



200 West 2nd Street • Freeport, TX 77541-5773

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# Council

## MEMORANDUM

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**To: Mayor and City Council**

**From: Bob Welch**

**Re: Financials through 06/30/08**

**Date: August 4, 2008**

Attached you will find the financial review for Fiscal Year 2007-2008 through 06/30/06.

I have attached:

- Summary Statements of Operations
- Statement of Operations by Fund
- Significant Revenues Breakdown
- Cash Statement as of 06/30/08
- A Capital Purchases List
- Debt Service Schedule

If you have any questions, let me know!



**STATEMENT OF OPERATIONS**  
**MONTH ENDING: 06/30/2008**

**BASELINE**  
**75.0%**

CONSOLIDATED FUNDS	YEAR-TO-DATE ACTUAL			CHG	%	BUDGET 2007-2008		ORIGINAL	%BUDGET 2006-2007
	2006-2007	2007-2008				CURRENT			
<b>REVENUES:</b>									
Taxes	6,431,023	6,875,943	444,920		6.9%	8,017,829	85.8%	8,000,329	85.9%
Permits & Fees	83,059	53,069	(29,990)		-36.1%	107,340	49.4%	107,340	49.4%
Garbage Revenue	505,005	563,415	58,410		11.6%	726,000	77.6%	726,000	77.6%
Revenue Producing	83,893	73,853	(10,040)		-12.0%	99,659	74.1%	99,659	74.1%
Fines & Fees	423,469	332,438	(91,031)		-21.5%	506,479	65.6%	506,479	65.6%
Miscellaneous	732,392	672,485	(59,907)		-8.2%	746,988	90.0%	470,600	142.9%
Golf Course	259,023	269,284	10,261		4.0%	358,251	75.2%	358,251	75.2%
Ambulance	327,506	378,822	51,316		15.7%	465,750	81.3%	455,750	83.1%
Water & Sewer	2,595,580	2,628,908	33,328		1.3%	3,678,425	71.5%	3,678,425	71.5%
Misc Fund Revenue	146,678	83,101	(63,577)		-43.3%	102,745	80.9%	120,245	69.1%
<b>NET REVENUES:</b>	<b>11,587,628</b>	<b>11,931,318</b>	<b>343,690</b>		<b>3.0%</b>	<b>14,809,466</b>	<b>80.6%</b>	<b>14,523,078</b>	<b>82.2%</b>
Bond Proceeds	0	3,350,000	3,350,000		0.0%	3,000,000	111.7%	3,000,000	111.7%
<b>TOTAL REVENUES:</b>	<b>11,587,628</b>	<b>15,281,318</b>	<b>3,693,690</b>		<b>31.9%</b>	<b>17,809,466</b>	<b>85.8%</b>	<b>17,523,078</b>	<b>87.2%</b>
<b>EXPENDITURES:</b>									
Salaries / Labor	3,020,718	3,091,600	70,882		2.3%	4,510,154	68.5%	4,470,154	69.2%
Benefits	950,214	1,016,432	66,218		7.0%	1,503,756	67.6%	1,503,756	67.6%
Supplies	336,192	399,999	63,807		19.0%	602,200	66.4%	598,548	66.8%
Services	3,520,307	3,678,482	158,175		4.5%	5,165,350	71.2%	5,176,502	71.1%
Maintenance	333,394	306,834	(26,560)		-8.0%	496,575	61.8%	494,568	62.0%
Sundry	245,375	258,925	13,550		5.5%	359,728	72.0%	348,235	74.4%
Bonds/Leases/Depr	321,737	393,119	71,382		22.2%	606,672	64.8%	830,014	47.4%
Capital Outlay	970,866	1,267,346	296,480		30.5%	5,299,179	23.9%	4,522,689	28.0%
<b>TOTAL EXPENSES:</b>	<b>9,698,803</b>	<b>10,412,737</b>	<b>713,934</b>		<b>7.4%</b>	<b>18,543,614</b>	<b>56.2%</b>	<b>17,944,466</b>	<b>58.0%</b>
<b>NET: OPERATING</b>	<b>1,888,825</b>	<b>4,868,581</b>	<b>2,979,756</b>		<b>157.8%</b>	<b>(734,148)</b>	<b>xxx</b>	<b>(421,388)</b>	<b>xxx</b>
<b>TOTAL TRANSFERS:</b>	<b>(46,695)</b>	<b>-</b>	<b>46,695</b>		<b>-100.0%</b>	<b>421,388</b>	<b>0.0%</b>	<b>421,388</b>	<b>0.0%</b>
<b>NET</b>	<b>1,842,130</b>	<b>4,868,581</b>	<b>3,026,451</b>		<b>164.3%</b>	<b>(312,760)</b>	<b>xxx</b>	<b>-</b>	<b>xxx</b>



