SUMMARY FINANCIAL STATEMENTS
BUDGET BASIS

FISCAL YEAR 2019

AS OF JUNE 30, 2019
Year to Date June 1, 2019 to June 30, 2019
YTD % - 75.00

General Fund

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Original Budget</th>
<th>Budget Adj.</th>
<th>Amended Budget</th>
<th>YTD %</th>
<th>Actual to Date</th>
<th>% of Budget to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes and franchise fees</td>
<td>$102,471,251</td>
<td>$ -</td>
<td>$102,471,251</td>
<td>$76,853,438</td>
<td>$84,588,326</td>
<td>82.55%</td>
</tr>
<tr>
<td>Other</td>
<td>13,975,272</td>
<td>-</td>
<td>13,975,272</td>
<td>10,481,454</td>
<td>10,457,207</td>
<td>74.83%</td>
</tr>
</tbody>
</table>

Transfers in from:
- Utility Fund for
  - Paymt in lieu of taxes | 2,590,541 | - | 2,590,541 | 1,942,906 | 1,942,906 | 75.00% |
  - Utility Loan Repayment | 365,482 | - | 365,482 | 274,112 | 274,113 | 75.00% |

Expenditures | (104,336,967) | - | (104,336,967) | (78,252,725) | (75,138,632) | 72.02% |

Transfers out and Non-operating uses:
- Rate Review | (25,000) | - | (25,000) | (18,750) | - | 0.00% |
- Hotel/Motel Tax Subsidy | (285,000) | - | (285,000) | (213,750) | - | 0.00% |
- Utility Fund Loan | (250,000) | - | (250,000) | (187,500) | - | 0.00% |
- Public Safety 1-time costs | (1,261,581) | - | (1,261,581) | (946,186) | - | - |
- 1-time Comp adj. | (121,626) | - | (121,626) | (91,220) | - | - |
- Economic Development Incentives | (994,000) | - | (994,000) | (745,500) | - | 0.00% |
- Capital Projects | (17,402,404) | - | (17,402,404) | (13,051,803) | - | 0.00% |

Net increase (decrease) | (5,274,032) | - | (5,274,032) | (3,955,524) | 22,123,920 | - |

Beg. Working Capital | 16,213,395 | 8,736,446 | 24,949,841 | 74,073,761 |

End Working Capital | $10,939,363 | $8,736,446 | $19,675,809 | $47,073,761 |

Overview - Revenues and Transfers In
Property tax revenue collected through 6/30/19 as a percentage of the current year’s tax levy is comparable with prior year collections (99%). Overall, 82.55% of total General Fund tax and franchise revenues budgeted have been collected through June 30th.

Year to date, sales tax receipts are 4.13% under the original budget and 3.3% under prior years’ actual. Sales tax receipts summary:

| Original Budget | $3,380,061 | $30,310,124 |
| Actual – Current Year | $3,006,830 | $29,053,890 |
| Actual – Prior Year | $3,557,242 | $29,947,177 |

As per the financial policy adopted by council in 2018, the fiscal year 2019 sales taxes revenue for recurring uses is capped at $27,621,618. Sales taxes revenue in excess of that amount will be transferred to capital projects funds for non-recurring one-time uses. This transfer will be made at year-end when the final sales tax amount is available. Sales tax is currently projected to end the year at $11,973,863 over the capped amount.

Overview - Expenditures and Transfers Out
Fiscal year-to-date expenditures are on target. Transfers out are made when the receiving funds have need for the funding or at the end of the year.

Overview - Budget Adjustments
The increase in Budgeted Beginning Working Capital is due to better-than-budget actual results from Fiscal Year 2018.

