



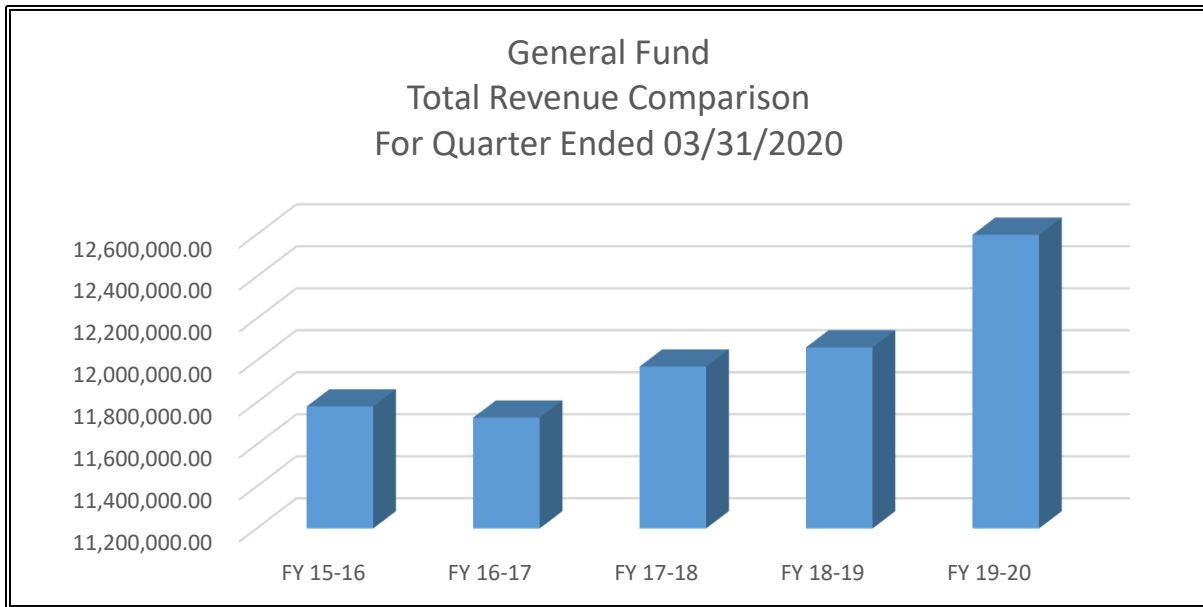
**FY 2019-2020**  
**QUARTERLY BUDGET**  
**REPORT**

**FOR QUARTER ENDED**  
**MARCH 31, 2020**

**2ND QUARTER FY 2020 BUDGET REPORT**

At the end of the second quarter of the fiscal year, there were twelve (12) payroll periods out of twenty-six (26), which indicates that total expenditures for salaries and benefits should be at forty-six percent (46%). Being six months into the fiscal year, revenue and other expenditure items should be at approximately fifty percent (50%) of the FY 19-20 budget. Sales tax is presented based on when funds are received and is adjusted to a modified accrual basis during year end.

The audit is now completed and all beginning balances and prior year numbers have been audited.



	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Adjusted Annual Budget	\$18,882,127.00	\$18,440,450.00	\$19,964,646.00	19,242,811.00	19,705,126.35
Actuals	11,780,780.64	\$11,727,483.06	\$11,970,841.43	\$12,062,240.57	12,598,367.21
Actuals vs Budget	62.39%	63.60%	59.96%	62.68%	63.93%

Overall second quarter General Fund revenues are trending higher than expected at 63.93%.

<b>Prior FY 18-19 Year End</b>	
Original Budget	19,219,911.00
Adjusted Budget	19,311,625.21
Actuals	19,718,147.04
Additional Revenues	406,521.83
Percentage of Budget	102.11%

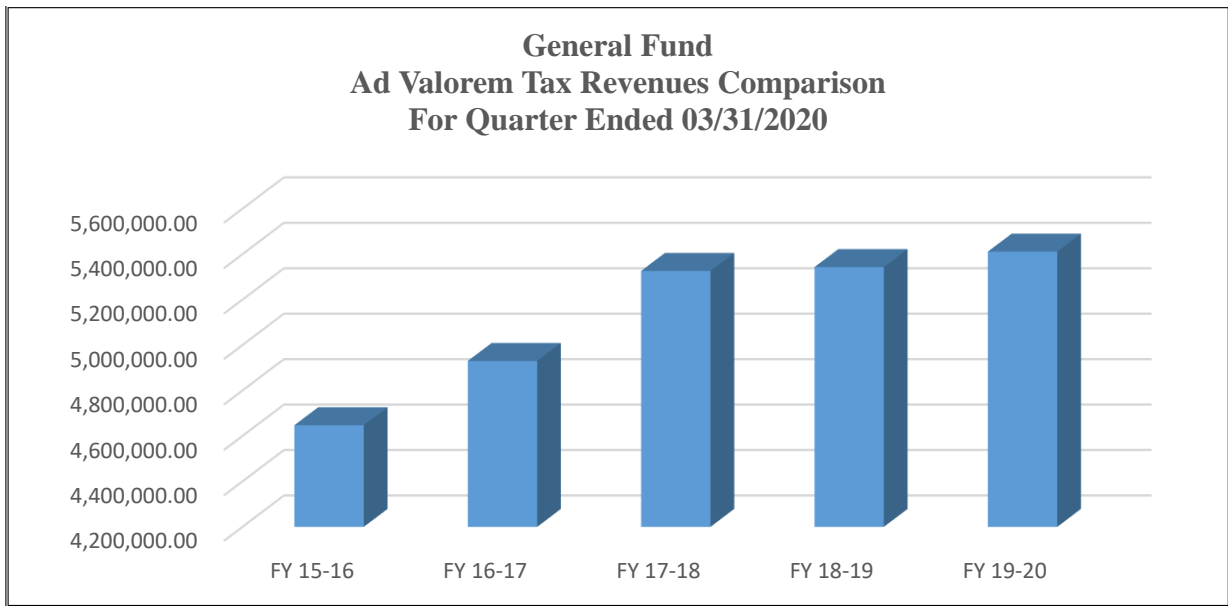
**I. General Fund Revenues**

**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 31<sup>st</sup>.

The tax rate for this fiscal year was increased from \$.83000 to \$.85304. A portion of the increased revenues (\$197,842 estimated) are set aside in a separate fund for emergency purposes. Use of these funds can only be appropriated by City Commission.

Second quarter revenues are higher than the prior year by \$68,040 or 1.27%.



	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Adjusted Annual Budget	\$5,187,728.00	\$5,338,940.00	\$5,761,672.00	\$5,747,927.00	\$5,904,696.00
Actuals	\$4,647,493.49	\$4,930,131.15	\$5,326,377.73	\$5,343,366.48	\$5,411,406.85
Actuals vs Budget	89.59%	92.34%	92.45%	92.96%	91.65%

Prior FY 18-19 Year End	
Original Budget	5,747,927.00
Actuals	5,702,981.84
Revenue Shortage	(44,945.16)
Percentage of Budget	99.22%

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

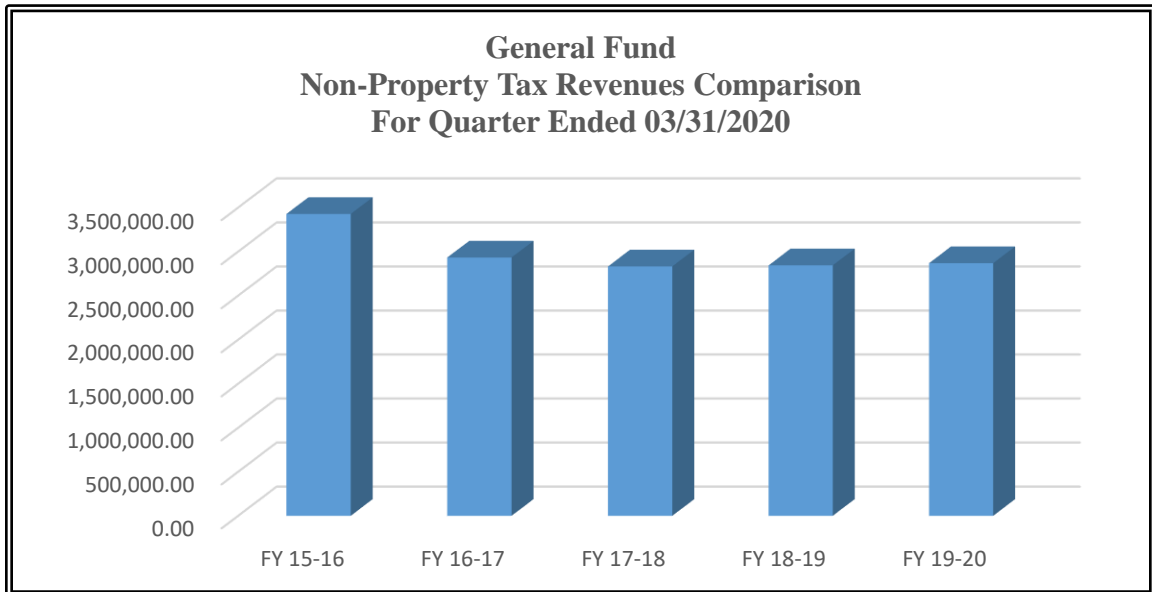
Revenues in this category are trending right on track at 50.04% due to the reasons stated above. As we do not receive all franchise fees on a quarterly basis and we are still trending at 50.04%, this indicates that sales taxes are higher than anticipated. This may be attributed to the 380 agreements for Neessen Polaris and Marshalls which have both opened and are generating sales taxes. We have not received any validation reports to know how much to transfer for payments according to the agreements.

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 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.

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 pertains to the M&O portion of the tax valuation not to exceed \$30,000 for a total combined incentive of \$60,000.

The City Commission also conditionally approved an incentive agreement with Chick-Fil-A that is now pending the company's approval. Full details of the agreement will be available once approved by both parties. Ground has not been broken yet, but indications are that the business will open within the next 12 months.



