

City of Galveston



P. O. Box 779 / Galveston, Texas 77553

May 7, 2015

Honorable Mayor James D. Yarborough and Members of Council

This is to present the second quarter report for FY 2015 with projected year ending totals using year-to-date actual revenue and expenditures and prior year comparisons. The City of Galveston's operating budget is addressed in the attached report, showing favorable overall preliminary results. It is estimated that revenue collections for FY 2015 will be \$108.2 million, an amount that is approximately \$100,000 more than the budget of \$108.1 million. At the same time, expenditures for the fiscal year are estimated to be \$105.9 million, approximately \$10.6 million less than the \$116.5 million budget. Fund balances in total, the City's savings accounts, are projected to end FY 2015 with a total of \$49.8 million, significantly more than the \$35 million budgeted amount, primarily due to projected FY 2015 underspending in the Enterprise and Special Revenue Funds.

This report includes projected year end results for all operating budget funds, considering current trends and matters known to have an effect on the budget fiscal year to date. Economic trends in the energy sector that began at the end of calendar 2014 are now beginning to have an impact on economic growth in the region with layoffs and production cuts among small and large energy companies alike. We will continue to monitor these trends and our economically sensitive revenue to identify any impact on those revenues.

Payroll and hiring trends have been used to project year end totals identifying several departments with expected underruns against their personnel budget. Notable variances between projections and budget have been noted and explained on each page of the financial section of this report. In addition, a budget amendment will be offered for City Council consideration in the near future in response to key items identified through this report.

General Fund Highlights

General Fund revenue is projected to be \$60,000 over budget, with our two largest revenues performing well. Property taxes are expected to be approximately \$337,000 higher than budgeted (see the March 2015 Property Tax Overview in the appendix to this report. Also, sales tax revenue is now expected to be \$182,000 over budget (see the May 2015 Sales Tax Overview in the appendix to this report). Tax revenue performance will be offset as court fines and forfeits are trending to come in \$498,000 under the FY 2015 Budget and somewhat under last year's actual totals.

General Fund spending by operating departments is now projected to be \$646,000 under budget at the end of FY 2015. This estimate is arrived at after an analysis of major accounts in every department, including projected payroll spending. As was the case in the last quarterly report, spending to date and current payroll amounts are being projected through the end of the fiscal year. These projections are adjusted for anticipated filling of vacant positions to produce personnel projections.

Special Revenue Funds

Special revenue funds exist to account and budget for legally dedicated revenue that is not associated with a business-type, enterprise operation. The City's special revenue funds are budgeted to spend all or most all of available funding although this is rarely the case; if funds are not spent, they simply fall to fund balance and are available in the following fiscal year to be spent on the legally required and allowed purposes.

In FY 2015, additional special revenue funds have been included as a formal part of the budget through budget amendment, including the Public Access Channel Fund and Downtown Parking Management Fund. We expect to offer future budget amendments for additional funds that qualify as special revenue funds requiring Council budget approval.

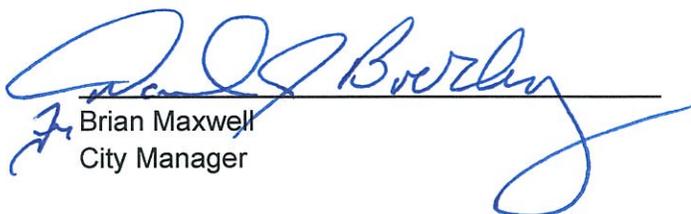
Enterprise Funds

Four of the five enterprise funds are projected to end FY 2015 with more fund balance than budgeted. As was the case last fiscal year, revenues will be close to budget while expenditures will run under budget, particularly because of personnel savings. The most significant Enterprise Fund budgetary issue is the impact of an adjustment made as a part of the FY 2014 Comprehensive Annual Financial Report.

Beginning in FY 2010, FEMA project related insurance proceeds were overstated in the City's accounting records. This overstatement was being cured as projects were closed out, but a balance of \$2.42 million remained in FY 2014. This resulted in overstated fund balances in the five Enterprise Funds in the amount of \$2.23 million as shown in the chart at the bottom of the Enterprise Fund Summary Schedule. (Note: The Garage Internal Service Fund also reflected an overstated balance of \$184,000.) These adjustments reduced fund balances in each of the affected funds.

While the individual amounts were significant adjustments to each fund, the only fund that experienced a significant impact as a result of the adjustment was the Airport Fund. After adjustment, the Airport Fund actually began FY 2015 with a \$280,000 fund balance, instead of \$888,000 as previously thought. This will require some attention and thoughtful management in order to restore the fund balance to a more adequate level.

Please let me know if you wish further information.



Brian Maxwell
City Manager

CITY-WIDE SUMMARY
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate |
|---|----------------------|--------------------------|--|---------------------------|
| Beginning Fund Balance | | | | |
| General Fund | \$18,244,324 | \$16,881,028 | \$17,270,248 | \$17,270,248 |
| Special Revenue Funds | 4,565,420 | 7,270,824 | 7,498,187 | 7,498,187 |
| Debt Service Fund | 4,039,467 | 3,518,386 | 4,117,549 | 4,117,549 |
| Enterprise Funds | 13,416,573 | 11,542,985 | 12,982,911 | 12,982,911 |
| Total | \$40,265,784 | \$39,213,223 | \$41,868,895 | \$41,868,895 |
| Revenue | | | | |
| General Fund | \$45,991,805 | \$45,976,972 | \$11,915,869 | \$46,036,700 |
| Special Revenue Funds | 12,308,437 | 14,487,082 | 5,105,896 | 14,667,850 |
| Debt Service Fund | 7,130,595 | 7,084,251 | 4,845,778 | 7,106,285 |
| Enterprise Funds | 39,712,887 | 40,591,754 | 20,052,299 | 40,415,401 |
| Total | \$105,143,724 | \$108,140,059 | \$41,919,842 | \$108,226,236 |
| Expenditures | | | | |
| General Fund | \$46,566,921 | \$45,970,822 | \$21,484,233 | \$45,309,311 |
| Special Revenue Funds | 9,375,670 | 19,430,700 | 3,572,332 | 13,594,840 |
| Debt Service Fund | 7,052,513 | 7,060,130 | 3,634,521 | 7,020,262 |
| Enterprise Funds | 40,146,549 | 44,072,594 | 19,645,535 | 39,964,626 |
| Total | \$103,141,653 | \$116,534,246 | \$48,336,621 | \$105,889,039 |
| Revenues over/(under) Expenditures | | | | |
| General Fund | (\$575,116) | \$6,150 | (\$9,568,364) | \$727,389 |
| Special Revenue Funds | 2,932,767 | (4,943,618) | 1,533,564 | 1,073,010 |
| Debt Service Fund | 78,082 | 24,121 | 1,211,257 | 86,023 |
| Enterprise Funds | (433,662) | (3,480,840) | 406,764 | 450,776 |
| Total | \$2,002,071 | (\$8,394,187) | (\$6,416,779) | \$2,337,197 |
| Appropriation of Fund Balance | | | | |
| General Fund | \$398,960 | \$3,700,032 | \$110,833 | \$619,542 |
| Special Revenue Funds | 375,457 | 5,867,108 | 1,110,444 | 2,734,089 |
| Debt Service Fund | 0 | 0 | 0 | 0 |
| Enterprise Funds | 1,786,446 | 3,600,000 | 2,197,652 | 1,699,566 |
| Total | \$2,560,863 | \$13,167,140 | \$3,418,929 | \$5,053,197 |
| Ending Fund Balance | | | | |
| General Fund | \$17,270,248 | \$13,187,146 | \$7,591,051 | \$17,378,095 |
| Special Revenue Funds | 7,498,187 | 2,327,206 | 9,031,750 | 8,571,196 |
| Debt Service Fund | 4,117,549 | 3,542,507 | 5,328,806 | 4,203,572 |
| Enterprise Funds | 12,982,911 | 8,062,145 | 13,389,675 | 13,433,687 |
| Sub-Total | \$41,868,895 | \$27,119,004 | \$35,341,282 | \$43,586,550 |
| Internal Service Funds | \$6,609,160 | \$7,858,409 | \$6,352,698 | \$6,261,293 |
| TOTAL WITH INTERNAL SERVICE FUNDS | \$48,478,055 | \$34,977,413 | \$41,693,980 | \$49,847,843 |

Note: The Internal Service Funds revenues and expenses are not included in the totals above to avoid duplication.

GENERAL FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | Current Fiscal Year | | | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
|-------------------------------|---------------------|-----------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | |
| Beginning Fund Balance | \$18,244,324 | \$16,881,028 | \$17,270,248 | \$17,270,248 | \$389,220 |
| Revenues | | | | | |
| Property Taxes | \$18,978,853 | \$18,546,689 | \$8,858,091 | \$18,883,700 (1) | \$337,011 |
| Sales Taxes | 14,623,449 | 14,608,207 | 1,062,765 | 14,800,000 (2) | 191,793 |
| Other Taxes | 546,116 | 715,353 | 0 | 797,800 (3) | 82,447 |
| Franchise Taxes | 5,267,085 | 5,324,415 | 808,430 | 5,272,100 (4) | (52,315) |
| Licenses and Permits | 1,226,220 | 1,043,744 | 278,686 | 1,171,200 (5) | 127,456 |
| Intergovernmental | 764,678 | 724,678 | 150,000 | 724,700 | 22 |
| Charges for Services | 1,789,860 | 1,825,170 | 389,994 | 1,722,200 (4) | (102,970) |
| Fines and Forfeits | 1,870,688 | 2,211,908 | 359,342 | 1,713,000 (4) | (498,908) |
| Investment Earnings | 45,967 | 69,111 | 0 | 50,000 | (19,111) |
| Miscellaneous | 878,889 | 907,697 | 8,560 | 902,000 | (5,697) |
| Total Revenues | \$45,991,805 | \$45,976,972 | \$11,915,869 | \$46,036,700 | \$59,728 |
| Expenditures | | | | | |
| General Government | | | | | |
| City Secretary | \$449,345 | \$401,771 | \$200,274 | \$401,410 | \$361 |
| Municipal Court | 643,337 | 675,056 | 333,719 | 687,558 (6) | (12,502) |
| City Manager | 1,104,146 | 772,745 | 367,566 | 706,521 (7) | 66,224 |
| City Auditor | 238,606 | 246,038 | 116,802 | 277,212 (8) | (31,174) |
| Legal | 658,638 | 769,746 | 363,171 | 759,851 (9) | 9,895 |
| Human Resources | 309,757 | 285,570 | 90,378 | 245,441 (10) | 40,129 |
| Transportation | 850,000 | 850,000 | 375,000 | 850,000 | 0 |
| Subtotal | \$4,253,829 | \$4,000,926 | \$1,846,912 | \$3,927,994 | \$72,932 |
| Finance | | | | | |
| Administration | \$1,052,481 | \$281,336 | \$206,395 | \$274,718 | \$6,618 |
| Accounting | 895,816 | 1,021,788 | 466,975 | 999,831 | 21,957 |
| Purchasing | 147,699 | 198,802 | 83,400 | 187,149 | 11,653 |
| Budget | 101,740 | 172,313 | 59,739 | 162,560 | 9,753 |
| Subtotal | \$2,197,736 | \$1,674,239 | \$816,509 | \$1,624,258 | \$49,981 |
| Public Safety | | | | | |
| Police | \$16,737,537 | \$16,783,827 | \$7,686,589 | \$16,625,361 (11) | \$158,466 |
| Fire | 9,832,783 | 10,000,899 | 4,580,165 | 10,065,842 (12) | (64,943) |
| Emergency Management | 209,625 | 209,874 | 119,902 | 209,049 | 825 |
| Emergency Medical Service | 516,161 | 566,400 | 282,969 | 565,938 | 462 |
| Special Events | 0 | 0 | 89,343 | (0) | 0 |
| Subtotal | \$27,296,106 | \$27,561,000 | \$12,758,968 | \$27,466,190 | \$94,810 |
| Public Works | | | | | |
| Streets | \$1,742,121 | \$1,850,355 | \$795,562 | \$1,689,064 (9) | \$161,291 |
| Traffic | 1,337,657 | 1,441,169 | 581,787 | 1,350,480 (9) | 90,689 |
| Subtotal | \$3,079,778 | \$3,291,524 | \$1,377,350 | \$3,039,544 | \$251,980 |
| Parks and Recreation | | | | | |
| Administration | \$608,644 | \$651,137 | \$279,992 | \$650,051 | \$1,086 |
| Parks and Parkways | 1,541,379 | 1,666,390 | 717,908 | 1,665,400 | 990 |
| Subtotal | \$2,150,023 | \$2,317,527 | \$997,900 | \$2,315,451 | \$2,076 |

GENERAL FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | Current Fiscal Year | | | |
|--|---------------------|-----------------------|--------------------------------------|------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Planning and Community Development | | | | | |
| Planning | \$1,023,709 | \$1,113,948 | \$553,614 | \$1,095,159 | \$18,789 |
| Code Enforcement | 469,451 | 588,930 | 238,647 | 559,279 | 29,651 |
| Building Inspection | 552,876 | 564,328 | 266,788 | 567,134 | (2,806) |
| Subtotal | \$2,046,036 | \$2,267,206 | \$1,059,050 | \$2,221,572 | (13) |
| Non-Departmental | | | | | |
| Vehicle Purchases | \$799,502 | \$1,000,000 | \$111,083 | \$1,000,000 | \$0 |
| Governmental Expenditures | 426,583 | 213,158 | 128,481 | 210,633 | 2,525 |
| Debt Service | 1,554,855 | 18,880 | (143,282) | (122,694) | (14) |
| Facility Maintenance | 0 | 1,847,728 | 752,629 | 1,847,728 | 0 |
| Operating Transfers Out | 2,762,473 | 1,778,634 | 1,778,634 | 1,778,634 | 0 |
| Subtotal | \$5,543,413 | \$4,858,400 | \$2,627,545 | \$4,714,301 | \$144,099 |
| Total Expenditures | \$46,566,921 | \$45,970,822 | \$21,484,233 | \$45,309,311 | \$661,511 |
| Revenues Over/(Under) Expenditures | (\$575,116) | \$6,150 | (\$9,568,364) | \$727,389 | \$721,239 |
| Estimated Ending Fund Balance | \$17,669,208 | \$16,887,178 | \$7,701,884 | \$17,997,637 | \$1,110,459 |
| Less: Appropriation of Fund Balance | | | | | |
| One-Time Capital Outlay | 0 | 718,000 | 110,833 | 619,542 | (15) |
| City Council Budget Contingency | 0 | 2,982,032 | 0 | 0 | (16) |
| Transfer to Infrastructure Fund | 363,296 | 0 | 0 | 0 | 0 |
| Adjust Reserves for Prepaids | 35,664 | 0 | 0 | 0 | 0 |
| Subtotal | \$398,960 | \$3,700,032 | \$110,833 | \$619,542 | \$3,080,490 |
| Ending Fund Balance | \$17,270,248 | \$13,187,146 | \$7,591,051 | \$17,378,095 | (\$1,970,032) |
| 90 Day Reserve | 11,482,254 | 11,335,271 | 5,297,482 | 11,172,159 | N/A |
| Total General Fund Appropriation | \$46,965,881 | \$49,670,854 | \$21,595,066 | \$45,928,853 | \$3,742,001 |

NOTES:

- (1) Since the Budget and tax rates were approved, supplemental rolls have added taxable property to the 2014 tax rolls; also, delinquent tax
- (2) Current trend after six months of collections is the basis for this estimate.
- (3) Mixed drink taxes are ahead of last year's actual collections to date.
- (4) Franchise taxes, charges for service and fines and forfeit revenue are slightly behind last year's actual collections to date.
- (5) Building permits are ahead of last year's actual collections through six months.
- (6) Municipal Court expenditures projected to be over by a net amount of \$11,000 because Ethernet expenses are over budget.
- (7) Budget Amendment #2 approved 04/23/2015 established the Parking Special Revenue Fund, including a budget for the last six months of the year for the Special Projects Manager previously funded in the City Manager's budget. The amendment also moved \$66,222 in unused funds back to City Council Contingency originally allocated to the Special Projects Manager.
- (8) Budget Amendment #2 transferred funding to City Auditor (\$31,200) to cover costs associated with new space requirement, training and professional services.
- (9) Includes funding (15,000) for temporary law clerk for a period of five months while City Attorney is reorganizing and evaluating staffing
- (10) Human Resources, Streets and Traffic projected to underspend personnel budget as of year end.
- (11) Police personnel costs projected through end of year include salary underruns net of overtime of \$250,000 and ten vacant officer positions filled as of June 1st. Funding for PRO QA Dispatch software of \$120,000 is included.
- (12) The Fire Department needs to replace several sets of protective firefighting gear (\$70,000). The projected overrun will be addressed in the next budget amendment.
- (13) Under-runs are being considered for technology investment in the enterprise information system that serves the divisions of Planning and Community Development as well as Public Works.
- (14) Reimbursement from Ike Fund for Motorola radios paid off in FY14.
- (15) Amount remaining from funding set-aside for data processing software.
- (16) City Council Contingency not yet allocated to projects, so spending projected at zero.

SPECIAL REVENUE FUNDS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate |
|--|---------------------|--------------------------|--|---------------------------|
| Beginning Fund Balance | | | | |
| Rosenberg Library | (\$11,078) | \$0 | (\$11,078) | (\$11,078) |
| Seawall Parking | 29,628 | 338,482 | 490,187 | 490,187 |
| Convention Center Surplus | 2,458,736 | 3,176,783 | 2,815,873 | 2,815,873 |
| Historical Buildings | 623,201 | 173,220 | 459,395 | 459,395 |
| Neighborhood Revitalization | 115,229 | 215,229 | 210,286 | 210,286 |
| Infrastructure Fund | 431,705 | 2,301,877 | 2,519,528 | 2,519,528 |
| Separation Pay Fund | 0 | 71,366 | 38,499 | 38,499 |
| Public Access Channel Fund | 0 | 0 | 0 | 0 |
| D.E.A. Asset Forfeiture Fund | 166,939 | 288,445 | 288,445 | 288,445 |
| Local Asset Forfeiture Fund | 72,207 | 42,978 | 42,978 | 42,978 |
| Municipal Court Building Security Fund | 577,347 | 397,303 | 397,303 | 397,303 |
| Municipal Court Technology Fund | (5,583) | 34,747 | 34,747 | 34,747 |
| Municipal Court Judicial Efficiency Fund | 36,178 | 33,801 | 33,801 | 33,801 |
| Parking Management Fund | 0 | 0 | 0 | 0 |
| Island Transit | 70,910 | 196,592 | 178,222 | 178,222 |
| Total | \$4,565,420 | \$7,270,824 | \$7,498,187 | \$7,498,187 |
| Revenues | | | | |
| Rosenberg Library | \$2,064,500 | \$2,144,036 | \$0 | \$2,144,036 |
| Seawall Parking | 502,638 | 500,000 | 136,989 (1) | 136,989 |
| Convention Center Surplus | 1,564,651 | 1,584,978 | 1,472,316 (2) | 1,800,000 |
| Historical Buildings | 406,865 | 188,406 | 73,661 | 188,406 |
| Neighborhood Revitalization | 100,416 | 2,756,020 | 0 | 2,756,020 |
| Infrastructure Fund | 2,300,957 | 1,378,634 | 1,384,051 | 1,389,468 |
| Separation Pay Fund | 852,397 | 514,000 | 514,000 | 514,000 |
| Public Access Channel Fund | 0 | 397,387 | 437,537 | 437,537 |
| D.E.A. Asset Forfeiture Fund | 133,368 | 0 | 6,160 | 100,419 |
| Local Asset Forfeiture Fund | 16,744 | 0 | 11,556 | 15,025 |
| Municipal Court Building Security Fund | 31,071 | 0 | 14,041 | 28,831 |
| Municipal Court Technology Fund | 40,361 | 0 | 18,721 | 37,513 |
| Municipal Court Judicial Efficiency Fund | 5,607 | 0 | 2,959 | 5,982 |
| Parking Management Fund | 0 | 249,700 | 0 | 249,700 |
| Island Transit | 4,288,862 | 4,773,921 | 1,033,906 | 4,863,924 |
| Total | \$12,308,437 | \$14,487,082 | \$5,105,896 | \$14,667,850 |

(1) Seawall Parking projections assume transition to Parks Board as of February 1.

