

JAMES BURGESS

Mayor

RITA BISHOP

Councilmember Place 1

KAYLA SANGUINETTI

Councilmember Place 2



JEANIE SCOTT

Mayor Pro Tem/

Councilmember Place 3

GERONIMO HERNANDEZ

Councilmember Place 4

PHYLLIS LEWIS

Councilmember Place 5

VENUS SPECIAL CALLED COUNCIL MEETING

Venus Civic Center

210 South Walnut

Venus, Texas 76084

Monday, August 30, 2021 7:00 PM

Page

1. Call to Order, Roll Call, Invocation, Pledge of Allegiance

2. Announcements from Mayor:

Cell phones are to be turned off or placed on vibrate/silent only. No conversation or comment from the audience is permitted unless specifically called upon by the Mayor. Please remain respectfully quiet.

3. Citizen Public Comment Period:

Citizens may sign up before the meeting begins and will be allowed up to 5 minutes to address the Mayor and Council. The Mayor, Council members and staff members may not respond or converse with speakers during this time. The comments from the speaker must be in the form of a statement. By State law, no questions may be asked or answered for items not appearing on the agenda.

4. Consent Agenda:

All matters listed under consent agenda have been previously discussed, require little or no deliberation, or are routine by the council. If discussion is desired, then an item will be removed from the consent agenda and considered separately. Otherwise, approval of the consent agenda authorizes the City Administrator to implement each item in accordance with staff's recommendation.

- 4.1. Approval of meeting minutes for City Council regular meeting on August 9, 2021.

I make a motion to approve the consent agenda as presented.

5. Consideration and action items:

- 5.1. Discuss and consider approval of the FY 19-20 audited financial statements presented by Patillo, Brown & Hill, LLP. 5 - 67
[#DRAFT Required Communication with Governance Venus FY 2020.pdf](#)  [#FINAL DRAFT Venus AFR FY 2020 08.27.21.pdf](#) 
I make a motion to accept the FY 19-20 audited financial statements as presented.
- 5.2. Discuss and consider appointing a Commissioner to the Planning and Zoning Commission for Place 5.
Michael Walker resigned his seat on August 9, 2021. Seat Place 5 is nominated by Council Place 5.
I make a motion to appoint _____to seat Place 5 on the Planning and Zoning Commission.
- 5.3. Discuss and consider appointing a Commission to the Planning and Zoning Commission for Place 6.
Kelsey Hazard resigned his seat on August 15, 2021. Seat Place 6 is nominated by majority vote by City Council.
I make a motion to appoint _____to seat Place 6 on the Planning and Zoning Commission.
- 5.4. Discuss and consider approval or denial of Ordinance No. 731-2021-08 vacating and abandoning portions of 6th street south of 5th street and west of locust street. 68 - 73
[VENUS Ordinance abandoning street 2021.pdf](#) 
I make a motion to approve or deny Ordinance No. 731-2021-08.
- 5.5. Discuss and consider approval to commit \$1,082,330 granted to the City from the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) established under the American Rescue Plan Act (ARPA) for water and sewer infrastructure. 74 - 82
[SLFRP-Fact-Sheet-FINAL1-508A.pdf](#)  [Staff Report - ARPA Funds.docx](#) 
I make a motion to commit \$1,082,330 of ARPA grant funds to be used on water and sewer infrastructure.

- 5.6. Discuss and consider authorizing the Mayor to sign a pending Interlocal Agreement with Johnson County to reconstruct CR 620 in the amount of \$260,000. 83 - 84
[City of Venus Tx. Quote C.R. 620.pdf](#) 
 I make a motion to authorize the Mayor to sign the Interlocal Agreement with Johnson County.
- 5.7. Discuss and consider approval of Ordinance No. 734-2021-08 amending the FY 20-21 budgets. 85 - 96
[Ordinance 734-2021-08 Amending FY 20-21 Budgets 08.30.21.pdf](#) 
[Staff Report - FY 20-21 Amended Budgets.pdf](#) 
 I make a motion to approve Ordinance No. 734-2021-08 amending the FY 20-21 budgets as presented.
- 5.8. Discuss and consider approval of contracts with Texas Municipal League (Health), Unum (Dental/Vision), and Fort Dearborn (STD, LTD, ER & Voluntary Life) to provide Health & Ancillary Benefits for FY 21-22. 97 - 129
[2. Proposal Book Revision2 20210816.pdf](#)  [City Venus TML 10.1.2020.pdf](#) 
[City Venus Cigna Curr.Rnwl 10.1.2021.pdf](#) 
[FY 21-22 Health Comparison & Ancillary Benefits.pdf](#) 
 I make a motion to approve and authorize Mayor to sign contracts with the Texas Municipal League to provide health insurance with \$_____ deductible, Unum to provide dental/vision insurance, and Fort Dearborn to provide life, STD, and LTD for FY 21-22 as presented.
- 5.9. Presentation of the FY 21-22 Proposed Budgets 130 - 158
[FY 21-22 Proposed Budgets 08.27.21.pdf](#) 
- 5.10. Discuss and consider calling a public hearing on September 27, 2021 for the FY 21-22 Proposed Budgets
 I make a motion to call a public hearing on September 27, 2021 for the FY 21-22 Proposed Budgets

6. Executive Session:

The City Council reserves the right to meet in Executive Session closed to the public at

any time in the course of this meeting to discuss matters listed on the agenda, pursuant to authorization by the Texas Open Meetings Act TEXAS GOVERNMENT CODE, Chapter 551.071 (2) (Private consultation with attorney for the city) on matter which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter.

Section: 551.071(2)- (Private consultation with attorney for the City) to discuss JMJ Development.

Section: 551.071(2)- (Private consultation with attorney for the City) to discuss Stallion Ranch Development.

6.1. Recess into Executive Session:

6.2. Reconvene into Open Session:

7. Adjournment

The City Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, pursuant to authorization by the Texas Open Meetings Act TEXAS GOVERNMENT CODE, Chapter 551.071 (Private consultation with attorney for the city), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), 551.087 (economic development), 418.183 (homeland security).

This is to certify that a copy of this Notice of Meeting was posted on the bulletin of City Hall, 700 W. Hwy 67 Venus, Texas and at a place readily accessible to the general public at all times and to the City's website www.cityofvenus.org, Friday, August 20, 2021 by 5:00 P.M..

Callie Green,
City Secretary

For more information or a copy of the Open Meetings Act, please contact the Attorney General of Texas at 1-800-252-8011; the City Secretary at 972-366-3348, ext. 211 or visit the City of Venus web site at www.cityofvenus.org. This building is wheelchair accessible. Any requests for Interpretive Services must be named 48 hours in advance of the scheduled meeting. To make arrangements please call 972-366-3348.



To the Honorable Mayor and Members
of the City Council and Citizens
City of Venus, Texas

We have audited the financial statements of the City of Venus, Texas (the "City") as of and for the year ended September 30, 2020 and have issued our report thereon dated August 30, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated October 15, 2020, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding a material control deficiency over financial reporting noted during our audit in a separate letter to you dated August 30, 2021.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, and, as appropriate, our firm have complied with all relevant ethical requirements regarding independence.

As a part of the engagement, we assisted in preparing the financial statements and related notes to the financial statements of the City in conformity with U.S. generally accepted accounting principles. These non-audit services do not constitute an audit under *Government Auditing Standards* and such services were not conducted in accordance with *Government Auditing Standards*.

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In order to ensure we maintain our independence for performing these non-audit services certain safeguards were applied to this engagement. Management assumed responsibility for the financial statements and related notes to the financial statements and any other non-audit services we provided. Management acknowledged in the management representation letter our assistance with the preparation of the financial statements and related notes to the financial statements and that these items were reviewed and approved prior to their issuance and accepted responsibility for them. Further, the non-audit services were oversight by an individual within management that has the suitable skill, knowledge, or experience; evaluated the adequacy and results of the services; and accepted responsibility for them.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City of Venus, Texas is included in Note I to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the current year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the useful lives of capital assets is based on the expected lifespan of the asset in accordance with standard guidelines. We evaluated the key factors and assumptions used to develop the estimate of useful lives in determining that it is reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the allowance for uncollectible property taxes is based on historical collections. We evaluated the key factors and assumptions used to develop the allowance for uncollectible property taxes in determining that it is reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the allowance for uncollectible court fines is based on historical collections. We evaluated the key factors and assumptions used to develop the allowance for uncollectible court fines in determining that it is reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the net pension liability and pension expense are based on actuarial assumptions which are determined by the demographics of the plan and future projections that the actuarial makes based on historical information of the plan and the investment market. We evaluated the key factors and assumptions used to develop the net pension liability and pension expense and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to the net pension liability. The disclosures in the financial statements are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.

None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated August 30, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Restriction on Use

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Waco, Texas
August 30, 2021

CITY OF VENUS, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2020

CITY OF VENUS, TEXAS

ANNUAL FINANCIAL REPORT

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council and Citizens
City of Venus, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund financial of the City of Venus, Texas (the "City") as of and for the year ended September 30, 2020, which collectively comprise the City's basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtain during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for purposes of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Waco, Texas
August 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Venus, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$10,630,574 (net position). Of this amount, \$3,690,492 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$878,369.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$6,997,901, a decrease of \$4,580,521 in comparison with prior year. Approximately 23.5% of this amount, \$1,647,002, is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,647,002, or approximately 56.1% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, deferred outflows of resources and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, cultural and recreational and public works. The business-type activities of the City include water and sewer operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate economic development corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 9-11 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other two governmental funds are combined into a single aggregated presentation and presented as nonmajor. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

Proprietary Funds. The City maintains one type of proprietary fund. The *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses the enterprise fund to account for its water and sewer operations and sanitation service.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer fund, which is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 16-19 of this report.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-38 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents *required supplementary information* concerning the City's General fund Budget Comparison Schedule, the Schedule of Changes in Net Pension Liability and Related Ratios, and the Schedule of Contributions. Required supplementary information can be found on pages 39-42 of this report.

This report also presents combining statements and an individual fund schedule referred to earlier in connection with nonmajor governmental funds and the water and sewer fund. Combining and individual fund statements and schedules can be found on pages 43-47 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$10,630,574, at the close of the most recent fiscal year.

CITY OF VENUS' NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 7,411,104	\$ 2,723,272	\$ 4,575,304	\$ 3,446,625	\$ 11,986,408	\$ 6,169,897
Capital assets	<u>5,333,836</u>	<u>6,852,137</u>	<u>5,255,680</u>	<u>5,354,066</u>	<u>10,589,516</u>	<u>12,206,203</u>
Total assets	<u>12,744,940</u>	<u>9,575,409</u>	<u>9,830,984</u>	<u>8,800,691</u>	<u>22,575,924</u>	<u>18,376,100</u>
Total deferred outflows						
of resources	<u>109,941</u>	<u>178,858</u>	<u>24,791</u>	<u>31,907</u>	<u>134,732</u>	<u>210,765</u>
Current liabilities	310,094	418,042	1,424,652	237,750	1,734,746	655,792
Long-term liabilities	<u>6,952,198</u>	<u>2,896,228</u>	<u>3,304,608</u>	<u>3,641,571</u>	<u>10,256,806</u>	<u>6,537,799</u>
Total liabilities	<u>7,262,292</u>	<u>3,314,270</u>	<u>4,729,260</u>	<u>3,879,321</u>	<u>11,991,552</u>	<u>7,193,591</u>
Total deferred inflows						
of resources	<u>76,922</u>	<u>11,030</u>	<u>11,608</u>	<u>193</u>	<u>88,530</u>	<u>11,223</u>
Net investment						
in capital assets	2,594,837	4,126,685	3,965,105	3,276,044	6,559,942	7,402,729
Restricted	380,140	94,565	-	-	380,140	94,565
Unrestricted	<u>2,540,690</u>	<u>2,207,717</u>	<u>1,149,802</u>	<u>1,677,040</u>	<u>3,690,492</u>	<u>3,884,757</u>
Total net position	<u>\$ 5,515,667</u>	<u>\$ 6,428,967</u>	<u>\$ 5,114,907</u>	<u>\$ 4,953,084</u>	<u>\$ 10,630,574</u>	<u>\$ 11,382,051</u>

Certain reclassifications have been made to the prior year data to conform with the current year presentation.

By far, the largest portion of the City's net position (61.7%) reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, machinery and equipment, infrastructure and water rights), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's net investment in capital assets increased as a result of additions to buildings, machinery and equipment, improvements, and infrastructure, while long-term debt decreased due to scheduled debt payments being made.

An additional portion of the City's net position (3.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,690,492 is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's overall net position decreased \$878,369 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

CITY OF VENUS' CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 908,602	\$ 477,689	\$ 3,049,697	\$ 2,680,549	\$ 3,958,299	\$ 3,158,238
Operating grants and contributions	165,004	269,335	-	-	165,004	269,335
Capital grants and contributions	32,970	1,446,656	49,200	291,835	82,170	1,738,491
General revenues:						
Property taxes	1,846,427	1,394,948	-	-	1,846,427	1,394,948
Sales taxes	942,411	513,822	-	-	942,411	513,822
Franchise taxes	127,867	110,586	-	-	127,867	110,586
Investment earnings	30,105	10,278	19,478	3,916	49,583	14,194
Gain on sale of assets	39,498	167,477	18,101	-	57,599	167,477
Miscellaneous	10,221	26,201	-	-	10,221	26,201
Total revenues	<u>4,103,105</u>	<u>4,416,992</u>	<u>3,136,476</u>	<u>2,976,300</u>	<u>7,239,581</u>	<u>7,393,292</u>
Expenses:						
General government	785,642	942,726	-	-	785,642	942,726
Public safety	1,400,448	1,323,433	-	-	1,400,448	1,323,433
Public works	621,233	549,437	-	-	621,233	549,437
Culture and recreation	94	-	-	-	94	-
Economic development	524,986	-	-	-	524,986	-
Interest and other	260,044	107,679	-	-	260,044	107,679
Water and sewer	-	-	2,701,245	2,494,358	2,701,245	2,494,358
Total expenses	<u>3,592,447</u>	<u>2,923,275</u>	<u>2,701,245</u>	<u>2,494,358</u>	<u>6,293,692</u>	<u>5,417,633</u>
Increase (decrease) in net position before transfers	510,658	1,493,717	435,231	481,942	945,889	1,975,659
Transfers	(172,250)	437,339	172,250	(437,339)	-	-
Increase (decrease) in net position	338,408	1,931,056	607,481	44,603	945,889	1,975,659
Net position, beginning	6,555,859	4,497,911	4,953,084	4,908,481	11,508,943	9,406,392
Prior period adjustment	(1,378,600)	-	(445,658)	-	(1,824,258)	-
Net position, ending	<u>\$ 5,515,667</u>	<u>\$ 6,428,967</u>	<u>\$ 5,114,907</u>	<u>\$ 4,953,084</u>	<u>\$ 10,630,574</u>	<u>\$ 11,382,051</u>

Governmental Activities. During the current fiscal year, net position for governmental activities decreased \$1,040,192 from the prior fiscal year for an ending balance of \$5,515,667. Revenues decreased \$313,887 due to a decrease in capital grants and contributions, offset by increases in charges for services and property taxes. Expenses increased \$669,172 as a result of increased economic development and public safety costs.

Business-type Activities. For the City's business-type activities, the current fiscal year resulted in a net increase in net position to an ending balance of \$5,114,907. The total increase in net position for business-type activities (water and sewer operations and sanitation service) was \$161,823 from the prior fiscal year. Revenues from charges for services increased 13.8%. Revenues from capital grants and contributions decreased. Total expenses increased 8.3% (\$206,887) in the current fiscal year.

Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

At September 30, 2020, the City's governmental funds reported combined fund balances of \$6,997,901, a decrease of \$4,580,521 in comparison with the prior year. Approximately 23.5% of this amount (\$1,647,002) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is restricted, committed, or assigned for particular purposes (\$5,348,773).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned and total fund balance of the general fund was \$1,647,002 and \$1,954,070, respectively. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned and total fund balance represent approximately 56.1% and 66.5% of total general fund expenditures, respectively. The fund balance of the City's general fund decreased by \$256,853 during the current fiscal year due to a transfer out to the Street Improvement fund for upcoming streets projects.

The fund balance of the Debt Service fund decreased to \$3,984 the end of the fiscal year. An excess of property tax revenues over debt service expenditures was offset by transfers out to other funds.

The fund balance of the City's 2020 CO Bonds fund increased by \$4,149,877 during the current fiscal year due to the issuance of bonds.

Proprietary Funds. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer fund at the end of the year was \$1,149,802. The total growth in net position was \$161,823. Other factors concerning the finances of this fund have already been addressed in the analysis of the City's operations.

General Fund Budgetary Highlights.

Final budget compared to actual results. General fund actual revenues of \$3,224,470 exceeded budgeted revenues of \$3,001,928 by \$222,542. Following are the main components that experienced a variance of actual revenue compared to budgeted revenue:

- The \$4,626 increase in property tax resulted from an increase in assessed property values.
- The \$96,775 increase in sales tax resulted from growth in retail activity.
- Budgeted general fund expenditures of \$3,034,475 exceeded actual expenditures of \$2,937,469 by \$97,006.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, can be found below (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, and water rights. The total decrease in capital assets for the current fiscal year was approximately 13.2%.

CITY OF VENUS' CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 445,032	\$ 445,032	\$ 25,270	\$ 25,270	\$ 470,302	\$ 470,302
Construction in progress	42,293	-	69,063	56,005	111,356	56,005
Buildings	1,877,854	1,882,048	56,880	58,657	1,934,734	1,940,705
Improvements & infrastruc	2,680,450	4,196,561	3,966,172	3,921,258	6,646,622	8,117,819
Machinery and equipment	288,207	328,496	177,047	241,424	465,254	569,920
Water rights	-	-	961,248	1,051,308	961,248	1,051,308
Totals	<u>\$ 5,333,836</u>	<u>\$ 6,852,137</u>	<u>\$ 5,255,680</u>	<u>\$ 5,353,922</u>	<u>\$ 10,589,516</u>	<u>\$ 12,206,059</u>

Major capital asset events during the current fiscal year included the following:

- Building improvements of approximately \$42,293.
- Infrastructure improvements of approximately \$241,524.
- Machinery and equipment additions of approximately \$59,456.

Additional information on the City's capital assets can be found in Note II C on pages 27-28 of this report.

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$8,850,000, which is secured by property taxes and the net revenues of the City's combined waterworks and sewer system. The remainder of the City's long-term obligations comprises contract payable, note payable, and capital leases payable.

CITY OF VENUS' OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Certificates of obligation	\$ 6,390,000	\$ 2,275,000	\$ 1,895,000	\$ 1,930,000	\$ 8,285,000	\$ 4,205,000
General obligation bonds	-	-	565,000	747,000	565,000	747,000
Premiums on debt	261,025	127,875	97,538	101,779	358,563	229,654
Contract payable	-	-	697,500	775,000	697,500	775,000
Note payable	191,418	232,200	-	-	191,418	232,200
Capital leases payable	45,964	90,377	42,339	62,501	88,303	152,878
Compensated absences	63,791	56,186	7,231	4,719	71,022	60,905
Totals	<u>\$ 6,952,198</u>	<u>\$ 2,781,638</u>	<u>\$ 3,304,608</u>	<u>\$ 3,620,999</u>	<u>\$ 10,256,806</u>	<u>\$ 6,402,637</u>

Additional information on the City's long term-debt can be found in Note 11 D on pages 28-31 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In the FY 2020-2021 original budget, General Fund revenues increased \$68,943, or 2.25%, when compared to FY 2019-2020 with property tax revenue increasing by \$143,043, or 9.75%, and sales tax revenue increasing by \$24,611, or 5%. M&O property tax revenue represents \$1,608,718, or 51%, of total budgeted revenue while the M&O tax rate decreased \$0.026307/\$100 assessed value. Sales tax revenue represents \$516,843, or 17%, of total budgeted revenue for the City's General Fund. Total revenues for all governmental activities increased by \$119,034, or 3.23%. FY 2020-2021 total property tax rate decreased by \$0.030927 when compared to the previous year's tax rate.

General Fund budgeted expenditures increased by \$93,995, or 3.10% when compared to previous year expenditures. Total expenditures for all governmental activities decreased by \$207,275, or -5.15% when compared to FY 2019-2020 governmental activities.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Secretary, City of Venus, 700 W. US Highway 67, Venus, Texas 76084.

BASIC FINANCIAL STATEMENTS

CITY OF VENUS, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,949,064	\$ 1,760,093	\$ 3,709,157
Restricted assets	4,525,614	2,399,370	6,924,984
Investments	525,180	79,997	605,177
Receivables (net of allowance)	390,595	330,807	721,402
Prepaid items	2,126	790	2,916
Net pension asset	18,525	4,247	22,772
Capital assets:			
Non-depreciable	487,325	94,333	581,658
Depreciable, net	4,846,511	5,161,347	10,007,858
Total assets	<u>12,744,940</u>	<u>9,830,984</u>	<u>22,575,924</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	109,941	24,791	134,732
Total deferred outflows	<u>109,941</u>	<u>24,791</u>	<u>134,732</u>
LIABILITIES			
Accounts payable	174,258	145,361	319,619
Accrued liabilities	73,155	705,502	778,657
Customer deposits	-	88,782	88,782
Unearned revenue	22,473	446,639	469,112
Accrued interest payable	40,208	38,368	78,576
Noncurrent liabilities:			
Due within one year			
Long-term debt	350,345	320,133	670,478
Due in more than one year			
Long-term debt	6,601,853	2,984,475	9,586,328
Total liabilities	<u>7,262,292</u>	<u>4,729,260</u>	<u>11,991,552</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	76,922	11,608	88,530
Total deferred inflows	<u>76,922</u>	<u>11,608</u>	<u>88,530</u>
NET POSITION			
Net investment in capital assets	2,594,837	3,965,105	6,559,942
Restricted for:			
Economic development	318,692	-	318,692
Public safety	36,072	-	36,072
Public works	25,376	-	25,376
Unrestricted	2,540,690	1,149,802	3,690,492
Total net position	<u>\$ 5,515,667</u>	<u>\$ 5,114,907</u>	<u>\$ 10,630,574</u>

CITY OF VENUS, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 785,642	\$ 813,562	\$ 148,787	\$ -
Public safety	1,400,448	41,651	16,217	-
Culture and recreation	94	53,389	-	-
Public works	621,233	-	-	32,970
Economic development	524,986	-	-	-
Interest and other	260,044	-	-	-
Total governmental activities	<u>3,592,447</u>	<u>908,602</u>	<u>165,004</u>	<u>32,970</u>
Business-type activities:				
Water and sewer	2,339,248	2,684,340	-	49,200
Sanitation service	361,997	365,357	-	-
Total business-type activities	<u>2,701,245</u>	<u>3,049,697</u>	<u>-</u>	<u>49,200</u>
Total primary government	<u>\$ 6,293,692</u>	<u>\$ 3,958,299</u>	<u>\$ 165,004</u>	<u>\$ 82,170</u>
General revenues:				
Taxes:				
Property				
Sales				
Franchise				
Investment earnings				
Gain on sale of assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year				
Prior period adjustment				
Net position - beginning, as restated				
Net position - end of year				

Net (Expense) Revenues and Changes in Net Position

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ 176,707	\$ -	\$ 176,707
(1,342,580)	-	(1,342,580)
53,295	-	53,295
(588,263)	-	(588,263)
(524,986)	-	(524,986)
(260,044)	-	(260,044)
<u>(2,485,871)</u>	<u>-</u>	<u>(2,485,871)</u>
-	394,292	394,292
-	<u>3,360</u>	<u>3,360</u>
-	<u>397,652</u>	<u>397,652</u>
<u>(2,485,871)</u>	<u>397,652</u>	<u>(2,088,219)</u>
1,846,427	-	1,846,427
942,411	-	942,411
127,867	-	127,867
30,105	19,478	49,583
39,498	18,101	57,599
10,221	-	10,221
<u>(172,250)</u>	<u>172,250</u>	<u>-</u>
2,824,279	209,829	3,034,108
<u>338,408</u>	<u>607,481</u>	<u>945,889</u>
6,555,859	4,953,084	11,508,943
<u>(1,378,600)</u>	<u>(445,658)</u>	<u>(1,824,258)</u>
<u>5,177,259</u>	<u>4,507,426</u>	<u>9,684,685</u>
<u>\$ 5,515,667</u>	<u>\$ 5,114,907</u>	<u>\$ 10,630,574</u>

CITY OF VENUS, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	General	Debt Service	2020 CO Bonds	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash & cash equivalents	\$ 1,407,939	\$ -	\$ -	\$ 541,125	\$ 1,949,064
Restricted cash & cash equivalents	15,000	3,107	4,152,394	355,113	4,525,614
Investments	525,180	-	-	-	525,180
Receivables (net of allowance)	312,883	2,991	-	74,721	390,595
Prepaid items	<u>2,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,126</u>
Total assets	<u>2,263,128</u>	<u>6,098</u>	<u>4,152,394</u>	<u>970,959</u>	<u>7,392,579</u>
LIABILITIES					
Accounts payable	128,419	-	2,517	43,322	174,258
Accrued liabilities	57,961	-	-	15,194	73,155
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,473</u>	<u>22,473</u>
Total liabilities	<u>186,380</u>	<u>-</u>	<u>2,517</u>	<u>80,989</u>	<u>269,886</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	20,179	2,114	-	-	22,293
Unavailable revenue - fines & fees	<u>102,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,499</u>
Total deferred inflows of resources	<u>122,678</u>	<u>2,114</u>	<u>-</u>	<u>-</u>	<u>124,792</u>
FUND BALANCES					
Non-spendable for:					
Prepaid items	2,126	-	-	-	2,126
Restricted for:					
Debt service	-	3,984	-	-	3,984
Public safety	15,000	-	-	21,072	36,072
Capital projects	-	-	4,149,877	-	4,149,877
Streets	-	-	-	24,907	24,907
Economic development	-	-	-	318,692	318,692
Committed for:					
Capital projects	-	-	-	525,299	525,299
Assigned for:					
Next year's budget	289,942	-	-	-	289,942
Unassigned	<u>1,647,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,647,002</u>
Total fund balances	<u>1,954,070</u>	<u>3,984</u>	<u>4,149,877</u>	<u>889,970</u>	<u>6,997,901</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,263,128</u>	<u>\$ 6,098</u>	<u>\$ 4,152,394</u>	<u>\$ 970,959</u>	<u>\$ 7,392,579</u>

CITY OF VENUS, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance governmental funds	\$ 6,997,901
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	5,333,836
The net pension asset does not represent a current financial resource and therefore is not reported in the funds.	18,525
Uncollected revenues are reported as unavailable resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.	
Property taxes	22,293
Court fines	102,499
Long-term liabilities, including bonds payable, notes payable, compensated absences, OPEB liabilities and net pension liability are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	
Bonds payable	(6,390,000)
Issuance premium	(261,025)
Capital leases payable	(45,964)
Notes payable	(191,418)
Compensated absences	(63,791)
Deferred inflows of resources - pension related	(76,922)
Deferred outflows of resources - pension related	109,941
Interest payable on long-term debt in the City's governmental activities is not payable from current resources and therefore is not reported in the governmental funds balance sheet.	(40,208)
Net position of governmental activities	\$ <u>5,515,667</u>

CITY OF VENUS, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General	Debt Service	2020 CO Bonds	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes and assessments	\$ 1,461,049	\$ 321,744	\$ -	\$ 62,893	\$ 1,845,686
Sales taxes	589,007	-	-	353,404	942,411
Franchise taxes	127,867	-	-	-	127,867
Licenses and permits	735,428	-	-	-	735,428
Fines and forfeitures	52,938	-	-	3,230	56,168
Charges for services	29,294	-	-	-	29,294
Intergovernmental	151,440	-	-	-	151,440
Contributions and donations	41,513	-	-	5,021	46,534
Investment earnings	25,713	1,257	469	2,666	30,105
Miscellaneous	10,221	-	-	-	10,221
Total revenues	<u>3,224,470</u>	<u>323,001</u>	<u>469</u>	<u>427,214</u>	<u>3,975,154</u>
EXPENDITURES					
Current:					
General government	716,821	-	-	-	716,821
Public safety	1,338,446	-	-	3,571	1,342,017
Culture and recreation	-	-	-	94	94
Public works	280,491	-	-	182,586	463,077
Economic development	445,519	-	-	34,096	479,615
Capital outlay	57,562	-	19,592	104,625	181,779
Debt service:					
Principal	85,195	60,000	-	-	145,195
Interest and fiscal charges	13,435	88,848	-	-	102,283
Bond issuance costs	-	-	144,478	-	144,478
Total expenditures	<u>2,937,469</u>	<u>148,848</u>	<u>164,070</u>	<u>324,972</u>	<u>3,575,359</u>
Excess (deficiency) of revenue over expenditures	<u>287,001</u>	<u>174,153</u>	<u>(163,601)</u>	<u>102,242</u>	<u>399,795</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	4,175,000	-	4,175,000
Premium on issuance of debt	-	-	138,478	-	138,478
Transfers in	-	-	-	628,165	628,165
Transfers out	(583,352)	(172,250)	-	(44,813)	(800,415)
Sale of capital assets	39,498	-	-	-	39,498
Total other financing sources (uses)	<u>(543,854)</u>	<u>(172,250)</u>	<u>4,313,478</u>	<u>583,352</u>	<u>4,180,726</u>
Net change in fund balances	<u>(256,853)</u>	<u>1,903</u>	<u>4,149,877</u>	<u>685,594</u>	<u>4,580,521</u>
FUND BALANCE - BEGINNING	<u>2,210,923</u>	<u>2,081</u>	<u>-</u>	<u>204,376</u>	<u>2,417,380</u>
FUND BALANCE - ENDING	<u>\$ 1,954,070</u>	<u>\$ 3,984</u>	<u>\$ 4,149,877</u>	<u>\$ 889,970</u>	<u>\$ 6,997,901</u>

The accompanying notes are an integral
part of these financial statements.

CITY OF VENUS, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$ 4,580,521
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Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	181,779
Loss on disposal	(11,158)
Depreciation expense	(310,322)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The details of these differences are as follows:

Property taxes	741
Ambulance fees	(14,787)
Court fines	102,499

Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds. The details of these differences are as follows:

Compensated absences	(7,605)
Accrued interest	(18,611)
Net pension liability/asset	(1,694)

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of bonds	(4,175,000)
Premium on issuance of bonds	(138,478)
Payments on bonds	60,000
Payments on capital leases	44,413
Payments on notes payable	40,782
Amortization of premium on bond issuance	<u>5,328</u>

Change in net position of governmental activities	\$ <u>338,408</u>
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CITY OF VENUS, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUND

SEPTEMBER 30, 2020

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,760,093
Restricted cash and cash equivalents	2,399,370
Investments	79,997
Receivables (net of allowance)	330,807
Prepaid items	790
Total current assets	<u>4,571,057</u>
Noncurrent assets:	
Net pension asset	4,247
Capital assets:	
Non-depreciable	94,333
Depreciable, net	<u>5,161,347</u>
Total noncurrent assets	<u>5,259,927</u>
Total assets	<u>9,830,984</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>24,791</u>
Total deferred outflows of resources	<u>24,791</u>
LIABILITIES	
Current liabilities:	
Accounts payable	145,361
Accrued liabilities	705,502
Accrued interest payable (payable from restricted cash)	38,368
Customer deposits	88,782
Unearned revenue	446,639
Compensated absences	1,807
Capital leases payable	20,826
Bonds payable	220,000
Contract payable	77,500
Total current liabilities	<u>1,744,785</u>
Noncurrent liabilities:	
Compensated absences	5,424
Capital leases payable	21,513
Bonds payable	2,337,538
Contract payable	620,000
Total noncurrent liabilities	<u>2,984,475</u>
Total liabilities	<u>4,729,260</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>11,608</u>
Total deferred inflows of resources	<u>11,608</u>
NET POSITION	
Net investment in capital assets	3,965,105
Unrestricted	<u>1,149,802</u>
Total net position	<u>\$ 5,114,907</u>

The accompanying notes are an integral
part of these financial statements.

CITY OF VENUS, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer</u>
OPERATING REVENUES	
Charges for services:	
Water and sewer service	\$ 2,675,499
Sanitation service	365,357
Miscellaneous	<u>8,841</u>
Total operating revenues	<u>3,049,697</u>
OPERATING EXPENSES	
Personnel services	352,773
Materials and supplies	105,622
Contractual services	1,818,499
Depreciation	<u>296,170</u>
Total operating expenses	<u>2,573,064</u>
Operating income (loss)	<u>476,633</u>
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	19,478
Gain (loss) on disposal of capital assets	18,101
Interest expense	(128,181)
Total nonoperating revenues	<u>(90,602)</u>
Income before transfers and contributions	386,031
Transfers in	172,250
Capital contributions	<u>49,200</u>
Change in net position	<u>607,481</u>
NET POSITION - BEGINNING	4,953,084
PRIOR PERIOD ADJUSTMENT	(445,658)
NET POSITION - BEGINNING, RESTATED	<u>4,507,426</u>
NET POSITION - ENDING	<u>\$ 5,114,907</u>

CITY OF VENUS, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

FOR THE YEAR END SEPTEMBER 30, 2020

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 2,969,552
Payments to suppliers	(1,840,372)
Payments to employees	(100,141)
Net cash provided (used) by operating activities	<u>1,029,039</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payment of advances to other funds	(204,412)
Repayment of advances from other funds	1,546,296
Transfers from other funds	<u>172,250</u>
Net cash provided (used) by noncapital financing activities	<u>1,514,134</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(197,784)
Disposal of capital assets	18,101
Principal paid on bond maturities	(217,000)
Interest and fiscal charges paid on bonds	(93,994)
Capital contributions	495,839
Principal paid on contract payable	(42,625)
Interest paid on contract payable	(3,083)
Principal paid on capital lease	(97,662)
Interest paid on capital lease	(2,578)
Net cash provided (used) by capital and related financing activities	<u>(140,786)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	19,478
Purchase of investments	(79,997)
Net cash provided (used) by investing activities	<u>(60,519)</u>
Net increase (decrease) in cash and cash equivalents	<u>2,341,868</u>
Cash and cash equivalents - beginning	<u>1,817,595</u>
Cash and cash equivalents - ending	<u>\$ 4,159,463</u>

CITY OF VENUS, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

FOR THE YEAR END SEPTEMBER 30, 2020

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ 476,633
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation expense	296,170
(Increase) decrease in accounts receivable	(83,402)
(Increase) decrease in prepaids	38,951
(Increase) decrease in deferred outflows related to pensions	7,116
Increase (decrease) in accounts payable	44,798
Increase (decrease) in accrued liabilities	256,408
Increase (decrease) in compensated absences	2,512
Increase (decrease) in customer deposits	3,257
Increase (decrease) in net pension liability	(24,819)
Increase (decrease) in deferred inflows related to pensions	<u>11,415</u>
Total adjustments	<u>552,406</u>
Net cash provided (used) by operating activities	\$ <u>1,029,039</u>

CITY OF VENUS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Reporting entity**

The City of Venus, Texas (the "City") is a general law municipality and was incorporated in 1904. The City exercises all powers of self-government, and all power enumerated in Chapter 13, Title 28, Revised Civil Statutes of the State of Texas of 1925.

