



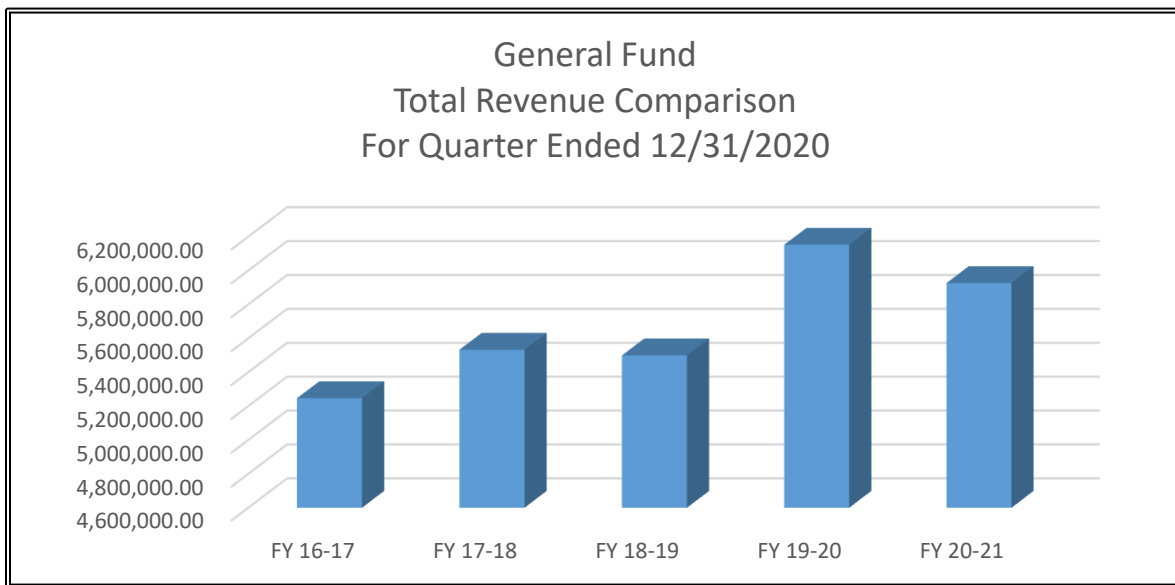
FY 2020-2021
QUARTERLY BUDGET
REPORT

FOR QUARTER ENDED
DECEMBER 31, 2020

1ST QUARTER FY 20-21 BUDGET REPORT

At the end of the first quarter of the fiscal year, there were seven (7) payroll periods out of twenty-six (26), which indicates that total expenditures for salaries and benefits should be at twenty-seven percent (27%). Being three months into the fiscal year, revenue and other expenditure items should be at approximately twenty-five percent (25%) of the FY 20-21 budget. Sales Tax and Franchise Taxes are presented based on when funds are received and is adjusted to a modified accrual basis during year end. Sales Taxes of \$910,474 and Franchise Taxes of \$164,034.13 included in the numbers below were accrued back to last FY 19-20 but received in the current FY 20-21.

The audit has not started and all beginning balances and prior year numbers have not been audited.



	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Adjusted Annual Budget	\$18,440,450.00	\$19,957,621.00	\$19,237,311.00	\$19,666,509.90	20,527,157.98
Actuals	\$5,246,681.19	\$5,532,551.94	\$5,499,252.71	\$6,152,528.28	5,926,250.14
Actuals vs Budget	28.45%	27.72%	28.59%	31.28%	28.87%

Overall, first quarter General Fund revenues are trending higher than expected at 28.87%.

Prior FY 19-20 Year End	
Original Revenue Budget	19,646,793.90
Adjusted Revenue Budget	19,931,314.61
Actuals-Unaudited	20,043,253.87
Additional Revenues	111,939.26
Percentage of Budget	100.56%

I. General Fund Revenues

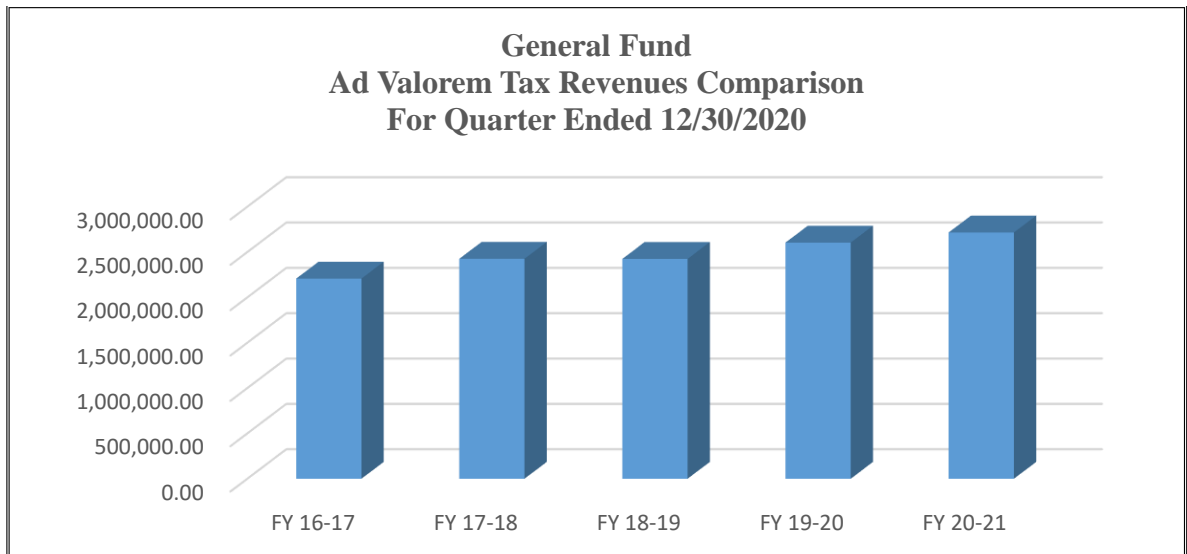
A. Ad Valorem Taxes

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 31st.

The tax rate for this fiscal year was decreased from \$.85304 to \$.85208. A portion of the increased revenues (\$166,748 estimated) are set aside in a separate fund for emergency purposes. Use of these funds can only be appropriated by City Commission.

First quarter revenues are higher than the prior year by \$111,273.63 or 4.27%.

Incentive agreements for Neessen Polaris and Marshalls have an ad valorem tax incentive. Reports from Neessen Polaris and confirmed with the tax appraisal office show taxes paid to the City of \$11,764.50 of which \$9,668.49 is for M&O. Reports for Marshalls shows \$1,049.25 as the 6.15% portion of M&O ad valorem taxes. Both incentive amounts are scheduled for payment on March 1, 2021.



	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Adjusted Annual Budget	\$5,338,940.00	\$5,761,672.00	\$5,747,927.00	\$5,904,696.00	\$6,283,322.00
Actuals	\$2,207,317.86	\$2,425,505.66	\$2,424,273.83	\$2,604,245.16	\$2,715,518.79
Actuals vs Budget	41.34%	42.10%	42.18%	44.10%	43.22%

Prior FY 19-20 Year End	
Original Revenue Budget	5,904,696.00
Actuals	5,821,106.92
Revenus Shortage	(83,589.08)
Percentage of Budget	98.58%

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. Sales tax and Franchise tax revenues are presented based on when revenues are received and adjusted to the modified accrual basis at year end.

Revenues in this category are trending right on track at 25.74%.

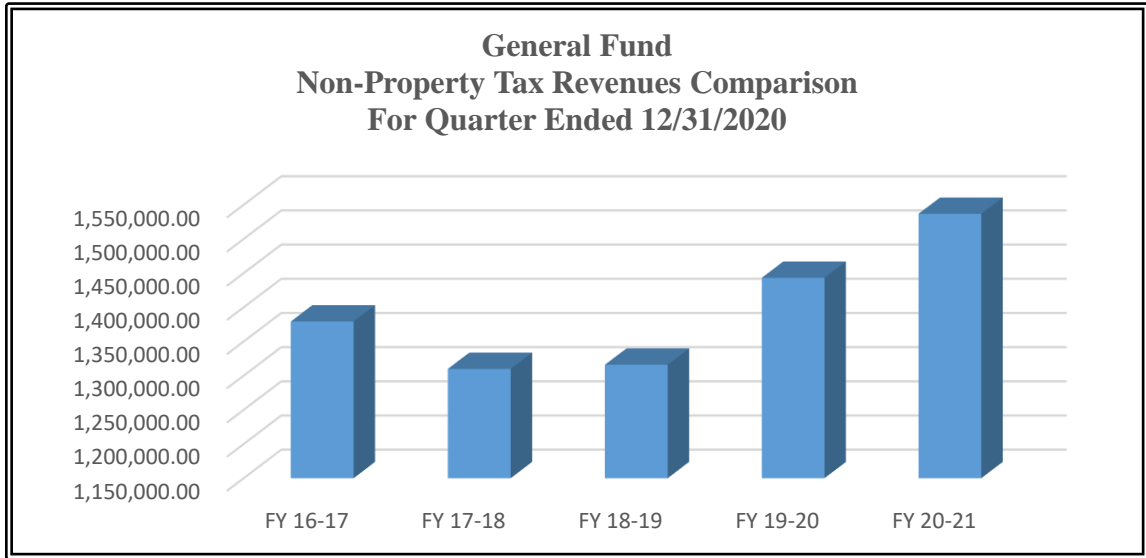
The incentive agreement for Neessen Polaris offers payments to be equal to the amount no greater than half of the city sales tax generated by taxable sales for the new commercial development known as Neessen Polaris of Kingsville. Sales Tax combined with Ad Valorem tax incentives cannot exceed \$200,000. The City received \$22,776.26 from Neessen Polaris for June through December 2020, of which 50% or \$11,388.13 is covered under the incentive agreement terms.

The incentive agreement for Marshalls offers payments to be equal to the amount of 50% of the city sales tax generated during the preceding calendar year by taxable sales from the new commercial development known as Marshalls collected in calendar years 2020, 2021 and 2022. This agreement also includes ad valorem tax incentives of 6.15% of the M&O portion for calendar years 2020 through 2024. Marshalls paid \$7,815.22 in sales taxes to the City for January through October 2020 and will receive 50% or \$3,907.61 through the incentive agreement terms. This amount was confirmed through the Zactax software. There is not a dollar cap on the incentive agreement, but there is a term cap for the years of 2020 through 2024.