(2) First quarter revenue equal to two thirds of FY 2015 Budget. Will review for adjustment after second quarter payment received.

SPECIAL REVENUE FUNDS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate |
|--|--------------------|--------------------------|--|---------------------------|
| Expenditures | | | | |
| Rosenberg Library | \$2,064,500 | \$2,144,036 | \$0 | \$2,132,958 |
| Seawall Parking | 42,079 | 151,268 | 52,090 | 52,090 |
| Convention Center Surplus | 1,207,514 | 4,761,761 | 956,117 | 1,242,772 |
| Historical Buildings | 570,671 | 361,626 | 821 | 100,000 |
| Neighborhood Revitalization | 5,359 | 2,971,248 | 7,687 | 2,966,305 |
| Infrastructure Fund | 213,134 | 3,105,753 | 89,680 | 934,236 |
| Separation Pay Fund | 813,898 | 514,000 | 305,007 | 514,000 |
| Public Access Channel Fund | 0 | 397,387 | 0 | 397,387 |
| D.E.A. Asset Forfeiture Fund | 11,861 | 0 | 25,679 | 100,000 |
| Local Asset Forfeiture Fund | 45,973 | 0 | 1,480 | 37,839 |
| Municipal Court Building Security Fund | 211,116 | 0 | 111,788 | 223,926 |
| Municipal Court Technology Fund | 31 | 0 | 0 | 35,000 |
| Municipal Court Judicial Efficiency Fund | 7,984 | 0 | 2,586 | 10,000 |
| Parking Management Fund | 0 | 249,700 | 0 | 249,700 |
| Island Transit | 4,181,550 | 4,773,921 | 2,019,397 | 4,598,628 |
| Total | \$9,375,670 | \$19,430,700 | \$3,572,332 | \$13,594,840 |
| Appropriation of Fund Balance | | | | |
| Rosenberg Library | \$0 | \$0 | \$0 | \$0 |
| Seawall Parking | 0 | 0 | 0 | 0 |
| Convention Center Surplus | 0 | 3,176,783 | 0 | 0 |
| Historical Buildings | 163,806 | 173,220 | 0 | 0 |
| Neighborhood Revitalization | 0 | 215,228 | 7,687 | 210,285 |
| Infrastructure Fund | 0 | 2,301,877 | 0 | 2,301,877 |
| Separation Pay Fund | 0 | 0 | 0 | 0 |
| Public Access Channel Fund | 0 | 0 | 0 | 0 |
| D.E.A. Asset Forfeiture Fund | 0 | 0 | 19,519 | 0 |
| Local Asset Forfeiture Fund | 29,229 | 0 | 0 | 22,814 |
| Municipal Court Building Security Fund | 180,045 | 0 | 97,747 | 195,095 |
| Municipal Court Technology Fund | 0 | 0 | 0 | 0 |
| Municipal Court Judicial Efficiency Fund | 2,377 | 0 | 0 | 4,018 |
| Parking Management Fund | 0 | 0 | 0 | 0 |
| Island Transit | 0 | 0 | 985,491 | 0 |
| Total | \$375,457 | \$5,867,108 | \$1,110,444 | \$2,734,089 |
| Ending Balances | | | | |
| Rosenberg Library | (\$11,078) | \$0 | (\$11,078) | \$0 |
| Seawall Parking | 490,187 | 687,214 | 575,085 | 575,085 |
| Convention Center Surplus | 2,815,873 | 0 | 3,332,072 | 3,373,101 |
| Historical Buildings | 459,395 | 0 | 532,236 | 547,801 |
| Neighborhood Revitalization | 210,286 | 1 | 202,599 | 1 |
| Infrastructure Fund | 2,519,528 | 574,758 | 3,813,899 | 2,974,760 |
| Separation Pay Fund | 38,499 | 71,366 | 247,492 | 38,499 |
| Public Access Channel Fund | 0 | 0 | 437,537 | 40,150 |
| D.E.A. Asset Forfeiture Fund | 288,445 | 288,445 | 268,926 | 288,864 |
| Local Asset Forfeiture Fund | 42,978 | 42,978 | 53,054 | 20,165 |
| Municipal Court Building Security Fund | 397,303 | 397,303 | 299,555 | 202,208 |
| Municipal Court Technology Fund | 34,747 | 34,747 | 53,469 | 37,260 |
| Municipal Court Judicial Efficiency Fund | 33,801 | 33,801 | 34,173 | 29,783 |
| Parking Management Fund | 0 | 0 | 0 | 0 |
| Island Transit | 178,222 | 196,592 | (807,269) | 443,518 |
| Total | \$7,498,187 | \$2,327,206 | \$9,031,750 | \$8,571,196 |

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

Rosenberg Library Fund (1040) - To account for ad valorem taxes collected and transferred to the library, to be used for library purposes, as authorized by City Charter.

Seawall Parking Fund (1095) - To account for receipts of seawall parking revenue and expenditures related to the operation and capital improvement of the seawall and beach.

Convention Center Surplus Fund (1090) - To account for local hotel occupancy tax, to be used to enhance and promote tourism and the convention and hotel industry.

Historical Buildings Fund (1093) - To account for receipts of 1/8 hotel occupancy tax, to be used for advertisement and capital repairs to historical buildings and statues.

Neighborhood Revitalization Fund (1098) - To account for funds to enhance neighborhood resources, economic development, public services, and the quality of life for residents.

Infrastructure Fund (3199) - To account for funds for capital improvement and/or debt service allocating 1% of the General Fund Operating Budget beginning in FY 2013 and an additional 1% in each successive fiscal year thereafter until the cumulative annual allocation reaches a minimum of 8% of the total General Fund Operating Budget.

Separation Pay Fund (1099) - To account for funds from the General, Waterworks, Sewer System, Sanitation, Drainage and Airport for accrued benefits paid to an employee who terminates employment from the City.

Public Access Channel Fund (1092) - To account for funds used for improvements and equipment related to the City's public access channel. The revenues from this fund come from Comcast. It is a legal requirement that the funds be spent to improve the public access channel.

Asset Forfeiture Funds (1810) - To account for the equitable sharing of assets received from federal and state agencies to be used for law enforcement purposes. Funds are used to enhance and supplement, not supplant or replace the Police Department's appropriated budget.

Municipal Court Building Security Fund (1820) - To account for a fee of \$3.00 per misdemeanor conviction and is collected for future improvements to the security of the court facilities.

Municipal Court Technology Fund (1820) - To account for a fee of \$4.00 per misdemeanor conviction and is collected for future improvements to technology of the court facilities.

Municipal Court Judicial Efficiency Fund (1820) - To account for a fee of \$6.00 per misdemeanor conviction (90% State, 10% City) to promote the efficient operation of the court and the investigation, prosecution, and enforcement of the offenses within the court's jurisdiction.

Parking Management Fund (1096) - To account for collection of parking revenue and fees around the downtown area.

Island Transit Fund (1300) - To account for the receipt of and expenditure of federal, state, and local revenues designated for transit and other livable community projects.

ROSENBERG LIBRARY
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|--------------------|-----------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | (\$11,078) | \$0 | (\$11,078) | (\$11,078) | (\$11,078) |
| Revenues | | | | | |
| Property Taxes | \$2,025,874 | \$2,097,795 | \$0 | \$2,097,795 | \$0 |
| Property Taxes-Delinquent | 38,626 | 46,241 | 0 | \$46,241 | \$0 |
| Total Revenues | \$2,064,500 | \$2,144,036 | \$0 | \$2,144,036 | \$0 |
| Expenditures | | | | | |
| Payments to Library | \$2,064,500 | \$2,144,036 | \$0 | \$2,132,958 (1) | \$11,078 |
| Total Expenditures | \$2,064,500 | \$2,144,036 | \$0 | \$2,132,958 | \$11,078 |
| Revenues Over/(Under) Expenditures | \$0 | \$0 | \$0 | \$11,078 | \$11,078 |
| Ending Fund Balance | (\$11,078) | \$0 | (\$11,078) | \$0 | \$0 |

SEAWALL PARKING
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|------------------|-----------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$29,628 | \$338,482 | \$490,187 | \$490,187 | \$151,705 |
| Revenues | | | | | |
| Transient Fees | \$502,680 | \$500,000 | \$132,008 | \$132,008 | (\$367,992) |
| Other Revenue | (42) | | 4,981 | 4,981 | 4,981 |
| Total Revenues | \$502,638 | \$500,000 | \$136,989 | \$136,989 | (\$363,011) |
| Expenditures | | | | | |
| Contractual Charges | \$243,485 | \$102,500 | \$53,382 | \$53,382 | \$49,118 |
| Parking salaries charged back to Police Department | (73,080) | 48,768 | (1,292) | (1,292) | 50,060 |
| Disallowed by GLO FY13 and FY14 | (128,326) | 0 | 0 | 0 | 0 |
| Total Expenditures | \$42,079 | \$151,268 | \$52,090 | \$52,090 | \$99,178 |
| Revenues Over/(Under) Expenditures | \$460,559 | \$348,732 | \$84,898 | \$84,898 | (\$263,834) |
| Ending Fund Balance | \$490,187 | \$687,214 | \$575,085 | \$575,085 | (\$112,129) |

NOTE:

- (1) Expenditures adjusted for \$11,078 reclaimed for last fiscal year in current year.
- (2) Seawall Parking includes expenses incurred as responsibilities shifted to Parks Board.

CONVENTION CENTER SURPLUS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|--------------------|-----------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$2,458,736 | \$3,176,783 | \$2,815,873 | \$2,815,873 | (\$360,910) |
| Revenues | | | | | |
| HOT Surplus Transfer In | \$1,564,651 | \$1,584,978 | \$1,472,316 | \$1,800,000 | \$215,022 |
| Total Revenues | \$1,564,651 | \$1,584,978 | \$1,472,316 | \$1,800,000 | \$215,022 |
| Expenditures | | | | | |
| Restrooms (Operation & Maintenance) | \$39,420 | \$60,000 | \$14,960 | \$60,000 | \$0 |
| Restrooms (Park Board) | 0 | 0 | 0 | 6,027 | (6,027) |
| Mardi Gras | 326,609 | 0 | 350,148 (1) | 350,148 | (350,148) |
| Seawall Litter Detail (Park Board) | 35,000 | 100,000 | 100,000 | 100,000 | 0 |
| West End Beach Access Cans-(City) | 48,756 | 0 | 9,982 | 9,982 | (9,982) |
| West End Beach Access Cans-(Park Board) | 0 | 300,000 | 300,000 | 300,000 | 0 |
| Cultural Arts District | 15,533 | 802 | 401 | 802 | 0 |
| East End Lagoon (Park Board) | 0 | 75,000 | 75,000 | 75,000 | 0 |
| Downtown Advertising (Park Board) | 100,000 | 0 | 0 | 0 | 0 |
| Advertising (Park Board) | 400,000 | 0 | 0 | 0 | 0 |
| Shoreline/beach services (Park Board) | 19,798 | 0 | 0 | 0 | 0 |
| Seawall Enhancements | 6,715 | 0 | 0 | 0 | 0 |
| Seawall Parking | 172,451 | 192,042 | 86,843 | 192,042 | 0 |
| Seawall Parking-Capital (Park Board) | 0 | 75,000 | 0 | 75,000 | 0 |
| Special Events (General Fund) | 40,000 | 0 | 0 | 40,000 | (40,000) |
| Transportation Study | 0 | 30,000 | 15,000 | 30,000 | 0 |
| Bank Fees | 3,232 | 3,772 | 3,783 | 3,771 | 1 |
| Available for Appropriations | 0 | 3,925,145 | 0 | 0 | 3,925,145 |
| Total Expenditures | \$1,207,514 | \$4,761,761 | \$956,117 | \$1,242,772 | \$3,518,989 |
| Revenues Over/(Under) Expenditures | \$357,137 | (\$3,176,783) | \$516,199 | \$557,228 | \$3,734,011 |
| Ending Fund Balance | \$2,815,873 | \$0 | \$3,332,072 | \$3,373,101 | \$3,158,079 |

NOTE:

(1) Next budget amendment to include final allocation for Mardi Gras for FY15.

HISTORICAL BUILDINGS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|--------------------|-----------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$623,201 | \$173,220 | \$459,395 | \$459,395 | \$286,175 |
| Revenues | | | | | |
| HOT-Transfer In | \$406,865 | \$188,406 | \$73,661 | \$188,406 | \$0 |
| Other Revenue | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | \$406,865 | \$188,406 | \$73,661 | \$188,406 | \$0 |
| Expenditures | | | | | |
| City Hall | \$32,619 (1) | \$100,000 | \$821 | \$100,000 | \$0 |
| Garden Verein | 500,000 | 0 | 0 | 0 | 0 |
| Old City Sexton Building | 0 | 0 | 0 | 0 | 0 |
| City Cemeteries | 38,052 | 0 | 0 | 0 | 0 |
| Texas Hero's Monument | 0 | 0 | 0 | 0 | 0 |
| Available for Appropriation | 0 | 261,626 | 0 | 0 | 261,626 |
| Total Expenditures | \$570,671 | \$361,626 | \$821 | \$100,000 | \$261,626 |
| Revenues Over/(Under) Expenditures | (\$163,806) | (\$173,220) | \$72,841 | \$88,406 | \$261,626 |
| Ending Fund Balance | \$459,395 | \$0 | \$532,236 | \$547,801 | \$547,801 |

NOTE:

(1) Actual FY14 HOT revenue setaside higher than reflected in prior quarterly report. Projected ending balance now \$547,801.

NEIGHBORHOOD REVITALIZATION
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|------------------|-----------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$115,229 | \$215,229 | \$210,286 | \$210,286 | (\$4,943) |
| Revenues | | | | | |
| Operating Transfer in | \$100,000 | \$2,756,020 | \$0 | \$2,756,020 | \$0 |
| Other Revenue | 416 | 0 | 0 | 0 | \$0 |
| Total Revenues | \$100,416 | \$2,756,020 | \$0 | \$2,756,020 | \$0 |
| Expenditures | | | | | |
| Capital Improvements | \$5,222 | \$2,971,248 | \$7,673 (1) | \$2,966,170 | \$5,078 |
| Bank Fees | 137 | 0 | 14 | 135 | (135) |
| Available for Appropriations | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$5,359 | \$2,971,248 | \$7,687 | \$2,966,305 | \$4,943 |
| Revenues Over/(Under) Expenditures | \$95,057 | (\$215,228) | (\$7,687) | (\$210,285) | \$4,943 |
| Ending Fund Balance | \$210,286 | \$1 | \$202,599 | \$1 | \$0 |

NOTE:

(1) Project lists and priorities being formulated in conjunction with the City Council.

INFRASTRUCTURE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|--------------------|-----------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$431,705 | \$2,301,877 | \$2,519,528 | \$2,519,528 | \$217,651 |
| Revenues | | | | | |
| Operating Transfer in-General Fund | \$1,934,548 | \$1,378,634 | \$1,378,634 | \$1,378,634 | \$0 |
| Other Revenue | 366,409 | 0 | 5,417 | 10,834 | 10,834 |
| Total Revenues | \$2,300,957 | \$1,378,634 | \$1,384,051 | \$1,389,468 | \$10,834 |
| Expenditures | | | | | |
| Capital Improvement-Streets | \$1,113 | \$2,816,288 | \$0 | \$643,846 | \$2,172,442 |
| Engineering Services | 211,095 | 289,465 | 89,419 | 289,465 | 0 |
| Bank Fees | 926 | 0 | 261 | 925 | (925) |
| Total Expenditures | \$213,134 | \$3,105,753 | \$89,680 | \$934,236 | \$2,171,517 |
| Revenues Over/(Under) Expenditures | \$2,087,823 | (\$1,727,119) | \$1,294,371 | \$455,232 | \$2,182,351 |
| Ending Fund Balance | \$2,519,528 | \$574,758 | \$3,813,899 | \$2,974,760 | \$2,400,002 |

NOTE:

(1) Budget of \$3.1 million allocated to projects in Adopted CIP. Additional \$218,000 carried forward from FY 2014.

SEPARATION PAY FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | Current Fiscal Year | | | |
|---|------------------|-----------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$0 | \$71,366 | \$38,499 | \$38,499 | (\$32,867) |
| Revenues | | | | | |
| Operating Transfer In | | | | | |
| General Fund | \$727,925 | \$400,000 | \$400,000 | \$400,000 | \$0 |
| Waterworks Fund | 22,000 | 22,000 | 22,000 | 22,000 | 0 |
| Sewer System Fund | 40,000 | 40,000 | 40,000 | 40,000 | 0 |
| Sanitation Fund | 35,000 | 35,000 | 35,000 | 35,000 | 0 |
| Drainage Fund | 20,957 | 10,500 | 10,500 | 10,500 | 0 |
| Airport Fund | 6,500 | 6,500 | 6,500 | 6,500 | 0 |
| Interest Earned | 15 | 0 | 0 | 0 | 0 |
| Total Revenues | \$852,397 | \$514,000 | \$514,000 | \$514,000 | \$0 |
| Expenditures | | | | | |
| General Fund | \$727,925 | \$411,882 | \$208,039 | \$411,882 | \$0 |
| Waterworks Fund | 21,918 | 19,707 | 0 | 19,707 | 0 |
| Sewer System Fund | 29,071 | 35,831 | 34,941 | 35,831 | 0 |
| Sanitation Fund | 14,027 | 31,352 | 54,891 | 31,352 | 0 |
| Drainage Fund | 20,957 | 9,406 | 7,136 | 9,406 | 0 |
| Airport Fund | 0 | 5,822 | 0 | 5,822 | 0 |
| Total Expenditures | \$813,898 | \$514,000 | \$305,007 | \$514,000 | \$0 |
| Revenues Over/(Under) Expenditures | \$38,499 | \$0 | \$208,993 | \$0 | \$0 |
| Ending Fund Balance | \$38,499 | \$71,366 | \$247,492 | \$38,499 | (\$32,867) |

NOTE:

- (1) Separation Pay for Internal Service Fund and Island Transit Fund not charged here but charged directly to those funds. Island Transit involved grant funds while Internal Service Fund expenditures are charged back to all departments.

PUBLIC ACCESS CHANNEL FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | Current Fiscal Year | | | |
|---|------------------|-----------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$0 | \$0 | \$0 | \$0 | \$0 |
| Revenues | | | | | |
| P.E.G. Fees | \$0 | \$397,387 | 437,537 | 437,537 | 40,150 |
| Interest Earned | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | \$0 | \$397,387 | \$437,537 | \$437,537 | \$40,150 |
| Expenditures | | | | | |
| Capital Outlay | \$0 | \$397,387 | \$0 | \$397,387 | \$0 |
| Total Expenditures | \$0 | \$397,387 | \$0 | \$397,387 | \$0 |
| Revenues Over/(Under) Expenditures | \$0 | \$0 | \$437,537 | \$40,150 | \$40,150 |
| Ending Fund Balance | \$0 | \$0 | \$437,537 | \$40,150 | \$40,150 |

D.E.A. ASSET FORFEITURE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | Current Fiscal Year | | | |
|---|------------------|---------------------------|--------------------------------------|------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget (1) | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$166,939 | \$288,445 | \$288,445 | \$288,445 | \$0 |
| Revenues | | | | | |
| Drug Enforcement Agency | \$132,942 | \$0 | \$6,152 | \$100,000 | \$100,000 |
| Interest Earned | 426 | 0 | 8 | 419 | 419 |
| Total Revenues | \$133,368 | \$0 | \$6,160 | \$100,419 | \$100,419 |
| Expenditures | | | | | |
| Police Equipment | \$11,695 | \$0 | \$25,679 | \$100,000 | (\$100,000) |
| Police Training | 0 | 0 | 0 | 0 | 0 |
| Investment Fees | 167 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$11,861 | \$0 | \$25,679 | \$100,000 | (\$100,000) |
| Revenues Over/(Under) Expenditures | \$121,507 | \$0 | (\$19,519) | \$419 | \$419 |
| Ending Fund Balance | \$288,445 | \$288,445 | \$268,926 | \$288,864 | \$419 |

LOCAL ASSET FORFEITURE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | Current Fiscal Year | | | |
|---|-------------------|---------------------------|--------------------------------------|------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget (1) | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$72,207 | \$42,978 | \$42,978 | \$42,978 | \$0 |
| Revenues | | | | | |
| Galveston County District Attorney | 16,679 | 0 | 11,554 | 15,000 | 15,000 |
| Interest Earned | 65 | 0 | 1 | 25 | 25 |
| Total Revenues | \$16,744 | \$0 | \$11,556 | \$15,025 | \$15,025 |
| Expenditures | | | | | |
| Police Equipment | \$15,997 | \$0 | \$0 | \$16,300 | (\$16,300) |
| Police Training | 12,500 | 0 | 0 | 10,000 | (10,000) |
| Police Annual Report | 4,795 | 0 | 0 | 5,836 | (5,836) |
| Employee Awards | 1,940 | 0 | 0 | 0 | 0 |
| Transfer to Narcotic's Petty Cash | 10,716 | 0 | 1,480 | 5,678 | (5,678) |
| Investment Fees | 25 | 0 | 0 | 25 | (25) |
| Total Expenditures | \$45,973 | \$0 | \$1,480 | \$37,839 | (\$37,839) |
| Revenues Over/(Under) Expenditures | (\$29,229) | \$0 | \$10,076 | (\$22,814) | (\$22,814) |
| Ending Fund Balance | \$42,978 | \$42,978 | \$53,054 | \$20,165 | (\$22,814) |

NOTE:

(1) Forfeiture funds included in FY15 Budget on a memo basis only.

