



City of LAKE JACKSON

MONTHLY FINANCIAL REPORT



PERFORMANCE AT A GLANCE

May

| | Current Month | Year to Date | Chart |
|---|---------------|--------------|-------|
| GENERAL FUNDS | | | |
| Total Revenues | N/A | | A |
| Sales Tax Analysis | POSITIVE | POSITIVE | B |
| Property Tax Collection Analysis | POSITIVE | POSITIVE | C |
| Recreation Revenue Analysis | POSITIVE | POSITIVE | D |
| Civic Center Revenue Analysis | POSITIVE | POSITIVE | E |
| MOTEL OCCUPANCY FUND | | | |
| Motel Tax Revenue Analysis | NEGATIVE | NEGATIVE | F |
| UTILITY FUNDS | | | |
| Water Billing Analysis | POSITIVE | POSITIVE | G |
| Sewer Billing Analysis | POSITIVE | POSITIVE | H |
| PAYROLL/BENEFIT EXPENDITURE ANALYSIS | | | |
| Utility Fund | N/A | POSITIVE | I |
| General Fund | N/A | POSITIVE | J |
| INVESTMENTS | | | |
| Investment Report | N/A | N/A | K |

PERFORMANCE INDICATORS :

POSITIVE

Positive = Positive variance as compared to seasonal trend.

NEGATIVE

Negative = Negative variance as compared to seasonal trend.

General Fund



CHART A

Total Revenue through 05-30-11

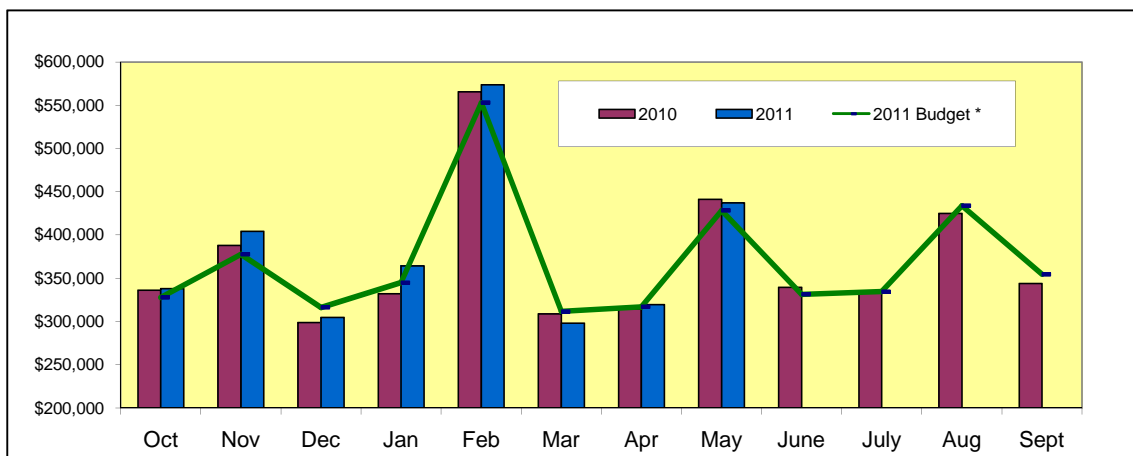
| | Budget | YTD Revenue | Percent of Budget Collected | 09 -10 YTD % of actual collected |
|---------------------------|-------------------|-------------------|-----------------------------|----------------------------------|
| Property Tax | 3,392,153 | 3,233,332 | 95% | 95% |
| Sales Tax | 4,430,272 | 3,039,288 | 69% | 67% |
| Franchise Tax | 1,703,000 | 1,248,797 | 73% | 71% |
| Industrial District | 4,007,000 | 1,992,150 | 50% | 47% |
| Licenses & Permits | 224,100 | 197,303 | 88% | 73% |
| Grants & Shared Rev | 65,000 | 45,413 | 70% | 74% |
| Recreation | 684,950 | 471,972 | 69% | 63% |
| Civic Center | 228,400 | 191,297 | 84% | 71% |
| Fines & Forfeits | 358,500 | 255,511 | 71% | 72% |
| Miscellaneous | 120,450 | 84,393 | 70% | 55% |
| Interest earned | 19,984 | 22,064 | 110% | 59% |
| Trsf Econ. Devl Fund | 350,000 | 350,000 | 100% | |
| Trsf Gen. Contingency | 260,000 | 260,000 | 100% | |
| Trsf Utility Fund | 438,389 | 292,259 | 67% | 67% |
| Total General Fund | 16,282,198 | 11,683,779 | 72% | |

CHART B

SALES TAX ANALYSIS

Positive

May



* FY 2011 Budget is divided into months based on the monthly percentages of the last five years' activity of sales tax revenue.