The City Commission also approved an incentive agreement with two provisions for Starbucks which opened in 2020. The first provision incentive of \$30,000 pertained to costs associated with the initial development. The second provision was updated on November 25, 2020 to include 100% of sales tax generated not to exceed \$20,000. Starbucks paid \$4,067.73 in sales taxes to the City for March through October 2020 and will receive 100% through the incentive agreement terms. This amount was confirmed through the Zactax software. Total incentive agreement for Starbucks was \$50,000.

The City Commission also approved on October 26, 2020 an incentive agreement with Chick-Fil-A for 100% of sales tax revenue generated not to exceed \$550,000. Indications are that the business will open within the next 12 months.

Incentive payments are scheduled for payment on March 1, 2021.



	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Adjusted Annual Budget	\$5,577,000.00	\$5,702,000.00	\$5,930,000.00	\$5,731,800.00	\$5,970,890.00
Actuals	\$1,379,236.42	\$1,309,884.05	\$1,315,915.41	\$1,443,138.51	\$1,536,806.64
Actuals vs Budget	24.73%	22.97%	22.19%	25.18%	25.74%

Prior FY 19-20 Year End

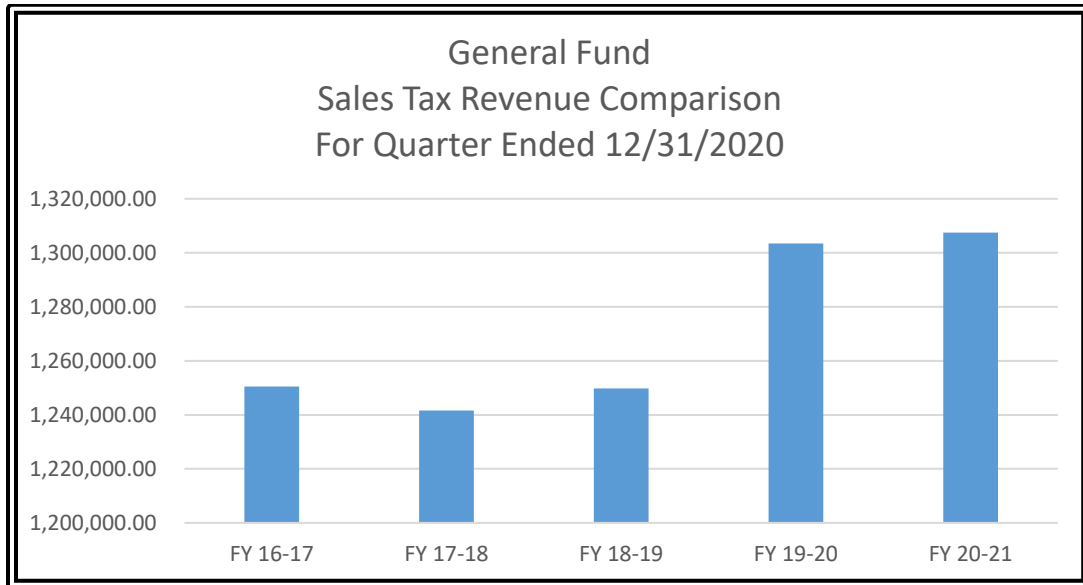
Original Revenue Budget	5,731,800.00
Actuals	6,037,110.74
Additional Revenues	305,310.74
Percentage of Budget	105.33%

C. Sales Tax

City sales tax revenue is trending as expected at 25.37% and better than last FY at this time.

Revenues reflected are based on when received. During the last quarter of the fiscal year, sales taxes are adjusted to reflect when revenues are earned rather than when received for audit purposes.

Increased revenues are partly due to Neessen Polaris, Marshalls, and Starbucks that opened and are generating sales tax revenues.



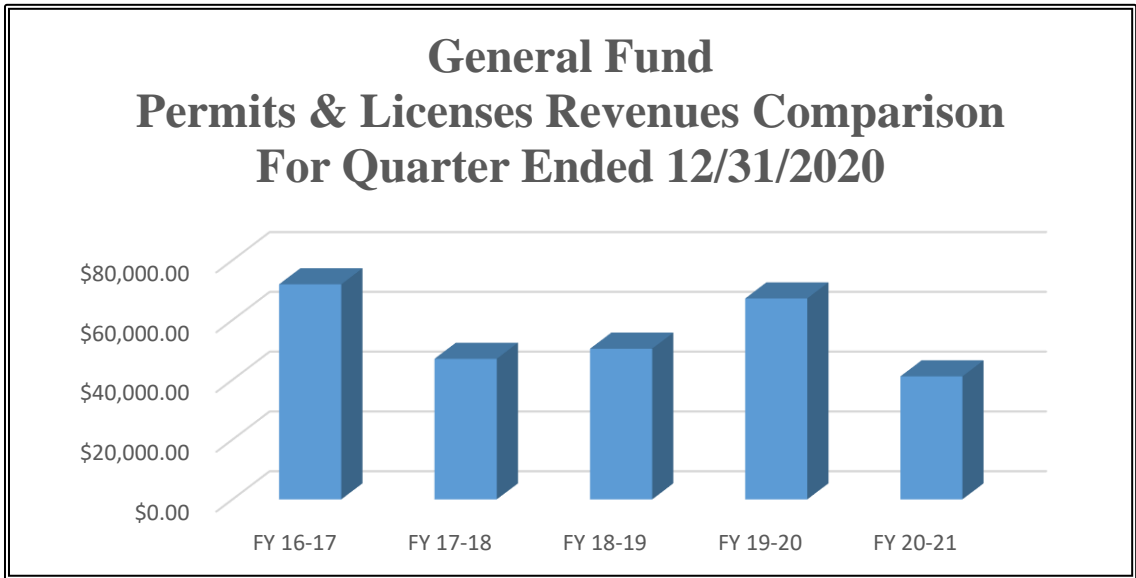
	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Adjusted Annual Budget	\$4,575,000.00	\$4,700,000.00	\$4,975,000.00	\$4,975,000.00	\$5,152,890.00
Actuals	\$1,250,446.39	\$1,241,661.12	\$1,249,823.47	\$1,303,463.00	\$1,307,504.25
Actuals vs Budget	27.33%	26.42%	25.12%	26.20%	25.37%

Prior FY 19-20 Year End	
Original Revenue Budget	4,975,000.00
Actuals	5,116,413.66
Additional Revenues	141,413.66
Percentage of Budget	102.84%

D. Permits & Licenses

This revenue category consists of all permits and licensing revenue generated by the Planning Department. Revenues in this category are less than the prior year by \$26,089.65, and less than what was projected at 15.66%.

There are three housing developments that would add 257 housing units for the City and would bring revenues up to expected levels.



	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Adjusted Annual Budget	\$275,225.00	\$256,625.00	\$213,000.00	\$217,845.00	\$262,645.00
Actuals	\$71,946.52	\$47,035.77	\$50,411.63	\$67,232.37	\$41,142.72
Actuals vs Budget	26.14%	18.33%	23.67%	30.86%	15.66%

Prior FY 19-20 Year End

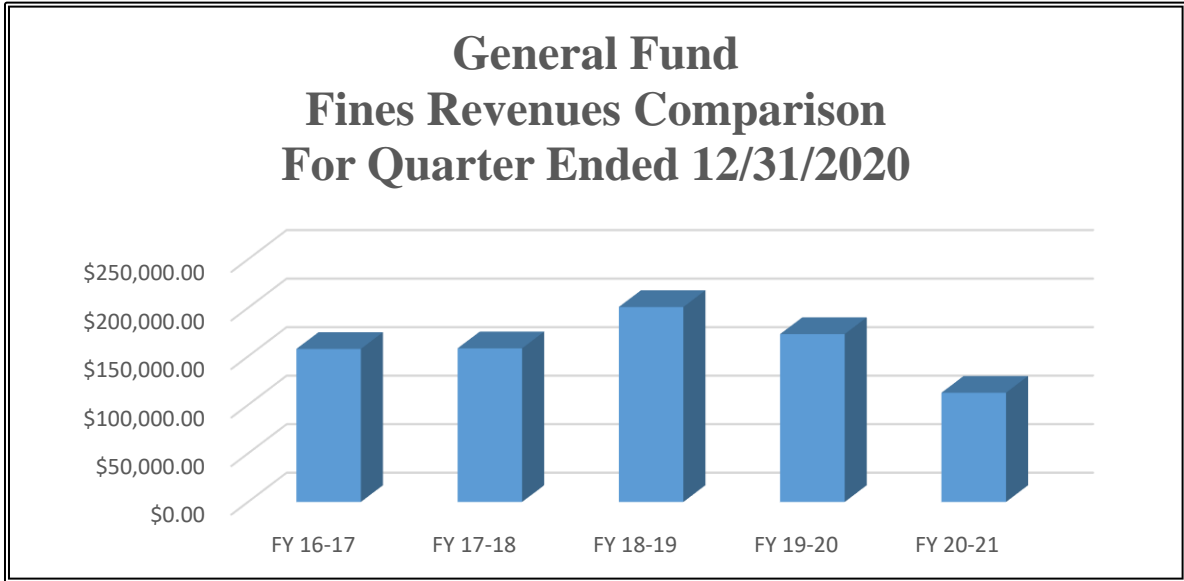
Original Revenue Budget	217,845.00
Actuals	265,955.36
Additional Revenues	48,110.36
Percentage of Budget	122.08%

Notable Permits for the 1st Quarter

- Quick Quack Car Wash – 2600 S Brahma - \$1038.48 (New Commercial)
- Christus Spohn - 1311 E General Cavazos – \$1,353.50 (Commercial Remodel)
- Home – 902 E Caesar - \$600.00 (New Residential)
- Home – 1726 The Park Dr - \$505.44 (New Residential)
- Home – 204 W Richard – \$427.16 (New Residential)

E. Fines

Municipal Court revenues are trending lower than expected at 14.50% and lower than this time last FY by \$60,414.53. This reduction in revenues is the result of the COVID19 pandemic as court proceedings are now being conducted virtually with smaller dockets. Also, warrants are not being actively worked due to the jail not accepting any new defendants due to COVID-19. With the pandemic not improving, this trend may continue, and revenue projections will come up short for this fiscal year.



