ROUND ROCK TEXAS
FINANCE

JULY 2015
Popular Report

CITY OF ROUND ROCK | Finance Department

Introduction

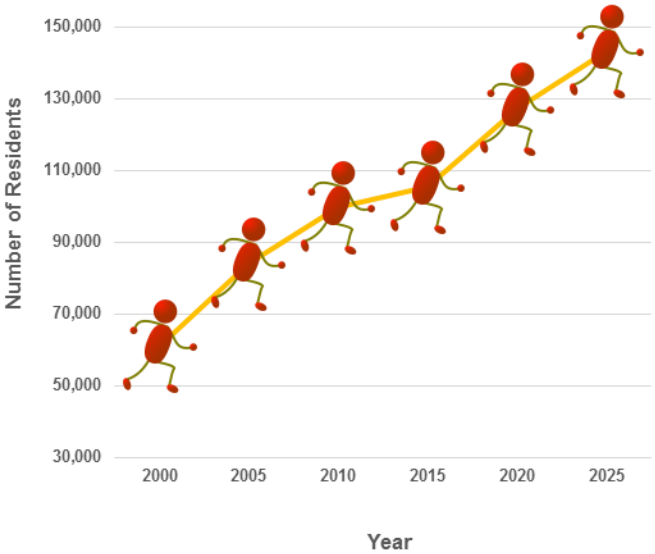
"The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Round Rock, Texas for its Popular Annual Financial Report for the fiscal year ended September 30, 2013. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports."

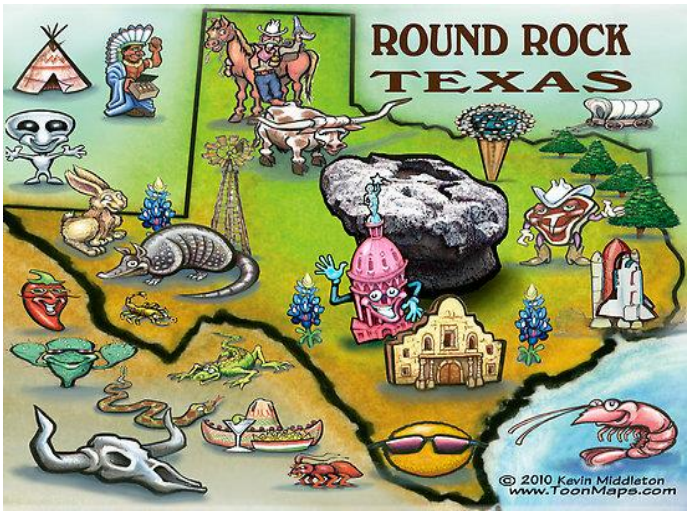
In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting. A government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

Welcome to Round Rock

A hundred years ago, Round Rock was a small Texas town with an agricultural-based economy. Little had changed since its founding in the late 1800s.

Round Rock began its first transition in the 1970s as residents of Austin moved in to take advantage of the quality schools and affordable housing. This event shifted Round Rock to a bedroom community. However, a second transformation would rapidly occur with the arrival of the computer industry. Round Rock was soon home to many firms associated with the computer sector, the most famous of which is Dell. With the arrival of these firms, Round Rock shifted to a suburban city and began to develop in a classic suburban pattern of distinctive residential and commercial areas connected by automobiles.





Round Rock is facing new transformations. One emerging transformation is caused by the fact that parts of Round Rock are aging and approaching the point where redevelopment will occur.

The second is that over the next 50 years, the City will grow from 100,000 population to around 250,000. This growth will change Round Rock from a suburban-oriented city with some features of city life to a complete city with a broad variety of lifestyle choices and a full range of city features.