STATEMENT OF OPERATIONS BY FUND

FOR THE MONTH ENDING:

06/30/2008

12/31/2007

	YEAR-TO-DATE ACTUAL				BUDGET 2007-2008				%BUDGET 2006-2007	BUDGET 2006-2007
	2006-2007	2007-2008	CHG	%	CURRENT		ORIGINAL			
<b>TOTAL CONSOLIDATION:</b>										
REVENUES	11,587,628	15,281,313	3,693,686	31.9%	17,523,078	87.2%	17,523,078	87.2%	76.6%	15,129,145
EXPENSES	9,698,804	10,412,732	713,928	7.4%	17,968,769	57.9%	17,944,466	58.0%	63.5%	15,278,246
NET: OPERATING	1,888,824	4,868,581	2,979,758	157.8%	-445,691	-1092.4%	-421,388	-1168.4%	-1266.8%	-149,101
INTERFUND TRANSFERS	46,694	0	-46,694	-100.0%	-421,388	0.0%	-421,388	0.0%	0.8%	5,847,145
BOND PROCEEDS	0	0	0	0.0%	0	0.0%	0	0.0%	0.0%	0
NET	1,842,130	4,868,581	3,026,452	164.3%	-24,303	-20032.8%	0	0.0%	-30.7%	-5,996,246
<b>GOVERNMENTAL FUNDS:</b>										
REVENUES	8,405,518	12,004,299	3,598,781	42.8%	13,030,652	92.1%	13,030,652	92.1%	81.3%	10,343,795
EXPENSES	6,405,581	6,950,989	545,408	8.5%	13,052,597	53.3%	13,028,294	53.4%	63.3%	10,126,309
NET: OPERATING	1,999,937	5,053,310	3,053,373	152.7%	-21,945	-23027.2%	2,358	214304.9%	919.6%	217,486
INTERFUND TRANSFERS	270,533	100,000	-170,533	-63.0%	24,764	403.8%	24,764	403.8%	4.5%	6,070,984
BOND PROCEEDS	0	0	0	0.0%	0	0.0%	0	0.0%	0.0%	0
NET	1,729,404	4,953,310	3,223,906	186.4%	-46,709	-10604.6%	-22,406	-22107.1%	-29.5%	-5,853,498
<b>ENTERPRISE FUNDS:</b>										
REVENUES	3,182,110	3,277,014	94,904	3.0%	4,492,426	72.9%	4,492,426	72.9%	66.5%	4,785,350
EXPENSES	3,293,223	3,461,743	168,520	5.1%	4,916,172	70.4%	4,916,172	70.4%	63.9%	5,151,937
NET: OPERATING	-111,113	-184,729	-73,616	-66.3%	-423,746	43.6%	-423,746	43.6%	30.3%	-366,587
INTERFUND TRANSFERS	-223,839	-100,000	123,839	-55.3%	-446,152	22.4%	-446,152	22.4%	100.0%	-223,839
NET	112,726	-84,729	-197,455	-175.2%	22,406	-8472886.0%	22,406	-378.2%	-79.0%	-142,748
<b>GENERAL FUND #10</b>										
REVENUES	8,003,898	8,026,587	22,688	0.3%	9,327,969	86.0%	9,327,969	86.0%	80.5%	9,942,485
EXPENSES	5,999,426	5,818,922	-180,504	-3.0%	8,748,079	66.5%	8,723,776	66.7%	66.8%	8,980,777
NET: OPERATING	2,004,472	2,207,665	203,193	10.1%	579,890	380.7%	604,193	365.4%	208.4%	961,708
INTERFUND TRANSFERS	1,019,091	-900,000	-1,919,091	-188.3%	-975,236	92.3%	-975,236	92.3%	15.0%	6,811,067
NET	985,381	3,107,665	2,122,284	215.4%	-1,555,126	199.8%	1,579,429	196.8%	-16.8%	-5,849,359
<b>STREET &amp; DRG #14</b>										
REVENUES	132,860	61,610	-71,250	-53.6%	100,000	61.6%	100,000	61.6%	132.9%	100,000
EXPENSES	109,722	669,989	560,267	510.6%	704,080	95.2%	704,080	95.2%	17.7%	619,310
NET: OPERATING	23,138	-608,379	-631,517	-2729.3%	-604,080	100.7%	-604,080	100.7%	-4.5%	-519,310
INTERFUND TRANSFERS	-748,558	1,000,000	1,748,558	-233.6%	1,000,000	100.0%	1,000,000	100.0%	100.0%	-748,558
NET	771,696	-1,608,379	-2,380,075	-308.4%	-1,604,080	100.3%	-1,604,080	100.3%	336.6%	229,248
<b>HOTEL MOTEL #18</b>										
REVENUES	8,530	7,063	-1,467	-17.2%	18,000	39.2%	18,000	39.2%	46.1%	18,500
EXPENSES	14,010	15,389	1,379	9.8%	18,000	85.5%	18,000	85.5%	98.9%	14,164