CHART C

PROPERTY TAX COLLECTION ANALYSIS

Negative

May

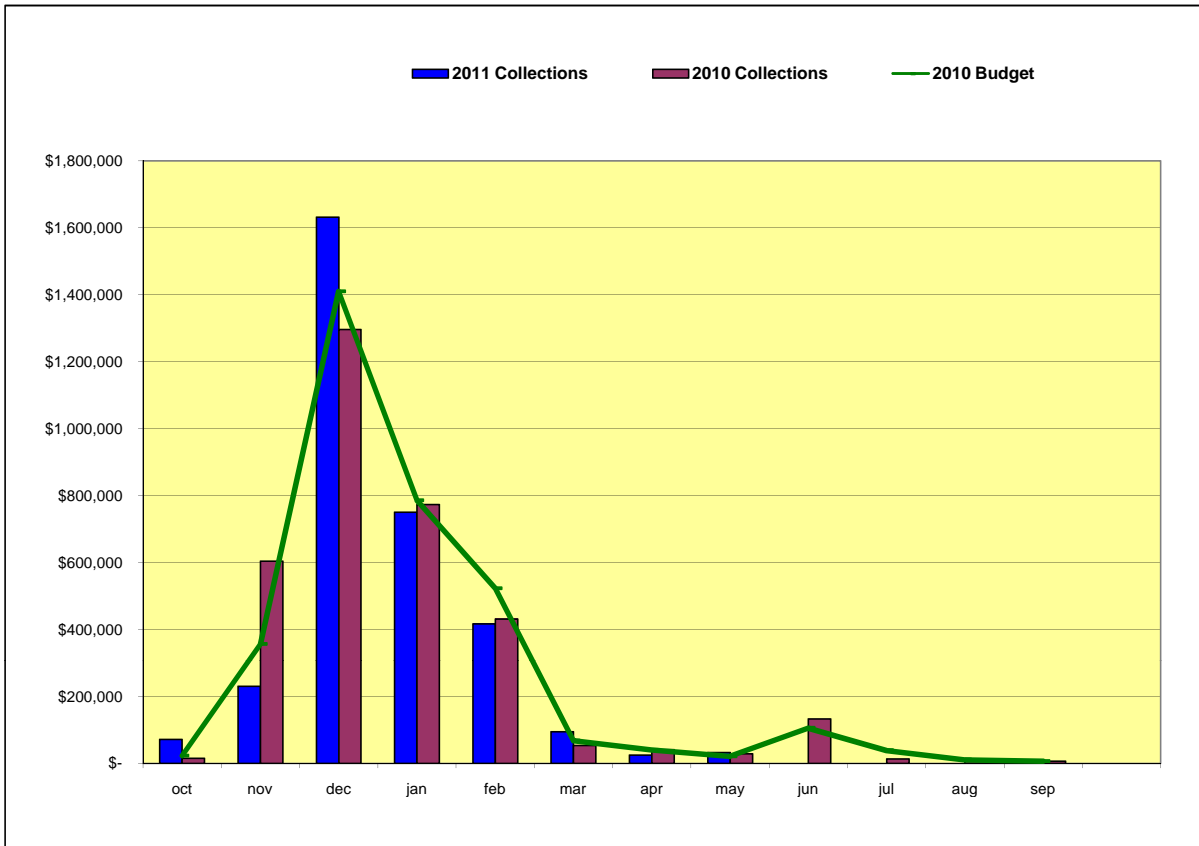
