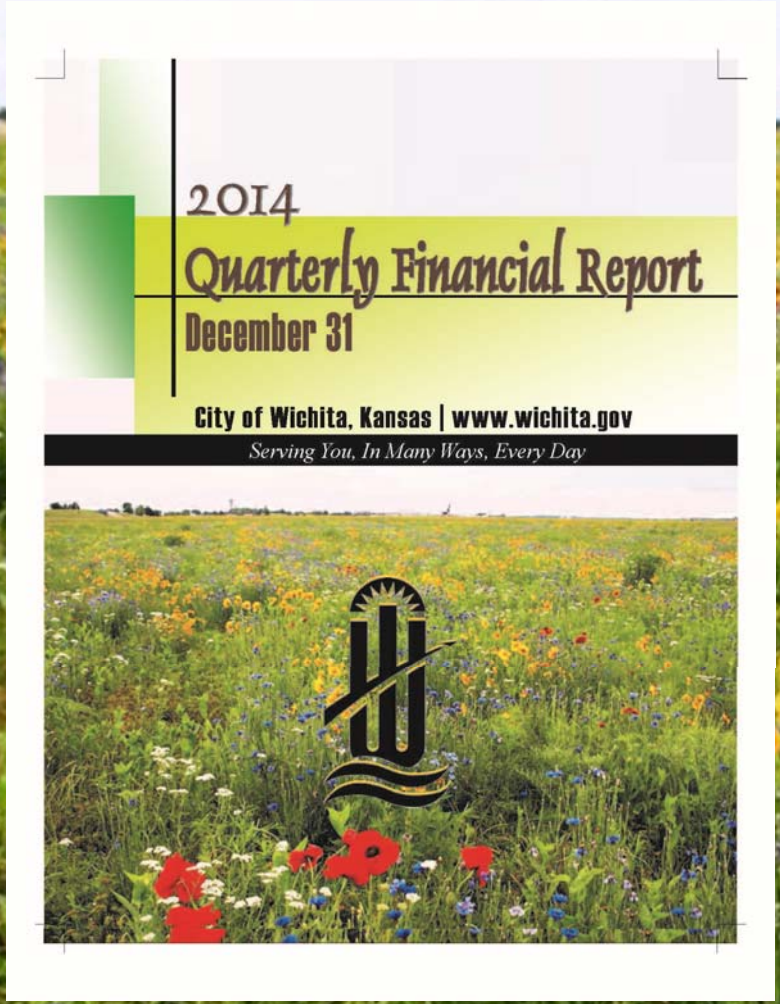
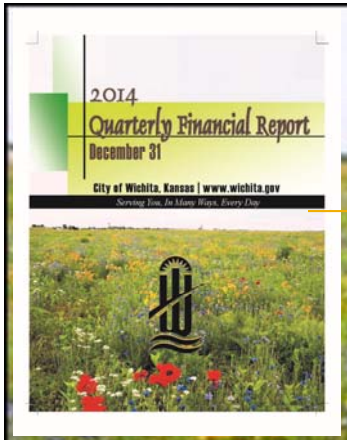


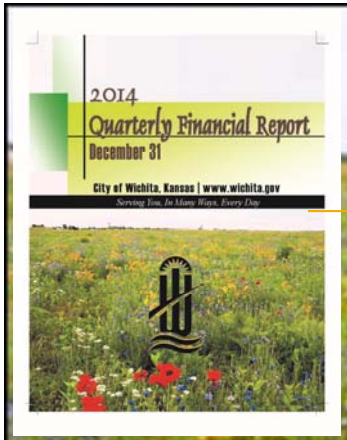
4TH QUARTER FINANCIAL REPORT

FEBRUARY 10, 2015



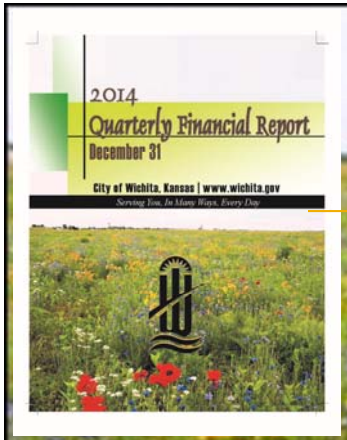
Fourth Quarter Report

- Reports economic and financial activity occurring through December 31
- Provides a preliminary, unaudited review of 2014 activity
- Shows that financial activity was generally in line and slightly better than projected in the 2014 Budget



General Fund Overview

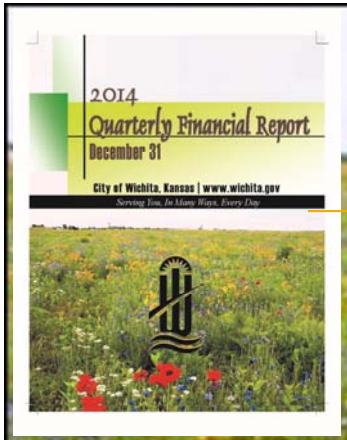
- Instead of a balanced budget as forecasted, a year-end surplus of $1.4 million was realized
- General Fund reserves totaled $26.7 million or 12.7% of expenditures; the current policy for General Fund reserves is at least 10% of expenditures
- Increase in reserves will be viewed positively by rating agencies



