

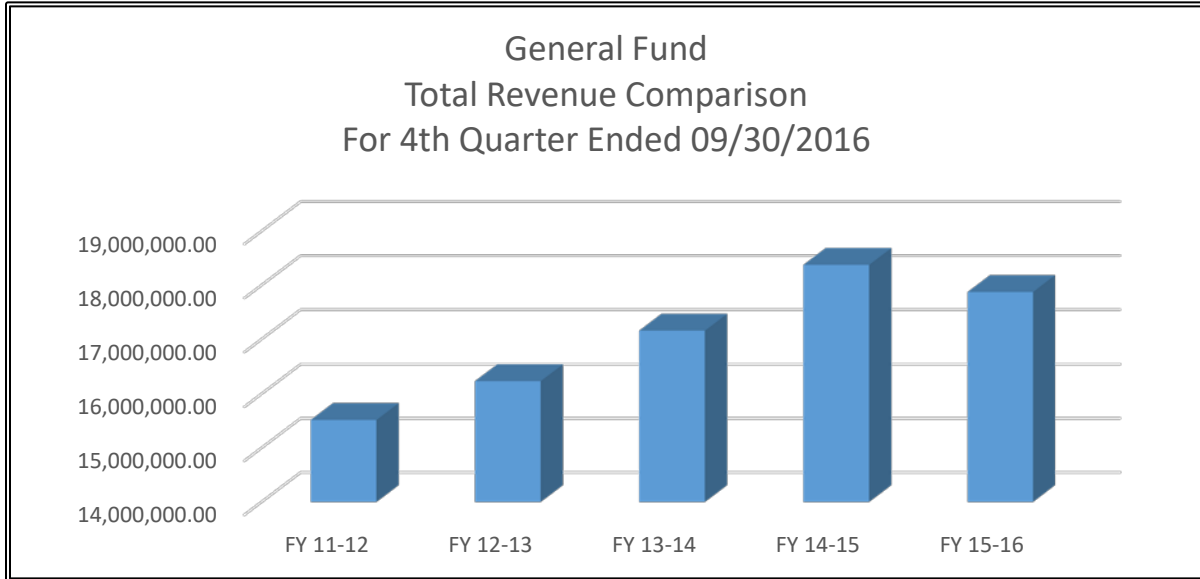


**FY 2015-2016**  
**QUARTERLY BUDGET**  
**REPORT**

**FOR QUARTER ENDED**  
**SEPTEMBER 30, 2016**

## FOURTH QUARTER FY2016 BUDGET REPORT

Through the fourth quarter of the fiscal year, there are thirteen (26) payroll periods, which indicates that total expenditures for salaries and benefits should be at fifty percent (100%). Being nine months into the year, revenue and other expenditure items should also be at one hundred percent (100%) of the FY 15-16 budget.



	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Adjusted Budget	\$15,291,926.00	\$16,315,800.00	\$17,151,238.00	\$18,730,749.91	\$18,882,127.00
Actuals 4th Quarter	\$15,518,721.62	\$16,236,331.25	\$17,158,785.92	\$18,376,141.10	\$17,874,401.23
Actuals vs Budget	101.48%	99.51%	100.04%	98.11%	94.66%

There are three General Fund categories that fell short of budgeted estimates and include the following:

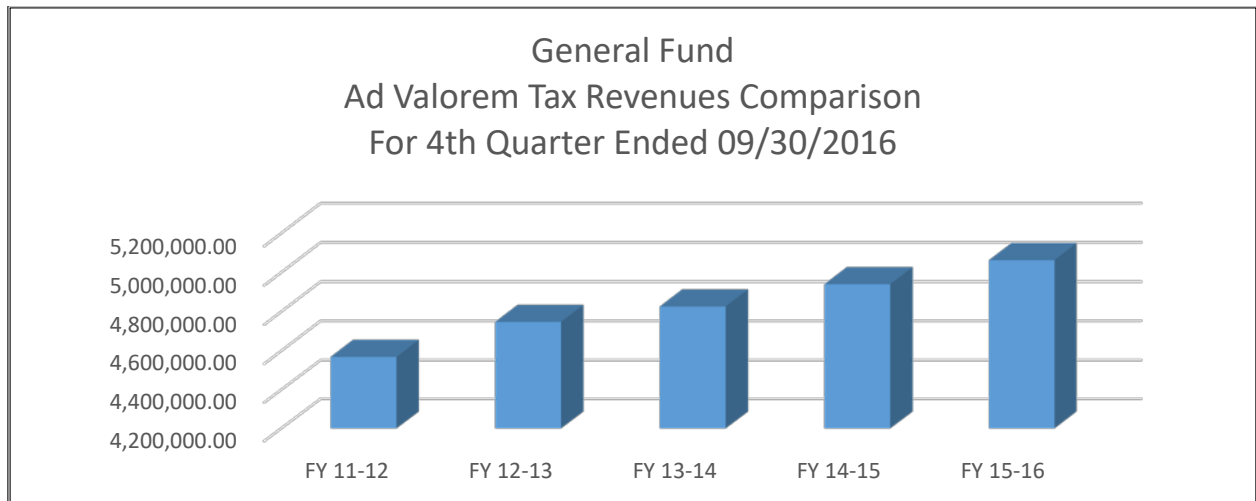
- Municipal Court fines – 78.68% - there were major staffing issues at Municipal Court which led to decreased revenues. Municipal Court is now fully staffed for FY 16-17.
- City County Services – 76.92% - this category includes vacant lot clearance, demolition recovery and noxious matter abatement revenues. Demolition recovery revenues took a hit this year due to demos being put on the back burner due to landfill issues.
- Transfers – 79.21% - transfers from Fund 096 included the deductible from FEMA which did not happen in this FY ending with \$25,000 not occurring and transfers of \$23,405 from Fund 099 has not been made yet, because Finance is still analyzing expenditures for proper FY classification.

All other General Fund revenue categories ended the year in the 94% - 98% range.

## General Fund Revenues

### A. Ad Valorem Taxes

The majority of Ad Valorem Taxes are collected in the early part of each fiscal year as penalties and interest are assessed on homeowners who do not make payment by January 31<sup>st</sup>. Revenues in this category are expected to be higher than the designated quarter percentage. In years past, budgets were conservative in the collection rate used which set the budgets at a lower expectation which is reflected in the revenue collection percentages. The higher collection percentage in years past reflect the past conservative budget methodology.



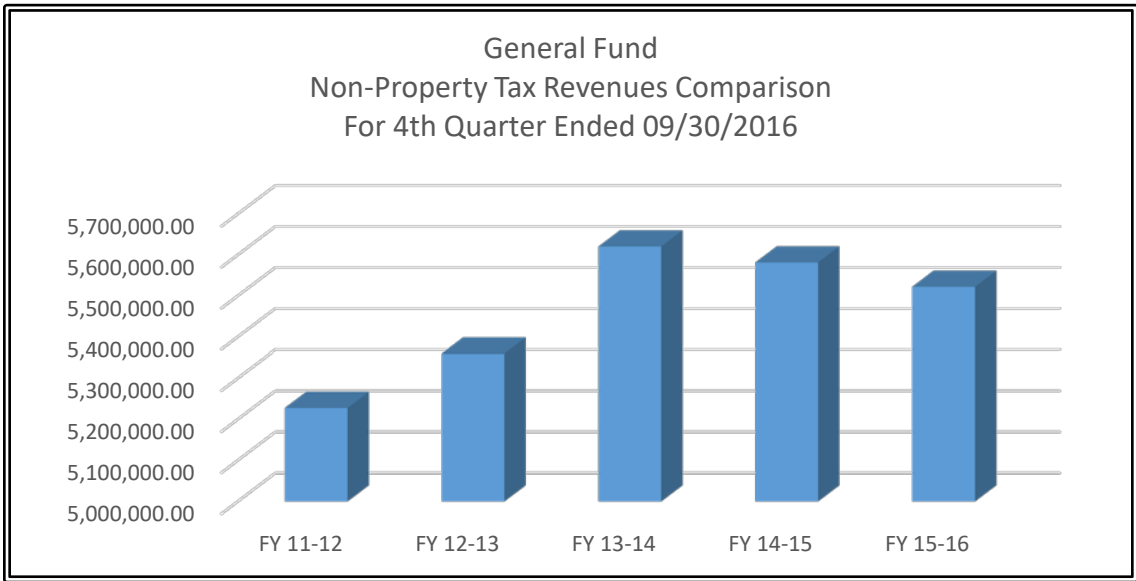
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Adjusted Budget	\$4,449,587.00	\$4,801,286.00	\$4,875,384.00	\$4,968,811.00	\$5,187,728.00
Actuals 4th Quarter	\$4,569,355.83	\$4,747,929.04	\$4,826,443.71	\$4,940,078.02	\$5,062,769.63
Actuals vs Budget	102.69%	98.89%	99.00%	99.42%	97.59%