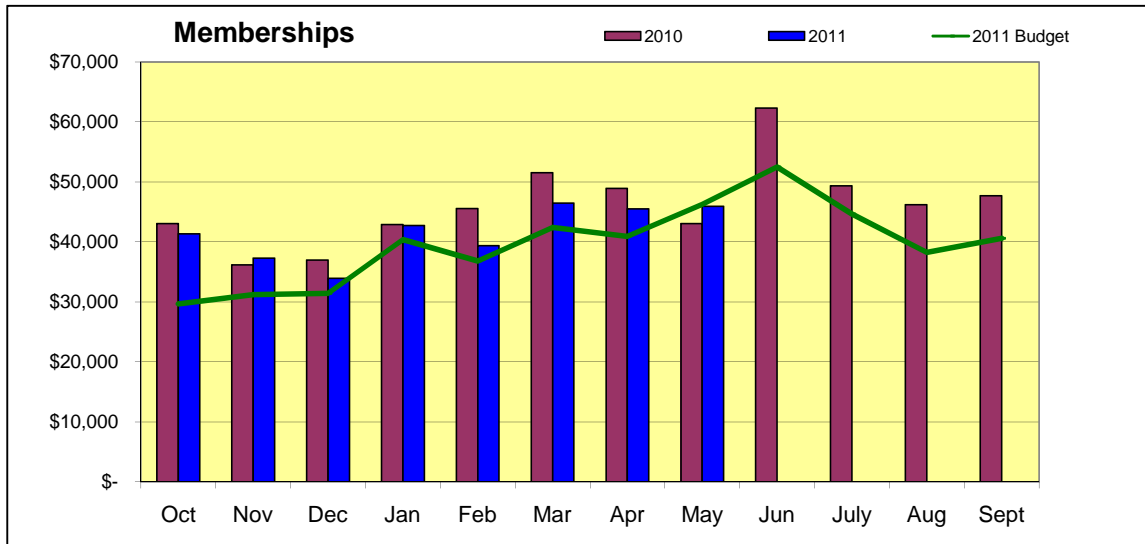
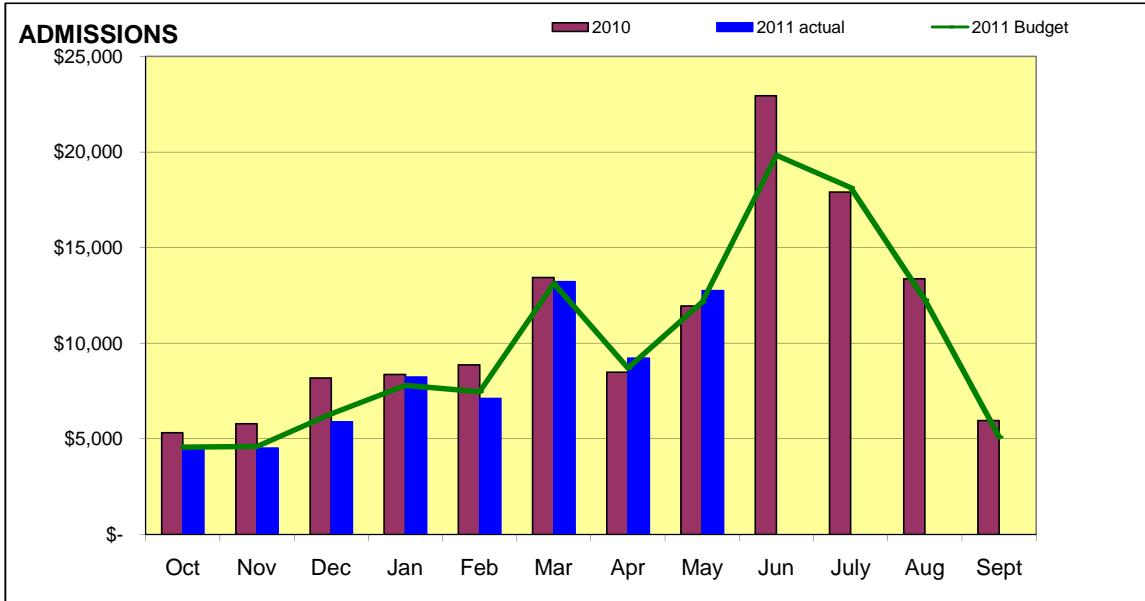