	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Adjusted Annual Budget	\$5,615,500.00	\$5,577,000.00	\$5,702,000.00	\$5,930,000.00	\$5,731,800.00
Actuals	\$3,426,877.87	\$2,932,241.17	\$2,831,430.37	\$2,843,322.17	\$2,868,142.21
Actuals vs Budget	61.03%	52.58%	49.66%	47.95%	50.04%

**Prior FY 18-19 Year End**

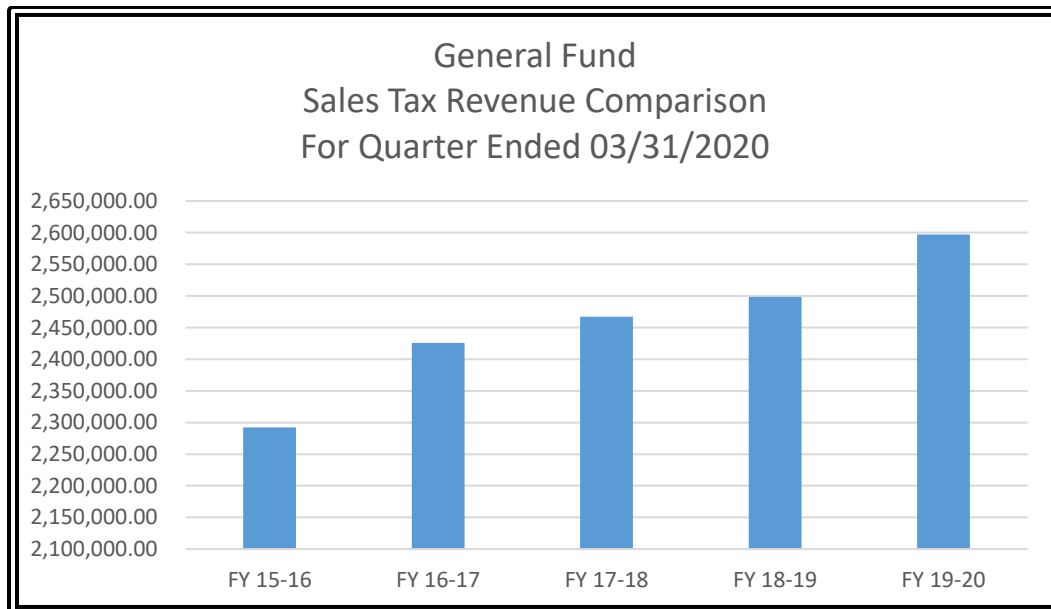
Original Budget	5,930,000.00
Actuals	6,171,561.05
Additional Revenues	241,561.05
Percentage of Budget	104.07%

**C. Sales Tax**

City sales tax revenue is trending as expected at 52.21% 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 and Marshalls that opened and are generating sales tax revenues. Once validation reports are received, the City has incentive agreement obligations as stated in the prior section. It is currently unknown to what extent revenues will be impacted for these agreements for this fiscal year. We budgeted \$46,800 for the Neessen Polaris agreement, but this is not included in the budgeted number shown below in the table.



	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Adjusted Annual Budget	\$4,550,000.00	\$4,575,000.00	\$4,700,000.00	\$4,978,000.00	\$4,975,000.00
Actuals	\$2,292,399.55	\$2,425,684.80	\$2,466,946.63	\$2,498,438.61	\$2,597,336.00
Actuals vs Budget	50.38%	53.02%	52.49%	50.19%	52.21%

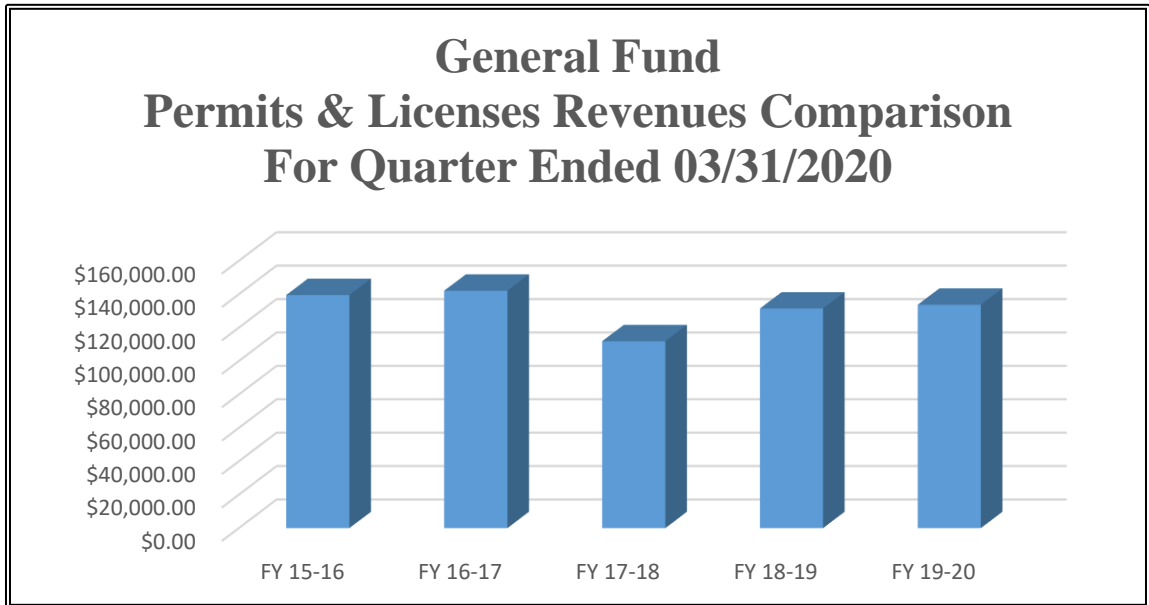
**Prior FY 18-19 Year End**

Original Budget	4,975,000.00
Actuals	5,080,331.75
Additional Revenues	105,331.75
Percentage of Budget	102.12%

**D. Permits & Licenses**

This revenue category consists of all permits and licensing revenue generated by the Planning Department. Revenues in this category are slightly higher revenue wise than the prior year, and higher than what was projected at 61.38%.

We were able to slightly increase the budget for FY 19-20 due to several new business developments.



	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Adjusted Annual Budget	\$277,975.00	\$275,225.00	\$256,625.00	\$213,000.00	\$217,845.00
Actuals	\$139,520.97	\$142,111.39	\$111,883.93	\$131,478.18	\$133,721.31
Actuals vs Budget	50.19%	51.63%	43.60%	61.73%	61.38%

**Prior FY 18-19 Year End**

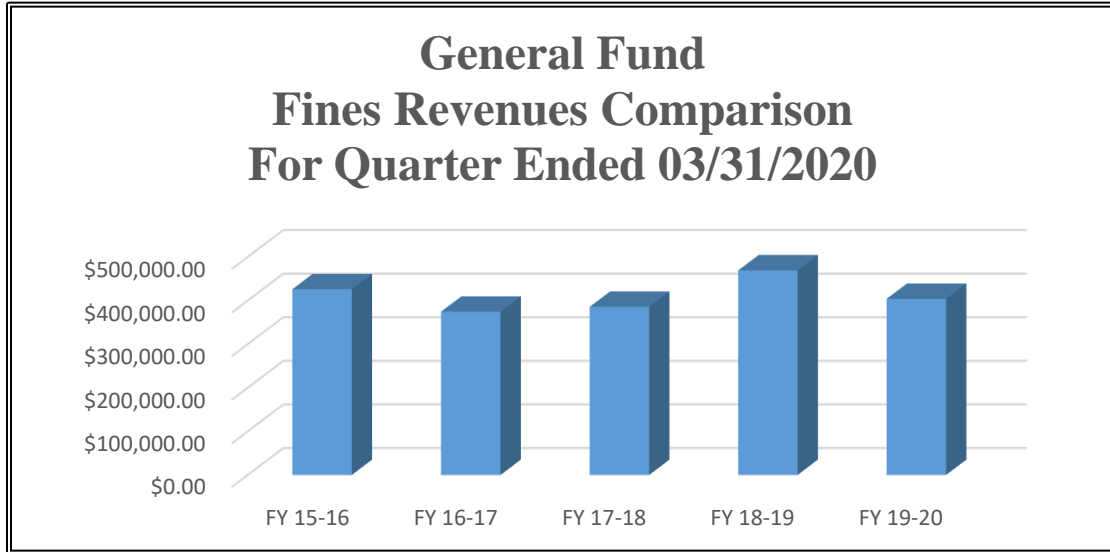
Original Budget	213,000.00
Actuals	219,638.79
Additional Revenues	6,638.79
Percentage of Budget	103.12%

FY 19-20 - 2<sup>nd</sup> Quarter notable permits issued:

- El Tapatio - \$740.00
- Kingsville Laundry Company - \$740.00
- Casa Del Rey - \$215.00
- Klendefelder Office - \$510.00

**Fines**

Municipal Court revenues are trending slightly lower than expected at 21.22% and lower than this time last FY.



	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Adjusted Annual Budget	\$960,200.00	\$835,000.00	\$760,500.00	\$741,100.00	\$815,100.00
Actuals	\$425,874.20	\$374,350.13	\$385,654.08	\$469,193.38	\$403,927.58
Actuals vs Budget	44.35%	44.83%	50.71%	63.31%	49.56%

<b>Prior FY 18-19 Year End</b>	
Original Budget	741,100.00
Actuals	866,626.69
Additional Revenues	125,526.69
Percentage of Budget	116.94%

2020 Warrant Round-Up totals

- 601 Total Warrants Cleared
- \$93,963.27 (Collected)
- \$9,854.94 (Cash Bonds Applied)
- \$37,923.48 (Cleared by arrest-Non-cash or credit)
  
- Total amount cleared: \$141,741.69

Warrant round-up this year ran from February 17<sup>th</sup> through March 13<sup>th</sup>.