	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Adjusted Annual Budget	\$835,000.00	\$760,500.00	\$741,100.00	\$815,100.00	\$776,000.00
Actuals	\$157,668.31	\$158,266.75	\$200,850.72	\$172,952.26	\$112,537.73
Actuals vs Budget	18.88%	20.81%	27.10%	21.22%	14.50%

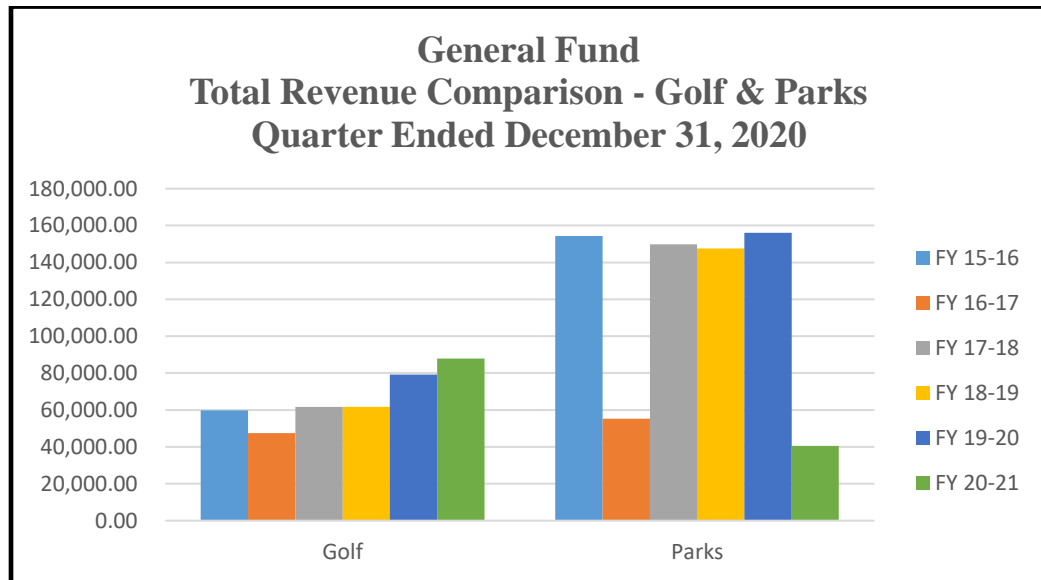
Prior FY 19-20 Year End	
Original Revenue Budget	815,100.00
Actuals	644,364.54
Revenues Shortage	(170,735.46)
Percentage of Budget	79.05%

General Service Fees

This category contains the revenues for two divisions that were assumed by the City from the County in FY 14-15. For FY 20-21, the JK Northway was operationally transferred back to the County due to EDA Grant Requirements. The County contributions also changed in FY 20-21. The County contributes \$35,000 annually for the L.E. Ramey Golf Course. Golf Course revenues represents 24.17% of the FY 20-21 budget versus 23.88% last year. Actual revenues increased \$8,698 over the same period last fiscal year. The County is 2 months behind of \$5,833.34 in the administration payment. Catch up payments are expected by the end of January 2021.

Parks and Recreation revenues are lower than expected at 6.90% or \$115,440.24 lower than the same period last fiscal year. The County is behind 2 months or \$77,500 in the contribution to the City but catch up payments are expected by the end of January 2021. COVID-19 is preventing the recreation hall being rented out and donations have not come in as in the past due to uncertainty of what programs will be offered this fiscal year. Park revenues are seasonal and are expected to catch up once the summer months occur, but with the pandemic not improving, it is uncertain if revenues will meet expectations.

The City and County finalized the interlocal agreements for the Library and Health departments with the Library returning to the County and the Health Department becoming 100% under the City’s control in FY 20-21.



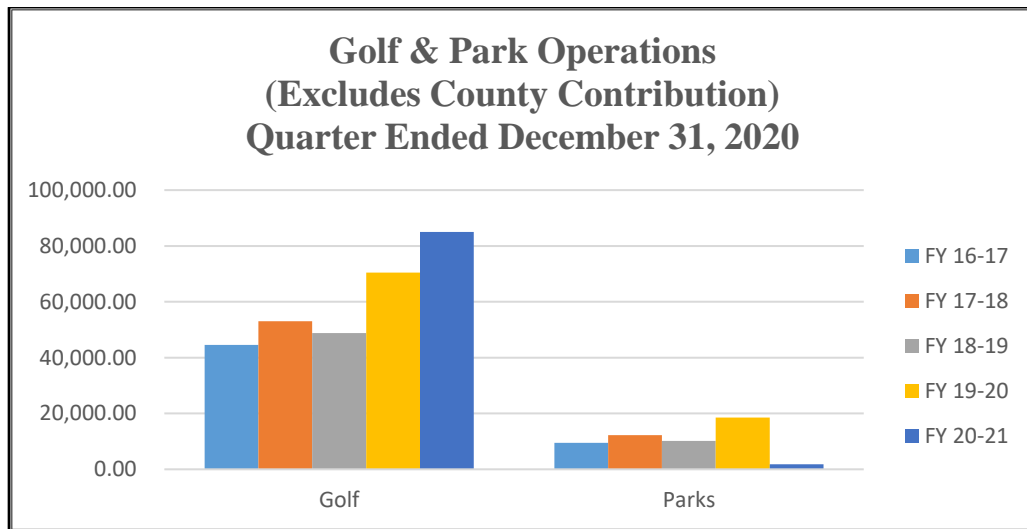
Golf

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Adjusted Annual Budget	\$247,200.00	\$277,500.00	\$330,000.00	\$331,729.00	\$363,750.74
Actuals	\$59,821.46	\$47,459.13	\$61,744.60	\$79,205.15	\$87,902.78
Actuals vs Budget	24.20%	17.10%	18.71%	23.88%	24.17%

Parks & Recreation

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Adjusted Annual Budget	\$610,890.00	\$646,150.00	\$631,050.00	\$647,550.00	\$587,400.00
Actuals	\$55,284.83	\$149,779.14	\$147,619.54	\$155,996.74	\$40,556.50
Actuals vs Budget	9.05%	23.18%	23.39%	24.09%	6.90%

Operating budgeted revenues for FY 20-21 for the Golf and Parks are \$328,750.74 and \$122,400 respectively. Operating revenues for Golf are trending as expected at 25.85% and Parks revenues are trending lower than anticipated at 1.48%.



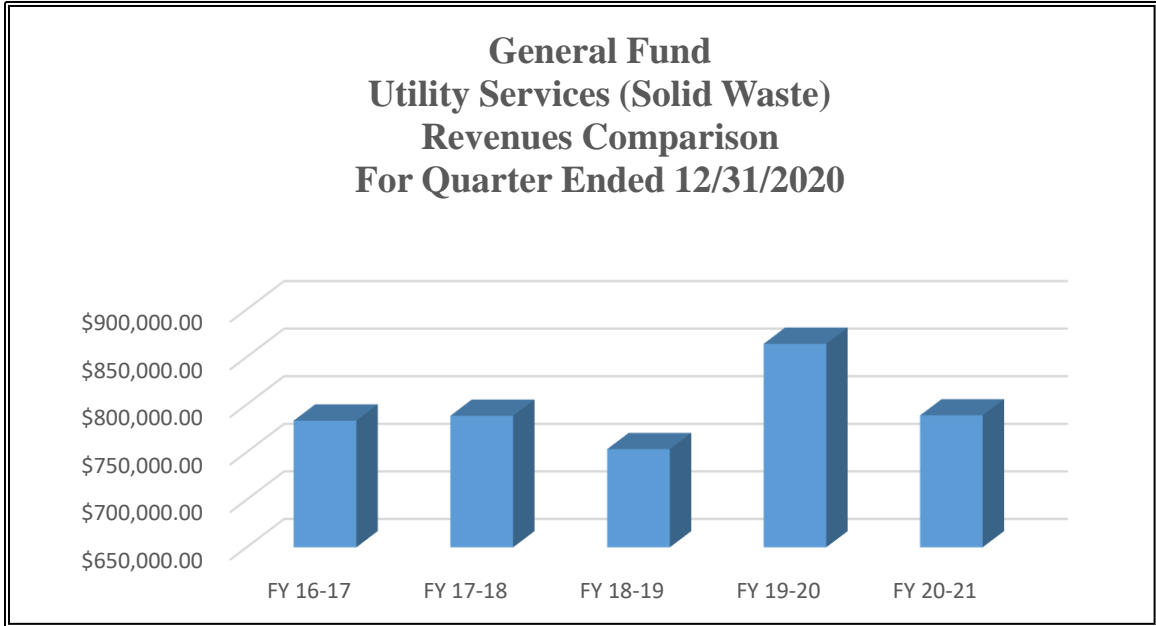
The table below represents operating revenues by excluding the County’s contribution of \$2,916.67 for the golf course and \$38,750 for the parks which represents the contribution amount for the first month of this fiscal year. County contributions are behind 2 months.

Division	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Golf	44,542.46	52,994.60	48,752.91	70,455.14	84,986.11 (\$87,902.78-\$2,916.67)
Parks	9,451.50	12,279.15	10,119.51	18,496.75	1,806.50 (\$40,556.50-\$38,750)

	Operating Budget	Operating Revenues	% Received
Golf	328,750.74	84,986.11	25.85%
Parks	122,400.00	1,806.50	1.48%

F. Solid Waste

In General Fund, this revenue category includes landfill and garbage fees. Revenues for this fiscal year have decreased from last fiscal year by \$75,226, and trending less than expected at 23.80%. Current estimates indicate there are 100 years remaining before the landfill is at capacity depending on current levels.