CHART D

RECREATION REVENUE ANALYSIS

Positive

May



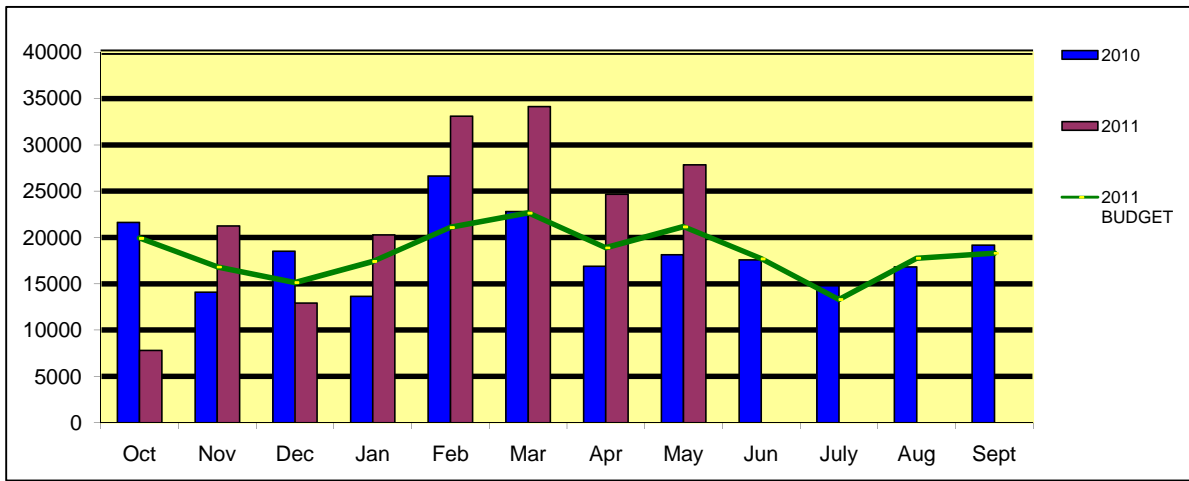
General Fund

Continued

CHART E

CIVIC CENTER REVENUE ANALYSIS

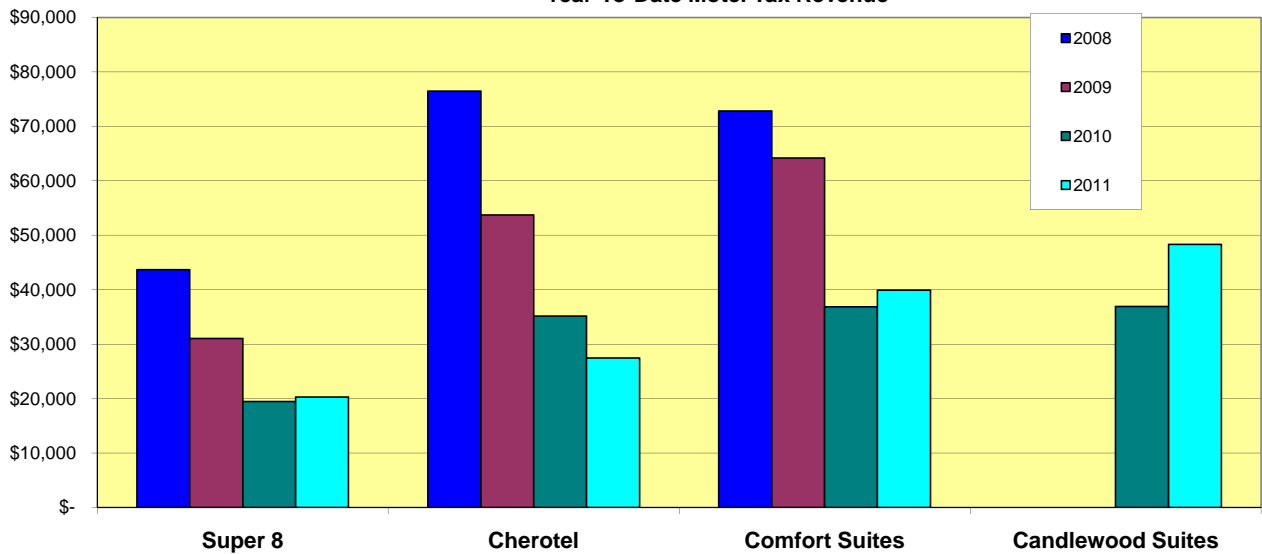
Positive May



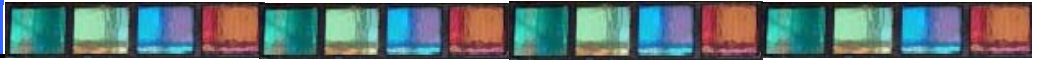
Motel Occupancy Fund

CHART F

Year-To-Date Motel Tax Revenue



Candlewood Suites opened in June, 2009.



