NOTICE OF MEETING

Agenda for Meeting
City of Galveston - Finance, Fiscal Affairs and Investment Committee
March 23, 2021 - 2:00 p.m. - 3:30 p.m.
Virtual Meeting Dial-In # 1-346-248-7799
Meeting ID: 795 988 6304
Passcode: 821463

Meeting URL: https://us02web.zoom.us/j/7959886304?pwd=SG9YZmdJN1FOREtaMGRlUzhiSndBdz09

1. Quorum Determination And Call To Order.
2. Consider For Action Approval Of The Minutes From The February 9, 2021 Meeting.

   Documents:

   2 - 21-0209 FINANCE AND FISCAL AFFAIRS.PDF

3. Review Preliminary FY 2020 Annual Comprehensive Financial Report

   Documents:

   3 - DRAFT ACFR 2020 03.19.2021.PDF

4. Review And Discuss The 1st Quarter Budget Status Report (M. Loftin)

   Documents:

   4 - FY21 1ST QUARTER BUDGET REPORT.PDF

5. Review And Consider Proposed Combined Utility Revenue Bond Refunding.

   Documents:

   5 - CITY OF GALVESTON FINANCING OPPORTUNITY.PDF

6. Review, Comments And Recommendation To Accept The Proposed 2021 Investment Policy (Hilltop Securities).

   Documents:

   6 - PROPOSED INVESTMENT POLICY 2021 GALVESTON.PDF

7. Committee Member Comments.
8. Public Comments (Limited To Three Minutes Each)
   Members of the public may submit a public comment using the web link below. All comments submitted prior to the meeting will be provided to the Finance, Fiscal Affairs and Investment Committee.

   https://forms.galvestontx.gov/Forms/PublicComment

9. Discuss Tentative Date(S) For Next Committee Meeting.

10. Adjournment.

I certify that the above Notice of Meeting was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on March 20, 2021 at 11:30 A.M.

Janelle Williams, City Secretary

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), PERSONS IN NEED OF A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, WITHIN THREE (3) DAYS PRIOR TO ANY PROCEEDING, CONTACT THE CITY SECRETARY'S OFFICE, SUITE 201, 823 ROSENBERG, GALVESTON, TEXAS 77550 (409-797-3510).

City of Galveston – Finance and Fiscal Affairs Committee

February 9, 2021 2:00 p.m. - 3:30 p.m.
Virtual Zoom meeting

Call Order / Roll Call:	Edward Walsh -Vice Chairman Abel Longoria-Member Gene Hornstein-Member Stephen Maxwell-Member Nathaniel Schuller-Member Robert Nuzum-Member Jonathan Zendeh Del-Member Bill Quiroga-Ex-Officio
Guests:	Jim Niederle, Financial Advisor Scott McIntyre, Hilltop Securities Asset Management Chris Breaux, Whitley Penn
Staff:	Dan Buckley-Deputy City Manager Mike Loftin-Asst. City Manager Finance Tammy Jacobs-City Controller Don Glywasky-City Attorney Beverly West-Assist City Attorney Brandon Cook-Asst. City Manager Finance Theresa Merrill-Sr. Budget Analyst Carrie Sumrall-Assist City Auditor

1) Quorum determination and call to order.
   Meeting called to order at 2:04 p.m.
2) Reviewed for approval of minutes from the July 21, 2020 meeting.
   Motion for approval was made by Jonathan Zendeh Del and seconded by Robert Nuzum; all approved.
3) Election of officers. Eddie Walsh nominated himself as Chairman and Jonathan Zendeh Del offered the second; all approved. Eddie Walsh nominated Abel Longoria as Vice Chairman and Robert Nuzum offered the second; all approved.
4) Hilltop Securities presented a review of the City's investment portfolio performance for the quarters ended September 30 & December 31, 2020.
   a. Scott McIntyre narrated an economic review and discussed the performance of the investment portfolio.
   b. Gene Hornstein moved to recommend acceptance of the quarters ending September 30, 2020 & December31, 2020 investment reports for the City and the IDC. Rober Nuzum seconded the motion and all approved.
5) Mike Loftin narrated a review of the fiscal year 2020 4th quarter budget status report.
6) Mike Loftin narrated a discussion of a grant related receivable adjustment for FY 2020 CAFR and the related FY 2020 Budget Amendment.
7) Mike Loftin narrated a discussion of hotel occupancy tax collections specifically relating to short term rentals.
8) Mike Loftin narrated a discussion of the procurement of Financial Advisory services. Jonathan Zendeh Del moved for a recommendation to City Council to accept Jim Niederle at Huntington

Capital Markets as the City's Financial Advisor. Abel Longoria offered the second and all approved.