Collections ended with all three major categories less than expected by \$123,085.30:

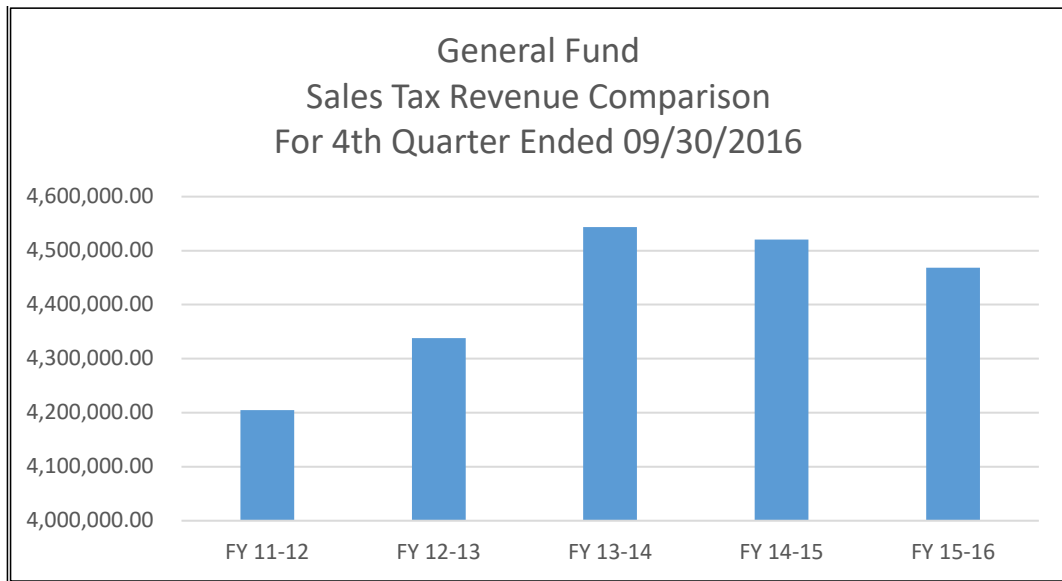
- Current taxes – 98.05%
- Delinquent taxes – 88.63%
- Penalty and interest – 85.31%

**B. Non-Property Taxes**

This category contains sales tax, mixed drink and franchise taxes. Only City sales taxes are received on a monthly basis while all other taxes are received on a quarterly or semi-annual basis.



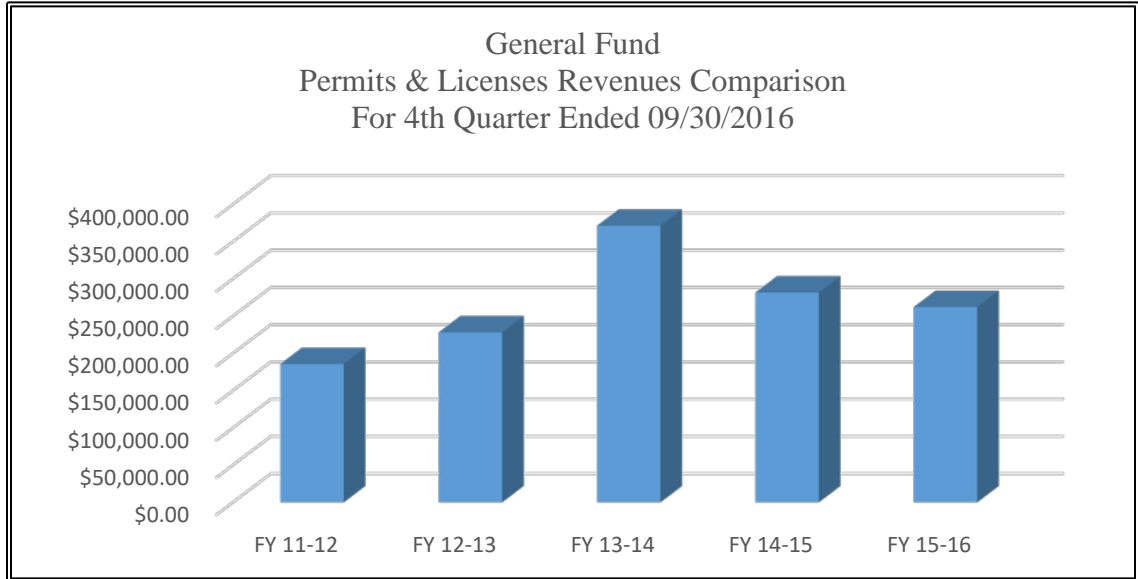
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Adjusted Budget	\$5,032,995.00	\$5,388,570.00	\$5,423,895.00	\$5,567,000.00	\$5,615,500.00
Actuals 4th Quarter	\$5,227,682.65	\$5,359,259.28	\$5,620,458.83	\$5,581,464.23	\$5,522,019.46
Actuals vs Budget	103.87%	99.46%	103.62%	100.26%	98.34%



	<u>FY 11-12</u>	<u>FY 12-13</u>	<u>FY 13-14</u>	<u>FY 14-15</u>	<u>FY 15-16</u>
Adjusted Budget	\$4,020,018.00	\$4,361,019.00	\$4,360,835.00	\$4,550,000.00	\$4,550,000.00
Actuals 4th Quarter	\$4,204,521.11	\$4,338,360.32	\$4,543,435.40	\$4,520,267.77	\$4,468,654.99
Actuals vs Budget	104.59%	99.48%	104.19%	99.35%	98.21%