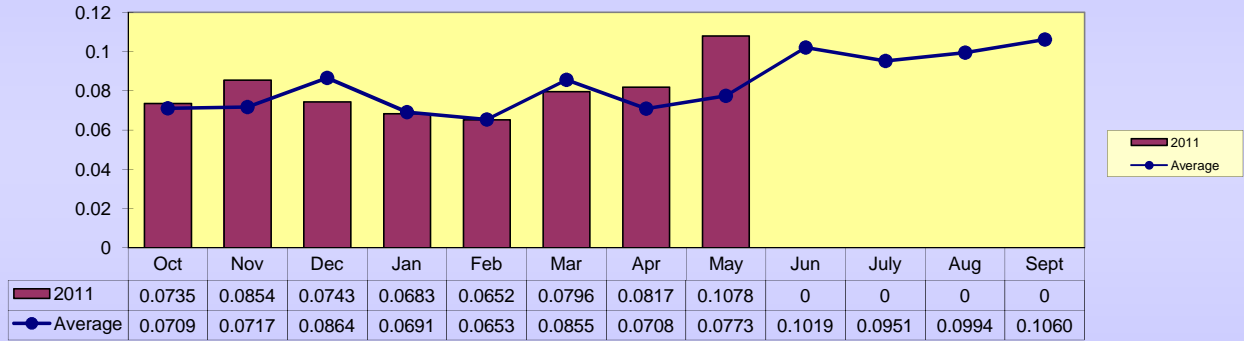
WATER BILLING ANALYSIS

Positive

May

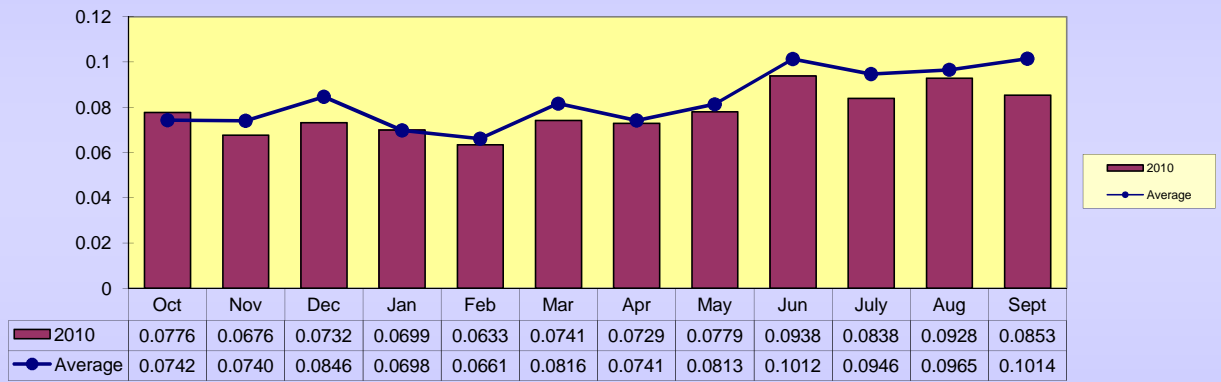
D

Average Percent of Total Water Billings Occurring in a Given Month / 2011 Percent of Budgeted Billings



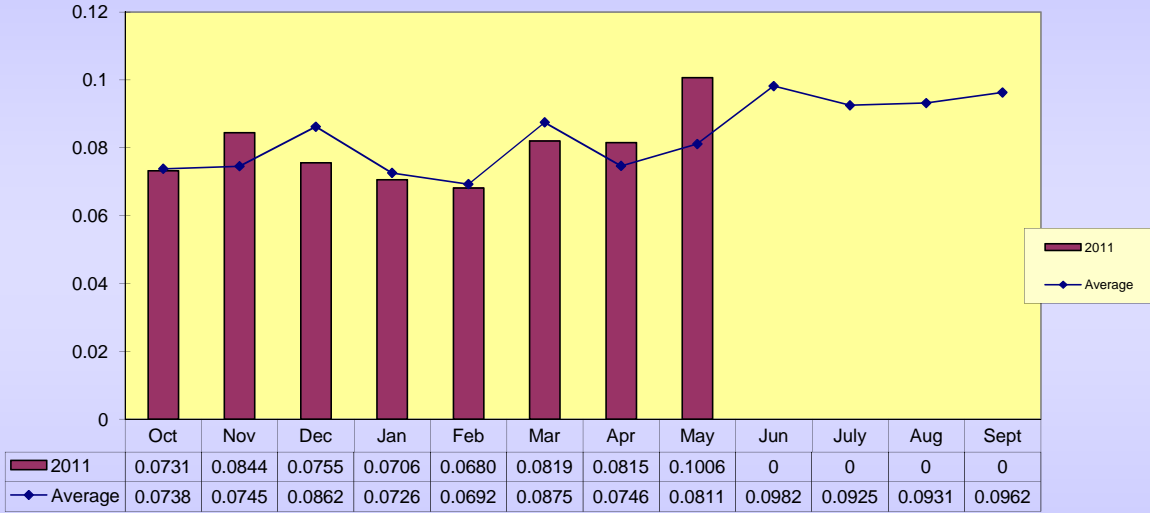
The line in the graph represents a six year history of the percentage of total annual billings which occur in any given month. The bars represent the percentage of budget which was billed in that month. If the bars hit the line every month we are meeting budget.