	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Adjusted Annual Budget	\$3,284,700.00	\$3,205,500.00	\$3,206,500.00	\$3,196,500.00	\$3,314,050.00
Actuals	\$783,164.50	\$788,319.24	\$753,206.18	\$863,921.21	\$788,695.26
Actuals vs Budget	23.84%	24.59%	23.49%	27.03%	23.80%

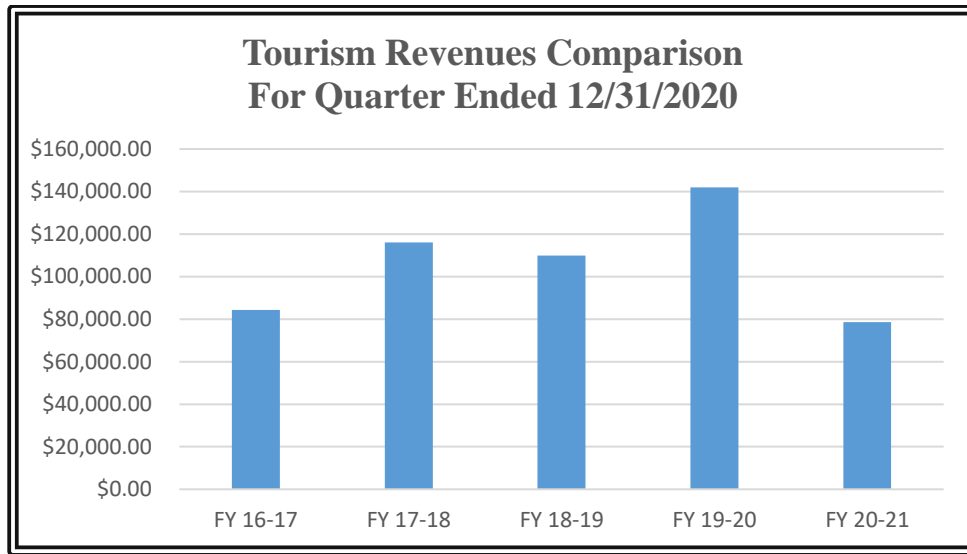
Landfill includes revenues that are billed to commercial accounts and revenues from residential customers. Below is a comparison of those revenues:

Landfill	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Landfill-Commercial	\$80,073.69	\$101,485.01	\$63,443.85	\$122,540.92	\$97,611.25
Landfill-Scale House	\$4,476.40	\$3,659.00	\$10,213.35	\$7,872.00	\$7,576.00

Prior FY 19-20 Year End	
Original Revenue Budget	3,196,500.00
Actuals	3,264,524.16
Additional Revenues	68,024.16
Percentage of Budget	102.13%

II. Tourism Fund Revenues

The main revenue for Tourism Fund is Hotel Occupancy Taxes collected by the hotels from overnight hotel guests. Revenues received for FY 20-21 are slightly less than what was received for last year by \$63,452.16 and trending lower than expected at 13.95%. Historically, annual revenues are made up in the 4th quarter and we normally end the year with our expected revenue projections. In FY 20-21, the JK Northway was transferred back to County operations which attributes to a portion of decreased revenues when compared to last fiscal year.



Tourism

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Adjusted Annual Budget	\$490,700.00	\$554,780.00	\$624,221.00	\$698,011.00	\$563,075.00
Actuals	\$84,309.09	\$116,062.88	\$109,897.42	\$141,988.33	\$78,536.17
Actuals vs Budget	17.18%	20.92%	17.61%	20.34%	13.95%

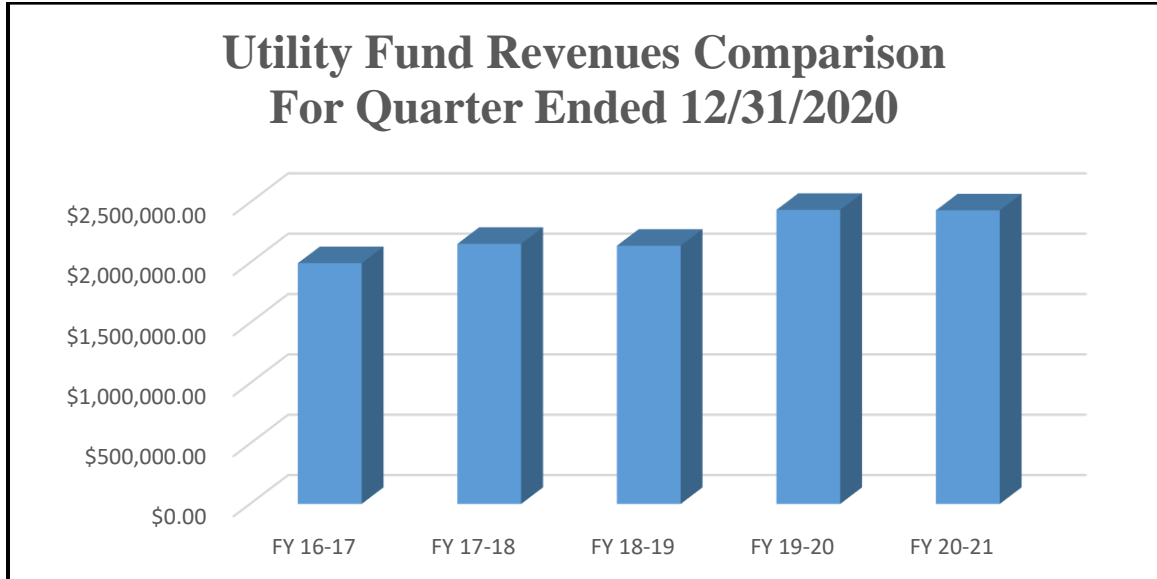
Prior FY 19-20 Year End

Original Revenue Budget	698,011.00
Actuals	584,060.90
Revenues Shortage	(113,950.10)
Percentage of Budget	83.68%

III. **Utility Fund Revenues**

Revenues from this fund come mainly from water and sewer sales for both residential and commercial customers. Revenues are less than last FY at this time, and trending slightly less than expected at 24.80%.

In looking at the utility rate study done in FY 17-18, the City Commission approved a 5% increase in sewer rates for FY 20-21.



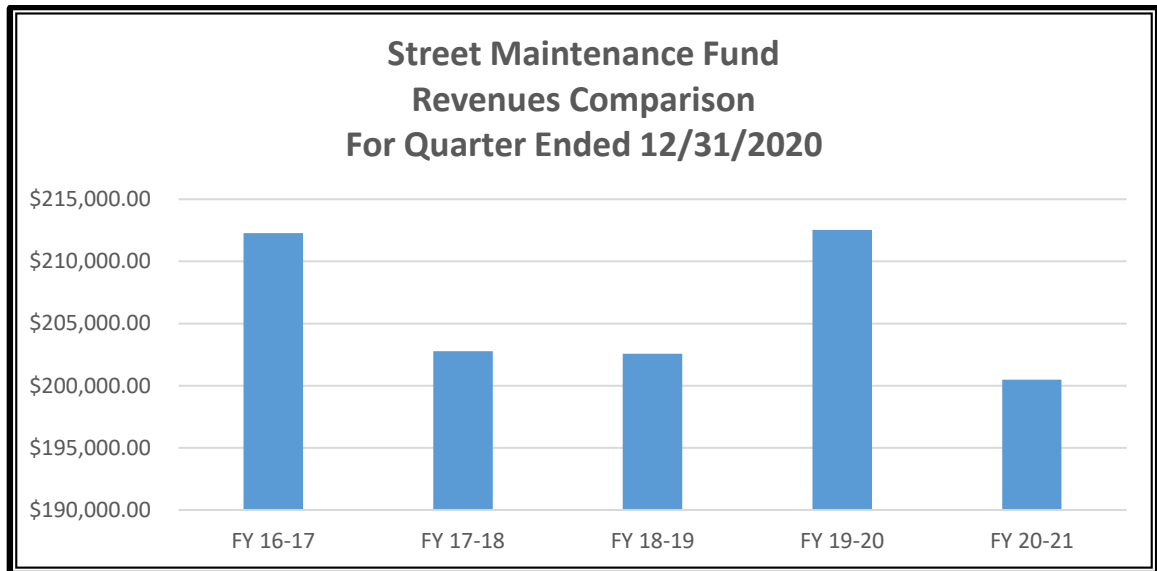
	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Adjusted Annual Budget	\$7,953,785.00	\$7,988,321.00	\$9,117,606.00	\$9,146,452.00	\$9,812,106.78
Actuals	\$1,995,157.44	\$2,155,343.07	\$2,139,863.68	\$2,436,898.16	\$2,433,241.56
Actuals vs Budget	25.08%	26.98%	23.47%	26.64%	24.80%

Prior FY 19-20 Year End	
Original Budget	9,146,452.00
Actuals	9,114,663.20
Revenues Shortage	(31,788.80)
Percentage of Budget	99.65%

IV. Street Maintenance Fund

Revenues for this fund are 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 footage of their space multiplied by a discounted trip generator multiplied by \$5.00 a month. Once the calculation is done, there are several different tiers with a \$150.00 per month cap. This fee will be brought up for review as we are in the fifth year since it was created, and larger street projects need to be completed.

Revenues are trending less than last fiscal year by \$10,000 but trending as expected at 25%.



	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Adjusted Annual Budget	\$937,229.38	\$812,000.00	\$812,000.00	\$812,000.00	\$802,000.00
Actuals	\$212,272.70	\$202,770.82	\$202,569.88	\$212,524.66	\$200,475.14
Actuals vs Budget	22.65%	24.97%	24.95%	26.17%	25.00%

FY 20-21

Total Amount Budgeted For Street Maintenance

Fund 001-General Fund-52100	Regular Budget	\$85,676.00
Fund 033-CO Series 2016	Street Projects & Equip	\$0.00
Fund 087-SW Capital Projects-52105	Alley Maintenance	\$50,000.00
Fund 092-Street Maintenance	Street Projects & Equip	\$1,200,000.00
	Total	\$1,335,676.00

Prior FY 19-20 Year End

Original Revenue Budget	812,000.00
Adjusted Budget	866,610.32
Actuals	861,574.56
Revenues Shortage	(5,035.76)
Percentage of Budget	99.42%

**Last Six Years
Total Amount Expended For Street Maintenance
FY 20-21 Is Based On Budget**

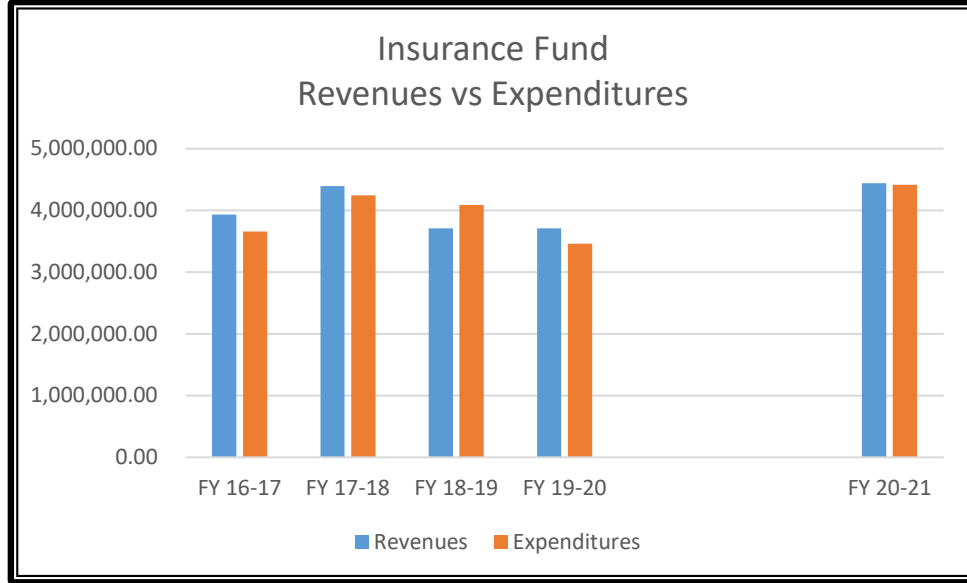
Fund	Actuals FY 15-16	Actuals FY 16-17	Actuals FY 17-18	Actuals FY 18-19	Actuals FY 19-20	Budgeted FY 20-21
Fund 001-General Fund	\$88,122.02	\$13,048.65	\$64,151.92	\$52,213.25	\$60,043.58	\$85,676.00
Fund 033-CO Series 2016	0.00	85,026.25	506,408.00	0.00	0.00	0.00
Fund 065-CO Series 2011	92,459.35	0.00	0.00	0.00	0.00	0.00
Fund 067-CO Series 2013	295,532.45	0.00	0.00	0.00	0.00	0.00
Fund 068-CO Series 2013	0.00	0.00	0.00	0.00	0.00	0.00
Fund 071-FEMA Assistance	19,850.69	0.00	0.00	0.00	0.00	0.00
Fund 087-SW Capital Projects	0.00	26,539.08	11,531.41	3,815.00	10,732.79	50,000.00
Fund 091-GF Capital Projects	0.00	0.00	0.00	0.00	0.00	0.00
Fund 092-Street Maintenance	301,435.59	449,584.18	503,085.13	1,006,313.14	566,678.15	1,200,000.00
Total Street Expenditures	\$797,400.10	\$574,198.16	\$1,085,176.46	\$1,062,341.39	\$637,454.52	\$1,335,676.00