General Fund Overview

Overall, General Fund revenues were .4% lower than assumed in the Revised Budget, but were $4.6 million more than in 2013

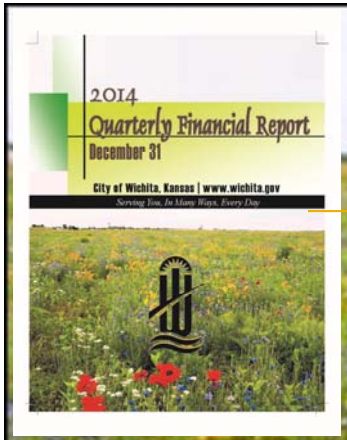
- Property tax revenues were consistent with the budget but were lower than 2013 with the shift of one-half mill to the Debt Service Fund
- Sales tax, motor vehicle taxes and gas tax revenues were consistent with expectations
- Court fines, franchise fees and charges for services were lower than assumed



General Fund Overview

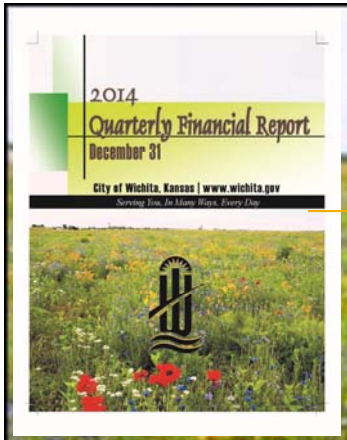
Overall, expenditures were $2.3 million lower than budgeted, contributing to the surplus at year-end

- Savings were realized in nearly all functional categories
- Public safety continues as a priority representing 57.3% of expenditures
- Most savings were experienced in contractuals and materials



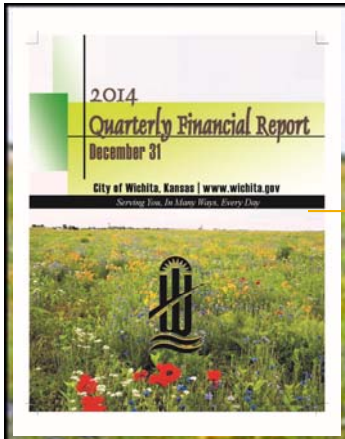
DEBT SERVICE FUND

- Fund balance of the Debt Service Fund increased $3.5 million and totaled $33.7 million at year-end
- Property tax revenue increased 5.9% from 4Q 2013, primarily due to the mill levy shift from the General Fund
- Pay-as –you-go financing totaled $25.3 million compared to $8.9 million in 2013
- Debt levels are expected to increase in 2015 as temporary notes are replaced with permanent financing



DEBT SERVICE FUND

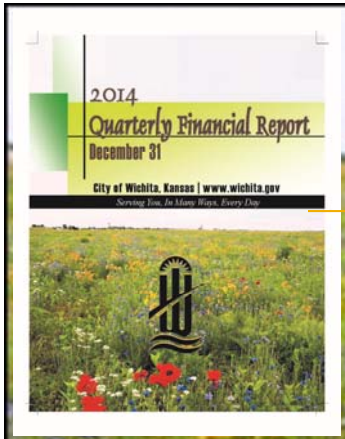
- Overall bonded indebtedness has declined $165 million from 2010 through 2013, due in part to refinancing opportunities
- Outstanding temporary notes totaled $185.3 million as compared to $326.3 million in 2013
- Bonded debt increased $138 million in 2014 with permanent financing for the ASR project (GO), freeway improvements (LST), Utility improvements (Revenue Bonds) and GO/SA bonds for other improvements



ENTERPRISE FUNDS

- Water Fund – Revenues are 11.8% higher than last year, due to increase in volume of water sales and planned rate increases effective January 1

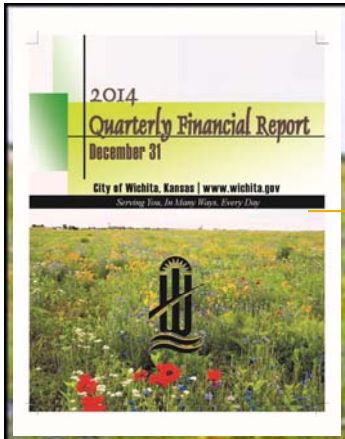
- Sewer Fund – Revenues were slightly below this time last year; with audit adjustments for December sales, it is expected revenues will be approximately 3% higher than last year



Enterprise Funds

- Golf – Revenues were 1.9% higher than last year, with more rounds played in 2014. Expenditures and transfers were 3% lower than last year.

- Transit – Revenues are 3.8% lower than in 2013, reflecting declines in ridership; expenditures continued to reflect the shift of operating costs to grants



SUMMARY

- Overall, performance in 2014 was better than expected
- General Fund revenue trends heading into 2015 are positive, although at a modest rate
- Transit continues to be stressed