Average Percent of Total Water Billings Occurring in a Given Month / 2010 Percent of Budgeted Billings



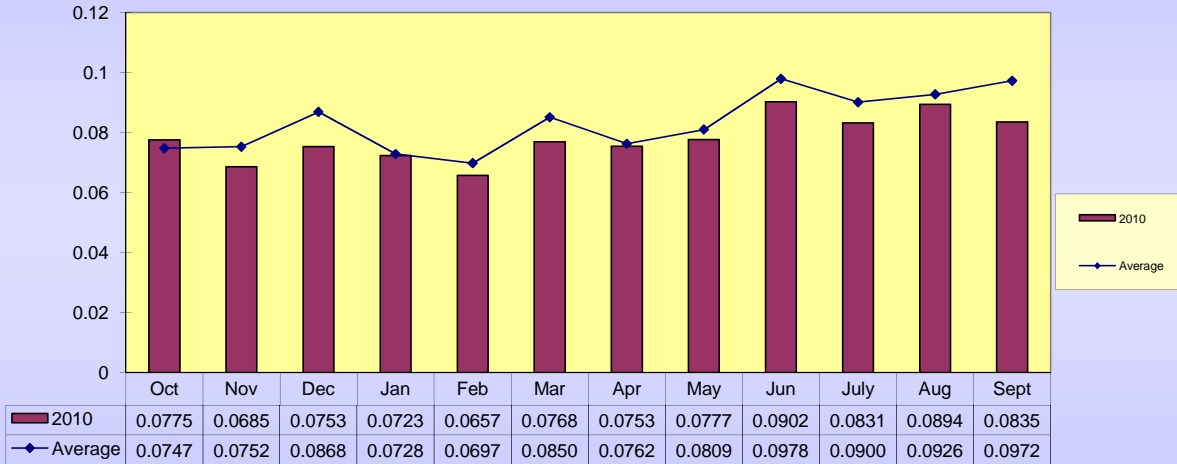
The line in the graph represents a six year history of the percentage of total annual billings which occur in any given month. The bars represent the percentage of budget which was billed in that month. If the bars hit the line every month we are meeting budget.

Average Percent of Total Sewer Billings Occurring in a Given Month/
2011 Percent of Budgeted Billings



The line in the graph represents a six year history of the percentage of total annual billings which occur in any given month. The bars represent the percentage of budget which was billed in that month. If the bars hit the line every month we are meeting budget.

Average Percent of Total Sewer Billings Occurring in a Given Month/
2010 Percent of Budgeted Billings



The line in the graph represents a six year history of the percentage of total annual billings which occur in any given month. The bars represent the percentage of budget which was billed in that month. If the bars hit the line every month we are meeting budget.

Utility Fund



PAYROLL / BENEFITS EXPENDITURE ANALYSIS

Positive

YTD

CHART I

Payroll Periods to date: 17
 Total Payroll Periods 26
 % of Payroll Periods Expired: 65.38%

| | FY 2011 Budget | Expended to Date | Percentage of Budget Expended |
|--------------------------|---------------------|---------------------|-------------------------------------|
| Service Maintenance | \$ 1,148,140 | \$ 743,061 | 64.72% |
| Office / Clerical | 135,500 | 94,611 | 69.82% |
| Technical | 327,700 | 204,533 | 62.41% |
| Management/Supervision | 296,700 | 219,019 | 73.82% |
| Temp / Seasonal | - | - | 0.00% |
| Employee Incentive * | 70,000 | - | 0.00% |
| Overtime | 178,000 | 167,248 | 93.96% |
| Contract Labor | 62,500 | 55,681 | 89.09% |
| Group Insurance | 271,400 | 171,071 | 63.03% |
| Employer FICA | 159,500 | 107,071 | 67.13% |
| Retirement Contributions | 273,100 | 183,915 | 67.34% |
| Workers Compensation ** | <u>60,300</u> | <u>10,051</u> | 16.67% |
| TOTAL | \$ 2,982,840 | \$ 1,956,261 | 65.58% |