MUNICIPAL COURT BUILDING SECURITY FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|--------------------|---------------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget (1) | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$577,347 | \$397,303 | \$397,303 | \$397,303 | \$0 |
| Revenues | | | | | |
| Fines and Forfeitures | \$30,238 | \$0 | \$14,041 | \$28,081.02 | \$28,081 |
| Interest Earned | 833 | 0 | 0 | 750 | 750 |
| Total Revenues | \$31,071 | \$0 | \$14,041 | \$28,831 | \$28,831 |
| Expenditures | | | | | |
| Personnel Services | \$204,863 | \$0 | \$106,195 | \$212,390.74 | (\$212,391) |
| Supplies | 889 | 0 | 885 | 1,770 | (1,770) |
| Services and Charges | 5,011 | 0 | 4,707 | 9,415 | (9,415) |
| Investment Fees | 353 | 0 | 0 | 350 | (350) |
| Total Expenditures | \$211,116 | \$0 | \$111,788 | \$223,926 | (\$223,926) |
| Revenues Over/(Under) Expenditures | (\$180,045) | \$0 | (\$97,747) | (\$195,095) | (\$195,095) |
| Ending Fund Balance | \$397,303 | \$397,303 | \$299,555 | \$202,208 | (\$195,095) |

MUNICIPAL COURT TECHNOLOGY FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|------------------|---------------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget (1) | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | (\$5,583) | \$34,747 | \$34,747 | \$34,747 | \$0 |
| Revenues | | | | | |
| Fines and Forfeitures | \$40,288 | \$0 | \$18,721 | \$37,442.70 | \$37,443 |
| Interest Earned | 73 | 0 | 0 | 70 | 70 |
| Total Revenues | \$40,361 | \$0 | \$18,721 | \$37,513 | \$37,513 |
| Expenditures | | | | | |
| Salaries | \$0 | \$0 | \$0 | \$0 | \$0 |
| Supplies | 0 | 0 | 0 | 35,000 | (35,000) |
| Services and Charges | 0 | 0 | 0 | 0 | 0 |
| Investment Fees | 31 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$31 | \$0 | \$0 | \$35,000 | (\$35,000) |
| Revenues Over/(Under) Expenditures | \$40,330 | \$0 | \$18,721 | \$2,513 | \$2,513 |
| Ending Fund Balance | \$34,747 | \$34,747 | \$53,469 | \$37,260 | \$2,513 |

NOTE:

(1) Municipal Court funds included in FY15 Budget on a memo basis only.

MUNICIPAL COURT JUDICIAL EFFICIENCY FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | Current Fiscal Year | | | |
|---|------------------|---------------------------|--------------------------------------|------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget (1) | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$36,178 | \$33,801 | \$33,801 | \$33,801 | \$0 |
| Revenues | | | | | |
| Fines and Forfeitures | \$5,536 | \$0 | \$2,959 | \$5,917.32 | \$5,917 |
| Interest Earned | 71 | 0 | 0 | 65 | 65 |
| Total Revenues | \$5,607 | \$0 | \$2,959 | \$5,982 | \$5,982 |
| Expenditures | | | | | |
| Personnel Services | \$0 | \$0 | \$0 | \$0 | \$0 |
| Supplies | 7,954 | 0 | 2,556 | 10,000 | (10,000) |
| Services and Charges | 0 | 0 | 0 | 0 | 0 |
| Investment Fees | 30 | 0 | 30 | 0 | 0 |
| Total Expenditures | \$7,984 | \$0 | \$2,586 | \$10,000 | (\$10,000) |
| Revenues Over/(Under) Expenditures | (\$2,377) | \$0 | \$372 | (\$4,018) | (\$4,018) |
| Ending Fund Balance | \$33,801 | \$33,801 | \$34,173 | \$29,783 | (\$4,018) |

NOTE:

(1) Municipal Court Judicial Efficiency Fund not included in FY15 Budget.

PARKING MANAGEMENT FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | Current Fiscal Year | | | |
|---|---------------|---------------------------|--------------------------------------|------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget (1) | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$0 | \$0 | \$0 | \$0 | \$0 |
| Revenues | | | | | |
| Parking Meter Fees | \$0 | \$210,000 | \$0 | \$210,000.00 | \$0 |
| Parking Fines | 0 | 39,700 | 0 | 39,700 | 0 |
| Total Revenues | \$0 | \$249,700 | \$0 | \$249,700 | \$0 |
| Expenditures | | | | | |
| Personnel Services | \$0 | \$133,000 | \$0 | \$133,000 | \$0 |
| Supplies | 0 | 22,450 | 0 | 22,450 | 0 |
| Services and Charges | 0 | 54,250 | 0 | 54,250 | 0 |
| Vehicle Capital Outlay | 0 | 40,000 | 0 | 40,000 | 0 |
| Total Expenditures | \$0 | \$249,700 | \$0 | \$249,700 | \$0 |
| Revenues Over/(Under) Expenditures | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ending Fund Balance | \$0 | \$0 | \$0 | \$0 | \$0 |

NOTE:

ISLAND TRANSIT
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|--------------------|-----------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$70,910 | \$196,592 | \$178,222 | \$178,222 | (\$18,370) |
| Revenues | | | | | |
| FTA-Operating Grant | \$648,994 | \$779,828 | \$0 | \$984,589 | \$204,761 |
| FTA-Job Access Grant | 216,000 | 465,000 | 0 | 298,073 | (166,927) |
| Gulf Coast Center Supplement | 213,617 | 204,000 | 94,680 | 209,000 | 5,000 |
| Victory Lakes | 549,325 | 516,000 | 241,256 | 624,000 | 108,000 |
| State DOT Grants | 779,828 | 708,955 | 0 | 635,000 | (73,955) |
| D & R Preventive Maintenance | 74,276 | 35,138 | 0 | 35,724 | 586 |
| HGAC Preventive Maintenance | 329,862 | 500,000 | 0 | 670,138 | 170,138 |
| Fare Box Revenue | 294,073 | 420,000 | 142,261 | 300,000 | (120,000) |
| UTMB Shuttles | 173,333 | 160,000 | 80,000 | 160,000 | 0 |
| UTMB Performance Evaluation | 57,000 | 60,000 | 37,500 | 50,000 | (10,000) |
| Port Cruise Shuttles | 164,002 | 160,000 | 62,354 | 115,000 | (45,000) |
| Sale of Equipment | 0 | 10,000 | 0 | 0 | (10,000) |
| Other Revenue | 38,552 | 5,000 | 856 | 32,400 | 27,400 |
| General Fund | 750,000 | 750,000 | 375,000 | 750,000 | 0 |
| Total Revenues | \$4,288,862 | \$4,773,921 | \$1,033,906 (1) | \$4,863,924 | \$90,003 |
| Expenditures | | | | | |
| Administration | \$340,765 | \$489,536 | \$174,637 | \$424,063 | \$65,473 |
| Transit System | 2,599,836 | 2,786,725 | 1,165,862 | 2,767,569 | 19,156 |
| FTA Maintenance | 1,240,949 | 1,497,660 | 678,898 | 1,406,996 | 90,664 |
| Total Expenditures | \$4,181,550 | \$4,773,921 | \$2,019,397 | \$4,598,628 (2) | \$175,293 |
| Revenues Over/(Under) Expenditures | \$107,312 | \$0 | (\$985,491) | \$265,296 | \$265,296 |
| Ending Fund Balance | \$178,222 | \$196,592 | (\$807,269) | \$443,518 | \$246,926 |

NOTE:

- (1) Revenue projections for FY 2015 compiled by city staff with assistance from the Goodman Corporation.
(2) Expenditure projections based on second quarter actuals leave an estimated \$175,293 to go to ending fund balance.

DEBT SERVICE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|--------------------|-----------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$4,039,467 | \$3,518,386 | \$4,117,549 | \$4,117,549 | \$599,163 |
| Revenues | | | | | |
| Property Taxes - Current | \$1,980,855 | \$1,984,758 | \$1,860,813 | \$1,984,758 | \$0 |
| Property Taxes - Delinquent | 38,992 | 23,120 | 23,148 | 23,148 | 28 |
| Hotel Occupancy Tax | 1,424,525 | 1,720,512 | 1,378,634 | 1,720,512 | 0 |
| Interest Earnings | 6,646 | 1,000 | 16,920 | 23,006 | 22,006 |
| Waterworks - Transfer In | 194,723 | 191,493 | 30,675 | 191,493 | 0 |
| Sewer System - Transfer In | 194,723 | 191,493 | 30,675 | 191,493 | 0 |
| Galveston Wharves | 3,290,132 | 2,971,875 | 1,504,913 | 2,971,875 | 0 |
| Total Revenues | \$7,130,595 | \$7,084,251 | \$4,845,778 | \$7,106,285 | \$22,034 |
| Expenditures | | | | | |
| Principal Retirement | \$5,030,000 | \$4,681,927 | \$2,705,000 | \$4,681,927 | \$0 |
| Interest payment | 2,013,353 | 2,368,303 | 922,310 | 2,338,659 | 29,644 |
| Fiscal Agent Fees | 6,075 | 9,900 | 6,875 | (996) | 10,896 |
| Investment Fees | 3,085 | 0 | 336 | 672 | (672) |
| Cost of Issuance | 0 | 0 | 0 | 0 | 0 |
| Pymt. to Refunded Bond Escrow Agent | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$7,052,513 | \$7,060,130 | \$3,634,521 | \$7,020,262 | \$39,868 |
| Revenues Over/(Under) Expenditures | \$78,082 | \$24,121 | \$1,211,257 | \$86,023 | \$61,902 |
| Estimated Ending Fund Balance | \$4,117,549 | \$3,542,507 | \$5,328,806 | \$4,203,572 | \$661,065 |

ENTERPRISE FUNDS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate |
|--------------------------------------|-------------------------|-----------------------------|--|---------------------------|
| Beginning Fund Balance | | | | |
| Waterworks Fund | \$7,421,226 | \$5,132,374 | \$6,459,828 | \$6,459,828 |
| Sewer System Fund | 3,457,871 | 4,008,770 | 4,162,553 | 4,162,553 |
| Sanitation Fund | 695,706 | 597,006 | 1,154,017 | 1,154,017 |
| Drainage Utility Fund | 1,187,070 | 1,074,134 | 925,967 | 925,967 |
| Scholes Airport Fund | 654,700 | 730,701 | 280,546 | 280,546 |
| Total | \$13,416,573 | \$11,542,985 | \$12,982,911 | \$12,982,911 |
| Revenues | | | | |
| Waterworks Fund | \$18,051,063 | \$18,031,733 | \$8,553,196 | \$17,768,751 |
| Sewer System Fund | 13,196,924 | 13,054,000 | 6,470,701 | 13,284,989 |
| Sanitation Fund | 5,385,624 | 5,330,587 | 2,806,618 | 5,257,981 |
| Drainage Utility Fund | 2,442,470 | 2,848,663 | 1,434,976 | 2,837,348 |
| Scholes Airport Fund | 636,806 | 1,326,771 | 786,807 | 1,266,333 |
| Total | \$39,712,887 | \$40,591,754 | \$20,052,299 | \$40,415,401 |
| Expenditures | | | | |
| Waterworks Fund | \$19,012,461 | \$20,031,733 | \$10,750,848 | \$19,136,989 |
| Sewer System Fund | 12,492,242 | 14,554,000 | 4,741,355 | 12,173,767 |
| Sanitation Fund | 4,927,313 | 5,430,587 | 2,743,612 | 5,293,750 |
| Drainage Utility Fund | 2,703,573 | 2,848,663 | 943,703 | 2,201,947 |
| Scholes Airport Fund | 1,010,960 | 1,207,611 | 466,017 | 1,158,172 |
| Total | \$40,146,549 | \$44,072,594 | \$19,645,535 | \$39,964,626 |
| Appropriation of Fund Balance | | | | |
| Waterworks Fund | \$1,687,356 | \$2,000,000 | \$2,197,652 | \$1,663,797 |
| Sewer System Fund | 0 | 1,500,000 | 0 | 0 |
| Sanitation Fund | 0 | 100,000 | 0 | 35,769 |
| Drainage Utility Fund | 99,090 | 0 | 0 | q |
| Scholes Airport Fund | 0 | 0 | 0 | 0 |
| Total | \$1,786,446 | \$3,600,000 | \$2,197,652 | \$1,699,566 |
| Ending Fund Balances | | | | |
| Waterworks Fund | \$6,459,828 | \$3,132,374 | \$4,262,176 | \$5,091,590 |
| Sewer System Fund | 4,162,553 | 2,508,770 | 5,891,900 | 5,273,774 |
| Sanitation Fund | 1,154,017 | 497,006 | 1,217,023 | 1,118,248 |
| Drainage Utility Fund | 925,967 | 1,074,134 | 1,417,240 | 1,561,368 |
| Scholes Airport Fund | 280,546 | 849,861 | 601,336 | 388,706 |
| Total | \$12,982,911 (1) | \$8,062,145 | \$13,389,675 | \$13,433,687 |

NOTE:

- (1) Restated amounts below are due to insurance accounting adjustments related to FEMA funded projects. This was identified and recorded as part of the FY2014 CAFR published March, 2015.

| | Projected FY2014 Ending Fund Balance | Restated FY2014 Ending Fund Balance | Adjustment |
|-----------------------|--|---|----------------------|
| Waterworks Fund | \$6,828,520 | \$6,459,828 | (\$368,692) |
| Sewer System Fund | 4,937,690 | 4,162,553 | (775,137) |
| Sanitation Fund | 1,414,069 | 1,154,017 | (260,052) |
| Drainage Utility Fund | 1,152,417 | 925,967 | (226,450) |
| Scholes Airport Fund | 888,734 | 280,546 | (608,188) |
| Total | \$15,221,430 | \$12,982,911 | (\$2,238,519) |

WATERWORKS FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|---------------------|-----------------------------|--|---------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$7,421,226 | \$5,132,374 | \$6,459,828 | \$6,459,828 | \$1,327,454 |
| Revenues | | | | | |
| Metered Customers | \$16,971,871 | \$17,500,000 | \$8,264,794 | \$17,282,745 | (\$217,255) |
| Service Connections | 440,118 | 275,000 | 214,242 | 275,000 | 0 |
| Interest Earned | 12,310 | 23,000 | 8,658 | 17,317 | (5,683) |
| Penalties on Account | 98,608 | 170,000 | 34,934 | 132,586 | (37,414) |
| Due to Other Funds | (368,692) | 0 | 0 | 0 | 0 |
| Other Revenues | 896,848 | 63,733 | 30,568 | 61,103 | (2,630) |
| Total Revenues | \$18,051,063 | \$18,031,733 | \$8,553,196 | \$17,768,751 (1) | (\$262,982) |
| Expenditures | | | | | |
| Management Services | \$310,229 | \$299,041 | \$146,378 | \$306,166 | (\$7,125) |
| Utility Billing | 432,827 | 468,981 | 213,593 | 449,519 | 19,462 |
| Supply | 1,390,543 | 1,664,493 | 566,969 | 1,489,736 | 174,757 |
| Distribution | 1,644,841 | 2,155,948 | 961,114 | 2,203,875 | (47,927) |
| Cost of Water | 7,840,115 | 9,214,508 | 5,111,953 | 9,214,508 | 0 |
| Debt Service | 2,494,585 | 2,514,309 | 772,610 | 2,514,792 | (483) |
| Transfer to CIP | 3,258,114 | 1,691,493 | 746,471 | 937,964 <u>(2)</u> | 753,529 |
| Revenues Over/(Under) Expenditures | (\$961,398) | (\$2,000,000) | (\$2,197,652) | (\$1,368,238) | \$631,762 |
| Estimated Ending Fund Balance | \$6,459,828 | \$3,132,374 | \$4,262,176 (3) | \$5,091,590 | \$1,959,216 |

NOTES:

- (1) Water revenue less than budget largely due to wet conditions through winter months.
- (2) Transfer to CIP pending need for funding for additional projects.
- (3) Ending fund balance projected over Budget due to higher beginning fund balance.

SEWER SYSTEM FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|---------------------|-----------------------------|--|---------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$3,457,871 | \$4,008,770 | \$4,162,553 | \$4,162,553 | \$153,783 |
| Revenues | | | | | |
| Metered Customers | \$12,682,353 | \$12,650,000 | \$6,458,024 | \$13,089,183 | \$439,183 |
| Service Connections | 124,096 | 125,000 | 96,378 | 125,000 | 0 |
| Waster Hauler Fees | 110,962 | 100,000 | 47,881 | 100,000 | 0 |
| Interest Earned | 24,907 | 20,000 | 9,392 | 18,784 | (1,216) |
| Penalties on Account | 97,603 | 158,000 | 39,643 | 131,639 | (26,361) |
| Due to Other Funds | (775,137) | 0 | 0 | 0 | 0 |
| Other Revenues | 932,140 | 1,000 | (180,617) | (179,617) | (180,617) |
| Total Revenues | \$13,196,924 | \$13,054,000 | \$6,470,701 | \$13,284,989 | \$230,989 |
| Expenditures | | | | | |
| Management Services | \$308,861 | \$299,041 | \$145,431 | \$302,334 | (\$3,293) |
| Utility Billing | 421,703 | 468,981 | 213,492 | 449,419 | 19,562 |
| Industrial Pretreatment | 235,290 | 328,392 | 110,629 | 275,468 | 52,924 |
| Collection | 2,827,200 | 3,351,784 | 1,560,501 | 3,348,229 | 3,555 |
| Wastewater Treatment Plant | 3,331,647 | 3,401,458 | 1,401,296 | 3,192,643 | 208,815 |
| Debt Service | 3,297,422 | 3,317,644 | 823,915 | 3,317,838 | (194) |
| Transfer to CIP | 650,731 | 2,112,816 | (181,685) | 9,808 (1) | 2,103,008 |
| Non-Departmental | 1,419,388 | 1,273,884 | 667,775 | 1,278,027 | (4,143) |
| Total Expenditures | \$12,492,242 | \$14,554,000 | \$4,741,355 | \$12,173,767 | \$2,380,233 |
| Revenues Over/(Under) Expenditures | \$704,682 | (\$1,500,000) | \$1,729,347 | \$1,111,221 | \$2,611,222 |
| Estimated Ending Fund Balance | \$4,162,553 | \$2,508,770 | \$5,891,900 | \$5,273,774 (2) | \$2,765,005 |

NOTES:

- (1) Transfer to CIP pending need for funding for additional projects.
- (2) Ending fund balance projected over Budget due to higher beginning fund balance.