9) Mike Loftin and Jim Niederle narrated a review of a proposed Water & Sewer Revenue Bond Refunding.
10) Chairman Walsh recommended to engage local firms in the procurement process for Banking and investment advisor services.
11) Committee member comments –None.
12) Public comments – None.
13) Discussed early March as tentative date for next meeting to review FY20 CAFR presentation. Agree to send a poll for committee members availability.
14) Meeting adjourned at 3:43 p.m. via a motion by Abel Longoria that was seconded by Jonathan Zendeh Del.

Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2020

CITY OF GALVESTON
1839
TEXAS

GALVESTON
EST. Texas 1839
IT'S ISLAND TIME

DRAFT

CITY OF GALVESTON, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended

September 30, 2020

Prepared by:

Finance Department

DRAFT

Introductory Section

2020 Annual Comprehensive Financial Report

CITY OF GALVESTON
1839
TEXAS

GALVESTON
EST. Texas 1839
IT'S ISLAND TIME

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City of Galveston

P.O. Box 779 / Galveston, Texas 77553

Annual Comprehensive Financial Report

for Fiscal Year Ending September 30, 2020

Letter of Transmittal

March 29, 2021

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

State law requires that all general purpose local governments publish within 180 days of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report (the Annual Report)) of the City of Galveston, Texas (the City) for the fiscal year ended September 30, 2020.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. In order to provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Whitley Penn, LLP a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2020 are fairly presented in conformity with GAAP.

The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the City's separately issued Single Audit Report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Galveston is a home rule, full service city incorporated in 1839, and is governed through a council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the Mayor, who is elected at large, and six council members elected to represent individual districts. The governing council is responsible, among other things, for passing ordinances, adopting the budget, determining policies, appointing committees, and hiring the city manager, attorney, secretary, internal auditor, and municipal judge. The city manager is responsible for developing and proposing the annual City budget for consideration by City Council, for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. Elections are held every two years. Council members, including the Mayor, are limited to serving three consecutive terms.

The City provides a full range of services including police and fire protection, the construction and maintenance of streets and other infrastructure, water services, sewer services, refuse collection, drainage services, parks and recreational activities, and general administration. Additional services include building inspection, planning, zoning, engineering, and an airport.

Component units of the City, and the services they provide, include:

- The Park Board which provides improvements and maintenance to City waterfront parks and beaches;
- The Galveston Redevelopment Authority (GIRDA), which manages funds from one tax reinvestment zone and three public improvement districts for development and improvement projects within specific geographic areas of the City;
- The Galveston Housing Finance Corporation (GHFC) which provides home mortgages and loans to lending institutions for the purpose of making home mortgages.;
- The City of Galveston Property Finance Authority, Inc.(GPFC) which was created by State Statute for the purpose of acquiring, owning, holding, leasing, and selling real or personal property to or for the benefit of the City for the furtherance of its public purposes;
- The Board of Trustees of the Galveston Wharves which manages, controls, and maintains the Port of Galveston;
- The Industrial Development Corporation which provides funding for public works, beach renourishment, parks and economic development projects; and
- The City of Galveston Employees' Retirement Plan for City employees, the Galveston Firefighters' Pension Fund, and the City of Galveston Employees' Retirement Plan for Police.

In FY 2020, the CIty Council reorganized the board of GIRDA giving it oversight and governance powers over the GHFC and GPFC in addition to the GIRDA itself.