**General Service Fees**

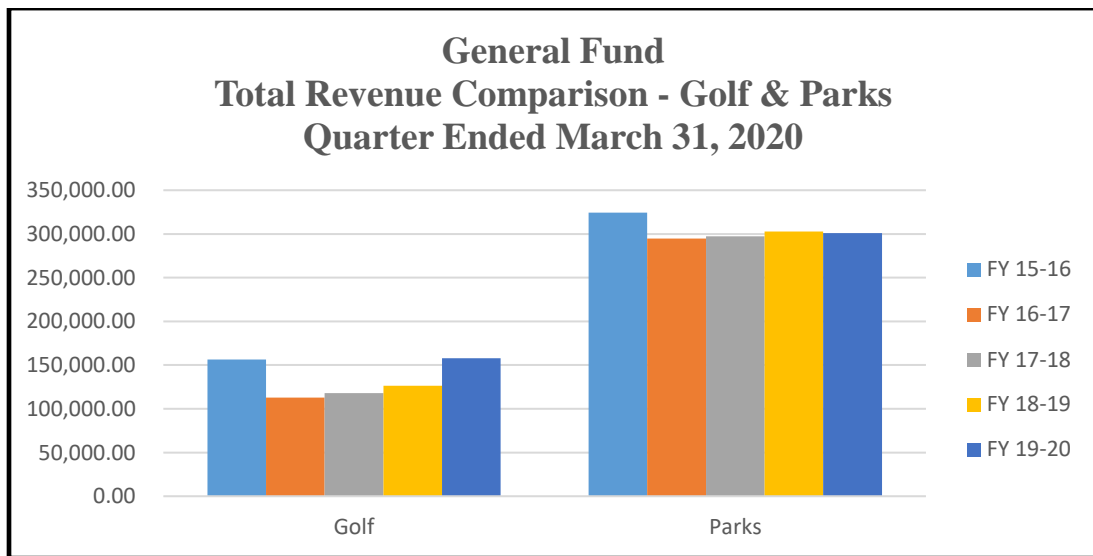
This category contains the revenues for two divisions that were assumed by the City from the County in FY 14-15. The County contributes \$35,000 annually for the L.E. Ramey Golf Course. Golf Course budgeted revenues represents 47.60% of the FY 19-20 budget versus 38.25% last year. Actual revenues increased \$31,659 over the same period last fiscal year.

Parks and Recreation revenues are slightly lower than expected at 44.01% and slightly less, revenues wise, than the same period last fiscal year. Park revenues are seasonal and are expected to catch up once the summer months occur. However, due to the COVID-19 virus, it is yet unknown the effect on revenues for both the Golf Course and Parks as both operations are affected. The Golf Course was ordered closed in April and as of March, Parks are not allowed to book any type of event while the state is practicing social distancing as required by the Texas Governor’s order and adopted by the City of Kingsville.

The County contributes \$550,000 annually of which the City is transferring \$25,000 to the Tourism fund to help fund the JK Northway at the request of the County. The full amount of the County contribution is reflected in the revenues as the contribution is handled as an expenditure transfer.

The City and County will be working on updating the interlocal agreements covering the Parks and Golf Course. The City Commission approved the 120-day cancellation notice on the interlocal agreements for Library and Health. Intentions are to take over 100% of the Health Department operations and to give back the Library to the County. The change to these interlocal agreements is believed to not increase costs to the City, but it offers a better efficiency in managing the operations.

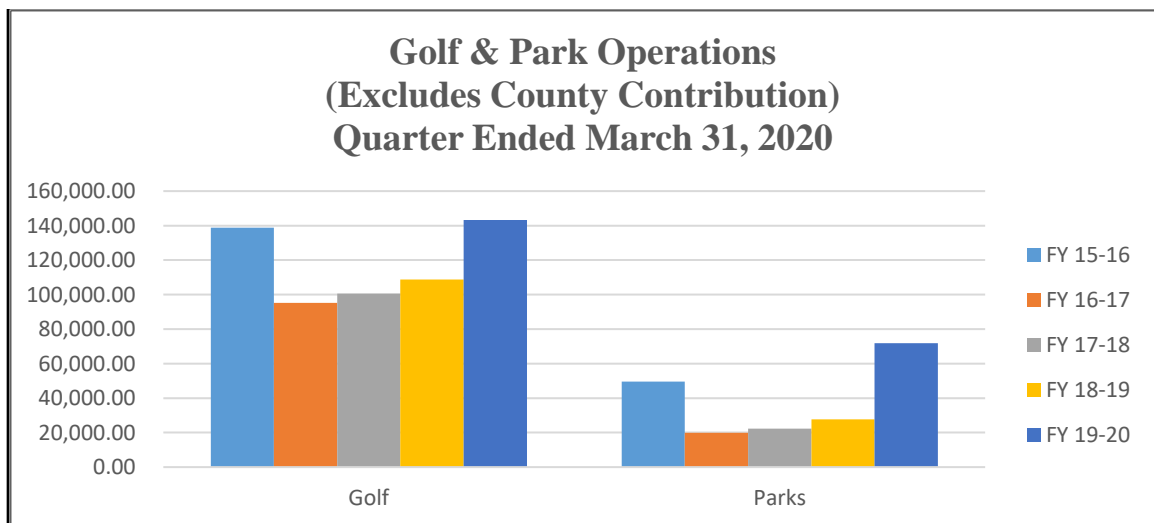
Contributions from the County are short the March amount as it was not received until April 15th.



Golf	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Adjusted Annual Budget	\$278,025.00	\$247,200.00	\$277,500.00	\$330,000.00	\$331,729.00
Actuals	\$156,294.63	\$112,779.26	\$118,112.37	\$126,230.30	\$157,888.90
Actuals vs Budget	56.22%	45.62%	42.56%	38.25%	47.60%

Parks & Recreation	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Adjusted Annual Budget	\$650,680.00	\$610,890.00	\$646,150.00	\$631,050.00	\$684,010.00
Actuals	\$324,498.80	\$294,878.98	\$297,303.88	\$302,622.78	\$301,060.30
Actuals vs Budget	49.87%	48.27%	46.01%	47.96%	44.01%

Operating budgeted revenues for FY19-20 for the Golf and Parks are \$296,729 and \$134,010 respectively. Operating revenues for Golf are trending lower than anticipated at 48.30% and Parks revenues are trending higher than anticipated at 53.65%.



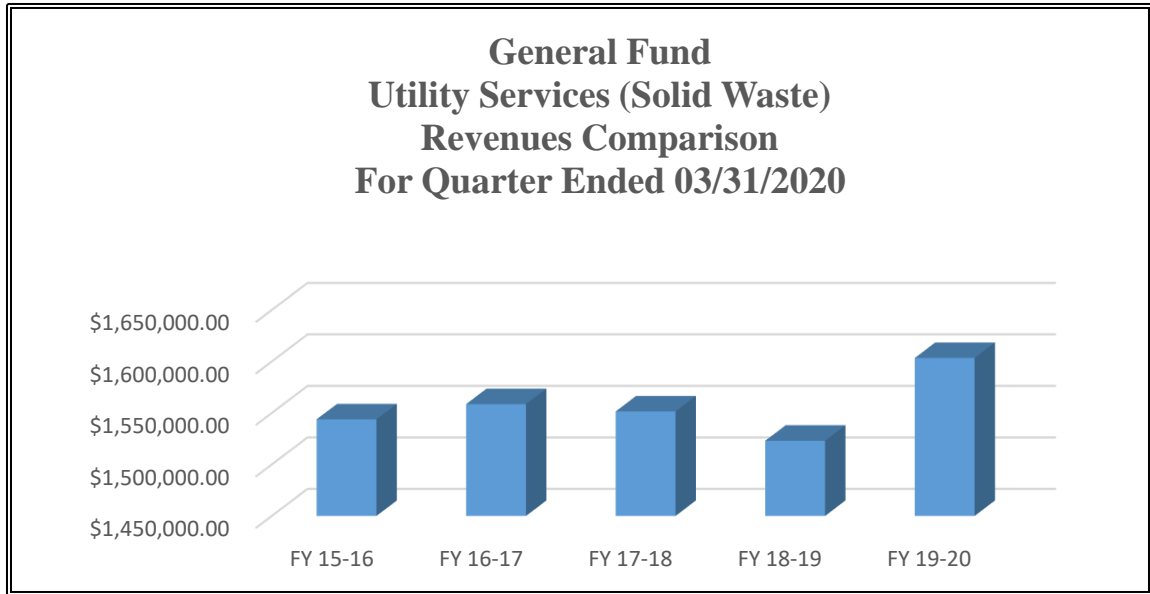
The table below represents operating revenues by excluding the County’s contribution of \$14,583.35 for the golf course and \$229,166.65 for the parks which represents the contribution amount for the first six months of this fiscal year.

Division	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Golf	138,794.63	95,279.26	100,612.37	108,730.30	143,305.55 (\$157,888.90-\$14,583.35)
Parks	49,498.80	19,878.98	22,303.88	27,622.78	71,893.65 (\$301,060.30-229,166.65)

	Operating Budget	Operating Revenues	% Received
Golf	296,729.00	143,305.55	48.30%
Parks	134,010.00	71,893.65	53.65%

**E. Solid Waste**

In General Fund, this revenue category includes landfill and garbage fees. Revenues for this fiscal year have increased from last fiscal by \$80,340 and is trending as expected at 50.16%.



	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Adjusted Annual Budget	\$3,284,900.00	\$3,284,700.00	\$3,205,500.00	\$3,206,500.00	\$3,196,500.00
Actuals	\$1,543,832.45	\$1,558,634.64	\$1,551,549.20	\$1,523,070.76	\$1,603,411.08
Actuals vs Budget	47.00%	47.45%	48.40%	47.50%	50.16%

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

Landfill	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Landfill-Commercial	\$127,383.73	\$159,887.30	\$178,192.21	\$141,423.17	\$218,490.93
Landfill-Scale House	\$19,606.80	\$10,864.65	\$8,624.20	\$21,162.80	\$16,528.75

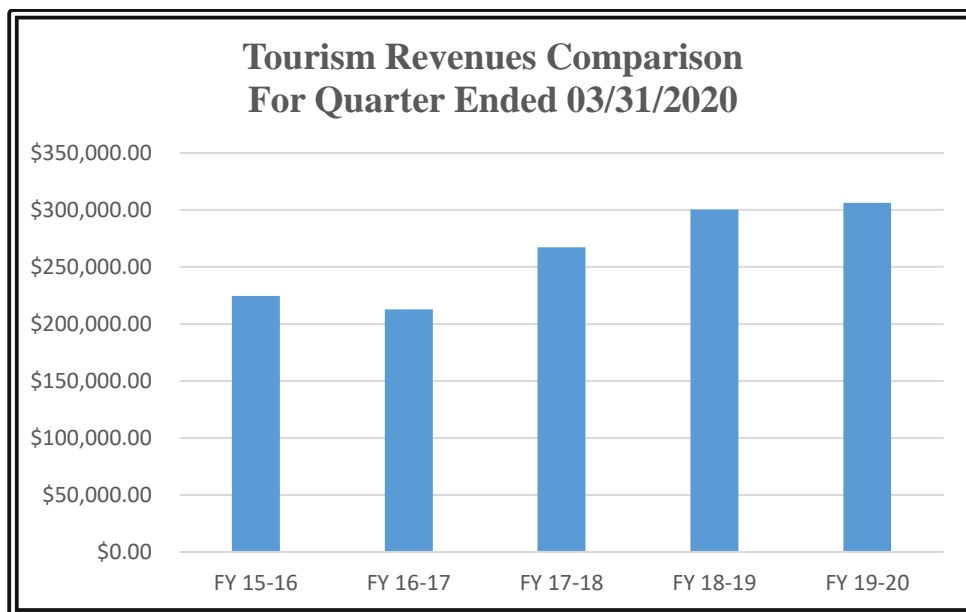
**Prior FY 18-19 Year End**

Original Budget	3,206,500.00
Actuals	3,048,058.59
Revenue Shortage	(158,441.41)
Percentage of Budget	95.06%

**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 19-20 are greater than what was received for last year but trending lower than expected at 43.86%. Historically, annual revenues are made up in the 4<sup>th</sup> quarter and we normally would end the year with our expected revenue projections. However, with the COVID-19 virus, hotels are being hit extremely hard and we anticipate HOT revenues to come in at \$418,000 versus the \$620,000 that was budgeted. Time will tell where we eventually end up, but efforts have begun to reduce expenditures and hotels have been offered deferral plans for their tax payments to offer some relief.