SANITATION FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|--------------------|-----------------------------|--|---------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | 695,706 | \$597,006 | \$1,154,017 | \$1,154,017 | \$557,011 |
| Revenues | | | | | |
| Collection Fees | \$5,494,483 | \$5,110,387 | \$2,757,043 | \$5,181,812 | \$71,425 |
| Dumpster Fees | 21,800 | 21,000 | 21,400 | 21,400 | 400 |
| Penalties on Account | 51,347 | 105,000 | 24,098 | 48,196 | (56,804) |
| Operating Transfers In | 48,881 | 90,000 | 0 | 0 | (90,000) |
| Due to Other Funds | (260,052) | 0 | 0 | 0 | 0 |
| Other Revenues | 29,165 | 4,200 | 4,078 | 6,574 | 2,374 |
| Total Revenues | \$5,385,624 | \$5,330,587 | \$2,806,618 | \$5,257,981 | (1) (\$72,606) |
| Expenditures | | | | | |
| Refuse Collection | \$3,720,807 | \$3,835,932 | \$1,763,207 | \$3,707,887 | \$128,045 |
| Utility Billing | 170,342 | 187,593 | 85,598 | 178,801 | 8,792 |
| Non-Departmental | 1,036,164 | 1,407,062 | 894,807 | 1,407,062 | (0) |
| Total Expenditures | \$4,927,313 | \$5,430,587 | \$2,743,612 | \$5,293,750 | \$136,837 |
| Revenues Over/(Under) Expenditures | \$458,311 | (\$100,000) | \$63,006 | (\$35,769) | \$64,231 |
| Ending Fund Balance | \$1,154,017 | \$497,006 | \$1,217,023 | \$1,118,248 | (2) \$621,242 |

NOTES:

- (1) FY 2015 Revenue projected to be under Budget because Sanitation no longer handling West End Beach trash can collection and less revenue from late penalties on garbage fee payments.
- (2) Ending fund balance projected over Budget due to higher beginning fund balance.

DRAINAGE UTILITY FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|--------------------|-----------------------------|--|---------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | 1,187,070 | \$1,074,134 | \$925,967 | \$925,967 | (\$148,167) |
| Revenues | | | | | |
| Drainage District Charge | \$2,562,091 | \$2,605,000 | \$1,371,474 | \$2,620,537 | \$15,537 |
| Penalties on Account | \$21,665 | 51,000 | 9,530 | 19,059 | (31,941) |
| Interest Earned | \$2,347 | 3,000 | 2,117 | 4,233 | 1,233 |
| Due to Other Funds | (\$226,450) | 0 | 0 | 0 | 0 |
| Other Revenues | \$82,817 | 189,663 | 51,856 | 193,519 (1) | 3,856 |
| Total Revenues | \$2,442,470 | \$2,848,663 | \$1,434,976 | \$2,837,348 | (\$11,315) |
| Expenditures | | | | | |
| Municipal Drainage Utility | \$1,628,592 | \$2,031,814 | \$803,752 | \$1,801,858 | \$229,956 |
| Utility Billing | 113,073 | 125,062 | 57,152 | 119,250 | 5,812 |
| Transfer to CIP | 799,865 | 536,094 | 0 | 125,000 | 411,094 |
| Non-Departmental | 162,043 | 155,693 | 82,800 | 155,839 | (146) |
| Total Expenditures | \$2,703,573 | \$2,848,663 | \$943,703 | \$2,201,947 (2) | \$646,716 |
| Revenues Over/(Under) Expenditures | (\$261,103) | \$0 | \$491,273 | \$635,401 | \$635,401 |
| Estimated Ending Fund Balance | \$925,967 | \$1,074,134 | \$1,417,240 | \$1,561,368 (3) | \$487,234 |

NOTES:

- (1) Other Revenues projected to be under budget as recycling revenue is expected to equal last year's total and the pending approval of a HGAC grant for \$142,000.
- (2) Drainage Utility expenditures projected to be under budget due to salary lapses through end of year.
- (3) Ending fund balance projected over Budget due to higher beginning fund balance.

SCHOLES AIRPORT FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | Current Fiscal Year | | | |
|---|--------------------|-----------------------------|--|---------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | 654,700 | \$730,701 | \$280,546 | \$280,546 | (\$450,155) |
| Revenues | | | | | |
| Building Rentals | \$53,839 | \$54,538 | \$27,534 | \$55,068 | \$530 |
| Hangar Rentals | 9,984 | 10,403 | 5,096 | 10,191 | (212) |
| Terminal Space Rental | 47,319 | 48,424 | 32,531 | 65,062 | 16,638 |
| Land Rentals | 558,299 | 576,631 | 272,132 | 544,264 | (32,367) |
| Other Rentals | 0 | 1,000 | 0 | 0 | (1,000) |
| Municipal Utilities | 99,022 | 104,034 | 54,157 | 108,314 | 4,280 |
| Golf Course | 74,142 | 75,996 | 37,375 | 74,750 | (1,246) |
| General Fund Rental | 55,654 | 57,046 | 28,525 | 57,050 | 4 |
| Fuel Flowage Fees | 14,178 | 48,424 | 10,505 | 21,010 | (27,414) |
| Interest Earned | 1,638 | 275 | 1,671 | 3,343 | 3,068 |
| TXDOT Grant | 12,899 | 50,000 | 17,273 | 27,273 | (22,727) |
| Due to Other Funds | (608,188) (1) | 0 | 0 | 0 | 0 |
| Other Revenue | 318,020 | 300,000 | 300,008 | 300,008 | 8 |
| Total Revenues | \$636,806 | \$1,326,771 | \$786,807 | \$1,266,333 | (\$60,438) |
| Expenditures | | | | | |
| Airport Operations | \$635,680 | \$643,757 | \$305,345 | \$639,849 | \$3,908 |
| Capital Improvements | 119,489 | 300,000 | 25,495 | 254,469 | 45,531 |
| Non-Departmental | 255,791 | 263,854 | 135,177 | 263,854 | 0 |
| Total Expenditures | \$1,010,960 | \$1,207,611 | \$466,017 | \$1,158,172 | \$49,439 |
| Revenues Over/(Under) Expenditures | (\$374,154) | \$119,160 | \$320,790 | \$108,160 | (\$11,000) |
| Ending Fund Balance | \$280,546 | \$849,861 | \$601,336 | \$388,706 (1) | (\$461,155) |

NOTES:

(1) FEMA related insurance adjustment reduces Airport Fund Balance to unplanned, lower than expected level.

INTERNAL SERVICE FUNDS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate |
|--------------------------------------|---------------------|-----------------------------|--|---------------------------|
| Beginning Fund Balance | | | | |
| Central Service Fund | \$1,700,409 | \$2,058,139 | \$1,797,749 | \$1,797,749 |
| Municipal Garage Fund | 1,798,929 | 2,502,232 | 1,540,248 | 1,540,248 |
| Casualty and Liability Fund | 1,308,479 | 1,736,330 | 1,756,881 | 1,756,881 |
| Workers' Compensation Fund | 360,456 | 518,027 | 589,842 | 589,842 |
| Health and Life Insurance Fund | 1,247,214 | 2,014,091 | 918,695 | 918,695 |
| Capital Projects Fund | 5,745 | (2,410) | 5,745 | 5,745 |
| Total | \$6,421,232 | \$8,826,409 | \$6,609,160 | \$6,609,160 |
| Revenues | | | | |
| Central Service Fund | \$2,567,707 | \$2,701,026 | \$1,250,415 | \$2,675,669 |
| Municipal Garage Fund | 4,809,214 | 5,439,121 | 2,091,383 | 4,532,766 |
| Casualty and Liability Fund | 2,140,661 | 2,176,971 | 1,073,572 | 2,181,327 |
| Workers' Compensation Fund | 717,776 | 704,900 | 365,772 | 731,543 |
| Health and Life Insurance Fund | 5,800,572 | 5,916,000 | 2,823,728 | 5,647,456 |
| Capital Projects Fund | 89,159 | 483,960 | 1,499 | 128,201 |
| Total | \$16,125,089 | \$17,421,978 | \$7,606,368 | \$15,896,962 |
| Expenditures | | | | |
| Central Service Fund | \$2,470,367 | \$2,700,026 | \$1,057,997 | \$2,633,961 |
| Municipal Garage Fund | 5,067,895 | 6,439,121 | 2,981,214 | 5,440,065 |
| Casualty and Liability Fund | 1,692,259 | 2,176,971 | 794,896 | 2,013,620 |
| Workers' Compensation Fund | 488,390 | 704,900 | 111,675 | 423,411 |
| Health and Life Insurance Fund | 6,129,091 | 5,885,000 | 2,887,211 | 5,607,071 |
| Capital Projects Fund | 89,159 | 483,960 | 29,837 | 126,701 |
| Total | \$15,937,161 | \$18,389,978 | \$7,862,830 | \$16,244,829 |
| Appropriation of Fund Balance | | | | |
| Central Service Fund | \$0 | \$0 | \$0 | \$0 |
| Municipal Garage Fund | 0 | 1,000,000 | 889,832 | 1,721,115 |
| Casualty and Liability Fund | 0 | 0 | 0 | 0 |
| Workers' Compensation Fund | 0 | 0 | 0 | 0 |
| Health and Life Insurance Fund | 0 | 0 | 63,483 | 0 |
| Capital Projects Fund | 0 | 0 | 0 | 0 |
| Total | \$0 | \$1,000,000 | \$953,315 | \$1,721,115 |
| Ending Fund Balances | | | | |
| Central Service Fund | \$1,797,749 | \$2,059,139 | \$1,990,167 | \$1,839,458 |
| Municipal Garage Fund | 1,540,248 | 1,502,232 | 650,416 | 632,948 |
| Casualty and Liability Fund | 1,756,881 | 1,736,330 | 2,035,557 | 1,924,589 |
| Workers' Compensation Fund | 589,842 | 518,027 | 843,938 | 897,974 |
| Health and Life Insurance Fund | 918,695 | 2,045,091 | 855,212 | 959,080 |
| Capital Projects Fund | 5,745 | (2,410) | (22,593) | 7,244 |
| Total | \$6,609,160 | \$7,858,409 | \$6,352,698 | \$6,261,293 |

NOTE:

- (1) Restated amounts below are due to insurance accounting adjustments related to FEMA funded projects. This was identified and recorded as part of the FY2014 CAFR published March, 2015.

| | Projected FY2014 Ending Fund Balance | Restated FY2014 Ending Fund Balance | Adjustment |
|-----------------------|--|---|--------------------|
| Municipal Garage Fund | \$1,724,743 | \$1,540,248 | (\$184,495) |
| Total | \$1,724,743 | \$1,540,248 | (\$184,495) |

CENTRAL SERVICE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | | Current Fiscal Year | | |
|---|--------------------|-----------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | 1,700,409 | \$2,058,139 | \$1,797,749 | \$1,797,749 | (\$260,390) |
| Revenues | | | | | |
| Sales to Departments | | | | | |
| Data Processing | \$1,420,163 | \$1,443,993 | \$711,113 | \$1,422,226 | (\$21,767) |
| Central Mail Charges | 69,625 | 139,652 | 25,349 | 139,133 | (519) |
| Print Shop Charges | 73,923 | 138,658 | 23,820 | 134,044 | (4,614) |
| Public Building Maintenance | 1,003,055 | 977,723 | 488,861 | 977,723 | (0) |
| Other Revenue | 941 | 1,000 | 1,272 | 2,543 | 1,543 |
| Total Revenues | \$2,567,707 | \$2,701,026 | \$1,250,415 | \$2,675,669 | (\$25,357) |
| Expenditures | | | | | |
| Mail | \$101,685 | \$139,652 | \$26,332 | \$139,133 | \$519 |
| Information Technology | 1,253,837 | 1,443,993 | 600,086 (1) | 1,407,133 | 36,860 |
| Public Building Maintenance | 1,000,804 | 977,723 | 375,618 | 953,650 | 24,073 |
| Print Shop | 114,041 | 138,658 | 55,961 | 134,044 | 4,614 |
| Total Expenditures | \$2,470,367 | \$2,700,026 | \$1,057,997 | \$2,633,961 | \$66,065 |
| Revenues Over/(Under) Expenditures | \$97,340 | \$1,000 | \$192,418 | \$41,709 | \$40,709 |
| Estimated Ending Fund Balance | \$1,797,749 | \$2,059,139 | \$1,990,167 | \$1,839,458 | (\$219,681) |

NOTES:

(1) Information Technology spending projected to be under Budget because of salary lapses through end of year.

CENTRAL GARAGE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | Current Fiscal Year | | | |
|---|--------------------|-----------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$1,798,929 | \$2,502,232 | \$1,540,248 | \$1,540,248 | (\$961,984) |
| Revenues | | | | | |
| Motor Vehicle Charges | \$4,209,245 | \$4,561,648 | \$1,893,590 | \$3,887,180 | (\$674,468) |
| Outside Agency Revenue | 712,166 | 838,164 | 177,374 | 604,749 | (233,415) |
| Other Revenues | 69,155 | 38,000 | 17,852 | 35,705 | (2,295) |
| Sale of Equipment | 0 | 1,000 | 0 | 0 | (1,000) |
| Due to Other Funds | (184,495) | 0 | 0 | 0 | 0 |
| Interest Earned | 3,143 | 309 | 2,566 | 5,132 | 4,823 |
| Total Revenues | \$4,809,214 | \$5,439,121 | \$2,091,383 | \$4,532,766 | (\$906,355) |
| Expenditures | | | | | |
| Administration | \$221,082 | \$234,006 | \$96,180 | \$211,336 | \$22,670 |
| Operations | 4,429,586 | 5,787,888 | 2,676,421 (1) | 4,811,502 | 976,386 |
| Insurance | 417,227 | 417,227 | 208,614 | 417,227 | 0 |
| Total Expenditures | \$5,067,895 | \$6,439,121 | \$2,981,214 | \$5,440,065 | \$999,056 |
| Revenues Over/(Under) Expenditures | (\$258,681) | (\$1,000,000) | (\$889,832) | (\$907,300) | \$92,700 |
| Estimated Ending Fund Balance | \$1,540,248 | \$1,502,232 | \$650,416 | \$632,948 | (\$869,284) |

NOTES:

(1) Operations expenditures projected to be under Budget because low fuel prices are projected to continue through rest of the year.

CASUALTY AND LIABILITY INSURANCE
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | Current Fiscal Year | | | |
|---|--------------------|-----------------------|--------------------------------------|------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$1,308,479 | \$1,736,330 | \$1,756,881 | \$1,756,881 | \$20,551 |
| Revenues | | | | | |
| Charges for Services | | | | | |
| Waterworks Fund | \$205,987 | \$207,625 | \$102,993 | \$207,625 | \$0 |
| Sewer System Fund | 234,520 | 232,666 | 117,260 | 232,666 | 0 |
| Drainage Utility Fund | 49,952 | 51,288 | 24,976 | 51,288 | 0 |
| Sanitation Fund | 85,368 | 83,519 | 42,684 | 83,519 | 0 |
| Capital Projects Fund | 10,208 | 10,134 | 5,104 | 10,134 | 0 |
| Central Services | 33,857 | 33,889 | 16,928 | 33,889 | 0 |
| Central Garage | 417,227 | 462,227 | 208,614 | 462,227 | 0 |
| Airport Fund | 203,704 | 203,812 | 101,852 | 203,812 | 0 |
| Federal/state grants | 124,697 | 123,293 | 65,466 | 123,293 | 0 |
| General Fund | 771,032 | 768,518 | 385,516 | 768,518 | 0 |
| Other Revenues | 4,109 | 0 | 2,178 | 4,356 | 4,356 |
| Total Revenues | \$2,140,661 | \$2,176,971 | \$1,073,572 | \$2,181,327 | \$4,356 |
| Expenditures | | | | | |
| Administration | \$167,002 | \$181,071 | \$77,210 | \$169,619 | \$11,452 |
| Insurance Policies | 1,259,159 | 1,503,900 | 605,301 | 1,375,770 | 128,130 |
| Other Expenses | 266,098 | 492,000 | 112,384 | 468,231 | 23,769 |
| Total Expenditures | \$1,692,259 | \$2,176,971 | \$794,896 | \$2,013,620 | \$163,351 |
| Revenues Over/(Under) Expenditures | \$448,402 | \$0 | \$278,676 | \$167,708 | \$167,708 |
| Ending Fund Balance | \$1,756,881 | \$1,736,330 | \$2,035,557 | \$1,924,589 | \$188,259 |

WORKERS' COMPENSATION FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | Current Fiscal Year | | | |
|---|------------------|-----------------------|--------------------------------------|------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$360,456 | \$518,027 | \$589,842 | \$589,842 | \$71,815 |
| Revenues | | | | | |
| Charges for Services | \$715,186 | \$704,900 | \$363,086 | \$726,173 | \$21,273 |
| Interest Earned | 2,590 | 0 | 2,685 | 5,370 | 5,370 |
| Total Revenues | \$717,776 | \$704,900 | \$365,772 | \$731,543 | \$26,643 |
| Expenditures | | | | | |
| Insurance Policies | \$488,390 | \$704,900 | \$111,675 | \$423,411 | \$281,489 |
| Total Expenditures | \$488,390 | \$704,900 | \$111,675 | \$423,411 | \$281,489 |
| Revenues Over/(Under) Expenditures | \$229,386 | \$0 | \$254,096 | \$308,132 | \$308,132 |
| Ending Fund Balance | \$589,842 | \$518,027 | \$843,938 | \$897,974 | \$379,947 |

HEALTH AND LIFE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

| | Prior Year | Current Fiscal Year | | | |
|---|--------------------|-----------------------------|--|------------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$1,247,214 | \$2,014,091 | \$918,695 (1) | \$918,695 | (\$1,095,396) |
| Revenues | | | | | |
| Medical insurance - retiree & cobra | \$285,137 | \$240,000 | \$121,965 | \$243,931 | \$3,931 |
| Medical insurance - contributions-city | 4,323,883 | 4,553,000 | 2,039,951 | 4,079,902 | (473,098) |
| Medical insurance - contributions-E'ees | 1,074,919 | 1,000,000 | 605,605 | 1,211,210 | 211,210 |
| Premiums - life insurance | 107,490 | 122,000 | 47,718 | 95,437 | (26,563) |
| Interest Earned | 9,143 | 1,000 | 8,488 | 16,976 | 15,976 |
| Total Revenues | \$5,800,572 | \$5,916,000 | \$2,823,728 | \$5,647,456 | (\$268,544) |
| Expenditures | | | | | |
| Insurance Policies | \$5,467,540 | \$5,185,000 | \$2,453,535 | \$4,907,071 | \$277,929 |
| Health Clinic Operating Expenses | 661,551 | 700,000 | 433,676 | 700,000 | 0 |
| Total Expenditures | \$6,129,091 | \$5,885,000 | \$2,887,211 | \$5,607,071 | \$277,929 |
| Revenues Over/(Under) Expenditures | (\$328,519) | \$31,000 | (\$63,483) | \$40,385 | \$9,385 |
| Ending Fund Balance | \$918,695 | \$2,045,091 | \$855,212 (1) | \$959,080 | (\$1,086,011) |

(1) Beginning fund balance is \$718,000 less than estimated in the Budget however the ending fund balance is comparable to the ending balances of FY2013 and FY2014.