The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

Blended component unit. The Corporation described below is included in the City's reporting entity because the City appoints the governing body, and the Corporation is fiscally dependent on the City. The Corporation is reported as a blended component unit because the governing body is substantively the same as the governing body of the City.

The *Venus Community Service Development Corporation* (the "Corporation") is responsible for disbursing the one-fourth percent sales tax to be used for economic and industrial development within the City. The members of the Corporation's board are appointed by the City and are comprised of seven directors. At least four of the directors shall be members of the Venus City Council and the remaining three directors shall be persons who are not employees, officers or members of the governing body of the City. These three directors serve at the pleasure of the City Council. The City can impose its will on the Corporation by significantly influencing the program, projects, activities, or level of service performed by the Corporation. The Corporation is presented as a governmental fund type and has a September 30 year end.

Separate financial statements for the Corporation are not issued.

B. Basis of presentation - government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business type activities incorporate data from the City's enterprise fund. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

C. Basis of presentation - fund financial statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund is used to account for the property taxes levied for the purposes of making debt service payments.

The 2020 CO Bonds Fund is a capital projects fund used to account for improvements to streets from issuance of certificates of obligation.

The City reports the following major proprietary fund:

The Water and Sewer Fund accounts for the activities of the sewage collection system, the water distribution system, and sanitation services.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

D. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if received during the period or within the availability period for this revenue source (within 60 days of yearend). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

E. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in TexPool and Texas TERM.

In accordance with state law, TexPool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, TexPool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. TexPool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

The State Comptroller of Public Accounts oversees TexPool. Federated Investors is the full service provider to the pools managing the assets, providing participant services, and arranging for all custody and other functions in support of the pools operations under a contract with the Comptroller.

TexPool is managed conservatively to provide a safe, efficient, and liquid investment alternative to Texas governments. The pools seek to maintain a \$1.00 value per share as required by the Texas Public Funds Investment Act. TexPool investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. TexPool is rated AAAM by Standard & Poor's, the highest rating a local government investment pool can achieve. The weighted average maturities of the pools cannot exceed 60 days, with the maximum maturity of any investment limited to 13 months. TexPool, like its participants, is governed by the Texas Public Funds Investment Act, and is in full compliance with the Act.

Texas TERM is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity and competitive yield. The fund is a fixed-rate, fixed-term portfolio, rated AAAs by Fitch Ratings, that enables investors to lock in a fixed rate for a term of 60 days to 365 days. The fund seeks to maintain a constant dollar objective and fulfills all requirements of the Texas PFIA for local government investment pools.

TexPool and Texas TERM have a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

3. Receivables and allowances for doubtful accounts

All trade and property tax receivables are shown net of an allowance for uncollectible. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectible.

4. Prepaid items

Certain costs applicable to future accounting periods are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

5. Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

As the government constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements	5-40
Machinery and equipment	5-10
Infrastructure	20-50
Water rights	37

6. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources reported in this year's financial statements include:

- Deferred outflow of resources related to changes in actuarial assumptions of the City's defined benefit pension plan,
- Deferred outflows of resources for contributions made to the City's defined benefit pension plan between the measurement date of the net pension liabilities from that plan and the end of the City's fiscal year,
- Deferred outflow of resources related to the difference between expected and actual pension experience data used by the actuary, and
- Deferred outflow of resources related to the differences between the projected and actual investment earnings for the City's multiple employer defined benefit plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources are reported in the City's various statements of net position for:

- Deferred inflows of resources for differences between expected and actual experience data used by the actuary, and
- Deferred inflows of resources for differences between projected and actual investment earnings.

In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The City will not recognize the related revenues until they are available (collected not later than 60 days after the end of the City's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenue from property taxes is reported in the governmental funds balance sheet.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Net position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements. Net position is classified in the following categories:

Net investment in capital assets — This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted net position — This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position — This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

10. Fund balance

The governmental fund financial statements present fund balance categorized based on the nature and extent of the constraints placed on the specific purposes for which a government's funds may be spent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance — amounts that are not in spendable form (such as inventories and prepaid items) or are required to be maintained intact.

Restricted fund balance — amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance — amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint. City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance.

Assigned fund balance — amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.

Unassigned fund balance — amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned. Positive balances are reported only in the general fund.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

F. Revenues and expenditures/expenses

11. Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

12. Property taxes

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property. Appraised values are established by the Central Appraisal District of Johnson County as market value and assessed at 100% of appraised value. Property taxes attach as an enforceable lien on property as of January 1. The Johnson County Tax Assessor/Collector bills and collects the City's property taxes, which are due October 1. Full payment can be made prior to the next January 31 to avoid penalty and interest charges. Over time substantially all property taxes are collected.

13. Compensated absences

The City's policy permits employees to accumulate earned but unused vacation benefits. The liability for such unused vacation is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Unused vacation shall be taken during the year following its accumulation.

14. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise fund are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and investments

Investments - Acceptable investments under the City's investment policy shall be limited to the following instruments and as further described by the Public Funds Investment Act: (1) obligations of, or guaranteed by governmental entities, (2) certificates of deposit and share certificates, (3) repurchase agreements, (4) banker's acceptances, (5) commercial paper, (6) mutual funds, (7) investment pools, and (8) existing investments of the Government Code and any other investment authorized by the State of Texas for cities.

The City's investments for the year ended September 30, 2020 are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
TexPool	\$ 4,367,807	38
TexasTERM	12,324	57
Certificates of Deposit	<u>1,129,166</u>	59
Total	<u>\$ 5,509,297</u>	
Portfolio Weighted Average Maturity		42

Custodial credit risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The City's deposits were fully insured or collateralized as required by State statutes as of September 30, 2020. At year end, the bank balance of the City's deposits was \$5,708,047. All of the bank balance was covered by collateral pledged in the City's name.

Generally, *credit risk* is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of September 30, 2020, the City's investment in both TexPool and TexasTERM are rated AAAM by Standard & Poor's.

Concentration of credit risk. The City's investment policy contains no limitations on the amount that can be invested in any one issuer.

TexPool and TexasTERM are considered a cash equivalent on the Government-wide Statement of Net Position and on the Balance Sheets of the Fund Financial Statements.

As of September 30, 2020, the City has restricted cash and cash equivalents of \$2,399,370 in the Water and Sewer Fund. This amount is made up of unspent bond proceeds, debt service and customer deposits in the amounts of \$2,006,802, \$303,786 and \$88,782, respectively. The City has restricted cash and cash equivalents in governmental activities in the amount of \$4,525,614, made up of amounts restricted for public safety, capital projects, PID projects, economic development, and street projects.

B. Receivables

Receivables as of year-end for the City's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

Receivables	General Fund	Debt Service	Nonmajor Governmental	Water and Sewer	Totals
Accounts	\$ 1,076,892	\$ -	\$ -	\$ 378,919	\$ 1,459,652
Taxes & assessments	<u>169,804</u>	<u>2,991</u>	<u>75,589</u>	<u>-</u>	<u>248,384</u>
Gross receivables	1,246,696	2,991	75,589	378,919	1,708,036
Less: allowance for uncollectibles	<u>(933,813)</u>	<u>-</u>	<u>(877)</u>	<u>(48,112)</u>	<u>(982,802)</u>
Total receivables, net	<u>\$ 312,883</u>	<u>\$ 2,991</u>	<u>\$ 74,712</u>	<u>\$ 330,807</u>	<u>\$ 725,234</u>

C. Capital assets

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Prior Period Adjustment	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 445,032	\$ -	\$ -	\$ -	\$ 445,032
Construction in progress	<u>-</u>	<u>42,293</u>	<u>-</u>	<u>-</u>	<u>42,293</u>
Total capital assets, not being depreciated	<u>445,032</u>	<u>42,293</u>	<u>-</u>	<u>-</u>	<u>487,325</u>
Capital assets, being depreciated:					
Buildings	2,199,191	23,376	-	28,203	2,250,770
Machinery and equipment	868,071	59,456	(66,108)	-	861,419
Infrastructure	<u>4,751,786</u>	<u>56,654</u>	<u>-</u>	<u>(1,442,468)</u>	<u>3,365,972</u>
Total capital assets, being depreciated	<u>7,819,048</u>	<u>139,486</u>	<u>(66,108)</u>	<u>(1,414,265)</u>	<u>6,478,161</u>
Less: accumulated depreciation					
Buildings	(317,143)	(55,411)	-	(362)	(372,916)
Machinery and equipment	(539,575)	(88,587)	54,950	-	(573,212)
Infrastructure	<u>(555,225)</u>	<u>(166,324)</u>	<u>-</u>	<u>36,027</u>	<u>(685,522)</u>
Total accumulated depreciation	<u>(1,411,943)</u>	<u>(310,322)</u>	<u>54,950</u>	<u>35,665</u>	<u>(1,631,650)</u>
Total capital assets being depreciated, net	<u>6,407,105</u>	<u>(170,836)</u>	<u>(11,158)</u>	<u>(1,378,600)</u>	<u>4,846,511</u>
Governmental activities capital assets, net	<u>\$ 6,852,137</u>	<u>\$ (128,543)</u>	<u>\$ (11,158)</u>	<u>\$ (1,378,600)</u>	<u>\$ 5,333,836</u>
	Beginning Balance	Increases	Decreases	Prior Period Adjustment	Ending Balance
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 25,270	\$ -	\$ -	\$ -	\$ 25,270
Construction in Progress	<u>56,005</u>	<u>13,058</u>	<u>-</u>	<u>-</u>	<u>69,063</u>
Total capital assets, not being depreciated	<u>81,275</u>	<u>13,058</u>	<u>-</u>	<u>-</u>	<u>94,333</u>
Capital assets, being depreciated:					
Buildings	71,099	-	-	-	71,099
Improvements & infrastructure	6,671,751	184,870	-	-	6,856,621
Machinery and equipment	421,179	-	(49,922)	-	371,257
Water rights	<u>2,014,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,014,700</u>
Total capital assets, being depreciated	<u>9,178,729</u>	<u>184,870</u>	<u>(49,922)</u>	<u>-</u>	<u>9,313,677</u>
Less: accumulated depreciation					
Buildings	(12,442)	(1,777)	-	-	(14,219)
Improvements & infrastructure	(2,750,493)	(139,956)	-	-	(2,890,449)
Machinery and equipment	(179,755)	(64,377)	49,922	-	(194,210)
Water rights	<u>(963,392)</u>	<u>(90,060)</u>	<u>-</u>	<u>-</u>	<u>(1,053,452)</u>
Total accumulated depreciation	<u>(3,906,082)</u>	<u>(296,170)</u>	<u>49,922</u>	<u>-</u>	<u>(4,152,330)</u>
Total capital assets being depreciated, net	<u>5,272,647</u>	<u>(111,300)</u>	<u>-</u>	<u>-</u>	<u>5,161,347</u>
Business-Type activities capital assets, net	<u>\$ 5,353,922</u>	<u>\$ (98,242)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,255,680</u>

Depreciation expense was charged to the functions/programs of the governmental activities of the primary government as follows:

<u>Government activities:</u>	
General government	\$ 49,610
Public safety	57,362
Public works	157,979
Economic development	<u>45,371</u>
Total	\$ <u>310,322</u>
<u>Business-type activities:</u>	
Water and sewer	\$ <u>296,170</u>
Total	\$ <u>296,170</u>

D. Long-term debt

Certificates of obligation

The City issues certificates of obligation to provide funds for the acquisition and construction of major capital projects. Certificates of obligation have been issued for governmental and business-type activities. Certificates of obligation are direct obligations and pledge the full faith and credit of the government. Certificates of obligation outstanding as of September 30, 2020 are as follows:

	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Certificates of Obligation, Series 2018	\$ 2,450,000	6/13/2018	2.00-4.00%	\$ 2,215,000
Certificates of Obligation, Series 2020	\$ 4,175,000	2/15/2045	2.00-4.00%	<u>4,175,000</u>
Total				\$ <u>6,390,000</u>
<u>Business-type activities:</u>				
Certificates of Obligation, Series 2018	\$ 1,950,000	6/13/2018	2.00-4.00%	\$ <u>1,895,000</u>

The debt service requirements for the City's certificates of obligation are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 245,000	\$ 164,041	\$ 409,041
2022	190,000	159,720	349,720
2023	200,000	152,220	352,220
2024	205,000	144,820	349,820
2025	215,000	138,570	353,570
2026-2030	1,155,000	603,520	1,758,520
2031-2035	1,300,000	459,823	1,759,823
2036-2040	1,485,000	286,713	1,771,713
2041-2045	<u>1,395,000</u>	<u>75,350</u>	<u>1,470,350</u>
Total	\$ <u>6,390,000</u>	\$ <u>2,184,777</u>	\$ <u>8,574,777</u>
<u>Fiscal Year</u>	<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 35,000	\$ 74,525	\$ 109,525
2022	40,000	73,400	113,400
2023	40,000	72,000	112,000
2024	60,000	70,000	130,000
2025	60,000	67,600	127,600
2026-2030	350,000	298,200	648,200
2031-2035	425,000	220,700	645,700
2036-2040	525,000	126,500	651,500
2041-2045	<u>360,000</u>	<u>22,000</u>	<u>382,000</u>
Total	\$ <u>1,895,000</u>	\$ <u>1,024,925</u>	\$ <u>2,919,925</u>

General obligation bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding at September 30, 2020 are as follows:

	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Ending Balance</u>
<u>Business-type activities:</u>				
General Obligation Refunding Bonds, Series 2016	\$ 1,272,000	2/15/2023	1.84%	\$ <u>565,000</u>

The debt service requirements for the City's general obligation bonds are as follows:

<u>Fiscal Year</u>	<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 185,000	\$ 8,694	\$ 193,694
2022	188,000	5,262	193,262
2023	<u>192,000</u>	<u>1,766</u>	<u>193,766</u>
Total	\$ <u>565,000</u>	\$ <u>15,722</u>	\$ <u>580,722</u>

Contract payable

On October 28, 2009, the City entered into a contract with Trinity River Authority (TRA) to become a Contracting Party of the Mountain Creek Regional Wastewater System. The City agreed to a system contribution buy-in amount of \$1,550,000 payable in 20 annual installments of \$77,500 plus 5.5% interest on the unpaid balance. The annual payments, beginning December 2009, are to be allocated to the original Contracting Parties, based upon flow rates of the current year and each subsequent year.

The debt service requirements for the City's contract payable are as follows:

<u>Fiscal Year</u>	<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 77,500	\$ 38,363	\$ 115,863
2022	77,500	34,100	111,600
2023	77,500	29,838	107,338
2024	77,500	25,575	103,075
2025	77,500	21,313	98,813
2026-2029	<u>310,000</u>	<u>42,626</u>	<u>352,626</u>
Total	\$ <u>697,500</u>	\$ <u>191,815</u>	\$ <u>889,315</u>

Notes payable

In a prior year, the City entered into a promissory note to finance improvements at City Hall. Notes payable currently outstanding at September 30, 2020 are as follows:

<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Ending Balance</u>	<u>Collateral</u>
\$ 232,200	1/1/2024	6.500%	\$ <u>191,418</u>	Land

The debt service requirements for the City's note payable are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 43,433	\$ 12,442	\$ 55,875
2022	46,256	9,619	55,875
2023	49,263	6,612	55,875
2024	<u>52,466</u>	<u>3,410</u>	<u>55,876</u>
Total	\$ <u>191,418</u>	\$ <u>32,083</u>	\$ <u>223,501</u>

Capital leases

The City is obligated under capital leases for police vehicles and large equipment. At year end, the police vehicles and equipment carry a historical cost of \$180,864 and \$82,019, respectively, and accumulated depreciation of \$39,187 and \$45,110, respectively. The outstanding leases at September 30, 2020 are as follows:

<u>Governmental activities:</u>	<u>Amount Payable</u>
Police vehicles (2) payable in annual installments of \$17,724, including interest of 3.50%, with final payment due in October 2020.	\$ 34,247
Police vehicle (1) payable in annual installments of \$12,128, including interest of 3.50%, with final payment due in October 2020.	<u>11,717</u>
Total	<u>\$ 45,964</u>
<u>Business-type activities:</u>	
2018 Caterpillar backhoe payable in annual installments of \$22,225, including interest of 3.30%, with final payment due in December 2021.	<u>\$ 42,339</u>

The debt service requirements for the City's capital leases are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2021	\$ <u>47,576</u>	\$ <u>44,450</u>
Total minimum lease payments	47,576	44,450
Less: interest	(<u>1,612</u>)	(<u>2,111</u>)
Present value of minimum lease payments	<u>\$ 45,964</u>	<u>\$ 42,339</u>

Compensated absences

Compensated absences represent the estimated liability for employees' paid time off benefits for which employees are entitled to be paid upon termination. The retirement of this liability is paid from the General Fund and Water and Sewer Fund based on the assignment of an employee at termination.

Changes in the City's long-term liabilities for the year ended September 30, 2020 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Certificates of obligation	\$ 2,275,000	\$ 4,175,000	\$ (60,000)	\$ 6,390,000	\$ 245,000
Premium on debt	127,875	138,478	(5,328)	261,025	-
Notes payable	232,200	-	(40,782)	191,418	43,433
Capital leases payable	90,377	-	(44,413)	45,964	45,964
Compensated absences	<u>56,186</u>	<u>116,662</u>	(<u>109,057</u>)	<u>63,791</u>	<u>15,948</u>
Total	<u>\$ 2,781,638</u>	<u>\$ 4,430,140</u>	<u>\$ (259,580)</u>	<u>\$ 6,952,198</u>	<u>\$ 350,345</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Business-type activities:</u>					
Certificates of obligation	\$ 1,930,000	\$ -	\$ (35,000)	\$ 1,895,000	\$ 35,000
General obligation bonds	747,000	-	(182,000)	565,000	185,000
Premium on debt	101,779	-	(4,241)	97,538	-
Contract payable	775,000	-	(77,500)	697,500	77,500
Capital leases payable	62,501	-	(20,162)	42,339	20,826
Compensated absences	<u>4,719</u>	<u>20,955</u>	(<u>18,443</u>)	<u>7,231</u>	<u>1,807</u>
Total	<u>\$ 3,620,999</u>	<u>\$ 20,955</u>	<u>\$ (337,346)</u>	<u>\$ 3,304,608</u>	<u>\$ 320,133</u>

E. Defined benefit pension plan – Texas Municipal Retirement SystemPlan description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.org.

All eligible employees of the City are required to participate in TMRS.

Benefits provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Starting in 2007, the City granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount which considers salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, in 2010, the City adopted a modification to its annually repeating (automatic) basis cost of living adjustments (COLA) for retirees to 70% of the change in the consumer price index (CPI).

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated service credit	100% repeating, transfers
Annuity increase to retirees	70% of CPI repeating

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	15
Inactive employees entitled to but not yet receiving benefits	14
Active employees	<u>22</u>
Total	<u><u>51</u></u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.54% and 10.53% in calendar years 2020 and 2019, respectively. The City's total contributions to TMRS for the year ended September 30, 2020, were \$146,811, and were equal to the required contributions.

Net pension liability (asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

Within the governmental activities, the General Fund generally liquidates the net pension liability (asset). In the business-type activities, the net pension liability (asset) is liquidated by the Water and Sewer Fund.

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender distinct Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core fixed income	10.0%	1.25%
Non-core fixed income	20.0%	4.14%
Real return	10.0%	3.85%
Real estate	10.0%	4.00%
Absolutely return	10.0%	3.48%
Private equity	10.0%	7.75%
Total	<u>100.0%</u>	

Discount rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in the statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(c)
Balance at 12/31/18	\$ 1,892,809	\$ 1,757,647	\$ 135,162
Changes for the year:			
Service cost	223,903	-	223,903
Interest	130,503	-	130,503
Difference between expected and actual experience	(25,397)	-	(25,397)
Contributions - employer	-	137,647	(137,647)
Contributions - employee	-	91,504	(91,504)
Net investment income	-	272,037	(272,037)
Benefit payments, including refunds of employee contributions	(142,778)	(142,778)	-
Administrative expense	-	(1,535)	1,535
Other changes	12,664	(46)	12,710
Net changes	<u>198,895</u>	<u>356,829</u>	<u>(157,934)</u>
Balance at 12/31/19	<u>\$ 2,091,704</u>	<u>\$ 2,114,476</u>	<u>\$ (22,772)</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset) \$	325,915	\$(22,772)	\$(296,756)

Pension plan fiduciary net position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension expense and deferred outflows and inflows of resources related to pensions

For the year ended September 30, 2020, the City recognized pension expense in the governmental activities and business-type activities of \$115,686 a \$26,532, respectively.

At September 30, 2020, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 17,707	\$ 24,283
Changes in actuarial assumptions	10,042	-
Difference between projected and actual investment earnings	-	64,247
Contributions subsequent to the measurement date	106,983	-
Total	<u>\$ 134,732</u>	<u>\$ 88,530</u>

\$106,983 was reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended September 30,	
2021	\$(18,289)
2022	(14,262)
2023	4,635
2024	(32,865)
Total	<u>\$(60,781)</u>

F. Interfund transfers

The composition of interfund transfers as of September 30, 2020 is as follows:

Transfer From	Transfer To	Amount
Debt service	Water and sewer	\$ 172,250
General	Nonmajor governmental	532,317
Nonmajor governmental	Nonmajor governmental	44,813
General	Nonmajor governmental	51,035
Total		<u>\$ 800,415</u>

Transfers were primarily used to:

- Move funds to the Street Improvements fund from the General fund for upcoming streets projects.
- Move funds between nonmajor governmental funds to return unneeded grant matching funds back to the funds from which they originated.
- Move interest and sinking funds to the water and sewer fund to cover debt service payments.

Due to the immateriality of amounts in relation to financial statements taken as a whole, several adjustments necessary to correct previous year fund misstatements were reported in the current year as operating transfers.

G. Commitments and contingencies

Litigation

The City is often a defendant in lawsuits. Although the outcome of the lawsuits is not presently determinable, it is the opinion of the City's management that the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

Federal and state grants

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amounts which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates the amounts, if any, will be immaterial.

Raw water

The City has entered into a contract with the City of Midlothian, Texas whereby Midlothian agrees to sell raw water to the City. The contract requires the City to purchase a minimum amount of water on an annualized basis whether or not the City actually takes and utilizes said water amount. The contract is for a period of thirty-five years commencing January 4, 2005 and ending January 1, 2040. Actual payments for the year ended September 30, 2020 were \$568,031.

Wastewater treatment

On December 1, 2009, the City entered into a contract with the Trinity River Authority – Mountain Creek Regional Wastewater System ("System") to obtain wastewater treatment services in effect for the entire useful life of the System. The City is obligated to pay minimum fees of the System's annual operation and maintenance costs equivalent to 61.32 million gallons of flow. Actual payments for the year ended September 30, 2020 were \$607,868. Complete separate financial statements for TRA may be obtained at Trinity River Authority of Texas, P.O. Box 60, Arlington, Texas 76004.

Bluestem Hills PID

On January 14, 2019, the City created Bluestem Hills Public Improvement District No. 1 (the "District") to fund certain public improvements within the District. A development agreement with Bluestem Ellis Partners, LLC (the "Developer") was executed on April 26, 2019. The City shall reimburse the Developer for budgeted public improvement construction costs in an amount not to exceed \$1,700,000 from special assessments levied and collected within the District. As of September 30, 2020, no reimbursements were due to the Developer.

H. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

I. Utility billing accrued liability

During the current year, it was discovered that for the past three years the City over-billed several commercial customers for water and sewer charges due to erroneous consumption calculations. On September 30, 2020, the City accrued \$686,936 in water and sewer overcharges to be refunded to customers.

J. Prior period adjustment

Beginning net position in the governmental activities has been reduced by \$1,378,600 to account for prior year errors in capital asset additions. Beginning net position in the business-type activities has been reduced by \$445,658 to account for the overbilling of commercial water customers in prior years.

K. Subsequent event

Subsequent to September 30, 2020, the City had authorized two (2) Public Improvement Districts (PID).

Patriot Estate PID - Neither annual assessments nor bonds have been levied as of the date of issuance of this Annual Financial Report.

Brahman Ranch I PID - Neither annual assessments nor bonds have been levied or issued as of the date of the issuance of this Annual Financial Report.

Equipment lease - In March 2021, the City entered into a lease agreement for a Wastewater Treatment Package Plant. The lease payments during the initial term are \$14,750 for a period of 60 months.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF VENUS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes and assessments	\$ 1,437,669	\$ 1,465,675	\$ 1,461,049	\$(4,626)
Sales taxes	502,000	492,232	589,007	96,775
Franchise taxes	100,000	114,000	127,867	13,867
Licenses and permits	368,300	653,300	735,428	82,128
Fines and forfeitures	77,000	50,750	52,938	2,188
Charges for service	11,500	30,700	29,294	(1,406)
Intergovernmental	116,244	151,227	151,440	213
Contributions and donations	13,544	13,544	41,513	27,969
Investment earnings	8,000	20,000	25,713	5,713
Miscellaneous	86,100	10,500	10,221	(279)
Total revenues	<u>2,720,357</u>	<u>3,001,928</u>	<u>3,224,470</u>	<u>222,542</u>
EXPENDITURES				
Current:				
General government	667,641	725,235	716,821	8,414
Public safety:				
Fire	64,581	40,455	38,965	1,490
Police	1,219,732	1,247,156	1,199,152	48,004
Municipal court	113,865	112,000	100,329	11,671
Public works	486,105	302,400	280,491	21,909
Economic development	245,000	409,000	445,519	(36,519)
Capital outlay	-	99,599	57,562	42,037
Debt service:				
Principal	213,375	85,195	85,195	-
Interest and fiscal charges	-	13,435	13,435	-
Total expenditures	<u>3,010,299</u>	<u>3,034,475</u>	<u>2,937,469</u>	<u>97,006</u>
Excess (deficiency) of revenues over expenditures	<u>(289,942)</u>	<u>(32,547)</u>	<u>287,001</u>	<u>319,548</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(538,905)	(583,352)	(44,447)
Sale of capital assets	-	57,599	39,498	(18,101)
Total other financing sources (uses)	<u>-</u>	<u>(481,306)</u>	<u>(543,854)</u>	<u>(62,548)</u>
Net change in fund balances	<u>(289,942)</u>	<u>(513,853)</u>	<u>(256,853)</u>	<u>257,000</u>
FUND BALANCE - BEGINNING	<u>2,210,923</u>	<u>2,210,923</u>	<u>2,210,923</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,920,981</u>	<u>\$ 1,697,070</u>	<u>\$ 1,954,070</u>	<u>\$ 257,000</u>

CITY OF VENUS, TEXAS

NOTES TO BUDGETARY INFORMATION

SEPTEMBER 30, 2020

BUDGETS AND BUDGETARY ACCOUNTING

An annual budget for the general fund is adopted on the modified accrual basis. Appropriations lapse at the end of the fiscal year. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

CITY OF VENUS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Measurement date December 31,	2014	2015	2016
Total pension liability			
Service Cost	\$ 88,650	\$ 122,666	\$ 147,811
Interest	80,660	91,101	88,713
Changes of benefit terms	-	-	6,433
Differences between expected and actual experience	57,782	(132,315)	(14,918)
Assumption changes	-	12,187	-
Benefit payments, including refunds of employee contributions	(60,851)	(129,047)	(70,599)
Net change in total pension liability	166,241	(35,408)	157,440
Total pension liability - beginning	<u>1,138,393</u>	<u>1,304,634</u>	<u>1,269,226</u>
Total pension liability - ending (a)	<u>\$ 1,304,634</u>	<u>\$ 1,269,226</u>	<u>\$ 1,426,666</u>
Plan fiduciary net position			
Contributions - employer	\$ 61,240	\$ 83,505	\$ 96,357
Contributions - member	46,611	51,820	61,043
Net investment income	62,682	1,777	81,713
Benefit payments	(60,851)	(129,047)	(70,599)
Administrative expense	(654)	(1,083)	(925)
Other	(54)	(53)	(50)
Net change in plan fiduciary net position	108,974	6,919	167,539
Plan fiduciary net position - beginning	<u>1,095,574</u>	<u>1,204,548</u>	<u>1,211,467</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,204,548</u>	<u>\$ 1,211,467</u>	<u>\$ 1,379,006</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 100,086</u>	<u>\$ 57,759</u>	<u>\$ 47,660</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	92.33%	95.45%	96.66%
Covered payroll	\$ 665,869	\$ 740,288	\$ 872,040
Net pension liability (asset) as a percentage of covered payroll	15.03%	7.80%	5.47%

* GASB Statement 68 requires this schedule to report 10 years of data. Data prior to 2014 is not available.

<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 161,586	\$ 194,975	\$ 223,903
99,640	113,540	130,503
-	-	-
(10,387)	30,003	(25,397)
-	-	12,664
(62,615)	(60,599)	(142,778)
188,224	277,919	198,895
<u>1,426,666</u>	<u>1,614,890</u>	<u>1,892,809</u>
\$ <u>1,614,890</u>	\$ <u>1,892,809</u>	\$ <u>2,091,704</u>
\$ 98,912	\$ 121,386	\$ 137,647
64,194	78,438	91,504
190,996	(50,015)	272,037
(62,615)	(60,599)	(142,778)
(990)	(966)	(1,535)
(50)	(50)	(46)
290,447	88,194	356,829
<u>1,379,006</u>	<u>1,669,453</u>	<u>1,757,647</u>
\$ <u>1,669,453</u>	\$ <u>1,757,647</u>	\$ <u>2,114,476</u>
\$ (<u>54,563</u>)	\$ <u>135,162</u>	\$ (<u>22,772</u>)
103.38%	92.86%	101.09%
\$ 917,058	\$ 1,120,544	\$ 1,297,991
-5.95%	12.06%	-1.75%

CITY OF VENUS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Fiscal year ending September 30,	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contribution	\$ 61,240	\$ 90,452	\$ 91,937
Contributions in relation to the actuarially determined contributions	<u>61,240</u>	<u>90,452</u>	<u>91,937</u>
Contribution excess (deficiency)	-	-	-
Covered payroll	665,869	815,090	850,004
Contributions as a percentage of covered payroll	9.20%	11.10%	10.82%

* GASB Statement 68 requires this schedule to report 10 years of data. Data prior to 2015 is not available.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
Salary increases	3.5% to 11.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generated basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other information	There were no benefit changes during the year.

2018	2019	2020
\$ 118,665	\$ 132,270	\$ 146,811
<u>118,665</u>	<u>132,270</u>	<u>146,811</u>
-	-	-
1,093,819	1,247,062	1,376,629
10.85%	10.61%	10.66%

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Brahman Ranch PID Fund - This fund is used to account for the operating costs of the Brahman Ranch Public Improvement District.

Grant Fund – This fund is used to account for the proceeds of grants that are restricted to expenditures for specified purposes.

Venus Community Services Development Corporation – This fund is used to account for a half cent sales tax collection restricted for economic development.

Court Technology Fund – The state legislature has allowed for the creation of a Municipal Court Technology Fund to defray the costs related to technology in the court system. This fund accounts for the collection of technology fees charged to defendants for misdemeanor offences as a cost of court. These funds will be used to purchase software, computers and any other technology items needed for the court.

Court Security Fund – The security building fund provides for the collection of court fees with each fine that is to be utilized for the security of the court. Expenditures are restricted to security systems, bailiffs, metal detectors, locks, electronic identification systems, etc.

Truancy Prevention Fund – This fund is used to account for necessary costs relating to the position of a juvenile case manager in accordance with Article 45.056, Code of Criminal Procedure.

Street Tax Fund – This fund is used to account for a quarter cent sales tax collection restricted for street improvement projects in the City.

Blue Stem PID Fund – This fund is used to account for the operating costs of the Blue Stem Public Improvement District.

Capital Projects Funds account for the cost of planned current and future major projects for the acquisition and construction of buildings, infrastructure, and related improvements, and traffic and environmental projects.

Street Improvements Fund – This fund is used to account for street improvement projects in the City.