The table below includes the \$25,000 transfer from General Fund for the JK Northway.



**Tourism**

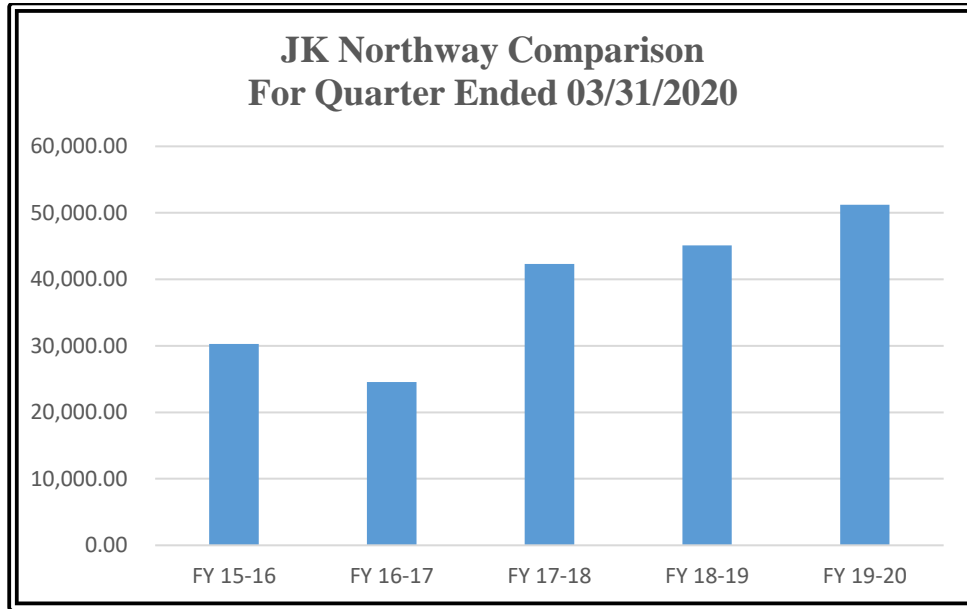
	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Adjusted Annual Budget	\$502,300.00	\$490,700.00	\$554,780.00	\$624,221.00	\$698,011.00
Actuals	\$224,480.07	\$212,903.24	\$267,290.10	\$300,374.56	\$306,169.06
Actuals vs Budget	44.69%	43.39%	48.18%	48.12%	43.86%

**Prior FY 18-19 Year End**

Original Budget	604,221.00
Adjusted Budget	624,221.00
Actuals	738,004.94
Additional Revenues	113,783.94
Percentage of Budget	118.23%

The JK Northway was moved from the Parks Division to the Tourism Department in FY 16-17. In FY 17-18, the City began transferring \$25,000 from the County’s Park contribution to offset expenditures for the JK Northway. Revenues are trending higher than last FY at this time and higher than expected at 72.62%. Ranch Hand weekend held in November was highly successful this fiscal year.

The table below includes the \$25,000 transfer from the General Fund. Budget for FY 15-16 and 16-17 are quite a bit lower due to the transfer not starting till FY 17-18.



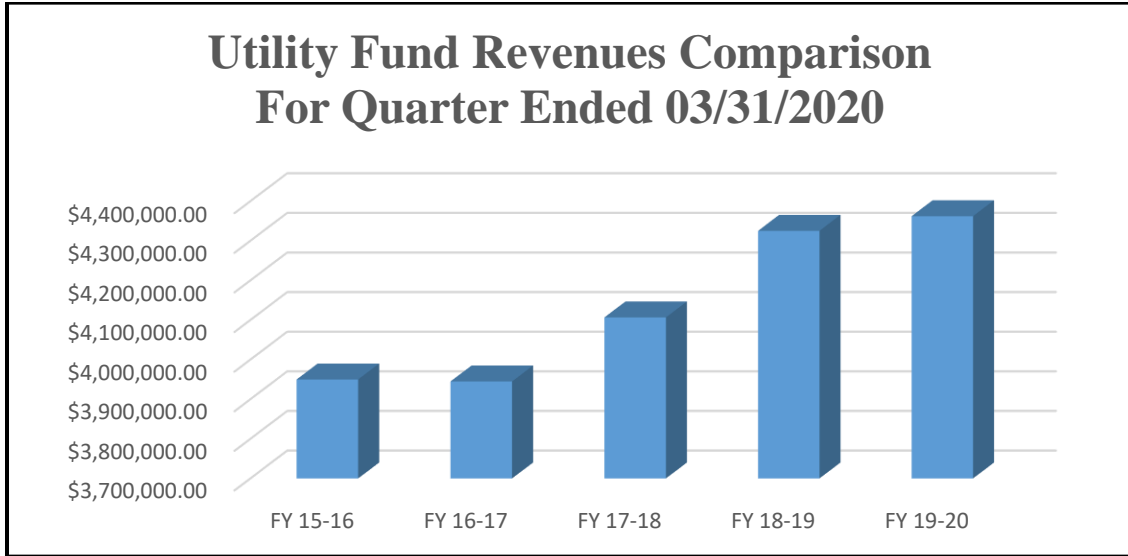
**JK Northway**

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Adjusted Annual Budget	\$38,475.00	\$36,375.00	\$61,375.00	\$74,500.00	\$70,500.00
Actuals	\$30,283.45	\$24,550.35	\$42,312.22	\$45,129.63	\$51,196.25
Actuals vs Budget	78.71%	67.49%	68.94%	60.58%	72.62%

**III. Utility Fund Revenues**

Revenues from this fund come mainly from water and sewer sales for both residential and commercial customers. Revenues are higher than last FY at this time, but trending less than expected at 47.69%.

In looking at the utility rate study done in FY 17-18, the City Commission approved a 1% increase in water and 8% increase in sewer rates for FY 19-20. Last fiscal year ended with a shortage in revenues due to lower consumption.



	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Adjusted Annual Budget	\$8,570,884.00	\$7,953,785.00	\$7,988,321.00	\$9,117,606.00	\$9,146,452.00
Actuals	\$3,949,775.83	\$3,944,770.35	\$4,106,417.91	\$4,325,008.25	\$4,362,007.08
Actuals vs Budget	46.08%	49.60%	51.41%	47.44%	47.69%

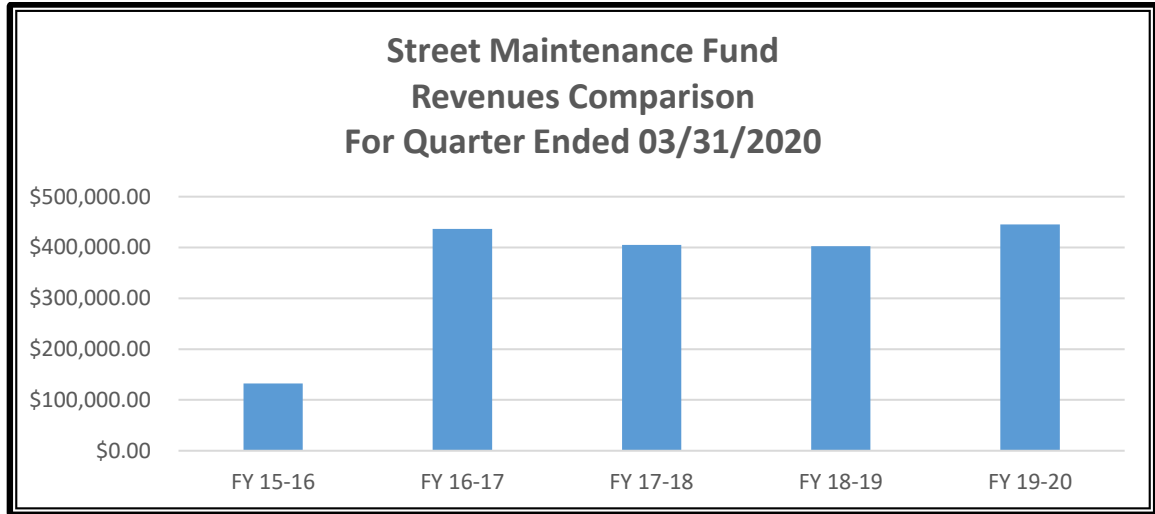
There still continues to be issues with failing endpoints on the water meters. Conversations will need to occur to discuss how to best deal with the replacement costs of equipment and added personnel costs to install the replacement end points. At the end of this quarter, there were 237 end points that are needed to be replaced, but delays will continue as replacement parts have not been received. Once stock is received, DIA Utilities has been hired to assist in replacing the failed end points.

<b>Prior FY 18-19 Year End</b>	
Original Budget	9,117,606.00
Actuals	9,846,659.78
Additioanl Revenues	729,053.78
Percentage of Budget	108.00%

**IV. Street Maintenance Fund**

Revenues for this new 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 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.

Revenues are trending higher than last fiscal year and higher than expected at 54.81%.