* The 3% lump sum payment budgeted for all full time and regular part time employees is included in the "Employee Incentive" account. Expenditures related to the lump sum payments are charged to the service maintenance, office/clerical, technical, and management/supervision accounts. Expended to date for the Utility Fund includes a 3% lump sum payment to employees. The total percentage of budget expended without regard to the 3% lump sum would be 64.76%.

** Expended-to-Date includes FY 2010 return of equity from Texas Municipal League Intergovernmental Risk Pool.

General Fund



PAYROLL / BENEFITS EXPENDITURE ANALYSIS

Positive

YTD

CHART J

Payroll Periods to date: 17
 Total Payroll Periods 26
 % of Payroll Periods Expired: 65.38%

| | FY 2011 Budget | Expended to Date | Percentage of Budget Expended |
|---------------------------------|----------------------|---------------------|-------------------------------------|
| Service Maintenance | \$ 1,153,000 | \$ 661,188 | 57.35% |
| Office / Clerical | 615,300 | 414,925 | 67.43% |
| Technical | 917,590 | 610,411 | 66.52% |
| Sworn Personnel | 1,924,100 | 1,338,098 | 69.54% |
| Professional | 323,700 | 235,410 | 72.72% |
| Management/Supervision | 1,934,400 | 1,392,020 | 71.96% |
| Temp / Seasonal | 293,600 | 171,618 | 58.45% |
| Employee Incentive * | 260,000 | - | 0.00% |
| Overtime | 240,500 | 181,937 | 75.65% |
| Contract Labor - budgeted | 20,500 | 8,291 | 40.44% |
| Contract Labor - salary savings | | 41,535 | |
| Group Insurance | 707,117 | 458,630 | 64.86% |
| Employer FICA | 559,115 | 368,393 | 65.89% |
| Retirement Contributions | 1,012,862 | 661,351 | 65.30% |
| Workers Compensation ** | 116,096 | 27,241 | 23.46% |
| TOTAL | \$ 10,077,880 | \$ 6,571,048 | 65.20% |

* The 3% lump sum payment budgeted for all full time and regular part time employees is included in the "employee incentive" account. Expenditures related to the lump sum payments are charged to the service maintenance, office/clerical, technical, and management/supervision accounts. Expended to date for the General Fund includes the a 3% lump sum payment to employees. The total percentage of budget expended without regard to the 3% lump sum would be 64.28%.

** Expended-to-Date includes FY 2010 return of equity from Texas Municipal League Intergovernmental Risk Pool.

ECONOMIC DEVELOPMENT

CHART K

Lake Jackson has entered into two Section 380 sales tax agreements to promote economic development. In the first agreement with Prime Retail, Prime agreed to renovate the exterior of the Brazos Mall property and add an expanded food court and large theatre. At an offsite property Prime removed an existing theatre and replaced it with three large big box retailers. In exchange, the City agreed to rebate Prime half of the City's additional sales tax revenues generated from these properties.

The second 380 agreement is with Kohls. To entice Kohl's to tear down an existing vacant building and build a Kohls store and an additional strip center the City agreed to rebate half of their sales tax revenue generated by the Kohls store.

Total Sales Tax Rebates

Fiscal Year

| | | |
|----------|----|---------|
| 2007 | \$ | 89,531 |
| 2008 | | 120,262 |
| 2009 | | 181,431 |
| 2010 | | 144,087 |
| 2011 YTD | | 93,656 |