CAPITAL PROJECTS FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - March Report

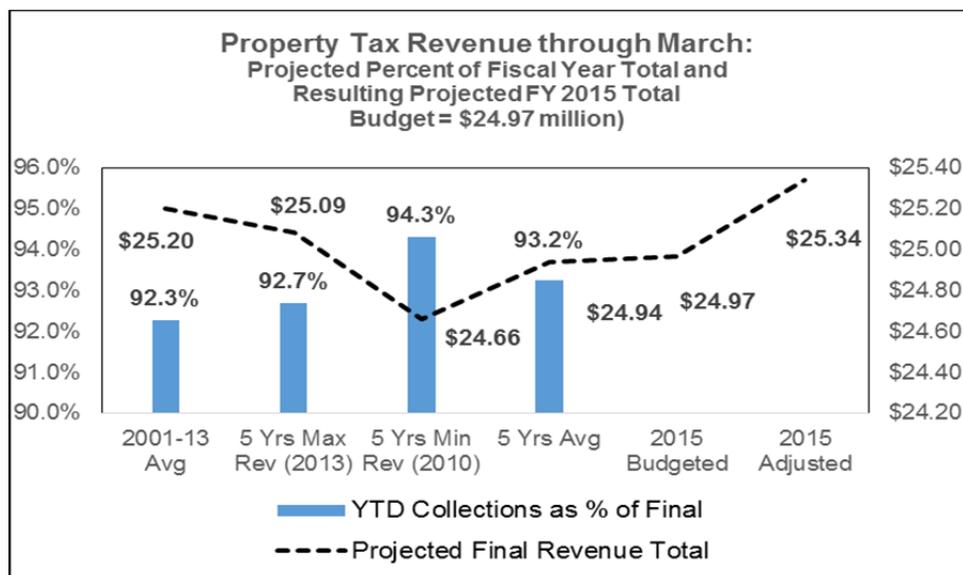
| | Prior Year | | Current Fiscal Year | | |
|---|-----------------|-----------------------|--------------------------------------|------------------------|---|
| | FY2014 Actual | FY2015 Amended Budget | FY2015 YTD Actual through 03/31/2015 | FY2015 Budget Estimate | FY2015 Estimate Favorable/ (Unfavorable) vs. Budget |
| Beginning Fund Balance | \$5,745 | (\$2,410) | \$5,745 | \$5,745 | \$8,155 |
| Revenues | | | | | |
| Operating Transfers In | \$89,159 | \$483,960 | \$1,499 | \$128,201 | (\$355,759) |
| Total Revenues | \$89,159 | \$483,960 | \$1,499 | \$128,201 | (\$355,759) |
| Expenditures | | | | | |
| Construction Management | \$89,159 | \$483,960 | \$29,837 | \$126,701 | \$357,259 |
| Total Expenditures | \$89,159 | \$483,960 | \$29,837 | \$126,701 | \$357,259 |
| Revenues Over/(Under) Expenditures | \$0 | \$0 | (\$28,338) | \$1,499 | \$1,499 |
| Ending Fund Balance | \$5,745 | (\$2,410) | (\$22,593) | \$7,244 | \$9,654 |

CITY OF GALVESTON POSITION TOTALS BY DEPARTMENT
As of December 31, 2014
Fiscal Year 2015 - March Report

| | Budgeted Positions | Vacant Positions | Filled Positions |
|---|-----------------------|---------------------|---------------------|
| GENERAL FUND | | | |
| City Secretary | 3.00 | 0.00 | 3.00 |
| Municipal Court | 8.00 | 0.00 | 8.00 |
| City Manager | 4.50 | 0.00 | 4.50 |
| City Auditor | 2.00 | 0.00 | 2.00 |
| Finance | 18.00 | 0.00 | 18.00 |
| Legal | 6.00 | (1.00) | 5.00 |
| Human resources | 3.30 | (1.00) | 2.30 |
| Police (including Seawall Parking) | 184.00 | (17.00) | 167.00 |
| Fire | 115.00 | (2.00) | 113.00 |
| Emergency Management | 2.00 | 0.00 | 2.00 |
| Streets & Traffic | 41.75 | (9.00) | 32.75 |
| Parks and Recreation | 34.00 | 0.00 | 34.00 |
| Planning & Community Development | 23.05 | (1.00) | 22.05 |
| Total General Fund | 444.60 | (31.00) | 413.60 |
| ENTERPRISE FUNDS | | | |
| Waterworks Fund | 40.625 | (4.50) | 36.125 |
| Sewer System Fund | 84.625 | (10.50) | 74.125 |
| Drainage Utility | 35.200 | (9.00) | 26.200 |
| Sanitation Fund | 48.300 | (4.00) | 44.300 |
| Municipal Airport | 8.00 | 0.00 | 8.00 |
| Total Enterprise Funds | 216.750 | (28.00) | 188.740 |
| INTERNAL SERVICE FUNDS | | | |
| Central Service Fund | 15.00 | (1.00) | 14.00 |
| Central Garage Fund | 22.00 | 0.00 | 22.00 |
| Municipal Insurance Fund | 1.70 | 0.00 | 1.70 |
| Construction Management | 5.00 | (1.00) | 4.00 |
| Total Internal Service Funds | 43.70 | (2.00) | 41.70 |
| SPECIAL REVENUE FUNDS | | | |
| Island Transit | 57.00 | (5.00) | 52.00 |
| Neighborhood Revitalization | 1.00 | (1.00) | 0.00 |
| Downtown Parking | 2.00 | 0.00 | 2.00 |
| Total Special Revenue Funds | 58.00 | (6.00) | 52.00 |
| RECURRING GRANT POSITIONS | | | |
| CDBG - Parks and Recreation | 1.00 | 0.00 | 1.00 |
| CDBG - Code Enforcement | 3.95 | (1.00) | 2.95 |
| CDBG - Program Management | 5.00 | 0.00 | 5.00 |
| CDBG - Housing Rehab Administration | 1.00 | 0.00 | 1.00 |
| Industrial Development Corporation - Project Management | 1.00 | 0.00 | 1.00 |
| Total Recurring Grant Positions | 11.95 | (1.00) | 10.95 |
| NON-RECURRING GRANT POSITIONS | | | |
| CDBG-R Disaster Recovery Program Management | 1.00 | 0.00 | 1.00 |
| Total Non-Recurring Grant Positions | 1.00 | 0.00 | 1.00 |
| Total of all FTE'S | 776.00 | (68.00) | 708.00 |

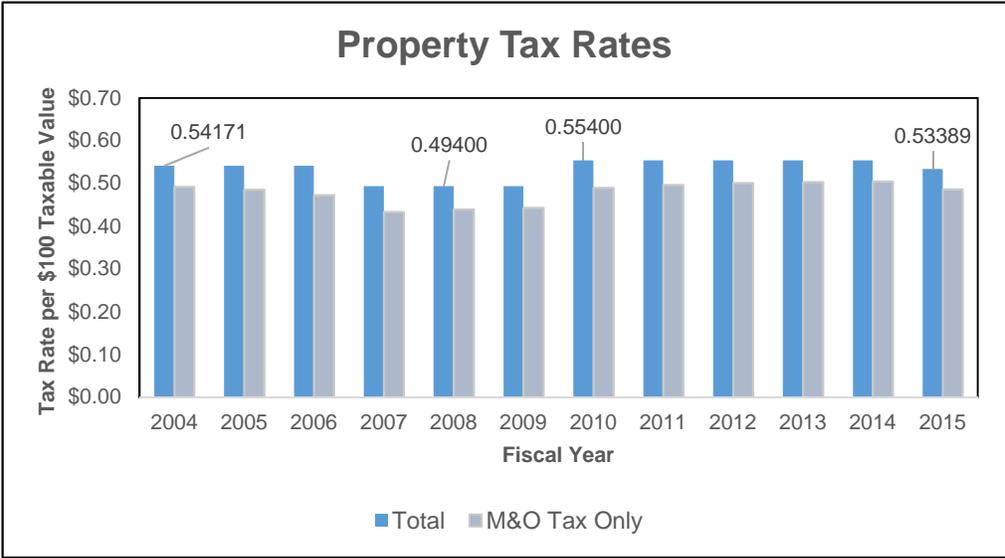
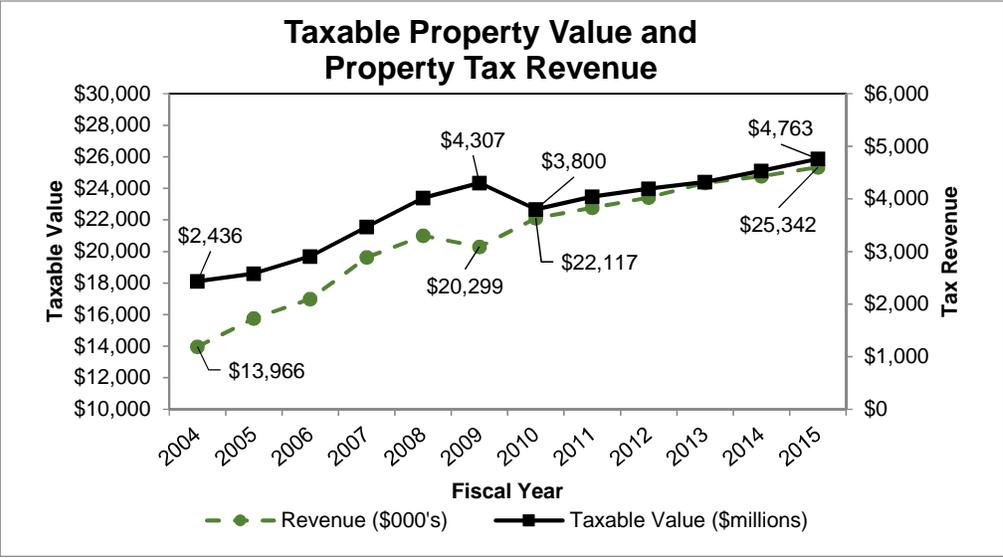
Property Tax Revenue March 2015 Status Report

- Collections through March 2015 totaled \$23,254,524 the highest ever March total.
- Exceeded March 2014 fiscal year-to-date total by \$302,668 or 1.3%.
- On a down note: February and March collections together were \$448,244 less than the same two months last year due to some unusual refund activity that is supposed to correct itself over the next few months. Recent information from the Galveston County Tax Assessor-Collector indicates this is likely due to large refunds to industrial and commercial taxpayers.
- Also on a down note: Delinquent collections are running behind budget and look to be \$100,000 less than planned.
- A substantial portion of the tax roll (approximately \$1.9 million) is being paid by taxpayers on the half payment plan (Dec 1 and July 1) and on quarterly payments (February 1, April 1, June 1, and August 1). As of March 31, \$773,000 in outstanding balances existed in accounts to be paid before July 1 by 1,716 taxpayers on the half payment plan, and \$175,000 existed in outstanding balances to be paid before August 1 by 748 taxpayers on the quarterly payment plan.
- **There are many moving parts in the FY 2015 to date collection totals, so we need to stick to basics. The current levy should bring in more revenue than was budgeted in spite of the delinquent revenue projection. Best estimate at this point is current levy \$25.34 million) less \$100,000 for delinquent underrun or \$25.24 million.**
- Budgeted amount of \$24.97 million, (including delinquent taxes, penalty and interest) based on taxable value of \$4.195 billion and tax rate of \$0.53389 per \$100 taxable value
- Current roll includes taxable value of \$4.367 billion, anticipated to add \$373,000 to collected taxes over budget
- Projected total taxes \$25.34 million just based on taxable value adjustment
- Based strictly on collections through March, possible final totals for taxes range from \$24.66 million (if TY2014/FY2015 ends up tailing off as did TY2010/FY2011) to \$25.2 million if TY2014/FY2015 ends up strong like the typical year for the 2001-2013 period



**CITY OF GALVESTON PROPERTY TAX COLLECTIONS
MONTHLY AND YEAR TO DATE TOTALS FY 2001-2015**

| MONTHLY PROPERTY TAX COLLECTION TOTALS | | | | | | | | | | | | |
|---|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Fiscal Year | October | November | December | January | February | March | April | May | June | July | August | September |
| 2001 | 760,917.40 | 1,188,694.72 | 2,048,183.38 | 4,637,609.40 | 1,361,242.60 | 173,401.36 | 144,967.83 | 236,894.74 | 687,807.60 | 256,347.89 | 84,247.85 | 55,226.84 |
| 2002 | 515,156.20 | 913,936.96 | 2,483,196.19 | 4,891,305.67 | 1,681,451.42 | 206,116.80 | 151,216.94 | 160,663.02 | 682,346.92 | 353,032.92 | 89,384.76 | 57,081.19 |
| 2003 | 535,164.70 | 715,853.77 | 2,221,422.64 | 4,887,634.08 | 3,423,337.38 | 300,748.07 | 206,634.57 | 190,667.72 | 220,288.62 | 138,324.46 | 73,532.68 | 30,369.76 |
| 2004 | 301,365.62 | 993,503.39 | 3,106,987.04 | 4,372,063.30 | 3,053,200.70 | 1,113,317.39 | 236,051.22 | 199,159.21 | 201,800.50 | 229,925.95 | 103,318.72 | 55,105.08 |
| 2005 | 245,544.87 | 1,080,485.56 | 2,688,573.15 | 5,216,113.52 | 4,067,488.62 | 1,297,822.46 | 233,250.76 | 233,670.62 | 244,873.95 | 274,083.80 | 114,027.87 | 59,776.35 |
| 2006 | 70,999.38 | 870,681.02 | 2,445,777.13 | 8,899,347.24 | 3,047,709.78 | 435,051.41 | 268,576.79 | 238,701.63 | 288,274.61 | 225,238.40 | 108,038.39 | 81,032.13 |
| 2007 | 51,328.89 | 850,074.25 | 3,847,153.70 | 10,317,574.57 | 2,928,503.93 | 416,095.45 | 310,764.55 | 251,009.82 | 298,617.90 | 239,253.95 | 75,559.13 | 48,949.84 |
| 2008 | 277,165.84 | 573,241.60 | 4,418,749.50 | 9,964,564.48 | 2,895,972.54 | 1,005,756.69 | 477,635.13 | 372,480.06 | 413,900.93 | 343,663.68 | 180,439.72 | 79,891.21 |
| 2009 | 77,635.09 | 1,984,133.04 | 5,986,081.31 | 7,080,714.91 | 3,410,454.92 | 552,490.52 | 259,796.56 | 326,319.54 | 286,600.61 | 162,928.99 | 120,878.08 | 50,982.51 |
| 2010 | 77,371.10 | 1,660,487.62 | 7,249,040.57 | 7,752,377.55 | 3,589,085.32 | 528,923.43 | 304,131.80 | 271,306.43 | 317,571.72 | 203,235.12 | 102,091.39 | 61,411.50 |
| 2011 | 83,065.08 | 2,286,918.29 | 5,697,299.47 | 8,706,294.90 | 3,783,659.68 | 663,048.87 | 336,670.93 | 276,003.16 | 400,176.98 | 333,540.53 | 140,920.88 | 65,060.37 |
| 2012 | 550,841.11 | 2,573,317.79 | 6,072,354.08 | 8,542,125.08 | 3,481,278.11 | 547,994.15 | 324,819.64 | 331,604.45 | 437,946.18 | 377,589.01 | 115,165.99 | 65,230.56 |
| 2013 | 44,089.88 | 2,689,005.21 | 7,488,510.22 | 6,632,814.41 | 5,061,401.81 | 753,602.26 | 234,828.46 | 255,071.86 | 613,614.13 | 425,239.54 | 75,060.34 | 71,085.92 |
| 2014 | 130,197.77 | 2,724,651.99 | 7,529,228.94 | 6,674,367.07 | 5,104,178.56 | 789,231.69 | 257,952.69 | 285,232.21 | 632,415.23 | 456,242.60 | 95,114.91 | 90,354.58 |
| 2015 | 169,888.49 | 2,683,715.51 | 8,274,453.01 | 6,681,300.75 | 4,815,928.25 | 629,237.63 | | | | | | |
| YEAR TO DATE PROPERTY TAX COLLECTION TOTALS | | | | | | | | | | | | |
| | October | November | December | January | February | March | April | May | June | July | August | September |
| 2001 | 760,917.40 | 1,949,612.12 | 3,997,795.50 | 8,635,404.90 | 9,996,647.50 | 10,170,048.86 | 10,315,016.69 | 10,551,911.43 | 11,239,719.03 | 11,496,066.92 | 11,580,314.77 | 11,635,541.61 |
| 2002 | 515,156.20 | 1,429,093.16 | 3,912,289.35 | 8,803,595.02 | 10,485,046.44 | 10,691,163.24 | 10,842,380.18 | 11,003,043.20 | 11,685,390.12 | 12,038,423.04 | 12,127,807.80 | 12,184,888.99 |
| 2003 | 535,164.70 | 1,251,018.47 | 3,472,441.11 | 8,360,075.19 | 11,783,412.57 | 12,084,160.64 | 12,290,795.21 | 12,481,462.93 | 12,701,751.55 | 12,840,076.01 | 12,913,608.69 | 12,943,978.45 |
| 2004 | 301,365.62 | 1,294,869.01 | 4,401,856.05 | 8,773,919.35 | 11,827,120.05 | 12,940,437.44 | 13,176,488.66 | 13,375,647.87 | 13,577,448.37 | 13,807,374.32 | 13,910,693.04 | 13,965,798.12 |
| 2005 | 245,544.87 | 1,326,030.43 | 4,014,603.57 | 9,230,717.09 | 13,298,205.71 | 14,596,028.17 | 14,829,278.93 | 15,062,949.55 | 15,307,823.50 | 15,581,907.30 | 15,695,935.17 | 15,755,711.52 |
| 2006 | 70,999.38 | 941,680.40 | 3,387,457.53 | 12,286,804.77 | 15,334,514.55 | 15,769,565.96 | 16,038,142.75 | 16,276,844.38 | 16,565,118.99 | 16,790,357.39 | 16,898,395.78 | 16,979,427.91 |
| 2007 | 51,328.89 | 901,403.14 | 4,748,556.84 | 15,066,131.41 | 17,994,635.34 | 18,410,730.79 | 18,721,495.34 | 18,972,505.16 | 19,271,123.06 | 19,510,377.01 | 19,585,936.14 | 19,634,885.98 |
| 2008 | 277,165.84 | 850,407.44 | 5,269,156.94 | 15,233,721.42 | 18,129,693.96 | 19,135,450.65 | 19,613,085.78 | 19,985,565.84 | 20,399,466.77 | 20,743,130.45 | 20,923,570.17 | 21,003,461.38 |
| 2009 | 77,635.09 | 2,061,768.13 | 8,047,849.44 | 15,128,564.35 | 18,539,019.27 | 19,091,509.79 | 19,351,306.35 | 19,677,625.89 | 19,964,226.50 | 20,127,155.49 | 20,248,033.57 | 20,299,016.08 |
| 2010 | 77,371.10 | 1,737,858.72 | 8,986,899.29 | 16,739,276.84 | 20,328,362.16 | 20,857,285.59 | 21,161,417.39 | 21,432,723.82 | 21,750,295.54 | 21,953,530.66 | 22,055,622.05 | 22,117,033.55 |
| 2011 | 83,065.08 | 2,369,983.37 | 8,067,282.84 | 16,773,577.74 | 20,557,237.42 | 21,220,286.29 | 21,556,957.22 | 21,832,960.38 | 22,233,137.36 | 22,566,677.89 | 22,707,598.77 | 22,772,659.14 |
| 2012 | 550,841.11 | 3,124,158.90 | 9,196,512.98 | 17,738,638.06 | 21,219,916.17 | 21,767,910.32 | 22,092,729.96 | 22,424,334.41 | 22,862,280.59 | 23,239,869.60 | 23,355,035.59 | 23,420,266.15 |
| 2013 | 44,089.88 | 2,733,095.09 | 10,221,605.31 | 16,854,419.72 | 21,915,821.53 | 22,669,423.79 | 22,904,252.25 | 23,159,324.11 | 23,772,938.24 | 24,198,177.78 | 24,273,238.12 | 24,344,324.04 |
| 2014 | 130,197.77 | 2,854,849.76 | 10,384,078.70 | 17,058,445.77 | 22,162,624.33 | 22,951,856.02 | 23,209,808.71 | 23,495,040.92 | 24,127,456.15 | 24,583,698.75 | 24,678,813.66 | 24,769,168.24 |
| 2015 | 169,888.49 | 2,853,604.00 | 11,128,057.01 | 17,809,357.76 | 22,625,286.01 | 23,254,523.64 | | | | | | |
| YTD PROPERTY TAX COLLECTION TOTALS AS PERCENT OF YEAREND TOTAL | | | | | | | | | | | | |
| | October | November | December | January | February | March | April | May | June | July | August | September |
| 2001 | 6.5% | 16.8% | 34.4% | 74.2% | 85.9% | 87.4% | 88.7% | 90.7% | 96.6% | 98.8% | 99.5% | 100.0% |
| 2002 | 4.2% | 11.7% | 32.1% | 72.3% | 86.0% | 87.7% | 89.0% | 90.3% | 95.9% | 98.8% | 99.5% | 100.0% |
| 2003 | 4.1% | 9.7% | 26.8% | 64.6% | 91.0% | 93.4% | 95.0% | 96.4% | 98.1% | 99.2% | 99.8% | 100.0% |
| 2004 | 2.2% | 9.3% | 31.5% | 62.8% | 84.7% | 92.7% | 94.3% | 95.8% | 97.2% | 98.9% | 99.6% | 100.0% |
| 2005 | 1.6% | 8.4% | 25.5% | 58.6% | 84.4% | 92.6% | 94.1% | 95.6% | 97.2% | 98.9% | 99.6% | 100.0% |
| 2006 | 0.4% | 5.5% | 20.0% | 72.4% | 90.3% | 92.9% | 94.5% | 95.9% | 97.6% | 98.9% | 99.5% | 100.0% |
| 2007 | 0.3% | 4.6% | 24.2% | 76.7% | 91.6% | 93.8% | 95.3% | 96.6% | 98.1% | 99.4% | 99.8% | 100.0% |
| 2008 | 1.3% | 4.0% | 25.1% | 72.5% | 86.3% | 91.1% | 93.4% | 95.2% | 97.1% | 98.8% | 99.6% | 100.0% |
| 2009 | 0.4% | 10.2% | 39.6% | 74.5% | 91.3% | 94.1% | 95.3% | 96.9% | 98.4% | 99.2% | 99.7% | 100.0% |
| 2010 | 0.3% | 7.9% | 40.6% | 75.7% | 91.9% | 94.3% | 95.7% | 96.9% | 98.3% | 99.3% | 99.7% | 100.0% |
| 2011 | 0.4% | 10.4% | 35.4% | 73.7% | 90.3% | 93.2% | 94.7% | 95.9% | 97.6% | 99.1% | 99.7% | 100.0% |
| 2012 | 2.4% | 13.3% | 39.3% | 75.7% | 90.6% | 92.9% | 94.3% | 95.7% | 97.6% | 99.2% | 99.7% | 100.0% |
| 2013 | 0.2% | 11.2% | 42.0% | 69.2% | 90.0% | 93.1% | 94.1% | 95.1% | 97.7% | 99.4% | 99.7% | 100.0% |
| 2014 | 0.5% | 11.5% | 41.9% | 68.9% | 89.5% | 92.7% | 93.7% | 94.9% | 97.4% | 99.3% | 99.6% | 100.0% |
| 2001-13 Avg | 1.8% | 9.6% | 32.7% | 70.8% | 88.8% | 92.3% | 93.7% | 95.1% | 97.5% | 99.1% | 99.6% | 100.0% |
| 5 Yrs Max Rev (2013) | 0.2% | 7.9% | 35.4% | 68.9% | 89.5% | 92.7% | 93.7% | 94.9% | 97.4% | 99.1% | 99.6% | 100.0% |
| 5 Yrs Min Rev (2010) | 2.4% | 13.3% | 42.0% | 75.7% | 91.9% | 94.3% | 95.7% | 96.9% | 98.3% | 99.4% | 99.7% | 100.0% |
| 5 Yrs Avg | 0.8% | 10.9% | 39.8% | 72.6% | 90.5% | 93.2% | 94.5% | 95.7% | 97.7% | 99.3% | 99.7% | 100.0% |
| 2015 Projected | | | | | | | | | | | | |
| | October | November | December | January | February | March | April | May | June | July | August | September |
| 2001-13 Avg | \$9,590,000 | \$29,703,000 | \$33,986,000 | \$25,139,000 | \$25,467,000 | \$25,200,000 | | | | | | |
| 5 Yrs Max Rev (2013) | \$84,944,000 | \$36,122,000 | \$31,435,000 | \$25,848,000 | \$25,280,000 | \$25,086,000 | | | | | | |
| 5 Yrs Min Rev (2010) | \$7,079,000 | \$21,456,000 | \$26,495,000 | \$23,526,000 | \$24,619,000 | \$24,660,000 | | | | | | |
| 5 Yrs Avg | \$22,354,000 | \$26,276,000 | \$27,932,000 | \$24,517,000 | \$25,011,000 | \$24,941,000 | | | | | | |
| 2015 Budgeted | | | | | | | | | | | | |
| | \$24,968,535 | \$24,968,535 | \$24,968,535 | \$24,968,535 | \$24,968,535 | \$24,968,535 | | | | | | |