CITY OF VENUS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	Special Revenue				
	Brahman Ranch PID	Grant	Venus Community Services Development Corporation	Court Technology	Court Security
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	22,716	-	298,733	-	20,423
Receivables (net of allowance)	-	-	49,814	-	-
Total assets	<u>22,716</u>	<u>-</u>	<u>348,547</u>	<u>-</u>	<u>20,423</u>
LIABILITIES					
Accounts payable	243	-	36,446	-	-
Accrued liabilities	-	-	1,129	-	-
Unearned revenue	<u>22,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>22,716</u>	<u>-</u>	<u>37,575</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted for:					
Public safety	-	-	-	-	20,423
Streets	-	-	-	-	-
Economic development	-	-	310,972	-	-
Committed for:					
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>310,972</u>	<u>-</u>	<u>20,423</u>
Total liabilities and fund balances	<u>\$ 22,716</u>	<u>\$ -</u>	<u>\$ 348,547</u>	<u>\$ -</u>	<u>\$ 20,423</u>

Special Revenue			Capital Projects	
Truancy Prevention	Street Tax	Blue Stem PID	Street Improvements	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 541,125	\$ 541,125
649	4,872	7,720	-	355,113
-	24,907	-	-	74,721
<u>649</u>	<u>29,779</u>	<u>7,720</u>	<u>541,125</u>	<u>970,959</u>
-	4,872	-	1,761	43,322
-	-	-	14,065	15,194
-	-	-	-	22,473
<u>-</u>	<u>4,872</u>	<u>-</u>	<u>15,826</u>	<u>80,989</u>
649	-	-	-	21,072
-	24,907	-	-	24,907
-	-	7,720	-	318,692
-	-	-	525,299	525,299
<u>649</u>	<u>24,907</u>	<u>7,720</u>	<u>525,299</u>	<u>889,970</u>
<u>\$ 649</u>	<u>\$ 29,779</u>	<u>\$ 7,720</u>	<u>\$ 541,125</u>	<u>\$ 970,959</u>

CITY OF VENUS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue				
			Venus Community Services Development Corporation	Court Technology	Court Security
	Brahman Ranch PID	Grant			
REVENUES					
Property taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	235,603	-	-
Fines and forfeitures	-	-	-	1,302	1,279
Contributions and donations	5,021	-	-	-	-
Investment earnings	-	-	1,344	275	363
Total revenues	<u>5,021</u>	<u>-</u>	<u>236,947</u>	<u>1,577</u>	<u>1,642</u>
EXPENDITURES					
Current:					
Public safety	-	-	-	1,577	1,994
Culture and recreation	-	94	-	-	-
Public works	5,021	-	-	-	-
Economic development	-	-	34,096	-	-
Capital outlay	-	-	81,924	-	-
Total expenditures	<u>5,021</u>	<u>94</u>	<u>116,020</u>	<u>1,577</u>	<u>1,994</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>(94)</u>	<u>120,927</u>	<u>-</u>	<u>(352)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	63,153	-	-
Transfers out	-	(29,130)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(29,130)</u>	<u>63,153</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(29,224)</u>	<u>184,080</u>	<u>-</u>	<u>(352)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>29,224</u>	<u>126,892</u>	<u>-</u>	<u>20,775</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,972</u>	<u>\$ -</u>	<u>\$ 20,423</u>

Special Revenue			Capital Projects	
Truancy Prevention	Street Tax	Blue Stem PID	Street Improvements	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 62,893	\$ -	\$ 62,893
-	117,801	-	-	353,404
649	-	-	-	3,230
-	-	-	-	5,021
-	673	11	-	2,666
<u>649</u>	<u>118,474</u>	<u>62,904</u>	<u>-</u>	<u>427,214</u>
-	-	-	-	3,571
-	-	-	-	94
-	122,381	55,184	-	182,586
-	-	-	-	34,096
-	-	-	22,701	104,625
<u>-</u>	<u>122,381</u>	<u>55,184</u>	<u>22,701</u>	<u>324,972</u>
<u>649</u>	<u>(3,907)</u>	<u>7,720</u>	<u>(22,701)</u>	<u>102,242</u>
-	17,012	-	548,000	628,165
-	(15,683)	-	-	(44,813)
-	1,329	-	548,000	583,352
<u>649</u>	<u>(2,578)</u>	<u>7,720</u>	<u>525,299</u>	<u>685,594</u>
-	27,485	-	-	204,376
<u>\$ 649</u>	<u>\$ 24,907</u>	<u>\$ 7,720</u>	<u>\$ 525,299</u>	<u>\$ 889,970</u>

CITY OF VENUS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ENTERPRISE FUND - WATER AND SEWER

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Adjustments	Actual	Variance with
	Original	Final	GAAP	Budget	Budget	Final Budget
			Basis	Basis	Basis	Positive
						(Negative)
OPERATING REVENUES						
Charges for services:						
Water and sewer service	\$ 1,975,500	\$ 2,811,500	\$ 2,675,499	\$ 27,043	\$ 2,702,542	\$(108,958)
Sanitation service	168,000	367,514	365,357	-	365,357	(2,157)
Miscellaneous	250,000	1,375	8,841	-	8,841	7,466
Total operating revenues	<u>2,393,500</u>	<u>3,180,389</u>	<u>3,049,697</u>	<u>27,043</u>	<u>3,076,740</u>	<u>(103,649)</u>
OPERATING EXPENSES						
Personnel services	342,024	357,692	352,773	-	352,773	4,919
Materials and supplies	131,000	107,695	105,622	-	105,622	2,073
Contractual services	1,684,505	1,839,597	1,818,499	(45,500)	1,772,999	66,598
Depreciation	-	-	296,170	(296,170)	-	-
Total operating expenses	<u>2,157,529</u>	<u>2,304,984</u>	<u>2,573,064</u>	<u>(341,670)</u>	<u>2,231,394</u>	<u>73,590</u>
Operating income (loss)	<u>235,971</u>	<u>875,405</u>	<u>476,633</u>	<u>368,713</u>	<u>845,346</u>	<u>(30,059)</u>
NONOPERATING REVENUES (EXPENSES)						
Investment earnings	1,500	7,385	19,478	(6,801)	12,677	5,292
Gain (loss) on disposal of capital assets	-	-	18,101	-	18,101	18,101
Principal expense	(132,955)	(359,350)	-	(318,903)	(318,903)	40,447
Interest expense	(297,620)	(87,645)	(128,181)	-	(128,181)	(40,536)
Total nonoperating revenues	<u>(429,075)</u>	<u>(439,610)</u>	<u>(90,602)</u>	<u>(325,704)</u>	<u>(416,306)</u>	<u>(23,304)</u>
Income (loss) before transfers and contributions	<u>(193,104)</u>	<u>435,795</u>	<u>386,031</u>	<u>43,009</u>	<u>429,040</u>	<u>(6,755)</u>
Capital expenses	<u>(854,787)</u>	<u>(432,539)</u>	<u>-</u>	<u>(192,928)</u>	<u>(192,928)</u>	<u>239,611</u>
TRANSFERS & CAPITAL CONTRIBUTIONS						
Transfers in	-	172,250	172,250	-	172,250	-
Capital contributions	-	-	49,200	(49,200)	-	-
Total transfers & capital contributions	<u>-</u>	<u>172,250</u>	<u>221,450</u>	<u>(49,200)</u>	<u>172,250</u>	<u>-</u>
Change in net position	<u>(1,047,891)</u>	<u>175,506</u>	<u>607,481</u>	<u>(199,119)</u>	<u>408,362</u>	<u>232,856</u>
FUND BALANCE - BEGINNING	1,534,793	1,679,101	4,953,084	-	4,953,084	3,273,983
PRIOR PERIOD ADJUSTMENT	-	-	(445,658)	445,658	-	(445,658)
FUND BALANCE - ENDING	<u>\$ 486,902</u>	<u>\$ 1,854,607</u>	<u>\$ 5,114,907</u>	<u>\$ 246,539</u>	<u>\$ 5,361,446</u>	<u>\$ 3,506,839</u>

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members
of the City Council and Citizens
City of Venus, Texas

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Venus, Texas (the "City") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting as a basis for determining the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of finding and responses as item 2020-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The City of Venus, Texas' Response to Findings

The City of Venus, Texas' response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Waco, Texas
August 30, 2021

CITY OF VENUS, TEXAS

SCHEDULE OF FINDINGS AND RESPONSES

SEPTEMBER 30, 2020

Item 2020-001

<u>Criteria:</u>	Internal controls are an essential tool for ensuring a government meets its stated objectives. Management should define those objectives clearly to enable the identification of risks and also design control activities to achieve those objectives and respond to identified risks.
<u>Condition:</u>	The City has not designed or implemented internal controls over the accuracy of utility bills. When the current utility billing system was implemented in 2017, errors were made in the setup of accounts for large commercial customers with compound meters.
<u>Effect:</u>	In the current year it was determined the City has overbilled three large commercial utility customers since fiscal year 2017 in the amount of \$691,313.
<u>Recommendation:</u>	Management should perform a formal evaluation of the risks associated with the accuracy of customer utility bills and implement internal controls over the account setup, meter reading and billing processes.
<u>Management's Response:</u>	In January 2021, an internal audit was performed on the utility billing system. It was determined that during the swap-out of manually-read meters, multipliers and scales were not set up correctly in the billing software. When compound meters for large commercial customers were installed, the utility billing system was not modified to read these types of meters (multiple dials for one meter) and incorrect scales were used which calculated consumption incorrectly. These errors were corrected in the software before January 2020 billing was calculated. All customer bills with compound meters were manually calculated from December 2020 back to October 2017, and errors were corrected in the billing software resulting in significant refunds to large commercial water customers. Experienced staff within the Finance/ Accounting Department took over responsibility of monthly bill calculations, and proper internal controls were implemented as part of the monthly review and approval process.

ORDINANCE NO. 731-2021-08

AN ORDINANCE OF THE CITY OF VENUS, TEXAS, VACATING AND ABANDONING PORTIONS OF 6TH STREET SOUTH OF 5TH STREET AND WEST OF LOCUST STREET AS DETAILED IN THE ATTACHED EXHIBITS “A”, “B”, AND “C” AND SAID EXHIBITS INCORPORATED HEREIN FOR ALL PURPOSES AND IN THE CITY OF VENUS, TEXAS; DECLARING THAT SUCH PROPERTY IS UNNECESSARY FOR USE BY THE PUBLIC; AUTHORIZING THE MAYOR OR CITY ADMINISTRATOR OF THE CITY OF VENUS, TEXAS TO EXECUTE QUITCLAIM DEEDS RELEASING PUBLIC OWNERSHIP, INTEREST AND CONTROL OF SAID PORTIONS; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of VENUS, Texas is a Type A general law municipality located in Johnson County, Texas and is authorized under Chapter 311, *et seq.* of the Texas Transportation Code to abandon, vacate or otherwise close a street; and

WHEREAS, pursuant to a petition submitted by all property owners abutting the portion of the road to be abandoned, the City Council of Venus has determined, after careful study and consideration, such abandonment will be of great benefit to the citizens of the City of Venus; and

WHEREAS, a depiction of the three (3) tracts to be abandoned and vacated are attached as a graph, drawing or other graphic, and as Exhibit “A”, Exhibit “B” and Exhibit “C” and are incorporated herein for all purposes; and

WHEREAS, in order to remove any question as to the interest of ownership of the public in said portions of the street, the City desires to execute the appropriate quitclaim deeds releasing all title, ownership and control in said street to the abutting property owners.

NOW, BE IT THEREFORE ORDAINED BY THE CITY COUNCIL OF THE CITY OF VENUS, TEXAS:

SECTION 1. The following streets are vacated and abandoned as public property:

“TRACT ONE

0.147 ACRE

BEING A TRACT OF LAND LOCATED IN THE R. BERRY SURVEY, ABSTRACT NO. 26 AND THE W. HILL SURVEY, ABSTRACT NO. 379, JOHNSON COUNTY, TEXAS AND BEING THAT CERTAIN PART OF BEACH STREET AND PART OF 6TH STREET, AS LOCATED IN BLOCK 4, TRUELOVE ADDITION, ACCORDING TO THE PLAT RECORDED IN VOLUME 178, PAGE 640, DEED RECORDS. JOHNSON COUNTY, TEXAS (D.R.J.C.T.) AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 3/8” IRON ROD FOUND IN THE SOUTH LINE OF SAID 5TH STREET, AT THE NORTHEAST CORNER OF SAID BEACH STREET, FOR THE NORTHWEST CORNER OF A TRACT OF LAND CONVEYED TO GLENNA GRAY and TRUMAN J. GRAY, AS DESCRIBED IN A DEED RECORDED IN INSTRUMENT NO. 2012-11782, O.P.R.J.C.T.;

THENCE, S 24°38’59” E, A DISTANCE OF 90.69 FEET TO A 1” PIPE FOUND AT THE INTERSECTION OF THE EAST LINE OF SAID BEACH STREET AND THE NORTH LINE OF 6TH STREET, FOR THE SOUTHWEST CORNER OF SAID GRAY TRACT;

THENCE, N 65°30’41” E, WITH THE NORTH LINE OF SAID 6TH STREET, A DISTANCE OF 105.00 FEET TO A 5/8” IRON ROD WITH A CAP STAMPED “TRANS TEXAS SURVEYING” SET FOR THE SOUTHEAST CORNER OF SAID GRAY TRACT AND BEING THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO JAMES L. BURGESS & SHERRIE L. BURGESS, AS DESCRIBED IN A DEED RECORDED IN VOLUME 3591, PAGE 926, O.P.R.J.C.T., FROM WHICH A 2” PIPE FOUND FOR THE SOUTHEAST CORNER OF SAID BURGESS TRACT BEARS, N 65°30’41” E, A DISTANCE OF 194.03 FEET;

THENCE, S 24°17’18” E, A DISTANCE OF 29.27 FEET TO A 1/2” IRON ROD WITH A CAP STAMPED “RPLS 5614” FOUND, FROM WHICH A 1/2” IRON ROD WITH A CAP STAMPED “RPLS 5614” BEARS, N 65°45’03” E, A DISTANCE OF 44.18 FEET;

THENCE, S 65°45’03” W, A DISTANCE OF 131.76 FEET TO A 5/8” IRON ROD WITH A CAP STAMPED “TRANS TEXAS SURVEYING” SET IN THE EAST LINE OF LOT 1, DEBORDE ADDITION, AS SHOWN ON THE PLAT RECORDED IN VOLUME 11, PAGE 42, PLAT RECORDS, JOHNSON COUNTY, TEXAS (P.R.J.C.T.);

THENCE, N 26°05’34” W, WITH THE EAST LINE OF SAID DEBORDE ADDITION, A DISTANCE OF 116.57 FEET TO A 5/8” IRON ROD WITH A CAP STAMPED “TRANS TEXAS SURVEYING” SET IN THE SOUTH LINE OF SAID 5TH STREET, FROM WHICH A 1/2” IRON ROD FOUND BEARS, S 59°59’51” W, A DISTANCE OF 30.01 FEET;

THENCE, N 59°59’51” E, WITH THE SOUTH LINE OF SAID 5TH STREET, A DISTANCE OF 30.01 FEET, TO THE PLACE OF BEGINNING AND CONTAINING 0.147 ACRE OF

LAND, AS SURVEYED ON THE GROUND ON JULY 28, 2021 UNDER THE SUPERVISION OF ROBERT L. YOUNG, R.P.L.S. NO. 5400. ALL BEARINGS RECITED HEREIN ARE CORRELATED TO THE TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE (4202), NAD83 (NA2011). SEE THE ACCOMPANYING SURVEY MAP ATTACHED HERETO AND MADE A PART HEREOF.”

The streets so vacated and abandoned shall revert in fee simple to the owner(s) of the abutting properties.

“TRACT TWO
0.105 ACRE

BEING A TRACT OF LAND LOCATED IN THE W. HILL SURVEY, ABSTRACT NO. 379, JOHNSON COUNTY, TEXAS AND BEING THAT CERTAIN PART OF 6TH STREET AND BEACH STREET, AS LOCATED IN BLOCK 4, TRUELOVE ADDITION, ACCORDING TO THE PLAT RECORDED IN VOLUME 178, PAGE 640, DEED RECORDS. JOHNSON COUNTY, TEXAS (D.R.J.C.T.) AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2” IRON ROD WITH A CAP STAMPED “RPLS 5614” FOUND FOR THE NORTHWEST CORNER OF LOT 4-R1, BLOCK 5, TRUELOVE ADDITION, AS SHOWN ON THE PLAT RECORDED IN VOLUME 10, PAGE 502, PLAT RECORDS, JOHNSON COUNTY, TEXAS (P.R.J.C.T.), FROM WHICH A 1/2” IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID LOT 4-R1 BEARS, N 65°45’03” E, A DISTANCE OF 150.12 FEET;

THENCE, S 24°39’02” E, WITH THE WEST LINE OF SAID LOT 4-R1, A DISTANCE OF 30.00 FEET TO A 5/8” IRON ROD WITH A CAP STAMPED “TRANS TEXAS SURVEYING” SET FOR THE NORTHEAST CORNER OF A CALLED 14.0 ACRE TRACT OF LAND CONVEYED TO BOARD OF TRUSTEES OF THE VENUS INDEPENDENT SCHOOL DISTRICT, AS DESCRIBED IN A DEED RECORDED IN VOLUME 958, PAGE 313, OFFICIAL PUBLIC RECORDS, JOHNSON COUNTY, TEXAS (O.P.R.J.C.T.);

THENCE, S 68°22’06” W, WITH THE NORTH LINE OF SAID 14.0 ACRE TRACT, A DISTANCE OF 175.63 FEET TO A 5/8” IRON ROD WITH A CAP STAMPED “TRANS TEXAS SURVEYING” SET FOR THE SOUTHEAST CORNER OF LOT 1, DEBORDE ADDITION, AS SHOWN ON THE PLAT RECORDED IN VOLUME 11, PAGE 42, P.R.J.C.T.;

THENCE, N 26°05’34” W, WITH THE EAST LINE OF SAID DEBORDE ADDITION, A DISTANCE OF 21.99 FEET TO A 5/8” IRON ROD WITH A CAP STAMPED “TRANS TEXAS SURVEYING” SET;

THENCE, N 65°45'03" E, AT A DISTANCE OF 131.76 FEET, PASSING A 1/2" IRON ROD WITH A CAP STAMPED "RPLS 5614" FOUND, CONTINUING IN ALL A TOTAL DISTANCE OF 175.94 FEET TO THE PLACE OF BEGINNING AND CONTAINING 0.105 ACRE OF LAND, AS SURVEYED ON THE GROUND ON JULY 28, 2021 UNDER THE SUPERVISION OF ROBERT L. YOUNG, R.P.L.S. NO. 5400. ALL BEARINGS RECITED HEREIN ARE CORRELATED TO THE TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE (4202), NAD83 (NA2011). SEE THE ACCOMPANYING SURVEY MAP ATTACHED HERETO AND MADE A PART HEREOF."

The streets so vacated and abandoned shall revert in fee simple to the owner(s) of the abutting properties.

**"TRACT THREE
0.132**

BEING A TRACT OF LAND LOCATED IN THE W. HILL SURVEY, ABSTRACT NO. 379, JOHNSON COUNTY, TEXAS AND BEING THAT CERTAIN PART OF 6TH STREET, AS LOCATED IN BLOCK 4, TRUELOVE ADDITION, ACCORDING TO THE PLAT RECORDED IN VOLUME 178, PAGE 640, DEED RECORDS. JOHNSON COUNTY, TEXAS (D.R.J.C.T.) AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND IN THE WEST LINE OF LOCUST STREET, FOR THE NORTHEAST CORNER OF LOT 4-R1, BLOCK 5, TRUELOVE ADDITION, AS SHOWN ON THE PLAT RECORDED IN VOLUME 10, PAGE 502, PLAT RECORDS, JOHNSON COUNTY, TEXAS (P.R.J.C.T.), FROM WHICH A 2" PIPE FOUND FOR THE SOUTHEAST CORNER OF A TRACT OF LAND CONVEYED TO JAMES L. BURGESS & SHERRIE L. BURGESS, AS DESCRIBED IN A DEED RECORDED IN VOLUME 3591, PAGE 926, OFFICIAL PUBLIC RECORDS, JOHNSON COUNTY, TEXAS (O.P.R.J.C.T.) BEARS, N 24°48'35" W, A DISTANCE OF 30.08 FEET;

THENCE, S 65°45'03" W, AT A DISTANCE OF 150.12 FEET, PASSING A 1/2" IRON ROD WITH A CAP STAMPED "RPLS 5614" FOUND FOR THE NORTHWEST CORNER OF SAID LOT 4-R1, CONTINUING IN ALL A TOTAL DISTANCE OF 194.30 FEET TO A 1/2" IRON ROD WITH A CAP STAMPED "RPLS 5614" FOUND;

THENCE, N 24°17'18" W, A DISTANCE OF 29.27 FEET TO A 5/8" IRON ROD WITH A CAP STAMPED "TRANS TEXAS SURVEYING" SET IN THE NORTH LINE OF SAID 6TH STREET AND BEING THE SOUTHEAST CORNER OF A TRACT OF LAND CONVEYED TO GLENNA GRAY and TRUMAN J. GRAY, AS DESCRIBED IN A DEED RECORDED IN INSTRUMENT NO. 2012-11782, O.P.R.J.C.T. AND THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO JAMES L. BURGESS & SHERRIE L. BURGESS, AS DESCRIBED IN A DEED RECORDED IN VOLUME 3591, PAGE 926, O.P.R.J.C.T., FROM

WHICH A 1" PIPE FOUND FOR THE SOUTHWEST CORNER OF SAID GRAY TRACT BEARS, S 65°30'41" W, A DISTANCE OF 105.00 FEET;

THENCE, N 65°30'41" E, WITH THE NORTH LINE OF SAID 6TH STREET AND WITH THE SOUTH LINE OF SAID BURGESS TRACT, A DISTANCE OF 194.03 FEET TO A 2" PIPE FOUND IN THE WEST LINE OF SAID LOCUST STREET FOR THE SOUTHEAST CORNER OF SAID BURGESS TRACT, FROM WHICH A 1/2" IRON ROD FOUND BEARS, N 34°18'40" E, A DISTANCE OF 1.33 FEET;

THENCE, S 24°48'35" E, WITH THE WEST LINE OF SAID LOCUST STREET, A DISTANCE OF 30.08 FEET, TO THE PLACE OF BEGINNING AND CONTAINING 0.132 ACRE OF LAND, AS SURVEYED ON THE GROUND ON JULY 28, 2021 UNDER THE SUPERVISION OF ROBERT L. YOUNG, R.P.L.S. NO. 5400. ALL BEARINGS RECITED HEREIN ARE CORRELATED TO THE TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE (4202), NAD83 (NA2011). SEE THE ACCOMPANYING SURVEY MAP ATTACHED HERETO AND MADE A PART HEREOF."

The streets so vacated and abandoned shall revert in fee simple to the owner(s) of the abutting properties.

SECTION 2. The Mayor or City Administrator of the City of Venus, Texas is hereby authorized to execute a quitclaim deed to each abutting property owner releasing all claims to title, ownership or control of the streets on behalf of the City of Venus, Texas. A copy of the applicable quitclaim deed may be presented for filing with the County Clerk of Johnson County, Texas by each abutting property owner.

SECTION 3. That all ordinances of the City of in conflict with the provisions of this ordinance be, and the same are hereby, repealed.

SECTION 4. That should any sentence, paragraph, subdivision, clause, phrase or section of this ordinance or the Code of Ordinances, as amended hereby, be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this ordinance as a whole or any part or provision thereof, other than the part so declared to be invalid, illegal or unconstitutional and shall not affect the validity of the Code of Ordinances as a whole.

SECTION 5. That this ordinance shall take effect immediately from and after its passage,

and the publication of the caption, as the law in such cases provide, and the City Secretary is directed to file same with the county records where the property is located.

SECTION 6. The Recitals to this Ordinance are incorporated herein for all purposes and found to be true and correct.

DULY PASSED by the City Council of the City of Venus, Texas, on this the ___ day of August 2021.

APPROVED:

Jeanie T. Scott, Mayor Pro Tem

ATTEST:

Callie Green, City Secretary

FACT SHEET: The Coronavirus State and Local Fiscal Recovery Funds Will Deliver \$350 Billion for State, Local, Territorial, and Tribal Governments to Respond to the COVID-19 Emergency and Bring Back Jobs

May 10, 2021

Aid to state, local, territorial, and Tribal governments will help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery

Today, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, to provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. Treasury also released details on how these funds can be used to respond to acute pandemic response needs, fill revenue shortfalls among these governments, and support the communities and populations hardest-hit by the COVID-19 crisis. With the launch of the Coronavirus State and Local Fiscal Recovery Funds, eligible jurisdictions will be able to access this funding in the coming days to address these needs.

State, local, territorial, and Tribal governments have been on the frontlines of responding to the immense public health and economic needs created by this crisis – from standing up vaccination sites to supporting small businesses – even as these governments confronted revenue shortfalls during the downturn. As a result, these governments have endured unprecedented strains, forcing many to make untenable choices between laying off educators, firefighters, and other frontline workers or failing to provide other services that communities rely on. Faced with these challenges, state and local governments have cut over 1 million jobs since the beginning of the crisis. The experience of prior economic downturns has shown that budget pressures like these often result in prolonged fiscal austerity that can slow an economic recovery.

To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, the American Rescue Plan Act of 2021 established the Coronavirus State and Local Fiscal Recovery Funds, designed to deliver \$350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and its economic impacts. Today, Treasury is launching this much-needed relief to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- Support immediate economic stabilization for households and businesses; and,
- Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic on certain populations.

The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each jurisdiction to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. These funds also deliver resources that recipients can invest in building, maintaining, or upgrading their water, sewer, and broadband infrastructure.

Starting today, eligible state, territorial, metropolitan city, county, and Tribal governments may request Coronavirus State and Local Fiscal Recovery Funds through the Treasury Submission Portal. Concurrent with this program launch, Treasury has published an Interim Final Rule that implements the provisions of this program.

FUNDING AMOUNTS

The American Rescue Plan provides a total of \$350 billion in Coronavirus State and Local Fiscal Recovery Funds to help eligible state, local, territorial, and Tribal governments meet their present needs and build the foundation for a strong recovery. Congress has allocated this funding to tens of thousands of jurisdictions. These allocations include:

Type	Amount (\$ billions)
States & District of Columbia	\$195.3
Counties	\$65.1
Metropolitan Cites	\$45.6
Tribal Governments	\$20.0
Territories	\$4.5
Non-Entitlement Units of Local Government	\$19.5

Treasury expects to distribute these funds directly to each state, territorial, metropolitan city, county, and Tribal government. Local governments that are classified as non-entitlement units will receive this funding through their applicable state government. Treasury expects to provide further guidance on distributions to non-entitlement units next week.

Local governments should expect to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered 12 months later. States that have experienced a net increase in the unemployment rate of more than 2 percentage points from February 2020 to the latest available data as of the date of certification will receive their full allocation of funds in a single payment; other states will receive funds in two equal tranches. Governments of U.S. territories will receive a single payment. Tribal governments will receive two payments, with the first payment available in May and the second payment, based on employment data, to be delivered in June 2021.

USES OF FUNDING

Coronavirus State and Local Fiscal Recovery Funds provide eligible state, local, territorial, and Tribal governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. Within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- **Support public health expenditures**, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- **Address negative economic impacts caused by the public health emergency**, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- **Provide premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Within these overall categories, Treasury’s Interim Final Rule provides guidelines and principles for determining the types of programs and services that this funding can support, together with examples of allowable uses that recipients may consider. As described below, Treasury has also designed these provisions to take into consideration the disproportionate impacts of the COVID-19 public health emergency on those hardest-hit by the pandemic.

1. Supporting the public health response

Mitigating the impact of COVID-19 continues to require an unprecedented public health response from state, local, territorial, and Tribal governments. Coronavirus State and Local Fiscal Recovery Funds provide resources to meet these needs through the provision of care for those impacted by the virus and through services that address disparities in public health that have been exacerbated by the pandemic. Recipients may use this funding to address a broad range of public health needs across COVID-19 mitigation, medical expenses, behavioral healthcare, and public health resources. Among other services, these funds can help support:

- **Services and programs to contain and mitigate the spread of COVID-19, including:**
 - ✓ Vaccination programs
 - ✓ Medical expenses
 - ✓ Testing
 - ✓ Contact tracing
 - ✓ Isolation or quarantine
 - ✓ PPE purchases
 - ✓ Support for vulnerable populations to access medical or public health services
 - ✓ Public health surveillance (e.g., monitoring for variants)
 - ✓ Enforcement of public health orders
 - ✓ Public communication efforts
 - ✓ Enhancement of healthcare capacity, including alternative care facilities
 - ✓ Support for prevention, mitigation, or other services in congregate living facilities and schools
 - ✓ Enhancement of public health data systems
 - ✓ Capital investments in public facilities to meet pandemic operational needs
 - ✓ Ventilation improvements in key settings like healthcare facilities

- **Services to address behavioral healthcare needs exacerbated by the pandemic, including:**
 - ✓ Mental health treatment
 - ✓ Substance misuse treatment
 - ✓ Other behavioral health services
 - ✓ Hotlines or warmlines
 - ✓ Crisis intervention
 - ✓ Services or outreach to promote access to health and social services
- **Payroll and covered benefits expenses** for public health, healthcare, human services, public safety and similar employees, to the extent that they work on the COVID-19 response. For public health and safety workers, recipients can use these funds to cover the full payroll and covered benefits costs for employees or operating units or divisions primarily dedicated to the COVID-19 response.

2. Addressing the negative economic impacts caused by the public health emergency

The COVID-19 public health emergency resulted in significant economic hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote education, and travel declined precipitously, over 20 million jobs were lost between February and April 2020. Although many have since returned to work, as of April 2021, the economy remains more than 8 million jobs below its pre-pandemic peak, and more than 3 million workers have dropped out of the labor market altogether since February 2020.

To help alleviate the economic hardships caused by the pandemic, Coronavirus State and Local Fiscal Recovery Funds enable eligible state, local, territorial, and Tribal governments to provide a wide range of assistance to individuals and households, small businesses, and impacted industries, in addition to enabling governments to rehire public sector staff and rebuild capacity. Among these uses include:

- **Delivering assistance to workers and families**, including aid to unemployed workers and job training, as well as aid to households facing food, housing, or other financial insecurity. In addition, these funds can support survivor's benefits for family members of COVID-19 victims.
- **Supporting small businesses**, helping them to address financial challenges caused by the pandemic and to make investments in COVID-19 prevention and mitigation tactics, as well as to provide technical assistance. To achieve these goals, recipients may employ this funding to execute a broad array of loan, grant, in-kind assistance, and counseling programs to enable small businesses to rebound from the downturn.
- **Speeding the recovery of the tourism, travel, and hospitality sectors**, supporting industries that were particularly hard-hit by the COVID-19 emergency and are just now beginning to mend. Similarly impacted sectors within a local area are also eligible for support.
- **Rebuilding public sector capacity**, by rehiring public sector staff and replenishing unemployment insurance (UI) trust funds, in each case up to pre-pandemic levels. Recipients may also use this funding to build their internal capacity to successfully implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations.

3. Serving the hardest-hit communities and families

While the pandemic has affected communities across the country, it has disproportionately impacted low-income families and communities of color and has exacerbated systemic health and economic inequities. Low-income and socially vulnerable communities have experienced the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000.

Coronavirus State and Local Fiscal Recovery Funds allow for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households. Eligible services include:

- **Addressing health disparities and the social determinants of health**, through funding for community health workers, public benefits navigators, remediation of lead hazards, and community violence intervention programs;
- **Investments in housing and neighborhoods**, such as services to address individuals experiencing homelessness, affordable housing development, housing vouchers, and residential counseling and housing navigation assistance to facilitate moves to neighborhoods with high economic opportunity;
- **Addressing educational disparities** through new or expanded early learning services, providing additional resources to high-poverty school districts, and offering educational services like tutoring or afterschool programs as well as services to address social, emotional, and mental health needs; and,
- **Promoting healthy childhood environments**, including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Governments may use Coronavirus State and Local Fiscal Recovery Funds to support these additional services if they are provided:

- within a Qualified Census Tract (a low-income area as designated by the Department of Housing and Urban Development);
- to families living in Qualified Census Tracts;
- by a Tribal government; or,
- to other populations, households, or geographic areas disproportionately impacted by the pandemic.

4. Replacing lost public sector revenue

State, local, territorial, and Tribal governments that are facing budget shortfalls may use Coronavirus State and Local Fiscal Recovery Funds to avoid cuts to government services. With these additional resources, recipients can continue to provide valuable public services and ensure that fiscal austerity measures do not hamper the broader economic recovery.

Many state, local, territorial, and Tribal governments have experienced significant budget shortfalls, which can yield a devastating impact on their respective communities. Faced with budget shortfalls and pandemic-related uncertainty, state and local governments cut staff in all 50 states. These budget shortfalls and staff cuts are particularly problematic at present, as these entities are on the front lines of battling the COVID-19 pandemic and helping citizens weather the economic downturn.

Recipients may use these funds to replace lost revenue. Treasury's Interim Final Rule establishes a methodology that each recipient can use to calculate its reduction in revenue. Specifically, recipients will compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic. Analysis of this expected trend begins with the last full fiscal year prior to the public health emergency and projects forward at either (a) the recipient's average annual revenue growth over the three full fiscal years prior to the public health emergency or (b) 4.1%, the national average state and local revenue growth rate from 2015-18 (the latest available data).

For administrative convenience, Treasury's Interim Final Rule allows recipients to presume that any diminution in actual revenue relative to the expected trend is due to the COVID-19 public health emergency. Upon receiving Coronavirus State and Local Fiscal Recovery Funds, recipients may immediately calculate the reduction in revenue that occurred in 2020 and deploy funds to address any shortfall. Recipients will have the opportunity to re-calculate revenue loss at several points through the program, supporting those entities that experience a lagged impact of the crisis on revenues.

Importantly, once a shortfall in revenue is identified, recipients will have broad latitude to use this funding to support government services, up to this amount of lost revenue.

5. Providing premium pay for essential workers

Coronavirus State and Local Fiscal Recovery Funds provide resources for eligible state, local, territorial, and Tribal governments to recognize the heroic contributions of essential workers. Since the start of the public health emergency, essential workers have put their physical well-being at risk to meet the daily needs of their communities and to provide care for others.

Many of these essential workers have not received compensation for the heightened risks they have faced and continue to face. Recipients may use this funding to provide premium pay directly, or through grants to private employers, to a broad range of essential workers who must be physically present at their jobs including, among others:

- | | |
|---|---|
| ✓ Staff at nursing homes, hospitals, and home-care settings | ✓ Truck drivers, transit staff, and warehouse workers |
| ✓ Workers at farms, food production facilities, grocery stores, and restaurants | ✓ Childcare workers, educators, and school staff |
| ✓ Janitors and sanitation workers | ✓ Social service and human services staff |
| ✓ Public health and safety staff | |

Treasury's Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

In addition, employers are both permitted and encouraged to use Coronavirus State and Local Fiscal Recovery Funds to offer retrospective premium pay, recognizing that many essential workers have not yet received additional compensation for work performed. Staff working for third-party contractors in eligible sectors are also eligible for premium pay.

6. Investing in water and sewer infrastructure

Recipients may use Coronavirus State and Local Fiscal Recovery Funds to invest in necessary improvements to their water and sewer infrastructures, including projects that address the impacts of climate change.

Recipients may use this funding to invest in an array of drinking water infrastructure projects, such as building or upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines.

Recipients may also use this funding to invest in wastewater infrastructure projects, including constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works.

To help jurisdictions expedite their execution of these essential investments, Treasury's Interim Final Rule aligns types of eligible projects with the wide range of projects that can be supported by the Environmental Protection Agency's Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Recipients retain substantial flexibility to identify those water and sewer infrastructure investments that are of the highest priority for their own communities.

Treasury's Interim Final Rule also encourages recipients to ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions.

7. Investing in broadband infrastructure

The pandemic has underscored the importance of access to universal, high-speed, reliable, and affordable broadband coverage. Over the past year, millions of Americans relied on the internet to participate in remote school, healthcare, and work.