**C. Permits & Licenses**

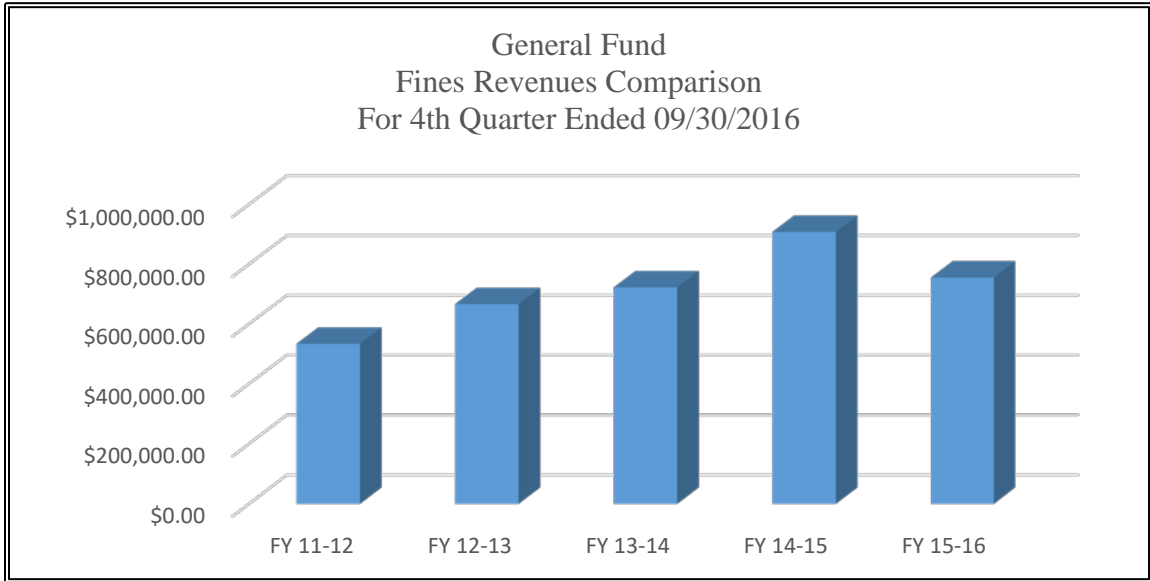
The revenue category consists of all permits and licensing revenue generated by the Planning Department. This category is trending slightly below expected. FY 14-15 saw a significant decrease due to the wet weather resulting in a decline in permit revenues. This wet weather continued for the same period in FY 15-16. Due to the past year’s performance, the budget was reduced to \$277,975 down from \$361,450 in FY 14-15.



	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Adjusted Budget	\$186,082.00	\$288,745.00	\$257,300.00	\$361,450.00	\$277,975.00
Actuals 4th Quarter	\$185,708.75	\$228,155.93	\$371,219.66	\$281,592.81	\$262,074.12
Actuals vs Budget	99.80%	79.02%	144.28%	77.91%	94.28%

**D. Fines**

Municipal Court revenues are significantly lower than expected and compared to the prior year. This quarter saw staffing issues with changes in personnel, vacancies, and employees out on leave. Finance and Utility Billing both provided part-time assistance in an effort to keep operations going, but available staffing could not keep pace with collection efforts needed.



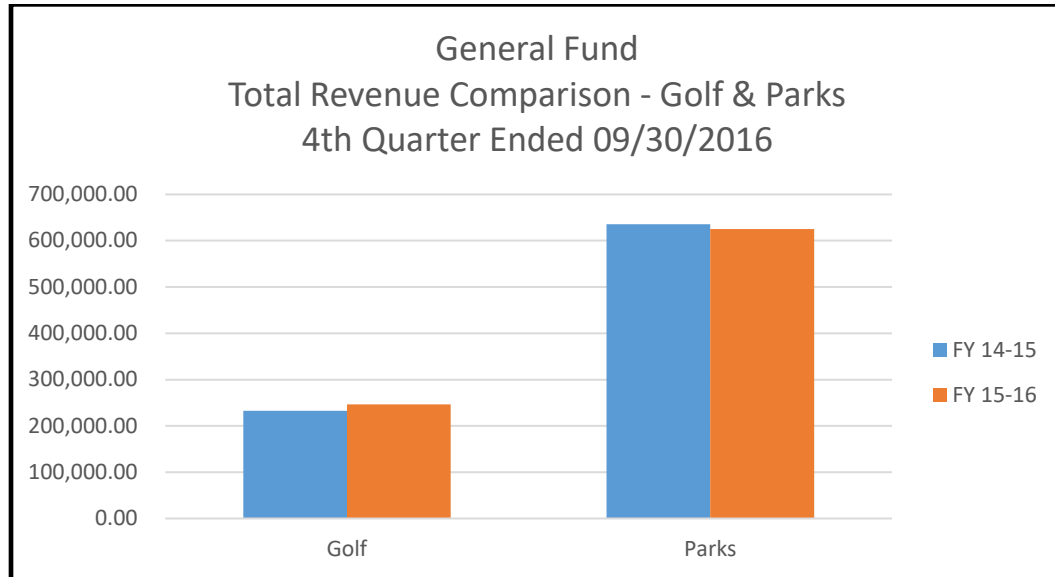
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Adjusted Budget	\$691,062.00	\$685,180.00	\$743,231.00	\$735,500.00	\$960,200.00
Actuals 4th Quarter	\$533,670.10	\$666,484.49	\$722,358.16	\$907,823.61	\$755,467.78
Actuals vs Budget	77.22%	97.27%	97.19%	123.43%	78.68%

**E. General Service Fees**

This category contains the revenues for two new divisions that were assumed by the City from the County in FY 14-15. The county contributes \$35,000 annually for the L.E. Ramey Golf Course.

The County contributes \$550,000 annually for Parks and Recreation operations.

Expected revenues are down for both Golf and Parks due to a major storm that occurred on May 31, 2016. Park operations were affected in greater capacity over Golf because events had to be cancelled and will continue to be cancelled through the end of this year due to the facility damages. Golf operations were able to resume, but not at full capacity.



Golf	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Adjusted Budget	\$0.00	\$0.00	\$0.00	\$450,177.05	\$278,025.00
Actuals 4th Quarter	\$0.00	\$0.00	\$0.00	\$232,371.38	\$246,693.68
Actuals vs Budget				51.62%	88.73%

Parks & Recreation	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Adjusted Budget	\$0.00	\$0.00	\$0.00	\$675,351.66	\$666,308.00
Actuals 4th Quarter	\$0.00	\$0.00	\$0.00	\$635,878.49	\$625,084.20
Actuals vs Budget				94.16%	93.81%

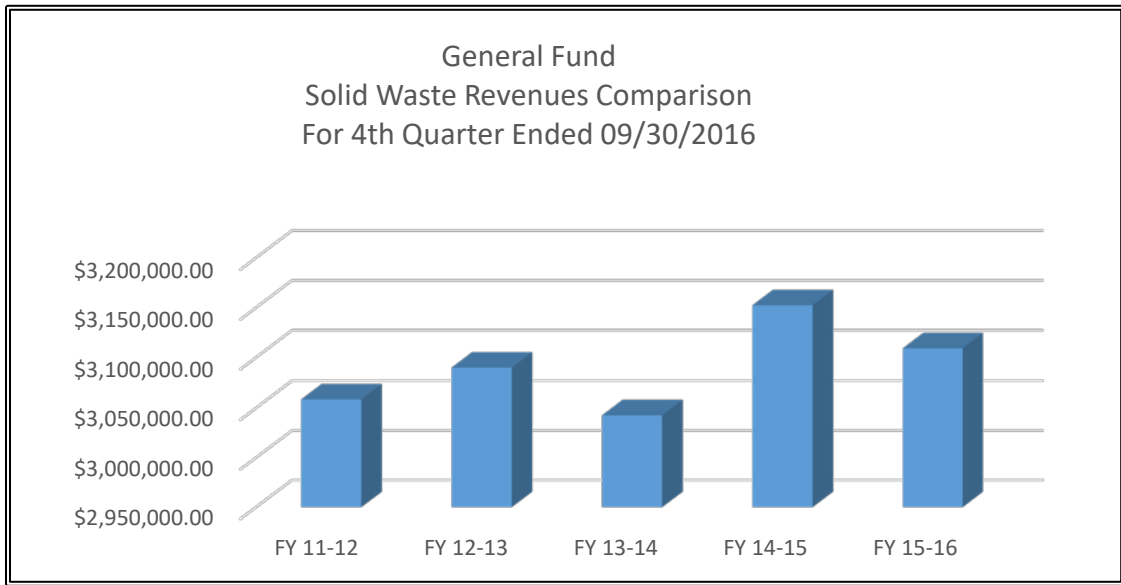




<u>Division</u>	<u>FY 14-15</u>	<u>FY 15-16</u>
Golf	197,371.38	211,693.68
Parks	85,878.49	75,084.20

**F. Solid Waste**

In General Fund, this revenue category includes landfill and garbage fees. Revenues for this fiscal year are slightly lower compared to last fiscal year due to limiting outside haulers for waste disposal at the landfill and weather related closure of the landfill.