CITY OF GALVESTON SALES TAX MODEL MAY 2015

FY 2015 Sales Tax Estimate Overview

The FY 2015 sales tax estimate projected using six months of collections (December through May) is \$14,800,000. This projection, derived using the updated sales tax model, is less than the five year trend (\$15.07 million) and more than the thirteen year trend (\$14.7 million) for tourist season collections. This upwardly adjusted sales tax estimate is \$182,000 more than the \$14,608,000 budget for the fiscal year. As the summer tourist season commences, it is still appropriate to exercise cautious optimism and remain prudent in considering the potential impact of oil prices on Galveston and the region.

The sales tax model incorporates newly adjusted employment data provided by Dr. Ron Welch and Dr. Barton Smith formerly of the University of Houston. They utilized metro area employment numbers updated by the Texas Workforce Commission all the way back to 1990 including a downward adjustment in total jobs of 14,000 for 2014.

FY 2015 Sales Tax Estimate

Two methods are used for estimating sales tax:

1. Trend analysis that is based on a thirteen year trend that considers whether sales tax revenue performs more or less strongly throughout the fiscal year.
2. Modeled revenue that considers trends in economic variables that are demonstrated to have a historical impact on sales tax revenue.

Trend Analysis – Sales tax revenue in the first six months of FY 2015 (December, January, February, March, April and May cash collections) are approximately 7.5% ahead of last year. Using the simplest form of trend analysis, year over year trend extrapolated through the end of the fiscal year, FY 2015 revenue would be projected to total \$15.4 million. However, most of the sales tax for the fiscal year will be collected during the warm summer tourist months so using the year-to-date trend is an inadequate way to project forward.

Two historical periods are used to provide trends that are used to project sales tax for the final six months of the fiscal year. Using the thirteen fiscal year trend (FY2003-FY2015 with FY2008 and 2009 excluded as outliers) that considers what an average fiscal year would produce, \$14,732,000 is the FY 2015 revenue number produced. This is based on using the fiscal year to date total of \$8.87 million and assuming it will constitute 45.16% of the final total for the fiscal year as have the previous thirteen fiscal years on average.

Using the average revenue collections pattern for the most recent five fiscal years (FY2010-FY2014), \$15,067,000 is the FY 2015 revenue number produced. This is based on using the year to date total of \$8.87 million and assuming it will constitute 44.16% of the final total for the year as have the previous five fiscal years on average.

It is important to note, however, that this approach also offers two additional trends: the worst year of the last thirteen, FY 2004, saw the economy take a downturn after the first of the calendar year. The pattern of collections from FY 2004, if replicated in FY 2015 would produce a total of \$14.2 million, \$0.4 million under budget. Conversely, the best in-year growth pattern occurred in FY 2012, as a combined effect of the energy boom and the opening of the Pleasure Pier. However unlikely it might be, the same pattern extrapolated to the current year would produce \$15.7 million, \$1.1 million over budget.

Modeled Results – The Galveston Sales Tax model described on the next page depends to a large extent on regional employment and national economic growth. The plummeting value of oil has begun to affect employment in a negative way, and Houston area economists are still reacting to the rapid change in price, and adjusting their employment growth numbers accordingly. Dr. Bill Gilmer of the University of Houston and Patrick Jankowski of the Greater Houston Partnership have projected employment growth in calendar year 2015 around 2.3% or 50,000 to 60,000 jobs. If this growth scenario were to hold up, and national economic growth continued at the 3% pace projected for 2015 by the Congressional Budget Office and Office of Management and Budget, sales tax revenue could be expected to land in the \$14.8 million range. This estimate includes actual revenue for the first six months of FY 2015 and modeled results for the last six months of FY 2015.

Recommended Estimate – We have three estimates that should be used to decide this month’s projection:

1. \$14.7 million based on the thirteen fiscal year trend;
2. \$14.8 million based on the sales tax model; and
3. \$15.1 million based on the five fiscal year trend.

The Finance Department’s estimate of sales tax receipts for FY 2015 is \$14.8 million. This is \$182,000 over Budget, and an amount 3.5% greater than the actual for FY 2014.

CITY OF GALVESTON MONTHLY SALES TAX HISTORY

(NOTE: DATA IS RETAINED SINCE 1990 ALTHOUGH ONLY THREE YEARS SHOWN HERE)

| MONTH | 2013 (Full 2% Receipts) | 2014 (Full 2% Receipts) | 2015 | Pct Over Same Mo Last FY | | | | | | | | | | |
|----------------------------------|-------------------------|-------------------------|--------------|--------------------------|--|----------------------------|---------------------------|------------------------------------|----------------------------|----------------|-------------|--|--|--|
| DEC | 1,259,799.43 | 1,291,651.32 | 1,394,471.33 | 7.96% | | | | | | | | | | |
| JAN | 1,140,069.77 | 1,206,491.83 | 1,271,065.03 | 5.35% | | | | | | | | | | |
| FEB | 1,503,560.37 | 1,580,661.09 | 1,727,234.37 | 9.27% | | | | | | | | | | |
| MAR | 1,248,434.02 | 1,196,353.19 | 1,267,941.59 | 5.98% | | | | | | | | | | |
| APR | 1,183,430.49 | 1,306,266.44 | 1,326,316.48 | 1.53% | | | | | | | | | | |
| MAY | 1,702,991.96 | 1,673,131.09 | 1,883,450.03 | 12.57% | | | | | | | | | | |
| JUN | 1,341,757.16 | 1,543,703.81 | | | | | | | | | | | | |
| JUL | 1,464,185.50 | 1,571,501.29 | | | | | | | | | | | | |
| AUG | 1,901,816.89 | 2,017,138.85 | | | | | | | | | | | | |
| SEP | 1,867,947.38 | 2,131,203.89 | | | | | | | | | | | | |
| OCT | 1,702,391.19 | 1,908,135.36 | | | | | | | | | | | | |
| NOV | 1,583,462.97 | 1,642,812.02 | | | | | | | | | | | | |
| | 17,899,847.13 | 19,069,050.18 | 8,870,478.83 | | FY14 ACTUAL | 14,301,788 | | | | | | | | |
| | | | | | FY14 ESTIMATE | 13,912,000 | | | | | | | | |
| | | | | | BUDGET | 14,608,000 | | | | | | | | |
| | 3.2% | 6.5% | | | GENERAL FUND PROJECTIONS (1.5%) | | | | FULL 2% PROJECTIONS | | | | | |
| YTD Totals | | | | | LOW | AVERAGE | HIGH | AVG FY10-14 | LOW | AVERAGE | HIGH | | | |
| DEC | 1,259,799.43 | 1,291,651.32 | 1,394,471.33 | 7.96% | 14,814,000 | 15,210,000 | 16,291,000 | 15,344,000 | 19,752,000 | 20,280,000 | 21,721,000 | | | |
| JAN | 2,399,869.20 | 2,498,143.15 | 2,665,536.36 | 6.70% | 14,179,000 | 15,127,000 | 18,241,000 | 15,531,000 | 18,905,000 | 20,169,000 | 24,321,000 | | | |
| FEB | 3,903,429.57 | 4,078,804.24 | 4,392,770.73 | 7.70% | 14,104,000 | 14,818,000 | 16,048,000 | 15,192,000 | 18,805,000 | 19,757,000 | 21,397,000 | | | |
| MAR | 5,151,863.59 | 5,275,157.43 | 5,660,712.32 | 7.31% | 13,816,000 | 14,657,000 | 15,620,000 | 15,037,000 | 18,421,000 | 19,542,000 | 20,827,000 | | | |
| APR | 6,335,294.08 | 6,581,423.87 | 6,987,028.80 | 6.16% | 14,132,000 | 14,725,000 | 15,789,000 | 15,118,000 | 18,843,000 | 19,633,000 | 21,052,000 | | | |
| MAY | 8,038,286.04 | 8,254,554.96 | 8,870,478.83 | 7.46% | 14,195,000 | 14,732,000 | 15,691,000 | 15,067,000 | 18,926,000 | 19,642,000 | 20,921,000 | | | |
| JUN | 9,380,043.20 | 9,798,258.77 | | | | | | | | | | | | |
| JUL | 10,844,228.70 | 11,369,760.06 | | | | | | | | | | | | |
| AUG | 12,746,045.59 | 13,386,898.91 | | | | | | | | | | | | |
| SEP | 14,613,992.97 | 15,518,102.80 | | | | | | | | | | | | |
| OCT | 16,316,384.16 | 17,426,238.16 | | | | | | | | | | | | |
| NOV | 17,899,847.13 | 19,069,050.18 | | | | | | | | | | | | |
| | 13,424,885.35 | 14,301,787.64 | | | | | | | | | | | | |
| Percent of Yearend Totals | | | | | Highest Percent YTD | Average Percent YTD | Lowest Percent YTD | Average Percent YTD FY10-14 | | | | | | |
| DEC | 7.04% | 6.77% | | | 7.06% | 6.88% | 6.42% | 6.82% | | | | | | |
| JAN | 13.41% | 13.10% | | | 14.10% | 13.22% | 10.96% | 12.87% | | | | | | |
| FEB | 21.81% | 21.39% | | | 23.36% | 22.23% | 20.53% | 21.69% | | | | | | |
| MAR | 28.78% | 27.66% | | | 30.73% | 28.97% | 27.18% | 28.23% | | | | | | |
| APR | 35.39% | 34.51% | | | 37.08% | 35.59% | 33.19% | 34.66% | | | | | | |
| MAY | 44.91% | 43.29% | | | 46.87% | 45.16% | 42.40% | 44.16% | | | | | | |
| JUN | 52.40% | 51.38% | | | 54.33% | 52.60% | 49.93% | 51.63% | | | | | | |
| JUL | 60.58% | 59.62% | | | 62.13% | 60.74% | 58.17% | 59.73% | | | | | | |
| AUG | 71.21% | 70.20% | | | 72.96% | 71.66% | 69.80% | 70.82% | | | | | | |
| SEP | 81.64% | 81.38% | | | 82.67% | 81.50% | 80.35% | 81.21% | | | | | | |
| OCT | 91.15% | 91.38% | | | 91.38% | 90.50% | 89.87% | 90.64% | | | | | | |
| NOV | 100.00% | 100.00% | | | 100.00% | 100.00% | 100.00% | 100.00% | | | | | | |

Problem Statement

Sales tax revenue is the most volatile revenue source for the City of Galveston. It reflects economic and weather related extremes almost immediately resulting in sudden unexpected overruns or shortfalls that confound budgetary planning and management. The model has been developed to solve the practical problem of how to apply economic and seasonal trends to understand and interpret sales tax revenue fluctuations. This enables City forecasters to anticipate revenue trends based upon current sales tax revenue. Trend analysis is also used as a check against what might otherwise be a simple process.

Overview of Methodology

The City of Galveston sales tax model is used to develop a statistical relationship between sales tax revenue and economic and seasonal variables. The history of sales tax revenue is explained using revenue for the 1991-2015 period aggregated on a quarterly basis so as to account for the normal variations in sales taxes between totals received in the first two months of a quarter that only include monthly filers and the third month of a quarter when revenue from smaller quarterly tax filers are added to total revenue paid. The total revenue by quarter takes into the account the two month lag between actual sales and the receipt of taxes by the City of Galveston.

Variables used in the model are limited to those statistical series that exist for the 1991-2015 period that are available on a monthly or quarterly basis. This includes regional employment, energy prices and national economic data series available from governmental agencies. Galveston-centric data series, or dummy variables, have been developed to account for the effect of major storms, the summer tourist season, and the recent addition of the Pleasure Pier to the City's sales tax base. An Excel plugin, Analyse-It is used to assemble revenue, economic and seasonal data and perform successive statistical tests using multiple regression to identify the combination of variables that best explain the variance in Galveston's sales tax revenue.

City of Galveston Model Variables

The sales tax model uses the following variables adjusted as described.

- Houston Metro Area Employment – This is the total jobs for the area as reported by the Bureau of Labor Statistics and adjusted by Dr. Ron Welch for local municipalities. The model utilizes a two quarter moving average of this series.
- Houston Metro Area Base Employment – This is the total number of base jobs in the region, including primarily energy, medicine and space. This series is lagged four quarter to measure its greatest effect on revenue.
- U.S. Exports to Mexico – This is the value of exports as reported by the Federal Reserve Bank of St. Louis. The previous quarter's export values are used to explain sales tax revenues in the model.
- U.S. Real Gross Domestic Product – Also provided through the Federal Reserve Bank of St. Louis, this series is lagged three quarters and measured on a two month moving average to gauge the most effect on Galveston's revenue.
- Summer Season Adjustment Variable – Based on historical observation, this series applies weighted factors to the third (April to June) and fourth (July through September) fiscal quarters to explain the increased revenue during tourist season. Houston area inflation is used to adjust the series over time.
- Galveston Storm Variable – Based on historical observation, this series applies weighted factors to explain the effect of Hurricane Ike on sales tax revenues from immediately prior and following the storm.

- Pleasure Pier Adjustment – Based on historical observation, this series helps explain the large variation between revenue during tourist season and winter since 2012 when the Pier opened.

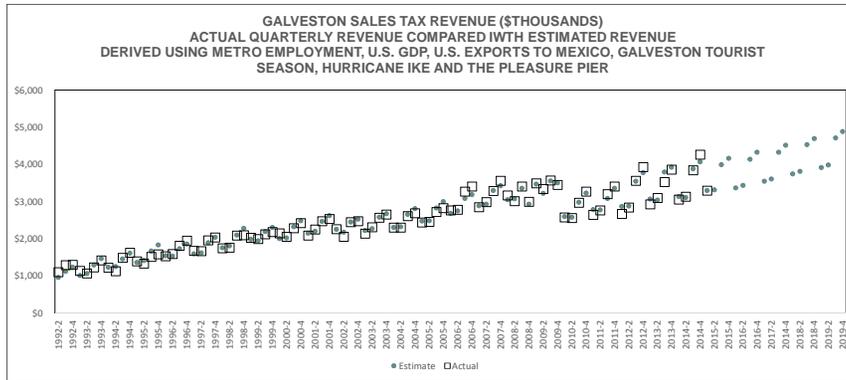
Sales Tax Econometric Forecast
Date: 5/7/2015