V. Insurance Fund

The City is self-insured for health care and revenues for this fund come from employer and employee contributions through payroll deductions and individual payments from retirees and those on COBRA. During the budget process, determinations are made to decide if the City needs to make additional contributions based on fund balance projections. In FY 20-21, the City chose to increase health care premiums for employees. The increase brought each type of coverage to 10% of the employer cost of the plan. Due to anticipated reductions to the fund balance, City Commission approved additional transfers of \$53,547 from General Fund, \$291 from Tourism Fund, \$13,781 from Utility Fund and \$386 from Economic Development Fund for a total of \$68,005 down from \$181,399 last fiscal year.

Revenues are set by the City through employer and employee contributions, so the health of the fund depends on keeping claims at levels which can be supported by current contributions. For FY 20-21, expenditures were estimated and budgeted at \$4,414,503. Expenditures through December are \$1,116,043. These expenditures equate to 25.28% which is as expected. Revenues are coming in at \$1,195,685.28 or 26.92% of budget. Included in total revenues are Stop Loss reimbursements of \$155,624.73 which are not budgeted and may need to be accrued back to last fiscal year.

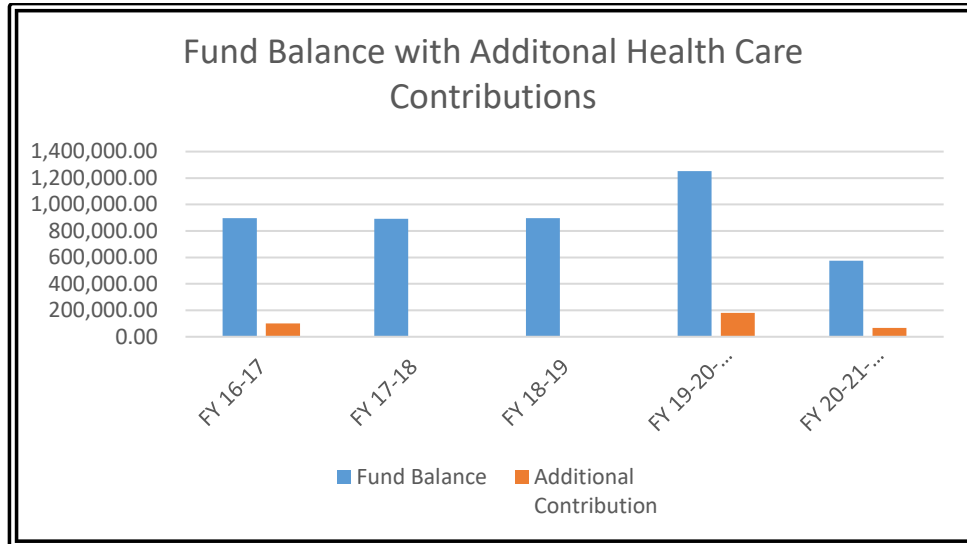
The chart below compares the actual revenues to the expenditures with the exception of FY 20-21 which compares the budgeted revenues to the budgeted expenditures.



Insurance Fund

Fiscal Year	Actuals	
	Revenues	Expenditures
FY 16-17	3,930,837.68	3,657,936.14
FY 17-18	4,392,469.48	4,243,947.73
FY 18-19	3,710,255.27	4,088,195.68
FY 19-20	3,711,913.82	3,463,068.63
	Budget	
FY 20-21	4,441,302.00	4,414,503.00

The following chart depicts a history of fund balances for prior years. FY 19-20 has not been audited and shows more than what was anticipated due in part to the Stop Loss Reimbursements of \$288 thousand. The fund balance for FY 20-21 depicted below is what is budgeted and expected to be there at end of FY 20-21. The chart also shows the fiscal years where the City made additional contributions to the health insurance fund.



Fiscal Year	Fund Balance	Additional Contribution
FY 16-17	895,609.00	100,000.00
FY 17-18	892,777.67	0.00
FY 18-19	896,910.10	0.00
FY 19-20-Unaudited	1,252,061.47	181,399.00
FY 20-21-Budgeted	574,027.00	68,005.00

VI. Overall Revenues & Expenditures

Overall, revenues for FY 20-21 from all sources are trending slightly less than expected at 23.96%. Overall expenditures are trending better than expected at 18.99%

Overall - All Sources
Quarter Ended December 31, 2020

Fund	Fund Name	Revenues			Expenditures		
		Budget	Revenues	Percentage	Budget	Expenditures	Percentage
001	General Fund	20,527,157.98	4,856,178.76	23.66%	21,748,122.73	4,857,554.35	22.34%
002	Tourism Fund	563,075.00	78,536.17	13.95%	561,064.00	109,423.17	19.50%
005	PD State Seizure Fund	5,000.00	546.73	10.93%	193,870.27	32,547.85	16.79%
009	Law Enforce Off Stand PD	0.00	0.00	0.00%	5,000.00	0.00	0.00%
010	Law Enforce Off Stand FF	0.00	0.00	0.00%	2,656.00	0.00	0.00%
011	GO Debt Service	1,502,446.00	622,829.05	41.45%	1,431,633.00	500.00	0.03%
012	UF Debt Service	1,602,683.00	400,176.07	24.97%	1,406,433.00	500.00	0.04%
013	Texas Historical Fund	0.00	0.00	0.00%	56.76	14.19	25.00%
016	PD Stonegarden Grant	0.00	19,622.03	0.00%	0.00	21,483.29	0.00%
017	PD Borderstar Grant	78,000.00	0.00	0.00%	78,000.00	3,072.40	3.94%
023	PD Step Grant	0.00	0.00	0.00%	0.00	320.29	0.00%
025	Building Security Fund	10,000.00	2,476.53	24.77%	10,000.00	130.86	1.31%
026	Golf Course Capital Maint	9,839.00	2,459.75	25.00%	117,000.16	1,354.04	1.16%
027	EMS Fund	0.00	0.00	0.00%	4,417.00	0.00	0.00%
028	PD Federal Seizure Fund	100.00	18.73	18.73%	30,000.00	0.00	0.00%
030	Red Ribbon Drug Aware	0.00	0.00	0.00%	58.26	0.00	0.00%
031	Muni Court Technology FD	11,000.00	2,239.29	20.36%	17,292.00	1,319.59	7.63%
033	CO Series 2016-GF	4,000.00	42.11	1.05%	41,372.00	35,000.00	84.60%
039	CO Series 2002-2002A	0.00	0.00	0.00%	5,266.37	1,316.59	25.00%
050	DOJ Jag Grant	13,325.00	3,331.25	25.00%	13,325.00	0.00	0.00%
051	Utility Fund	9,812,106.78	2,433,241.56	24.80%	10,138,739.11	2,417,284.07	23.84%
054	UF Capital Projects	88,763.00	21,927.50	24.70%	934,827.20	167,301.90	17.90%
055	Stormwater Drainage	405,000.00	100,424.88	24.80%	293,900.00	73,200.00	24.91%
062	CO Series 2005	0.00	0.00	0.00%	1,137.58	284.40	25.00%
066	CO Series 2011-UF	83,480.01	20,726.26	24.83%	154,000.00	(5.00)	0.00%
068	CO Series 2013-Drainage	2,000.00	1,319.29	65.96%	839,200.00	0.00	0.00%
069	TX CDBG Main Street	282,549.00	18,137.25	6.42%	332,549.00	89,060.40	26.78%
084	DEAAG WWTP Grant	907,500.00	226,875.00	25.00%	0.00	0.00	0.00%
086	TX CDBG Grant 7218269	0.00	37,938.80	0.00%	0.00	7,290.00	0.00%
087	Solid Waste Capital Projec	1,503,750.00	143,341.26	9.53%	1,638,260.00	104,505.08	6.38%
090	Landfill Closure	367,122.00	92,008.56	25.06%	200,000.00	0.00	0.00%
091	GF Capital Projects	0.00	0.00	0.00%	64.58	16.15	25.01%
092	Street Fund	802,000.00	200,475.14	25.00%	1,350,000.00	93,697.85	6.94%
093	Park Maintenance	25,000.00	6,250.00	25.00%	50,304.00	23,300.00	46.32%
094	Texas Parks & Wildlife	0.00	0.00	0.00%	359,500.00	0.00	0.00%
095	National Trust for Hist Pres	0.00	0.00	0.00%	3,161.38	0.00	0.00%
097	Vehicle Replacement	70,000.00	101,923.81	145.61%	12,348.04	3,087.01	25.00%
098	Economic Development	258,890.00	38,222.50	14.76%	243,366.00	28,687.00	11.79%
100	Transportation Set Aside	850,170.00	19,400.50	2.28%	850,170.00	0.00	0.00%
101	TX CDBG Main Steet	350,000.00	0.00	0.00%	350,000.00	0.00	0.00%
103	COVID-19 Fund	0.00	0.00	0.00%	0.00	18,056.16	0.00%
105	Vehicle Replacement-PD	10,000.00	2,500.00	25.00%	0.00	0.00	0.00%
106	Vehicle Replacement-PW	15,266.37	3,816.59	25.00%	0.00	0.00	0.00%
108	PL Bulletproof Vest Part	9,170.00	1,146.25	12.50%	9,170.00	0.00	0.00%
109	COVID Emerg Suppl Fund	29,841.69	29,816.22	99.91%	29,841.69	0.00	0.00%
110	KVPD Enhance BWC Fund	41,330.00	5,166.25	12.50%	41,330.00	0.00	0.00%
120	Property Tax Reserve	166,748.00	91,937.50	55.14%	0.00	0.00	0.00%
138	Self Insurance	4,441,302.00	1,195,685.28	26.92%	4,414,503.00	1,116,043.80	25.28%
202	Tourism - Façade Grant	30,000.00	7,500.00	25.00%	0.00	0.00	0.00%
203	JK EDA Grant	0.00	0.00	0.00%	557,000.00	0.00	0.00%
204	JK Hotel Venue Tax FD	156,342.86	0.00	0.00%	0.00	0.00	0.00%
	Revenue Fund Totals	45,034,957.69	10,788,236.87	23.96%	48,468,938.13	9,206,345.44	18.99%