	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Adjusted Annual Budget	\$536,000.00	\$937,229.38	\$812,000.00	\$812,000.00	\$812,000.00
Actuals	\$132,141.31	\$436,716.26	\$404,807.12	\$402,439.03	\$445,066.73
Actuals vs Budget	24.65%	46.60%	49.85%	49.56%	54.81%

**FY 19-20**

**Total Amount Budgeted For Street Maintenance**

Fund 001-General Fund-52100	Regular Budget	\$50,000.00
Fund 087-SW Capital Projects	Alley Maintenance	\$50,000.00
Fund 092-Street Maintenance	Street Projects & Equip	\$841,471.00
	<b>Total</b>	<b>\$941,471.00</b>

**Prior FY 18-19 Year End**

Original Budget	812,000.00
Actuals	795,782.96
Revenues Shortage	(16,217.04)
Percentage of Budget	98.00%

**Last Six Years**  
**Total Amount Expended For Street Maintenance**  
**FY 19-20 Is Based On Budget**

Fund	Actuals FY 14-15	Actuals FY 15-16	Actuals FY 16-17	Actuals FY 17-18	Actuals FY 18-19	Budgeted FY 19-20
Fund 001-General Fund	\$22,440.82	\$88,122.02	\$13,048.65	\$64,151.92	\$52,213.25	\$50,000.00
Fund 033-CO Series 2016	0.00	0.00	85,026.25	506,408.00	0.00	0.00
Fund 065-CO Series 2011	205,228.00	92,459.35	0.00	0.00	0.00	0.00
Fund 067-CO Series 2013	611,935.11	295,532.45	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	0.00	19,850.69	0.00	0.00	0.00	0.00
Fund 087-SW Capital Projects	0.00	0.00	26,539.08	11,531.41	3,815.00	50,000.00
Fund 091-GF Capital Projects	0.00	0.00	0.00	0.00	0.00	0.00
Fund 092-Street Maintenance	0.00	301,435.59	449,584.18	503,085.13	1,006,313.14	1,262,021.00
<b>Total Street Expenditures</b>	<b>\$839,603.93</b>	<b>\$797,400.10</b>	<b>\$574,198.16</b>	<b>\$1,085,176.46</b>	<b>\$1,062,341.39</b>	<b>\$1,362,021.00</b>

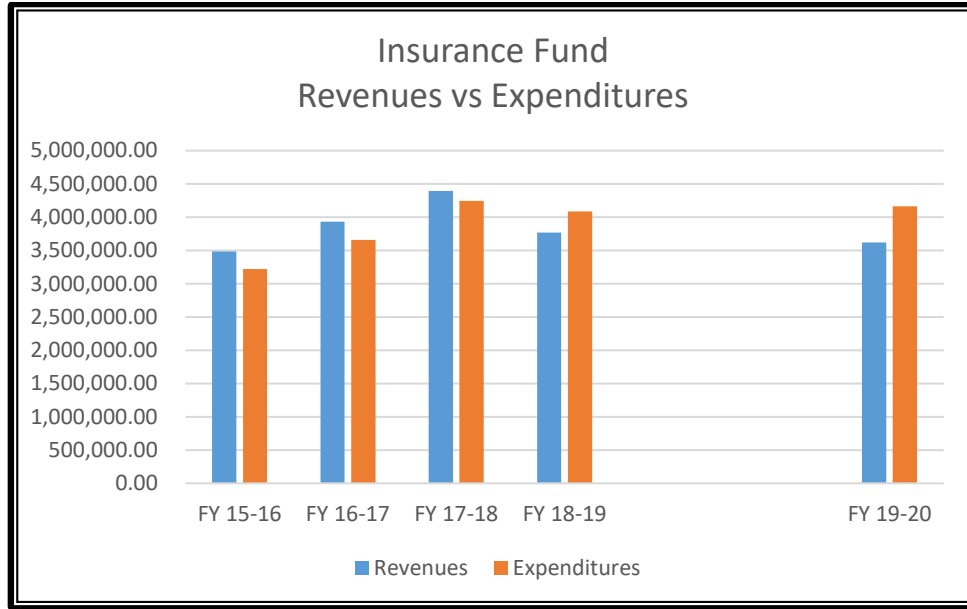
**V. Insurance Fund**

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 19-20, the City chose to increase health care premiums for employees by 15% and made plan changes which resulted changes to the network and an increase in the monthly deductible. Due to anticipated reductions to the fund balance, City Commission approved additional transfers of \$145,372 from General Fund, \$1,125 from Tourism Fund, \$33,922 from Utility Fund and \$980 from Economic Development Fund for a total of \$181,399.

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 19-20, expenditures were estimated and budgeted at \$4,163,008. Expenditures currently are \$1,645,885.59. These expenditures equate to 39.54% which is lower than expected. Revenues are coming in at \$1,506,885.59 or 41.64% of budget which is due in part to timing issues. Stop loss reimbursements which are not budgeted are \$63,099.

The chart below compares the actual revenues to the expenditures with the exception of FY 19-20 which compares the budgeted revenues to the budgeted expenditures.

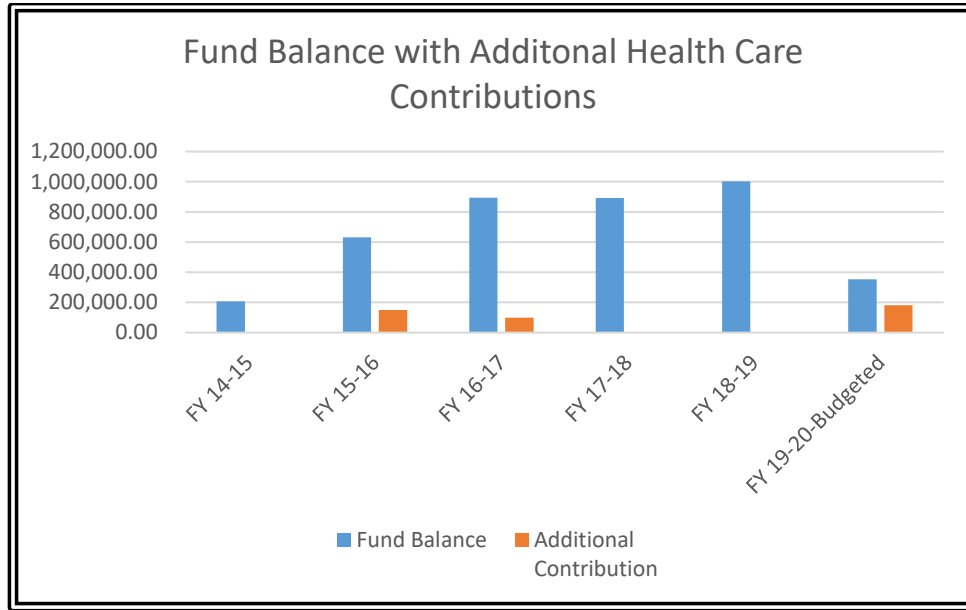




Insurance Fund

Fiscal Year	Actuals	
	Revenues	Expenditures
FY 15-16	3,485,717.45	3,222,108.82
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	3,770,660.21	4,084,476.06
FY 19-20	3,618,707.00	4,163,008.00

The following chart depicts a history of fund balances for prior years. FY 18-19 has been audited and shows more than what was anticipated due in part to \$255,807 in stop loss revenues which are never included in estimates. The fund balance for FY 19-20 depicted below is what is budgeted and expected to be there at year end. The chart also shows the fiscal years where the City made additional contributions to the health insurance fund.



Fund Balance with Additional Contributions

Fiscal Year	Fund Balance	Additional Contribution
FY 14-15	207,187.00	0.00
FY 15-16	632,000.00	150,000.00
FY 16-17	895,609.00	100,000.00
FY 17-18	892,777.67	0.00
FY 18-19	1,003,216.28	0.00
FY 19-20-Budgeted	352,609.10	181,399.00

FY 18-19 ended up with \$255,087.89 in stop loss reimbursements

## VI. Overall Revenues & Expenditures

Overall, revenues for FY 19-20 from all sources are trending higher than expected at 54.95%. Overall expenditures are trending better than expected at 37.94%