Yet, by at least one measure, 30 million Americans live in areas where there is no broadband service or where existing services do not deliver minimally acceptable speeds. For millions of other Americans, the high cost of broadband access may place it out of reach. The American Rescue Plan aims to help remedy these shortfalls, providing recipients with flexibility to use Coronavirus State and Local Fiscal Recovery Funds to invest in broadband infrastructure.

Recognizing the acute need in certain communities, Treasury's Interim Final Rule provides that investments in broadband be made in areas that are currently unserved or underserved—in other words, lacking a wireline connection that reliably delivers minimum speeds of 25 Mbps download and 3 Mbps upload. Recipients are also encouraged to prioritize projects that achieve last-mile connections to households and businesses.

Using these funds, recipients generally should build broadband infrastructure with modern technologies in mind, specifically those projects that deliver services offering reliable 100 Mbps download and 100

Mbps upload speeds, unless impracticable due to topography, geography, or financial cost. In addition, recipients are encouraged to pursue fiber optic investments.

In view of the wide disparities in broadband access, assistance to households to support internet access or digital literacy is an eligible use to respond to the public health and negative economic impacts of the pandemic, as detailed above.

8. Ineligible Uses

Coronavirus State and Local Fiscal Recovery Funds provide substantial resources to help eligible state, local, territorial, and Tribal governments manage the public health and economic consequences of COVID-19. Recipients have considerable flexibility to use these funds to address the diverse needs of their communities.

To ensure that these funds are used for their intended purposes, the American Rescue Plan Act also specifies two ineligible uses of funds:

- **States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent.** The American Rescue Plan ensures that funds needed to provide vital services and support public employees, small businesses, and families struggling to make it through the pandemic are not used to fund reductions in net tax revenue. Treasury's Interim Final Rule implements this requirement. If a state or territory cuts taxes, they must demonstrate how they paid for the tax cuts from sources other than Coronavirus State Fiscal Recovery Funds—by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be paid back to the Treasury.
- **No recipient may use this funding to make a deposit to a pension fund.** Treasury's Interim Final Rule defines a "deposit" as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions for employees whose wages and salaries are an eligible use of funds.

Treasury's Interim Final Rule identifies several other ineligible uses, including funding debt service, legal settlements or judgments, and deposits to rainy day funds or financial reserves. Further, general infrastructure spending is not covered as an eligible use outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision. While the program offers broad flexibility to recipients to address local conditions, these restrictions will help ensure that funds are used to augment existing activities and address pressing needs.



City Council Agenda Item Report

August 30, 2021

Cheryl Estes, CPA, CGFO

Finance Director

972-366-3348 ext 208

cestes@cityofvenus.org

**DISCUSS AND CONSIDER APPROVAL TO COMMIT \$541,165 OF \$1,082,330 RECEIVED IN GRANT FUNDS
AWARDED TO THE CITY BY THE CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUND (CSLFRF)
ESTABLISHED UNDER THE AMERICAN RESCUE PLAN ACT (ARPA) ON WATER AND SEWER INFRASTRUCTURE**

1. BACKGROUND/HISTORY:

The City was awarded a total of \$1,082,330 of ARPA grant funds.

2. FINDINGS / CURRENT ACTIVITY:

The City received \$541,065 on August 16, 2021. The remaining grant funds will be received one year from now. The entire grant award will be accounted for in the City's Grant Fund. Depending on what these funds are used for will determine how to report the Grant Fund in the FY 20-21 audited financial statements.

3. RECOMMENDATIONS

Management recommends committing these funds to be used on critically needed water and sewer infrastructure. If committed for this purpose, the Grant Fund will be reported as a capital project fund with the Water & Sewer Fund in the FY 20-21 audited financial statements.

4. ATTACHMENTS:

CSLFRF Fact Sheet

JOHNSON COUNTY, TEXAS

SCHEDULE OF COSTS FOR PRECINCT SERVICES (page 1 of 2)

Rates Approved in Commissioners Court on 9/9/2019

ATTACHMENT A

DATE: 8/5/2021 **DATE QUOTE EXPIRES:** 9/30/2021

TO: **Name:** City of Venus
Attn:
Address:
City, State, Zip: Venus, Tx. 76084

PROJECT: **Location of Project** C.R. 620
Quote for Rebuild of C.R. 620 (1.150 Miles of road)
Prices may change some if the price of CRS2-TR, AEP Primer, or Stabilizer goes up in cost

**** I suggest replacing (1) culvert in curve going back towards Hwy 157 to make it wider for future traffic flow**

SERVICES: Basic Labor \$35.00 per hour x 28 hours x 2 Men \$1,960.00

Total Services Cost: **\$1,960.00**

MATERIALS:

Road Base	\$10.00 per ton	x	3482.00	tons	\$34,820.00
Grade #4 Rock	\$28.00 per ton	x	350.00	tons	\$9,800.00
Pea Gravel	\$8.00 per ton	x		tons	\$0.00
MC-30 Prime	\$3.99 per gal.	x	2350.00	gallons	\$9,376.50
CRS-2 Emulsion	\$2.50 per gal.	x	7,577	gallons	\$18,942.50
Hot Mix Asphalt	\$58.00 per ton	x		tons	\$0.00
CSS1-HTR Stabilizer	\$2.20 per gal.	x	29142.00	gallons	\$64,112.40
Spread Fee	\$300.00 per trucks	x		trucks	\$0.00
Culverts (installation only)	\$18.00 per foot	x		feet	\$0.00
Concrete for Header Walls	\$0.00 per yard	x		yards	\$0.00
Signage and Hardware	\$8.00 all sign & hardware			Total Signage:	\$406.23
Crack Sealer Poly Flex 3	\$16.56 per box	x		boxes	\$0.00
Herbicide Spray	per quart	x		quarts	\$0.00

Total Materials Cost: **\$137,457.63**

HAULING: Hauling (Round Trip) \$3.00 per mile x 6,105 miles \$18,315.00

Total Hauling Cost: **\$18,315.00**

EQUIPMENT: Minimum charge -- 2 hours

Truck w/ operator	\$76.00 per hour	x	120	hours	x	4	\$36,480.00
Loader w/ operator	\$83.00 per hour	x	5	hours	x	1	\$415.00
Track machine w/ operator	\$126.00 per hour	x		hours	x		\$0.00
Durapatcher w/ 2 operators	\$105.00 per hour	x		hours	x		\$0.00
Distributor w/ operator	\$105.00 per hour	x	30	hours	x	1	\$3,150.00
Water truck w/ operator	\$76.00 per hour	x	120	hours	x	1	\$9,120.00
Bobtail w/ operator	\$67.00 per hour	x	4	hours	x	5	\$1,340.00
Backhoe w/ operator	\$76.00 per hour	x		hours	x		\$0.00
Roller (Compactor) w/ operator	\$76.00 per hour	x	120	hours	x	2	\$18,240.00
Motorgrader (Blade) w/ operator	\$105.00 per hour	x	120	hours	x	1	\$12,600.00

SCHEDULE OF COSTS FOR PRECINCT SERVICES (page 2 of 2)

Reclaimer w/ operator	\$155.00 per hour	x	40	hours	x	1	\$6,200.00
Gradall w/ operator	\$105.00 per hour	x		hours	x		\$0.00
Sign Truck w/ operator	\$47.00 per hour	x	4	hours	x	1	\$188.00
Pickups w/ operator	\$47.00 per hour	x	120	hours	x	2	\$11,280.00
Broom w/ operator	\$76.00 per hour	x	6	hours	x	1	\$456.00
Excavator w/ operator	\$76.00 per hour	x		hours	x		\$0.00
Chip spreader w/ operator	\$105.00 per hour	x	3	hours	x	1	\$315.00
Brushcutter w/ operator	\$76.00 per hour	x	20	hours	x	1	\$1,520.00
Crack Sealer w/ operator	\$105.00 per hour	x		hours	x		\$0.00
Wood Chipper w/ operator	\$105.00 per hour	x		hours	x		\$0.00

Total Equipment Cost:**Grand Total:****\$101,304.00****\$259,036.63****NOTES / SPECIAL CONDITIONS**

Please Make Checks Payable To:**Johnson County Precinct #3****Please Mail To:****Johnson County Precinct #3
Attn: Mike White, Commissioner
10420 E. FM 917
Alvarado, Tx 76009**

ORDINANCE NO. 734-2021-08

**AN ORDINANCE OF THE CITY OF VENUS, TEXAS
AMENDING THE CURRENT 2020-2021 FISCAL YEAR
BUDGETS; FINDING MUNICIPAL PURPOSES;
AUTHORIZING EXPENDITURES; PROVIDING FOR A
SEVERABILITY CLAUSE; AND PROVIDING FOR AN
EFFECTIVE DATE**

WHEREAS, the City Council of the City of Venus, Texas, (the "City Council") has utilized diligent thought, attention and determination in creating the 2020-2021 budgets; and

WHEREAS, on September 14, 2020, the City Council of the City of Venus passed Ordinance No. 707-2020-09, approving the budgets for the fiscal year beginning October 1, 2020; and,

WHEREAS, upon examination and review of revenues and expenditures, the City Administrator and City Council has determined it necessary to amend and modify the budgets of the General Fund (Exhibit "A"), Water & Sewer Fund (Exhibit "B"), Street Maintenance Tax Fund (Exhibit "C"), Street CIP Fund (Exhibit "D"), Court Security Fund (Exhibit "E"), Capital Grant Fund (Exhibit "F"), and 2018 Bonds Capital Projects Fund (Exhibit "G"), as set forth herein; and,

WHEREAS, the City Council finds that the proposed Budget Amendments are for legitimate municipal purposes, and thus is statutorily authorized by Texas Local Government Code section 102.010; and

WHEREAS, the City Council finds that it is necessary and proper for good government, peace or order of the City of Venus to adopt an Ordinance amending the current budgets.

WHEREAS, the City Council finds that the proposed Budget Amendments is for legitimate municipal purposes, and thus is statutorily authorized by Texas Local Government Code section 102.010; and

WHEREAS, the City Council finds the amendments in the funds identified in Exhibits "A - G" are reasonable, necessary and for legitimate municipal purposes.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VENUS, TEXAS:

SECTION 1. FINDINGS. The City Council finds the statement made in the preamble above are true and correct. The City Council does authorize amendments to the budget and does authorize an expenditure as an amendment to the original budget, finding this is a situation which could not have been included in the original budget through the use of reasonably diligent thought and attention.

SECTION 2. BUDGET DEPARTMENTS. The City Council approves and amends operating budgets at the department level in Exhibit “A” which is attached and incorporated herein for all purposes; and, approves and amends total fund expenditures for budgets in Exhibits “B – G” for the fiscal year 2020-2021, which is attached and incorporated herein for all purposes.

SECTION 3. BUDGET TOTAL. The City Council further finds the amended budgets in Exhibit “A - G” will not cause total expenditures to exceed total available revenues in the amended funds.

SECTION 4. The Amended Budgets for fiscal year 2020-2021 are hereby approved by the City Council.

SECTION 5. That all provisions of the Ordinances of the City of Venus in conflict with the provisions of this Ordinance be and the same are hereby repealed and all Ordinances not in conflict shall remain in full force and effect, but such repeal shall not abate any pending prosecution for violation of the repealed Ordinance, nor shall the appeal prevent a prosecution from being commenced for any violation if occurring prior to the repealing of the Ordinance. Any remaining portions of said Ordinances shall remain in full force and effect.

SECTION 6. That should any sentence, paragraph, subdivision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this Ordinance as a whole, or any part or provision hereof other than the part so decided to be unconstitutional, illegal or invalid, and shall not affect the validity of the Ordinance as a whole.

SECTION 7. This Ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law in such cases provide.

SECTION 8. The Mayor is authorized to make the amendments as set forth above and file, or cause to be filed, a true and correct copy of this Ordinance, with the attached Exhibits “A - G” with the City Secretary and in the office of the County Clerk of Johnson County, Texas.

SECTION 9. The Recitals and exhibits to this Ordinance are incorporated herein for all purposes as if fully recited.

DULY PASSED by the City Council of the City of Venus, Texas, on the 30th day of August 2021.

APPROVED:

James L. Burgess, Mayor

ATTEST:

Callie Green, City Secretary

EXHIBIT "A"

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE PROJECTED FINAL BUDGET FOR THE TWELVE MONTHS ENDING SEPTEMBER 30, 2021

	ORIGINAL BUDGET	FY 19-20 Encumbered	10/12/2020	12/14/2020	2/8/2021	4/12/2021	6/14/2021	8/30/2021	FINAL BUDGET
REVENUES:									
Property Taxes	\$ 1,608,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,428	\$ 1,628,146
Sales Taxes	516,843	-	-	-	-	-	-	218,136	734,979
Franchise Fees	117,420	-	-	-	-	-	-	14,080	131,500
Licenses and Permits	644,000	-	-	-	-	-	-	150,824	794,824
Charge for Services	8,600	-	-	-	-	-	-	(5,600)	3,000
Fines and Forfeitures	50,750	-	-	-	-	-	-	7,270	58,020
Intergovernmental	147,139	-	-	-	-	-	-	(13,353)	133,786
Investment Earnings	15,000	-	-	-	-	-	-	(2,500)	12,500
Other	20,000	-	-	-	-	-	-	(8,353)	11,647
TOTAL REVENUES	3,128,470	-	-	-	-	-	-	379,932	3,508,402
EXPENDITURES:									
Administration	752,283	-	-	-	-	-	-	(165,385)	586,898
Planning & Development	373,000	-	-	-	-	-	37,000	214,814	624,814
Police	1,435,857	2,592	-	-	-	(2,145)	-	(95,843)	1,340,461
Code Enforcement/Animal Control	-	-	-	-	-	-	-	64,262	64,262
Municipal Court	105,920	-	-	-	-	-	-	(7,402)	98,518
Fire	10,899	-	-	-	-	-	-	12,116	23,015
Public Works	309,973	-	-	-	-	-	26,000	31,100	367,073
Debt Payments	130,538	-	-	147,985	-	-	-	(27,087)	251,436
Capital Outlay	10,000	43,690	-	-	26,477	8,022	-	27,155	115,344
TOTAL EXPENDITURES	3,128,470	46,282	-	147,985	26,477	5,877	63,000	53,730	3,471,821
REVENUE OVER (UNDER) EXPENDITURES	-	(46,282)	-	(147,985)	(26,477)	(5,877)	(63,000)	326,202	36,581
OTHER FINANCING SOURCES (USES)									
Capital Lease Proceeds	221,000	-	18,800	-	-	-	-	(17)	239,783
Capital Outlay-Police Vehicles	(221,000)	-	(18,800)	-	-	5,877	-	-	(233,923)
Transfer from Street CIP Fund	-	-	-	-	-	-	-	0	0
CHANGE IN FUND BALANCE	-	(46,282)	-	(147,985)	(26,477)	-	(63,000)	326,185	42,441
BEGINNING FUND BALANCE-TOTAL	1,682,070	46,282	-	147,985	26,477	-	-	9,213	1,912,027
ENDING FUND BALANCE-TOTAL	\$ 1,682,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (63,000)	\$ 335,398	\$ 1,954,468
LESS: 120-DAY RESERVE	(1,028,538)	(15,216)	-	(48,653)	(8,705)	(1,932)	(20,712)	(17,665)	(1,141,421)
LESS: COMMITTED-FIRE DEPT	-	-	(200,000)	-	-	-	-	(42,441)	(242,441)
ENDING FUND BALANCE-UNASSIGNED	\$ 653,532	\$ (15,216)	\$ (200,000)	\$ (48,653)	\$ (8,705)	\$ (1,932)	\$ (83,712)	\$ 275,292	\$ 570,606

BUDGET AMENDMENTS:

FY 19-20 Encumbered: Budgeted goods/supplies ordered in FY 19-20 but not received and/or paid for until FY 20-21.

10/12/20: Increase in cost of police vehicles due to dealer no longer producing 2021 models (had to purchase 2022 models)

2/14/20: Early pay off of note to Longhorn Lockers, LLC

2/08/21: Purchase of MyGov software

4/12/21: Budget reclassification to purchase police simulator for training in order to spend remaining capital lease proceeds.

6/14/21: Update City Comprehensive Plan including capital improvement plans for streets and drainage.

8/30/21: Projected increase in final expenditures due to reclassified personnel costs from VCSDC and disaster response capital project.

EXHIBIT "B"

WATER & SEWER FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE PROJECTED FINAL BUDGET FOR THE TWELVE MONTHS ENDING SEPTEMBER 30, 2021

	ORIGINAL BUDGET	3/29/2021	3/29/2021	5/10/2021	6/14/2021	8/30/2021	FINAL BUDGET
OPERATING REVENUES:							
Water Revenue	\$ 1,105,000	\$ -	\$ (123,183)	\$ -	\$ -	\$ 118,541	\$ 1,100,358
Sewer Revenue	1,393,500	-	(115,800)	-	-	261,869	1,539,569
Water & Sewer Taps	200,000	-	-	-	-	(114,250)	85,750
Water Meters	15,000	-	-	-	-	(13,100)	1,900
Sewer Connect Fees	80,000	-	-	-	-	(2,400)	77,600
Sanitation Fees	314,628	-	-	3,000	-	188,043	505,671
Reconnect Fees	3,000	-	-	-	-	(320)	2,680
Late Charges	15,000	-	-	-	-	(146)	14,854
Other	1,625	-	-	-	-	1,875	3,500
TOTAL OPERATING REVENUES	3,127,753	-	(238,983)	3,000	-	440,112	3,331,882
OPERATING EXPENSES:							
Personnel	376,553	-	-	-	-	40,409	416,962
Travel & Training	2,650	-	-	-	-	100	2,750
Materials & Supplies	92,862	-	-	-	-	(8,962)	83,900
Utilities	35,890	-	-	-	-	1,110	37,000
Repairs & Maintenance	85,000	-	-	-	-	(23,000)	62,000
Sanitation Contract Fees	354,000	-	-	3,000	-	142,750	499,750
Water Purchases	580,000	-	-	-	-	101,200	681,200
Sewer Contract Fees	634,000	-	-	-	-	186,970	820,970
Other Contracted Services	113,500	-	10,000	-	28,000	58,542	210,042
Departmental	85,206	-	-	-	-	(48,598)	36,608
TOTAL OPERATING EXPENSES	2,359,661	-	10,000	3,000	28,000	450,521	2,851,182
OPERATING INCOME (LOSS)	768,092	-	(248,983)	-	(28,000)	(10,409)	480,700
NON-OPERATING EXPENSES:							
Interest Earnings	5,000	-	-	-	-	1,180	6,180
Debt Principal Payments	(318,333)	-	-	-	-	-	(318,333)
Debt Interest Payments	(122,974)	-	-	-	-	-	(122,974)
NET OPERATING INCOME (LOSS)	331,785	-	(248,983)	-	(28,000)	(9,229)	45,573
Capital Contributions	-	-	-	-	-	-	-
Capital Expenditures	(331,785)	300,000	-	-	-	(11,788)	(43,573)
NET CHANGE IN FUND BALANCE	-	300,000	(248,983)	-	(28,000)	(21,017)	2,000
BEGINNING FUND BALANCE	1,854,607	-	(673,921)	-	-	-	1,180,686
ENDING FUND BALANCE	1,854,607	300,000	(922,904)	-	(28,000)	(21,017)	1,182,686
LESS: 120-DAY RESERVE	(920,866)	-	(3,288)	(986)	(9,205)	(148,116)	(1,082,462)
ENDING FUND BALANCE-UNASSIGNED	\$ 933,741	\$ 300,000	\$ (926,192)	\$ (986)	\$ (37,205)	\$ (169,133)	\$ 100,224

BUDGET AMENDMENTS:

- 3/29/21: Move budgeted capital expenditures for 12" water line to Fund 64 - 2018 Bond Funds
- 3/29/21: Overcharges to utility customers for past three years, and increase in audit fee for additional testing
- 5/10/21: Increase in sanitation charges passed through to customers
- 6/14/21: Capital improvement plans for water and sewer (part of City Comprehensive Plan)
- 8/09/21: Increase in personnel costs due to unbudgeted employee approved by Mayor; and, increase in contracted services in direct proportion with increase in revenues.

EXHIBIT "C"

STREET TAX FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE PROJECTED FINAL BUDGET FOR THE TWELVE MONTHS ENDING SEPTEMBER 30, 2021

	ORIGINAL BUDGET	8/30/2021 Changes	FINAL BUDGET
REVENUES:			
Sales Taxes	\$ 103,368	\$ 43,628	\$ 146,996
Interest Income	-	750	750
TOTAL REVENUES	103,368	44,378	147,746
EXPENDITURES:			
Street Repair - 5th St	98,000	(48,000)	50,000
Street Materials	5,368	9,632	15,000
TOTAL EXPENDITURES	103,368	(38,368)	65,000
REVENUE OVER (UNDER) EXPENDITURES	-	82,746	82,746
OTHER FINANCING SOURCES (USES)			
Transfer To (From) Other Funds	-	(98,853)	(98,853)
CHANGE IN FUND BALANCE	-	(16,107)	(16,107)
BEGINNING FUND BALANCE	-	24,907	24,907
ENDING FUND BALANCE	\$ -	\$ 8,800	\$ 8,800

EXHIBIT "D"

CAPITAL PROJECTS FUND - STREET REHABILITATION PROJECTS BUDGET & ACTUAL - LIFE TO DATE FOR THE TWELVE MONTHS ENDING SEPTEMBER 30, 2021

	ORIGINAL	8/23/2021	FINAL	FY	FY	LIFE-TO-DATE	VARIANCE
	BUDGET	Changes	BUDGET	19-20	20-21	ACTUAL	FAVORABLE (UNFAVORABLE)
REVENUES:							
Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Contributions	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES:							
Capital Outlay-CR 109	254,000	(16,156)	237,844	4,320	233,524	237,844	(0)
Capital Outlay-CR 214	294,000	(144,991)	149,009	18,381	130,628	149,009	-
Capital Outlay-CR 610	-	260,000	260,000	-	-	-	260,000
TOTAL EXPENDITURES	548,000	98,853	646,853	22,701	364,152	386,853	260,000
REVENUE OVER (UNDER)							
EXPENDITURES	(548,000)	(98,853)	(646,853)	(22,701)	(364,152)	(386,853)	260,000
OTHER FINANCING SOURCES (USES)							
Transfer from Street Tax	15,683	98,853	114,536	15,683	-	15,683	(98,853)
Transfer from General Fund	532,317	-	532,317	532,317	0	532,317	0
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ 525,299	\$ (364,152)	\$ 161,147	\$ 161,147

NOTE: Use money left over from CR 109 and CR 214 projects and transfer in additional money needed from Street Tax Maintenance Fund to fund interlocal agreement with Johnson County to reconstruct CR 610.

EXHIBIT "E"

COURT SECURITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
PROJECTED FINAL BUDGET
FOR THE TWELVE MONTHS ENDING SEPTEMBER 30, 2021

	ORIGINAL BUDGET	8/30/2021	FINAL BUDGET
REVENUES:			
Court Security Fees	\$ 1,300	\$ 200	\$ 1,500
Interest Income	-	-	-
TOTAL REVENUES	1,300	200	1,500
EXPENDITURES:			
Personnel Costs-Bailiff	1,639	(1,139)	500
Court Security Expend	1,000	(1,000)	-
TOTAL EXPENDITURES	2,639	(2,139)	500
REVENUE OVER (UNDER) EXPENDITURES	(1,339)	2,339	1,000
OTHER FINANCING SOURCES (USES) Transfer From (To) Other Funds	-	(19,423)	(19,423)
CHANGE IN FUND BALANCE	(1,339)	(17,084)	(18,423)
BEGINNING FUND BALANCE	20,423	-	20,423
ENDING FUND BALANCE	\$ 19,084	\$ (17,084)	\$ 2,000
BUDGET AMENDMENTS:			

EXHIBIT "F"

GRANT FUND (CAPITAL)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

PROJECTED FINAL BUDGET **LIFE-TO-DATE**

	ORIGINAL BUDGET	8/30/2021	FINAL BUDGET
REVENUES:			
ARPA Grant Proceeds	\$ -	\$ 1,082,330	\$ 1,082,330
Interest Income	-	-	-
TOTAL REVENUES	-	1,082,330	1,082,330
EXPENDITURES:			
Capital Expenditures	-	1,082,330	1,082,330
TOTAL EXPENDITURES	-	1,082,330	1,082,330
REVENUE OVER (UNDER) EXPENDITURES	-	-	-
BEGINNING FUND BALANCE	-		-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

water tower

EXHIBIT "G"

CAPITAL PROJECTS FUND - 2018 BONDS PROJECTED FINAL BUDGET

	ORIGINAL BUDGET	Prior To FY 20-21	3/29/2021	8/30/2021	FINAL BUDGET
REVENUES:					
Bond Proceeds	\$ 4,500,000	\$ -	\$ -	\$ -	\$ 4,500,000
Interest Income	-	-	-	16,100	16,100
TOTAL REVENUES	4,500,000	-	-	16,100	4,516,100
CAPITAL EXPENDITURES:					
Street Project-Bulldog/Student/8th	1,650,000	87,365	-	-	1,737,365
City Hall Purchase-700 W US Hwy 67	1,200,000	3,827	-	-	1,203,827
Electrical for Generator & ATS-Main Lift St	350,000	(336,469)	350,000	(113,831)	249,700
12" Water Line (FM 157)	300,000	(295,694)	300,000	-	304,306
~~12" Sewer Line - JMJ Development~~	-	-	-	-	-
250K Ground Storage Tank Rehab	-	40,971	-	-	40,971
~~Brahman Ranch WTPP~~	1,000,000	500,000	(1,500,000)	-	-
Sewer Line-City Hall to FM 157	-	-	235,000	-	235,000
Water Meter Replacement Project	-	-	-	80,856	80,856
New Water Pump Station	-	-	150,000	-	150,000
New Elevated Water Storage Tank	-	-	-	50,000	50,000
Fire Department Rehabilitation	-	-	100,000	(50,000)	50,000
Old Police Building Buildout	-	-	-	50,000	50,000
SCADA System	-	-	-	100,000	100,000
City Hall Renovations:					
Interior-Offices & ADA	-	-	77,300	-	77,300
Exterior-Stucco/Stone	-	-	71,700	7,524	79,224
LED Sign - City Hall	-	-	-	26,974	26,974
Concrete Parking Lot	-	-	100,000	-	100,000
~~Generator~~	-	-	116,000	(116,000)	-
TOTAL CAPITAL EXPENDITURES	4,500,000	-	-	35,523	4,535,523
REVENUE OVER (UNDER)					
EXPENDITURES	-	-	-	(19,423)	(19,423)
OTHER FINANCING SOURCES (USES)					
Transfer from Court Security	-	-	-	19,423	19,423
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -



City Council Agenda Item Report

~~August 9, 2021~~

August 30, 2021

Cheryl Estes, CPA, CGFO

Finance Director

972-366-3348 ext 208

cestes@cityofvenus.org

DISCUSS AND CONSIDER APPROVAL OF ORDINANCE 732-2021-08 AMENDING FY 20-21 BUDGETS (AMENDMENTS SINCE LAST MEETING DENOTED IN RED FONT)

1. BACKGROUND/HISTORY:

The City Council adopted the “original” FY 20-21 budgets for the City in September 2020. Throughout this fiscal year, City Council approved several changes to expenditures that need to be formally adopted by City Ordinance. Once these changes are formally adopted, the approved expenditures become part of the City’s “final” budgets for FY 20-21. Both the original and final budgets will be presented in the City’s annual financial reports.

The first step in the preparation of the FY 21-22 budgets is to determine the final budgets for FY 20-21. The final budgets will be used for comparison purposes when preparing next year’s budget. All department budgets were analyzed to determine if any adjustments to the original budget would be necessary to properly reflect management’s projections of actual year-end revenues/expenditures for the fiscal year.

The City Council’s level of budgetary control is at the department level. The General Fund’s budget includes all City operating departments. Water, sewer, and sanitation were budgeted as non-altogether but will be split out into separate departments in FY 21-22. Since this fund represents one City department, changes in total fund expenditures were analyzed. All Special Revenue Funds and Capital Project Funds are all budgeted as non-departmental; therefore, each fund represents one department and is budgeted as such.

2. FINDINGS / CURRENT ACTIVITY:

The City’s level of budgetary control is at the department level. The General Fund’s budget includes all City operating departments. Water, sewer and sanitation budgets have always been combined and reported as one department; therefore, total expenditures were analyzed for this fund. Special Revenue Funds and Capital Project Funds are all budgeted as non-departmental; therefore, each fund represents one department and is budgeted and analyzed as such.

Projected changes and recommended budget amendments are as follows:

City Fund	Projected Changes		Total
	Reclassifications	Increase (Decrease)	
General Fund:			
Administration	\$ (165,385)	\$ -	\$ (165,385)
Planning & Development (new dept)	165,385	49,429	214,814
Police	(66,417)	(29,426)	(95,843)
Code Enforcement (new depart)	64,262	-	64,262
Municipal Court	-	(7,402)	(7,402)
Fire	27,087	(14,971)	12,116
Public Works	-	31,100	31,100
Debt Payments	(27,087)	-	(27,087)
Capital Outlay	2,155	25,000	27,155
Total Revisions	\$ -	\$ 53,730	\$ 53,730

Planning & Development - increase in department expenditures related to contracted services for City Planner and engineering services to generate a City zoning map and annexation map. Increase in expenditures in direct proportion with projected increase in revenues.

Public Works - increase in electricity due to winter storm and purchase of street signs. Increase of \$18,096 in personnel costs due to reclassifications of existing employees to match actual position titles and to cover cost of overstaffing due to hiring of additional employee.

Capital Outlay - City Mayor approved installation of fuel tanks at Public Works building in response to 2021 Winter Storm Disaster.

Other Finance Sources (Uses) - Reverse \$161,147 transfer in from Street CIP Fund (see Street CIP Fund).

Water/Sewer/Sanitation Fund

This fund consists of one department. Projected increase to total department is \$450,521.

- 1) Increase of \$40,409 in personnel is due to hiring of Customer Service Clerk (approved by Mayor). This position was included in FY 19-20 budget but was removed by Finance Director in FY 20-21 budget thinking this position could be replaced with technology.
- 2) Increases in utility contracted services in direct proportion with increase in utility revenues makes up the remaining \$430,920 of the projected increase.
- 3) During analysis of water/sewer revenue during preparation of the FY 21-22 budget, it was determined that previously projected final revenue amounts were understated.

VCSDC Fund

~~This fund consists of one department. Projected decrease is related to:~~

- 1) ~~Decrease in capital outlay due to difference in amounts budgeted and actual costs.~~
- 2) ~~Reclassification (decrease) personnel costs of (\$18,096) to the City's General Fund. Staffing issues relating to the seasonal position was offset by existing employee overtime.~~

Street Maintenance Tax Fund

After purchase of street patch trailer, City staff purchased more materials to repair streets in-house. Due to changes in department management, major street projects were delayed. Current management has started major rehabilitation to E 5th Street (cemetery road).

Projected final budget includes transfer of \$98,853 to Street CIP Fund to cover the cost of an inter-local agreement with Johnson County to reconstruct CR 610.

Street CIP Fund

City of Venus was notified by Johnson County that they were reconstructing their portions of CR 610 and asked the City if we wanted to participate in an interlocal agreement for them to reconstruct City of Venus' portion of CR 610 at the same time for a cost to the City of \$260,000. In order to fund the cost of this project:

- 1) Reopen Street CIP Fund to account for CR 610 reconstruction project
- 2) Reverse previous transfer to General Fund of \$161,147 and leave money in Street CIP Fund.
- 3) Transfer \$98,853 from Street Maintenance Tax Fund to cover remaining amount needed.

Court Security Fund

Management is requesting majority of court security funds to be used to fund costs of City Hall renovations considered eligible costs to be paid with Court Security Funds.

2018 CO Bonds Capital Projects

Before management was informed by City's financial advisors that the City did not have to spend funds by June 2021, when Council-approved projects could not be completed timely, City staff evaluated and started other eligible projects. Once it was determined that timing was no longer crucial, some projects were already underway and could not be halted or put on hold. Also, projected total expenditures increased by the amount of projected interest income and the amount of the transfer from Court Technology Fund.

3. RECOMMENDATIONS

Management recommends amending certain budgeted revenues and expenditures based on projected amounts as presented on attached reports.

4. ATTACHMENTS:

Ordinance 734-2021-08 and Exhibits "A – G"



PROPOSAL FOR
CITY OF VENUS
REQUEST FOR PROPOSAL

August 16, 2021

1821 Rutherford Lane, Suite 300
Austin, Texas 78754-5151
(800) 348-7879
tmlhealthbenefits.org

This contains proprietary and confidential information of TML Health.



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Why TML Health?

Created by Texans exclusively for Texas local governments.

Executive Overview

We were created to serve you. We understand that the **City of Venus'** priority is taking care of your community. TML Health built a worry-free health plan exclusively for your employees and their families, so the City can focus on the business of serving your community. This is not your typical insurance proposal. It's an invitation to join the TML Health Benefits Pool and begin to experience the difference membership can make.

This plan is for the first responders, public workers, and civic leaders. For the people who take our tearful 911 calls on the worst night of our lives. For the ones who teach our children, save our homes from fire and flood, and make sure the water that comes out of our taps is safe and clean. For the ones who provide safety and security for others, we are here to provide security and stability for you.

We bring members together to provide quality healthcare benefits for employees and their families at an exceptional value.

We're here for you, to make healthcare simple and affordable.	
▪ We serve you, not shareholders ▪ Affordable plans designed for public employees ▪ The right plan at the right price ▪ A dedicated account team just for you, and service that can't be beat ▪ Lower prescription costs for your employees and their families ▪ Nationwide network of premium physicians for less	▪ Access to a virtual doctor visit, anywhere, anytime ▪ \$150 incentive for employees to participate in the TML Well program, and Blue Points rewards for healthy activities ▪ Personalized assistance for members with chronic conditions ▪ We're here for you

We Serve You, Not Shareholders

TML Health is a nonprofit risk pool governed by a Board of Trustees who are local elected and appointed officials from all over Texas. Our Board ensures that our plans and rates are right for Texas local governments and our service is second to none. Our Board of Trustees and leadership team continually look for ways to serve you and adapt to your needs, by offering expanded benefits and extending deadlines when disaster strikes, like the COVID-19 pandemic.

TML Health Benefits Pool brings together 900+ Texas local government entities to drive down costs for our members. We leverage the purchasing power of our 35,000+ covered employees and dependents to negotiate the best value for you and keep our rates low.