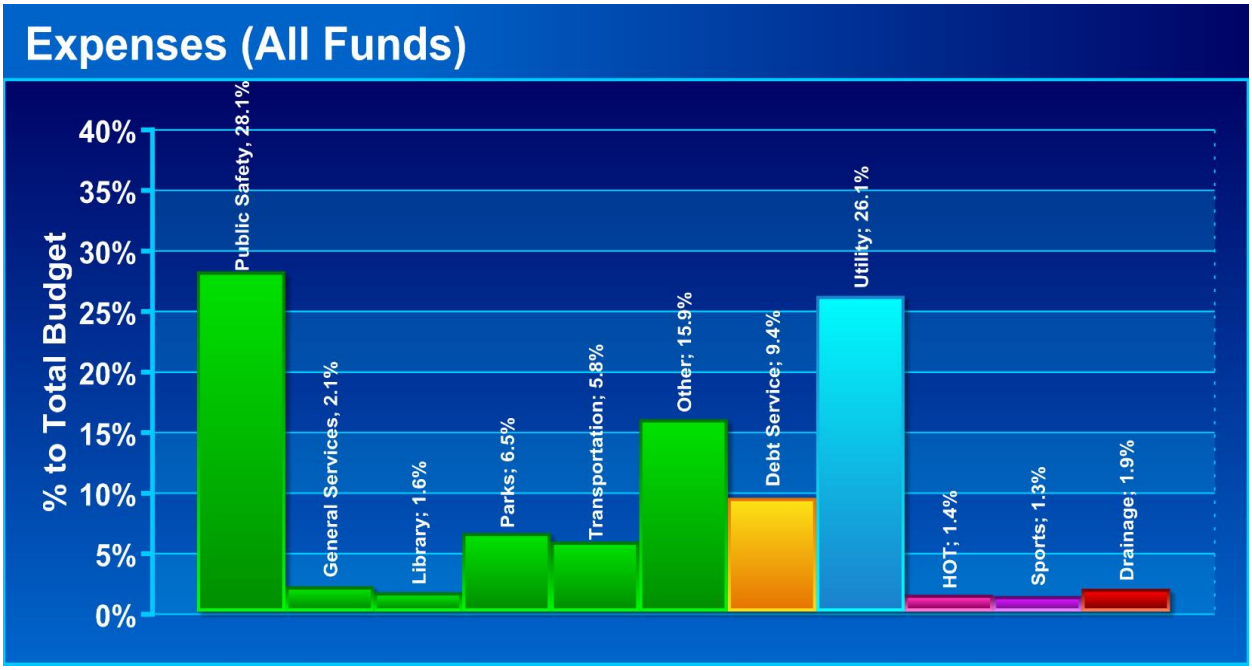
Another transition has been the growing health and education presence. Several major hospitals, college and university campuses are now located here and Round Rock has emerged as a regional hub for health education.

Quick Facts about Round Rock

Population (July 2015)		105,625
Per capita income (CAFR 2014)		$ 31,836
Average age (CAFR 2014)		31.7
National unemployment rate (July 2015)		5.6%
Local unemployment rate (July 2015)		3.5%
FY 2015 Total Budgeted City Employees (FTEs)		**867.25**
Sworn Police Officers		164
Fire Fighters		129
Sales Tax Rate Information – Total % Collected		8.25%
State	6.25%	
City Operations	1.00%	
Type B Corporation (Transportation & Economic Development)	0.50%	
Property Tax Reduction	0.50%	
Property Tax Information (2014-15)		
Total Taxable Value		$ 9.6 Billion
Avg. home annual tax (City portion)		$ 823.40
Avg. home value		$ 198,578
Public Safety (2014)		
The Round Rock Police Department earned the highest possible accreditation status		Commission on the Accreditation of Law Enforcement Agencies (CALEA)
Recreational Facts (CAFR 2014)		
Total Park Acres		2,035
Number of Athletic Fields Maintained		49
Infrastructure (CAFR 2014)		
Streets Resurfaced Annually (lane miles)		80
G.O. Bond Ratings: (2014)		
S & P		AA+
Moody's		Aa1

This Year's Budget

The total Fiscal Year 2015 budget is $**159,357,975**. This figure includes **$95,441,380** for the General Fund, **$15,043,600** for the Debt Service Fund, **$41,594,988** for the Water/Wastewater Utility Fund, **$2,957,829** for the Drainage Fund, **$2,306,188** for the Hotel Occupancy Tax (HOT) and **$2,013,990** for the (HOT) – Sports Center Funds.