The annual budget serves as the foundation for the City's financial planning and control. Since FY 2016, the budget process has begun with a five-year forecast of revenue and expenditures presented to City Council in June. The forecast frames issues for consideration by City Council that are discussed in budget work sessions held during June and July. Using council directed priorities and departmental spending targets derived from the forecast, the city manager develops and presents a proposed budget to the council no later than the first week of August. Capital projects and related financing are also discussed with council in May and June resulting in the presentation of the five year capital improvement plan in July.

The council is required to hold public hearings on the proposed budget, including the capital improvement plan, and to adopt a final budget no later than the second or last regularly scheduled council meeting in September. If the council does not approve the budget by October 1, it takes effect as proposed by the city manager until council ratifies or modifies it. Also, in August and September, the council holds public hearings on the proposed property tax rate required to support the budget. The rate is then adopted in September after the budget is adopted in accordance with State law.

The budget is prepared for every operating and capital fund, function (e.g. public safety), and department (e.g. police). Subsequently, the Budget ordinance proposed to and passed by the City Council provides specific appropriations that govern spending plans for the fiscal year. During the year, the city manager may make transfers of appropriations within a department and fund without prior approval by City Council. Transfers of appropriations within a fund and between departments, however, require the prior approval of the City Council. Revenue and expense is monitored throughout the fiscal year and documented in quarterly reports, along with the status of capital projects and capital funds. The Budget is amended by City

Council as needed for municipal purposes under the authority of the state Budget Law (Local Government Code Chapter 102) and the City charter. At the close of each fiscal year, any unencumbered balance of an appropriation reverts to the fund from which it was originally appropriated and may only be re-appropriated by the council.

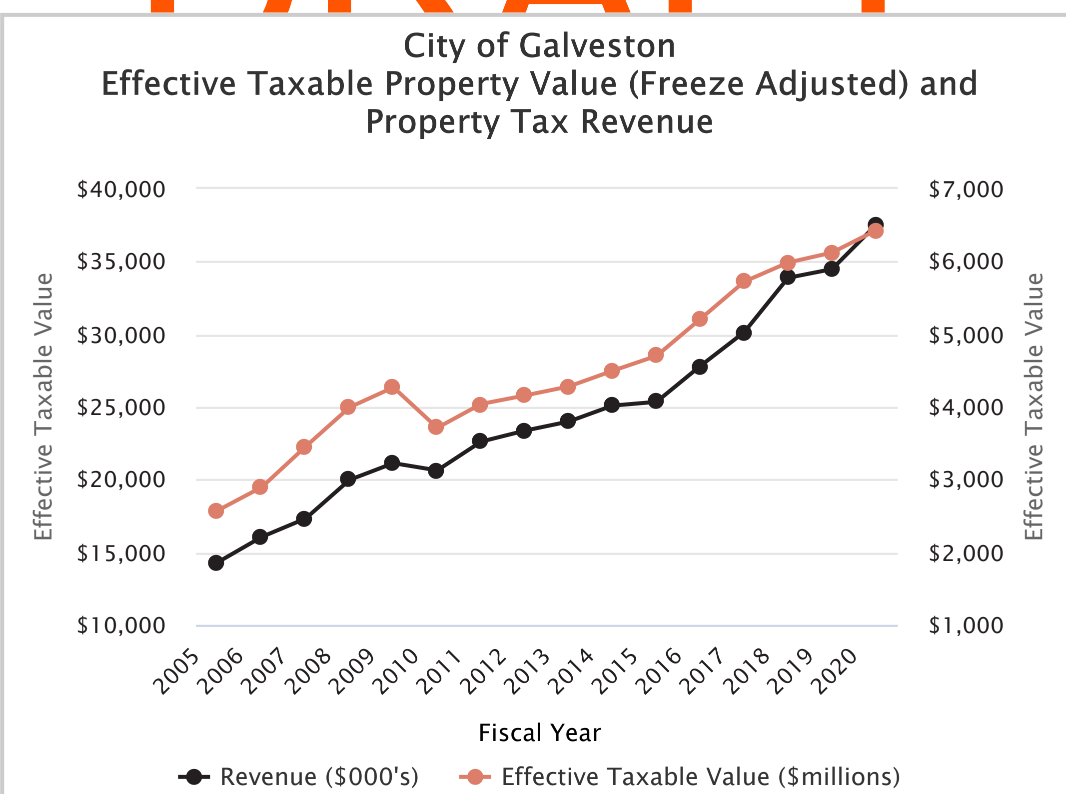
Budget-to-actual comparisons are provided for the most significant governmental funds including the General Fund, Debt Service Fund, Island Transit special fund and Rosenberg Library special fund. Budget-to-actual comparisons are also presented for the Combined Utility System Fund (formerly the Waterworks and Sewer System Funds), Sanitation, Drainage and Airport enterprise funds.