Overall Revenues and Expenditures - All Sources  
 Quarter Ended March 31, 2020

Fund	Fund Name	Revenues			Expenditures		
		Budget	Revenues	Percentage	Budget	Expenditures	Percentage
001	General Fund	19,705,126.35	12,598,367.21	63.93%	20,992,579.51	9,238,068.24	44.01%
002	Tourism Fund	698,011.00	306,169.06	43.86%	714,353.65	326,390.86	45.69%
005	PD State Seizure Fund	26,000.00	64,399.24	247.69%	265,322.00	116,490.36	43.91%
009	Law Enforce Off Stand-PD	3,349.19	2,369.19	70.74%	3,349.19	0.00	0.00%
011	GO Debt Service	1,572,490.00	1,393,467.70	88.62%	1,534,256.00	241,732.50	15.76%
012	UF Debt Service	1,701,647.00	847,786.91	49.82%	1,501,647.00	171,542.50	11.42%
016	PD Stonegarden Grant	255,000.00	15,205.30	5.96%	255,000.00	42,712.97	16.75%
017	PD Borderstar Grant	78,000.00	29,680.65	38.05%	78,000.00	32,138.49	41.20%
025	Building Security Fund	10,000.00	5,775.98	57.76%	10,000.00	6,390.06	63.90%
026	Golf Course Capital Maint	50,441.00	8,220.50	16.30%	64,324.00	27,392.42	42.59%
028	PD Federal Seizure Fund	100.00	47.59	47.59%	30,000.00	0.00	0.00%
031	Muni Court Technology Fund	13,000.00	6,738.26	51.83%	17,000.00	5,156.58	30.33%
033	CO Series 2016-GF	20,000.00	4,123.81	20.62%	614,747.00	153,584.69	24.98%
039	CO Series 2002-GF	0.00	47.87	0.00%	0.00	0.00	0.00%
051	Utility Fund	9,146,452.00	4,362,007.08	47.69%	8,789,119.41	4,110,423.03	46.77%
054	UF Capital Projects	698,430.00	584,862.87	83.74%	1,854,476.00	673,000.00	36.29%
055	Stormwater Drainage	405,000.00	200,155.09	49.42%	292,900.00	145,900.00	49.81%
059	Homeland Security	0.00	54,995.00	0.00%	0.00	54,995.00	0.00%
060	Computer Lease Purchase	0.00	0.00	0.00%	47.76	47.76	100.00%
062	CO Series 2005-UF	1,000.00	470.39	47.04%	50,500.00	0.00	0.00%
065	CO Series 2011-GF	0.00	0.00	0.00%	2,288.28	2,288.28	100.00%
066	CO Series 2011-UF	5,000.00	758.45	15.17%	0.00	0.00	0.00%
067	CO Series 2013-GF Streets	2,200.00	65.19	2.96%	30,000.00	0.00	0.00%
068	CO Series 2013-Drainage	2,400.00	(495.05)	0.00%	809,200.00	0.00	0.00%
069	TX CDBG Main Street	300,000.00	25,000.00	8.33%	300,000.00	996.60	0.33%
071	FEMA Assistance	0.00	215,305.77	0.00%	0.00	178,527.06	0.00%
078	TX Parks & Wildlife	0.00	0.00	0.00%	3,598.89	3,598.89	100.00%
079	TX Capital Fund Grant	687.50	0.00	0.00%	3,744.01	3,744.01	100.00%
082	TXCDBG Grant	0.00	12.00	0.00%	13,500.00	13,512.00	100.09%
084	DEAAG Grant Fund	0.00	34,078.30	0.00%	0.00	20,346.00	0.00%
086	TX CDBG Grant 7218269	301,000.00	100,722.00	33.46%	301,000.00	137,637.80	45.73%
087	Solid Waste Capital Projects	879,044.00	287,861.85	32.75%	874,374.00	239,696.84	27.41%
090	Landfill Closure	368,227.00	183,786.57	49.91%	252,000.00	10,275.00	4.08%
091	GF Capital Projects	0.00	3.47	0.00%	0.00	0.00	0.00%
092	Street Fund	812,000.00	417,367.15	51.40%	841,471.00	131,570.50	15.64%
093	Park Maintenance	25,000.00	12,500.00	50.00%	27,539.00	3,000.00	10.89%
094	Texas Parks & Wildlife	421,000.00	0.00	0.00%	421,000.00	0.00	0.00%
095	National Trust for Hist Pres	0.00	2,500.00	0.00%	0.00	0.00	0.00%
096	Insurance Claim Recovery	0.00	8,307.33	0.00%	245,135.00	8,307.33	3.39%
097	Vehicle Replacement	250,000.00	68,413.47	27.37%	256,105.00	0.00	0.00%
098	Economic Development	152,800.00	23,400.00	15.31%	157,780.00	24,861.99	15.76%
100	Transportation Set Aside	850,170.00	38,801.00	4.56%	850,170.00	0.00	0.00%
101	TXCDBG Grant	384,000.00	34,000.00	8.85%	384,000.00	36,000.00	9.38%
120	Property Tax Reserve	197,842.00	146,701.25	74.15%	0.00	0.00	0.00%
138	Self Insurance	3,618,707.00	1,506,885.59	41.64%	4,163,008.00	1,645,944.45	39.54%
202	Tourism - Façade Grant	50,000.00	40,000.00	80.00%	50,000.00	2,669.45	5.34%
203	JK Northway EDA Grant	0.00	0.00	0.00%	0.00	43,000.00	0.00%
	Revenue Fund Totals	43,004,124.04	23,630,864.04	54.95%	47,053,534.70	17,851,941.66	37.94%

**VII. Revenue Budget Amendments**

<b>REVENUE BUDGET AMENDMENTS</b>
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Revenues:	
Original Budget	42,558,442.40
Current Budget	43,004,124.04
Budget Amendment	445,681.64

<u>Ord. No.</u>	<u>Amendment Description</u>	<u>Amount</u>
<b><u>General Fund - 001</u></b>		
2019-56	Park Donation-Recreational Programs 4513-58003	\$ 10,000.00
2019-57	Donation-Downtown Holiday Decorations 1604-72030	\$ 3,716.00
2019-59	Donations-Recreational Programs 4513-58003	\$ 6,000.00
2020-01	Youth Baseball/Softball League 4514-58058	\$ 14,060.00
2020-01	Youth Baseball/Softball League 4514-58003	\$ 15,000.00
2020-01	Youth Baseball/Softball League 4514-58056	\$ 3,500.00
2020-16	Donations-Bullet Proof Armor-K9s 2102-72030	\$ 2,156.45
2020-18	Donatons-Pony League-Uniforms & Umpires 41514-58003	\$ 3,900.00
Total General Fund 001		\$ 58,332.45
<b><u>Law Enforcement Off Stand - 009</u></b>		
2020-15	State Grant Funding-Training 2100-72010	\$ 3,349.19
Total Law Enforce Off Stand Fund 009		\$ 3,349.19
<b><u>TX CDBG Main Street Grant 7219192</u></b>		
2020-13	State Grant Funding 0000-72010	\$ 350,000.00
2020-13	Cash Match 0000-75033	\$ 34,000.00
Total Certified Local Grant Fund 102		\$ 384,000.00
Total Revenue Budget Amendments		\$ 445,681.64

VIII. Expenditure Budget Amendments

**EXPENDITURES BUDGET AMENDMENTS**

Expenditures:	
Original Budget	46,533,961.00
Current Budget	47,053,534.70
Budget Amendment	519,573.70

Ord. No.	Amendment Description		Amount
<b>General Fund - 001</b>			
2019-56	Donations-Recreation Programs	4513-31441	\$ 7,500.00
2019-56	Donations-Recreation Programs	4513-31499	\$ 2,500.00
2019-57	Donations-Downtown Holiday Decorations	1604-31400	\$ 3,716.00
2019-58	Rollover Projects & Purchases	4503-21700	\$ 4,620.99
2019-58	Rollover Projects & Purchases	4501-21700	\$ 1,625.00
2019-58	Rollover Projects & Purchases	4513-21700	\$ 4,845.00
2019-58	Rollover Projects & Purchases	2200-21200	\$ 11,740.05
2019-58	Rollover Projects & Purchases	1601-31400	\$ 5,760.88
2019-58	Rollover Projects & Purchases	4502-71200	\$ 9,150.00
2019-58	Rollover Projects & Purchases	3050-31400	\$ 2,500.00
2019-58	Rollover Projects & Purchases	2200-22400	\$ 69.36
2019-58	Rollover Projects & Purchases	2200-41100	\$ 830.78
2019-58	Rollover Projects & Purchases	4503-71309	\$ 23,250.00
2019-58	Rollover Projects & Purchases	6900-80095	\$ 5,000.00
2019-59	Donations-Recreational Programs	4513-31441	\$ 3,500.00
2019-59	Donations-Recreational Programs	4513-31499	\$ 2,500.00
2020-01	New City Youth Baseball/Softball League	4514-21700	\$ 6,900.00
2020-01	New City Youth Baseball/Softball League	4514-21200	\$ 20,160.00
2020-01	New City Youth Baseball/Softball League	4514-31400	\$ 5,000.00
2020-01	New City Youth Baseball/Softball League	4514-31700	\$ 3,000.00
2020-01	New City Youth Baseball/Softball League	4514-33500	\$ 2,000.00
2020-16	Donation-K9 Body Armor	2102-21200	\$ 2,156.45
2020-18	Donation-Pony League Uniforms & Unpires	4514-21200	\$ 3,900.00
	Total General Fund 001		\$ 132,224.51
<b>Law Enforcement Off Stand - 009</b>			
2020-15	Grant Funding-Training	2100-31600	\$ 3,349.19
	Total PD Seizure Fund 005		\$ 3,349.19
<b>CO Series 2016 Fund - 033</b>			
2020-13	Transfer-Cash Match on CDBG Grant	1030-71216	\$ (34,000.00)
2020-13	Transfer-Cash Match on CDBG Grant	6900-80101	\$ 34,000.00
	Total CO Series 2016 Fund 033		\$ -
<b>TX CDBG Main Street Grant #7219192 - Fund 101</b>			
2020-13	Sidewalk Projects	1604-59100	\$ 384,000.00
	Total TXCDBG Grant #7219192 Fund 101		\$ 384,000.00
	Total Expenditure Budget Amendments		\$ 519,573.70

**IX. 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 second quarter, March 31, 2020, delinquent property taxes were \$751,242.96. There is a corresponding allowance for uncollectible accounts in the amount of \$306,200.42 leaving an anticipated collection of \$445,042.54. Linebarger is the collection agency that collects on this receivable.
- 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 March 31, 2020, the receivable was \$5,231,732.80. There is a corresponding \$5,166,223.34 allowance for uncollectible accounts leaving an anticipated collection amount of \$65,509.46. Allowance accounts are always adjusted during the year end process. We have contracted with a company to provide collection services.
- Sanitation Service – this is for garbage sales for both residential and commercial accounts. As of March 31, 2020, this receivable was \$398,423.18. There is a corresponding allowance for uncollectible accounts in the amount of \$373,360.15 leaving an anticipated collection amount of \$25,063.03. These accounts have been sent to the collection services company.
- 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 March 31, 2020, the following balances existed:
 

○ Demolition Liens	\$171,709.39
○ Paving Liens	\$1,317.80
○ Abatement of Noxious Matter	\$123,556.34
○ Weed Liens	\$426,828.66
- Water Accounts – this is for water service for both residential and commercial customers. As of March 31, 2020, this receivable was \$606,241.46.
- Sewer Accounts – this is for sewer service for both residential and commercial customers. As of March 31, 2020, this receivable was \$352,240.19. There is a corresponding allowance for uncollectible accounts of \$653,938.96 for both water and sewer accounts receivable leaving an anticipated collection of \$304,542.69.