VII. Revenue Budget Amendments

REVENUE BUDGET AMENDMENTS

Revenues:	
Original Budget	44,588,817.00
Current Budget	45,034,957.69
Budget Amendment	446,140.69

Ord. No.	Amendment Description		Amount
<u>General Fund - 001</u>			
2020-48	Park Donations-Walmart	4513-58003	\$ 2,500.00
2020-51	Police Donations-TX Comm Fe CU	2102-72030	\$ 250.00
2020-62	Fire Donations-Exxonmobile	2200-72030	\$ 2,500.00
	Total General Fund 001		\$ 5,250.00
<u>PD Borderstar - 017</u>			
2020-55	Grant Received	2100-72010	\$ 78,000.00
	Total PD Borderstar Fund 017		\$ 78,000.00
<u>TX CDBG MAIN STREET GRANT #7215270 - 069</u>			
2020-53	Grant Received	0000-72010	\$ 250,000.00
2020-53	Cash Match	0000-75001	\$ 32,549.00
	Total TXCDBG Grant Fund 069		\$ 282,549.00
<u>PL Bulletproof Vest Partnership Fund - 108</u>			
2020-55	Grant for Body Armor	0000-72005	\$ 4,585.00
2020-55	Cash Match	0000-75001	\$ 4,585.00
	Total PL Bulletproof Vest Partnership - 108		\$ 9,170.00
<u>Coronavirus Emergency Supplemental Fund - 109</u>			
2020-55	Grant for OT	0000-72010	\$ 29,841.69
	Total Park Maintenance Fund 093		\$ 29,841.69
<u>Kingsville PD Enhancement BWC Fund - 110</u>			
2020-55	Grant for replacement cameras	0000-72005	\$ 20,665.00
2020-55	Cash Match	0000-75001	\$ 20,665.00
	Total National Trust Grant Fund 095		\$ 41,330.00
	Total Revenue Budget Amendments		\$ 446,140.69

VIII. Expenditure Budget Amendments

EXPENDITURES BUDGET AMENDMENTS

Expenditures:	
Original Budget	47,556,544.00
Current Budget	48,468,938.13
Budget Amendment	912,394.13

Ord. No.	Amendment Description	Amount
<u>General Fund - 001</u>		
2020-48	Park Donations-Walmart 4513-31499	\$ 2,500.00
2020-51	Police Donations - TX Comm Fed CU 2102-21100	\$ 250.00
2020-53	TX CDBG Grant Carryover Project 6900-80069	\$ 32,549.00
2020-54	Carryover Purchase Orders 1601-31400	\$ 1,760.88
2020-54	Carryover Purchase Orders 1703-41100	\$ 1,646.54
2020-54	Carryover Purchase Orders 2102-71100	\$ 1,324.28
2020-54	Carryover Purchase Orders 2102-71100	\$ 1,401.40
2020-54	Carryover Purchase Orders 2103-21100	\$ 584.00
2020-54	Carryover Purchase Orders 2104-21100	\$ 39.83
2020-54	Carryover Purchase Orders 3050-31400	\$ 1,500.00
2020-54	Carryover Purchase Orders 4503-21700	\$ 4,600.00
2020-54	Carryover Purchase Orders 4503-31400	\$ 1,295.00
2020-54	Carryover Purchase Orders 4503-59100	\$ 18,397.78
2020-54	Carryover Purchase Orders 4503-71309	\$ 2,614.27
2020-54	Carryover Purchase Orders 4513-31499	\$ 1,996.46
2020-55	PL Bulletproof Vest Grant Cash Match 6900-80108	\$ 4,585.00
2020-55	KV PD Enhancement BWC Cash Match 6900-80110	\$ 20,665.00
2020-62	Donation-Exxonmobile 2200-41400	\$ 2,500.00
	Total General Fund 001	\$ 100,209.44
<u>PD Seizure Fund - 005</u>		
2020-54	Carryover Purchase Orders 2100-22501	\$ 7,652.90
2020-57	Narcotics Detection K-9 2100-71200	\$ 9,000.00
	Total PD Seizure Fund 005	\$ 16,652.90
<u>Local Border Security Program - 017</u>		
2020-55	Grant Program for OT 2100-11200	\$ 66,952.79
2020-55	Grant Program for Retirement 2100-11400	\$ 5,925.32
2020-55	Grant Program for FICA 2100-11500	\$ 5,121.89
	Total PD Local Border Security Program Fund 017	\$ 78,000.00

Ord. No.	Amendment Description		Amount
<u>Golf Course Capital Maintenance - 026</u>			
2020-58	Rollover Project - Greens Maintenance	4502-59100	\$ 111,584.00
	Total Golf Course Capital Maint Fund 026		<u>\$ 111,584.00</u>
<u>Utility Fund - 051</u>			
2020-54	Carryover Purchase Orders	6202-22800	\$ 25,439.10
2020-54	Carryover Purchase Orders	6202-54200	\$ 10,700.00
2020-54	Carryover Purchase Orders	6202-22800	\$ 15,150.00
2020-56	Carryover Purchase Orders	7003-31400	\$ 7,740.00
2020-56	Carryover Purchase Orders	7001-54300	\$ 600.00
	Total Utility Fund 051		<u>\$ 59,629.10</u>
<u>Utility Fund Capital Projects - 054</u>			
2020-52	Carryover Purchase Orders	7002-72100	\$ 115,428.00
2020-54	Carryover Purchase Orders	7002-72100	\$ 16,000.00
	Total Utility Fund Capital Projects Fund 054		<u>\$ 131,428.00</u>
<u>TXCDBG Main St Grant #7219012 - 069</u>			
2020-53	Carry Over CDBG Grant Project	1604-59100	\$ 300,000.00
2020-53	Carry Over CDBG Grant Project	1604-31400	\$ 23,714.00
2020-53	Carry Over CDBG Grant Project	1604-31400	\$ 8,835.00
	Total TXCDBG Main St Grant Fund 069		<u>\$ 332,549.00</u>
<u>Park Maintenance Fund - 093</u>			
2020-54	Carryover Purchase Orders	4503-21700	\$ 2,000.00
	Total Park Maintenance Fund 093		<u>\$ 2,000.00</u>
<u>Patrick Leahy Bulletproof Vest Partnership Fund - 108</u>			
2020-55	Grant Funding for Police Body Armor	2100-21200	\$ 9,170.00
	Total PL Bulletproof Vest Partnership Fund 108		<u>\$ 9,170.00</u>

Ord. No.	Amendment Description		Amount
<u>Coronavirus Emergency Supplemental Fund - 109</u>			
2020-55	Grant Funding for Overtime	2100-11200	\$ 25,615.18
2020-55	Grant Funding for Retirement	2100-11400	\$ 2,269.95
2020-55	Grant Funding for FICA	2100-11500	\$ 1,956.56
	Total Coronavirus Emerg Suppl Fund 109		<u>\$ 29,841.69</u>
<u>Kingsville PD Enhancement BWC Fund - 110</u>			
2020-55	Grant for Replacement Cameras	2100-21700	\$ 41,330.00
	Total KV PD Enhancement BWC Fund 110		<u>\$ 41,330.00</u>
	Total Expenditure Budget Amendments		<u>\$ 912,394.13</u>

IX. Accounts Receivable

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

- Property Taxes (20700) – the County Tax Assessor collects property taxes and submits payments to the City. As of the end of the first quarter, December 31, 2020, delinquent property taxes were \$834,510.43. There is a corresponding allowance for uncollectible accounts (21920) in the amount of \$339,436.28 leaving an anticipated collection of \$495,074.15. Linebarger is the collection agency that collects on this receivable. The allowance account is adjusted during the year end process.
- Ambulance Services (21200) – 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 December 31, 2020, the receivable was \$5,577,369.77. There is a corresponding \$5,590,143.23 allowance for uncollectible accounts (21900) leaving an anticipated collection amount of (\$12,773.46). Allowance accounts are always adjusted during the year end process and still needs to be adjusted. We have contracted with a company to provide collection services.
- Sanitation Service (21301) – this is for garbage sales for both residential and commercial accounts. As of December 31, 2020, this receivable was \$369,445.87. There is a corresponding allowance for uncollectible accounts (21910) in the amount of \$407,943.16 leaving an anticipated collection amount of (\$38,497.29). Year-end entries have not been completed yet. These accounts have been sent to the collection services company. The allowance account is adjusted during the year end process.
- 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.

Linebarger is used for collection services. As of December 31, 2020, the following balances existed:

- Demolition Liens (51001) \$173,038.26
- Paving Liens (51002) \$1,317.80
- Abatement of Noxious Matter (51003) \$123,435.65
- Weed Liens (51004) \$455,904.70
- Total Liens A/R \$753,696.41

There is a corresponding allowance for uncollectible accounts (22105) in the amount of \$692,500.10 leaving an anticipated collection amount of \$61,196.31.

- Water Accounts (21500) – this is for water service for both residential and commercial customers. As of December 31, 2020, this receivable was \$770,415.86.
- Sewer Accounts (21601) – this is for sewer service for both residential and commercial customers. As of December 31, 2020, this receivable was \$339,926.61. There is a corresponding allowance for uncollectible accounts (22100) of \$722,166.77 for both water and sewer accounts receivable leaving an anticipated collection of \$388,175.70.

The new collection services company will be used for water and sewer receivables.