As a self-funded risk pool, we stabilize rates for the long term and pass the savings on to members. As a member of the risk pool, you experience all the advantages of self-insurance without the risks and hassles. You get a guaranteed rate and a promise that when the Pool has a good year, we share those rewards with you through renewal credits. The longer you're a member of the Pool, the greater your opportunity for rewards.

Because we exclusively serve Texas local governments, we understand the challenges you face better than anyone else. We built a service model that takes the hassle out of healthcare benefits for you and your employees, so you can focus on serving your community.

We know you need to stretch your budget. Year after year, you keep getting asked to do more with less. We are here to help you accomplish that.

Affordable Plans Designed for Public Employees

- We provide health benefits exclusively to political subdivisions with benefits designed especially for the City and your employees
- We offer multiple plan designs that help you meet the financial needs of your employees:
 - Classic plans focus on keeping costs down for you by sharing responsibility for the cost of care with your employees
 - Copay plans focus on keeping costs down for employees through flat payments to see their providers when they need them most
 - Consumer plans focus on tax-advantaged accounts to help your employees save on healthcare costs, with contributions which are not taxed as income
 - HMO plans focus on keeping cost low for employees by emphasizing primary care.
- No varying premiums within a geographic area based on age, gender, health status, or other factors.

Nationwide Network Coverage

The Right Plan at the Right Price

The City expressed the importance of having a plan with features that closely align with your current coverage. For this, we recommend Plan Copay-3K ER, which offers an In-Network deductible of \$3,000 for covered members.

Our Copay Plans help make care accessible as quickly as possible, by providing copays for services such as primary doctor visits or urgent care visits rather than the employee having to first hit their deductible.

Our new HMO Plans help keep out of pocket costs low for you and your employees by emphasizing primary care, with specialists available by referral.

Lower Prescription Costs for Your Employees and their Families

To help public servants like you access affordable healthcare, we work to relieve the burden of medication costs, with:

- \$0 Copay for select diabetes, hypertension, and cholesterol medications
- \$10 Copay for most other Generic Drugs
- For the High Deductible Health Plan (HDHP), wellness drugs available for a copay instead of having to first meet a high deductible

The Best Provider Network in Texas

Your employees should be able to leave their own backyard and still be covered. Members have statewide access to in-network coverage through the Blue Cross and Blue Shield of Texas network, the widest network in Texas. Members that elect the PPO option will have access to the Blue Choice PPO network. When enrolled in an HMO, Members will have access to your choice of the Blue Choice PPO network, Blue Essentials, or Blue Premier. Rafting at Yellowstone? Hunting trip in the hill country? Sports physical down the street? The Blue Cross and Blue Shield of Texas provider networks have you covered.

As a TML Health member with Blue Cross and Blue Shield of Texas, Members can also use Benefits Value Advisor (BVA), a new one-call solution to help your employees navigate the healthcare system. BVA works with members to identify the best value physicians and facilities, coordinate preauthorization, explain out-of-pocket costs, and schedule appointments, to make Members' healthcare decisions easy.

In addition to the broadest PPO network in Texas, our plans include access to discounts on out-of-network providers through the Blue Cross Blue Shield of Texas PAR network. PAR providers have agreed to accept the standard reimbursement and do not balance bill your employees for excess charges. It is just another way that your employees have peace of mind knowing they can afford to access the healthcare they need.

The BlueCard® Program

Speaking of leaving your own backyard, if your employees are traveling across the country or around the world, The BlueCard Program is here to help our Members:

- Get needed healthcare when they travel outside the service area
- Get the same benefits you get at home when you travel or are away from home for an extended time
- Find a doctor or hospital throughout the United States – More than 90% of all hospitals and doctors in the U.S. contract with Blue Cross and Blue Shield (BCBS)
- Find a doctor or hospital outside the U.S. in more than 200 countries around the world through Blue Cross and Blue Shield Global Care

Wellbeing Management

Our whole-person wellbeing management program addresses the whole spectrum of health for your employees, from complex conditions to lifelong wellness.

The **Well onTarget® Member Wellness Portal** offers your employees programs and other resources for a variety of conditions, including:

- Stress
- Weight loss
- Tobacco cessation
- Asthma, diabetes, and other chronic conditions
- Sleep health
- Financial wellbeing

Holistic Health Management proactively reaches out to members dealing with significant health challenges. A care team, led by a health advisor, collaborates to manage high-cost, high-complexity members, regardless of condition, helping improve care for your employees and reduce costs for you.

Care Delivery Even Outside the 9:00 – 5:00

When you need care in the middle of the night, who do you call? Many people choose the emergency room simply because it's the only option open. We offer your employees another option, with free or low-cost telemedicine through MDLIVE depending upon your final plan choice.

MDLIVE physicians are Board-certified in primary care, pediatrics, and family medicine, and can also help members determine if they truly do need an ER. Avoiding the ER except when it's really needed can help both you and your employees save money. MDLIVE can also offer Members discreet behavioral health services by telemedicine.

Not sure if telemedicine is right for your situation? You can also call the nurses at the 24 Hour Nurseline for advice. These nurses can help you decide if you should call your doctor, visit the ER or urgent care, wait to see your doctor when you can, or treat the problem yourself. Services are available in many languages.

Teens may also call the Nurseline and speak to a nurse in private about teen health issues.

By calling this line, you can also listen to audio tapes on hundreds of health topics that may concern them, such as:

- Pregnancy
- Diabetes
- Children's health
- High blood pressure
- Insomnia
- Sexually transmitted diseases such as HIV/AIDS

Wellness Program and Rewards at No Charge to You

TML Health invests in physical and mental wellness to enhance the health and productivity of your employees. We understand you're busy, so we take the work out of wellness. The TML Well program includes full support, pre-written communication materials to send to your employees, and an employee self-service portal to take the burden of managing this program off your shoulders. We make it easy and fun to keep your employees engaged in their health through group and individual wellness challenges throughout the year, with all the programming and tracking available online through our wellness dashboard. Because a healthy life includes a healthy body and mind, as well as financial wellness and work-life balance, we are proud to offer an Employee Assistance Program (EAP) to all our Pool Members through Deer Oaks.

It pays to stay healthy! Your employees can enjoy better health and earn a \$150 cash reward for participating, with no extra charge to you or them. Starting this coming plan year, Members can also earn Blue Points, redeemable for a wide variety of items including fitness gear, wearables, electronics, and camping equipment. Members can earn an unlimited number of Blue Points, which roll over from year to year and don't expire.

We provide convenient options for onsite health screenings through our partnership with Catapult. Your employees receive a free virtual biometric screening that includes a video visit with a Nurse Practitioner to discuss the results immediately and develop a personalized action plan. We can also support onsite flu shot clinics.

TML Health partners with Wondr Health, formerly Naturally Slim, to offer a free weight management program that is guaranteed to help employees lose weight and get healthier. Wondr Health is a 10-week program delivered online or through a mobile app that helps employees learn healthier eating behaviors and improve their health.

We are also proud to offer the Well onTarget® Portal to Members, tailored to their interests and health and wellness goals. Members can customize their Well onTarget dashboard to suggest activities and programs to help them on their personal journey. Wellness and lifestyle self-management programs and other resources address a variety of topics, including:

- Stress
- Weight loss
- Tobacco cessation
- Asthma, diabetes, and other chronic conditions
- Sleep health
- Financial wellbeing

The coronavirus pandemic has highlighted the need of all employees, especially our first responders, to have access to mental health resources and other assistance. The Employee Assistance Program managed by Deer Oaks includes:

- Telephonic or in-person counseling
- Critical incident stress management
- Legal assistance
- Financial counseling
- Referrals to community resources
- ID recovery and monitoring
- And more

A Dedicated Account Team Just for You

With TML Health, you are a valued Member, not a numbered account. We assign an Account Executive and an Account Manager to the City, so you'll always have individual support, and someone to call when you need assistance. Your dedicated account team is always here for you, and we are always available when you need us most. Our personal goal is to provide unparalleled service to you, your employees, and their families.

We're Here for You

Because we only serve public entities, we understand the challenges you face better than anyone else, and we partner with you to provide high-quality benefits at a price that fits your budget. Especially during these times, we understand the importance of serving our new Member groups so that you can continue to serve your community.

We look forward to partnering with you to offer your employees the plan that best fits them.

Our mission is to bring members together to provide quality healthcare benefits for employees and families at an exceptional value.

Core Values



Integrity

You can rely on us to be honest and fair in everything we do



Wellness

We promote the health of our members by providing quality healthcare coverage and wellness benefits



Operational Excellence

We continually improve our business practices to deliver excellent member service in the most cost-effective manner



Simplicity

We are easy to understand and work with



Public Service

We support our members and their efforts to serve their communities by enhancing the health of their workforce and being good stewards of the pool's resources

TML Health's Board of Trustees

Chair

Blake Petrash, Region 11
Mayor Pro Tem, City of Ganado

Vice Chair

Mike Stelly, Region 16
Chief of Police/Director of Public Works, City of West Orange

Joseph Price, Region 2
City Manager, City of Canyon

Elena Quintanilla, Region 3
City Manager, City of Ransom Canyon

Dru Gravens, Region 4
City Manager, City of Crane

Mike Smith, Region 5
City Manager, City of Jacksboro

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Leah Gore, Region 8
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Board Adjustment, City of Meadows Place

Bennett Sandlin, Ex-officio
Executive Director Texas Municipal League, Austin, TX

Plans Built with You in Mind

We aim to drive down costs while supporting your health by bringing together 900+ Texas local government entities and leveraging the purchasing power of our 35,000+ covered employees and dependents to negotiate the best value for you and keep our rates low.

TML Health is a nonprofit risk pool governed by a Board of Trustees who are local elected and appointed officials from all over Texas. This guidance by Texas municipal officials helps ensure that our plans and rates are right for Texas local governments, and our service is second to none. Our Board of Trustees and leadership team look for ways to serve you and adapt to your needs, by offering expanded benefits and extending deadlines when disaster strikes, like the COVID-19 pandemic.

Our rates are low and our unique underwriting model keeps them stable, but you know there's a lot more to the total annual cost of healthcare than your rates alone. Let's talk about the low rates we can offer and what we can do to reduce your total healthcare spend.

The Power of Nonprofit Pooling to Reduce Costs

When one of your employees has a high-cost claim, for example a cancer treatment claim, you can have peace of mind knowing the costs will be kept low by sharing across the entire pool of more than 35,000 members. This allows rates to remain stable for all Pool Members as your large claims will be capped when we calculate your rates, so you can expect them to hold steady even when disaster strikes.

Credit Returned to Member Groups

As a valued Member of TML Health's Benefit Pool, you would experience all the advantages of being self-funded, but with the Pool handling all the administrative minutiae and carrying the risk for you. When the Pool has a good year, we pass the savings on to our groups in the form of renewal credits, helping you to stabilize your spending over time and keep more money in your budget for other priorities.

Medical Plan Options

Members have statewide access to in-network coverage through the Blue Cross Blue Shield of Texas national network, and access to a nationwide network through Blue Card®. Our Members can also use Benefits Value Advisors (BVA), a new one-call solution to help your employees navigate the healthcare system. BVA works with Members to identify the best value physicians and facilities, coordinate preauthorization, explain out-of-pocket costs, and schedule appointments, to make Member's healthcare decisions easy. Calling BVA saves your employees' money by helping them find lower cost options for imaging like MRIs and CAT scans.

City of Venus

August 16, 2021

SINGLE PLANS			
	Copay-3K ER	Copay-4K ER	HMO-3K-5K
	Rate	Rate	Rate
EE Only	\$651.90	\$638.40	\$595.18
EE + Spouse	\$1,282.16	\$1,254.76	\$1,167.02
EE + Child(ren)	\$1,116.94	\$1,093.18	\$1,017.12
EE + Family	\$1,845.10	\$1,805.28	\$1,677.74
Plan Features	What You Will Pay	What You Will Pay	What You Will Pay
Coinsurance – In-Network	0% after deductible	0% after deductible	20%
Coinsurance – Out-of-Network	30%	30%	100%
Deductible – In-Network	\$3,000 Individual \$6,000 Family	\$4,000 Individual \$8,000 Family	\$3,000 Individual \$6,000 Family
Deductible – Out-of-Network	\$6,000 Individual \$12,000 Family	\$8,000 Individual \$16,000 Family	N/A
Out-of-Pocket – In-Network	\$3,000 Individual \$6,000 Family	\$4,000 Individual \$8,000 Family	\$5,000 Individual \$10,000 Family
Out-of-Pocket – Out-of-Network	Unlimited	Unlimited	N/A
Office Visits Primary Care Specialist	\$30 Copay \$45 Copay	\$30 Copay \$45 Copay	\$30 Copay \$45 Copay
Urgent Care Visit	\$75 Copay	\$75 Copay	\$75 Copay
Emergency Room Facility Charges	\$500 Copay	\$500 Copay	\$500 Copay
Physicians Charges	0% after deductible	0% after deductible	20% after deductible
Telehealth	\$0 Copay	\$0 Copay	\$0 Copay
Prescription Drug Plan			
Disease Mgmt Maintenance (<i>generic</i>)	\$0 copay	\$0 copay	\$0 copay
Tier 1	\$10 copay	\$10 copay	\$10 copay
Tier 2	\$40 copay	\$40 copay	\$40 copay
Tier 3	\$70 copay	\$70 copay	\$70 copay
Tier 4	\$100 copay	\$100 copay	\$100 copay
Tier 5	\$150 copay	\$150 copay	\$150 copay

SINGLE PLANS			
	Copay-3K-5K ER	Copay-1500-3K ER	Copay-1K-3K ER
	Rate	Rate	Rate
EE Only	\$617.44	\$700.94	\$723.32
EE + Spouse	\$1,212.20	\$1,381.70	\$1,427.14
EE + Child(ren)	\$1,056.30	\$1,203.24	\$1,242.64
EE + Family	\$1,743.46	\$1,989.76	\$2,055.78
Plan Features	What You Will Pay	What You Will Pay	What You Will Pay
Coinsurance – In-Network	20%	20%	20%
Coinsurance – Out-of-Network	50%	50%	50%
Deductible – In-Network	\$3,000 Individual \$6,000 Family	\$1,500 Individual \$3,000 Family	\$1,000 Individual \$2,000 Family
Deductible – Out-of-Network	\$6,000 Individual \$12,000 Family	\$3,000 Individual \$6,000 Family	\$2,000 Individual \$4,000 Family
Out-of-Pocket – In-Network	\$5,000 Individual \$10,000 Family	\$3,000 Individual \$6,000 Family	\$3,000 Individual \$6,000 Family
Out-of-Pocket – Out-of-Network	Unlimited	Unlimited	Unlimited
Office Visits Primary Care Specialist	\$30 Copay \$45 Copay	\$30 Copay \$45 Copay	\$30 Copay \$45 Copay
Urgent Care Visit	\$75 Copay	\$75 Copay	\$75 Copay
Emergency Room Facility Charges	\$500 Copay	\$500 Copay	\$500 Copay
Physicians Charges	20% after deductible	20% after deductible	20% after deductible
Telehealth	\$0 Copay	\$0 Copay	\$0 Copay
Prescription Drug Plan			
Disease Mgmt Maintenance (<i>generic</i>)	\$0 copay	\$0 copay	\$0 copay
Tier 1	\$10 copay	\$10 copay	\$10 copay
Tier 2	\$40 copay	\$40 copay	\$40 copay
Tier 3	\$70 copay	\$70 copay	\$70 copay
Tier 4	\$100 copay	\$100 copay	\$100 copay
Tier 5	\$150 copay	\$150 copay	\$150 copay

General Assumptions and Requirements

The above rates are projected to be effective for the 12-month period beginning on October 1, 2021, and are contingent upon the provisions shown below:

- Final rates may vary based on actual enrollment.
- Rates do not include any future mandated benefit changes and are subject to review and revision should any Federal or State legislation require mandatory benefits during the guaranteed period.
- Rates include an Agent/Broker commission of \$40.00 Per Employee Per Month (PEPM).
- TML Health requires 100% participation of eligible Employees. TML Health will exempt the following employees from the 100% participation requirement:
 - If an individual can provide the Employer with documentation of medical benefits from prior Employment due to retirement;
 - An Employee who is accessing a parental healthcare plan to the attained age of twenty-six (26);

- C. Employee chooses to be covered under the spouse's healthcare plan in place of the TML Health Plan;
 - D. Employee or Employee's spouse is accessing the TRICARE plan (Employer-provided financial incentive is disallowed);
 - E. Employees that choose to be on Medicare plan with NO financial incentive;
 - F. Employees that access the tribal coverage offered to tribal membership.
- 5. The Pool **may** allow a lower participation requirement with Board and/or Executive Director approval if the Employer pays less than 60% of the Employee medical rate.
 - 6. The rates and costs shown in this proposal are based on the underwriting information provided. TML Health reserves the right to revise the rates if:
 - A. Quoted more than ninety (90) days prior to the effective date (additional underwriting information will be required);
 - B. There are any census changes by more than 10% upon enrollment or at annual renewal review;
 - C. Additional claim history and/or high-dollar claimant information is available.
 - 7. This quote assumes TML Health will be the only carrier providing coverage to the Member group's employees.
 - 8. The benefit plan quoted is guaranteed for 12 months. We reserve to the right to make rate changes to comply with legislative mandates.

TML Health Medical Plan Features

Online enrollment available at (800) 282-5385	✓
Fast Customer Care response 24/7	✓
Telemedicine through MDLIVE Primary care, pediatrics, family medicine, behavioral health	✓
TML Well – TML Health Wellness Program with \$150 reward per employee and dependent spouse	✓
Blue Points SM Wellness Rewards	✓
Blue 365 – Health and Wellness Discount Program	✓
Deer Oaks Employee Assistance Program (EAP)	✓
Wondr Health Weight Management Program	✓
Virtual health screenings with Catapult (minimum 25 screened)	✓
24 Hour Nurseline	✓
Nationwide Preferred Provider Network	✓
Benefits Value Advisor healthcare navigation	✓
Transplant Centers of Excellence	✓
Benefit Value Advisors (BVA)	✓
Holistic Health Management	✓
Maternity Wellness	✓
Diabetes Management with Livongo	✓
Prescription Drug Program with \$0 copay for select medications	✓
TML Health Portal and Blue Access Portal	✓
No Lifetime Maximum	✓

Employer Optional Added Benefits

Life and AD&D Basic Life and AD&D Employee Additional Life and Additional AD&D Dependents Life and AD&D Retiree Basic Life Retiree Additional Life Retiree Dependents Life Voluntary AD&D	✓
Dental Plans Dental 3 Dental 4	✓
Vision Plans - EyeMed Standard Plan Premium Plan	✓
Section 125 Flexible Spending Account	✓
Health Savings Accounts	✓
Long-Term and Short-Term Disability	✓
Accident, Cancer, and Critical Illness Plans	✓

Employee Assistance Program

The Deer Oaks Employee Assistance Program (EAP) is a service included with your plan, provided free to your employees and their dependents. This program offers a wide variety of counseling, referral, and consultation services, all designed to help your employees and their families to resolve work/life issues and live happier, healthier, more balanced lives. These services are confidential and can be easily accessed by calling the toll-free Helpline.

All employees and their dependents are eligible to access the EAP, including retirees and employees who have recently separated from their employer (within 6 months of separation).

EAP services include:

In-person and telephone counseling: A network of 50,000 mental health providers throughout the United States are available to provide in-person assessment and counseling services to members wherever they may reside. Counselors may also conduct comprehensive assessments by phone and provide in-the-moment telephonic support and crisis intervention. If your employees prefer counseling in a language other than English, you can request telephonic interpretation in more than 190 of the most commonly spoken languages and dialects.

Referrals to community resources: Counselors can provide referrals to community resources such as support groups, legal resources, and childcare or elder care services. Work/Life Consultants are also available to assist members with a wide range of daily living resources such as pet sitters, event planners, home repair, tutors, and moving services. Employees can simply call the Helpline for resource and referral information.

The Find-Now Child & Elder Care Program helps employees to care for children and/or aging parents by finding licensed, regulated, and inspected childcare and elder care facilities in their area. Work/Life Consultants assess each member's needs and provide guidance, resources, and a list of 3 to 5 confirmed referrals within 12 hours of the call. Employees can also search the databases and other resources on the Deer Oaks website.

Critical Incident Stress Management: Traumatic events can be extremely disruptive to employee wellbeing. Deer Oaks can provide Critical Incident Stress Management Services for major company incidents.

Advantage Legal Assist: Employees have access to a free 30-minute telephone or in-person consultation with a plan attorney, and unlimited online access to a wealth of educational legal resources, links, tools and forms, interactive online Simple Will preparation, and access to state agencies to obtain birth certificates and other records.

If they should find they need representation, employees also receive a 25% discount on hourly attorney fees through the EAP.

Advantage Financial Assist: Employees can call Deer Oaks for unlimited phone consultation with a financial counselor qualified to advise on a range of issues such as bankruptcy prevention, debt reduction, and financial planning. Financial counselors can also review credit reports with the employee and offer ways to improve their credit score. Employees also receive unlimited online access to a wealth of educational financial resources, such as tax guides and financial calculators.

ID Recovery: Services to help employees recover from, and minimize the impact of, identity theft. Free 30-minute telephonic consultation with an Identity Recovery Professional; customized action plan and consultation; ongoing ID recovery guidance available as needed; free ID monitoring service.

Disaster Assistance Program: Deer Oaks can consult with Employer Group Management Personnel regarding disaster readiness; and tools for developing workplace violence prevention plans. Employees can also find information on how to help children cope with disasters.

Online Tools & Resources: www.deeroaks.com contains an extensive library of health and wellness articles, downloadable presentations, child and elder care resources, and work/life balance resources, as well as a wealth of information for supervisors covering conflict resolution, leadership, motivation, and more.

Safe ride home with Take the High Road: Deer Oaks reimburses members for their cab fares in the event that they are impaired by alcohol, other substances, or extreme emotional condition. This service is available once per year per participant with a maximum reimbursement of \$45.00 (excludes tips).

TML Well

TML Health partners with Navigate, Catapult Health, and Wondr Health, formerly Naturally Slim to offer all Member Groups two wellness programs at no extra charge, including:

- Virtual preventive health screenings
- Onsite and offsite flu vaccines
- Wondr Health Weight Management Program
- A \$150 employee incentive for participating in healthy activities

Navigate Wellbeing Solutions

Catapult HEALTH

Well onTarget®

wondr HEALTH | FORMERLY NATURALLY SLIM

TML Well offers individual and group challenges that can help employees and their spouses earn a \$150 incentive and get healthier. With TML Well challenges for employees to go solo or get motivated by group activities, and Blue PointsSM rewards for still more activities, our wellness program is designed to meet the different needs of every employee.

During the pandemic, members like Shanna C. of the Liberty Hill Public Library District stayed healthy with TML Well challenges. Through the isolation of the COVID-19 pandemic, Shanna found her love for hiking. Living in a place with a lot of trails, she and her husband took on a physical challenge to hike 3-10 miles as time let them. She credits the physical challenges with keeping her accountable and getting her husband, who works a desk job, moving too. Shanna has a family history of heart disease, and although she cannot change her genetics, she knows she can change her actions and what she puts into her body. With the increased physical activity, she feels more toned and has more energy. Shanna is planning to get her coworkers to join in on the next challenge with her.

TML Well challenges focus on getting active, getting enough rest, challenging your mind, and other health goals.

Blue PointsSM – Rewards for healthy living

Your employees can earn even more rewards through Well onTarget®. You can earn Blue Points for regularly participating in many different healthy activities. **Redeem up to 17,325 points each year in the online shopping mall.** You can earn both the \$150 check and Blue Points in the same year, and you can use your points as soon as you earn them.



Earn points by:

- completing a Health Assessment
- completing self-management programs about a variety of healthy living topics
- participating in the Fitness Program

- using trackers to measure your fitness activities, eating habits, and more
- synching and using your fitness device or app

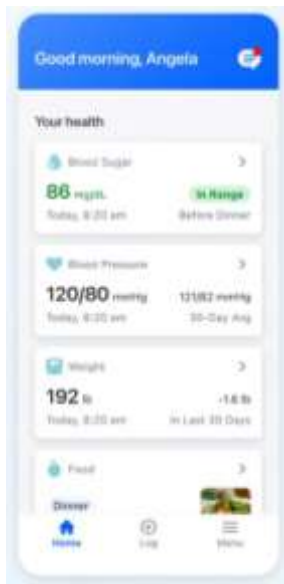
We support the wellness program through:

- employer support
- communication materials for distribution to members
- self-service member portal

Diabetes Management with Livongo®



We are excited to offer our Members an end-to-end diabetes management solution, Livongo. It combines the use of a connected glucose meter with personal support by Certified Diabetes Educators to help your employees manage their diabetes so they can feel better and be healthier.



Blue 365 – Discount Program

This health and wellness discount program is free for Members to join, and offers discounts on apparel, footwear, fitness experiences and devices, gym memberships, hearing and vision tools and devices, home and family goods, nutrition programs such as NutriSystem or Jenny Craig, as well as meal boxes, shakes, and other nutritional products, and personal care items.

Plan Highlights: Copay ER (80/50)

Plan Year: 2021-2022



This plan uses a preferred provider network. While you can use any doctor, clinic, hospital, or healthcare facility you want; you save money when you use providers in the Blue Cross and Blue Shield of Texas network. It is important to have a relationship with a Primary Care Physician (PCP) who can be your partner in managing your care. They can help you avoid duplicating tests and services and connect you to a specialist, but you are not required to see a PCP before you see a specialist.

This Plan Highlights addresses only particular aspects of the benefits available under the Plan. Various other expenses, limits, exclusions, and other rules also apply. For more details about your benefits, please refer to the individual Summary Plan Descriptions (SPDs), plan document, certificate of coverage, or (where applicable) insurance contracts for each plan. If there is any discrepancy, these more complete descriptions will govern. TML Health reserves the right to amend or terminate the plan at any time, which may affect the information provided in this Plan Highlights.

BENEFIT COVERAGE	IN-NETWORK YOU PAY	OUT-OF-NETWORK YOU PAY		
Deductible <i>(per calendar year)</i>				
Individual	\$XX	\$XX		
Family	Ind Ded x2	Ind Ded x2		
Out of Pocket Maximum <i>(per calendar year; includes deductible, copays and coinsurance)</i>				
Individual	\$XX	Unlimited		
Family	Ind OOP x2	Unlimited		
Coinsurance	20%	50%		
Office Visits				
Primary Care	\$30 Copay	50% after deductible		
Specialist	\$45 Copay			
Preventive Care	No Charge	50% after deductible		
Telehealth – MDLIVE	No Charge for Medical visits; \$45 Copay for Behavioral Health until deductible	Not Covered		
Diagnostic Lab / X-Ray <i>(when associated with an office visit)</i>	No Charge	50% after deductible		
Major Imaging <i>(CT scan, PET scan, MRI, nuclear medicine)</i>	20% after deductible	50% after deductible		
Inpatient Hospital <i>(Prior Authorization required)</i>				
Facility Charges	20% after deductible	50% after deductible		
Physician Charges	20% after deductible	50% after deductible		
Emergency Room				
Facility Charges	\$500 Copay	\$500 Copay		
Physician Charges	20% after deductible	20% after deductible		
Urgent Care	\$75 Copay	50% after deductible		
Outpatient Surgery	20% after deductible	50% after deductible		
Prescription Drug Plan <i>(Per 30-day/60-day/90-day supply Retail or Mail Order)</i>	30-day supply	60-day supply	90-day supply	Not Covered
Disease Management Maintenance <i>(generic)</i>	\$0 copay	\$0 copay	\$0 copay	
Tier 1 <i>(lower-cost generics and some brand name drugs)</i>	\$10 copay	\$20 copay	\$30 copay	
Tier 2* <i>(includes most brands and some higher cost generics)</i>	\$40 copay	\$80 copay	\$120 copay	
Tier 3* <i>(non-preferred drugs)</i>	\$70 copay	\$140 copay	\$210 copay	
Tier 4 <i>(specialty drugs)</i>	\$100 copay	N/A	N/A	
Tier 5 <i>(cost share drugs)</i>	\$150 copay	\$300 copay	\$450 copay	

* If a participant obtains a brand-name drug when a generic equivalent is available, they are responsible for the brand copay plus the cost difference between the brand-name drug and the generic drug.

This contains proprietary and confidential information of TML Health. TML Health is a non-profit trust organization created by political subdivisions to provide group benefits services to participating political subdivisions and is not an insurance company.

Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association.

Plan Highlights: Copay ER (100/70)

Plan Year: 2021-2022



This plan uses a preferred provider network. While you can use any doctor, clinic, hospital, or healthcare facility you want; you save money when you use providers in the Blue Cross and Blue Shield of Texas network. It is important to have a relationship with a Primary Care Physician (PCP) who can be your partner in managing your care. They can help you avoid duplicating tests and services and connect you to a specialist, but you are not required to see a PCP before you see a specialist.

This Plan Highlights addresses only particular aspects of the benefits available under the Plan. Various other expenses, limits, exclusions, and other rules also apply. For more details about your benefits, please refer to the individual Summary Plan Descriptions (SPDs), plan document, certificate of coverage, or (where applicable) insurance contracts for each plan. If there is any discrepancy, these more complete descriptions will govern. TML Health reserves the right to amend or terminate the plan at any time, which may affect the information provided in this Plan Highlights.

BENEFIT COVERAGE	IN-NETWORK YOU PAY	OUT-OF-NETWORK YOU PAY
Deductible (per calendar year)		
Individual	\$XX	\$XX
Family	Ind Ded x2	Ind Ded x2
Out of Pocket Maximum (per calendar year; includes deductible, copays and coinsurance)		
Individual	\$XX	Unlimited
Family	Ind OOP x2	Unlimited
Coinsurance	0% after deductible	30%
Office Visits		
Primary Care	\$30 Copay	30% after deductible
Specialist	\$45 Copay	30% after deductible
Preventive Care	No Charge	30% after deductible
Telehealth – MDLIVE	No Charge for medical visits; \$45 Copay for behavioral health until deductible.	Not Covered
Diagnostic Lab / X-Ray (when associated with an office visit)	No Charge	30% after deductible
Major Imaging (CT scan, PET scan, MRI, nuclear medicine)	0% after deductible	30% after deductible
Inpatient Hospital (Prior Authorization required)		
Facility Charges	0% after deductible	30% after deductible
Physician Charges	0% after deductible	30% after deductible
Emergency Room		
Facility Charges	\$500 Copay	\$500 Copay
Physician Charges	0% after deductible	0% after deductible
Urgent Care	\$75 Copay	30% after deductible
Outpatient Surgery	0% after deductible	30% after deductible
Prescription Drug Plan (Per 30-day/60-day/90-day supply Retail or Mail Order)	30-day supply	60-day supply
Disease Management Maintenance (generic)	\$0 copay	\$0 copay
Tier 1 (lower-cost generics and some brand name drugs)	\$10 copay	\$20 copay
Tier 2* (includes most brands and some higher cost generics)	\$40 copay	\$80 copay
Tier 3* (non-preferred drugs)	\$70 copay	\$140 copay
Tier 4 (specialty drugs)	\$100 copay	N/A
Tier 5 (cost share drugs)	\$150 copay	\$300 copay
	90-day supply	\$450 copay
		Not Covered

* If a participant obtains a brand-name drug when a generic equivalent is available, they are responsible for the brand copay plus the cost difference between the brand-name drug and the generic drug.

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Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association.

Plan Highlights: HMO

Plan Year: 2021-2022



This plan uses a preferred provider network. While you can use any doctor, clinic, hospital, or healthcare facility you want; you save money when you use providers in the Blue Cross and Blue Shield of Texas network. It is important to have a relationship with a Primary Care Physician (PCP) who can be your partner in managing your care. They can help you avoid duplicating tests and services and connect you to a specialist, but you are not required to see a PCP before you see a specialist.

This Plan Highlights addresses only particular aspects of the benefits available under the Plan. Various other expenses, limits, exclusions, and other rules also apply. For more details about your benefits, please refer to the individual Summary Plan Descriptions (SPDs), plan document, certificate of coverage, or (where applicable) insurance contracts for each plan. If there is any discrepancy, these more complete descriptions will govern. TML Health reserves the right to amend or terminate the plan at any time, which may affect the information provided in this Plan Highlights.

- HMO plans with copays for primary care visits.
- Specialist access by referral from primary care doctor.
- Paired with the Prescription Copay Plan.

BENEFIT COVERAGE		IN-NETWORK ONLY YOU PAY		
Deductible <i>(per calendar year)</i>				
Individual		\$XX		
Family		Ind Ded x2		
Out of Pocket Maximum <i>(per calendar year; includes deductible, copays and coinsurance)</i>				
Individual		\$XX		
Family		Ind OOP x2		
Coinsurance		20%		
Office Visits				
Primary Care		\$30 Copay		
Specialist		\$45 Copay		
Preventive Care		No Charge		
Telehealth – MDLIVE		No Charge for medical visits; \$45 Copay for behavioral health until deductible.		
Diagnostic Lab / X-Ray <i>(when associated with an office visit)</i>		20% after deductible		
Major Imaging <i>(CT scan, PET scan, MRI, nuclear medicine)</i>		20% after deductible		
Inpatient Hospital <i>(Prior Authorization required)</i>				
Facility Charges		20% after deductible		
Physician Charges		20% after deductible		
Emergency Room				
Facility Charges		\$500 Copay		
Physician Charges		20% after deductible		
Urgent Care		\$75 Copay		
Outpatient Surgery		20% after deductible		
Prescription Drug Plan <i>(Per 30-day/60-day/90-day supply Retail or Mail Order)</i>		30-day supply	60-day supply	90-day supply
Disease Management Maintenance <i>(generic)</i>		\$0 copay	\$0 copay	\$0 copay
Tier 1 <i>(lower-cost generics and some brand name drugs)</i>		\$10 copay	\$20 copay	\$30 copay
Tier 2* <i>(includes most brands and some higher cost generics)</i>		\$40 copay	\$80 copay	\$120 copay
Tier 3* <i>(non-preferred drugs)</i>		\$70 copay	\$140 copay	\$210 copay
Tier 4 <i>(specialty drugs)</i>		\$100 copay	N/A	N/A
Tier 5 <i>(cost share drugs)</i>		\$150 copay	\$300 copay	\$450 copay

* If a participant obtains a brand-name drug when a generic equivalent is available, they are responsible for the brand copay plus the cost difference between the brand-name drug and the generic drug.

