

SPECIAL REVENUE FUNDS





Overview- SPECIAL REVENUE FUNDS

The National Committee on Governmental Accounting's statement 1, paragraph 3 states in part, that special revenue funds may be used to "account for the proceeds of specific revenue sources (other than... for major capital projects) that are legally restricted to expenditure for specified purposes". This section of the City of Kyle 2009-10 Budget of Operations includes seven such funds. Each fund is detailed in the following pages and includes a brief description of the source of revenue and eligible expenditures, a table of revenue and expenditures which shows historical, current and proposed values. Since there are no consistent major categories of expenditures as are found in the General Fund, Enterprise Funds, and Debt Service Fund, the format of this section differs from those formats. Each of the special revenue funds has distinct sources of revenue as well as unique objects of expenditures. Another feature that makes them different from other operating funds is the fact that they depend, from time to time, on fund balances rather than current operating revenue to finance expenditures.

For these reasons, each table for each fund in this section is divided into three parts. The top portion of the table contains revenue data, the second (middle) section contains information on actual expenditures in the first two columns, the amount originally adopted and a re-estimate for the current year are found in the next two columns, and the final column shows proposed appropriations for 2009-10. The bottom portion of the table attempts to track the available fund balances beginning with 2006-07 through the estimated balance for 2009-10. This method of reporting allows deficit spending for current operating revenue and expenses as long as the ending fund balance is a positive amount. By the same token, any unspent revenue at the end of the year is returned to the fund balance at the end of year and then carried forward for possible use in the following year.

Beginning on the following page, budgetary information is provided for each of the following funds:

- Economic Development Fund
- RSI Development Fund
- Police Seizure Fund
- Police Special Revenue Fund
- Court Special Revenue Fund
- Hotel Motel Occupancy Tax Fund
- Grant Funds (TPWL and EPA)
- Transportation Fund



Economic Development Fund

The Economic Development Fund was created in the 2003-04 Fiscal Year. Its purpose is to provide financial support for businesses wishing to expand their operations or initiating improvement projects that would revitalize the downtown area or bring new businesses to Kyle that would create new jobs and bolster the local economy.

Estimated Revenue, Appropriations by Line Item of Expenditure and Projected Fund Balances

	2006-07	2007-08	2008-09		2009-10
	Actual	Actual	Adopted	Re-estimate	Total
Revenue					
Transfer In - From Planning and Dev Fund	70,000	-	-	-	-
Interest Earned	8,092	5,139	4,000	2,500	-
Misc. Revenue	7	-	-	-	-
<i>Subtotal</i>	78,099	5,139	4,000	2,500	-
Total Revenue	78,099	5,139	4,000	2,500	-
Expenditures					
City Sponsored Events Supp					
Business Revitalization					
Grants	16,440	-	25,000	17,000	25,000
Legal Services	338	-	-	-	-
Engineering Fees	40,902	-	-	-	-
Bank Charges	-	-	-	-	-
Capital Outlay	251,444	100,000	-	-	-
<i>Subtotal</i>	309,124	100,000	25,000	17,000	25,000
Total Expenditures	309,124	100,000	25,000	17,000	25,000

Comments on significant changes proposed for 2009-10

Because of the slowdown in housing starts, support for the economic development program has been diminishing. Business Revitalization Grants are budgeted for 2008-09 so funds will be available if the economy turns around. This budget also contemplates use of some of the existing fund balance to support a significant economic development project that should begin to pay substantial dividends in the future.



Police Seizure Fund

State statutes authorize the acquisition and use of seized funds. Subsection c. of the CODE OF CRIMINAL PROCEDURE, CHAPTER 59. Art. 59.06. states “If a local agreement exists between the attorney representing the state and law enforcement agencies, all money, securities, negotiable instruments, stocks or bonds, or things of value, or proceeds from the sale of those items, shall be deposited, after the deduction of court costs to which a district court clerk is entitled under Article 59.05(f), according to the terms of the agreement into one or more of the following funds:

- (2) a special fund in the municipal treasury if distributed to a municipal law enforcement agency, to be used solely for law enforcement purposes, such as salaries and overtime pay for officers, officer training, specialized investigative equipment and supplies, and items used by officers in direct law enforcement duties”.

The Police Seizure is designed to comply with state law as regards collection and use of seized funds.

Estimated Revenue, Appropriations by Line Item of Expenditure and Projected Fund Balances

	2006-07	2007-08	2008-09		2009-10
	Actual	Actual	Adopted	Re-estimate	Total
Revenue					
Interest Earned	773		600	500	500
Refund Reimbursement	102	-	100	-	-
Seizure Revenue	11,634	140	300	-	2,500
Total Revenue	12,509	140	1,000	500	3,000
Expenditures					
Guns and Ammunition	-	5,000	6,000	-	3,000
Warranty	-	-	-	-	-
Small Equip & Tool	-	-	-	-	-
Bank Charges	15	-	-	-	-
Capital Outlay	11,311				
Non-capital Outlay	24,721	-	-	-	-
Total Expenditures	36,047	5,000	6,000	-	3,000

Comments on significant changes proposed for 2009-10

This fund is normally used to purchase ammunition or other minor equipment. In 2007 it was used to purchase laptop computers.



Police Special Revenue Fund

This fund is used to account for grant funds from the State (LEOSE) and contributions from citizens for specific purposes related to Police Department Programs. Section 1701.157 of the State Occupation Code directs the State Comptroller to distribute funds collected for the "Law Enforcement Officer Standards and Education" (LEOSE) account to qualified law enforcement agencies. Funds are used to provide necessary training to full-time, fully paid law enforcement support personnel. One locally created voluntary contribution program collects funds the Blue Santa Christmas program.