General Fund | Debt Service | Utility Fund | HOT (7%) Fund | HOT (2%) Fund | Drainage Fund

These programs are contained in this adopted budget along with other services provided by City departments.

General Fund Operations

Pavement Maintenance Programs
Police Services
Fire Services
Parks and Recreation Services
Equipment Replacement Program
Maintenance of City-Owned Facilities
Agency Requests and Arts & Culture
Strategic Plan Funding
Self-Funded Benefit Plans
Public Transportation Services
Information Technology Replacement

Water/Wastewater Utility System Operations

Water System
Reserve Water
Wastewater System

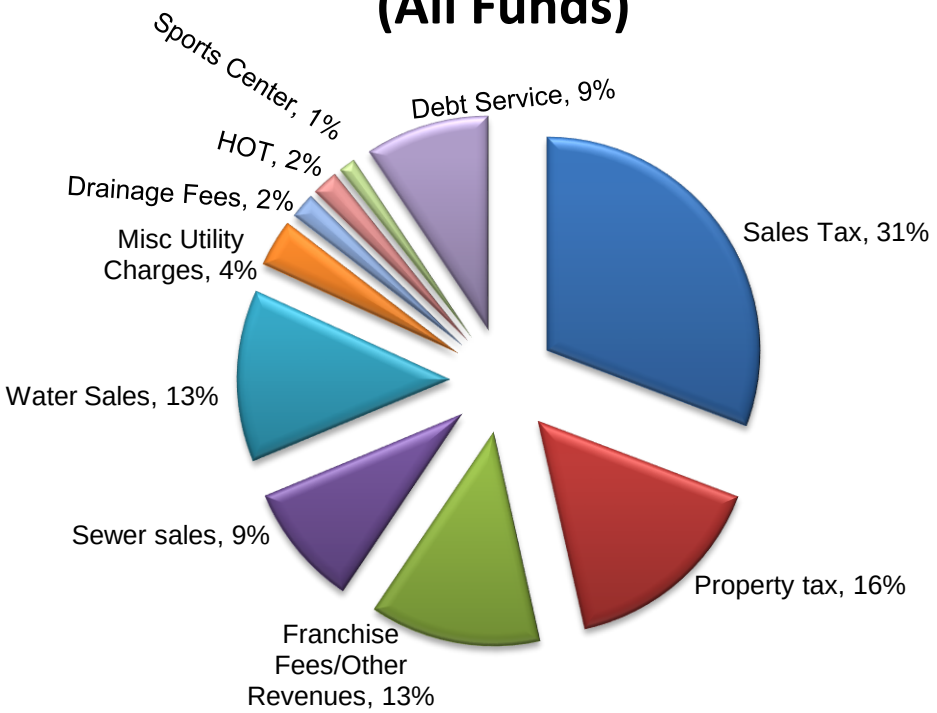
Drainage Operations

Hotel Occupancy Tax & Sports Center Funds Operations

This Year's Budget (continued)

This year's **City property tax** of **41.465** cents per $100 of assessed value remains one of the lowest in the area while enabling the City to maintain a high level of services. The City has historically collected 99% of property taxes each year.

Revenues (All Funds)



The **sales tax** is set at 8.25%, 2% goes to the City. Of the 2%, ½% is used for transportation improvements and economic development, with the remaining 1½% being used for general operations, property tax reduction and capital projects. The sales tax revenue source is extremely important to the City in that it helps to reduce property taxes and makes up approximately 52% of the general revenue. The sales tax as a revenue figure is subject to economic cycles and discretionary buying characteristics of the consumer which, accordingly, must be monitored and projected carefully.

