

FY 2019 MONTHLY FINANCE UPDATE THROUGH JULY

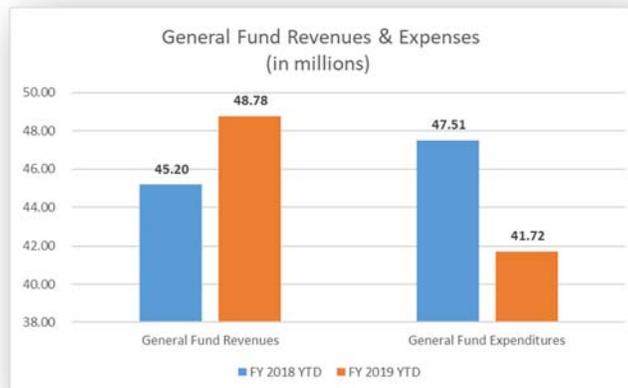
September 18, 2019

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 July 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

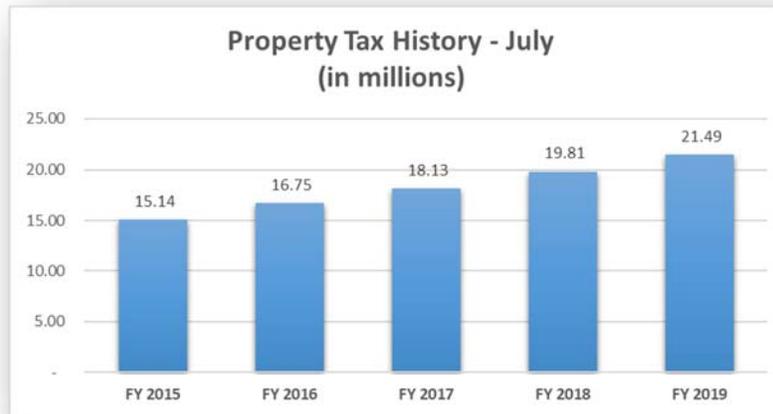
The chart below displays the City's revenues and expenses through July. Revenues to date are \$48.78 million, up by 7.9% over last year's collections year-to-date. This is primarily due to the implementation of the 1/8 cent sales tax funded storm water drainage program, which began in October 2018, and a \$1.05 million transfer (one-half of a \$2.1 million total) from 4B to repay the General Fund for the Bell Blvd loan last Fiscal Year. Expenditures to date are \$41.72 million, 12.2% less than last year's expenses year-to-date. The large difference between the FY 2018 expenditures, year-to-date and this year is due to an \$8.1M contribution to the Bell Blvd project last year. The \$8.1M was subsequently repaid to the General Fund.



Property Tax Collections

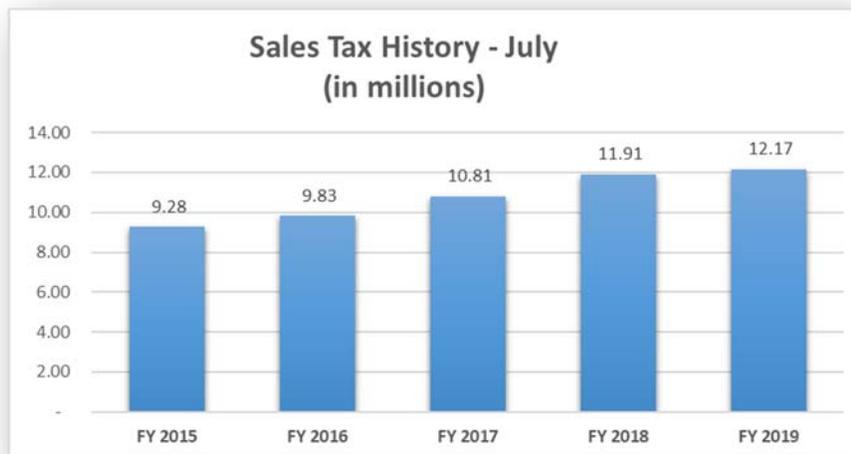
Property tax collections, excluding any delinquent or penalty property tax collections and the annual transfer to TIRZ, amount to \$21.49 million through July. The majority of collection activity occurs between December and February.

FY 2019 MONTHLY FINANCE UPDATE THROUGH JULY



Sales Tax Collections

Sales tax collections were \$12.17 million through July, up by 2.2% through the same period last year. Although slightly lagging budget projections, sales tax collections continue to trend upward.



Sales Tax – Storm Water

In May of 2018, residents voted to redirect one-fourth of the 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. Beginning in October of 2018 (FY 2019), the City began collecting the revenue. Through July, the City has collected \$1,521,400 in Sales Tax for the Storm Water Drainage program.