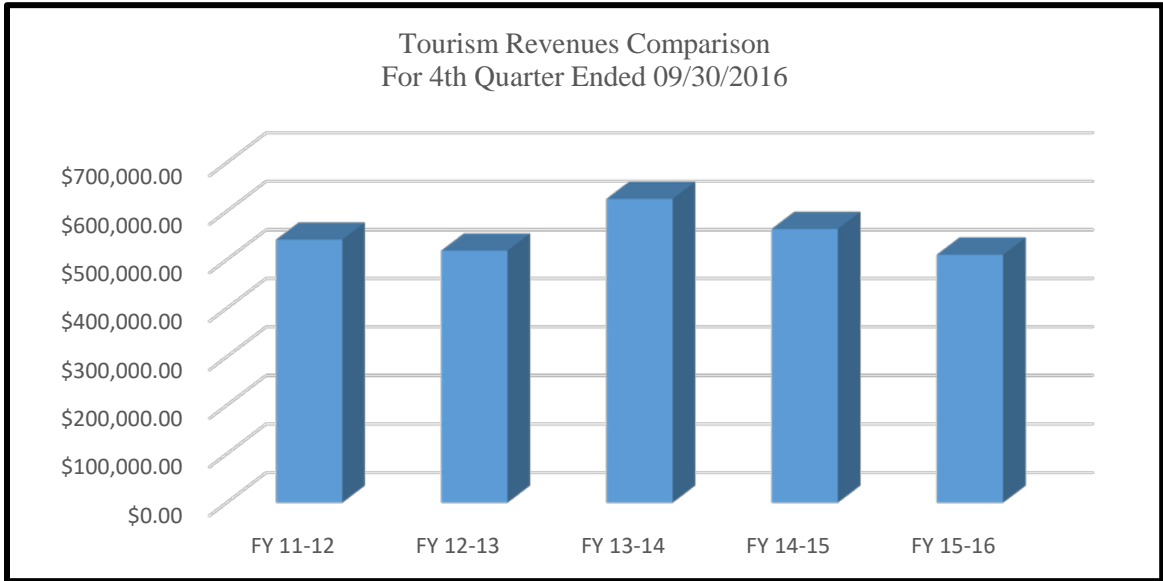


	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Adjusted Budget	\$2,970,057.00	\$3,010,321.00	\$3,079,761.00	\$3,185,700.00	\$3,284,900.00
Actuals 4th Quarter	\$3,058,557.64	\$3,089,801.36	\$3,042,573.19	\$3,152,350.31	\$3,109,248.88
Actuals vs Budget	102.98%	102.64%	98.79%	98.95%	94.65%

**G. Tourism Fund Revenues**

The main revenue for Tourism Fund are Hotel Occupancy Taxes collected by the hotels from overnight hotel guests.

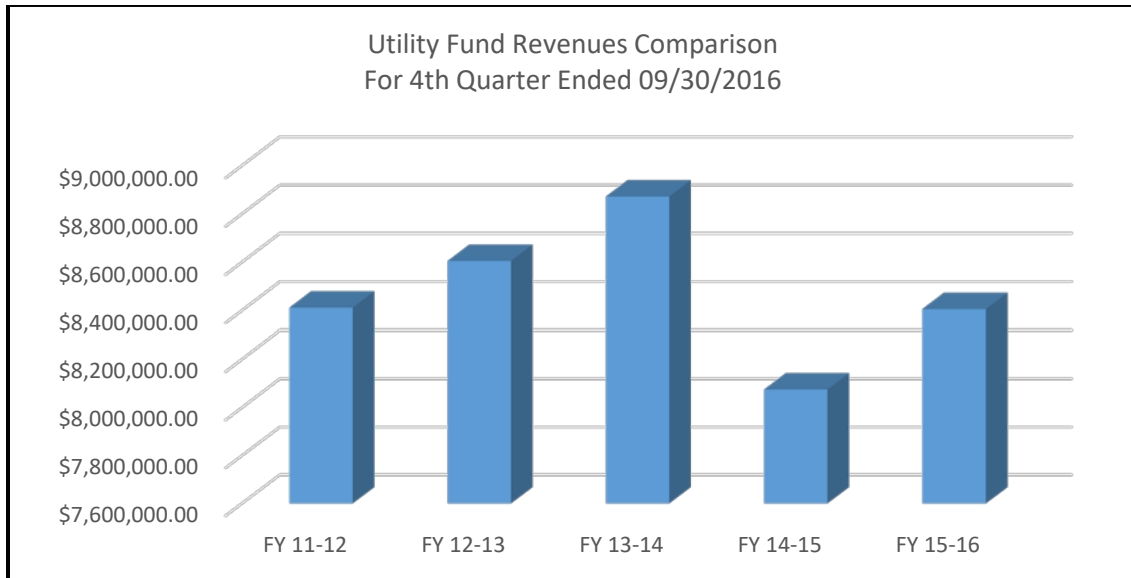
Overall, this fund’s reserves were budgeted to decline by \$338,329 due to the moving of the tourism building, the wayfinding sign program and the professional marketing plan. The ending fund balance for FY 15-16 is estimated at \$360,000.



	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Adjusted Budget	\$454,136.00	\$476,373.00	\$500,720.00	\$575,100.00	\$502,300.00
Actuals 4th Quarter	\$541,629.93	\$518,909.71	\$625,555.70	\$563,503.36	\$510,470.37
Actuals vs Budget	119.27%	108.93%	124.93%	97.98%	101.63%

**I. Utility Fund Revenues**

Revenues from this fund come mainly from water and sewer sales for both residential and commercial customers. Budgets have increased over the years from \$7.3 million in FY 11-12 to \$8.5 million in FY 15-16. This year we have had an extremely wet first and second quarter which led to a decline in water and sewer sales through the first three quarters. At the end of the 3<sup>rd</sup> Quarter, we were hoping that the hot summer months would level out the declining revenues and ending revenues indicate that we were able to catch up to an acceptable level.



	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Adjusted Budget	\$7,391,951.00	\$7,833,818.00	\$8,589,372.00	\$8,496,990.00	\$8,570,884.00
Actuals 4th Quarter	\$8,411,373.83	\$8,604,782.08	\$8,871,555.08	\$8,074,860.54	\$8,405,580.51
Actuals vs Budget	113.79%	109.84%	103.29%	95.03%	98.07%

Revenues for the third quarter were \$6,037,356.04 or 70.44%.