Economic Climate

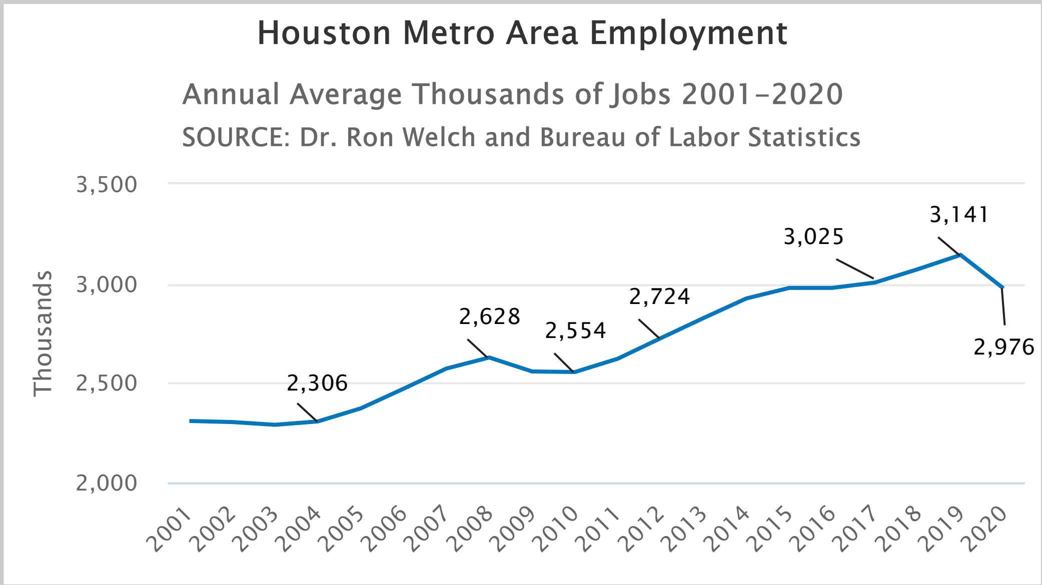
Galveston's economy is healthy and growing in spite of challenges from natural disasters, weather events and economic downturns because of its location and climate. Galveston is located on the Gulf of Mexico at the mouth of Galveston Bay. The Gulf Coast of Texas normally experiences mild winters and temperate summers making the City a tourist destination. Furthermore, it is part of the nation's most vibrant state economy and one of the top metropolitan economies which provides Galveston economic vibrancy that goes beyond the City's borders.

The City's long-term growth rate was interrupted in a significant way by the simultaneous arrival of Hurricane Ike and the Great Recession in 2008. After a one year adjustment due to the impact of Hurricane Ike that dropped taxable values 13 percent to $3.7 billion, it took four years for taxable property value to return to its pre-Ike level. The City adjusted its property tax rate to absorb a portion of the associated tax revenue loss but chose to set a rate lower than would have been allowed under the State property tax assessment process.