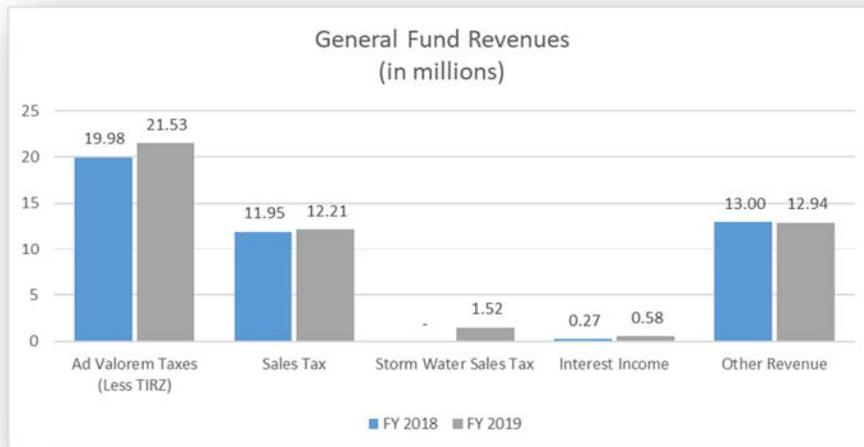
FY 2019 MONTHLY FINANCE UPDATE THROUGH JULY

Interest Income

Through July, the City has collected \$583,695 in interest revenue in the General Fund. This is \$282,063 more than the prior year. Revenue through interest has grown as a result of sound investment practices and rising interest rates.

Other Revenue

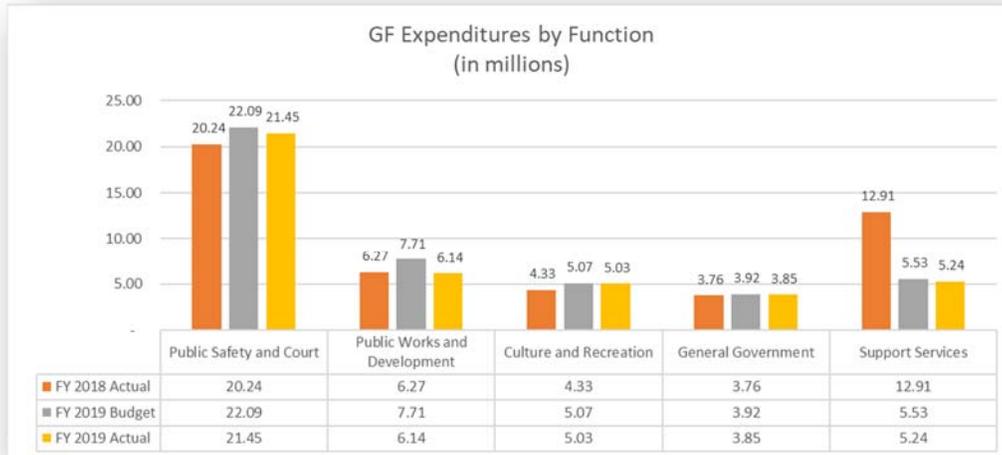
Other Revenue received through fines, forfeitures, and fees for the General Fund total \$12,942,505 through July (\$61,574 less than prior year). Of the \$12,942,505 fees for service, such as fire protection and park fees, totaled \$2,676,950 (\$97,265 more than prior year), development related fees totaled \$1,091,788 (\$351,544 less than prior year), fines and forfeitures totaled \$463,919 (\$25,717 less than prior year), administrative and contract service fees totaled \$3,597,332 (\$14,780 more than prior year), and franchise fees totaled \$3,460,697 (\$210,680 less than prior year). The remaining \$1,651,818 consists of other smaller miscellaneous fees and transfers.