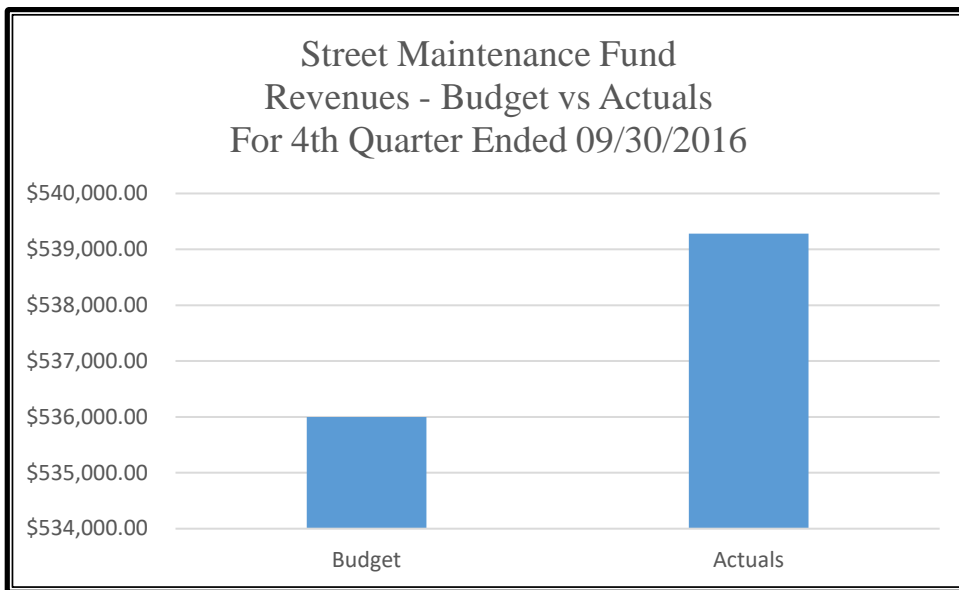
**II. Street Maintenance Fund**

Revenues for this new fund is generated by the street maintenance fee that began January 2016, with the first billings sent out in February. Residents are assessed \$5.00 per month and Non-Residential customers are assessed a fee based on square foot of their space x a discounted trip generator x \$5.00 a month. Once the calculation is done, there are several different tiers with a \$150.00 per month cap.

Through the first month of fees generated, it was discovered that an adjustment needed to be made to the square footage used in the calculation and adjustments were processed to those affected Non Residential customers.

We estimated that this fee would generate approximately \$76,571 per month (\$536,000 for remaining 7 months of FY 15-16) before the adjustments were made. For FY 16-17, this fee is estimated to bring in approximately \$918,852.

During budget discussions for FY 16-17, this fee was reviewed along with the needed street improvement projects and it was determined that the fee was appropriately established.



Budget	Actuals	Percentage
\$536,000.00	\$539,282.72	100.61%

**Total Amount Budgeted For Street Maintenance**

Fund 001	General Fund	Regular Budget	\$75,000.00
Fund 034	CO Series 1998	Budget Amend	41,215.93
Fund 065	CO Series 2011	Budget Amend	144,207.53
Fund 067	CO Series 2013	Regular Budget	331,965.00
Fund 092	Street Maint	New Fund	536,000.00
Total FY 15-16 Street Maint Budget			<u>\$1,128,388.46</u>

### III. Overall Revenues

Revenues through the 4th quarter FY 15-16 from all sources are at 97.47%.

Fund	Fund Name	Amended Budget	Revenues	% Collected
001	General Fund	\$18,948,838.25	\$17,441,013.31	92.04%
002	Tourism Fund	502,300.00	512,182.30	101.97%
005	PD State Seizure Fund	68,800.00	1,378,576.84	2003.75%
008	Task Force	1,301,600.00	847,392.29	65.10%
009	Law Enf Off-Stand Police	0.00	3,664.27	0.00%
010	Law Enf Off-Stand Fire	0.00	664.68	0.00%
011	GO Debt Service	1,762,546.00	1,784,327.04	101.24%
012	UF Debt Service	1,548,710.00	1,550,024.87	100.08%
016	PD Stonegarden	122,533.28	34,731.25	0.00%
017	PD Border Star Grant	85,000.00	65,000.00	0.00%
025	Building Security Fund	16,000.00	11,085.00	69.28%
027	EMS Fund	0.00	2,891.67	0.00%
028	PD Federal Seizure Fund	26.00	159,377.44	612990.15%
031	Muni Court Technology Fund	20,000.00	14,806.65	74.03%
033	CO Series 2016-GF	7,258,975.00	7,282,671.32	100.33%
034	CO Series 1998-GF	0.00	136.88	0.00%
039	CO Series 2002-GF	50.00	25.14	50.28%
051	Utility Fund	8,330,884.00	8,405,580.51	100.90%
054	UF Capital Projects	1,000.00	6,957.66	695.77%
055	Stormwater Drainage	230,000.00	227,581.42	98.95%
062	CO Series 2005-UF	0.00	548.65	0.00%
064	CO Series 2009-GF	0.00	2.14	0.00%
065	CO Series 2011-GF	95,407.93	91,203.15	95.59%
066	CO Series 2011-UF	2,600.00	6,975.19	268.28%
067	CO Series 2013-GF Streets	2,400.00	46.96	1.96%
068	CO Series 2013-Drainage	10,000.00	14,171.47	141.71%
071	FEMA Assistance	25,000.00	0.00	0.00%
078	Texas Parks & Wildlife Grant	57,659.00	13,249.00	22.98%
079	Texas Capital Fund Mainstreet	150,000.00	0.00	0.00%
080	Homeland Security Grant	27,000.00	0.00	0.00%
082	TX CDBG Grant	300,000.00	0.00	0.00%
087	Solid Waste Capital Projects	505,650.00	494,689.83	97.83%
090	Landfill Closure	286,700.00	279,326.47	97.43%
091	GF Capital Projects	49,792.00	55,958.99	112.39%
092	Street Fund	536,000.00	539,282.72	100.61%
096	Insurance Claim Recovery	1,687,233.16	1,383,412.00	81.99%
099	Disaster Response Recovery	100,000.00	100,000.00	100.00%
138	Self Insurance	3,167,148.00	3,300,004.24	104.19%
	Revenue Fund Totals	\$47,199,852.62	\$46,007,561.35	97.47%

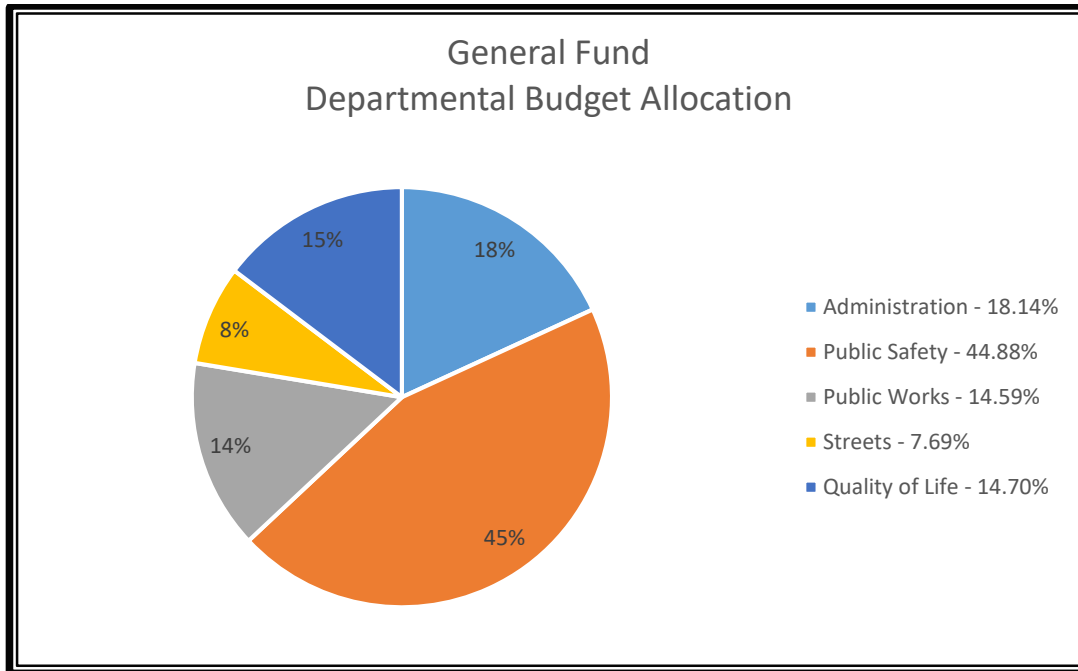
#### IV. Overall Expenditures

Overall expenditures are less than expected through the 4th quarter for FY 15-16 at 68.01%. The difference in the target of 100% and actual of 68.01% is due to not all capital projects are 100% complete. There will be some capital projects and purchases that will be carried forward into FY 16-17. Due to the transfer to the County, Task Force is no longer included.