The City has developed a **financial management policy** directed at reducing the General Fund's operational reliance on sales tax generated from Dell, Inc. (the largest single source of sales tax revenue). This policy is designed to provide a consistent, long-term approach for the fiscal management of the City's operating funds, balancing revenue requirements with the service needs of a growing population. Specifically, the policy is intended to help the City avoid the risk of a combined high property tax rate and a high reliance on sales tax.

City Finances

General Fund – Budget by Function

Expenditures (by function)	FY 2015 Operating Budget	FY 2015 July Year-to-Date Actual	% of Budget Year-to-Date
Public Safety	$ 44,723,375	**35,629,846**	**79.67%**
Fiscal Support Services	9,956,942	**6,312,139**	**63.39%**
General Services	3,379,211	**2,604,928**	**77.09%**
Transportation	9,174,389	**5,761,511**	**62.80%**
Library	2,525,273	**2,021,838**	**80.06%**
Parks	10,340,031	**8,353,817**	**80.79%**
Support Services	15,342,159	**11,851,229**	**77.25%**
General Fund Total	**$ 95,441,380**	**72,535,309**	**76.00%**

Outstanding Debt (by Type)

	Sept. 30, 2014
G.O. Bonds	**$ 155,780,000**
Certificates of Obligation	**11,135,000**
Other Debt Obligations	**46,357,863**
Utility System Revenue Bonds	**89,025,000**

This Year's Top Ten Lists

Employers:
Dell, Inc.
Round Rock ISD
Sears TeleServe
City of Round Rock
Emerson Process Management
Scott & White University Medical Campus
Texas Guaranteed Student Loan
Round Rock Medical Center
Seton Williamson Medical Center
Dresser Wayne, Inc.

Property Taxpayers:
Dell Computer Holdings, LP
CPG Round Rock, LP
Baltgem Development Corp.
Dell Computer Corp.
Columbia / St. David Healthcare
CMF 15 Portfolio, LLC
Oncor Electric Delivery Co.
Inland American University Oaks, LP
Las Brisas Luxury Apartment Homes, LLP
Fisher-Rosemount Systems, Inc.

Hotel Taxpayers:
Austin Marriott North
Homewood Suites
Hilton Garden Inn
Hampton Inn
Residence Inn
Holiday Inn
Courtyard by Marriott
Springhill Suites
Holiday Inn Express
La Quinta Inn