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TML Health Marketing and Member Services Team

Leadership



Joe Malinowski

Director of Marketing and Member Services

Office: (512) 719-8348 | Cell: (512) 470-4110 | Email: Joe.Malinowski@tmlhb.org

Role in supporting you:

Joe directs and manages the overall Marketing and Member Services team to develop strong relationships with our Member Groups, Brokers/Consultants and our Members. Joe's passion is to educate and serve our Member Groups, Brokers/Consultants and their employees, and their families on transparency, quality, cost, and value to make healthcare administration and benefits easier to use and understand for all.

About Joe:

Joe Malinowski joined TML Health in March 2020 as the Assistant Director of Marketing. Prior to joining TML Health, Joe spent over 28 years with a commercial insurer in Texas. He has extensive knowledge in both the public and private sector business. Most recently, Joe managed the student health block of business in 5 states, leading it to be the 4th largest student health block among all carriers in the nation. Joe is excited to bring his experience with both fully funded and self-funded account management to the TML Health Benefits Pool.

Joe resides in Pflugerville, Texas and works out of TML Health's Austin office. He holds a bachelor's degree in Business Management from Concordia University in Austin, Texas and is designated as a Managed Healthcare Professional (MHP) through the American Health Insurance Plans (AHIP).



Renee M. Smith

Assistant Marketing Director

Office: (512) 719-8358 | Cell: (713) 243-8358 | Email: Renee.Smith@tmlhb.org

Role in supporting you:

Renee leads and manages the Marketing Teams (Sales Executives, Account Executives, and Member Benefit Specialists) through strategic planning to make sure you receive an unparalleled level of service.

About Renee:

Renee joined TML Health in May 2018. Renee has over 30 years of progressive and diverse insurance/finance experience with Fortune 500 caliber growth entrepreneurial companies and their employees. Renee resides in Georgetown, Texas and works out of TML Health's Austin office. She holds a Bachelor of Arts in Management, *magna cum laude* from American Military University.

Account Team



Joe H. Sanchez

Sales Executive

Office: (512) 719-6765 | Cell: (512) 517-9486 | Email: Joe.Sanchez@tmlhb.org

Role in supporting you:

Joe consults with you about benefit plan strategies to fit your needs, carries out your annual renewal, and helps keep your costs low, carry out your annual renewal, and help keep your costs low. He will also onboard your group and keep you up to date with onsite or virtual education meetings.

About Joe:

Joe Sanchez joined TML Health in November 2012 to service East Texas. Joe brings a history of experience in benefits that extends across 20 years in the industry.

Joe has been on both sides of the healthcare spectrum, managing large school district employer groups as well as conducting business development for a group health plan consulting firm. His expertise in the healthcare industry includes both fully funded and self-funded markets. Prior to joining TML Health, Joe was Region Director for a Third-Party Administrator in the government contractor arena.

Joe attended Pan American University in Edinburg, Texas majoring in General Business. He also completed home study courses in Management from Cornell University. He was born in McAllen, Texas, and has lived in Austin, Texas for the last 19 years.



Shannon Caldwell

Account Executive | North Texas and East Texas Territory

Office: (512) 719-6714 | Cell: (512) 820-5552 | Email: Shannon.E.Caldwell@tmlhb.org

Role in supporting you:

Shannon helps each group develop a benefits strategy that works best for their budgets and their employees. She believes in helping employees understand how their benefits work and educating them about how to make the most of their benefits.

About Shannon:

Shannon Caldwell enjoys helping people select the best benefits for their needs and budget, as well as helping people learn how to use their benefits most effectively.

She joined TML Health in October 2019 as an Employee Benefit Specialist serving the North Texas (Dallas/Ft. Worth) regions along with TML Health self-funded Member Groups statewide. Prior to joining TML Health, Shannon worked as an Account Executive for a Third-Party Administrator and in several Client Service roles for a major health insurance company.

Shannon resides in Wimberley and works out of TML Health's Austin office.

She holds a Bachelor of Arts in Psychology from Baylor University, a Master of Arts in Psychology from Hardin-Simmons University, and Bachelor of Science in Healthcare Administration and Management specializing in Human Resources from Colorado State University.



Viviana Lewis

Account Manager

Office: (512) 719-6503 | Cell: (512) 230-4479 | Email: Viviana.Lewis@tmlhb.org

Role in supporting you:

Viviana consults with you about benefit plan strategies to fit your needs, carries out your annual renewal, and helps keep your costs low. She will also onboard your group and keep you up to date with onsite or virtual education meetings.

About Viviana:

Viviana Lewis is passionate about healthcare and enjoys assisting the Marketing Team to improve our member services. She joined TML Health in July 2018 as an Administrative Assistant and joined Marketing in May 2019 as a Marketing Coordinator. As the Marketing Coordinator she assists leadership with communications, virtual/ regional meetings, and updating marketing brochures/materials as well as supporting marketing staff by providing new product information and industry knowledge.

Viviana resides in Austin and works out of TML Health's Austin office.

Glossary

Cost Management with Benefits Value Advisors

Benefits Value Advisors (BVA) will save you and your employees money on healthcare costs by:

- Using the “Member Liability Estimator” (MLE)
 - BVAs compare prices on more than 1,600 procedures to find the best price for your employees, keeping your plan affordable and saving your employee on the out-of-pocket cost.
 - Because the MLE is accessed through your employees’ login, all the results are tailored to their own plan, including their current deductible and history.
 - Employees can also use the Member Liability Estimator to search by doctor, hospital, or procedure for themselves.
- Being your employees’ personal medical secretary
 - If your BVA finds a better option that saves money, they’ll take care of everything. The BVA will cancel the previous appointment, reschedule with a more cost-effective provider, and then contact the employee’s Primary Care Provider letting them know of the change.
- And they’re located right in Texas!
 - Every BVA is located at our call center in Marshall, Texas. That means when you or your employee pick up the phone, you will be talking to a fellow Texan that knows the area and which doctors to point you to.

Prior Authorization

Prior Authorization ensures hospital admissions and other medical services are medically necessary and clinically appropriate. Some services covered under your medical plan may require an authorization before receiving services. American Imaging Management will determine whether there is a lower cost alternative for the test you have been referred to.

If Members are using an in-network provider (doctor or facility), the in-network provider may obtain the prior authorization on the Member’s behalf.

Services that may require prior authorization include:

- Imaging
- Joint and spine surgeries
- Genetic testing
- Radiation therapies

Concurrent Review

Concurrent Review determines the most appropriate setting for the Member’s needs and ensures the Length of Stay assignment is observed.

Discharge Planning

Discharge Planning begins as early as the prior authorization process and/or at the time of admission. The goal of this program is to intervene as early as possible to determine the resources needed to deliver quality clinical care at a reasonable expense.

Holistic Health Management

Holistic Health Management through Blue Cross and Blue Shield of Texas proactively reaches out to Members dealing with significant health challenges. A care team, led by a health advisor, collaborates to help high-cost, high-complexity Members, regardless of condition.

Targeted Messaging

Personalized communications remind Members of missed appointments, tests and prescription refills and emphasize the importance of preventive screenings and immunizations.

One-on-One Coaching

Professionally certified coaches counsel employees on health and lifestyle issues, via phone or secure messaging. Examples of coaching topics include:

- Stress management
- Physical activity, nutrition, and weight management
- Tobacco cessation
- Blood pressure, high cholesterol, and other chronic conditions

Airrosti for Musculoskeletal Recovery

Airrosti is an outcome-based program, dedicated to quick recovery from common conditions or injuries through physical therapy for those who wish to avoid surgeries or other unnecessary invasive care options.

Airrosti providers spend significant one-on-one time with patients to thoroughly diagnose and help resolve the source of the pain through safe and effective soft tissue treatment. They then educate patients and give guidance they can use at home to speed recovery and minimize the risk of future injuries.

You have the option to choose in-office care or virtual and remote treatment to start feeling like yourself in as little as 3-4 visits.

Earn Blue PointsSM with the Fitness Program

Members can earn Blue Points to redeem for rewards by participating in the Fitness Program, which offers a flexible option to get in shape and stay active. Members can choose from a nationwide network of fitness centers that can work with their lifestyle, at home or on the road. Membership is month to month with no long-term contract. This program also provides access to discounts through a nationwide Complementary and Alternative Medicine (CAM) network of 40,000 health and well-being providers such as massage therapists, personal trainers, and nutrition counselors.

24 Hour Nurseline

Health concerns don't always follow a 9-to-5 schedule. Fortunately, neither does our 24/7 health advisor line. A nurse at the 24 Hour Advisor Line can help you decide if you should call your doctor, visit the ER or urgent care, wait to see your doctor when you can, or treat the problem yourself. Services are available in many languages.

Teens can also call and speak to a nurse in private about teen health issues.

By calling this line, employees can also listen to audio tapes on hundreds of health topics that may concern them, such as:

- Pregnancy
- Diabetes
- Children's health
- High blood pressure
- Insomnia
- Sexually transmitted diseases such as HIV/AIDS

Maternity Wellness

Your maternity wellness benefits TML Health provide coverage for pregnancy and maternity care including:

- Maternity-related medical services for prenatal care and postnatal care

- Delivery services provided by the delivering physician*
- Laboratory tests
- Sonograms
- Stress tests
- Amniocentesis (sampling of amniotic fluid)
- Expenses for the hospital inpatient stay, including assistant surgeon or anesthesiologist fees, if required
- Lactation support and counseling sessions in conjunction with childbirth including breast pumps, accessories and supplies
- Interactive classes available online for Mom through Well onTarget

Your maternity benefit also includes Ovia Health's complete app suite to provide support from pre-pregnancy to delivery all the way through parenting. On top of being great tracking apps for every step of the parenting journey, Ovia Health helps manage both the children's and the mother's health, including support for post-partum depression.

*Newborn services delivered in the hospital may be subject to separate deductible and coinsurance.

Deductible and Out of Pocket

In-Network and Out-of-Network Deductibles are separate. Amounts paid toward the Out-of-Network Deductible count toward the In-Network Deductible but amounts paid toward the In-Network Deductible do not count toward the Out-of-Network Deductible.

The In-Network Deductible is included in the In-Network Out of Pocket Maximum.

If the member paid out of pocket charges with the prior carrier, which counted toward their Deductible and/or Out of Pocket Maximum for the current calendar year, those payments will be credited towards the member's Deductible and/or Out of Pocket Maximum with TML Health, upon receipt of the prior carrier's accumulator file (the amount paid so far toward Out of pocket Maxima) for Member Groups over 25 employees or with Paper Explanation of Benefits. Member Groups with 25 employees or fewer can fax or email their Explanation of Benefits to TML Health.

Emergency Room for Emergent/Immediate Care – with ER Copay

For any treatment received through the emergency room, a \$500 ER copay per visit will apply to the facility charge only. Professional services are subject to the individual deductible and out of pocket amount.

Employee and Dependent Prior Coverage

All current Employees and Dependents will continue to be covered without the loss of any benefits as long as they are covered by their prior carrier on the day prior to TML Health coverage becoming effective.

TML Health will credit any portion of the deductible and out of pocket amounts that have already been satisfied for the current calendar year, except where prohibited by IRS regulations. If a participant has accumulated out of pocket costs under a non-qualified health plan (such as a copay plan or plan with deductible less than \$1,400 for an individual or \$2,800 for a family) they cannot credit these expenses toward a qualified High Deductible Health Plan.

For groups with a plan anniversary date other than January 1, if the employer changes the Deductible or Out of Pocket Maximum, the new Deductible/Out of Pocket Maximum will be effective at the beginning of the plan year and start over again on the calendar year.

Family Deductible

Once the Family Deductible is satisfied, no covered individual member of the family will need to pay a further amount toward any deductible within the calendar year. The Family Deductible is a cumulative dollar amount and is met by the sum of all payments made by all covered individuals in the family toward their individual deductibles.

Family Out of Pocket Maximum

The Family Out of Pocket Maximum is a cumulative dollar amount that applies collectively to all covered individuals in a family. Once the Family Out of Pocket Maximum is satisfied, the plan will pay 100% of all In-Network services for any covered family member for the rest of the calendar year.

Hospice Care

Hospice care benefits are provided in accordance with a Hospice Care Program to terminally ill covered individuals. Reasonable & Customary charges will be covered, subject to the deductible and benefit maximum. Medical Management must receive Pre-authorization prior to the beginning of hospice care for inpatient services.

Home Health Care

Home health care services are eligible benefits when the home health care plan is received in writing and ordered by the attending Physician. The maximum payable amount per visit is \$100 for professional services. Custodial care is excluded. Multiple professional visits in a single day may be arranged by Medical Management.

Inpatient Hospital

Inpatient hospital is treatment or confinement in a hospital or other medical facility for more than twenty-three (23) hours. Pre-authorization is required for certain inpatient admissions. Please refer to the "Pre-authorization Requirements" section in the Medical Plan booklet for a complete listing.

Liberty Health Bank



For your convenience, TML Health offers information for a Member Group to consider Liberty Health Bank for HSA banking using the Alegeus Wealthcare Administrative system. TML Health provides Health Savings Account (HSA) enrollment, funding, debit card, call center, and website services to our HSA participants. Liberty Health Bank provides bank custodian services, as well as investment and portability resources for our HSA participants.

Liberty Health Bank will not initiate contributions to employee Health Savings Accounts but will allow employer or their authorized agent to initiate contributions to employee Health Savings Accounts.

Medicare Eligibility

Medicare is primary for individuals who have attained age 65 and are not actively at work, or for Members who maintain a Medicare-eligible diagnosis. TML Health will pay secondary to Medicare. TML Health's plan should be primary for actively at work employees aged 65 or older. Actively at work employees sixty-five (65) years old or older cannot be financially incentivized to decline TML Health benefits.

Member Requirements

Interlocal Agreement

All Pool Members must adopt the Interlocal Agreement at a posted meeting. The agreement will be forwarded upon acceptance of the TML Health proposal.

Employee Eligibility

Enrollment is both limited to and required for all Actively at Work employees.

An employee who works and is paid by an Employer for at least twenty (20) hours per week or as defined by said Employer. An Employee may retain eligibility for coverage under this Plan if the Employee is temporarily absent on leave as defined by the Employer's leave policy, including but not limited to accessing vacation, sick, personal, paid time off, paid/unpaid Family Medical Leave Act of 1993 (FMLA), sick leave pool, unpaid approved leave, catastrophic leave, emergency leave, or short term disability leave, *provided that* Contributions to the Plan for such Employee to continue to be paid on a timely basis.

In order for any form of leave that is not accrued on a weekly, monthly, annual, or other periodic basis to be considered as vacation, sick, personal, or paid time off leave under the previous paragraph, Employer's leave policy must be (1) in writing, (2) provided to TML Health upon request, and (3) available uniformly to all Employees. The non-accruing leave referred to herein shall include, but not be limited to: sick pool leave, catastrophic leave, disability leave, non-FMLA medical leave, Workers' Compensation Injury leave, and emergency leave. In order for compensatory time to be considered as hours actively at work, the Employer's compensatory policy must be (1) in writing, (2) on file with us prior to the start of the Employer's plan year, (3) available uniformly to all Employees, (4) clearly documented on each payroll document, and (5) in compliance with U.S. Department of Labor requirements. Employees that do not meet the definition of an Actively-At-Work Employee in the Plan booklet are not eligible for medical Benefits.

An FMLA certification shall extend the period of coverage for Actively-At-Work Employee(s) when the FMLA documentation is provided in writing to us within thirty (30) days of the certification and one hundred and twenty (120) days of the beginning date of the FMLA leave.

Dependent Eligibility

An eligible dependent is the spouse or dependent child of a covered employee who is eligible for benefits under this Plan. A spouse or child who does not meet the definition of spouse or child in TML Health's plan document will not be eligible for medical benefits.

A dependent child is eligible for coverage up to the attained age of twenty-six (26), regardless of student status.

Effective Date of Coverage

Employees will become covered when they have satisfied the eligibility requirements, are actively at work, have enrolled in the plan, and have met any employer-required waiting period. TML Health enrollment paperwork must be submitted upon hire date.

Existing eligible dependents will become covered when the eligible employee becomes covered. Individuals who become dependent spouses after the Employee's eligibility date must be enrolled within 31 days of the date of marriage. New dependent children must be added within 60 days of their birth, adoption, or placement for adoption.

During the plan year, certain qualifying life events (for example marriage or divorce, or birth or adoption of a child) will permit an employee to add a dependent outside of the Open Enrollment period.

Deferred Effective Date

Employees who are absent from work due to injury or illness on the date coverage would otherwise become effective will be covered upon returning to active full-time work.

Dependents who are medically confined in a hospital, at home, or elsewhere will become covered when discharged from the hospital or place of confinement.

Monthly Contributions

All contributions are due and payable as of the first of the month. If contributions are not received by the 20th of the month in which they are due, they will be considered delinquent. If the delinquent contributions are not received by the end of the following month, benefits will be terminated as of the date the contributions were first due.

Out of the Provider Network Area

If a member needs care from a specialist care provider, but there is not an In-Network specialist care provider within a seventy-five (75) mile radius from the member's employer, an Out-of-Network specialist would be paid at an In-Network benefit amount subject to Reasonable & Customary (R&C) allowable amounts.

Outpatient/Office Surgical Procedures

Benefits are paid at the plan percentage, subject to the deductible, for a surgical procedure performed by a physician in an Ambulatory Surgical Center (ASC), doctor's office, or outpatient department of a hospital. Pre-authorization is required for certain outpatient procedures. Please refer to the "Pre-authorization Requirements" section in the Medical Plan booklet for a complete listing.

Physician Office Visit – with Copay

For an office visit, consultation, labs, and/or x-rays associated with an office visit, the member will pay only the office visit copay. Office visits, consultations, labs, and/or x-rays associated with an office visit are paid at 100% after the office visit copay. All other services are subject to the regular plan benefits. The office lab benefit excludes genetic testing and the office x-ray benefit excludes major imaging, mammograms, ultrasounds, and other diagnostic testing.

Prescription Drug Program

TML Health offers a Prescription Drug Plan through Navitus. Navitus delivers costs savings to Members through its unique pass-through pricing approach with complete transparency. Members are eligible for benefits across the Navitus Narrow Network, which includes retail chain and independent pharmacies. To maximize savings, Walgreens is excluded from the pharmacy network.

Members can receive their drugs by mail order through Costco Pharmacy. They do not need to be members of Costco to order mail order medications.



Specialty drugs are available to our Members through Lumicera Specialty Pharmacy. Our Copay Max program helps your employees and the plan save money by maximizing savings from manufacturer coupons.



Coverage for certain Specialty Injectables that are also available through the Prescription Drug Plan but are purchased from medical providers require prior authorization and will be paid per the Medical Benefit Plan.

Prescription Drug Plan non-injectable prescriptions purchased outside of the Navitus network will not be an Eligible Benefit under the Medical Benefit Plan, other than the Medical Plan Specialty Injectable Benefit mentioned above.

Preventive/Routine Care Benefit

Eligible In-Network preventive/routine care benefits will be processed for reimbursement at 100% of the In-Network allowable amount. Eligible Out-of-Network provider billing will be subject to Reasonable & Customary charges and to the Out-of-Network deductible and benefit percentage. To be considered an eligible preventive/ routine care benefit, the provider's bill must designate or outline a routine diagnosis code. Preventive/routine care services represent important areas for quality improvement by acting as measures for assessing the use of services recommended by the U.S. Preventive Services Task Force (USPSTF) and other national organizations.

Preventive/Routine Care Benefits include:

- Colorectal Exam (routine and diagnostic)
- Women's Preventive Health Services
- Adult Preventive/Routine Care Benefits
- Children's Preventive/Routine Care Benefits

Provider Network

Members may search for In-Network providers in the Blue Cross and Blue Shield of Texas network at www.tmlhealthbenefits.org. Members can search by City, County, Zip Code, or Last Name. Simply enter a search term, select an option, and click the Search button. Provider Network revisions occur on an ongoing basis to assist with discount management. Members who are traveling or reside outside of Texas can access in-network providers through the Blue Card® program. Simply call your Benefits Value Advisor to find an in-network provider where you need one.

Telehealth Services



To improve ease of access to primary care healthcare services, TML Health partners with MDLIVE to provide telemedicine/telehealth services. MDLIVE offers a national network of U.S. board-certified doctors and pediatricians that members can speak with 24/7 through the convenience of a phone call or online video consultation.

Telehealth services include diagnostic and/or medication management services for many conditions including allergies, cold and flu symptoms, earache, sore throat, and other minor medical conditions. Telehealth doctors do not replace primary care physicians. Telehealth should be used when you need immediate physician care for non-emergency medical issues.

Transplant Benefit

Coverage for transport to and transplant services at the Pool's Transplant Centers of Excellence for major organ transplants is a standard value-added benefit. Eligible transplant expenses incurred in connection with any organ or tissue transplant will be covered subject to Medical Management approval and Plan limitations. Transplant benefits are subject to the Deductible and Out of Pocket Maximum and are provided by a Transplant Center of Excellence.

**City of Venus
TML Quote
Effective: 10-1-2021**

Website	www.bcbstx.com	www.bcbstx.com	www.bcbstx.com
Carrier	TML	TML	TML
Plan	Copay 3K- ER	Copay -1500-3K ER	Copay-1K-3K ER
Network	BLUE CHOICE PPO	BLUE CHOICE PPO	BLUE CHOICE PPO
<i>Prescription Card 30 day supply</i>	\$0/\$10 Generic/\$40 Brand/\$70 NPref Brand/ \$100 Specialty /\$150 CS	\$0 Maint Gen/\$10 Gen/\$40 Prf Brand /\$70 NPref Brand /\$100 Spec/\$150 CS	\$0 Maint Gen/\$10 Gen/\$40 Prf Brand /\$70 NPref Brand /\$100 Spec/\$150 CS
<i>Mail Order Copay</i>	\$0/\$30 Generic/\$120 Brand/\$210 N Pref Brand/\$300 Specialty /\$450 CS	\$0 Maint Gen /\$30 Gen/\$120 PrefBrand /\$210 NPref Brand /\$300 Spec/\$450 CS	\$0 Maint Gen /\$30 Gen/\$120 PrefBrand /\$210 NPref Brand /\$300 Spec/\$450 CS
<i>Annual Deductible In Network</i>	\$3,000 Individual/\$6,000 Family	\$1,500 Individual/\$3,000 Family	\$1,000 Individual/\$2,000 Family
<i>Annual Deductible Out Network</i>	\$6,000 Individual/\$12,000 Family	\$3,000 Individual/\$6,000 Family	\$2,000 Individual/\$4,000 Family
<i>Coinsurance</i>	100% In Network/70% Out of Network	80% In Network /50% Out of Network	80% In Network /50% Out of Network
<i>Lifetime Max</i>	Unlimited	Unlimited	Unlimited
<i>Out of Pocket Max includes Deductible</i>	\$3,000 Individual/\$6,000 Family	\$3,000 Individual/\$6,000 Family	\$3,000 Individual/\$6,000 Family
<i>Inpatient Hospital Service</i>	100% In Network/70% Out of Network	Deductible + 80% In Network /50% Out of Network	Deductible + 80% In Network /50% Out of Network
<i>Inpatient Copays</i>	Not Applicable	Not Applicable	Not Applicable
<i>Doctor's Office Visit</i>	\$30 Primary Care Physician/\$45 Specialist/\$0 Teledoc	\$30 Primary Care Physician/\$45 Specialist/\$0 Teledoc	\$30 Primary Care Physician/\$45 Specialist/\$0 Teledoc
<i>Preventive</i>	100% No Copay	100% No Copay	100% No Copay
<i>Surgery Doctor's Office</i>	Deductible + 100% In Network /70% Out of Network	Deductible + 80% In Network /50% Out of Network	Deductible + 80% In Network /50% Out of Network
<i>Outpatient Surgery</i>	Deductible + 100% In Network /70% Out of Network	Deductible + 80% In Network /50% Out of Network	Deductible + 80% In Network /50% Out of Network
<i>Outpatient Copays</i>	Not Applicable	Not Applicable	Not Applicable
<i>Hospital Emergency</i>	\$500 Copay then plan pays 100% In Network /70% Out of Network	\$500 Copay then plan pays 80% In Network /50% Out of Network	\$500 Copay then plan pays 80% In Network /50% Out of Network
<i>Urgent Care Facility</i>	\$75 Copay	\$75 Copay	\$75 Copay
<i>Substance Abuse Outpatient</i>	Deductible + 100% In Network /70% Out of Network	Deductible + 80% In Network /50% Out of Network	Deductible + 80% In Network /50% Out of Network
<i>Substance Abuse Inpatient</i>	\$30 Copay	Deductible + 80% In Network /50% Out of Network	Deductible + 80% In Network /50% Out of Network
<i>Mental Nervous Outpatient</i>	Deductible + 100% In Network /70% Out of Network	Deductible + 80% In Network /50% Out of Network	Deductible + 80% In Network /50% Out of Network
<i>Mental Nervous Inpatient</i>	\$30 Copay	Deductible + 80% In Network /50% Out of Network	Deductible + 80% In Network /50% Out of Network
<i>Maternity</i>	Yes	Yes	Yes
<i>Rate Guarantee</i>	12 MONTHS	12 MONTHS	12 MONTHS
<i>Employee</i>	\$ 651.90	\$ 700.94	\$ 723.32
<i>Employee/Spouse</i>	\$ 1,282.16	\$ 1,381.70	\$ 1,427.14
<i>Employee/Child</i>	\$ 1,116.94	\$ 1,203.24	\$ 1,242.64
<i>Employee/Family</i>	\$ 1,845.10	\$ 1,989.76	\$ 2,055.78

**City of Venus
Cigna Healthcare - Medical
Current 4-1-2020 Renewal 10-1-2021**

Website	www.cigna.com	
Carrier	<u>Cigna Healthcare</u>	
Plan	<u>Open Access Plus- OAP 3000/100/70</u>	
Network	<u>Choice Plus</u>	
Prescription Card 30 day supply	\$10 Generic/ \$35 Brand / \$60 Non Formulary	
Mail Order Copay	\$25 Generic / \$88 Brand / \$150 Non Formulary	
Annual Deductible In Network	\$3,000 Individual / \$6,000 Family	
Annual Deductible Out Network	\$6,000 Individual / \$18,000 Family	
Coinsurance	100% In Network / 70% Out of Network	
Lifetime Max	Unlimited	
Out of Pocket Max + Deductible	\$5,500 Individual / 11,000 Family	
Inpatient Hospital Service	Deductible then plan pays - 100% In Network / 70% Out of Network	
Inpatient Copays	Not Applicable	
Doctor's Office Visit	\$30 Copay Primary Care Physician /\$60 Specialist	
Preventive	100% No Copay	
Surgery Doctor's Office	Deductible then plan pays - 100% In Network / 70% Out of Network	
Outpatient Surgery	Deductible then plan pays - 100% In Network / 70% Out of Network	
Outpatient Copays	Not Applicable	
Hospital Emergency	\$200 Copay then pays 100%	
Urgent Care Facility	\$75 Copay	
Substance Abuse Outpatient	\$60 Copay	
Substance Abuse Inpatient	Deductible then plan pays - 100% In Network / 70% Out of Network	
Mental Nervous Outpatient	\$60 Copay	
Mental Nervous Inpatient	Deductible then plan pays - 100% In Network / 70% Out of Network	
Maternity	Yes	
Rates -18 Months	CURRENT	RENEWAL 5% INCREASE ONE PLAN
Employee	\$ 708.91	\$745.10
Employee and Spouse	\$1,694.18	\$1,780.10
Employee and Child(ren)	\$1,481.58	\$1,557.18
Employee and Family	\$2,388.75	\$2,510.70

**Dean Casey and Associates
16610 Dallas Parkway, Suite 1100
Dallas, TX 75248
214-651-7600
214-651-8600 fax**

FY 21-22 PROPOSED BUDGETS
PERSONNEL AND BENEFITS COMPARISON

COMPARISON OF HEALTH BENEFIT OPTIONS - CIGNA (CURRENT PROVIDER):

The City received quotes from Cigna, BCBS (Direct), and Texas Municipal League (TML). TML is a self-insured, multi-employer plan offered to local governments in the State of Texas. This plan is administered by BCBS. Quote comparisons revealed that purchasing BCBS directly from the carrier was significantly more than all other quotes received. Therefore, staff compared quotes from Cigna and TML only.

	Cigna (Current)			Cigna (5% Inc)			Inc (Dec)	% Change
	Rates	Employer	Employee	Rates	Employer	Employee		
Employee Only	\$ 708.91	708.91	-	\$ 745.10	745.10	-		
Employee & Spouse	\$ 1,694.18	1,201.55	492.64	\$ 1,780.10	1,262.60	517.50		
Employee & Child(ren)	\$ 1,481.58	1,095.25	386.34	\$ 1,557.18	1,151.14	406.04		
Employee & Family	\$ 2,388.75	1,548.83	839.92	\$ 2,510.70	1,627.90	882.80		
Estimated cost per year		\$434,429			\$456,582		\$ 22,153	5%
Plan benefits comparable to current coverage with Cigna:				TML (\$3,000 Ded)				
				Rates	Employer	Employee		
Employee Only	Deductible	\$ 3,000		\$ 651.90	651.90	-		
	Coinsurance	100%		\$ 1,282.16	967.03	315.13		
	OOP Max	\$ 3,000	Individual	\$ 1,116.94	884.42	232.52		
		\$ 6,000	Family	\$ 1,845.10	1,248.50	596.60		
Employee & Spouse								
Employee & Child(ren)								
Employee & Family								
			Estimated cost per year		\$363,671		\$ (70,758)	-16%
				TML (\$1,500 Ded)				
				Rates	Employer	Employee		
Employee Only	Deductible	\$ 1,500		\$ 700.94	700.94	-		
	Coinsurance	80%		\$ 1,381.70	1,041.32	340.38		
	OOP Max	\$ 3,000	Individual	\$ 1,203.24	952.09	251.15		
		\$ 6,000	Family	\$ 1,989.76	1,345.35	644.41		
Employee & Spouse								
Employee & Child(ren)								
Employee & Family								
			Estimated cost per year		\$391,508		\$ (42,921)	-10%
				TML (\$1,000 Ded)				
				Rates	Employer	Employee		
Employee Only	Deductible	\$ 1,000		\$ 723.32	723.32	-		
	Coinsurance	80%		\$ 1,427.14	1,039.52	387.62		
	OOP Max	\$ 3,000	Individual	\$ 1,242.64	947.27	295.37		
		\$ 6,000	Family	\$ 2,055.78	1,353.84	701.94		
Employee & Spouse								
Employee & Child(ren)								
Employee & Family								
			Estimated cost per year		\$404,213		\$ (30,216)	-7%

FY 21-22 PROPOSED BUDGETS
PERSONNEL AND BENEFITS COMPARISON

	Inc (Dec)
DENTAL INSURANCE - UNUM (CURRENT CARRIER)	
Unum's dental rates are increasing 24% over current year dental rates. Total increase calculates to \$4,147 annually. Quotes were obtained from Blue Cross Blue Shield, Guardian, and MetLife. Although rates are increasing, Unum's rates remain lower than all other quotes.	\$ 4,147
VISION INSURANCE - UNUM (CURRENT CARRIER)	
Unum's vision rates are remaining the same - no rate increases. Unum remains lower than any other quote received.	-
SHORT-TERM DISABILITY - UNUM (CURRENT CARRIER)	
Unum's short-term disability rates are remaining the same at \$0.32 per \$100 of payroll. Fort Dearborn quoted a rate of \$0.255 per \$100 of payroll. The calculated decrease in premiums is \$1,827 if City chooses Fort Dearborn	(1,827)
LONG-TERM DISABILITY - UNUM (CURRENT CARRIER)	
Unum's long-term disability rates are remaining the same at \$0.31 per \$100 of payroll. Fort Dearborn quoted a rate of \$0.308 per \$100 of payroll. The calculated decrease in premiums is \$636 if City chooses Fort Dearborn	(636)
BASIC LIFE, AD&D, AND VOLUNTARY LIFE INSURANCE - UNUM (CURRENT CARRIER)	
Unum's rates are remaining the same at \$3.20 per employee for employer-paid life and AD&D. Rates for voluntary life are remaining the same. Fort Dearborn quoted a rate of \$4.00 per employee for employer-paid life and AD&D, and their rates for voluntary life are the same as Unum's rates. Although Fort Dearborn's rate is higher than Unum, resulting in a \$336 increase in total premiums, this increase will be offset by the savings from short-term and long-term disability rate decreases. Also, switching to Fort Dearborn will allow for employees not currently receiving life insurance the ability to purchase since switching companies will be considered open enrollment. If you did not choose life insurance when you began working for the City, Unum does not allow you to obtain life insurance now without evidence of insurability.	336
Total estimated increase in ancillary benefits for FY 21-22	<u>\$ 2,020</u>



PROPOSED ANNUAL BUDGET

For the Fiscal Year
Beginning October 1, 2021
Ending September 30, 2022

TAX NOTICE

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY AN AMOUNT OF \$637,128, WHICH IS A 32.17 PERCENT INCREASE FROM LAST YEAR'S BUDGET. THE PROPERTY TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR IS \$426,995. THE REMAINING INCREASE IS FROM AN INCREASE IN PROPERTY VALUES AS APPRAISED BY ELLIS APPRAISAL DISTRICT AND JOHNSON COUNTY APPRAISAL DISTRICT.

THIS BUDGET WILL RAISE MORE REVENUE FROM PROPERTY TAXES THAN LAST YEAR’S BUDGET BY AN AMOUNT OF \$637,128, OR 32.17%. THE PROPERTY TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR IS \$426,995.

