tax: $15,017,009 (27%)
- Stormwater Sales Tax: $1,877,126 (3%)
- Dev. Fees: $1,611,982 (3%)
- Franchise Fees: $4,651,995 (8%)
- Admin. & Contract Svcs: $4,978,051 (9%)
- Fines & Forfeitures: $638,954 (1%)
- Fees for Service: $3,363,748 (6%)
- Misc. Fees: $3,347,622 (6%)

Total General Fund Revenues: $56,698,886
FY 2019 General Fund Expenditures

General Fund Expenditures

- Public Safety: 50%
- Public Works & Development: 17%
- Culture & Recreation: 11%
- Support Services: 13%
- General Government: 9%

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$4,973,253</td>
</tr>
<tr>
<td>Public Safety</td>
<td>$28,049,684</td>
</tr>
<tr>
<td>Public Works and Development</td>
<td>$9,786,778</td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td>$6,443,546</td>
</tr>
<tr>
<td>Support Services</td>
<td>$7,026,122</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$56,279,383</strong></td>
</tr>
</tbody>
</table>
FY 2019 Ad Valorem Tax Rate

I&S Rate: 0.21640 (48%)
M&O Rate: 0.23260 (52%)

FY 2019 Budget ($ in millions)

- I&S: $19.60
- M&O: $21.07
FY 2019 Total Operating Amended Budget

**GENERAL FUND, $56.3M**
Day to Day City Operations funded by Property Tax, Sales Tax, User Fees

**UTILITY FUND, $32.5M**
Water & Wastewater funded by monthly water bills

**RESTRICTED FUNDS, $52.4M**
Revenues for specific purposes (Type A, Type B, Debt Service, Cable Fund, etc)

Total Revenues: $141.3M
FY 2019 Tax Rate $2.54 per $100

Benchmark Cities AV Rates