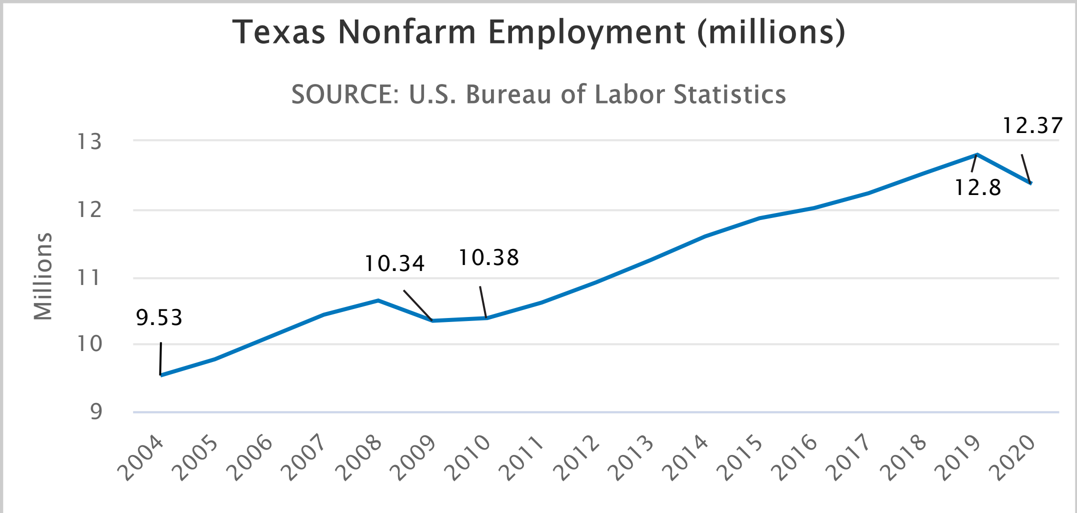
Post-recession economic recovery brought sustained growth and taxable value to $6.43 billion in FY 2020 (Source: Galveston County Appraisal District). The effective annual rate of increase in the City's taxable value from FY 2009 through FY 2020, was 6.28 percent including the loss incurred after Hurricane Ike in FY 2010. Property tax collections were strong in FY 2020, despite the pandemic at 100.62 percent of the effective taxable value adjusted for the tax freeze. In FY 2020, the property tax freeze provided $1.45 million in property tax savings for eligible homeowners who were over 65 and disabled.



After the Hurricane Ike/Great Recession downturn of 2008-2010, and the energy slowdown of 2014-2017, regional employment surged ahead. Galveston property and sales revenues recovered and grew in parallel to the region's employment base shown here. In FY 2020, the COVID-19 pandemic had a dramatic effect on employment in the region as it did nationally. Galveston's metro area lost 331,000 jobs in April, and recovered 164,000 jobs by the end of the calendar year. Average annual employment for the region dropped from 3,144,000 in 2019 to 2,976,000 in calendar 2020. In spite of job losses suffered by the hospitality industry, Galveston's economy showed strength because of its role as the playground for the region.