X. Budgeted Capital Outlay Status

Department	Description	Approved Budget	Actual Costs	Status
General Fund 001				
Commission	City Records Restoration (Yr. 4 & 5) 001-5-1000-31400	\$44,000		Outstanding
Facilities	Concrete Pad for Recycle 001-5-1805-59100 001-5-3050-52100	\$10,500	\$17,500	Completed Increase due to larger concrete pad
Facilities	Dr. Pepper Bldg Roof Replacement 001-5-1805-71300	\$40,000	\$39,795 Estimated	PO Cut Estimated 3 months
Facilities	Police Dept Fire System Replacement 001-5-1805-71300	\$28,000	\$26,320 Estimated	PO Cut Working on plans
Police	(4) Chevy Tahoes 001-5-2102-71100	\$240,000	\$267,000 Estimated	Need to discuss increase costs
Fire	Command Vehicle 001-5-2200-71100	\$77,515		Outstanding
Streets	Recycling Center Parking Lot 001-5-3050-52100	\$30,676		Outstanding

Department	Description	Approved Budget	Actual Costs	Status
Streets	Scagg Mower 001-5-3050-71200	\$23,400	\$13,750	Completed
Golf	Backhoe 001-5-4502-71200	\$34,000	\$31,639	Completed
Utility Fund 051				
WW North	Lift Station Roof 051-5-7001-54300	\$11,265		Outstanding
WW South	Lift Station Roof 051-7002-54300	\$9,390		Outstanding
WW South	Skagg Cheetah Mower 051-5-7002-71200	\$9,800		Outstanding
UF Capital Projects 054				
Water Prod	84K Ground Storage Tank 054-5-6002-72100	\$125,000		Going out for bids the week of January 19
CO Series 2011 Fund 066				
WW Sewer	(2) 100 HP Submersible Dry Pit Pumps 066-5-7003-71200	\$154,000		Outstanding
Solid Waste Capital Projects 087				
Sanitation	(3) Garbage Trucks 087-5-1702-7100	\$930,000		Ordered 6-8 months
Parks Maintenance Fund 093				
Parks	John Deere Mower 093-5-4503-71200	\$13,304	\$13,300	Completed
Parks	DKP Trail Development 093-5-4503-71228	\$25,000		Outstanding
Parks	Installation of Playground Equipment 093-5-4503-71200	\$10,000		Outstanding

XI. Interdepartmental Transfers

Resolution 2016-62 allows transfers between departments in the same fund without Commission approval as long as those transfers do not increase a department's appropriation by more than 10%. Interdepartmental transfers above 10% must be documented and provided to Commissioners on a quarterly basis through the Quarterly Budget Report. Currently there are no transfers that meet the 10% notification requirement.

XII. Intradepartmental Transfers

Resolution 2016-62 allows intradepartmental transfers between account codes within a department but requires transfers greater than \$5,000 to be documented and provided to Commissions on a quarterly basis through the Quarterly Budget Report.

Transfers Greater Than \$5,000

Explanation	Transfer From		Transfer To	
	Account	Amount	Account	Amount
Fund 001 - General Fund				
BA0003362 – Move funds to complete parks project				
Overtime	4503-11200	(\$1,600.00)		
Coral Park	4503-59112	(900.00)		
Salaries & Wages	4503-11100	(\$2,000.00)		
Professional Services	4503-31400	(\$1,000.00)		
Machinery & Equipment			4503-71200	\$5,500.00
Fund 094 – TX Parks & Wildlife Grant				
BA0003347 - To reduce current budget to cover estimated sales tax revenue reductions				
Grounds & Perm Fixtures	4503-59100	(\$130,343.40)		
Parks-Field Improvements			4503-71278	\$130,343.40
Total Transfers > \$5,000		(\$135,843.40)		(\$135,843.40)

XIII. Estimated Fund Balances

The schedule below represents the estimated Fund Balance for each fund. The Beginning Fund Balance has not been audited. Current year fund balance is based on the beginning fund balance plus budgeted revenues, transfers in and revenue budget amendments, less budgeted expenditures, transfers out and expenditures budget amendments. If actual revenues and expenditures differ from what was budgeted, there would be either a positive or negative change to the estimated ending fund balance.

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-001 and Utility Fund-051 of 25% of the subsequent year’s budgeted expenditures and outgoing transfers. On September 25, 2017, the Commission amended the policy by Resolution 2017-67 that would allow both the General Fund and Utility Fund to be dropped to 20% for a special capital project or capital purchase. If either fund balance would drop to the 20% level, there would be a five-year period to bring the fund balance back up to the 25% level.

Governmental Funds

Fund	General Funds	FY 20-21 Un-Audited Beginning Fund Balance	DR Budgeted Revenues	DR Budgeted Transfers In	DR Budgeted Expenditures	DR Budgeted Transfers Out	FY 20-21 Estimated Ending Fund Balance
001	General	8,889,993.63	18,863,623.44	1,663,534.54	21,138,294.73	609,828.00	7,669,028.88
025	Bldg Security	8,391.67	10,000.00	0.00	10,000.00	0.00	8,391.67
026	Golf Cap Maint	118,995.48	0.00	9,839.00	111,584.00	5,416.16	11,834.32
087	SW Cap Project	531,053.97	1,503,750.00	0.00	1,425,450.00	212,810.00	396,543.97
090	Landfill Closure	1,618,699.71	270,650.00	96,472.00	200,000.00	0.00	1,785,821.71
091	GF Cap Project	1,329.60	0.00	0.00	0.00	64.58	1,265.02
092	Street	948,921.57	802,000.00	0.00	1,200,000.00	150,000.00	400,921.57
093	Park Maintenance	44,088.69	0.00	25,000.00	50,304.00	0.00	18,784.69
097	Veh Replac-Fire	81,052.12	70,000.00	0.00	0.00	12,348.04	138,704.08
098	Economic Devel	36,579.43	106,000.00	152,890.00	242,980.00	386.00	52,103.43
103	COVID19 Event	0.00	0.00	0.00	0.00	0.00	0.00
105	Veh Replace-PD	0.00	0.00	10,000.00	0.00	0.00	10,000.00
106	Veh Replace-PW	0.00	0.00	15,266.37	0.00	0.00	15,266.37
120	Prop Tax Reserve	193,934.79	166,748.00	0.00	0.00	0.00	360,682.79
Totals		12,473,040.66	21,792,771.44	1,973,001.91	24,378,612.73	990,852.78	10,869,348.50

To verify the ending fund balance for General Fund 001, budgeted expenditures, and budgeted transfers out for FY 20-21 are:

- Budgeted Expenditures and Transfers Out for FY 20-21 are \$21,748,122.73 less the capital lease recordation of \$351,515 (Police Vehicles, Fire Command Vehicle & Golf Backhoe Capital Lease) = \$21,396,607.73
- Minimum required fund balance = actual total expenditures of \$21,396,607.73 x 25% = \$5,349,151.94
- The estimated ending fund balance of \$7,669,028.88 for FY 20-21 has a surplus reserve of \$2,319,876.94
- Estimated Ending Fund Balance for FY 20-21 is 35.84% (Est ending fund balance \$7,669,028.88 divided by total expenditures less capital lease recordation \$21,396,607.73)

Fund 001 – General Fund
 Fund 026 – Golf Course Capital Maint
 Fund 090 – Landfill Closure Fund
 Fund 092 – Street Fund
 Fund 096 – Insurance Claim Recovery
 Fund 098 – Economic Development
 Fund 120 – Property Tax Reserve

Fund 025 – Building Security Fund
 Fund 087 – Solid Waste Capital Projects
 Fund 091 – General Fund Capital Projects
 Fund 093 – Park Maintenance Fund
 Fund 097 – Vehicle Replacement
 Fund 099 – Disaster Response Recovery

Capital Improvement Funds – General Fund

Fund	GF Capital Project Funds	FY 20-21 Un-Audited Beginning Fund Balance	DR Budgeted Revenues	DR Budgeted Transfers In	DR Budgeted Expenditures	DR Budgeted Transfers Out	FY 20-21 Estimated Ending Fund Balance
033	CO 2016	87,200.49	4,000.00	0.00	41,372.00	0.00	49,828.49
039	CO 2002-2002A	5,261.31	0.00	0.00	0.00	5,266.37	(5.06)
Totals		92,461.80	4,000.00	0.00	41,372.00	5,266.37	49,823.43

Fund 033 – CO Series 2016

Fund 039 – CO Series 2002-2002A

Note: Fund 039 credit ending balance will be adjusted by not transferring out the full amount budgeted to Fund 106 depending on where the fund ends up after the audit.

Police Forfeiture Funds

Fund	Seizure Funds	FY 20-21 Un-Audited Beginning Fund Balance	DR Budgeted Revenues	DR Budgeted Transfers In	DR Budgeted Expenditures	DR Budgeted Transfers Out	FY 20-21 Estimated Ending Fund Balance
005	PD St Seizure	1,059,640.94	5,000.00	0.00	193,870.27	0.00	870,770.67
028	PD Fed Seizure	141,190.96	100.00	0.00	30,000.00	0.00	111,290.96
031	MC Technology	34,071.44	11,000.00	0.00	17,292.00	0.00	27,779.44
Totals		1,234,903.34	16,100.00	0.00	241,162.27	0.00	1,009,841.07

Fund 005 – State Forfeiture

Fund 028 – Federal Forfeiture

Fund 031 – Municipal Court Technology

Debt Service – General Fund

Fund	GO Debt Service	FY 20-21 Un-Audited Beginning Fund Balance	DR Budgeted Revenues	DR Budgeted Transfers In	DR Budgeted Expenditures	DR Budgeted Transfers Out	FY 20-21 Estimated Ending Fund Balance
011	GO Debt Service	660,249.41	1,454,417.00	48,029.00	1,431,633.00	0.00	731,062.41
Totals		660,249.41	1,454,417.00	48,029.00	1,431,633.00	0.00	731,062.41

Tourism Fund

Fund	Tourism	FY 20-21 Un-Audited Beginning Fund Balance	DR Budgeted Revenues	DR Budgeted Transfers In	DR Budgeted Expenditures	DR Budgeted Transfers Out	FY 20-21 Estimated Ending Fund Balance
002	Tourism	383,340.48	563,075.00	0.00	453,433.00	107,631.00	385,351.48
202	Façade Grant	0.00	0.00	30,000.00	0.00	0.00	30,000.00
203	JK EDA Grant	557,000.00	0.00	0.00	557,000.00	0.00	0.00
204	JK Venue Tax	0.00	156,342.86	0.00	0.00	0.00	156,342.86
Totals		940,340.48	719,417.86	30,000.00	1,010,433.00	107,631.00	571,694.34

- 002 – Tourism Fund
- 203 – JK Northway EDA Grant Fund
- 202 – Facade Grant Fund
- 204 – Venue Tax Fund

Even though Fund 002 is not required to keep a specific minimum fund balance, there have been discussions to require some level of minimum fund balance. Currently, estimated ending fund balance is at 68.68% (Estimated Fund Balance \$385,351.48 divided total Expenditures and Transfers Out of \$561,064). To keep the same 25%, the required fund balance would need to be \$140,266 based on budgeted expenditures and transfers out. In FY 18-19, a new Fund 202 Facade Grants was created to manage the facade grant allocation from the Tourism Fund. By creating this fund, unused allocations can be rolled forward. Discussions have taken place on whether to continue facade grants from the Tourism Fund. Due to the state of estimated reduction in HOT revenues, the full \$50,000 will not be transferred from Fund 002 in FY 20-21. The transfer was reduced to \$30,000.