| COEFFICIENTS | | | Employment 2 Qtr Mvg Avg | | Exports to Mexico FAS + 1 Qtr | | Summer Season Adjustment Var | | Base Employment + 4 Qtrs | | Galveston Storm Variable | | Pleasure Pier Adjustment | | U.S. Real GDP + 3 Qtrs 2 Qtr Moving Average | | MODEL ESTIMATE (\$000's) = A+B+C+D+E+F+G +H | ACTUAL (\$000's) | ESTIMATE (OVER) UNDER ACTUAL | % Difference |
|--------------|-------------|-----------------|-----------------------------|--|----------------------------------|--|---------------------------------|--|-----------------------------|--|-----------------------------|--|-----------------------------|--|--|--|---|---------------------|---------------------------------------|-----------------|
| COEFFICIENTS | | | 3.084 | | -0.02075 | | 1.625 | | -4.884 | | 523.5 | | 282.1 | | 0.2242 | | | | | |
| FY | Fiscal Year | CONSTANT = A | DATA | PRODUCT OF DATA AND COEFFICIENT = B | DATA | PRODUCT OF DATA AND COEFFICIENT NT = H | DATA | PRODUCT OF DATA AND COEFFICIENT NT = D | DATA | PRODUCT OF DATA AND COEFFICIENT NT = E | DATA | PRODUCT OF DATA AND COEFFICIENT NT = F | DATA | PRODUCT OF DATA AND COEFFICIENT NT = G | DATA | PRODUCT OF DATA AND COEFFICIENT NT = G | | | | |
| 1992 | 1992-2 | (4,122) | 1,780.3 | 5,490.4 | \$9,188.9 | (190.7) | 0.00 | 0.0 | 453.40 | (2,214.4) | 0.0 | 0.0 | 0.00 | 0.00 | \$8,900.00 | 1,995.4 | \$958.7 | \$1,106.6 | \$147.9 | 13.4% |
| 1992 | 1992-3 | (4,122) | 1,777.5 | 5,481.7 | \$9,789.5 | (203.1) | 129.10 | 209.8 | 460.29 | (2,248.1) | 0.0 | 0.0 | 0.00 | 0.00 | \$8,955.85 | 2,007.9 | \$1,126.2 | \$1,292.8 | \$166.6 | 12.9% |
| 1992 | 1992-4 | (4,122) | 1,785.6 | 5,506.8 | \$10,391.3 | (215.6) | 181.90 | 295.6 | 459.58 | (2,244.6) | 0.0 | 0.0 | 0.00 | 0.00 | \$8,996.85 | 2,017.1 | \$1,237.3 | \$1,300.2 | \$62.9 | 4.8% |
| 1993 | 1993-1 | (4,122) | 1,795.3 | 5,536.7 | \$10,204.4 | (211.7) | 0.00 | 0.0 | 456.10 | (2,227.6) | 0.0 | 0.0 | 0.00 | 0.00 | \$9,069.70 | 2,033.4 | \$1,008.8 | \$1,142.6 | \$133.8 | 11.7% |
| 1993 | 1993-2 | (4,122) | 1,797.4 | 5,543.0 | \$10,207.1 | (211.8) | 0.00 | 0.0 | 450.77 | (2,201.6) | 0.0 | 0.0 | 0.00 | 0.00 | \$9,173.25 | 2,056.6 | \$1,064.2 | \$1,070.7 | \$6.5 | 0.6% |
| 1993 | 1993-3 | (4,122) | 1,800.8 | 5,553.7 | \$10,235.8 | (212.4) | 132.40 | 215.2 | 453.95 | (2,217.1) | 0.0 | 0.0 | 0.00 | 0.00 | \$9,268.35 | 2,078.0 | \$1,235.5 | \$1,235.5 | (\$59.9) | -4.8% |
| 1993 | 1993-4 | (4,122) | 1,820.4 | 5,614.1 | \$10,765.7 | (223.4) | 186.20 | 302.6 | 451.41 | (2,204.7) | 0.0 | 0.0 | 0.00 | 0.00 | \$9,359.85 | 2,098.5 | \$1,465.1 | \$1,420.4 | (\$44.7) | -3.1% |
| 1994 | 1994-1 | (4,122) | 1,836.6 | 5,663.9 | \$9,825.6 | (203.9) | 0.00 | 0.0 | 453.06 | (2,212.8) | 0.0 | 0.0 | 0.00 | 0.00 | \$9,415.30 | 2,110.9 | \$1,236.1 | \$1,222.8 | (\$13.3) | -1.1% |
| 1994 | 1994-2 | (4,122) | 1,837.1 | 5,665.6 | \$10,753.7 | (223.1) | 0.00 | 0.0 | 448.72 | (2,191.5) | 0.0 | 0.0 | 0.00 | 0.00 | \$9,452.10 | 2,119.2 | \$1,248.2 | \$1,127.4 | (\$120.8) | -10.7% |
| 1994 | 1994-3 | (4,122) | 1,844.5 | 5,688.4 | \$11,859.3 | (246.1) | 137.10 | 222.8 | 453.55 | (2,215.1) | 0.0 | 0.0 | 0.00 | 0.00 | \$9,503.20 | 2,130.6 | \$1,458.6 | \$1,487.0 | \$28.4 | 1.9% |
| 1994 | 1994-4 | (4,122) | 1,866.2 | 5,755.2 | \$12,620.1 | (261.9) | 194.90 | 316.7 | 455.46 | (2,224.5) | 0.0 | 0.0 | 0.00 | 0.00 | \$9,589.90 | 2,150.1 | \$1,613.6 | \$1,626.9 | \$13.3 | 0.8% |
| 1995 | 1995-1 | (4,122) | 1,887.4 | 5,820.7 | \$13,043.3 | (270.6) | 0.00 | 0.0 | 458.16 | (2,237.7) | 0.0 | 0.0 | 0.00 | 0.00 | \$9,700.85 | 2,174.9 | \$1,365.3 | \$1,393.5 | \$28.2 | 2.0% |
| 1995 | 1995-2 | (4,122) | 1,898.4 | 5,854.7 | \$13,320.8 | (276.4) | 0.00 | 0.0 | 458.92 | (2,241.4) | 0.0 | 0.0 | 0.00 | 0.00 | \$9,814.80 | 2,200.5 | \$1,415.4 | \$1,335.3 | (\$80.1) | -6.0% |
| 1995 | 1995-3 | (4,122) | 1,905.7 | 5,877.0 | \$11,594.2 | (240.6) | 139.00 | 225.9 | 470.02 | (2,295.6) | 0.0 | 0.0 | 0.00 | 0.00 | \$9,910.55 | 2,221.9 | \$1,666.6 | \$1,514.5 | (\$152.1) | -10.0% |
| 1995 | 1995-4 | (4,122) | 1,925.1 | 5,936.9 | \$10,867.7 | (225.5) | 196.10 | 318.7 | 473.90 | (2,314.5) | 0.0 | 0.0 | 0.00 | 0.00 | \$9,996.10 | 2,241.1 | \$1,834.7 | \$1,585.5 | (\$249.2) | -15.7% |
| 1996 | 1996-1 | (4,122) | 1,943.5 | 5,993.8 | \$11,715.2 | (243.1) | 0.00 | 0.0 | 480.48 | (2,346.7) | 0.0 | 0.0 | 0.00 | 0.00 | \$10,069.70 | 2,257.6 | \$1,539.6 | \$1,529.7 | (\$9.9) | -0.6% |
| 1996 | 1996-2 | (4,122) | 1,946.4 | 6,002.5 | \$12,115.0 | (251.4) | 0.00 | 0.0 | 483.71 | (2,362.4) | 0.0 | 0.0 | 0.00 | 0.00 | \$10,104.50 | 2,265.4 | \$1,532.1 | \$1,595.5 | \$63.4 | 4.0% |
| 1996 | 1996-3 | (4,122) | 1,950.7 | 6,016.0 | \$13,000.4 | (268.8) | 143.00 | 232.4 | 491.98 | (2,402.8) | 0.0 | 0.0 | 0.00 | 0.00 | \$10,165.45 | 2,279.1 | \$1,732.9 | \$1,818.1 | \$85.2 | 4.7% |
| 1996 | 1996-4 | (4,122) | 1,969.3 | 6,073.3 | \$13,659.5 | (283.4) | 199.90 | 324.8 | 497.52 | (2,429.9) | 0.0 | 0.0 | 0.00 | 0.00 | \$10,245.00 | 2,296.9 | \$1,859.7 | \$1,957.3 | \$97.6 | 5.0% |
| 1997 | 1997-1 | (4,122) | 1,993.6 | 6,148.1 | \$14,347.2 | (297.7) | 0.00 | 0.0 | 501.24 | (2,448.0) | 0.0 | 0.0 | 0.00 | 0.00 | \$10,314.95 | 2,312.6 | \$1,593.0 | \$1,675.2 | \$82.2 | 4.9% |
| 1997 | 1997-2 | (4,122) | 2,009.3 | 6,196.5 | \$15,784.5 | (327.5) | 0.00 | 0.0 | 504.92 | (2,466.0) | 0.0 | 0.0 | 0.00 | 0.00 | \$10,439.05 | 2,340.4 | \$1,621.4 | \$1,670.1 | \$48.7 | 2.9% |
| 1997 | 1997-3 | (4,122) | 2,023.5 | 6,240.5 | \$15,671.8 | (325.2) | 145.00 | 235.6 | 512.76 | (2,504.3) | 0.0 | 0.0 | 0.00 | 0.00 | \$10,578.10 | 2,371.6 | \$1,896.2 | \$1,958.4 | \$62.2 | 3.2% |
| 1997 | 1997-4 | (4,122) | 2,052.1 | 6,328.5 | \$17,053.3 | (353.9) | 203.60 | 330.9 | 519.48 | (2,537.2) | 0.0 | 0.0 | 0.00 | 0.00 | \$10,682.95 | 2,395.1 | \$2,041.4 | \$2,036.7 | (\$4.7) | -0.2% |
| 1998 | 1998-1 | (4,122) | 2,085.2 | 6,430.8 | \$18,581.2 | (385.6) | 0.00 | 0.0 | 529.31 | (2,585.2) | 0.0 | 0.0 | 0.00 | 0.00 | \$10,780.00 | 2,416.9 | \$1,754.9 | \$1,745.7 | (\$9.2) | -0.5% |
| 1998 | 1998-2 | (4,122) | 2,108.1 | 6,501.2 | \$20,082.2 | (416.7) | 0.00 | 0.0 | 532.07 | (2,598.6) | 0.0 | 0.0 | 0.00 | 0.00 | \$10,902.55 | 2,444.4 | \$1,808.3 | \$1,767.0 | (\$41.3) | -2.3% |
| 1998 | 1998-3 | (4,122) | 2,128.0 | 6,562.8 | \$19,566.7 | (406.0) | 146.40 | 237.9 | 543.44 | (2,654.2) | 0.0 | 0.0 | 0.00 | 0.00 | \$11,054.10 | 2,478.3 | \$2,096.8 | \$2,094.6 | (\$2.2) | -0.1% |
| 1998 | 1998-4 | (4,122) | 2,159.7 | 6,660.5 | \$19,253.2 | (399.5) | 206.40 | 335.4 | 552.37 | (2,697.8) | 0.0 | 0.0 | 0.00 | 0.00 | \$11,167.15 | 2,503.7 | \$2,280.3 | \$2,094.9 | (\$185.4) | -8.9% |
| 1999 | 1999-1 | (4,122) | 2,185.8 | 6,741.0 | \$19,219.3 | (398.8) | 0.00 | 0.0 | 565.00 | (2,759.4) | 0.0 | 0.0 | 0.00 | 0.00 | \$11,265.75 | 2,525.8 | \$1,986.6 | \$2,030.1 | \$43.5 | 2.1% |
| 1999 | 1999-2 | (4,122) | 2,186.7 | 6,743.8 | \$20,733.4 | (430.2) | 0.00 | 0.0 | 571.94 | (2,793.4) | 0.0 | 0.0 | 0.00 | 0.00 | \$11,376.10 | 2,550.5 | \$1,948.7 | \$1,999.7 | \$51.0 | 2.6% |
| 1999 | 1999-3 | (4,122) | 2,177.4 | 6,715.1 | \$18,947.4 | (393.2) | 148.30 | 241.0 | 579.41 | (2,829.8) | 0.0 | 0.0 | 0.00 | 0.00 | \$11,505.80 | 2,579.6 | \$2,190.7 | \$2,121.1 | (\$69.6) | -3.3% |
| 1999 | 1999-4 | (4,122) | 2,186.6 | 6,743.5 | \$20,375.6 | (422.8) | 208.50 | 338.8 | 584.07 | (2,852.6) | 0.0 | 0.0 | 0.00 | 0.00 | \$11,675.65 | 2,617.7 | \$2,302.6 | \$2,183.9 | (\$118.7) | -5.4% |
| 2000 | 2000-1 | (4,122) | 2,205.3 | 6,801.1 | \$22,400.4 | (464.8) | 0.00 | 0.0 | 585.37 | (2,858.9) | 0.0 | 0.0 | 0.00 | 0.00 | \$11,817.70 | 2,649.5 | \$2,004.9 | \$2,150.1 | \$145.2 | 6.8% |
| 2000 | 2000-2 | (4,122) | 2,213.1 | 6,825.2 | \$25,185.5 | (522.6) | 0.00 | 0.0 | 578.57 | (2,825.7) | 0.0 | 0.0 | 0.00 | 0.00 | \$11,913.60 | 2,671.0 | \$2,025.9 | \$2,057.3 | \$31.4 | 1.5% |
| 2000 | 2000-3 | (4,122) | 2,223.6 | 6,857.4 | \$26,069.9 | (541.0) | 153.40 | 249.3 | 577.07 | (2,818.4) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,037.80 | 2,698.9 | \$2,324.2 | \$2,285.1 | (\$39.1) | -1.7% |
| 2000 | 2000-4 | (4,122) | 2,245.0 | 6,923.6 | \$27,594.8 | (572.6) | 216.20 | 351.3 | 580.12 | (2,833.3) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,218.20 | 2,739.3 | \$2,486.3 | \$2,428.5 | (\$57.8) | -2.4% |
| 2001 | 2001-1 | (4,122) | 2,263.7 | 6,981.1 | \$29,289.1 | (607.7) | 0.00 | 0.0 | 587.26 | (2,868.2) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,341.20 | 2,766.9 | \$2,150.1 | \$2,094.2 | (\$55.9) | -2.7% |
| 2001 | 2001-2 | (4,122) | 2,270.8 | 7,003.0 | \$28,395.2 | (589.2) | 0.00 | 0.0 | 590.93 | (2,886.1) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,475.80 | 2,797.1 | \$2,202.8 | \$2,253.3 | \$50.5 | 2.2% |
| 2001 | 2001-3 | (4,122) | 2,276.4 | 7,020.3 | \$26,688.3 | (553.8) | 159.60 | 259.4 | 605.99 | (2,959.7) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,600.10 | 2,824.9 | \$2,469.1 | \$2,476.4 | \$7.3 | 0.3% |
| 2001 | 2001-4 | (4,122) | 2,286.9 | 7,052.8 | \$25,252.5 | (524.0) | 222.00 | 360.8 | 610.98 | (2,984.0) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,643.50 | 2,834.7 | \$2,618.3 | \$2,532.2 | (\$86.1) | -3.4% |
| 2002 | 2002-1 | (4,122) | 2,288.6 | 7,057.9 | \$24,399.0 | (506.3) | 0.00 | 0.0 | 616.66 | (3,011.8) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,661.30 | 2,838.7 | \$2,256.5 | \$2,262.9 | \$6.4 | 0.3% |
| 2002 | 2002-2 | (4,122) | 2,279.0 | 7,028.4 | \$24,956.7 | (517.9) | 0.00 | 0.0 | 626.24 | (3,058.5) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,676.80 | 2,842.1 | \$2,172.1 | \$2,060.3 | (\$111.8) | -5.4% |
| 2002 | 2002-3 | (4,122) | 2,274.5 | 7,014.6 | \$22,607.9 | (469.1) | 158.60 | 257.7 | 629.73 | (3,075.6) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,690.20 | 2,845.1 | \$2,450.7 | \$2,449.9 | (\$0.8) | 0.0% |
| 2002 | 2002-4 | (4,122) | 2,279.1 | 7,028.6 | \$24,875.7 | (516.2) | 224.10 | 364.2 | 629.63 | (3,075.1) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,687.70 | 2,844.6 | \$2,524.1 | \$2,478.9 | (\$45.2) | -1.8% |
| 2003 | 2003-1 | (4,122) | 2,280.3 | 7,032.4 | \$24,805.1 | (514.7) | 0.00 | 0.0 | 621.79 | (3,036.8) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,763.80 | 2,861.6 | \$2,220.5 | \$2,145.5 | (\$75.0) | -3.5% |
| 2003 | 2003-2 | (4,122) | 2,272.2 | 7,007.3 | \$25,181.4 | (522.5) | 0.00 | 0.0 | 608.90 | (2,973.9) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,857.65 | 2,882.7 | \$2,271.6 | \$2,309.0 | \$37.4 | 1.6% |
| 2003 | 2003-3 | (4,122) | 2,263.3 | 6,979.9 | \$22,677.8 | (470.6) | 162.50 | 264.1 | 607.63 | (2,967.7) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,924.40 | 2,897.7 | \$2,581.4 | \$2,573.9 | (\$7.5) | -0.3% |
| 2003 | 2003-4 | (4,122) | 2,261.3 | 6,973.7 | \$23,909.5 | (496.1) | 229.70 | 373.3 | 606.22 | (2,960.8) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,959.90 | 2,905.6 | \$2,673.7 | \$2,655.3 | (\$18.4) | -0.7% |
| 2004 | 2004-1 | (4,122) | 2,262.6 | 6,977.7 | \$24,379.3 | (509.9) | 0.00 | 0.0 | 605.63 | (2,957.9) | 0.0 | 0.0 | 0.00 | 0.00 | \$12,997.60 | 2,914.1 | \$2,306.0 | \$2,308.7 | \$2.7 | 0.1% |
| 2004 | 2004-2 | (4,122) | 2,263.9 | 6,981.9 | \$26,445.1 | (548.7) | 0.00 | 0.0 | 599.19 | (2,926.4) | 0.0 | 0.0 | 0.00 | 0.00 | \$13,091.65 | 2,935.1 | \$2,319.9 | \$2,308.3 | (\$11.6) | -0.5% |
| 2004 | 2004-3 | (4,122) | 2,267.2 | 6,991.9 | \$25,869.5 | (536.8) | 169.50 | 275.4 | 598.41 | (2,922.6) | 0.0 | 0.0 | 0.00 | 0.00 | \$13,262.25 | 2,973.4 | \$2,659.3 | \$2,611.7 | (\$47.6) | -1.8% |
| 2004 | 2004-4 | (4,122) | 2,276.6 | 7,021.0 | \$27,729.9 | (575.4) | 236.70 | 384.6 | 596.39 | (2,912.8) | 0.0 | 0.0 | 0.00 | 0.00 | \$13,450.55 | 3,015.6 | \$2,811.0 | \$2,687.7 | (\$123.3) | -4.6% |
| 2005 | 2005-1 | (4,122) | 2,290.3 | 7,063.3 | \$27,854.7 | (578.0) | 0.00 | 0.0 | 598.99 | (2,925.5) | 0.0 | 0.0 | 0.00 | | | | | | | |