General Fund Expenditures by Function

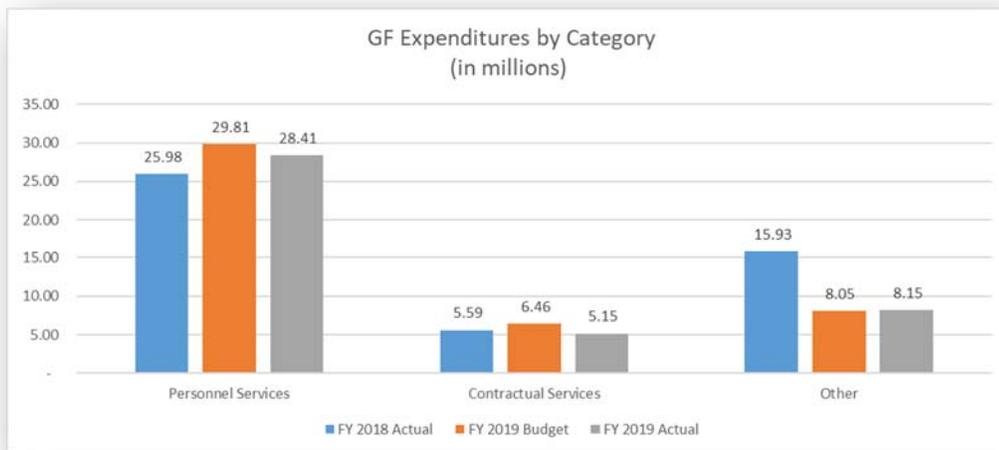
Expenditures totaled \$41.72 million through July 12.2% less than the same period last year. The large variance compared to last year is a result of an \$8.1M General Fund transfer to the Bell Blvd Redevelopment project that occurred last year. The General Fund was subsequently paid back. The chart on the next page provides FY 2018 and FY 2019 budget and actual expense comparisons by function through the month of July. Public safety expenses account for 51% of all General Fund expenses.

FY 2019 MONTHLY FINANCE UPDATE THROUGH JULY



General Fund Expenditures by Category:

The following chart provides the General Fund expenses by category. Personnel expenses represent \$28.41 million or 68% of General Fund expenses to date. Contractual services totaled \$5.15 million, accounting for 12% of General Fund expenses. The remaining \$8.15 million or 20% of General Fund expenses represent expenditures on materials and supplies, repairs and maintenance, occupancy, economic development, capital outlay, and other charges.

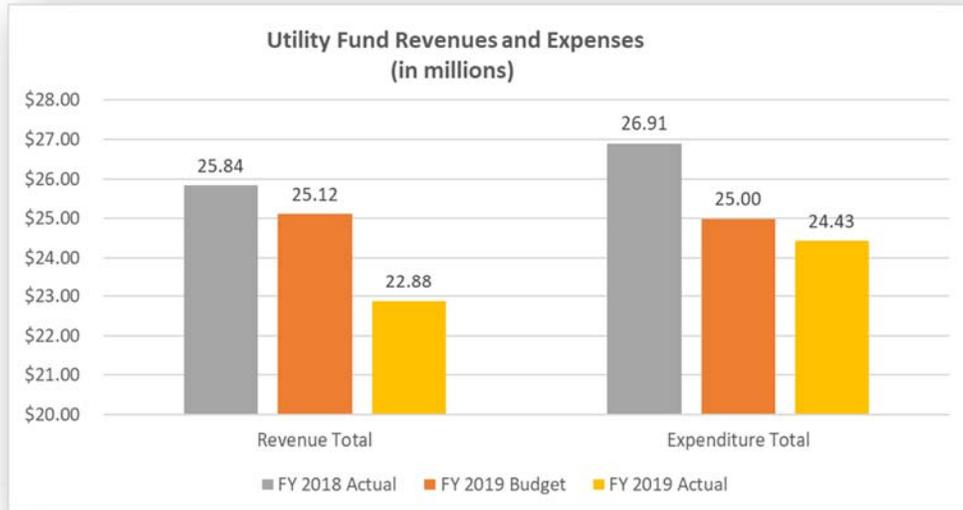


Utility Fund:

Utility fund revenues through July totaled \$22.88 million while expenses totaled \$24.43 million. Revenues are \$2.96M or 11.5% less than the same period last year and expenditures are \$2.47 or 9.2% less than

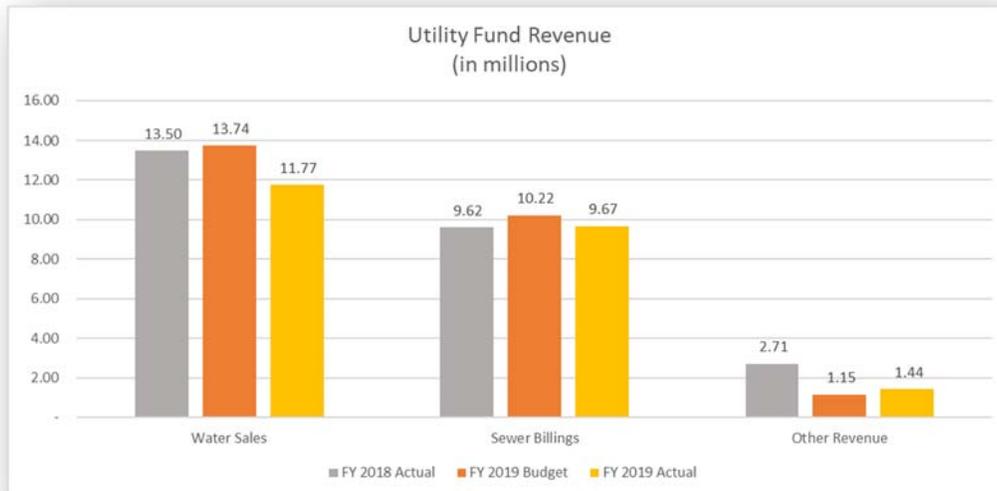
FY 2019 MONTHLY FINANCE UPDATE THROUGH JULY