THE MEMBERS OF THE GOVERNING BODY VOTED ON THE PROPOSED TAX RATE OF \$0.807224 AS FOLLOWS:

FOR:	RITA BISHOP JEANIE SCOTT GERONIMO HERNANDEZ PHYLLIS LEWIS
AGAINST:	NONE
PRESENT AND NOT VOTING:	MAYOR JAMES BURGESS
ABSENT:	KAYLA SANGUINETTI

PROPERTY TAX COMPARISON

	<u>2021-2022</u>	<u>2020-2021</u>
PROPOSED TAX RATE	\$0.807224/100	\$0.838991/100
NO-NEW-REVENUE TAX RATE:	\$0.726805/100	\$0.804110/100
NO-NEW-REVENUE MAINTENANCE & OPERATIONS TAX RATE	\$0.596795/100	\$0.651210/100
VOTER-APPROVAL TAX RATE:	\$0.807224/100	\$0.838991/100
DEBT TAX RATE:	\$0.178816/100	\$0.152900/100
TOTAL DEBT OBLIGATIONS FOR THE CITY OF VENUS SECURED BY PROPERTY TAXES: \$587,488		

GENERAL FUND SUMMARY
STATEMENT OF REVENUES & EXPENDITURES
FIVE YEAR COMPARISON

REVENUES	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	% Change
Property Taxes	\$ 1,173,566	\$ 1,155,317	\$ 1,461,049	\$ 1,628,146	\$ 2,058,208	26.41%
Sales Taxes	410,059	428,185	589,007	734,979	845,226	15.00%
Franchise Taxes	97,690	95,799	127,867	131,500	135,445	3.00%
Licenses and Permits	431,347	389,587	761,647	794,824	789,390	-0.68%
Charges for Services	6,934	8,693	3,623	3,000	6,050	101.67%
Fines and Forfeitures	64,226	76,689	52,313	58,020	60,000	3.41%
Intergovernmental	112,941	68,095	28,744	11,090	1,400	-87.38%
Investment Earnings	6,875	9,075	26,313	12,500	8,000	-36.00%
Contributions	122,696	122,696	122,716	129,902	246,159	89.50%
Other	74,927	25,489	49,196	4,441	5,000	12.59%
TOTAL REVENUES	2,501,261	2,379,625	3,222,475	3,508,402	4,154,878	18.43%
EXPENDITURES						
Planning and Development	235,631	152,272	445,519	624,814	492,952	-21.10%
Administration	670,117	752,116	716,821	586,898	-	-100.00%
City Administrator's Office					148,146	100.00%
City Secretary's Office					143,397	100.00%
Finance Department					156,374	100.00%
Human Resources Department	-	-	-	-	141,920	100.00%
Police	905,523	1,087,783	1,199,152	1,340,461	1,498,963	11.82%
Code Enforcement/Animal Control	-	-	-	64,262	96,606	50.33%
Municipal Court	102,132	95,919	100,329	98,518	98,497	-0.02%
Fire Department	42,538	48,603	25,421	23,015	467,979	1933.37%
Streets	437,765	364,825	249,585	367,073	287,081	-21.79%
Parks & Recreation	-	-	-	-	294,671	100.00%
Non-Departmental	-	-	-	-	173,961	100.00%
Debt Payments	6,966	47,576	98,630	251,436	84,331	-66.46%
Capital Outlay	81,789	26,031	57,562	90,344	70,000	-22.52%
TOTAL EXPENDITURES	2,482,461	2,575,125	2,893,019	3,446,821	4,154,878	20.54%
REVENUES OVER (UNDER) EXPENDITURES	18,800	(195,500)	329,456	61,581	(0)	-100.00%
OTHER FINANCING SOURCES (USES)						
Loan Proceeds	133,288	-	-	239,783	-	-100.00%
One-Time Capital Expenditures	(133,288)	-	-	(233,923)	-	-100.00%
Transfer From (To) Other Funds	(3,380)	63,982	(613,352)	-	-	0.00%
CHANGE IN FUND BALANCE	15,420	(131,518)	(283,896)	67,441	(0)	-100.00%
BEGINNING FUND BALANCE	2,312,021	2,327,441	2,195,923	1,912,027	1,979,468	3.53%
ENDING FUND BALANCE	\$ 2,327,441	\$ 2,195,923	\$ 1,912,027	\$ 1,979,468	\$ 1,979,468	0.00%

174
days reserve

GENERAL FUND
REVENUE DETAIL

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	
PROPERTY TAXES						
10-4-0000-0342 PENALTY & INTEREST	\$ 9,956	\$ 15,005	\$ 16,342	\$ 19,428	\$ -	
10-4-0000-0344 CURRENT PROPERTY TAXES	1,163,610	1,140,312	1,444,707	1,608,718	2,058,208	
TOTAL PROPERTY TAXES	1,173,566	1,155,317	1,461,049	1,628,146	2,058,208	
	3%	-2%	26%	11%	26%	
SALES TAXES						
10-4-0000-0346 SALES TAXES (GENERAL)	328,987	342,548	471,206	587,983	676,180	
10-4-0000-0347 SALES TAXES (PT RELIEF)	81,072	85,637	117,801	146,996	169,045	
TOTAL SALES TAXES	410,059	428,185	589,007	734,979	845,226	
	59%	4%	38%	25%	15%	
FRANCHISE FEES						
10-4-0000-0340 FRANCHISE TAXES	97,690	95,799	127,867	131,500	135,445	
TOTAL FRANCHISE FEES	97,690	95,799	127,867	131,500	135,445	
	7%	-2%	33%	3%	3%	
LICENSES AND PERMITS						
10-4-0000-0361 ALCOHOL PERMITS	860	860	860	-	860	100%
10-4-0000-0362 INSPECTION FEES	-	-	-	306,009	250,000	-18%
10-4-0000-0363 ZONING FEES	-	-	-	2,500	2,500	0%
10-4-0000-0364 ANIMAL REGISTRATION	-	-	270	360	360	0%
10-4-0000-0365 PLAT FEES	-	-	25,279	20,000	20,000	0%
10-4-0000-0366 LICENSE & PERMITS	343,346	368,742	707,168	451,285	500,000	11%
10-4-0000-0367 SUBDIVISION FEES	66,841	16,885	-	-	-	0%
10-4-0000-0368 PARK FEES	20,300	3,100	27,400	14,000	15,000	7%
10-4-0000-0369 RENTAL PROPERTY FEES	-	-	670	670	670	0%
TOTAL LICENSES AND PERMITS	431,347	389,587	761,647	794,824	789,390	-1%
CHARGES FOR SERVICES						
10-4-0000-0321 ACCIDENT REPORT	700	500	455	450	450	0%
10-4-0000-0322 COMMUNITY CENTER RENTAL	5,780	7,935	3,035	2,000	5,000	150%
10-4-0000-0323 PARK RENTALS	-	-	40	500	500	0%
10-4-0000-0324 COPY MACHINE	454	258	93	50	100	100%
TOTAL CHARGES FOR SERVICES	6,934	8,693	3,623	3,000	6,050	102%
FINES & FORFEITURES						
10-4-0000-0331 ADMINISTRATIVE/OTHER FEES	26,592	30,735	20,101	20,120	21,500	7%
10-4-0000-0334 FINES	35,925	44,099	31,425	37,500	38,500	3%
10-4-0000-0335 TIME PAYMENT	1,263	1,324	608	400	-	-100%
10-4-0000-0338 STATE FEES	446	531	179	-	-	0%
TOTAL FINES & FORFEITURES	64,226	76,689	52,313	58,020	60,000	3%
INTERGOVERNMENTAL						
10-4-0000-0370 VVFD-EXPENSE REIMBURSEMENT	-	-	11,367	9,531	-	-100%
10-4-0000-0370 VENUS ISD-SRO REIMBURSEMENT	47,266	66,784	14,724	-	-	0%
10-4-0000-0375 GRANT REVENUE	65,675	1,311	2,653	1,559	1,400	-10%
TOTAL INTERGOVERNMENTAL	112,941	68,095	28,744	11,090	1,400	-87%
INTEREST						
10-4-0000-0360 INTEREST	6,875	9,075	26,313	12,500	8,000	-36%
TOTAL INTEREST	6,875	9,075	26,313	12,500	8,000	-36%

GENERAL FUND
REVENUE DETAIL

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	
CONTRIBUTIONS AND DONATIONS						
10-4-0000-0370 PAYMENT IN LIEU OF TAXES	122,696	122,696	122,696	122,696	122,696	0%
10-4-0000-0377 DONATIONS	-	-	20	7,206	25,000	247%
10-4-0000-0378 VCSDC CONTRIBUTIONS					98,463	0%
TOTAL CONTRIBUTIONS AND DONATIONS	122,696	122,696	122,716	129,902	246,159	89%
OTHER						
10-4-0000-0362 MISCELLANEOUS	25,581	25,489	9,248	4,000	5,000	25%
10-4-0000-0372 INSURANCE PROCEEDS	-	-	177	343	-	-100%
10-4-0000-0376 CASH OVER (SHORT)			273	98	-	-100%
10-4-0000-0379 SALE OF CAPITAL ASSETS	49,346		39,498	-	-	0%
TOTAL OTHER	74,927	25,489	49,196	4,441	5,000	13%
TOTAL REVENUES	\$ 2,501,261	\$ 2,379,625	\$ 3,222,475	\$ 3,508,402	\$ 4,154,878	18%

20-PLANNING DEVELOPMENT DEPARTMENT

		ACTUAL	ACTUAL	ACTUAL	PROJECTED	PROPOSED	
		2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
PLANNING & DEVELOPMENT DEPARTMENT							
PERSONNEL COSTS							
10-5-0020-0400	SALARIES & WAGES	\$ -	\$ -	\$ -	\$ 129,694	\$ 201,061	55%
10-5-0020-0401	SOCIAL SECURITY TAXES	-	-	-	8,072	12,466	54%
10-5-0020-0402	TWC UNEMPLOYMENT TAXES	-	-	-	1,512	756	-50%
10-5-0020-0403	MEDICARE TAXES	-	-	-	1,888	2,915	54%
10-5-0020-0404	RETIREMENT (TMRS)	-	-	-	13,800	21,458	55%
10-5-0020-0405	OVERTIME	-	-	-	492	-	-100%
10-5-0020-0406	WORKERS COMP	-	-	-	342	528	54%
10-5-0020-0410	HEALTH INSURANCE	-	-	-	22,096	49,408	124%
10-5-0020-0412	HRA	-	-	-	2,000	1,500	-25%
TOTAL PERSONNEL COSTS		-	-	-	179,896	290,092	61%
TRAVEL & TRAINING							
10-5-0020-0416	EMPLOYEE TRAINING	-	-	-	2,216	6,000	171%
10-5-0020-0418	DUES & MEMBERSHIPS	-	-	-	500	2,500	400%
TOTAL TRAVEL & TRAINING		-	-	-	2,716	8,500	213%
SUPPLIES							
10-5-0020-0421	OFFICE SUPPLIES	-	-	545	2,000	15,000	650%
10-5-0020-0423	POSTAGE	-	-	-	75	250	233%
10-5-0020-0429	DEPARTMENT SUPPLIES	-	-	-	500	5,000	900%
10-5-0020-0430	CELL PHONES / MIFI	-	-	-	627	2,500	299%
10-5-0020-0432	UTILITIES	-	-	-	-	2,400	100%
10-5-0020-0433	SMALL EQUIPMENT	-	-	-	-	10,000	100%
10-5-0020-0438	LEGAL NOTICES	-	-	-	2,500	10,000	300%
TOTAL SUPPLIES		-	-	545	5,702	45,150	692%
CONTRACTED SERVICES							
10-5-0020-0460	OTHER CONTRACTED SERVICES	-	-	-	24,000	-	-100%
10-5-0020-0462	LEGAL SERVICES	-	-	13,577	28,000	12,000	-57%
10-5-0020-0464	ENGINEERING SERVICES	-	-	50,858	21,000	25,000	19%
10-5-0020-0465	INSPECTION SERVICES	-	-	380,539	300,000	100,000	-67%
10-5-0020-0468	INFORMATION TECHNOLOGY	-	-	-	1,500	12,210	714%
TOTAL CONTRACTED SERVICES		-	-	444,974	374,500	149,210	-60%
DEPARTMENTAL							
10-5-0020-0495	SPECIAL PROJECTS	-	-	-	62,000	-	-100%
10-5-0020-0498	PLANNING & DEVELOPMENT	235,631	152,272	-	-	-	0%
TOTAL DEPARTMENTAL		235,631	152,272	-	62,000	-	-100%
TOTAL PLANNING & DEVELOPMENT		\$ 235,631	\$ 152,272	\$ 445,519	\$ 624,814	\$ 492,952	-21%

40-ADMINISTRATION DEPARTMENT

		ACTUAL	ACTUAL	ACTUAL	PROJECTED	PROPOSED	
		2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
ADMINISTRATION DEPARTMENT							
PERSONNEL COSTS							
10-5-0040-0400	SALARIES & WAGES	\$ 224,075	\$ 239,507	\$ 287,091	\$ 197,378	\$ 260,531	32%
10-5-0040-0401	SOCIAL SECURITY TAXES	13,243	13,519	17,365	12,831	16,299	27%
10-5-0040-0402	STATE UNEMPLOYMENT TAXES	529	98	1,125	1,008	882	-13%
10-5-0040-0403	MEDICARE TAXES	3,019	2,987	4,061	3,001	3,812	27%
10-5-0040-0404	RETIREMENT (TMRS)	23,134	22,735	30,575	21,089	28,057	33%
10-5-0040-0405	OVERTIME	-	-	-	1,578	2,359	49%
10-5-0040-0406	WORKERS COMP	1,107	1,953	4,001	523	692	32%
10-5-0040-0407	MAYOR ALLOWANCE	-	-	-	7,998	-	-100%
10-5-0040-0410	HEALTH INSURANCE	33,103	36,423	51,444	35,804	40,235	12%
10-5-0040-0412	HRA	-	4,047	2,500	1,500	1,750	17%
TOTAL PERSONNEL COSTS		298,210	321,269	398,162	282,710	354,617	25%
TRAVEL & TRAINING							
10-5-0040-0416	EMPLOYEE TRAINING	4,311	2,927	3,123	2,500	7,500	200%
10-5-0040-0417	CITY COUNCIL TRAINING	-	294	326	3,000	5,000	67%
10-5-0040-0418	DUES & MEMBERSHIPS	1,080	1,285	3,557	3,500	6,534	87%
TOTAL TRAVEL & TRAINING		5,391	4,506	7,006	9,000	19,034	111%
SUPPLIES							
10-5-0040-0421	OFFICE SUPPLIES	9,979	10,832	-	6,750	14,300	112%
10-5-0040-0423	POSTAGE	3,944	3,502	2,328	1,670	4,000	140%
10-5-0040-0425	COPIERS	-	-	6,179	4,000	4,000	0%
10-5-0040-0426	GAS & OIL	567	1,212	1,232	1,500	2,000	33%
10-5-0040-0429	DEPARTMENT SUPPLIES	3,619	3,676	9,364	4,500	4,500	0%
10-5-0040-0430	TELEPHONE	8,807	8,223	7,709	5,800	4,200	-28%
10-5-0040-0431	CELL PHONES / MIFI	-	-	-	-	3,500	100%
10-5-0040-0432	UTILITIES	3,193	5,401	9,103	8,000	20,000	150%
10-5-0040-0433	SMALL EQUIPMENT	-	-	1,325	1,000	6,000	500%
10-5-0040-0434	BUSINESS EXPENSES	16,119	18,601	-	-	-	0%
TOTAL SUPPLIES		46,228	51,447	37,240	33,220	62,500	88%
REPAIRS & MAINTENANCE							
10-5-0040-0442	BUILDING R&M	32,345	21,709	16,725	50,000	50,000	0%
10-5-0040-0445	VEHICLE R&M	-	-	16	500	1,000	100%
TOTAL REPAIRS & MAINTENANCE		32,345	21,709	16,741	50,500	51,000	1%
CONTRACTED SERVICES							
10-5-0040-0460	OTHER CONTRACTED SERVICES	-	-	10,420	200	-	-100%
10-5-0040-0461	ANNUAL AUDIT	31,695	28,949	16,695	16,000	16,000	0%
10-5-0040-0462	LEGAL SERVICES	25,127	74,546	87,133	40,000	48,000	20%
10-5-0040-0463	APPRAISAL/COLLECTION FEES	16,029	18,077	23,507	25,515	30,000	18%
10-5-0040-0466	ACCOUNTNG SERVICES	141,832	53,200	16,539	-	-	0%
10-5-0040-0467	SGR SERVICES	-	-	26,067	-	-	0%
10-5-0040-0468	INFORMATION TECHNOLOGY	16,817	18,893	29,648	39,500	78,163	98%
10-5-0040-0469	LIABILITY & PROPERTY	3,189	7,357	3,945	6,117	6,484	6%
TOTAL CONTRACTED SERVICES		234,689	201,022	213,954	127,332	178,647	40%

40-ADMINISTRATION DEPARTMENT

		ACTUAL	ACTUAL	ACTUAL	PROJECTED	PROPOSED	
		2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
ADMINISTRATION DEPARTMENT							
DEPARTMENTAL							
10-5-0040-0436	ELECTION EXPENSES	4,776	5,331	450	10,030	15,000	50%
10-5-0040-0438	LEGAL NOTICES	3,881	8,481	8,871	9,000	10,000	11%
10-5-0040-0474	RECORD / FILING FEES	-	-	-	-	5,000	100%
10-5-0040-0475	EMPLOYEE RELATIONS	-	1,055	3,935	24,500	30,000	22%
10-5-0040-0476	NEW HIRE PRESCREENING	-	-	900	1,506	2,500	66%
10-5-0040-0477	ADMIN DONATIONS	-	4,238	-	-	5,100	100%
10-5-0040-0485	MAYOR'S PROJECTS	5,349	4,008	7,606	6,500	10,000	54%
10-5-0040-0486	MISCELLANEOUS	2,970	364	1,258	100	400	100%
10-5-0040-0495	SPECIAL PROJECTS	36,278	128,686	15,923	30,000	15,000	-50%
10-5-0040-0496	PROPERTY TAXES	-	-	4,775	-	-	0%
10-5-0040-0497	CODIFICATION	-	-	-	2,500	5,000	100%
TOTAL DEPARTMENTAL		53,254	152,163	43,718	84,136	98,000	16%
TOTAL ADMINISTRATION DEPARTMENT		\$ 670,117	\$ 752,116	\$ 716,821	\$ 586,898	\$ 763,798	30%

SEE FOLLOWING PAGE FOR NEW ADMINISTRATION DEPARTMENT BUDGETS

40-ADMINISTRATION DEPARTMENT

		0010	0015	0025	0030	0095	
		City Admin	City Secretary	Finance	Human	Non	Total
		Office	Department	Department	Resources	Departmental	
NEW ADMINISTRATION DEPARTMENTS							
PERSONNEL COSTS							
10-5-0040-0400	SALARIES & WAGES	\$ 55,025	\$ 69,834	\$ 75,622	\$ 60,050	\$ -	\$ 260,531
10-5-0040-0401	SOCIAL SECURITY TAXES	3,411	4,330	4,835	3,723	-	16,299
10-5-0040-0402	STATE UNEMPLOYMENT T/	126	252	252	252	-	882
10-5-0040-0403	MEDICARE TAXES	798	1,012	1,131	871	-	3,812
10-5-0040-0404	RETIREMENT (TMRS)	5,873	7,453	8,322	6,409	-	28,057
10-5-0040-0405	OVERTIME	-	-	2,359	-	-	2,359
10-5-0040-0406	WORKERS COMP	145	184	205	158	-	692
10-5-0040-0410	HEALTH INSURANCE	4,918	9,598	7,528	18,191	-	40,235
10-5-0040-0412	HRA	250	500	500	500	-	1,750
TOTAL PERSONNEL COSTS		70,546	93,163	100,754	90,154	-	354,617
TRAVEL & TRAINING							
10-5-0040-0416	EMPLOYEE TRAINING	1,500	3,000	1,500	1,500	-	7,500
10-5-0040-0417	CITY COUNCIL TRAINING	-	5,000	-	-	-	5,000
10-5-0040-0418	DUES & MEMBERSHIPS	2,500	400	1,120	500	2,014	6,534
TOTAL TRAVEL & TRAINING		4,000	8,400	2,620	2,000	2,014	19,034
SUPPLIES							
10-5-0040-0421	OFFICE SUPPLIES	800	500	2,500	1,000	9,500	14,300
10-5-0040-0423	POSTAGE	-	250	1,500	250	2,000	4,000
10-5-0040-0425	COPIERS	-	-	-	-	4,000	4,000
10-5-0040-0426	GAS & OIL	2,000	-	-	-	-	2,000
10-5-0040-0429	DEPARTMENT SUPPLIES	1,000	-	-	500	3,000	4,500
10-5-0040-0430	TELEPHONE	-	-	-	-	4,200	4,200
10-5-0040-0431	CELL PHONES / MIFI	1,200	684	-	516	1,100	3,500
10-5-0040-0432	UTILITIES	-	-	-	-	20,000	20,000
10-5-0040-0433	SMALL EQUIPMENT	-	-	-	5,000	1,000	6,000
TOTAL SUPPLIES		5,000	1,434	4,000	7,266	44,800	62,500
REPAIRS & MAINTENANCE							
10-5-0040-0442	BUILDING R&M	-	-	-	-	50,000	50,000
10-5-0040-0445	VEHICLE R&M	500	-	-	-	500	1,000
TOTAL REPAIRS & MAINTENANCE		500	-	-	-	50,500	51,000
CONTRACTED SERVICES							
10-5-0040-0461	ANNUAL AUDIT	-	-	16,000	-	-	16,000
10-5-0040-0462	LEGAL SERVICES	48,000	-	-	-	-	48,000
10-5-0040-0463	APPRAISAL/COLLECTION F	-	-	30,000	-	-	30,000
10-5-0040-0468	INFORMATION TECHNOLO(	-	5,000	3,000	-	70,163	78,163
10-5-0040-0469	LIABILITY & PROPERTY	-	-	-	-	6,484	6,484
TOTAL CONTRACTED SERVICES		48,000	5,000	49,000	-	76,647	178,647
DEPARTMENTAL							
10-5-0040-0436	ELECTION EXPENSES	-	15,000	-	-	-	15,000
10-5-0040-0438	LEGAL NOTICES	-	10,000	-	-	-	10,000
10-5-0040-0474	RECORD / FILING FEES	-	5,000	-	-	-	5,000
10-5-0040-0475	EMPLOYEE RELATIONS	-	-	-	30,000	-	30,000
10-5-0040-0476	NEW HIRE PRESCREENING	-	-	-	2,500	-	2,500
10-5-0040-0477	ADMIN DONATIONS	5,100	-	-	-	-	5,100
10-5-0040-0485	MAYOR'S PROJECTS	10,000	-	-	-	-	10,000
10-5-0040-0486	MISCELLANEOUS	-	400	-	-	-	400

40-ADMINISTRATION DEPARTMENT

	0010 City Admin Office	0015 City Secretary Department	0025 Finance Department	0030 Human Resources	0095 Non Departmental	Total
NEW ADMINISTRATION DEPARTMENTS						
10-5-0040-0495 SPECIAL PROJECTS	5,000	-	-	10,000	-	15,000
10-5-0040-0497 CODIFICATION	-	5,000	-	-	-	5,000
TOTAL DEPARTMENTAL	20,100	35,400	-	42,500	-	98,000
TOTAL NEW ADMINISTRATION DEPARTMEN	\$ 148,146	\$ 143,397	\$ 156,374	\$ 141,920	\$ 173,961	\$ 763,798

SEE PREVIOUS PAGE FOR TOTAL ADMINISTRATION DEPARTMENTS COMPARED TO PRIOR YEARS

50-POLICE DEPARTMENT

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	
POLICE DEPARTMENT						
PERSONNEL COSTS						
10-5-0050-0400 SALARIES & WAGES	\$ 508,713	\$ 603,553	\$ 677,175	\$ 735,381	\$ 838,849	14%
10-5-0050-0401 SOCIAL SECURITY TAXES	31,343	36,700	40,282	46,722	52,995	13%
10-5-0050-0402 STATE UNEMPLOYMENT TAXES	2,289	270	1,728	3,913	3,528	-10%
10-5-0050-0403 MEDICARE TAXES	7,272	8,440	9,421	10,927	12,394	13%
10-5-0050-0404 RETIREMENT (TMRS)	55,751	66,804	72,623	79,879	91,225	14%
10-5-0050-0405 OVERTIME	10,559	18,590	11,466	18,193	15,913	-13%
10-5-0050-0406 WORKERS COMPENSATION	12,534	19,442	21,939	19,144	20,666	8%
10-5-0050-0410 HEALTH INSURANCE	91,090	115,788	156,204	162,410	174,693	8%
10-5-0050-0412 HRA	-	9,987	6,333	7,000	7,000	0%
TOTAL PERSONNEL COSTS	719,551	879,574	997,171	1,083,569	1,217,263	12%
TRAVEL & TRAINING						
10-5-0050-0415 POLICE TRAINING	9,932	11,586	9,219	8,000	10,700	34%
10-5-0050-0416 POLICE LEOSE TRAINING	(261)	1,310	-	600	1,300	117%
10-5-0050-0418 DUES & MEMBERSHIPS	350	330	462	913	1,005	10%
TOTAL TRAVEL & TRAINING	10,021	13,226	9,681	9,513	13,005	37%
SUPPLIES						
10-5-0050-0420 UNIFORMS	11,655	11,869	11,059	14,000	12,000	-14%
10-5-0050-0421 OFFICE SUPPLIES	5,376	6,293	5,374	3,000	3,000	0%
10-5-0050-0423 POSTAGE	-	-	24	50	100	100%
10-5-0050-0425 COPIERS	-	-	441	1,250	1,600	28%
10-5-0050-0426 GAS & OIL	32,058	31,243	22,678	30,000	28,000	-7%
10-5-0050-0429 DEPARTMENT SUPPLIES	12,113	12,218	9,785	13,000	12,000	-8%
10-5-0050-0430 CELL PHONES / WIFI	13,198	12,599	10,142	11,000	13,200	20%
10-5-0050-0432 UTILITIES	3,070	3,107	4,868	7,520	8,000	6%
TOTAL SUPPLIES	77,470	77,329	64,371	79,820	77,900	-2%
REPAIRS & MAINTENANCE						
10-5-0050-0442 BUILDING MAINTENANCE	-	-	5,126	8,000	9,250	16%
10-5-0050-0445 VEHICLE REPAIRS & LABOR	9,275	13,604	12,755	13,000	18,000	38%
10-5-0050-0446 EQUIPMENT R&M	-	-	-	292	500	71%
TOTAL REPAIRS & MAINTENANCE	9,275	13,604	17,881	21,292	27,750	30%
CONTRACTED SERVICES						
10-5-0050-0460 CONTRACTED SERVICES	16,295	16,089	12,916	21,500	20,250	-6%
10-5-0050-0461 INFORMATION TECHNOLOGY	24,112	41,200	23,859	38,360	28,500	-26%
10-5-0050-0465 DISPATCH SERVICES	-	10,865	33,962	50,933	65,609	29%
10-5-0050-0469 LIABILITY & PROPERTY	14,126	11,187	19,981	12,911	13,686	6%
TOTAL CONTRACTED SERVICES	54,533	79,341	90,718	123,704	128,045	4%
DEPARTMENTAL						
10-5-0050-0475 POLICE SPECIAL PROJECTS	34,673	24,709	19,330	15,392	35,000	127%
10-5-0050-0495 NATIONAL NIGHT OUT EVENT	-	-	-	7,171	-	-100%
TOTAL DEPARTMENTAL	34,673	24,709	19,330	22,563	35,000	55%
TOTAL POLICE DEPARTMENT	\$ 905,523	\$ 1,087,783	\$ 1,199,152	\$ 1,340,461	\$ 1,498,963	12%

55-CODE ENFORCEMENT/ANIMAL CONTROL DEPARTMENT

CODE ENFORCEMENT/ANIMAL CONTROL	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	
PERSONNEL COSTS						
10-5-0055-0400 SALARIES & WAGES	\$ -	\$ -	\$ -	\$ 30,240	\$ 45,082	49%
10-5-0055-0401 SOCIAL SECURITY TAXES	-	-	-	1,914	2,795	46%
10-5-0055-0402 STATE UNEMPLOYMENT TAXES	-	-	-	63	252	300%
10-5-0055-0403 MEDICARE TAXES	-	-	-	448	654	46%
10-5-0055-0404 RETIREMENT (TMRS)	-	-	-	3,272	4,811	47%
10-5-0055-0405 OVERTIME	-	-	-	630	-	-100%
10-5-0055-0406 WORKERS COMPENSATION	-	-	-	784	1,145	46%
10-5-0055-0410 HEALTH INSURANCE	-	-	-	10,405	13,897	34%
10-5-0055-0412 HRA	-	-	-	-	500	100%
TOTAL PERSONNEL COSTS	-	-	-	47,756	69,136	45%
TRAVEL & TRAINING						
10-5-0055-0415 TRAINING	-	-	-	400	600	50%
10-5-0055-0418 DUES & MEMBERSHIPS	-	-	-	182	310	70%
TOTAL TRAVEL & TRAINING	-	-	-	582	910	56%
SUPPLIES						
10-5-0055-0420 UNIFORMS	-	-	-	-	500	100%
10-5-0055-0421 OFFICE SUPPLIES	-	-	-	2,000	300	-85%
10-5-0055-0423 POSTAGE	-	-	-	375	900	140%
10-5-0055-0426 GAS & OIL	-	-	-	1,150	1,800	57%
10-5-0055-0429 DEPARTMENT SUPPLIES	-	-	-	850	1,000	18%
10-5-0055-0430 CELL PHONES / MIFI	-	-	-	505	1,020	102%
10-5-0055-0438 LEGAL NOTICES	-	-	-	500	1,000	100%
TOTAL SUPPLIES	-	-	-	5,380	6,520	21%
REPAIRS & MAINTENANCE						
10-5-0055-0445 VEHICLE R&M	-	-	-	1,250	1,640	31%
10-5-0055-0446 EQUIPMENT R&M	-	-	-	95	500	426%
TOTAL REPAIRS & MAINTENANCE	-	-	-	1,345	2,140	59%
CONTRACTED SERVICES						
10-5-0055-0460 CONTRACTED SERVICES	-	-	-	9,000	4,000	-56%
10-5-0055-0461 INFORMATION TECHNOLOGY	-	-	-	199	3,600	1709%
10-5-0055-0469 LIABILITY & PROPERTY	-	-	-	-	300	100%
TOTAL CONTRACTED SERVICES	-	-	-	9,199	7,900	-14%
DEPARTMENTAL						
10-5-0055-0475 SPECIAL PROJECTS	-	-	-	-	10,000	100%
TOTAL DEPARTMENTAL	-	-	-	-	10,000	100%
TOTAL CODE ENFORCEMENT/ANIMAL CONTROL	\$ -	\$ -	\$ -	\$ 64,262	\$ 96,606	50%

60-MUNICIPAL COURT DEPARTMENT

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	
MUNICIPAL COURT						
PERSONNEL COSTS						
10-5-0060-0400 SALARIES	\$ 60,357	\$ 42,978	\$ 47,473	\$ 48,801	\$ 56,590	16%
10-5-0060-0401 SOCIAL SECURITY	3,584	3,521	2,959	3,067	3,509	14%
10-5-0060-0402 UNEMPLOYMENT TAXES	162	9	144	252	252	0%
10-5-0060-0403 MEDICARE	834	812	692	717	820	14%
10-5-0060-0404 RETIREMENT (TMRS)	6,980	6,378	5,024	5,243	6,040	15%
10-5-0060-0405 OVERTIME	114	28	369	661	-	-100%
10-5-0060-0406 WORKERS COMPENSATION	75	139	250	130	149	15%
10-5-0060-0410 HEALTH INSURANCE	10,723	12,416	7,737	9,822	9,762	-1%
10-5-0060-0412 HRA	-	768	500	500	500	0%
TOTAL PERSONNEL COSTS	82,829	67,049	65,148	69,193	77,622	12%
TRAVEL & TRAINING						
10-5-0060-0416 TRAINING	1,572	950	-	750	750	0%
10-5-0060-0418 DUES & MEMBERSHIPS	75	450	75	75	75	0%
TOTAL TRAVEL & TRAINING	1,647	1,400	75	825	825	0%
SUPPLIES						
10-5-0060-0421 OFFICE SUPPLIES	1,729	1,983	152	750	750	0%
10-5-0060-0423 POSTAGE	3,208	2,309	2	250	500	100%
TOTAL SUPPLIES	4,937	4,292	154	1,000	1,250	25%
CONTRACTED SERVICES						
10-5-0060-0461 CONTRACTED SERVICES	10,592	13,188	16,162	11,000	13,800	25%
10-5-0060-0468 INFORMATION TECHNOLOGY	-	9,990	18,790	16,500	5,000	-70%
TOTAL CONTRACTED SERVICES	10,592	23,178	34,952	27,500	18,800	-32%
DEPARTMENTAL						
10-5-0060-0486 MISCELLANEOUS	2,127	-	-	-	-	0%
TOTAL DEPARTMENTAL	2,127	-	-	-	-	0%
TOTAL MUNICIPAL COURT	\$ 102,132	\$ 95,919	\$ 100,329	\$ 98,518	\$ 98,497	0%

7 0-FIRE DEPARTMENT

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	
FIRE DEPARTMENT						
PERSONNEL COSTS						
10-5-0070-0400 SALARIES & WAGES	\$ 19,055	\$ 25,611	\$ 85	\$ -	\$ 237,241	100%
10-5-0070-0401 SOCIAL SECURITY TAXES	1,181	1,599	5	-	14,709	100%
10-5-0070-0402 STATE UNEMPLOYMENT TAXES	168	9	-	-	756	100%
10-5-0070-0403 MEDICARE TAXES	276	360	1	-	3,440	100%
10-5-0070-0404 RETIREMENT (TMRS)	-	-	(80)	-	25,320	100%
10-5-0070-0406 WORKERS COMPENSATION	2,549	2,303	2,890	1,836	13,952	660%
10-5-0070-0410 HEALTH INSURANCE	-	-	-	-	18,381	100%
10-5-0070-0412 HRA	-	-	-	-	500	100%
TOTAL PERSONNEL COSTS	23,229	29,882	2,901	1,836	314,299	100%
SUPPLIES						
10-5-0070-0420 UNIFORMS	750	118	500	-	48,000	100%
10-5-0070-0429 DEPARTMENT SUPPLIES	-	-	-	-	82,223	100%
10-5-0070-0432 UTILITIES	-	-	2,413	3,000	5,000	67%
TOTAL SUPPLIES	750	118	2,913	3,000	135,223	4407%
CONTRACTED SERVICES						
10-5-0070-0469 LIABILITY & PROPERTY	5,016	5,060	6,064	4,636	4,914	6%
TOTAL CONTRACTED SERVICES	5,016	5,060	6,064	4,636	4,914	6%
DEPARTMENTAL						
10-5-0070-0505 LEASE PAYMENTS-FIRE	13,543	13,543	13,543	13,543	13,543	0%
TOTAL DEPARTMENTAL	13,543	13,543	13,543	13,543	13,543	0%
TOTAL FIRE DEPARTMENT	\$ 42,538	\$ 48,603	\$ 25,421	\$ 23,015	\$ 467,979	1933%