Grants

| Grantor | Description | Award | Total Projected Expenditures | Expenditures To Date | City Grant Match Requirement | Grant Received To Date | Grant Funds to be Received |
|---|---|--------------|------------------------------|----------------------|------------------------------|------------------------|----------------------------|
| Dept. of Energy | Replace Light Fixtures - City Bldgs. | \$ 86,000 | \$ 86,000 | \$ - | n/a | \$ - | \$ 86,000 |
| CDBG * | Downtown Imp. Business Façade Sidewalk/Lighting | \$ 244,439 | \$ 245,484 | \$ 77,262 | n/a | \$ 77,262 | \$ 167,177 |
| FEMA | Hurricane Ike | \$ 1,927,472 | \$ 1,967,815 | \$ 1,967,815 | 10% | \$ 1,736,737 | \$ 190,735 |
| Texas Forest Service (Rural VFD Assistance Program) | Brush Truck | \$ 78,000 | \$ 110,000 | \$ - | n/a | \$ - | \$ 78,000 |

* CDBG - Community Development Block Grant

INVESTMENTS



CHART L

| Account Type | Purchase Date | Maturity Date | Yield 4/30/2011 | Amount Invested 4/30/11 | Amount Invested 5/31/11 | % of Total 05/31/11 |
|--|---------------|---------------|-----------------|-------------------------|-------------------------|---------------------|
| First National | | | 1.51% | \$ 4,201,730 | \$ 3,968,666 | 13.87% |
| TexPool | | | 0.08% | 6,496,235 | 6,496,698 | 22.71% |
| Merrill Lynch | | | 0.14% | 2,785,190 | 2,785,224 | 9.74% |
| TexStar | | | 0.09% | 9,383,796 | 9,112,776 | 31.86% |
| First Public | | | 0.20% | 5,842,327 | 5,843,298 | 20.43% |
| CD's: | | | | | | 1.39% |
| TX. Gulf Bank | 6/21/2010 | 6/21/2011 | 1.29% | 100,000 | 100,000 | |
| Int. Bank of Commerce | 2/4/2010 | 8/4/2011 | 1.77% | 100,000 | 100,000 | |
| Compass | 2/28/2010 | 5/28/2011 | 0.85% | 100,000 | 100,000 | |
| BBVA Compass (formerly Guaranty Federal) | 5/13/2011 | 2/13/2012 | 0.55% | 99,000 | 99,000 | |
| Total Invested | | | | \$ 29,108,278 | \$ 28,605,662 | 100.00% |

| | |
|---------------------------|--------|
| Weighted Maturity | 2 Days |
| Weighted Yield | 0.33 % |
| Three Month Treasury Bill | 0.05 % |
| Long Term Treasury Bonds | 4.22 % |

The City utilizes a "Pooled Cash" fund. This means that we combine all of the separate funds of the City into one fund (we call it the Clearing Fund) for investment and checking account purposes. Each individual fund then "owns" a portion of the Clearing Fund. As of 05/31/2011 the ownership of the Clearing fund was as follows:

| | |
|---------------------------------------|----------------------|
| General fund | \$ 6,413,202 |
| Payroll | 93,825 |
| General Contingency | 788,809 |
| Equipment Replacement | 3,821,963 |
| Unemployment Insurance | 204,970 |
| Park | 239,507 |
| Special Events | 18,663 |
| Motel Occupancy Tax Fund | 51,303 |
| Economic Development Fund | 1,705,319 |
| General Projects Fund | 731,603 |
| Municipal Court & Emergency Operation | 247,770 |
| 2007 W&S Bond Construction Fund | 198,738 |
| General Debt Service Fund | 931,229 |
| Utility fund | 2,509,284 |
| Utility Contingency Fund | 343,690 |
| Utility Projects Fund | 676,704 |
| Utility Debt Service fund | 1,630,861 |
| 2010 Drainage & Infrastructure | 2,851,615 |
| Golf Course Debt Service | 0 |
| Memorial Garden | 4,348 |
| 96 W&S Bond Fund | 0 |
| 2004 Infrastructure Bond | 221,455 |
| Golf Course Special Revenue | 706 |
| 2009 Bond Construction Fund | 2,507 |
| Red Light Revenue | 135,848 |
| Downtown Revitalization | 4,210,685 |
| 2009 Revenue Bond | 571,058 |
| Total Fund Equity | \$ 28,605,662 |

SUMMARY STATEMENT OF INVESTMENT ACTIVITIES

Prepared in Compliance with General Accepted Accounting Principles

| | | |
|---|-----------|---------------|
| Beginning market value for reporting period | 5/1/2011 | \$ 29,108,278 |
| Additions & Changes to market value | | (502,616) |
| Ending market value for reporting period | 5/31/2011 | \$ 28,605,662 |
| Accrued interest for the reporting period | | \$ 0 |