<b>Fund</b>	<b>Fund Name</b>	<b>Budget</b>	<b>Expenditures</b>	<b>% Spent</b>
001	General Fund	19,120,915.00	17,675,125.18	92.44%
002	Tourism Fund	840,629.00	618,114.33	73.53%
005	PD State Seizure Fund	127,137.00	76,050.83	59.82%
009	Law Enf Off Stand-Police	0.00	875.00	0.00%
011	GO Debt Service	1,806,138.00	1,744,980.78	96.61%
012	UF Debt Service	1,547,710.00	427,101.90	27.60%
016	PD Stonegarden	122,533.28	73,969.28	0.00%
017	PD Border Star Grant	85,000.00	65,000.00	0.00%
025	Building Security Fund	10,000.00	9,390.55	93.91%
028	PD Federal Seizure Fund	26,484.00	4,000.00	15.10%
031	Muni Court Technology Fund	43,000.00	25,220.17	58.65%
033	CO Series 2016-GF	7,258,975.00	780,374.70	10.75%
034	CO Series 1998-GF	41,215.93	41,215.93	100.00%
039	CO Series 2002-GF	4,033.00	0.00	0.00%
051	Utility Fund	9,037,191.00	8,332,175.79	92.20%
054	UF Capital Projects	1,229,000.00	180,694.00	14.70%
055	Stormwater Drainage	292,950.00	291,850.00	99.62%
060	Computer Lease Purchase	198.99	0.00	0.00%
062	CO Series 2005-UF	107,000.00	121.50	0.11%
064	CO Series 2009-GF	428.26	0.00	0.00%
065	CO Series 2011-GF	144,207.53	142,251.35	98.64%
066	CO Series 2011-UF	812,853.00	596,842.50	73.43%
067	CO Series 2013-GF Streets	331,965.00	295,532.45	89.03%
068	CO Series 2013-Drainage	2,608,750.00	454,556.00	17.42%
071	FEMA Assistance	25,000.00	0.00	0.00%
078	Texas Parks & Wildlife Grant	57,659.00	12,695.81	22.02%
079	Texas Capital Fund Mainstreet	150,000.00	0.00	0.00%
080	Homeland Security Grant	27,000.00	0.00	0.00%
082	TX CDBG Grant	300,000.00	0.00	0.00%
083	Criminal Justice Grant	0.00	42,640.00	0.00%
087	Solid Waste Capital Projects	352,650.00	352,650.00	100.00%
090	Landfill Closure	2,111,595.00	271,351.40	12.85%
091	GF Capital Projects	2,919,766.00	2,005,945.77	68.70%
092	Street Fund	536,000.00	319,509.65	59.61%
096	Insurance Claim Recovery	1,687,233.16	627,255.69	37.18%
099	Disaster Response Recovery	102,765.00	23,280.00	0.00%
138	Self Insurance	3,097,000.00	3,248,971.55	104.91%
410	Activity Fund	2,918.00	2,917.56	99.98%
	<b>Expenditure Fund Totals</b>	<b>56,967,900.15</b>	<b>38,742,659.67</b>	<b>68.01%</b>

## Departmental Budget Allocation

Below is a budget allocation for all departments in the General Fund.



Classification	Expenditures	%	# of FT Employees
Administration	3,455,536.60	18.14%	21
Public Safety	8,547,582.00	44.88%	101
Public Works	2,778,547.40	14.59%	38
Streets	1,464,456.00	7.69%	20
Quality of Life	2,799,564.00	14.70%	47
	19,045,686.00	100.00%	227

- Administration – City Commission, City Manager, Municipal Building, City Special, Human Resources, Risk Management, Legal, Finance, Purchasing/IT
- Public Safety – Police, Fire, Volunteer Fire
- Public Works – Public Works Admin, Solid Waste Management, Engineering, Service Center, Garage, Street (Public Works Admin & Engineering are split with Utility Fund)
- Streets – Street Operations in the General Fund
- Quality of Life – Planning, Community Appearance, Health, Parks, Golf, Library

## V. Expenditure Budget Amendments

The original approved expenditure budget was \$44,896,987 and at the end of the third quarter FY 15-16, expenditure budget amendments of \$11,420,708.46 were approved increasing the expenditure budget to \$56,317,695.46. A large part of the budget amendments were due to bond proceeds and expenditures for the new street maintenance fund. The following is a listing of approved budget amendments for FY 15-16:



Original Budget		44,896,967.00	<i>Includes Task Force</i>
Current Budget		58,559,964.15	
Budget Amendment		<u>13,662,997.15</u>	

001-General Fund	119,950.00	29,392.00	TX DOT Agreement
		500.00	Fire-EE Recognition Supplies
		5,950.00	Recreation Programs
		2,000.00	Golf Course Chemicals
		2,500.00	Parks Donations-Sheriff Dept.
		8,000.00	Child Safety Vest Program
		40,000.00	JK Northway Master Plan
		5,499.00	Park Donations-Brookshire Foundation
		3,249.00	Texas Parks & Wildlife Grant
		50,000.00	Disaster Recovery Fund
		730.00	Chamber Donation
		4,380.00	Park Donation-Rec Programs
		500.00	Donation-PD Medical Kits
		6,000.00	Extended Pool Season
		(38,750.00)	End of Year Cleanup
002-Tourism Fund	20,000.00	20,000.00	Pavilion Improvements
		(40,000.00)	Building
		40,000.00	JK Northway Master Plan
008-Task Force	250,000.00	250,000.00	Radio Communications System
016-PD Stonegarden	122,533.28	122,533.28	Overtime - Grant
017-PD Border Star	85,000.00	85,000.00	Overtime - Grant

033-CO Series 2016	7,258,975.00	7,008,245.00	Bond Proceeds
		250,000.00	Radio Communications System
		730.00	Chamber Donation
034-CO Series 1998-GF	41,215.93	41,215.93	Street Maintenance
051-Utility Fund	423,394.00	83,995.00	Water Well #23
		107,324.00	18" Transmission Line
		99,000.00	Chemicals
		37,350.00	Professional Services
		45,725.00	New position - CIP Mgr
		240,000.00	CDBG Grant
		50,000.00	Disaster Response Recovery Fund
		(240,000.00)	End of year cleanup
060-Computer Lease Purchase	198.99	198.99	End of year cleanup
064-CO Series 2009	428.26	428.26	End of year cleanup
065-CO Series 2011	144,207.53	94,415.53	Street Maintenance
		49,792.00	TXDOT Refund - City Hall Complex
066-CO Series 2011	144,745.00	80,200.00	Water Well #25
		64,545.00	Water Well #25
068-CO Series 2013 Drainage	10,000.00	100,000.00	Drainage Master Plan
		(90,000.00)	End of year cleanup
071-FEMA Assistance	25,000.00	25,000.00	End of year cleanup
078 - TX Parks & Wildlife Grant	57,659.00	57,659.00	Parks Grant
079-Texas Capital Main St Fund	150,000.00	150,000.00	End of year cleanup
080-Homeland Security Grant	27,000.00	27,000.00	Minor Equipment
082-TX CDBG Grant	300,000.00	300,000.00	End of year cleanup
090-Landfill Closure	2,106,900.00	2,106,900.00	Landfill Expansion
091-Capital Projects-GF	49,792.00	49,792.00	City Hall Complex
092-Street Fund	536,000.00	536,000.00	Street Maintenance
096-Insurance Claim Recovery	1,687,233.16	1,687,233.16	End of year - Ins Claim