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:

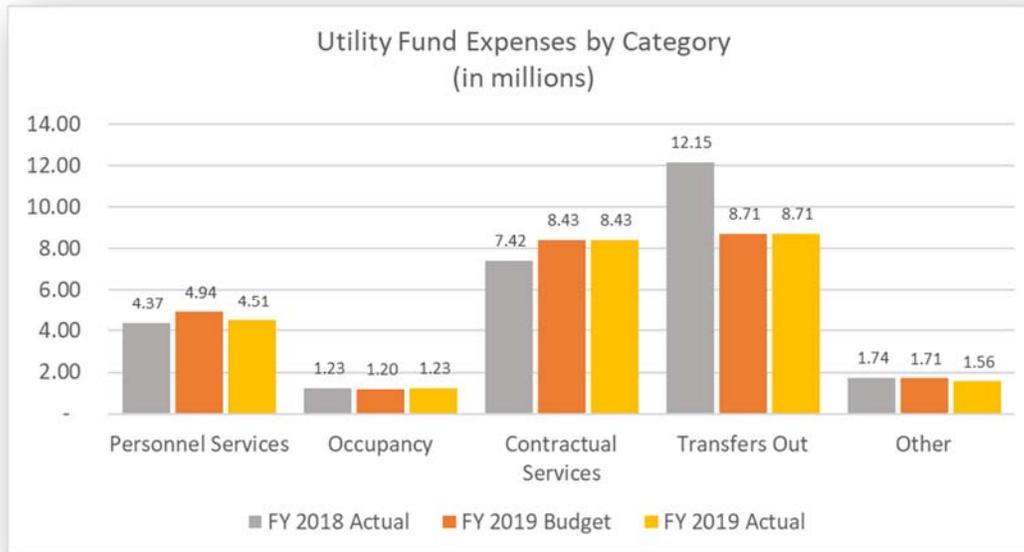
Of the \$22.88 million in revenue collected, \$11.77 million was collected through water sales, \$9.67 million was collected through sewer billings, and \$1.44 million was collected as other revenue. The lower than expected collections in water sales is attributed to the higher than normal amount of rain occurring the first half of the fiscal year.



FY 2019 MONTHLY FINANCE UPDATE THROUGH JULY

Utility Fund Expenses by Category:

The chart below displays the Utility Fund budget and actual expenses by category through July for FY 2018 and FY 2019. Of the \$24.43 million in total expenses through July, contractual services totaled \$8.43 million, personnel services totaled \$4.51 million, occupancy totaled \$1.23 million, transfers for CIP projects total \$8.71 million, and other expenses totaled \$1.56 million. All expenses are in line or within budget expectations.



Investment Activity:

The information on the following page details the City's cash and investment activity for the month of July in relation to our investment policy. In summary, the City is managing \$195.5 million in cash and investments. \$189.6 million is invested, while \$5.9 million is available cash. The total investment yield in July was 2.4% compared to 1.8% for the same period last year. The "Max" column in the table on the next page 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 July, we had 16.9% invested in CDs all with East West Bank.

FY 2019 MONTHLY FINANCE UPDATE THROUGH JULY

<i>Diversity</i>		<i>Max %</i>	<i>\$ Amount</i>	<i>Actual %</i>
CD	Certificates of Deposit	40.00%	33,063,926	16.91%
CP	Commercial Paper	25.00%	20,879,227	10.68%
MM	Money Market Funds	100.00%	-	0.00%
MUNI	Municipal Obligations	35.00%	1,500,790	0.77%
AGENCY	US Agencies	80.00%	82,097,703	41.99%
USOB	US Obligations	80.00%	-	0.00%
	Total Securities		137,541,646	
LGIP	Local Gov Investment Pools	100.00%	52,055,006	26.63%
	Portfolio Total		189,596,652	96.98%
BANK	Cash in Bank Accounts		5,900,109	3.02%
	Portfolio Total		195,496,761	100.00%
	Maximun in any single institution:			
	CD - Investment in any one bank	20%	33,063,926	16.91%
	CP - Investment in any one Issuer	5%	6,968,033	3.56%
	<i>Performance</i>			
		<i>Max</i>	<i>Jul-18</i>	<i>Jul-19</i>
	Weighted Avg Maturity (days)	365	157	241
	Weighted Avg Yield	N/A	1.841%	2.397%
	Benchmark		2.440%	2.000%