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
<b>General Fund 001</b>				
Downtown	AEP Light Pole Pigtails 001-5-1604-59100	\$8,000	\$7,872	Completed
Sanitation	Move Recycling to Public Works 001-5-1702-71300	\$60,000	\$54,841	In Process – Electrical left due to new inspections. Expect to be done by end of month.
Facilities	(4) Portacool Fans for Garage 001-5-1805-51100	\$5,196	\$3,945	Completed 1/23 Only had enough for (3)
Police	(5) Police Vehicles – Lease 001-5-2102-64200	\$70,655		Being Outfitted Capital Lease 1 <sup>st</sup> pymt begins next FY
Engineering	New Truck – Split with UF 001-5-3000-71100	\$17,500		Completed
Garage	Post Lift 001-5-3030-71200	\$8,899	\$8,899	Completed
Garage	Robinair Recovery System 001-5-3030-71200	\$5,528	\$5,528	Completed
Health	(2) Stainless Stacked Cages 001-5-4400-71200	\$5,413		Completed
Parks	(10) SS Wall Mount Toilets 001-5-4503-59100	\$8,700		Outstanding
Parks	Dump Trailer 001-5-4503-71200	\$7,500	\$7,425	Completed
<b>Tourism Fund 002</b>				
JK Northway	Livestock Pens 002-5-1076-59100	\$15,000		Completed
<b>PD Seizure Fund 005</b>				
Admin	Steel Building (Using money for building remodel) 005-5-2100-71300	\$120,000	\$50,706	Working on locker room. SWAT is already working

Department	Description	Approved Budget	Actual Costs	Status
				out of the building
<b>Golf Course Maintenance Fund 026</b>				
Golf	John Deere Trak Mower 026-5-4502-59100	\$8,925	\$8,926	Completed
Golf	TURFCO Top Dresser 026-5-4502-59100	\$17,399	\$18,467	Completed
<b>Utility Fund 051</b>				
Wastewater	Trailer Mounted Sewer Cleaner 051-5-7003-71200	\$62,385	\$62,385	Completed
Engineering	New Truck – Split with GF 001-5-3000-71100	\$17,500		Completed
<b>CO Series 2005 Fund 062</b>				
Wastewater	Sewer Line Repair 14 <sup>th</sup> & King 062-5-7003-55104	\$37,040		Outstanding
<b>Solid Waste Capital Projects Fund 087</b>				
Landfill	Articulated Dump Truck 087-5-1702-64200	\$40,504		Completed – 1 <sup>st</sup> lease pymt next year.
<b>Vehicle Replacement Fund 097</b>				
Fire	Command Vehicle 097-5-2200-71100	\$82,000		Program revenues will be greatly reduced. Will affect purchase.
Fire	Skeet Brush Truck 097-5-2200-71100	\$174,105		Program revenues will be greatly reduced. Will affect purchase.

**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. None of the ones reflected below meet the 10%, but they are over \$5,000.



Transfers Greater Than \$5,000

Explanation	Transfer From		Transfer To	
	Account	Amount	Account	Amount
<b>Fund 001 - General Fund</b>				
BA0002935 - Create budget for new Capital Projects Manager-split between GF & UF				
Salaries & Wages-IT	1806-11100	(\$8,000.00)		
Salaries & Wages-Planning	1601-11100	(\$23,689.00)		
Salaries & Wages-Eng Admin			3000-11100	\$20,000.00
Retirement			3000-11400	\$1,770.00
FICA			3000-11500	\$1,530.00
Workers Comp			3000-11700	\$43.00
Group Health			3000-11600	\$8,188.00
Unemployment			3000-11800	\$113.00
Life Insurance			3000-12300	\$45.00
BA0002939 - To cover negative professional services due to outside inspector during time without a building official and to transfer back funds to Planning/Building Division				
Salaries & Wages	1703-11100	(\$7,500.00)		
Salaries & Wages	3050-11100	(\$7,500.00)		
Professional Services			1602-31400	\$15,000.00
BA0002860 - To transfer adult softball league professional services to the new division setup for				
Professional Services	4513-31498	(\$10,000.00)		
Professional Services			4514-31400	\$10,000.00
<b>Fund 033 - CO Series 2016 GF</b>				
BA0002865 - To transfer project balances on projects that have been completed and not available for reallocation.				
Machinery & Equipment	1030-71200	(\$17,500.00)		
Parks-City Green	4503-59104	(\$100,000.00)		
Transfers to Fund 094	6900-80094	(\$197,000.00)		
Department YE Reduction			1030-85000	\$314,500.00
BA0002868 - To reallocate funds for the Santa Gertrudis Tree Project				
Parks-City Green Ph I	4503-59104	(\$9,000.00)		
Grounds & Perm Fixtures			4503-59100	\$9,000.00
<b>Fund 051 - Utility Fund</b>				
BA0002936 - To reallocate funding for UF portion of new Capital Projects Manager position				
Salaries & Wages	7003-11100	(\$18,200.00)		
Salaries & Wages	6101-11100	(\$9,035.00)		
Retirement	7003-11400	(\$1,593.00)		
Retirement	6101-11400	(\$796.00)		
FICA	7003-11500	(\$1,377.00)		
FICA	6101-11500	(\$688.00)		
Salaries & Wages			8000-11100	\$20,000.00
Retirement			8000-11400	\$1,770.00
FICA			8000-11500	\$1,530.00
Workers Comp			8000-11700	\$43.00
Group Health			8000-11600	\$8,188.00
Unemployment			8000-11800	\$113.00
Life Insurance			8000-12300	\$45.00
BA0002949 - To cover lab chemicals and professional services line items				
Utility Plant	7001-54300	(\$20,000.00)		
Utility Plant	7003-54300	(\$9,000.00)		
Utility Plant	7002-54300	(\$3,000.00)		
Professional Services			7002-31400	\$15,000.00
Professional Services			7003-31400	\$10,000.00
Lab Supplies/Chemicals			7001-22100	\$7,000.00
Total Transfers > \$5,000		(\$443,878.00)		\$443,878.00

**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
<b>Fund 001 - General Fund</b>				
BA0002959 - To cover negative line items				
Utilities - Municipal Bldg	1805-32302	(\$8,598.00)		
Utilities - City Hall	1805-32303	(\$6,505.00)		
Communications-Muni Bldg			1805-31102	\$8,598.00
Communications-City Hall			1805-31103	\$6,505.00
<b>Fund 016 - PD Stonegarden</b>				
BA0002932 - To reallocate the remaining budget for 2018 Stonegarden grant.				
OT 2018 PD Stonegarden	2100-11221	(\$183,666.96)		
TMRS			2100-11421	\$6,331.42
FICA			2100-11521	\$5,678.23
Mileage			2100-21517	\$12,787.53
Professional Services			2100-31400	\$4,046.71
Vehicle			2100-71115	\$865.57
Department YE Reduction			2100-85000	\$153,957.50
<b>Fund 033 - CO Series 2016 GE</b>				
BA0002868 - To reallocate funds for the Santa Gertrudis Tree Project				
Parks-City Green Ph1	4503-59104	(\$9,000.00)		
Grounds & Perm Fixtures			4503-59100	\$9,000.00
<b>Fund 051 - Utility Fund</b>				
BA0002936 - To reallocate funding for UF portion of new Capital Projects Manager position				
Salaries & Wages	7003-11100	(\$18,200.00)		
Salaries & Wages	6101-11100	(\$9,035.00)		
Retirement	7003-11400	(\$1,593.00)		
Retirement	6101-11400	(\$796.00)		
FICA	7003-11500	(\$1,377.00)		
FICA	6101-11500	(\$688.00)		
Salaries & Wages			8000-11100	\$20,000.00
Retirement			8000-11400	\$1,770.00
FICA			8000-11500	\$1,530.00
Workers Comp			8000-11700	\$43.00
Group Health			8000-11600	\$8,188.00
Unemployment			8000-11800	\$113.00
Life Insurance			8000-12300	\$45.00
BA0002949 - To cover lab chemicals and professional services line items				
Utility Plant	7001-54300	(\$20,000.00)		
Utility Plant	7003-54300	(\$9,000.00)		
Utility Plant	7002-54300	(\$3,000.00)		
Professional Services			7002-31400	\$15,000.00
Professional Services			7003-31400	\$10,000.00
Lab Supplies/Chemicals			7001-22100	\$7,000.00
<b>Total Transfers &gt; \$5,000</b>		<b>(\$271,458.96)</b>		<b>\$271,458.96</b>

### **XIII. Estimated Fund Balances**

The schedule below represents the estimated Fund Balance for each fund. The Beginning Fund Balance has not been audited and are subject to change. 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	FY 18-19 Audited Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 19-20 Estimated Ending Fund Balance
<b>001</b>	<b>7,330,491.06</b>	<b>18,120,064.96</b>	<b>1,546,444.94</b>	<b>20,568,350.06</b>	<b>381,113.00</b>	<b>6,047,537.90</b>
025	5,552.23	10,000.00	0.00	10,000.00	0.00	5,552.23
026	20,059.05	34,000.00	16,441.00	64,324.00	0.00	6,176.05
087	422,889.46	879,044.00	0.00	659,473.00	214,901.00	427,559.46
090	1,489,472.36	271,400.00	96,827.00	252,000.00	0.00	1,605,699.36
091	61.06	0.00	0.00	0.00	0.00	61.06
092	705,709.10	812,000.00	0.00	791,471.00	50,000.00	676,238.10
093	41,322.66	0.00	25,000.00	27,539.00	0.00	38,783.66
096	1,755.97	0.00	0.00	245,135.00	0.00	(243,379.03)
097	12,638.65	250,000.00	0.00	256,105.00	0.00	6,533.65
098	763.60	106,000.00	46,800.00	156,800.00	980.00	(4,216.40)
120	0.00	197,842.00	0.00	0.00	0.00	197,842.00
<b>Totals</b>	<b>10,030,715.20</b>	<b>20,680,350.96</b>	<b>1,731,512.94</b>	<b>23,031,197.06</b>	<b>646,994.00</b>	<b>8,764,388.04</b>

To verify the ending fund balance for General Fund 001, budgeted expenditures, and budgeted transfers out for FY 19-20 are used:

- Budgeted Expenditures and Transfers Out for FY 19-20 are \$20,949,463 less the capital lease recordation of \$320,000 (Police Vehicles Capital Lease) = \$20,629,463
- Minimum required fund balance = actual total expenditures of \$20,629,463 x 25% = \$5,157,366
- The estimated ending fund balance of \$6,047,538 for FY 19-20 has a surplus reserve of \$890,172
- Estimated Ending Fund Balance for FY 19-20 is 29.32% (Est ending fund balance \$6,047,538 divided by total expenditures less capital lease recordation \$20,629,463)

Fund 096 budget will be moved to the YE reduction line item so this fund will not be overspent. We anticipated receiving insurance proceeds and have since learned that the claim was denied. For Fund 098, after the audit was completed, this fund ended up with less beginning fund balance than was anticipated resulting in a negative estimated ending fund balance for FY 19-20. The incentive agreement for Neessen has been adjusted as we do not anticipate paying what was budgeted this FY due to sales tax verification issues. If this issue is resolved before year end and we end up paying more than the adjusted budget, General Fund will need to make an additional transfer in.