NET: OPERATING	-5,480	-8,326	-2,845	51.9%	0	0.0%	0	0.0%	-126.4%	4,336
INTERFUND TRANSFERS	0	0	0	0.0%	0	0.0%	0	0.0%	0.0%	8,475
NET	-5,480	-8,326	-2,845	51.9%	0	0.0%	0	0.0%	132.4%	-4,139
<b>CONSTR EQUIP #62</b>										
REVENUES	8,710	0	-8,710	-100.0%	3,000,000	0.0%	3,000,000	0.0%	0.0%	0
EXPENSES	0	0	0	0.0%	3,000,000	0.0%	3,000,000	0.0%	0.0%	229,248
NET: OPERATING	8,710	0	-8,710	-100.0%	0	0.0%	0	0.0%	-3.8%	-229,248
INTERFUND TRANSFERS	0	0	0	0.0%	0	0.0%	0	0.0%	0.0%	0
BOND PROCEEDS	0	0	0	0.0%	0	0.0%	0	0.0%	0.0%	0
NET	8,710	0	-8,710	-100.0%	0	0.0%	0	0.0%	-3.8%	-229,248
<b>COO2008 CONST #63</b>										
REVENUES	0	3,370,037	3,370,037	0.0%	0	0.0%	0	0.0%	0.0%	0
EXPENSES	0	164,585	164,585	0.0%	0	0.0%	0	0.0%	0.0%	0
NET: OPERATING	0	3,205,452	3,205,452	0.0%	0	0.0%	0	0.0%	0.0%	0
INTERFUND TRANSFERS	0	0	0	0.0%	0	0.0%	0	0.0%	0.0%	0
BOND PROCEEDS	0	0	0	0.0%	0	0.0%	0	0.0%	0.0%	0
NET	0	3,205,452	3,205,452	0.0%	0	0.0%	0	0.0%	0.0%	0
<b>CONSTR EQUIP DEBT SVC #64</b>										
REVENUES	251,519	240,534	-10,985	-4.4%	584,683	41.1%	584,683	41.1%	88.9%	282,810
EXPENSES	282,423	282,096	-327	-0.1%	582,438	48.4%	582,438	48.4%	99.9%	282,810
NET: OPERATING	-30,904	-41,561	-10,658	34.5%	2,245	-1851.3%	2,245	-1851.3%	0.0%	0
INTERFUND TRANSFERS	0	0	0	0.0%	0	0.0%	0	0.0%	0.0%	0
NET	-30,904	-41,561	-10,658	34.5%	2,245	-1851.3%	2,245	-1851.3%	0.0%	0
<b>COO 2008 DEBT SVC #65</b>										
REVENUES	0	298,467	298,467	0.0%	0	0.0%	0	0.0%	0.0%	0
EXPENSES	0	9	9	0.0%	0	0.0%	0	0.0%	0.0%	0
NET: OPERATING	0	298,458	298,458	0.0%	0	0.0%	0	0.0%	0.0%	0
INTERFUND TRANSFERS	0	0	0	0.0%	0	0.0%	0	0.0%	0.0%	0
NET	0	298,458	298,458	0.0%	0	0.0%	0	0.0%	0.0%	0
<b>GOLF COURSE #15</b>										
REVENUES	259,025	269,285	10,260	4.0%	358,251	75.2%	358,251	75.2%	67.7%	382,600
EXPENSES	417,881	424,198	6,316	1.5%	657,128	64.6%	657,128	64.6%	70.4%	593,324
NET: OPERATING	-158,856	-154,912	3,944	-2.5%	-298,877	51.8%	-298,877	51.8%	75.4%	-210,724
INTERFUND TRANSFERS	-210,724	-100,000	110,724	-52.5%	-314,574	31.8%	-314,574	31.8%	100.0%	-210,724
NET	51,868	-64,912	-106,780	-205.9%	15,697	-349.8%	15,697	-349.8%	0.0%	0
<b>AMBULANCE #20</b>										
REVENUES	327,505	378,821	51,316	15.7%	455,750	83.1%	455,750	83.1%	69.8%	469,000
EXPENSES	354,886	321,494	-33,392	-9.4%	450,842	71.3%	450,842	71.3%	59.2%	599,648
NET: OPERATING	-27,381	57,326	84,708	-309.4%	4,908	1168.0%	4,908	1168.0%	21.0%	-130,648
INTERFUND TRANSFERS	0	0	0	0.0%	-52,126	0.0%	-52,126	0.0%	0.0%	0
NET	-27,381	57,326	84,708	-309.4%	57,034	100.5%	57,034	100.5%	21.0%	-130,648
<b>WATER &amp; SEWER #55</b>										
REVENUES	2,595,581	2,628,909	33,328	1.3%	3,678,425	71.5%	3,678,425	71.5%	66.0%	3,933,750
EXPENSES	2,520,456	2,716,051	195,596	7.8%	3,808,202	71.3%	3,808,202	71.3%	63.7%	3,958,965
NET: OPERATING	75,125	-87,143	-162,268	-216.0%	-129,777	67.1%	-129,777	67.1%	-297.9%	-25,215
INTERFUND TRANSFERS	-13,115	0	13,115	-100.0%	-79,452	0.0%	-79,452	0.0%	100.0%	-13,115
NET	88,240	-87,143	-175,383	-198.8%	-50,326	173.2%	-50,326	173.2%	-729.3%	-12,100