80-PUBLIC WORKS DEPARTMENT

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	
PUBLIC WORKS						
PERSONNEL COSTS						
10-5-0080-0400 SALARIES & WAGES	\$ 161,846	\$ 197,579	\$ 114,784	\$ 148,071	\$ 114,892	-22%
10-5-0080-0401 SOCIAL SECURITY	9,838	11,899	7,059	9,796	7,361	-25%
10-5-0080-0402 STATE UNEMPLOYMENT TAX	688	53	290	1,062	630	-41%
10-5-0080-0403 MEDICARE TAXES	2,315	2,760	1,651	2,291	1,721	-25%
10-5-0080-0404 RETIREMENT (TMRS)	17,662	21,850	12,008	16,748	12,670	-24%
10-5-0080-0405 OVERTIME	4,228	5,944	5,303	9,927	3,826	-61%
10-5-0080-0406 WORKERS COMPENSATION	1,664	2,978	2,833	4,515	3,550	-21%
10-5-0080-0410 HEALTH INSURANCE	34,901	48,125	23,686	34,598	26,871	-22%
10-5-0080-0412 HRA	-	3,841	1,208	2,438	1,250	-49%
TOTAL PERSONNEL COSTS	233,142	295,029	168,822	229,446	172,771	-25%
TRAVEL & TRAINING						
10-5-0080-0413 EMPLOYEE TRAINING	365	149	947	1,460	2,400	64%
TOTAL TRAVEL & TRAINING	365	149	947	1,460	2,400	64%
SUPPLIES						
10-5-0080-0420 UNIFORMS	2,502	3,411	3,002	3,016	2,800	-7%
10-5-0080-0421 OFFICE SUPPLIES	-	-	-	500	500	0%
10-5-0080-0422 CHEMICALS	228	61	95	-	-	0%
10-5-0080-0426 GAS & OIL	-	-	-	5,800	5,000	-14%
10-5-0080-0429 DEPARTMENT SUPPLIES	-	4,541	11,417	7,500	5,000	-33%
10-5-0080-0430 TELEPHONE	-	-	468	2,000	2,500	25%
10-5-0080-0432 UTILITIES	41,020	41,010	41,014	45,117	45,100	0%
10-5-0080-0437 STREET SIGNS	2,792	6,900	1,080	8,000	10,000	25%
10-5-0080-0438 SMALL EQUIPMENT	2,775	3,462	1,827	9,000	7,000	-22%
TOTAL SUPPLIES	49,317	59,385	58,903	80,933	77,900	-4%
REPAIRS & MAINTENANCE						
10-5-0080-0442 BUILDING R&M	-	-	-	1,000	1,760	76%
10-5-0080-0445 VEHICLE R&M	4,160	617	2,151	4,000	5,000	25%
10-5-0080-0446 EQUIPMENT R&M	-	-	-	8,000	10,000	25%
10-5-0080-0447 STREET REPAIRS	123,309	-	80	-	-	0%
10-5-0080-0448 STREET MATERIALS	-	-	5,905	-	-	0%
10-5-0080-0449 DRAINAGE	10,174	2,400	-	8,000	10,000	25%
TOTAL REPAIRS & MAINTENANCE	137,643	3,017	8,136	21,000	26,760	27%
CONTRACTED SERVICES						
10-5-0080-0460 CONTRACTED SERVICES	-	303	375	1,000	5,000	400%
10-5-0080-0466 RENTAL EQUIPMENT	312	125	1,327	704	2,000	184%
10-5-0080-0469 LIABILITY & PROPERTY INS	-	-	-	1,530	-	-100%
TOTAL CONTRACTED SERVICES	312	428	1,702	3,234	7,000	116%
DEPARTMENTAL						
10-5-0080-0475 SPECIAL PROJECTS	15,372	5,585	11,051	31,000	-	-100%
10-5-0080-0486 MISCELLANEOUS	1,192	999	73	-	-	0%
10-5-0080-0489 PRISON WORKER MEALS	422	233	(49)	-	250	100%
TOTAL DEPARTMENTAL	16,986	6,817	11,075	31,000	250	-99%
TOTAL PUBLIC WORKS	\$ 437,765	\$ 364,825	\$ 249,585	\$ 367,073	\$ 287,081	-22%

90 - PARKS RECREATION DEPARTMENT

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	
PARKS & RECREATION						
PERSONNEL COSTS						
10-5-0090-0400 SALARIES & WAGES	\$ -	\$ -	\$ -	\$ -	\$ 123,750	100%
10-5-0090-0401 SOCIAL SECURITY	-	-	-	-	7,927	100%
10-5-0090-0402 STATE UNEMPLOYMENT TAX	-	-	-	-	756	100%
10-5-0090-0403 MEDICARE TAXES	-	-	-	-	1,854	100%
10-5-0090-0404 RETIREMENT (TMRS)	-	-	-	-	13,645	100%
10-5-0090-0405 OVERTIME	-	-	-	-	4,104	100%
10-5-0090-0406 WORKERS COMPENSATION	-	-	-	-	3,823	100%
10-5-0090-0410 HEALTH INSURANCE	-	-	-	-	26,642	100%
10-5-0090-0412 HRA	-	-	-	-	1,250	100%
TOTAL PERSONNEL COSTS	-	-	-	-	183,751	100%
TRAVEL & TRAINING						
10-5-0090-0413 EMPLOYEE TRAINING	-	-	-	-	-	100%
TOTAL TRAVEL & TRAINING	-	-	-	-	-	100%
SUPPLIES						
10-5-0090-0420 UNIFORMS	-	-	-	-	3,200	100%
10-5-0090-0421 OFFICE SUPPLIES	-	-	-	-	-	100%
10-5-0090-0422 CHEMICALS	-	-	-	-	-	100%
10-5-0090-0426 GAS & OIL	-	-	-	-	5,500	100%
10-5-0090-0429 DEPARTMENT SUPPLIES	-	-	-	-	2,500	100%
10-5-0090-0430 CELL PHONES	-	-	-	-	2,500	100%
10-5-0090-0432 UTILITIES	-	-	-	-	18,460	100%
10-5-0090-0438 SMALL EQUIPMENT	-	-	-	-	5,000	100%
TOTAL SUPPLIES	-	-	-	-	37,160	100%
REPAIRS & MAINTENANCE						
10-5-0090-0442 BUILDING R&M	-	-	-	-	2,760	100%
10-5-0090-0445 VEHICLE R&M	-	-	-	-	5,000	100%
10-5-0090-0446 EQUIPMENT R&M	-	-	-	-	5,000	100%
10-5-0090-0448 PARK MAINTENANCE	-	-	-	-	6,000	100%
TOTAL REPAIRS & MAINTENANCE	-	-	-	-	18,760	100%
CONTRACTED SERVICES						
10-5-0090-0460 CONTRACTED SERVICES	-	-	-	-	-	100%
10-5-0090-0466 RENTAL EQUIPMENT	-	-	-	-	-	100%
10-5-0090-0469 LIABILITY & PROPERTY INS	-	-	-	-	-	100%
TOTAL CONTRACTED SERVICES	-	-	-	-	-	100%
DEPARTMENTAL						
10-5-0090-0475 SPECIAL PROJECTS	-	-	-	-	55,000	100%
10-5-0090-0486 MISCELLANEOUS	-	-	-	-	-	100%
TOTAL DEPARTMENTAL	-	-	-	-	55,000	100%
TOTAL PARKS & RECREATION	\$ -	\$ -	\$ -	\$ -	\$ 294,671	100%

		GENERAL FUND DEBT PAYMENTS					
		ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	
DEBT PAYMENTS							
PRINCIPAL PAYMENTS							
10-5-0040-0501	LOAN PAYMENT-TRACTOR	\$ 6,966	\$ -	\$ -	\$ -	\$ -	0%
10-5-0040-0501	PROMISSORY NOTE-CITY HALL	-	-	40,782	191,418	-	-100%
10-5-0040-0506	LEASE PAYMENTS-POLICE	-	47,576	44,413	45,964	77,785	69%
TOTAL PRINCIPAL PAYMENTS		6,966	47,576	85,195	237,382	77,785	-67%
INTEREST PAYMENTS							
10-5-0000-0502	PROMISORRY NOTE-CITY HALL	-	-	10,272	12,442	-	-100%
10-5-0050-0505	LEASE PAYMENTS-POLICE	-	-	3,163	1,612	6,546	306%
TOTAL INTEREST PAYMENTS		-	-	13,435	14,054	6,546	-53%
TOTAL DEBT PAYMENTS		\$ 6,966	\$ 47,576	\$ 98,630	\$ 251,436	\$ 84,331	-66%

GENERAL FUND
CAPITAL EXPENDITURES

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022
CAPITAL OUTLAY					
ADMINISTRATION					
10-5-0000-0605 TOYOTA COROLLA - ADMIN	\$ 17,744	\$ -	\$ -	\$ -	\$ -
10-5-0000-0661 HVAC - CITY HALL BLDG	-	-	7,000	7,100	-
10-5-0000-0662 TOYOTA SAQUOA - ADMIN	-	-	28,465	-	-
10-5-0000-0663 FLAG POLES - CITY HALL	-	-	5,376	-	-
10-5-0000-0664 IT SWITCHES (2) - CITY HALL	-	-	11,721	-	-
10-5-0000-0673 MYGOV SOFTWARE	-	-	-	26,477	-
10-5-0000-0674 HR OFFICE RENOVATION	-	-	-	-	25,000
10-5-0000-0675 CITY-WIDE PHONE SYSTEM	-	-	-	-	
TOTAL ADMINISTRATION	17,744	-	52,562	33,577	25,000
POLICE					
10-5-0050-0472 POLICE VEHICLES	181,133	16,972	-	233,923	-
10-5-0000-0672 POLICE SIMULATOR	-	-	-	8,022	-
TOTAL POLICE	181,133	16,972	-	241,945	-
CODE ENFORCEMENT/ANIMAL CONTROL					
10-5-0000-0668 ANIMAL CONTROL TRUCK	-	-	-	5,280	-
TOTAL CODE ENFORCEMENT/ANIMAL CONTROL	-	-	-	5,280	-
STREETS					
10-5-0080-0667 PUBLIC WORKS CAPITAL EXP	16,200	9,059	-	-	-
10-5-0080-0669 UTILITY TRAILER (1 OF 2)	-	-	5,000	-	-
10-5-0080-0667 STREET PATCH TRAILER	-	-	-	43,465	-
10-5-0080-0667 DRAINAGE TRACTOR	-	-	-	-	35,000
TOTAL STREETS	16,200	9,059	5,000	43,465	35,000
PARKS & RECREATION					
10-5-0000-0668 REPLACEMENT MOWER	-	-	-	-	10,000
TOTAL PARKS & RECREATION	-	-	-	-	10,000
TOTAL CAPITAL OUTLAY	\$ 215,077	\$ 26,031	\$ 57,562	\$ 324,267	\$ 70,000

DEBT SERVICE FUND SUMMARY
STATEMENT OF REVENUE & EXPENDITURES
FIVE YEAR COMPARISON

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022
REVENUES					
Property Taxes	\$ -	\$ 233,592	\$ 322,744	\$ 358,514	585,672
Investment Earnings	-	-	71	1,812	550
TOTAL REVENUES	-	233,592	322,815	360,326	586,222
EXPENDITURES					
Administration	-	-	550	550	550
Bond Principal Payments	-	175,000	60,000	245,000	395,000
Bond Interest Payments	-	106,915	88,300	164,776	242,488
TOTAL EXPENDITURES	-	281,915	148,850	410,326	638,038
REVENUES OVER (UNDER) EXPENDITURES	-	(48,323)	173,965	(50,000)	(51,816)
TRANSFERS IN (OUT)					
Transfers In From VCDC	-	50,000	-	50,000	50,000
Transfers Out To W/S Fund	-	-	(172,250)	-	-
Transfers Out To General Fund	-	(1,677)	-	-	-
CHANGE IN FUND BALANCE	-	-	1,715	-	(1,816)
BEGINNING FUND BALANCE	2,082	2,082	2,082	3,797	3,797
ENDING FUND BALANCE	\$ 2,082	\$ 2,082	\$ 3,797	\$ 3,797	\$ 1,981

DEBT SERVICE FUND
DEBT SERVICE LINE-ITEM DETAILS

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022
EXPENDITURES					
DEPARTMENTAL					
20-5-0000-0466 OTHER CONTRACTED SERVICES	\$ -	\$ -	\$ 550	\$ 550	\$ 550
TOTAL DEPARTMENTAL	-	-	550	550	550
BOND PRINCIPAL PAYMENTS					
20-5-0000-0503 2018 CO BONDS	-	175,000	60,000	60,000	60,000
20-5-0000-0503 2020 CO BONDS	-	-	-	185,000	130,000
20-5-0000-0503 2021 CO BONDS	-	-	-	-	205,000
TOTAL BOND PRINCIPAL PAYMENTS	-	175,000	60,000	245,000	395,000
BOND INTEREST PAYMENTS					
20-5-0000-0504 2018 CO BONDS	-	106,915	88,300	86,500	84,700
20-5-0000-0504 2020 CO BONDS	-	-	-	78,276	75,020
20-5-0000-0504 2021 CO BONDS	-	-	-	-	82,768
TOTAL BOND INTEREST PAYMENTS	-	106,915	88,300	164,776	242,488
TOTAL EXPENDITURES	\$ -	\$ 281,915	\$ 148,850	\$ 410,326	\$ 638,038

WATER, SEWER AND SANITATION FUND SUMMARY
STATEMENT OF REVENUES & EXPENDITURES
FIVE YEAR COMPARISON

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	
OPERATING REVENUES						
Water Revenue	\$ 950,651	\$ 941,129	\$ 1,003,680	\$ 1,106,008	\$ 1,161,751	5%
Sewer Revenue	1,157,856	1,203,126	1,635,372	1,699,169	1,966,691	16%
Sanitation Revenue	275,630	275,363	365,357	505,671	703,302	39%
Administrative Revenue	39,664	32,176	26,857	21,034	21,000	0%
TOTAL OPERATING REVENUES	2,423,801	2,451,794	3,031,266	3,331,882	3,852,744	16%
OPERATING EXPENSES						
Water Department	Prior to FY 21-22, operating budgets by departments are not available. Until available, total expenses by fiscal year will be used for comparison purposes.				1,074,121	100%
Sewer Department					1,618,325	100%
Sanitation Department					676,252	100%
Administration Department					351,395	100%
TOTAL OPERATING EXPENSES	1,545,482	1,964,779	2,227,549	2,851,182	3,720,093	30%
OPERATING INCOME	878,319	487,015	803,717	480,700	132,651	-72%
NONOPERATING REVENUES (EXPENSES)						
Investment Earnings	2,266	3,916	12,677	6,180	5,000	-19%
Debt Principal Payments	(259,083)	(295,018)	(314,662)	(318,333)	(397,013)	25%
Debt Interest Payments	(101,131)	(142,416)	(128,181)	(122,974)	(245,496)	100%
Other Revenue (Expenses)	(63,283)	-	18,101	-	5,000	100%
INCOME BEFORE CAPITAL AND TRANSFERS	457,088	53,497	391,652	45,573	(499,858)	-1197%
Capital Contributions	318,728	-	-	-	-	
Capital Expenditures	(476,902)	(209,342)	(179,871)	(43,573)	(235,000)	439%
Transfers In (Out)	(39,464)	-	172,250	-	-	0%
CHANGE IN FUND BALANCE	259,450	(155,845)	384,031	2,000	(734,858)	-100%
FUND BALANCE - BEGINNING OF YEAR	1,150,479	1,409,928	1,254,083	1,638,115	1,640,115	0%
FUND BALANCE - END OF YEAR	\$ 1,409,928	\$ 1,254,083	\$ 1,638,115	\$ 1,640,115	\$ 905,257	-45%
Less 120-days reserve					(1,434,280)	
Unrestricted fund balance					\$ (529,024)	

WATER, SEWER AND SANITATION FUND
REVENUE DETAIL
FIVE YEAR COMPARISON

OPERATING REVENUES	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	
WATER REVENUES						
60-4-0000-0300 Water Sales	\$ 944,276	\$ 932,029	\$ 984,815	\$ 1,100,358	\$ 1,155,376	5%
60-4-0000-0302 Water Taps	4,000	6,250	4,250	3,750	4,000	7%
60-4-0000-0303 Water Meters	2,375	2,850	14,615	1,900	2,375	25%
TOTAL WATER REVENUES	950,651	941,129	1,003,680	1,106,008	1,161,751	5%
	8%	-1%	6%	12%	5%	
SEWER REVENUES						
60-4-0000-0310 Sewer Sales	874,456	1,188,834	1,301,272	1,539,569	1,816,691	18%
60-4-0000-0312 Sewer Taps	203,000	8,750	238,000	82,000	150,000	83%
60-4-0000-0315 Sewer Connections	80,400	5,542	96,100	77,600	-	-100%
TOTAL SEWER REVENUES	1,157,856	1,203,126	1,635,372	1,699,169	1,966,691	16%
	11%	36%	9%	18%	18%	
SANITATION REVENUES						
60-4-0000-0326 Commercial Garbage	161,842	125,611	165,657	256,568	367,141	43%
60-4-0000-0328 Residential Garbage	113,788	149,752	199,700	249,103	336,161	35%
TOTAL SANITATION REVENUES	275,630	275,363	365,357	505,671	703,302	39%
	55%	0%	33%	38%	39%	
ADMINISTRATION REVENUES						
60-4-0000-0320 Reconnect Fees	3,820	2,060	2,860	2,680	2,500	-7%
60-4-0000-0330 Late Charges	16,867	12,521	15,043	14,854	15,000	1%
60-4-0000-0362 Miscellaneous	18,777	17,470	8,839	3,500	3,500	0%
60-4-0000-0332 Returned Check Fees	200	125	115	-	-	0%
TOTAL ADMINISTRATION REVENUES	39,664	32,176	26,857	21,034	21,000	0%
TOTAL OPERATING REVENUES	\$ 2,423,801	\$ 2,451,794	\$ 3,031,266	\$ 3,331,882	\$ 3,852,744	16%

WATER, SEWER AND SANITATION FUND
OPERATING EXPENDITURES DETAIL
FIVE YEAR COMPARISON

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	
OPERATING EXPENSES						
PERSONNEL COSTS						
60-5-0000-0400 Salaries and Wages	\$ 141,489	\$ 178,929	\$ 243,440	\$ 285,312	\$ 363,047	27%
60-5-0000-0401 Social Security Taxes	8,894	11,144	14,876	18,157	23,056	27%
60-5-0000-0402 TWC State Unemployment	648	109	576	2,471	1,638	-34%
60-5-0000-0403 Medicare Taxes	2,014	2,742	3,479	4,246	5,393	27%
60-5-0000-0404 Retirement (TMRS)	8,735	15,861	20,118	31,042	39,692	28%
60-5-0000-0405 Overtime	1,588	6,170	7,872	7,537	8,849	17%
60-5-0000-0406 Workers Compensation	3,312	4,334	7,248	4,535	6,611	46%
60-5-0000-0408 Accrued Compensation	-	-	(1,024)	-	-	0%
60-5-0000-0410 Health Insurance	26,835	41,284	51,029	60,724	87,538	44%
60-5-0000-0413 HRA	-	3,156	2,500	2,938	3,250	11%
TOTAL PERSONNEL COSTS	193,515	263,729	350,114	416,962	539,074	29%
TRAVEL & TRAINING						
60-5-0000-0416 Training & Travel	2,769	2,431	2,655	2,750	4,100	49%
60-5-0000-0418 Dues and memberships	75	141	-	-	1,500	100%
TOTAL TRAVEL & TRAINING	2,844	2,572	2,655	2,750	5,600	104%
MATERIALS & SUPPLIES						
60-5-0000-0420 Uniforms	2,299	3,164	4,415	4,200	4,450	6%
60-5-0000-0421 Office Supplies	-	-	-	2,000	3,500	75%
60-5-0000-0422 Chemicals	3,566	3,126	1,233	1,500	4,000	167%
60-5-0000-0423 Postage	-	-	2,704	5,289	7,500	42%
60-5-0000-0424 TCEQ Permits	-	-	2,455	3,656	4,500	23%
60-5-0000-0426 Gas & Oil	14,444	18,325	13,986	12,000	14,500	21%
60-5-0000-0429 Department Supplies	50,117	40,045	54,793	10,000	6,000	-40%
60-5-0000-0433 Small Equipment	2,560	5,330	6,710	6,000	5,500	-8%
60-5-0000-0439 System Parts & Supplies (Inv)	-	-	-	39,255	90,000	129%
TOTAL MATERIALS & SUPPLIES	72,986	69,990	86,296	83,900	139,950	67%
UTILITIES						
60-5-0000-0430 Telephone	4,817	4,419	3,406	3,500	3,600	3%
60-5-0000-0432 Utilities	27,617	26,070	29,977	33,500	36,000	7%
TOTAL UTILITIES	32,434	30,489	33,383	37,000	39,600	7%
MAINTENANCE & REPAIRS						
60-5-0000-0442 Equipment R&M	-	-	-	7,000	10,000	43%
60-5-0000-0445 Vehicle R&M	-	9,978	6,033	5,000	5,200	4%
60-5-0000-0448 System R&M	41,612	80,839	56,335	50,000	70,000	40%
TOTAL MAINTENANCE & REPAIRS	41,612	90,817	62,368	62,000	85,200	37%
CONTRACTED SERVICES						
60-5-0000-0461 Prairielands GSD	626	1,191	-	-	-	0%
60-5-0000-0463 Midlothian Water Purchases	514,650	540,656	568,031	681,200	761,000	12%
60-5-0000-0465 TRA Fees	313,218	618,933	607,868	820,970	1,200,000	46%
60-5-0000-0460 Commercial Garbage	143,246	120,487	165,850	263,000	353,020	34%
60-5-0000-0462 Residential Garbage	81,845	146,022	196,147	236,750	323,232	37%
TOTAL CONTRACTED SERVICES	1,053,585	1,427,289	1,537,896	2,001,920	2,637,252	32%

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	
OPERATING EXPENSES						
OTHER CONTRACTED SERVICES						
60-5-0000-0449 Other Contracted Services	-	-	2,548	-	-	0%
60-5-0000-0458 Legal Services	-	-	-	3,359	-	-100%
60-5-0000-0459 Audit Services	-	-	21,000	31,000	25,000	-19%
60-5-0000-0464 Engineering Services	-	-	-	75,000	35,000	-53%
60-5-0000-0466 Rental Equipment	313	3,816	6,339	2,500	4,200	68%
60-5-0000-0467 Mt Peak Billing Fees	42,319	53,304	55,564	67,487	18,000	-73%
60-5-0000-0468 Information Technology	6,050	10,681	15,442	17,300	8,025	-54%
60-5-0000-0469 TML Property & Liability Ins	8,210	8,548	12,814	13,396	14,200	6%
TOTAL OTHER CONTRACTED SERVICES	56,892	76,349	113,707	210,042	104,425	-50%
DEPARTMENTAL						
60-5-0000-0475 Special Projects	86,767	-	35,503	22,771	140,000	515%
60-5-0000-0477 Water Samples	3,783	2,183	2,312	3,000	3,000	0%
60-5-0000-0478 Sewer Tests	699	1,284	212	-	3,000	100%
60-5-0000-0480 Waste Removal	-	-	-	2,990	-	-100%
60-5-0000-0486 Miscellaneous	365	77	889	-	1,500	100%
60-5-0000-0487 BNSF Railroad Leases	-	-	2,214	4,847	4,992	3%
60-5-0000-0488 Merchant Service Fees	-	-	-	3,000	16,500	450%
TOTAL DEPARTMENTAL	91,614	3,544	41,130	36,608	168,992	362%
TOTAL OPERATING EXPENSES	\$ 1,545,482	\$ 1,964,779	\$ 2,227,549	\$ 2,851,182	\$ 3,720,093	30%

WATER, SEWER AND SANITATION FUND
OPERATING EXPENDITURES DETAIL - BY DEPARTMENT
TOTAL COMPARED WITH PRIOR FOUR YEARS

	Water Department	Sewer Department	Sanitation Department	Administration Department	Total Departments
OPERATING EXPENSES					
PERSONNEL COSTS					
60-5-0000-0400 Salaries and Wages	\$ 100,034	\$ 100,034	\$ -	\$ 162,979	\$ 363,047
60-5-0000-0401 Social Security Taxes	6,403	6,403	-	10,250	23,056
60-5-0000-0402 TWC State Unemployment	504	504	-	630	1,638
60-5-0000-0403 Medicare Taxes	1,498	1,498	-	2,397	5,393
60-5-0000-0404 Retirement (TMRS)	11,023	11,023	-	17,646	39,692
60-5-0000-0405 Overtime	3,245	3,245	-	2,359	8,849
60-5-0000-0406 Workers Compensation	3,088	3,088	-	435	6,611
60-5-0000-0408 Accrued Compensation	-	-	-	-	-
60-5-0000-0410 Health Insurance	28,532	28,532	-	30,474	87,538
60-5-0000-0413 HRA	1,000	1,000	-	1,250	3,250
TOTAL PERSONNEL COSTS	155,327	155,327	-	228,420	539,074
TRAVEL & TRAINING					
60-5-0000-0416 Training & Travel	1,800	1,800	-	500	4,100
60-5-0000-0418 Dues and memberships	750	750	-	-	1,500
TOTAL TRAVEL & TRAINING	2,550	2,550	-	500	5,600
MATERIALS & SUPPLIES					
60-5-0000-0420 Uniforms	2,100	2,100	-	250	4,450
60-5-0000-0421 Office Supplies	1,500	1,500	-	500	3,500
60-5-0000-0422 Chemicals	2,000	2,000	-	-	4,000
60-5-0000-0423 Postage	-	-	-	7,500	7,500
60-5-0000-0424 TCEQ Permits	4,500	-	-	-	4,500
60-5-0000-0426 Gas & Oil	7,000	7,000	-	500	14,500
60-5-0000-0429 Department Supplies	2,500	2,500	-	1,000	6,000
60-5-0000-0433 Small Equipment	2,500	2,500	-	500	5,500
60-5-0000-0439 System Parts & Supplies (Inv)	45,000	45,000	-	-	90,000
TOTAL MATERIALS & SUPPLIES	67,100	62,600	-	10,250	139,950
UTILITIES					
60-5-0000-0430 Cell Phones	1,800	1,800	-	-	3,600
60-5-0000-0432 Utilities	18,000	18,000	-	-	36,000
TOTAL UTILITIES	19,800	19,800	-	-	39,600
MAINTENANCE & REPAIRS					
60-5-0000-0442 Equipment R&M	5,000	5,000	-	-	10,000
60-5-0000-0445 Vehicle R&M	2,600	2,600	-	-	5,200
60-5-0000-0448 System R&M	35,000	35,000	-	-	70,000
TOTAL MAINTENANCE & REPAIRS	42,600	42,600	-	-	85,200
CONTRACTED SERVICES					
60-5-0000-0461 Prairielands GSD	-	-	-	-	-
60-5-0000-0463 Midlothian Water Purchases	761,000	-	-	-	761,000
60-5-0000-0465 TRA Fees	-	1,200,000	-	-	1,200,000
60-5-0000-0460 Commercial Garbage	-	-	353,020	-	353,020
60-5-0000-0462 Residential Garbage	-	-	323,232	-	323,232
TOTAL CONTRACTED SERVICES	761,000	1,200,000	676,252	-	2,637,252

	Water Department	Sewer Department	Sanitation Department	Administration Department	Total Departments
OPRERATING EXPENSES					
OTHER CONTRACTED SERVICES					
60-5-0000-0449 Other Contracted Services	-	-	-	-	-
60-5-0000-0458 Legal Services	-	-	-	-	-
60-5-0000-0459 Audit Services	-	-	-	25,000	25,000
60-5-0000-0464 Engineering Services	17,500	17,500	-	-	35,000
60-5-0000-0466 Rental Equipment	2,100	2,100	-	-	4,200
60-5-0000-0467 Mt Peak Billing Fees	-	-	-	18,000	18,000
60-5-0000-0468 Information Technology	-	-	-	8,025	8,025
60-5-0000-0469 TML Property & Liability Ins	-	-	-	14,200	14,200
TOTAL OTHER CONTRACTED SERVICES	19,600	19,600	-	65,225	104,425
DEPARTMENTAL					
60-5-0000-0475 Special Projects	-	110,000	-	30,000	140,000
60-5-0000-0477 Water Samples	3,000	-	-	-	3,000
60-5-0000-0478 Sewer Tests	-	3,000	-	-	3,000
60-5-0000-0480 Waste Removal	-	-	-	-	-
60-5-0000-0486 Miscellaneous	500	500	-	500	1,500
60-5-0000-0487 BNSF Railroad Leases	2,644	2,348	-	-	4,992
60-5-0000-0488 Merchant Service Fees	-	-	-	16,500	16,500
TOTAL DEPARTMENTAL	6,144	115,848	-	47,000	168,992
TOTAL OPERATING EXPENSES	\$ 1,074,121	\$ 1,618,325	\$ 676,252	\$ 351,395	\$ 3,720,093

WATER, SEWER AND SANITATION FUND SUMMARY
NONOPERATING EXPENDITURES DETAIL
FIVE YEAR COMPARISON

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022	
NONOPERATING REVENUE (EXPENSES)						
INTEREST EARNINGS						
60-4-0000-0360 Interest Earnings	\$ 2,266	\$ 3,916	\$ 12,677	\$ 6,180	\$ 5,000	-19%
TOTAL INTEREST EARNINGS	2,266	3,916	12,677	6,180	5,000	-19%
DEBT PRINCIPAL PAYMENTS						
60-5-0000-0501 Note Payable	(6,583)	-	-	-	-	0%
60-5-0000-0625 TRA Buy-In	(77,500)	(77,500)	(77,500)	(77,500)	(77,500)	0%
60-5-0000-0506 Bond Principal	(175,000)	(198,000)	(217,000)	(220,000)	(298,000)	35%
60-5-0000-0508 Capital Lease	-	(19,518)	(20,162)	(20,833)	(21,513)	3%
TOTAL DEBT PRINCIPAL PAYMENTS	(259,083)	(295,018)	(314,662)	(318,333)	(397,013)	25%
DEBT INTEREST PAYMENTS						
60-5-0000-0502 Note Payable	(3,088)	-	-	-	-	0%
60-5-0000-0511 TRA Buy-In	-	-	(42,625)	(38,363)	(34,100)	-11%
60-5-0000-0507 Bond Interest	(98,043)	(142,416)	(83,493)	(83,219)	(210,686)	153%
60-5-0000-0510 Capital Lease	-	-	(2,063)	(1,392)	(710)	-49%
TOTAL DEBT INTEREST PAYMENTS	(101,131)	(142,416)	(128,181)	(122,974)	(245,496)	100%
OTHER REVENUE (EXPENSES)						
60-4-0000-0379 Proceeds from Sale of Assets	-	-	18,101	-	5,000	100%
60-5-0000-0503 2018 Bond Issuance Costs	(63,283)	-	-	-	-	0%
TOTAL OTHER REVENUE (EXPENSES)	(63,283)	-	18,101	-	5,000	100%
TOTAL NONOPERATING REVENUE (EXPENSES)	\$ (421,231)	\$ (433,518)	\$ (412,065)	\$ (435,127)	\$ (632,509)	45%

WATER, SEWER AND SANITATION FUND SUMMARY
CAPITAL CONTRIBUTIONS AND EXPENDITURES DETAIL
FIVE YEAR COMPARISON

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022
CAPITAL CONTRIBUTIONS					
60-4-0000-0361 Capital Grant - Water Looping	\$ 236,710	\$ -	\$ -	\$ -	\$ -
60-4-0000-0362 Capital Lease Proceeds	82,018	-	-	-	-
TOTAL CAPITAL CONTRIBUTIONS	318,728	-	-	-	-
CAPITAL EXPENDITURES					
60-5-0000-0666 Backhoe	(82,018)	-	-	-	-
60-5-0000-0665 Dump Truck	-	(99,500)	-	-	-
60-5-0000-0666 Passenger Trucks	(36,737)	(68,848)	-	-	-
60-5-0000-0667 Capital Outlay	(286,565)	-	-	-	-
60-5-0000-0667 Main Lift Station Generator & ATS	(20,952)	(6,093)	-	-	-
60-5-0000-0667 12" Water Line - FM 157	(24,320)	(17,515)	-	-	-
60-5-0000-0667 12" Sewer Line - FM 157	(26,310)	(9,525)	-	-	-
60-5-0000-0667 Brahman Ranch WTPP	-	(7,861)	-	-	-
60-5-0000-0668 250K GST Rehab	-	-	(95,771)	-	-
60-5-0000-0669 Palladium 10" Force Main Replacement	-	-	(84,100)	-	-
60-5-0000-0611 Sewer Line-8th St@Retirement Village	-	-	-	(11,765)	-
60-5-0000-0669 Prison Lift St Electrical Pole/Connect	-	-	-	(6,866)	-
60-5-0000-0670 Camera Surveillance-PW Building	-	-	-	(5,658)	-
60-5-0000-0671 Security Gate/Access System-PW Building	-	-	-	(19,284)	-
60-5-0000-0672 AMI Upgrade	-	-	-	-	(60,000)
60-5-0000-0673 Skid Steer	-	-	-	-	(50,000)
60-5-0000-0674 Vac Purchase	-	-	-	-	(60,000)
60-5-0000-0675 Passenger Trucks (2)	-	-	-	-	(60,000)
60-5-0000-0676 Concrete Saw	-	-	-	-	(5,000)
TOTAL CAPITAL EXPENDITURES	\$ (476,902)	\$ (209,342)	\$ (179,871)	\$ (43,573)	\$ (235,000)

WATER, SEWER AND SANITATION FUND SUMMARY
 OPERATING TRANSFERS DETAIL
 FIVE YEAR COMPARISON

	ACTUAL 2017-2018	ACTUAL 2018-2019	ACTUAL 2019-2020	PROJECTED 2020-2021	PROPOSED 2021-2022
TRANSFERS IN (OUT)					
60-5-0000-0493 Transfers In From Debt Service Fund	\$ -	\$ -	\$ 172,250	\$ -	\$ -
60-5-0000-0720 Transfers Out To Other Funds	(39,464)	-	-	-	-
TOTAL TRANSFERS IN (OUT)	<u>\$ (39,464)</u>	<u>\$ -</u>	<u>\$ 172,250</u>	<u>\$ -</u>	<u>\$ -</u>