Fund 001 – General Fund  
 Fund 026 – Golf Course Capital Maint  
 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 Projects  
 Fund 093 – Park Maintenance Fund

Fund 096 – Insurance Claim Recovery  
 Fund 098 – Economic Development  
 Fund 120 – Property Tax Reserve

Fund 097 – Vehicle Replacement  
 Fund 099 – Disaster Response Recovery

**Capital Improvement Funds – General Fund**

Fund	FY 18-19 Audited Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 19-20 Estimated Ending Fund Balance
033	332,793.99	20,000.00	0.00	383,747.00	231,000.00	(261,953.01)
039	5,198.37	0.00	0.00	0.00	0.00	5,198.37
065	2,288.28	0.00	0.00	0.00	2,288.28	0.00
067	28,927.11	2,200.00	0.00	30,000.00	0.00	1,127.11
<b>Totals</b>	<b>369,207.75</b>	<b>22,200.00</b>	<b>0.00</b>	<b>413,747.00</b>	<b>233,288.28</b>	<b>(255,627.53)</b>

Fund 033 – CO Series 2016  
 Fund 065 – CO Series 2011

Fund 039 – CO Series 2002-2002A  
 Fund 067 – CO Series 2013

Note: Fund 033 expenditures budget is currently \$614,747 due to how the estimated projects were anticipated to finish up for FY 18-19. A budget transfer of \$314,500 into the reduction line item for division 1030 has been made so that this fund is not overspent, and all project balances have been updated.

**Police Forfeiture Funds**

Fund	FY 18-19 Audited Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 19-20 Estimated Ending Fund Balance
005	1,125,870.56	26,000.00	0.00	265,322.00	0.00	886,548.56
028	146,103.51	100.00	0.00	30,000.00	0.00	116,203.51
031	31,474.10	13,000.00	0.00	17,000.00	0.00	27,474.10
<b>Totals</b>	<b>1,303,448.17</b>	<b>39,100.00</b>	<b>0.00</b>	<b>312,322.00</b>	<b>0.00</b>	<b>1,030,226.17</b>

Fund 005 – State Forfeiture  
 Fund 031 – Municipal Court Technology

Fund 028 – Federal Forfeiture

**Debt Service – General Fund**

Fund	FY 18-19 Audited Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 19-20 Estimated Ending Fund Balance
011	612,097.90	1,522,725.00	49,765.00	1,534,256.00	0.00	650,331.90
<b>Totals</b>	<b>612,097.90</b>	<b>1,522,725.00</b>	<b>49,765.00</b>	<b>1,534,256.00</b>	<b>0.00</b>	<b>650,331.90</b>

**Tourism Fund**

Fund	FY 18-19 Audited Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 19-20 Estimated Ending Fund Balance
002	331,927.35	673,011.00	25,000.00	594,771.65	119,582.00	315,584.70
202	25,380.00	0.00	50,000.00	50,000.00	0.00	25,380.00
203	600,000.00	0.00	0.00	0.00	0.00	600,000.00
204	0.00	0.00	0.00	0.00	0.00	0.00
<b>Totals</b>	<b>957,307.35</b>	<b>673,011.00</b>	<b>75,000.00</b>	<b>644,771.65</b>	<b>119,582.00</b>	<b>940,964.70</b>

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

At the time the budget was created, we did not budget any expenditures for Fund 203 as we did not know what our obligations would be for disbursement to the County. As we make expenditures, we will have to present budget amendments.

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 44.18% (Estimated Fund Balance \$315,585 divided total Expenditures and Transfers Out \$714,354). To keep the same 25%, the required fund balance would need to be \$178,588 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 been had 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. Only the amount needed to cover the current approved awards will be transferred over to Fund 203.

**Enterprise – Utility Funds**

Fund	FY 18-19 Audited Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 19-20 Estimated Ending Fund Balance
012	516,088.72	8,000.00	1,693,647.00	1,501,647.00	0.00	716,088.72
<b>051</b>	<b>2,760,286.09</b>	<b>9,109,600.00</b>	<b>36,852.00</b>	<b>5,879,466.41</b>	<b>2,909,653.00</b>	<b>3,117,618.68</b>
054	1,280,252.20	603,000.00	95,430.00	1,854,476.00	0.00	124,206.20
055	138,160.56	405,000.00	0.00	1,100.00	291,800.00	250,260.56
062	50,987.58	1,000.00	0.00	50,500.00	0.00	1,487.58
066	69,469.99	5,000.00	0.00	0.00	0.00	74,469.99
068	2,060,304.39	2,400.00	0.00	809,200.00	0.00	1,253,504.39
<b>Totals</b>	<b>6,875,549.53</b>	<b>10,134,000.00</b>	<b>1,825,929.00</b>	<b>10,096,389.41</b>	<b>3,201,453.00</b>	<b>5,537,636.12</b>

To verify the ending fund balance for Utility Fund 051, budgeted expenditures, and budgeted transfers out for FY 19-20 are used:

- Budgeted Expenditures and Transfers Out for FY 18-19 are \$8,789,119
- Minimum required fund balance = actual total expenditures of \$8,789,119 x 25% = \$2,197,280.
- The estimated ending fund balance of \$3,117,619 for FY 19-20 has a surplus reserve of \$920,339 (estimated ending fund balance \$3,117,619 less minimum required \$2,197,280)
- Estimated Ending Fund Balance for FY 19-20 is 35.47% (estimated ending fund balance \$3,117,619 divided total expenditures \$8,789,119)

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

**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 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. The main reason why the beginning balance is high in comparison to the estimated ending fund balance is due to stop loss reimbursements that are not budgeted due to the uncertainty of this revenue. Stop Loss reimbursements for FY 19-20 are \$63,099.

Fund	FY 18-19 Audited Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 19-20 Estimated Ending Fund Balance
138	1,003,216.28	3,437,308.00	181,399.00	4,163,008.00	0.00	458,915.28
<b>Totals</b>	<b>1,003,216.28</b>	<b>3,437,308.00</b>	<b>181,399.00</b>	<b>4,163,008.00</b>	<b>0.00</b>	<b>458,915.28</b>

Grant Funds

086

Fund	FY 18-19 Audited Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 19-20 Estimated Ending Fund Balance
009	0.00	0.00	0.00	0.00	0.00	0.00
010	0.00	0.00	0.00	0.00	0.00	0.00
013	56.76	0.00	0.00	0.00	0.00	56.76
016	0.00	255,000.00	0.00	255,000.00	0.00	0.00
017	0.00	78,000.00	0.00	78,000.00	0.00	0.00
023	0.00	0.00	0.00	0.00	0.00	0.00
027	0.00	0.00	0.00	0.00	0.00	0.00
029	0.00	0.00	0.00	0.00	0.00	0.00
030	58.26	0.00	0.00	0.00	0.00	58.26
060	47.76	0.00	0.00	0.00	47.76	0.00
069	0.00	250,000.00	50,000.00	300,000.00	0.00	0.00
078	3,598.89	0.00	0.00	0.00	3,598.89	0.00
079	3,056.51	687.50	0.00	0.00	3,744.01	0.00
080	0.00	0.00	0.00	0.00	0.00	0.00
082	13,500.00	0.00	0.00	0.00	13,500.00	0.00
083	0.00	0.00	0.00	0.00	0.00	0.00
084	0.00	0.00	0.00	0.00	0.00	0.00
085	0.00	0.00	0.00	0.00	0.00	0.00
086	(15,471.00)	301,000.00	0.00	301,000.00	0.00	(15,471.00)
094	197,000.00	224,000.00	197,000.00	421,000.00	0.00	197,000.00
095	0.00	0.00	0.00	0.00	0.00	0.00
100	0.00	738,568.00	111,602.00	850,170.00	0.00	0.00
601	0.00	0.00	0.00	0.00	0.00	0.00
<b>Totals</b>	<b>201,847.18</b>	<b>1,847,255.50</b>	<b>358,602.00</b>	<b>2,205,170.00</b>	<b>20,890.66</b>	<b>181,644.02</b>

Fund 009 – Law Enf Off Stand-PD

Fund 013 - Texas Historical

Fund 017 – PD Borderstar

Fund 027 – EMS Fund

Fund 030 – Red Ribbon Awareness

Fund 069 – TX CDBG Main St Grant

Fund 079 – TX Capital Main Street

Fund 082 – Texas CDBG Grant

Fund 084 – DEAG Grant

Fund 086 – TX CDBG Grant

Fund 095 – National Trust For Hist Preservation

Fund 601 – FEMA Harvey Grant

Fund 010 – Law Enf Off Stand-Fire

Fund 016 – PD Stonegarden

Fund 023 – PD Step Grant

Fund 029 – JAG Grant

Fund 060 – Computer Lease Purchase

Fund 078 – Texas Parks & Wildlife

Fund 080 – Homeland Security Grant

Fund 083 – Criminal Justice Grant

Fund 085 – Certified Local Govt

Fund 094 – Texas Parks & Wildlife

Fund 100-Fed Trans Alt Set Aside



Fund 086 has a negative balance and will need to be researched. It appears that some expenditures were expended last year, but the budget has been installed fully for this fiscal year and if that is the case, then budget for the negative amount will need to be moved down to the reduction line item so that this fund is not overspent.

#### **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 funds 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 in an effort to deter and facilitate directed actions to interdict criminal activity.

##### Fund 060 – Computer Lease Purchase

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

##### 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 7<sup>th</sup> Street to 8<sup>th</sup> Street. Approved through Resolution 2019-45.

**Fund 078 – Texas Parks & Wildlife Grant**

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

**Fund 079 – TX Capital Main Street**

This fund is used to account for a Texas Capital Fund, Texas CDBG Grant to expand or enhance public infrastructure in historic Main Street districts to aid in eliminating handicapped barriers and deteriorated conditions in the downtown area. Approved through Resolution 2019-23.

**Fund 082 – Texas CDBG Grant**

This fund is used to account for a Texas CDBG Grant to replace one broken fire hydrant assembly, the installation of 400 linear feet of 6” PVC waterline and the installation of two fire hydrant assemblies in the vicinity of the project area.

**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, girl’s softball field improvements and other miscellaneous items. Approved through Resolution 2019-91

**Fund 100-Fed Trans Alt Set Aside**

This fund is used to account for the Transportation Alternative Set Aside program that includes improvements of sidewalks, ADA accessibility and school safety.