

Menard County

Treasurer's Financial Report as of March 31, 2020

Treasurer's Budget Analysis

In an effort to clarify the County's Operation Budget, an analysis of the Revenue/Expenditure is being presented in a new light. Hopefully this different presentation will help the Commissioner's Court and the public to better understand the County's governmental functions and the inter relationships between Revenue and Expenditures. First let's review the Direct Law Enforcement categories.

Sheriff's Budget	\$579,479
Jail	\$276,337
State Law enforcement	\$ 1,550
Constable	<u>\$ 35,964</u>
Total Direct Law Enforcement	\$893,330

Direct Law Enforcement is supported by fines collected by the Justice of the peace and District & County Clerk, which offset much of the Direct Law Enforcement Costs. Costs above fine revenue are met by the general Ad Valorem Tax. But it is imperative to understand that all fines collected by the Justice of the Peace do not remain in the County's Revenue stream. Should one want to compare assessed fines of Law Enforcement personnel to the gross cost of Direct Law Enforcement, a net cost of Direct Law Enforcement could be calculated.

The Justice of Peace and The District & County Clerk collect fines of \$854,080. However, \$320,970 or 37.6% of fines collected, must be sent to the State of Texas, for its share of Law Enforcement, which will leave only \$533,110 for County Revenue/Expenditure Budget Analysis. Therefore, by comparing the total Direct Law Enforcement cost of \$893,330 less the revenue collected, one could say Direct Law Enforcement costs are only \$360,220. Furthermore, other sources of revenue, also reduce Law Enforcement cost. For example, One Deputy salary of \$40,000 is paid for by the City of Menard. Also, Sheriff fees of \$2,940 and various donations and State Training Support of \$19,575 also reduce the Law Enforcement expenses. Thus far we have calculated a net cost of Direct Law Enforcement of \$297,705. Summarized as follows:

Direct Law Enforcement Costs	\$893,330
Less JP and Clerk Net Revenue	(\$533,110)
Less Other Revenue	<u>(\$ 62,515)</u>
Net Direct Law Enforcement Costs	\$297,705

However, in order to collect the various fines assessed by Direct Law Enforcement, office expenses for the Justice of Peace and the District & County Clerk may also be considered as a cost for Direct Law Enforcement. Their Department Operations total \$202,517.

Net Direct Law Enforcement Costs	\$297,705
JP and Clerk Operations	<u>\$202,517</u>
Adjusted Direct Law Enforcement Costs	\$500,222

In addition to Direct Law Enforcement Costs, there are Indirect Costs incurred through the Court System. Indirect Costs include the Probation Office, County Attorney, and Court Costs. Indirect Law Enforcement receives some State Support therefore, the balance of their costs is supported by the Ad Valorem Tax.

Probation	\$ 81,247
County Attorney	\$ 87,560
Court Costs	<u>\$130,428</u>
Total Indirect Law Enforcement	\$299,235
Less State Support of Indirect	
Law Enforcement & reimbursements	<u>(\$ 97,106)</u>
Net Indirect Law Enforcement	\$202,129

In addition to Law Enforcement, the County also incurs Administrative Costs, which include County Judge, Tax Collector, Treasurer, Emergency Management, Debt, Interfund Transfers and Building & Grounds Operations, all of which are funded by a combination of Ad Valorem Taxes, Sales Taxes, Miscellaneous Fees and Grants. These Department Budgets are:

County Judge	\$ 71,564
Tax Collector	\$ 55,732
Treasurer	\$ 85,374
Emergency Management	\$ 13,574
Operating Debt	\$151,800
Interfund Transfers	\$158,376
Building & Grounds Operations	<u>\$282,679</u>
Total Administrative Costs	\$819,099
Less Sales Tax, Grants and fees	<u>\$356,889</u>
Net Administrative Costs	\$462,210

A vital component of County Government is Community Service. Therefore, a number of expenses are related to making our County a wonderful place to live includes activities such as:

Volunteer Fire Department	\$ 22,530
Hunters Dumpsters	\$ 20,000
Public Services	\$ 25,495
Public Library	\$ 28,723
Menardville Museum	\$ 1,800
Youth Baseball	\$ 1,500
Presidio	\$ 11,500
Golf Course	\$ 6,000
RV Park	\$ 38,800
Swimming Pool	\$ 10,510
Extension Office	\$110,016
Soil and Water Conservation	\$ 1,800
Veterans Affairs	\$ 5,528

Community Center	<u>\$152,986</u>
Total Community Services	\$437,188
Revenue supporting Community Service	<u>\$118,360</u>
Net Community Services Cost	\$318,828

Conclusion:

The net costs to the citizens of Menard County are expressed by the Ad Valorem tax collections. The following analysis reflects the various departments level of support through Ad Valorem taxes:

Ad Valorem taxes	\$1,485,003
Less Net Division Costs:	
Direct Law Enforcement	(\$ 500,222)
Indirect Law Enforcement	(\$ 202,129)
Administrative Costs	(\$ 462,210)
Community Service	<u>(\$ 318,828)</u>
Balance of Ad Valorem Taxes	\$ 1,614

Division Costs:

Direct Law Enforcement Costs	\$1,095,847
Indirect Law Enforcement Costs	\$ 620,205
Administrative Costs	\$ 819,099
Community Service	<u>\$ 437,188</u>
Total Operating Budget	\$2,972,339

Treasurer's Financial Analysis

General Fund

This month's Specified Activity Report reflects investments of \$750,000 and a total cash balance of \$22953.41. The County continues to operate within a total cash available principle with deficit balances for the month of March, in the Road & Bridge Fund, Courthouse Restoration Fund and the Debt Service Fund. Pending receipts from the Texas Historical Commission of \$317361.86 there will be ample resources to cover the for the Courthouse Restoration Fund deficit. Hopefully current year collections will cover the temporary deficit in the Debt service fund but if not, perhaps there will be some remaining funds after the completion of the Courthouse Restoration project to cover any remaining deficit.

FEMA reimbursements in the amount of \$233,686.36 have been approved however duplicate reports are now due to the State. Hopefully the State Reports can be completed by May 31, 2020. This month's financial activity includes cash deposits of \$454,218.94 and disbursements of \$519,102.436. The attached Specified Activity Report displays the cash balance for each fund. Menard Bank has informed me that our interest earnings will suffer as we purchase new Certificates of Deposits since the Treasury Bill rates are near Zero.

Tax Collections are 94% of the budgeted \$1,484,503 in the General Fund, and Justice of the Peace collections are \$490,063 year-to-date, at 64% of expectations.

A summary of the top five General Fund Revenue year-to-date receipts are displayed as follows:

	2019-20
AD Valorem Taxes	\$1,398,595
JP Fees	\$ 490,063
County Clerk Fees	\$ 37,139
Sales Taxes	\$ 150,809
RV Park	\$ 49,943
All Other Revenue	<u>\$ 190,904</u>
Total	\$2,317,453

Year to date General Fund expenditures for the period ending March 31 total \$1,527,031 or 51% of the Amended Budget of \$2,972,339. The department breakdown is shown on the second schedule for this month's report.

Road & Bridge

Year to date financial activities for R&B are as follows:

Payroll	\$122,108.38
Operations	<u>\$ 84,815.55</u>
Total Expenses	\$206,923.93

Revenue	<u>\$ 51,426.32</u>
Temporary Shortfall	(\$155,497.61)

The shortfall will be covered by an Operating Fund Transfer, a Lateral Road Tax Transfer or FEMA revenue, within the Fiscal Year.

Courthouse Restoration

Financial Summary:

Architect Fees	\$ 31,545.28
Renovation Costs	<u>\$614,659.51</u>
Total Expenses	\$646,204.79
Revenue	<u>\$213,945.30</u>
Cash Flow Shortfall	(\$432,259.49)

The Courthouse cashflow shortfall is partially offset by Reserve Funds from prior years loan proceeds of \$325,000 and the pending revenue from the Texas Historical Commission will be ample to fully meet the construction costs. The restoration should be completed by September 30, 2020.

ACCOUNT NUMBER AND TITLE	STARTING BALANCE	DEBIT BALANCE	CREDIT BALANCE	ENDING BALANCE
10-100-101 GENERAL FUND CASH	90,284.33	413,881.60	365,257.79	138,908.14
14-100-101 VETERANS FUND CASH	7,813.90-	10,936.69	1,003.73	2,119.06
15-100-101 ROAD & BRIDGE FUND CASH	139,757.48-	21,361.34	37,482.03	155,878.17-
16-100-101 FCLR FUND CASH	33,141.02	835.58	263.47	33,713.13
17-100-101 AIRPORT FUND CASH	1,590.71	0.00	0.00	1,590.71
21-100-101 JP COURT TECH FUND CASH	51,156.80	485.44	0.00	51,642.24
24-100-101 COURT REPORTER FUND CASH	16,193.14	77.00	0.00	16,270.14
25-100-101 APPELLATE JUDICIAL FUND CASH	214.15	5.00	0.00	219.15
26-100-101 ALTERNATE DISPUTE RESOL. CASH	7,430.00	10.00	0.00	7,440.00
27-100-101 COURT INITIATED GUARDIAN'S CASH	2,438.50	0.00	0.00	2,438.50
28-100-101 TRUANCY PREVENTION FUND CASH	7,859.22	196.17	0.00	8,055.39
30-100-101 RECORDS MANAGEMENT CASH	24,255.49	640.00	219.12	24,676.37
31-100-101 CLERK ARCHIVAL FUND CASH	22,158.12	0.00	0.00	22,158.12
32-100-101 COURTHOUSE RESTORATION CASH	45,320.41-	173.00	114,876.29	160,023.70-
35-100-101 COURTHOUSE SECURITY FUND CASH	7,431.49	487.44	0.00	7,918.93
51-100-101 PRE-TRIAL PREVENTION CASH	16,285.06	0.00	0.00	16,285.06
60-100-101 DEBT SERVICE FUND CASH	23,734.99-	5,129.68	0.00	18,605.31-
GROUP-TOTAL	63,811.25	454,218.94	519,102.43	1,072.24-
REPORT TOTAL	63,811.25	454,218.94	519,102.43	1,072.24-