Enterprise – Utility Funds

Fund	Enterprise - UF	FY 20-21 Un-Audited Beginning Fund Balance	DR Budgeted Revenues	DR Budgeted Transfers In	DR Budgeted Expenditures	DR Budgeted Transfers Out	FY 20-21 Estimated Ending Fund Balance
012	UF Debt Service	670,758.34	2,000.00	1,600,683.00	1,406,433.00	0.00	867,008.34
051	Utility	3,390,875.90	9,493,600.00	318,506.78	6,212,940.90	3,866,169.11	3,123,872.67
054	UF Cap Proj	1,559,617.48	1,200.00	87,563.00	931,991.00	2,836.20	713,553.28
055	Stormwater	249,986.25	405,000.00	0.00	1,100.00	292,800.00	361,086.25
062	CO 2005	51,606.47	0.00	0.00	0.00	1,137.58	50,468.89
066	CO 2011	70,464.52	575.00	82,905.01	154,000.00	0.00	(55.47)
068	CO 2013-Drainage	2,102,369.97	2,000.00	0.00	839,200.00	0.00	1,265,169.97
Totals		8,095,678.93	9,904,375.00	2,089,657.79	9,545,664.90	4,162,942.89	6,381,103.93

To verify the ending fund balance for Utility Fund 051, budgeted expenditures, and budgeted transfers out for FY 20-21 are:

- Budgeted Expenditures and Transfers Out for FY 20-21 are \$10,079,110.01
- Minimum required fund balance = actual total expenditures of \$10,079,110.01 x 25% = \$2,519,777.51.
- The estimated ending fund balance of \$3,123,872.67 for FY 20-21 has a surplus reserve of \$604,095.16 (estimated ending fund balance \$3,123,872.67 less minimum required \$2,519,777.51)
- Estimated Ending Fund Balance for FY 20-21 is 30.99% (estimated ending fund balance \$3,123,872.67 divided total expenditures \$10,079,110.01)

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

Note: Fund 066 will be adjusted to not expend the full \$154,000 as budgeted due to a smaller estimated beginning fund balance. The negative will be transferred into the reduction line item so that the budgeted line item will not be overspent. If the full amount is needed, it will be covered by Fund 051 through a budget amendment.

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 contributed additional reserves to shore up the fund balance.

In FY 14-15, the City decided to start charging employees a small portion of the cost of health insurance. In FY 19-20, the City made plan changes and changes to employee premiums. In FY 20-21, employee premiums were adjusted so that all coverage tiers paid 10% of the cost of the plan. Stop Loss reimbursements are not budgeted as there is no way to know if and how much will be received each year. This fund has not been reconciled for audit purposes as of this report. Stop Loss reimbursements for FY 19-20 are \$288,502.90. There may be adjustments that still need to be made to accrue back receipts into FY 18-19 which would then reduce the estimated beginning fund balance.

Fund	Insurance	FY 20-21 Un-Audited Beginning Fund Balance	DR Budgeted Revenues	DR Budgeted Transfers In	DR Budgeted Expenditures	DR Budgeted Transfers Out	FY 20-21 Estimated Ending Fund Balance
138	Insurance	1,252,061.47	4,373,297.00	68,005.00	4,414,503.00	0.00	1,278,860.47
Totals		1,252,061.47	4,373,297.00	68,005.00	4,414,503.00	0.00	1,278,860.47

Grant Funds

Fund	Grant Funds	FY 20-21 Un-Audited Beginning Fund Balance	DR Budgeted Revenues	DR Budgeted Transfers In	DR Budgeted Expenditures	DR Budgeted Transfers Out	FY 20-21 Estimated Ending Fund Balance
009	Law Enforce PD	0.00	5,000.00	0.00	5,000.00	0.00	0.00
010	Law Enforce-Fire	0.00	2,656.00	0.00	2,656.00	0.00	0.00
013	TX Historical	56.76	0.00	0.00	0.00	56.76	0.00
016	PD Stonegarden	678.92	0.00	0.00	0.00	0.00	678.92
017	PD Borderstar	0.00	78,000.00	0.00	78,000.00	0.00	0.00
027	EMS	0.00	4,417.00	0.00	4,417.00	0.00	0.00
030	Red Ribbon	58.26	0.00	0.00	58.26	0.00	0.00
050	DOJ JAG Grant	0.00	0.00	13,325.00	13,325.00	0.00	0.00
069	TXCDBG Main St	0.00	332,549.00	0.00	332,549.00	0.00	0.00
084	DEAAG	0.00	0.00	907,500.00	0.00	0.00	907,500.00
086	TXCDBG 7218269	0.00	0.00	0.00	0.00	0.00	0.00
094	TX Parks Wildlife	197,000.00	162,500.00	0.00	359,500.00	0.00	0.00
095	Natl Trust Preserv	5,000.00	0.00	0.00	3,161.38	0.00	1,838.62
100	SRTS Grant	0.00	772,568.00	77,602.00	850,170.00	0.00	0.00
101	TXCDBG 7219192	22,450.00	350,000.00	0.00	350,000.00	0.00	22,450.00
108	PL Bulletproof Vst	0.00	9,170.00	0.00	9,170.00	0.00	0.00
109	COVID Emer Supp	0.00	29,841.69	0.00	29,841.69	0.00	0.00
110	KVPD Enhanc BWC	0.00	41,330.00	0.00	41,330.00	0.00	0.00
Totals		225,243.94	1,788,031.69	998,427.00	2,079,178.33	56.76	932,467.54

Fund 009 – Law Enf Off Stand-PD
 Fund 013 - Texas Historical
 Fund 017 – PD Borderstar
 Fund 030 – Red Ribbon Awareness
 Fund 059 – Homeland Security
 Fund 084 – DEAAG Grant
 Fund 094 – Texas Parks & Wildlife
 Fund 100- Safe Routes to School
 Fund 108 – PL Bulletproof Vest
 Fund 110 – KV PD Enhance BWC

Fund 010 – Law Enf Off Stand-Fire
 Fund 016 – PD Stonegarden
 Fund 027 – EMS Fund
 Fund 050 – DOJ JAG Grant
 Fund 069 – TX CDBG Main St Grant
 Fund 086 – TX CDBG Grant
 Fund 095 – Natl Trust for Hist Presv
 Fund 101 – TXCDB #7219192
 Fund 109 – COVID Emerg Suppl

Some of the above grants will need to have adjustments made to budgeted revenues. Budget amendments for revenues will be done later in the fiscal year. Some expenditures have been budgeted without the corresponding revenue because the revenues are sitting in deferred revenues and cannot be booked until the actual expenditure is incurred. The table above reflects that the corresponding revenue will be budgeted if the corresponding expenditure is incurred.

XIV. Grant Information**Fund 009 – Law Enforcement Off Stand-PD**

Used to record the annual allocation payment from the Law Enforcement Officer Standards and Education (LEOSE). This payment must be used as necessary, to ensure the continuing education of law enforcement personnel, or to provide necessary training, as determined by the agency head, to full-time, fully paid law enforcement support personnel.

Fund 010 – Law Enforcement Off Stand-Fire

Used to record the annual allocation payment from the Law Enforcement Officer Standards and Education (LEOSE). This payment must be used as necessary, to ensure the continuing education of law enforcement personnel (Fire), or to provide necessary training, as determined by the agency head, to full-time, fully paid law enforcement support personnel.

Fund 013 - Texas Historical

This is an old grant that needs to close out the left-over funds.

Fund 016 – PD Stonegarden

This fund is used to account for the Operation Stonegarden (OPSG) grant. The OPSG Program fund investments in joint efforts to secure the United States' borders along routes of ingress from international borders to include travel corridors in states bordering Mexico and Canada, as well as states and territories with international water borders.

Fund 017 – PD Borderstar

This fund accounts for the Borderstar – LBSP Grant. The purpose of the grant is to sustain interagency law enforcement operations and enhance local law enforcement patrols to deter and facilitate directed actions to interdict criminal activity.

Fund 027 – EMS Fund

This is a grant for emergency medical supplies.

Fund 030 – Red Ribbon

This is an old grant that will be closed.

Fund 050 – DOJ Jag Grant

This is a new grant

Fund 069 – TX CDBG Main St Grant #7219012

This fund is used to account for a Community Development Block Grant for Main Street Development. It includes 600 linear feet of sidewalk and curb improvements, 12 ADA accessible curb ramps, 8 concrete sidewalk bulb-outs on Kleberg Avenue from 7th Street to 8th Street. Approved through Resolution 2019-45.

Fund 084 – DEAAAG Grant

This is possible grant for a project with the naval air station on wastewater reroute.

Fund 086 – TX CDBG Grant #7218269

This fund is used to account for a Texas CDBG Grant for sewer system improvements for a manhole rehabilitation project. Approved November 2018.

Fund 094 – Texas Parks & Wildlife

This fund is used to account for a Texas Parks & Wildlife Grant for improvements at the Dick Kleberg Park. The grant includes playground equipment shade, structures, handicap access surfacing, 10 picnic tables with grills, exercise equipment, shelters, baseball field improvements, multi-purpose field improvements, girls' softball field improvements and other miscellaneous items. Approved through Resolution 2019-91.

Fund 095 – National Historic Preservation

This is an old grant that needs to be close out.

Fund 100-Safe Routes to School

This fund is used to account for the Safe Routes to School program that includes improvements of sidewalks, ADA accessibility and school safety.

Fund 108 – Patrick Leahy Bulletproof Vest Partnership Grant

This grant provides for the purchase of bulletproof vests

Fund 109 – COVID Emergency Supplemental Grant

This grant provides for overtime for COVID related activities

Fund 110 – Kingsville PD Enhancement BWC Grant

This grant provides for the purchase of cameras