Estimated Revenue, Appropriations by Line Item of Expenditure and Projected Fund Balances

	2006-07	2007-08	2008-09		2009-10
	Actual	Actual	Adopted	Amend#2	Total
Revenue					
LEOSE Revenue	1,542	1,966	1,900	1,848	1,800
LEAD Grant Revenue	437	-	-	-	-
Blue Santa Funds	1,020	33	300	-	-
Total Revenue	2,999	2,000	2,200	1,848	1,800
Expenditures					
LEOSE Expenditures	2,660	7,453	-	-	-
LEAD Expenditures	325	208	-	-	-
Training Supplies-HR			2,200		
Capital Outlay		18,000			
Blue Santa Expenditures	444	-	-	-	-
Total Expenditures	3,429	25,661	2,200	-	-

Comments on significant changes proposed for 2009-10

No expenditures are requested to be appropriated at this time.



Court Special Revenue Fund

Code of Criminal Procedure Subchapter A Article 102.017. COURT COSTS; COURTHOUSE SECURITY FUND; *“The governing body of a municipality by ordinance may create a municipal court building security fund and may require a defendant convicted of a misdemeanor offense in a municipal court to pay a \$3 security fee as a cost of court..... A fund designated by this subsection may be used only to finance security personnel for a district, county, justice, or municipal court, as appropriate, or to finance items when used for the purpose of providing security services for buildings housing a district, county, justice, or municipal court, as appropriate, including.....”* On February 15, 2000 the City Council passed Ordinance 348 authorizing the collection of a \$3.00 security fee for misdemeanor offenses adjudicated in the City of Kyle.

Art. 102.0172. COURT COSTS; MUNICIPAL COURT TECHNOLOGY FUND. (a) *“The governing body of a municipality by ordinance may create a municipal court technology fund and may require a defendant convicted of a misdemeanor offense in a municipal court or municipal court of record to pay a technology fee not to exceed \$4 as a cost of court. d) A fund designated by this article may be used only to finance the purchase of or to maintain technological enhancements for a municipal court or municipal court of record”.*

On February 15, 2000 the City Council passed Ordinances 348 and 347 authorizing the collection of a \$4.00 Technology fee for misdemeanor offenses adjudicated in the City of Kyle and authorizing the collection of a \$3.00 security fee.

In addition to the “security” and “technology” funds, the City collects fees for “Child Safety” and “Judicial Training” as authorized by the State Code. These are lesser amounts than the other two but nevertheless are restricted in their use. The table on the following page showing the summary revenue and expenses for these accounts also includes a breakdown of the fund balances expected to be available at the end of the 2008-09 fiscal year.

Court Special Revenue Fund (cont.)**Estimated Revenue, Appropriations by Line Item of Expenditure and Projected Fund Balances**

	2006-07	2007-08	2008-09		2009-10
	Actual	Actual	Adopted	Re-estimate	Total
Revenue					
Technology Fees	10,773	10,478	10,000	10,000	9,500
Judicial Fee	1,362	1,269	1,000	1,200	1,200
Security Fee	8,769	7,857	7,500	7,500	7,500
Child Safety Fee	291	100	200	150	300
Total Revenue	21,195	19,704	18,700	18,850	18,500
Expenditures					
Technology Expenses	18,461	14,978	18,000	18,000	10,000
Judicial Training	150	50	250	950	950
Office Equip Leases		1,480			-
Office Security Supplies			5,000		-
Non-capital Tech Exp		3,508			-
Security Expenses	2,183	-	-	3,500	2,000
Total Expenditures	20,794	20,016	23,250	22,450	12,950

Comments on significant changes proposed for 2009-10

New court administration software was acquired during 2007-08. Installation of security cameras for the court and administrative work station (\$5,000 expense in Security) was expected to occur during 2007-08 but was postponed until 2008-09.

Hotel Motel Occupancy Tax Fund

Chapter 351 of the Tax Code for the State of Texas permits the levying of a tax upon the cost of occupancy of any sleeping room furnished by any hotel or motel, where the cost of the occupancy is at the rate of \$2.00 or more per day. The statute also limits the use of funds collected under this law to eligible activities and projects that will benefit the residents and promote tourism and the convention and hotel industry within the City of Kyle. On October 3, 2000, the City Council adopted Ordinance 365 which authorized the levying of such a tax. The tax rate was set at 7% of charges for lodging.

Estimated Revenue, Appropriations by Line Item of Expenditure and Projected Fund Balances

		2006-07	2007-08	2008-09		2009-10
		Actual	Actual	Adopted	Amend #2	Total
Revenue						
Hotel Motel Occupancy Tax		82,171	86,994	120,000	100,000	105,000
Interest Earnings		9,948	378	7,000	2,000	2,100
Total Revenue		92,119	87,373	127,000	102,000	107,100
Expenditures						
Tourism		-	-	-	3,290	5,000
Advertising						
Annual Golf Tournament			3,864		4,500	-
Pass throughs-Agency				115,000		
Contribution - Chamber of Comm.		-	107,384		70,000	-
Total Expenditures		-	111,248	115,000	77,790	5,000

Comments on significant changes proposed for 2009-10

Rather than anticipate the Council's decision on contribution to the Chamber of Commerce for their fiscal year beginning Jan. 2010, the amount in this table has been left at zero. When the Chamber requests funds in November or December, the Council may appropriate the amount they determine appropriate.