**STATEMENT OF OPERATIONS**  
**MONTH ENDING: 06/30/2008**

**BASELINE**  
**75.0%**

CONSOLIDATED FUNDS	YEAR-TO-DATE ACTUAL			%	BUDGET 2006-2007		%BUDGET 2006-2007	BUDGET 2006-2007
	2006-2007	2007-2008	CHG		CURRENT	ORIGINAL		

**SIGNIFICANT REVENUES BREAKDOWN:**

Property Taxes	1,958,669	2,201,821	243,152	12.4%	2,333,654	94.4%	88.6%	2,211,202
Sales Taxes (General Fund)	808,554	842,553	33,999	4.2%	1,151,865	73.1%	77.0%	1,050,000
Franchise Taxes	510,325	470,726	(39,599)	-7.8%	619,500	76.0%	77.7%	656,500
Industrial District	3,143,558	3,349,943	206,385	6.6%	3,887,310	86.2%	85.9%	3,658,970
Municipal Court	403,734	317,040	(86,694)	-21.5%	504,904	62.8%	96.2%	419,900
Water	1,321,340	1,373,176	51,836	3.9%	1,950,000	70.4%	66.1%	2,000,000
Sewer	865,685	908,584	42,899	5.0%	1,250,000	72.7%	61.8%	1,400,000
Bond Proceeds	0	3,350,000	3,350,000	0.0%	3,000,000	111.7%	0.0%	0
	<b>9,011,865</b>	<b>12,813,843</b>	<b>3,801,978</b>	<b>42.2%</b>	<b>14,697,233</b>	<b>87.2%</b>	<b>79.1%</b>	<b>11,396,572</b>