| | | | Employment 2 Qtr Mvg Avg | | Exports to Mexico FAS + 1 Qtr | | Summer Season Adjustment Var | | Base Employment + 4 Qtrs | | Galveston Storm Variable | | Pleasure Pier Adjustment | | U.S. Real GDP + 3 Qtrs 2 Qtr Moving Average | | | | | |
|--------------|-------------|-----------------|-----------------------------|--|----------------------------------|--|---------------------------------|--|-----------------------------|--|-----------------------------|--|-----------------------------|--|--|--|---|---------------------|---------------------------------------|-----------------|
| COEFFICIENTS | | | 3.084 | | -0.02075 | | 1.625 | | -4.884 | | 523.5 | | 282.1 | | 0.2242 | | | | | |
| FY | Fiscal Year | CONSTANT = A | DATA | PRODUCT OF DATA AND COEFFICIENT = B | DATA | PRODUCT OF DATA AND COEFFICIENT = H | DATA | PRODUCT OF DATA AND COEFFICIENT = D | DATA | PRODUCT OF DATA AND COEFFICIENT = E | DATA | PRODUCT OF DATA AND COEFFICIENT = F | DATA | PRODUCT OF DATA AND COEFFICIENT = G | DATA | PRODUCT OF DATA AND COEFFICIENT = G | MODEL ESTIMATE (\$000's) = A+B+C+D+E+F+G +H | ACTUAL (\$000's) | ESTIMATE (OVER/ UNDER ACTUAL | % Difference |
| 2006 | 2006-4 | (4,122) | 2,433.7 | 7,505.4 | \$34,056.7 | (706.7) | 255.50 | 415.2 | 638.27 | (3,117.3) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,332.60 | 3,213.4 | \$3,188.0 | \$3,405.2 | \$217.2 | 6.4% |
| 2007 | 2007-1 | (4,122) | 2,464.8 | 7,601.4 | \$33,103.7 | (686.9) | 0.00 | 0.0 | 644.08 | (3,145.7) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,459.75 | 3,241.9 | \$2,888.7 | \$2,850.4 | (\$38.3) | -1.3% |
| 2007 | 2007-2 | (4,122) | 2,484.5 | 7,662.2 | \$34,078.3 | (707.1) | 0.00 | 0.0 | 648.43 | (3,166.9) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,567.85 | 3,266.1 | \$2,932.3 | \$2,988.6 | \$56.3 | 1.9% |
| 2007 | 2007-3 | (4,122) | 2,508.6 | 7,736.5 | \$32,157.0 | (667.3) | 184.30 | 299.5 | 660.23 | (3,224.6) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,596.10 | 3,272.4 | \$3,294.5 | \$3,292.4 | (\$2.1) | -0.1% |
| 2007 | 2007-4 | (4,122) | 2,541.3 | 7,837.2 | \$34,410.4 | (714.0) | 257.20 | 418.0 | 671.87 | (3,281.4) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,659.75 | 3,286.7 | \$3,424.5 | \$3,566.1 | \$141.6 | 4.0% |
| 2008 | 2008-1 | (4,122) | 2,565.8 | 7,912.8 | \$34,836.2 | (722.9) | 0.00 | 0.0 | 679.97 | (3,321.0) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,721.45 | 3,300.5 | \$3,047.4 | \$3,165.6 | \$118.2 | 3.7% |
| 2008 | 2008-2 | (4,122) | 2,574.0 | 7,938.1 | \$34,514.4 | (716.2) | 0.00 | 0.0 | 682.97 | (3,336.6) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,782.35 | 3,314.2 | \$3,078.5 | \$3,014.3 | (\$64.2) | -2.1% |
| 2008 | 2008-3 | (4,122) | 2,581.4 | 7,960.9 | \$35,745.6 | (741.7) | 191.20 | 310.7 | 694.57 | (3,392.3) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,888.60 | 3,338.0 | \$3,353.6 | \$3,406.4 | \$52.8 | 1.6% |
| 2008 | 2008-4 | (4,122) | 2,594.2 | 8,000.4 | \$38,174.1 | (792.1) | 269.80 | 438.4 | 701.63 | (3,426.8) | (1.0) | (523.5) | 0.00 | 0.00 | \$14,965.15 | 3,355.2 | \$2,929.6 | \$3,000.6 | \$71.0 | 2.4% |
| 2009 | 2009-1 | (4,122) | 2,598.8 | 8,014.5 | \$40,339.7 | (837.0) | 0.00 | 0.0 | 708.77 | (3,461.6) | 1.0 | 523.5 | 0.00 | 0.00 | \$14,940.65 | 3,349.7 | \$3,467.1 | \$3,496.6 | \$29.5 | 0.8% |
| 2009 | 2009-2 | (4,122) | 2,581.6 | 7,961.7 | \$36,960.7 | (766.9) | 0.00 | 0.0 | 707.70 | (3,456.4) | 0.5 | 261.8 | 0.00 | 0.00 | \$14,926.45 | 3,346.5 | \$3,224.7 | \$3,339.2 | \$114.5 | 3.4% |
| 2009 | 2009-3 | (4,122) | 2,545.5 | 7,850.4 | \$29,068.3 | (603.2) | 191.00 | 310.4 | 714.90 | (3,491.6) | 0.5 | 261.8 | 0.00 | 0.00 | \$14,927.50 | 3,346.7 | \$3,552.5 | \$3,568.9 | \$16.4 | 0.5% |
| 2009 | 2009-4 | (4,122) | 2,518.7 | 7,767.8 | \$29,515.9 | (612.5) | 268.40 | 436.2 | 722.80 | (3,530.2) | 0.5 | 261.8 | 0.00 | 0.00 | \$14,734.30 | 3,303.4 | \$3,504.5 | \$3,452.6 | (\$51.9) | -1.5% |
| 2010 | 2010-1 | (4,122) | 2,507.8 | 7,734.1 | \$33,779.8 | (700.9) | 0.00 | 0.0 | 729.10 | (3,560.9) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,476.00 | 3,245.5 | \$2,595.8 | \$2,580.7 | (\$15.1) | -0.6% |
| 2010 | 2010-2 | (4,122) | 2,496.6 | 7,699.5 | \$36,528.0 | (758.0) | 0.00 | 0.0 | 709.10 | (3,463.2) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,365.30 | 3,220.7 | \$2,577.0 | \$2,558.2 | (\$18.8) | -0.7% |
| 2010 | 2010-3 | (4,122) | 2,494.0 | 7,691.5 | \$37,439.1 | (776.9) | 194.40 | 315.9 | 686.97 | (3,355.1) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,379.05 | 3,223.8 | \$2,977.2 | \$2,969.8 | (\$7.4) | -0.2% |
| 2010 | 2010-4 | (4,122) | 2,544.9 | 7,848.6 | \$40,419.8 | (838.7) | 273.20 | 444.0 | 684.50 | (3,343.1) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,472.20 | 3,244.7 | \$3,233.5 | \$3,271.6 | \$38.1 | 1.2% |
| 2011 | 2011-1 | (4,122) | 2,558.5 | 7,890.3 | \$41,341.3 | (857.8) | 0.00 | 0.0 | 694.70 | (3,392.9) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,573.35 | 3,267.3 | \$2,784.9 | \$2,646.2 | (\$138.7) | -5.2% |
| 2011 | 2011-2 | (4,122) | 2,566.9 | 7,916.4 | \$44,464.5 | (922.6) | 0.00 | 0.0 | 693.50 | (3,387.1) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,675.35 | 3,290.2 | \$2,774.9 | \$2,764.0 | (\$10.9) | -0.4% |
| 2011 | 2011-3 | (4,122) | 2,583.8 | 7,968.4 | \$46,096.9 | (956.5) | 201.50 | 327.4 | 705.90 | (3,447.6) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,795.70 | 3,317.2 | \$3,086.9 | \$3,200.0 | \$113.1 | 3.5% |
| 2011 | 2011-4 | (4,122) | 2,611.9 | 8,055.1 | \$49,637.2 | (1,030.0) | 283.40 | 460.5 | 684.60 | (3,343.6) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,892.25 | 3,338.8 | \$3,358.8 | \$3,406.7 | \$47.9 | 1.4% |
| 2012 | 2012-1 | (4,122) | 2,633.6 | 8,122.0 | \$50,904.9 | (1,056.3) | 0.00 | 0.0 | 699.57 | (3,416.7) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,910.15 | 3,342.9 | \$2,869.9 | \$2,671.3 | (\$198.6) | -7.4% |
| 2012 | 2012-2 | (4,122) | 2,650.6 | 8,174.6 | \$51,649.6 | (1,071.7) | 0.00 | 0.0 | 706.86 | (3,452.3) | 0.0 | 0.0 | 0.00 | 0.00 | \$14,935.45 | 3,348.5 | \$2,877.1 | \$2,844.2 | (\$32.9) | -1.2% |
| 2012 | 2012-3 | (4,122) | 2,677.8 | 8,258.4 | \$52,957.2 | (1,098.9) | 205.50 | 333.9 | 711.09 | (3,472.9) | 0.0 | 0.0 | 1.00 | 282.10 | \$15,005.35 | 3,364.2 | \$3,544.8 | \$3,564.9 | \$20.1 | 0.6% |
| 2012 | 2012-4 | (4,122) | 2,714.1 | 8,370.3 | \$53,135.7 | (1,102.6) | 285.50 | 463.9 | 716.35 | (3,498.6) | 0.0 | 0.0 | 1.00 | 282.10 | \$15,105.70 | 3,386.7 | \$3,779.8 | \$3,928.4 | \$148.6 | 3.8% |
| 2013 | 2013-1 | (4,122) | 2,747.0 | 8,471.7 | \$54,218.4 | (1,125.0) | 0.00 | 0.0 | 732.11 | (3,575.6) | 0.0 | 0.0 | 0.00 | 0.00 | \$15,232.65 | 3,415.2 | \$3,064.3 | \$2,927.6 | (\$136.7) | -4.7% |
| 2013 | 2013-2 | (4,122) | 2,768.1 | 8,536.7 | \$55,595.8 | (1,153.6) | 0.00 | 0.0 | 746.96 | (3,648.1) | 0.0 | 0.0 | 0.00 | 0.00 | \$15,305.85 | 3,431.6 | \$3,044.6 | \$3,101.1 | \$56.5 | 1.8% |
| 2013 | 2013-3 | (4,122) | 2,787.4 | 8,596.4 | \$53,702.6 | (1,114.3) | 207.70 | 337.5 | 755.96 | (3,692.1) | 0.0 | 0.0 | 1.20 | 338.50 | \$15,384.00 | 3,449.1 | \$3,793.1 | \$3,530.8 | (\$262.3) | -7.4% |
| 2013 | 2013-4 | (4,122) | 2,814.0 | 8,678.4 | \$57,014.4 | (1,183.0) | 292.00 | 474.5 | 762.81 | (3,725.6) | 0.0 | 0.0 | 1.20 | 338.50 | \$15,432.50 | 3,460.0 | \$3,920.8 | \$3,865.4 | (\$55.4) | -1.4% |
| 2014 | 2014-1 | (4,122) | 2,840.2 | 8,759.1 | \$56,873.1 | (1,180.1) | 0.00 | 0.0 | 776.60 | (3,792.9) | 0.0 | 0.0 | 0.00 | 0.00 | \$15,486.05 | 3,472.0 | \$3,136.1 | \$3,059.1 | (\$77.0) | -2.5% |
| 2014 | 2014-2 | (4,122) | 2,857.2 | 8,811.6 | \$58,489.2 | (1,213.7) | 0.00 | 0.0 | 789.04 | (3,853.7) | 0.0 | 0.0 | 0.00 | 0.00 | \$15,572.50 | 3,491.4 | \$3,113.6 | \$3,131.8 | \$18.2 | 0.6% |
| 2014 | 2014-3 | (4,122) | 2,878.7 | 8,877.8 | \$57,392.0 | (1,190.9) | 214.00 | 347.8 | 797.27 | (3,893.8) | 0.0 | 0.0 | 1.20 | 338.50 | \$15,693.25 | 3,518.4 | \$3,875.8 | \$3,849.3 | (\$26.5) | -0.7% |
| 2014 | 2014-4 | (4,122) | 2,912.3 | 8,981.4 | \$60,940.3 | (1,264.5) | 299.70 | 487.0 | 800.03 | (3,907.3) | 0.0 | 0.0 | 1.20 | 338.50 | \$15,848.05 | 3,553.1 | \$4,066.2 | \$4,261.6 | \$195.4 | 4.6% |
| 2015 | 2015-1 | (4,122) | 2,942.9 | 9,076.0 | \$61,125.8 | (1,268.4) | - | 0.0 | 808.40 | (3,948.2) | 0.0 | 0.0 | 0.0 | 0.00 | \$15,873.95 | 3,558.9 | \$3,296.3 | \$3,294.6 | (\$1.7) | -0.1% |
| 2015 | 2015-2 | (4,122) | 2,956.5 | 9,117.8 | \$60,868.0 | (1,263.0) | - | 0.0 | 815.57 | (3,983.3) | 0.0 | 0.0 | 0.0 | 0.00 | \$15,921.05 | 3,569.5 | \$3,319.0 | \$3,358.3 | \$39.3 | 1.2% |
| 2015 | 2015-3 | (4,122) | 2,942.0 | 9,073.1 | \$59,113.8 | (1,226.6) | 218.30 | 354.7 | 826.16 | (4,035.0) | 0.0 | 0.0 | 1.2 | 338.50 | \$16,108.00 | 3,611.4 | \$3,994.1 | | | |
| 2015 | 2015-4 | (4,122) | 2,976.3 | 9,178.9 | \$62,768.5 | (1,302.4) | 305.70 | 496.8 | 833.62 | (4,071.4) | 0.0 | 0.0 | 1.2 | 338.50 | \$16,250.15 | 3,643.3 | \$4,161.7 | | | |
| 2016 | 2016-1 | (4,122) | 2,998.8 | 9,248.3 | \$62,959.6 | (1,306.4) | - | 0.0 | 841.13 | (4,108.1) | 0.0 | 0.0 | 0.0 | 0.00 | \$16,299.75 | 3,654.4 | \$3,366.2 | | | |
| 2016 | 2016-2 | (4,122) | 3,012.6 | 9,290.9 | \$62,694.0 | (1,300.9) | - | 0.0 | 838.53 | (4,095.4) | 0.0 | 0.0 | 0.0 | 0.00 | \$16,319.10 | 3,658.7 | \$3,431.3 | | | |
| 2016 | 2016-3 | (4,122) | 2,997.9 | 9,245.5 | \$60,887.2 | (1,263.4) | 222.70 | 361.9 | 844.30 | (4,123.6) | 0.0 | 0.0 | 1.2 | 338.50 | \$16,510.70 | 3,701.7 | \$4,138.6 | | | |
| 2016 | 2016-4 | (4,122) | 3,032.8 | 9,353.2 | \$64,651.6 | (1,341.5) | 311.80 | 506.7 | 852.00 | (4,161.2) | 0.0 | 0.0 | 1.2 | 338.50 | \$16,737.60 | 3,752.6 | \$4,326.3 | | | |
| 2017 | 2017-1 | (4,122) | 3,058.8 | 9,433.3 | \$64,848.4 | (1,345.6) | - | 0.0 | 857.10 | (4,186.1) | 0.0 | 0.0 | 0.0 | 0.00 | \$16,788.70 | 3,764.0 | \$3,543.6 | | | |
| 2017 | 2017-2 | (4,122) | 3,072.9 | 9,476.8 | \$64,574.8 | (1,339.9) | - | 0.0 | 854.50 | (4,173.4) | 0.0 | 0.0 | 0.0 | 0.00 | \$16,808.70 | 3,768.5 | \$3,610.0 | | | |
| 2017 | 2017-3 | (4,122) | 3,057.9 | 9,430.6 | \$62,713.8 | (1,301.3) | 227.20 | 369.2 | 860.30 | (4,201.7) | 0.0 | 0.0 | 1.2 | 338.50 | \$17,006.00 | 3,812.7 | \$4,326.0 | | | |
| 2017 | 2017-4 | (4,122) | 3,093.5 | 9,540.4 | \$66,591.1 | (1,381.8) | 318.00 | 516.8 | 868.20 | (4,240.3) | 0.0 | 0.0 | 1.2 | 338.50 | \$17,239.70 | 3,865.1 | \$4,516.7 | | | |
| 2018 | 2018-1 | (4,122) | 3,126.1 | 9,640.9 | \$66,793.9 | (1,386.0) | - | 0.0 | 874.20 | (4,269.6) | 0.0 | 0.0 | 0.0 | 0.00 | \$17,292.40 | 3,877.0 | \$3,740.3 | | | |
| 2018 | 2018-2 | (4,122) | 3,140.5 | 9,685.3 | \$66,512.0 | (1,380.1) | - | 0.0 | 871.60 | (4,256.9) | 0.0 | 0.0 | 0.0 | 0.00 | \$17,313.00 | 3,881.6 | \$3,807.9 | | | |
| 2018 | 2018-3 | (4,122) | 3,125.2 | 9,638.1 | \$64,595.2 | (1,340.4) | 231.70 | 376.5 | 877.50 | (4,285.7) | 0.0 | 0.0 | 1.2 | 338.50 | \$17,516.20 | 3,927.1 | \$4,532.1 | | | |
| 2018 | 2018-4 | (4,122) | 3,161.6 | 9,750.4 | \$68,588.8 | (1,423.2) | 324.40 | 527.2 | 885.60 | (4,325.3) | 0.0 | 0.0 | 1.2 | 338.50 | \$17,619.00 | 3,950.2 | \$4,695.8 | | | |
| 2019 | 2019-1 | (4,122) | 3,198.0 | 9,862.6 | \$68,797.7 | (1,427.6) | - | 0.0 | 893.40 | (4,363.4) | 0.0 | 0.0 | 0.0 | 0.00 | \$17,672.80 | 3,962.2 | \$3,911.8 | | | |
| 2019 | 2019-2 | (4,122) | 3,212.7 | 9,908.0 | \$68,507.4 | (1,421.5) | - | 0.0 | 890.80 | (4,350.7) | 0.0 | 0.0 | 0.0 | 0.00 | \$17,693.90 | 3,967.0 | \$3,980.8 | | | |
| 2019 | 2019-3 | (4,122) | 3,197.1 | 9,859.9 | \$66,533.1 | (1,380.6) | 236.30 | 384.0 | 896.80 | (4,380.0) | 0.0 | 0.0 | 1.2 | 338.50 | \$17,901.60 | 4,013.5 | \$4,713.3 | | | |
| 2019 | 2019-4 | (4,122) | 3,234.3 | 9,974.6 | \$70,646.5 | (1,465.9) | 330.90 | 537.7 | 905.10 | (4,420.5) | 0.0 | 0.0 | 1.2 | 338.50 | \$18,006.60 | 4,037.1 | \$4,879.5 | | | |

| | | Employment 2 Qtr Mvg Avg | | Exports to Mexico FAS + 1 Qtr | | Summer Season Adjustment Var | | Base Employment + 4 Qtrs | | Galveston Storm Variable | | Pleasure Pier Adjustment | | U.S. Real GDP + 3 Qtrs 2 Qtr Moving Average | | | | | | |
|--------------|-------------|--------------------------|------|-------------------------------------|------|-------------------------------------|------|-------------------------------------|------|-------------------------------------|------|-------------------------------------|------|---|------|-------------------------------------|--|------------------|-------------------------------|--------------|
| COEFFICIENTS | | 3.084 | | -0.02075 | | 1.625 | | -4.884 | | 523.5 | | 282.1 | | 0.2242 | | | | | | |
| FY | Fiscal Year | CONSTANT = A | DATA | PRODUCT OF DATA AND COEFFICIENT = B | DATA | PRODUCT OF DATA AND COEFFICIENT = H | DATA | PRODUCT OF DATA AND COEFFICIENT = D | DATA | PRODUCT OF DATA AND COEFFICIENT = E | DATA | PRODUCT OF DATA AND COEFFICIENT = F | DATA | PRODUCT OF DATA AND COEFFICIENT = G | DATA | PRODUCT OF DATA AND COEFFICIENT = G | MODEL ESTIMATE (\$000's) = A+B+C+D+E+F+G+H | ACTUAL (\$000's) | ESTIMATE (OVER)/ UNDER ACTUAL | % Difference |

| ASSUMPTIONS | | | | | | | | | |
|-------------|---------------------------------|-------------|-------------------------------|------------------------|----------------------|-------------------|------|--------------------------------------|--|
| Cal Year | Calendar Year Employment Growth | Fiscal Year | Fiscal Year Employment Growth | Base Employment Growth | U.S. Real GDP Growth | Exports to Mexico | CPI | Projected COG Sales Tax (\$Millions) | |
| 2014 | 3.5% | | | | | | | | |
| 2015 | 1.7% | FY 2015 | 2.2% | 2.2% | 2.5% | 3.0% | 2.0% | \$14.81 | |
| 2016 | 2.0% | FY 2016 | 1.9% | 1.9% | 3.0% | 3.0% | 2.0% | \$15.26 | |
| 2017 | 2.0% | FY 2017 | 2.0% | 2.0% | 3.0% | 3.0% | 2.0% | \$16.00 | |
| 2018 | 2.3% | FY 2018 | 2.2% | 2.2% | 2.2% | 3.0% | 2.0% | \$16.78 | |
| 2019 | 2.3% | FY 2019 | 2.3% | 2.3% | 2.2% | 3.0% | 2.0% | \$17.49 | |



| Fiscal Year | Model Total | Total Actual Tax | Actual Over/Under |
|-------------|-------------|------------------|-------------------|
| 1992 | \$2,325.2 | \$4,809.8 | \$2,484.6 |
| 1993 | \$4,833.5 | \$4,869.2 | \$35.7 |
| 1994 | \$5,556.5 | \$5,464.1 | (\$92.4) |
| 1995 | \$6,282.0 | \$5,828.8 | (\$453.2) |
| 1996 | \$6,664.3 | \$6,900.6 | \$236.3 |
| 1997 | \$7,152.0 | \$7,340.4 | \$188.4 |
| 1998 | \$7,940.3 | \$7,702.2 | (\$238.1) |
| 1999 | \$8,428.6 | \$8,334.8 | (\$93.8) |
| 2000 | \$8,841.3 | \$8,921.0 | \$79.7 |
| 2001 | \$9,440.3 | \$9,356.1 | (\$84.2) |
| 2002 | \$9,403.4 | \$9,252.0 | (\$151.4) |
| 2003 | \$9,747.2 | \$9,683.7 | (\$63.5) |
| 2004 | \$10,096.2 | \$9,916.4 | (\$179.8) |
| 2005 | \$10,790.7 | \$10,449.0 | (\$341.7) |
| 2006 | \$11,698.2 | \$12,224.2 | \$526.0 |
| 2007 | \$12,540.0 | \$12,697.5 | \$157.5 |
| 2008 | \$12,409.1 | \$12,586.9 | \$177.8 |
| 2009 | \$13,748.8 | \$13,857.3 | \$108.5 |
| 2010 | \$11,383.5 | \$11,380.3 | (\$3.2) |
| 2011 | \$12,005.5 | \$12,016.9 | \$11.4 |
| 2012 | \$13,071.6 | \$13,008.8 | (\$62.8) |
| 2013 | \$13,822.8 | \$13,424.9 | (\$397.9) |
| 2014 | \$14,191.7 | \$14,301.8 | \$110.1 |
| 2015 Est | \$14,808.7 | | |
| 2016 Est | \$15,262.4 | | |
| 2017 Est | \$15,996.3 | | |
| 2018 Est | \$16,776.1 | | |
| 2019 Est | \$17,485.4 | | |