Overview - Fund Balance
At the 2019 fiscal year end the City’s General Revenue fund balance is currently projected to be $47,073,761, which represents 162 days of budgeted recurring expenditures and transfers out. The City’s financial standards call for a minimum of 60 days ending fund balance. There are currently 20,339,611 in pending transfers planned for the fiscal year end.
Year to Date June 1, 2019 to June 30, 2019
YTD % - 75.00
Water and Sewer Fund

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Original Budget</th>
<th>Budget Adj.</th>
<th>Amended Budget</th>
<th>YTD %</th>
<th>Actual to Date</th>
<th>% of Budget to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Charges</td>
<td>$45,035,279</td>
<td>$ -</td>
<td>$45,035,279</td>
<td>$33,776,459</td>
<td>$28,455,053</td>
<td>63.18%</td>
</tr>
<tr>
<td>Other</td>
<td>1,455,000</td>
<td>-</td>
<td>1,455,000</td>
<td>1,091,250</td>
<td>1,080,470</td>
<td>74.26%</td>
</tr>
</tbody>
</table>

Transfers in from:
- Loan from General Fund
  - -

Expenditures:
- (40,588,690)
- (45,035,279)
- (30,441,518)
- (27,222,606)

Transfers out and Non-operating uses:
- General Fund for Paymt in lieu of taxes
  - (2,590,541)
- Debt Service
  - (1,674,313)
- Debt Redemption
  - -
- Capital Projects
  - (900,000)
- Net increase (decrease)
  - 736,735

Beg. Working Capital
10,323,045
1,376,578
11,699,623
11,699,623

End Working Capital
$11,059,780
$1,376,578
$12,436,358
$10,881,648

Overview - Revenues
Fiscal year-to-date sales and charges revenues are under target due to excessive rain days in the current year. Original budgeted revenues include a 7.9% rate increase effective January 1, 2019. Actual increase adopted January 1, 2019 was a 7.1% rate increase comprised of a 2.8% increase in water rates and an 11.1% increase in wastewater.

Overview - Expenditures and Transfers Out
Fiscal year-to-date expenditures are below target due to the timing of some expenditures. Expenditures are expected to end Fiscal Year 2019 on target. Some transfers out are made when the receiving funds have need for the funding or at the end of the year.

Overview - Budget Adjustments
The increase in Budgeted Beginning Working Capital is due to actual results for Fiscal Year 2018 being higher than the mid-year re-estimates calculated during preparation of the Fiscal Year 2019 Budget.

Overview - Fund Balance
Budgetary Fund Balance was budgeted to end the year at 12,436,358, which represented 101 days of budgeted recurring expenditures and transfers out. The City’s financial standards call for a minimum of 90 days ending fund balance. The Water Utilities currently projected year end fund balance of $10,881,648 represents an ending fund balance of 88.6 days. During the same month in the prior fiscal year, the projected ending fund balance was 77 days.

Unaccounted for water for the past 12 months was 8.54%

<table>
<thead>
<tr>
<th>Rain</th>
<th>Rain</th>
<th>Av Hgh</th>
<th>Billkd</th>
<th>Received</th>
<th>Unacc'ted Water</th>
<th>Daily Per Capita (gals)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall</td>
<td>Days</td>
<td>Tmp.</td>
<td>(000 gal)</td>
<td>(000 gal)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JUNE-CY</td>
<td>4.1</td>
<td>8.0</td>
<td>89.8</td>
<td>463,494</td>
<td>543,038</td>
<td>14.65%</td>
</tr>
<tr>
<td>JUNE-PLY</td>
<td>1.3</td>
<td>7.0</td>
<td>95.5</td>
<td>720,016</td>
<td>776,979</td>
<td>7.33%</td>
</tr>
<tr>
<td>JUN-CY-YTD</td>
<td>45.0</td>
<td>81.0</td>
<td>69.1</td>
<td>3,805,704</td>
<td>4,206,954</td>
<td>9.54%</td>
</tr>
<tr>
<td>JUN-PLY-YTD</td>
<td>26.5</td>
<td>52.0</td>
<td>73.0</td>
<td>4,593,211</td>
<td>5,044,127</td>
<td>8.94%</td>
</tr>
</tbody>
</table>

Rain Rain Av Hgh Billed Received Unacc’ted Daily Per 
Fall Days Tmp. (000 gal) (000 gal) Water Capita (gals)
Year to Date June 1, 2019 to June 30, 2019  
YTD % - 75.00  
Golf Course Fund