City Finances

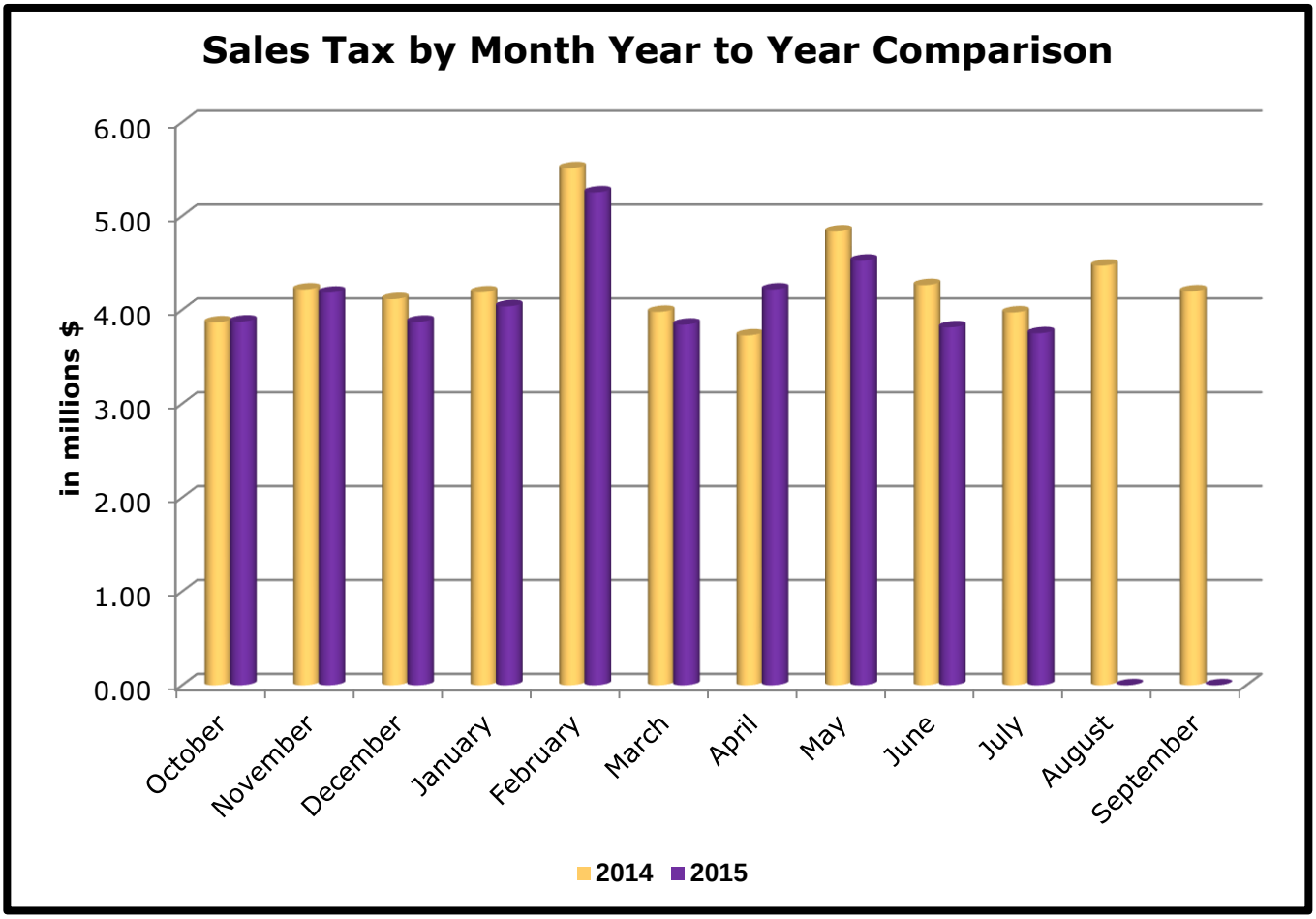
MONEY COMING IN

Revenues (by fund)	FY 2015 Operating Budget	FY 2015 July Year-to-Date Actual	% of Budget Year-to-Date
General Fund	$ 95,442,415	**85,802,875**	**89.90%**
Utility Fund	41,595,000	**33,819,666**	**81.31%**
General Debt Service Fund	15,019,000	**14,813,269**	**98.63%**
Hotel Occupancy Tax Fund	3,220,000	**3,300,129**	**102.49%**
Sports Center Fund	2,092,180	**2,276,920**	**108.83%**
Drainage Fund	3,126,000	**2,807,708**	**89.82%**
Total Revenues	**$ 160,494,595**	**142,820,567**	**88.99%**

MONEY WELL SPENT

Expenditures (by function)	FY 2015 Operating Budget	FY 2015 July Year-to-Date Actual	% of Budget Year-to-Date
General Fund	$ 95,441,380	**72,535,309**	**76.00%**
Utility Fund	41,594,988	**32,809,915**	**78.88%**
General Debt Service Fund	15,043,600	**3,145,121**	**20.91%**
Hotel Occupancy Tax Fund	2,306,188	**1,876,467**	**81.37%**
Sports Center Fund	2,013,990	**1,407,996**	**69.91%**
Drainage Fund	2,957,829	**2,660,083**	**89.93%**
Total Expenditures	**$ 159,357,975**	**114,434,891**	**71.81%**