% of Total Revenue	77.8%	83.9%			82.5%			83.9%		75.3%
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CASH BALANCES / FLOW

AS OF:

6/30/08

GOVERNMENTAL & ENTERPRISE FUNDS	Texpool	Texas Gulf	Petty Cash	6/30/08		Reserved	Unresrv	6/30/08		05/31/08	09/30/07
				TOTAL	TOTAL			TOTAL	TOTAL		
10 General Fund	106,834	2,047,696	3,962	2,158,492	97,303	2,061,189	2,158,492	2,636,605	752,760		
14 Street & Drainage Fund	1,786,405	201,249	0	1,987,654	0	1,987,654	1,987,654	1,983,961	3,803,630		
15 Golf Course	0	-97,939	0	-97,939	0	-97,939	-97,939	-72,959	-978		
18 Hotel/Motel Tax Fund	0	48,035	0	48,035	48,035	0	48,035	49,219	50,677		
20 Ambulance Fund	0	12,368	0	12,368	0	12,368	12,368	48,206	96,854		
56 Water & Sewer Fund	0	240,859	180	241,039	16,609	224,430	241,039	260,440	-40,257		
62 Capital Construction Fund	0	0	0	0	0	0	0	0	0		
63 COO 2008, Construction	3,294,452	-89,000		3,205,452	3,205,452	0	3,205,452	3,263,186	0		
64 Capital Debt Service Fund	0	14,595	0	14,595	14,595	0	14,595	14,575	14,567		
65 COO 2008, Debt Svc		300,385		300,385	300,385	0	300,385	5,003	0		
87 Payroll Clearing Fund	0	19,229	0	19,229	0	19,229	19,229	19,200	19,283		
<b>TOTAL GOVERNMENTAL CASH</b>	<b>5,187,690</b>	<b>2,697,477</b>	<b>4,142</b>	<b>7,889,309</b>	<b>3,682,379</b>	<b>4,206,930</b>	<b>7,889,309</b>	<b>8,207,434</b>	<b>4,696,527</b>		