099-Disaster Response Recovery	102,765.00	15,300.00	Generator-Storm Debris
		40,000.00	Overtime-Storm
		10,610.00	Generator-Radio Tower
		13,450.00	Siren Repair
		23,405.00	End of year cleanup
		<u>13,662,997.15</u>	

**VI. Accounts Receivable**

There are several categories of accounts receivable to notate and include the following:

- Property Taxes – the County Tax Assessor collects property taxes and submits payments to the City. As of the end of the third quarter, June 30, 2016, delinquent property taxes were \$566,739.68. There is a corresponding allowance for uncollectible accounts in the amount of \$231,804.75 leaving an anticipated collection of \$334,935. End of year adjustments have not been completed.
- Ambulance Services – billings sent out go directly to this receivable, while collections are booked to revenue. There are large adjustments to this receivable throughout the year due to medical provider discounts. As of June 30, 2016, the receivable was \$4,464,217.38. There is a corresponding \$4,361,336.17 allowance for uncollectible accounts leaving an anticipated collection amount of \$102,881.21. End of year adjustments have not been completed.
- Sanitation Service – this is for garbage sales for both residential and commercial accounts. As of September 30, 2016, this receivable was \$691,892.64. There is a corresponding allowance for uncollectible accounts in the amount of \$336,795.38 leaving an anticipated collection amount of \$355,097.26. End of year adjustments have not been completed.
- Liens – these receivables come about when the City has to perform work for code enforcement violations. When the homeowner does not pay their bill, the only means to collect this obligation is to file a lien against the property. It usually stays unpaid until the property is sold and it becomes part of the property settlement. As of September 30, 2016 the following balances existed:
  - Demolition Liens \$178,251.48
  - Paving Liens \$1,317.80
  - Abatement of Noxious Matter \$137,741.74
  - Weed Liens \$387,277.95
- Water Accounts – this is for water service for both residential and commercial customers. As of September 30, 2016 this receivable was \$1,116,863.70.
- Sewer Accounts – this is for sewer service for both residential and commercial customers. As of September 30, 2016, this receivable was \$699,733.06. There is a corresponding allowance for uncollectible accounts of \$575,395.02 for both water and sewer accounts receivable leaving an anticipated collection of \$1.241 million. End of year adjustments have been completed.

VII. Budgeted Capital Outlay Status

Department	Description	Approved Budget	Status
<b>General Fund 001</b>			
Technology Services	Hand Scanner For New City Hall 001-5-1902-71200	\$6,000	Completed
Fire	Technology Items such as computers, laptops, software, Incident Reporting System, Timekeeping/Scheduling System 001-5-2200-71200	\$8,640	Ordered
Volunteer Fire	Wildland Uniforms 001-5-2250-21200	\$5,375	Completed
Health	Time Clock Hand Scanner 001-5-4400-71200	\$5,000	Installed 4/13/16
Health	Ten Bay Kennel 001-5-4400-21700	\$11,420	Completed 3/16/16
<b>Tourism Fund 002</b>			
Tourism	Building Relocation 002-5-1071-71300	\$100,000	Purchase Cancelled
	Wayfinding Signs 002-5-1071-52201	\$50,000	Completed
	Professional Marketing 002-5-1071-31400	\$100,000	On Hold
<b>Court Technology Fund 031</b>			
Municipal Court	Video Conferencing System 031-5-1800-71200	\$25,000	Not ordered yet, working on interlocal with County & MHMR
<b>Utility Fund 051</b>			
Water Construction	8" Water line replacement in community block grant area 051-5-6001-54110	\$60,000	Contract for engineering design complete. Actual project is in process. Estimated completion date is October 2016
WW North Plant	Class 2 service on Turblex Blower 051-5-7001-71200	\$25,000	Completed
WW Sewer	Master Drive force main & Lift station pump project 051-5-7003-71200	\$63,000	Engineering Services completed
WW Sewer	Rehab 8 damaged manholes 051-5-7003-71200	\$120,000	This is being rebid
WW Sewer	John Deere Backhoe 051-5-7003-71200	\$92,000	Completed

### VIII. Estimated Fund Balances

The schedule below represents the estimated Fund Balance for each fund. For General Fund and Utility Fund, the City established a Fund Balance Policy in 2008 and amended it by Resolution 2011-54 on September 26, 2011. It dictates that the City will maintain a minimum unassigned fund balance in its General Fund and Utility Fund of 25% of the subsequent year's budgeted expenditures and outgoing transfers.

#### General Funds

Fund	Audited Beginning Fund Balance	Estimated Actual Revenues	Estimated Actual Transfers In	Estimated Actual Expenditures	Estimated Actual Transfers Out	Estimated Unaudited Ending Fund Balance
<b>001</b>	5,339,937.37	15,902,840.76	1,536,960.10	17,215,095.74	68,249.00	5,496,393.49
025	87,413.48	11,085.00	0.00	9,390.55	0.00	89,107.93
060	198.99	0.00	0.00	0.00	0.00	198.99
087	208,231.96	494,689.83	0.00	0.00	352,650.00	350,271.79
090	2,477,572.38	270,264.09	0.00	271,351.40	0.00	2,476,485.07
091	2,017,596.50	55,958.99	0.00	1,947,705.77	58,240.00	67,609.72
092	0.00	539,282.72	0.00	319,509.65	0.00	219,773.07
410	2,917.56	0.00	0.00	0.00	2,917.56	0.00
<b>Totals</b>	<b>10,133,868.24</b>	<b>17,274,121.39</b>	<b>1,536,960.10</b>	<b>19,763,053.11</b>	<b>482,056.56</b>	<b>8,699,840.06</b>

The beginning fund balance has been updated with audited numbers and estimated revenues and expenditures are included to anticipate what the fund balance will be at the end of FY 15-16. These estimates include all approved budget amendments. For the above funds, General Fund is the only fund with fund balance reserve requirements.

To verify the estimated ending fund balance for General Fund 001, estimated actual expenditures and transfers out for FY 15-26 is used:

- Estimated Actual Expenditures and Transfers Out for FY 15-16 are \$17,439,800.86 x 25% = required minimum of \$4,359,950.22
- Based on what we know today, the estimated ending fund balance of \$5,496,393.49 for FY 15-16 will have a surplus reserve of \$1,175,557.36. It must be noted that several large capital projects have been rolled over into FY 16-17.
- Ending Fund Balance for FY 15-16 is estimated at 31.80%

This estimate can change as Finance works through closing the year. Once the audit is finalized, ending fund balances will be updated.