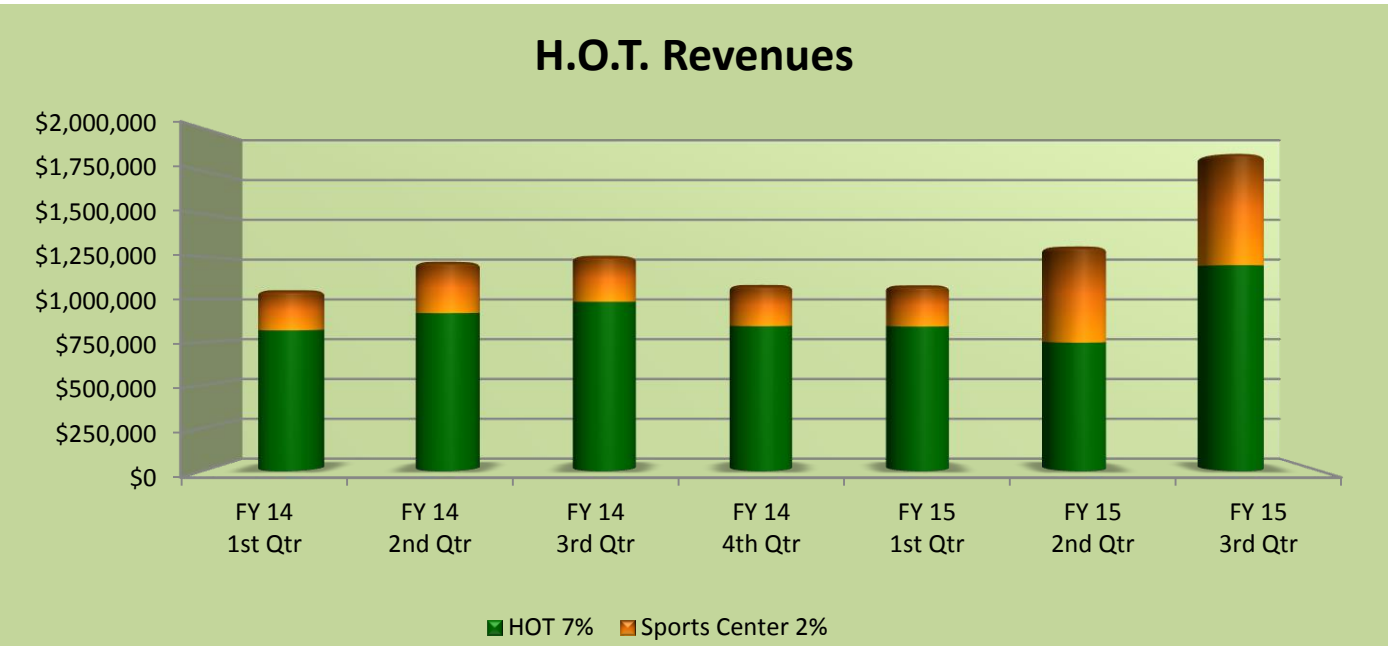
Monthly Sales Tax Status



Quarterly Hotel Occupancy Tax Report

The Hotel Occupancy Tax Fund accounts for the levy and use of the hotel – motel bed tax. Proceeds from this tax are used toward tourism, cultural enhancements and promotion of the City. The Convention and Visitors Center (CVB) was launched in 2004 as part of the City's strategy to diversify the local economy and is funded solely by the City's hotel tax.

Round Rock continues its marketing strategy as "The Sports Capital of Texas". Supporting this campaign, in 2011, the citizens of Round Rock voted to establish a 2% tax to build a $14.5 million 82,800-square-foot flexible indoor sports facility.



Conclusion

This Popular Financial Report has been prepared to inform citizens about the City of Round Rock and its operations, services and programs, as well as its current financial condition. It is suitable for readers who prefer to review operational and financial information in summary form and does not substitute for the City's Comprehensive Annual Financial Report (CAFR).

This publication is derived from multiple sources including information provided in the CAFR which is based on generally accepted accounting principles (GAAP).

Full copies of the CAFRs are published on the City's website at

http://www.roundrocktexas.gov/cafr