Change Cash

-318,125 3,192,783

+ Change Net Income

1,073,480 4,868,581

- Change Non-Cash Assets

1,137,416 1,072,691

+ Change Liabilities

-254,189 -603,107


Cash Flow

-318,125 3,192,783

DEPT / DESCRIPTION		ITEM / PROJECT	BUDGETED\$	ACTUAL\$
10-400	Mayor & Council	New Audio/Sound System - Council Chambers	\$6,500	2,550
10-405	Main Street	Upgrades for 311 E. Park Ave.	10,000	2,876
10-410	General Administration	Invision - Report Writer / Project Acct Software	12,148	
10-410	General Administration	Mail / Web Server Hardware + Installation	7,500	
10-410	General Administration	New Telephone System for City Hall	16,000	17,978
10-410	General Administration	Land Purchases	25,000	13,470
10-410	General Administration	Community Notification System	-	0
10-420	Service Center	1/2 roof for city barn plus heavy equip bay roof	30,000	
10-420	Service Center	Car wash for underneath vehicles	10,000	
10-430	Municipal Court	Remodel Municipal Court / 1st Floor for Security	25,000	
10-430	Municipal Court	Digital Copier for 1st Floor - City Hall	14,500	12,915
10-430	Municipal Court	Electronic Handheld Ticket Writers	20,000	
10-525	Police	Internal Telephone system	18,300	29,976
10-525	Police	Graffiti Cam		5,015
10-525	Police	Thermal Imaging Camera		10,013
10-525	Police	Digital Patrol Video Server	8,500	3,649
10-525	Police	Patrol Electronics Package (MDT, Video, Radar)	30,910	26,714
10-525	Police	ITI Crime Mapping Module	7,521	
10-525	Police	Crime Scene Unit		8,250
10-525	Police	800mhz Handheld Radios (10)	31,215	0
10-525	Police	Replace Jail Door		9,577
10-525	Police	Boat	149,000	7,840
10-525	Police	Modular Furniture: Sergeants/records clerk office	15,840	15,900
10-530	Fire	Building extension and shelter	25,800	
10-575	Streets	Water Pressure Jet Trailer	38,000	
10-575	Streets	1-ton Dump bed truck	25,000	
10-575	Streets	Mini excavator	25,000	
10-575	Streets	Maintainer - current eqt. Outdated	140,000	
10-655	Parks	Ford F-150 Half ton pick up trucks (4 Used vehicles)	40,000	40,000
10-655	Parks	Ford F-150 Half ton Truck New	20,000	23,214
10-655	Parks	Heavy Duty Tilt Trailer	7,000	
10-655	Parks	Veteran's Memorial (additional)	37,292	37,292
10-655	Parks	Riverplace Deck	33,841	33,841
14-575	Streets & Drainage	County Interlocal Agreement Roads	294,593	0
14-575	Streets & Drainage	City In-House Roads	544,099	355,120
14-575	Streets & Drainage	Turnkey Contract Work (COO)	3,000,000	
14-575	Streets & Drainage	CDBG: 9th & 10th Street	312,805	312,805
15-656	Golf Course	Greens Mower	25,956	26,419
15-656	Golf Course	Gators	14,960	12,290
15-656	Golf Course	BTE Toro 72" Cut Rotary Mower	9,969	9,669
15-656	Golf Course	Seven Gang Reel Master 6700-D	47,737	
20-535	Ambulance / EMS	Toughbook computers for EMS / Fire field data and billing	16,900	16,660
56-565	Water & Sewer	City Wide Water Meter Replacement	40,000	
56-565	Water & Sewer	Sewer Line Replacement - Veolia Water	70,000	134,271
56-565	Water & Sewer	Lift Station Pump Replacment	48,000	
56-565	Water & Sewer	Lift Station Wetwell Repairs	60,000	-
63-410	COO 2008-CONSTR	Velasco Blvd.		99,042
<b>TOTAL CAPITAL:</b>			<b>\$5,314,886</b>	<b>\$1,267,346</b>



AS OF: 06/30/08

DESCRIPTION	ISSUE	ORIGINAL	BALANCE	RATE	PAYOFF
COO, REFUNDING BONDS, SERIES 2003 Economic Development Corporation Phase I Entryway	10/24/03	\$2,185,000	\$1,745,000	4.84%	10/24/18
					
PAYMENTS:					
		<b>DUE</b>	<b>AMOUNT</b>		
		04/24/08	42,198	Interest Only.	
		10/24/08	166,229	Principal & Interest.	
W&S, REVENUE REFUNDING BONDS, SERIES 2004 Sewer Plant, refunding Series 1995	08/20/04	\$1,943,000	\$1,449,000	4.85%	10/01/14
PAYMENTS:					
		<b>DUE</b>	<b>AMOUNT</b>		
		04/01/08	35,138	Interest Only.	
		10/01/08	212,138	Principal & Interest.	
COO, SERIES 2003 Capital Construction/Equipment Purchases	10/24/03	\$3,000,000	\$2,395,000	4.84%	10/24/18
PAYMENTS:					
		<b>DUE</b>	<b>AMOUNT</b>		
		04/24/08	57,916	Interest Only.	
		10/24/08	227,959	Principal & Interest.	
COO, SERIES 2008 Street Replacement; Velasco Blvd	03/03/08	\$3,350,000	\$3,350,000	3.79%	04/01/23
		<b>DUE</b>	<b>AMOUNT</b>		
		10/01/08	63,483	Interest Only.	

Next payment due.

BALANCE DUE: \$8,939,000