Fund 001 – General Fund  
 Fund 060 – Computer Lease Purchase  
 Fund 090 – Landfill Closure Fund  
 Fund 092 – Street Fund

Fund 025 – Building Security Fund  
 Fund 087 – Solid Waste Capital Projects  
 Fund 091 – General Fund Capital Project  
 Fund 410 – Activity Fund

## Police Forfeiture Funds

*Task Force Fund Balance is not shown as it was transferred to the County in July.*

Fund	Audited Beginning Fund Balance	Estimated Actual Revenues	Estimated Actual Transfers In	Estimated Actual Expenditures	Estimated Actual Transfers Out	Estimated Unaudited Ending Fund Balance
005	195,118.59	1,378,576.84	0.00	76,050.83	0.00	1,497,644.60
028	32,356.61	159,377.44	0.00	4,000.00	0.00	187,734.05
031	52,524.09	14,806.65	0.00	25,220.17	0.00	42,110.57
<b>Totals</b>	<b>279,999.29</b>	<b>1,552,760.93</b>	<b>0.00</b>	<b>105,271.00</b>	<b>0.00</b>	<b>1,727,489.22</b>

Fund 005 – State Forfeiture

Fund 028 – Federal Forfeiture

Fund 031 – Municipal Court Technology

## Debt Service – General Fund

Fund	Audited Beginning Fund Balance	Estimated Actual Revenues	Estimated Actual Transfers In	Estimated Actual Expenditures	Estimated Actual Transfers Out	Estimated Unaudited Ending Fund Balance
011	579,648.18	1,431,677.04	352,650.00	1,744,980.78	0.00	618,994.44
<b>Totals</b>	<b>579,648.18</b>	<b>1,431,677.04</b>	<b>352,650.00</b>	<b>1,744,980.78</b>	<b>0.00</b>	<b>618,994.44</b>

## Capital Improvement Funds – General Fund

Fund	Audited Beginning Fund Balance	Estimated Actual Revenues	Estimated Actual Transfers In	Estimated Actual Expenditures	Estimated Actual Transfers Out	Estimated Unaudited Ending Fund Balance
033	0.00	7,032,671.32	250,000.00	780,374.70	0.00	6,502,296.62
034	41,215.93	136.88	0.00	0.00	41,215.93	136.88
039	4,904.43	25.14	0.00	0.00	0.00	4,929.57
064	426.12	2.14	0.00	0.00	427.73	0.53
065	53,199.60	49,987.22	41,215.93	92,283.53	49,967.82	2,151.40
067	367,149.95	46.96	0.00	295,532.45	0.00	71,664.46
<b>Totals</b>	<b>466,896.03</b>	<b>7,082,869.66</b>	<b>291,215.93</b>	<b>1,168,190.68</b>	<b>91,611.48</b>	<b>6,581,179.46</b>

Fund 033 – CO Series 2013 – Issued for various General Fund capital projects

Fund 034 – CO Series 1998 – This fund will be closed out this year.

Fund 039 – CO Series 2002-2002A - Issued for equipment, building and various other City needs

Fund 064 – CO Series 2009 - Issued for landfill and various equipment

Fund 065 – CO Series 2011 - Issued for public improvements which include streets

Fund 067 – CO Series 2013 - Issued for renovation and/or rehabilitation of certain City-owned public property which includes streets

## Tourism Fund

Fund	Audited Beginning Fund Balance	Estimated Actual Revenues	Estimated Actual Transfers In	Estimated Actual Expenditures	Estimated Actual Transfers Out	Estimated Unaudited Ending Fund Balance
002	696,102.14	512,182.33	0.00	535,843.96	75,000.00	597,440.51
<b>Totals</b>	<b>696,102.14</b>	<b>512,182.33</b>	<b>0.00</b>	<b>535,843.96</b>	<b>75,000.00</b>	<b>597,440.51</b>

## Enterprise – Utility Funds

Fund	Audited Beginning Fund Balance	Estimated Actual Revenues	Estimated Actual Transfers In	Estimated Actual Expenditures	Estimated Actual Transfers Out	Estimated Unaudited Ending Fund Balance
012	396,791.08	2,314.87	1,547,710.00	1,547,710.00	0.00	399,105.95
<b>051</b>	<b>3,653,867.44</b>	<b>8,404,335.07</b>	<b>0.00</b>	<b>5,599,712.38</b>	<b>2,655,860.00</b>	<b>3,802,630.13</b>
054	1,455,266.76	6,957.66	0.00	180,694.00	0.00	1,281,530.42
055	229,657.04	227,581.42	0.00	0.00	291,850.00	165,388.46
062	107,823.73	548.65	0.00	121.50	0.00	108,250.88
066	1,466,344.98	6,975.19	0.00	596,842.50	0.00	876,477.67
068	3,222,973.11	4,971.73	0.00	444,556.00	10,000.00	2,773,388.84
<b>Totals</b>	<b>10,532,724.14</b>	<b>8,653,684.59</b>	<b>1,547,710.00</b>	<b>8,369,636.38</b>	<b>2,957,710.00</b>	<b>9,406,772.35</b>

For the above funds, Utility Fund is the only fund with fund balance reserve requirements.

To verify the ending fund balance for Utility Fund 051, estimated actual expenditures and transfers out for FY 15-16 is used:

- Estimated Actual Expenditures and Transfers Out for FY 15-16 are \$8,255,572.38 x 25% = required fund balance of \$2,063,893.10
- Based on what we know today, the estimated ending fund balance of \$3,802,630.13 for FY 15-16 has a surplus reserve of \$1,738,737.03
- Estimated Ending Fund Balance for FY 15-16 is estimated at 46.06%

Fund 012 – Debt Service  
 Fund 054 – Capital Projects  
 Fund 062 – CO Series 2005  
 Fund 068 – CO Series 2013

Fund 051 – Utility Fund  
 Fund 055 – Storm Water Drainage  
 Fund 066 – CO Series 2011

### Special Purpose

In May, there was a major storm that hit the City of Kingsville creating the need to set aside funds in a Disaster Recovery Fund to help pay for damages caused by this storm and future storms. However, when attending FEMA training, it was discovered that all funds set aside for disasters would be tapped into first before FEMA funds could be assessed, so it was determined that this fund would be closed in an effort to prevent the City from losing out on FEMA funds in the future.

Fund	Audited Beginning Fund Balance	Estimated Actual Revenues	Estimated Actual Transfers In	Estimated Actual Expenditures	Estimated Actual Transfers Out	Estimated Unaudited Ending Fund Balance
096	0.00	1,383,412.00	0.00	627,255.69	0.00	756,156.31
099	0.00	0.00	100,000.00	23,280.00	0.00	76,720.00
<b>Totals</b>	<b>0.00</b>	<b>1,383,412.00</b>	<b>100,000.00</b>	<b>650,535.69</b>	<b>0.00</b>	<b>832,876.31</b>

### Internal Service Fund – Insurance

The City is self-funded for employee’s health insurance. The insurance fund receives all insurance contributions from the city, current employees and retirees and then pays claims and administrative costs of the health plan from the contributions. The city provides post-retirement medical insurance benefits on behalf of its eligible retirees. Once an employee retires, it pays 50% of their medical premiums until they reach age 65. In years past, the City was contributing additional reserves to shore up the fund balance. In FY 14-15, the City decided not to contribute additional reserves and to start charging employees a small portion of the cost of health insurance. In FY 15-16, the City decided to add an additional contribution of \$150,000 and there were no increases to the employee costs.

Fund	Audited Beginning Fund Balance	Estimated Actual Revenues	Estimated Actual Transfers In	Estimated Actual Expenditures	Estimated Actual Transfers Out	Estimated Unaudited Ending Fund Balance
138	632,000.21	3,299,544.25	0.00	3,248,971.55	0.00	682,572.91
<b>Totals</b>	<b>632,000.21</b>	<b>3,299,544.25</b>	<b>0.00</b>	<b>3,248,971.55</b>	<b>0.00</b>	<b>682,572.91</b>

### Grant Funds

Fund	Audited Beginning Fund Balance	Estimated Actual Revenues	Estimated Actual Transfers In	Estimated Actual Expenditures	Estimated Actual Transfers Out	Estimated Unaudited Ending Fund Balance
013	56.76	0.00	0.00	0.00	0.00	56.76
030	2,365.02	0.00	0.00	0.00	0.00	2,365.02
079	0.00	0.00	0.00	0.00	0.00	0.00
<b>Totals</b>	<b>2,421.78</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,421.78</b>

Fund 013 – Texas Historical

Fund 030 – Red Ribbon Drug Awareness

Fund 079 – Texas Capital Main Street Grant