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Adj.</th>
<th>Amended Budget</th>
<th>YTD % Actual to Date</th>
<th>% of Budget to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$871,727</td>
<td>$843,239</td>
<td>$1,714,966</td>
<td>$714,569</td>
<td>717,788</td>
</tr>
<tr>
<td>Transfers In</td>
<td>$121,626</td>
<td>$96,955</td>
<td>$218,581</td>
<td>(980,311)</td>
<td>1278,696</td>
</tr>
<tr>
<td>Transfer from Golf Capital</td>
<td>$518,075</td>
<td>$518,075</td>
<td>$518,075</td>
<td>(1,278,696)</td>
<td>41.85%</td>
</tr>
<tr>
<td>Expenditures</td>
<td>(590,854)</td>
<td>(1,761,893)</td>
<td>(2,352,747)</td>
<td>(980,311)</td>
<td>54.35%</td>
</tr>
<tr>
<td>Transfers out to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Projects</td>
<td>(280,873)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>#DIV/0!</td>
</tr>
<tr>
<td>Net increase (decrease)</td>
<td>121,626</td>
<td>(303,624)</td>
<td>98,875</td>
<td>(265,742)</td>
<td>(42,833)</td>
</tr>
<tr>
<td>End Working Capital</td>
<td>$121,626</td>
<td>(405,019)</td>
<td>(2,520)</td>
<td>$144,228</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Paid Rounds of Golf</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Outings</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>JUNE-CY</td>
<td>294</td>
<td>3,017</td>
</tr>
<tr>
<td>JUNE-PY</td>
<td>1,205</td>
<td>6,184</td>
</tr>
<tr>
<td>JUN-CY-YTD</td>
<td>3,976</td>
<td>25,038</td>
</tr>
<tr>
<td>JUN-PY-YTD</td>
<td>6,311</td>
<td>43,521</td>
</tr>
</tbody>
</table>

Overview – Revenues and Transfers in
Flooding and impacts from planned construction on the Lakes course necessitated a contract amendment with Orion Golf for managed services. Managed services is the model in which the City simply compensates Orion for management of the golf course through a preset fee with the City retaining all revenues and golf operating expenses. In March 2020, the 23% revenue share is to resume. The City booked a receivable for revenue due from Orion that will be paid out over the 2019 fiscal year.

Overview - Expenditures and Transfers Out
Effective December 12th the City began receiving expenditures and revenue and was approved to enter into the managed services agreement.

Overview - Budget Adjustments
The City budgeted a $121,626 subsidy transferred in from the General Fund. $518,075 was transferred from the Golf Capital Fund to the Golf Operating Fund to fund operations. In addition, effective December 12, 2018 City Council approved a contract and budget amendment that converted the contract from Orion retaining 77% of all revenue and paying all operating expenses to the managed services model mentioned above. These amendments reflect the City retaining all revenues and paying both a majority of the expenses and the managed services fee.

Overview - Fund Balance
Operating fund balance is projected to be at a deficit.
Overview – Revenues
Total fiscal year-to-date revenues are close to target.

Overview - Expenditures and Transfers Out
Fiscal year-to-date expenditures are close to target. Transfers out will be made at the end of the year.

Overview - Budget Adjustments
The increase in Budgeted Beginning Working Capital is due to better-than-budget actual results from Fiscal Year 2018.

Overview - Fund Balance
The currently estimated year end fund balance is projected at $1,492,978 before transfers out. The City’s financial standards call for a Fund Balance target of $200,000.
Information on the other operating funds of the City (Risk, Fleet, Administrative Services, Employee Health and Disability, Hotel/Motel and Debt Service) is provided on an exception only basis. All other operating funds are on target with budget.

**Risk Management Fund** – Fund balance for the Risk Management Fund is currently $4,206,132 which exceeds the City’s financial standard of one year of claims net of recoveries.

**Fleet Services Fund** – The current fund balance is $(66,423), which is slightly below the financial standard of break-even. This was a result of a change in the billing and collection of overhead from user Department after the contract transition. Adjustments were made to the overhead billing methodology in July.

**Employee Health and Disability Fund** – City contributions were increased in both one-time transfer and through increased premiums per enrolled member. These steps were necessary to address a trend of declining fund balance due to higher than expected claims. The liability for other post-employment benefits (OPEB – Retiree Health) of $2,032,573 was removed in 2018 due to the implementation of GASB 75. As of December 31, 2017, the Total OPEB Liability (TOL) for benefits was $19,167,307, all of which is unfunded. The current cash balance in the Employee Health and Disability Fund is $4,337,502.