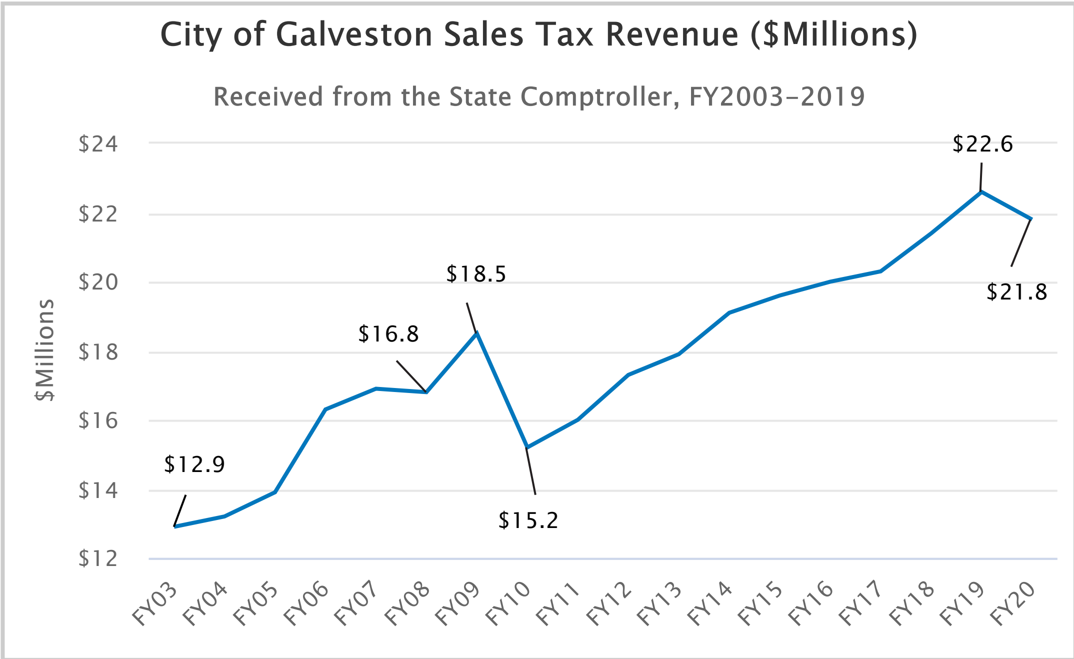


Statewide employment followed the same pattern as the region in 2020. The state suffered the loss of.1.4 million jobs between February and April, but recovered 848,000 of those jobs by the end of the calendar year. While the growth rate has slowed, the state is expected to continue its previous long-term employment growth trend as shown below.

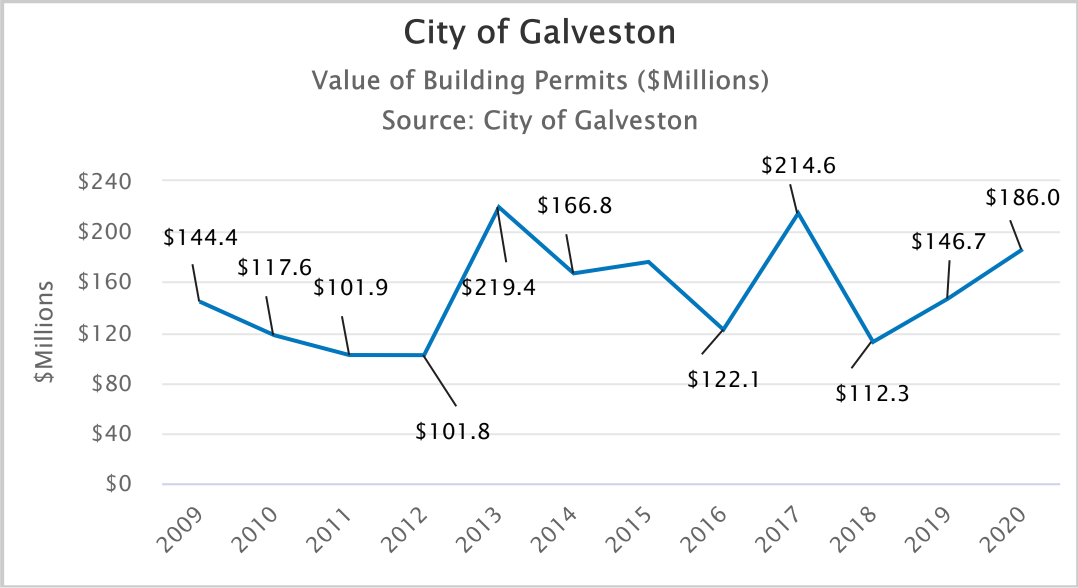


Galveston is the top recreation center for the region as evidenced by its sales tax revenue performance since FY 2003. The City's two percent sales tax rate is composed of a 1.5 percent amount that goes to the City's General Fund to support public safety and transportation functions. The remaining one-half percent goes to economic development, including equal one-eighth percent portions for beach renourishment, city parks and recreation, infrastructure and targeted economic development programs and projects.

Galveston's sales tax growth mirrors the region's employment growth. The city performs sales tax forecasts with a statistical model based primarily on regional employment. After the Hurricane Ike/Great Recession of 2008-2010 when sales tax revenue dropped eighteen percent, Galveston's sales tax revenue showed steady growth. The city collected $22.6 million in FY 2019, and the FY 2020 budget of $22.9 million appeared achievable until COVID-19 arrived. When the region lost jobs due to the business closures caused by the pandemic, the City expected, and experienced a drop in sales tax revenue. In April of 2020, the City projected sales tax revenue losses of $2.4 million in the last seven months of FY 2020 for a year ending total of $19.9 million. Actual results were better than anticipated as the final sales tax total was $21.8 million in FY 2020. In spite of the loss of special events, and hospitality industry losses, Galveston's sales tax revenue was sustained in part by the federal stimulus as well as its outdoor recreational opportunities for people looking for a COVID-free experience..



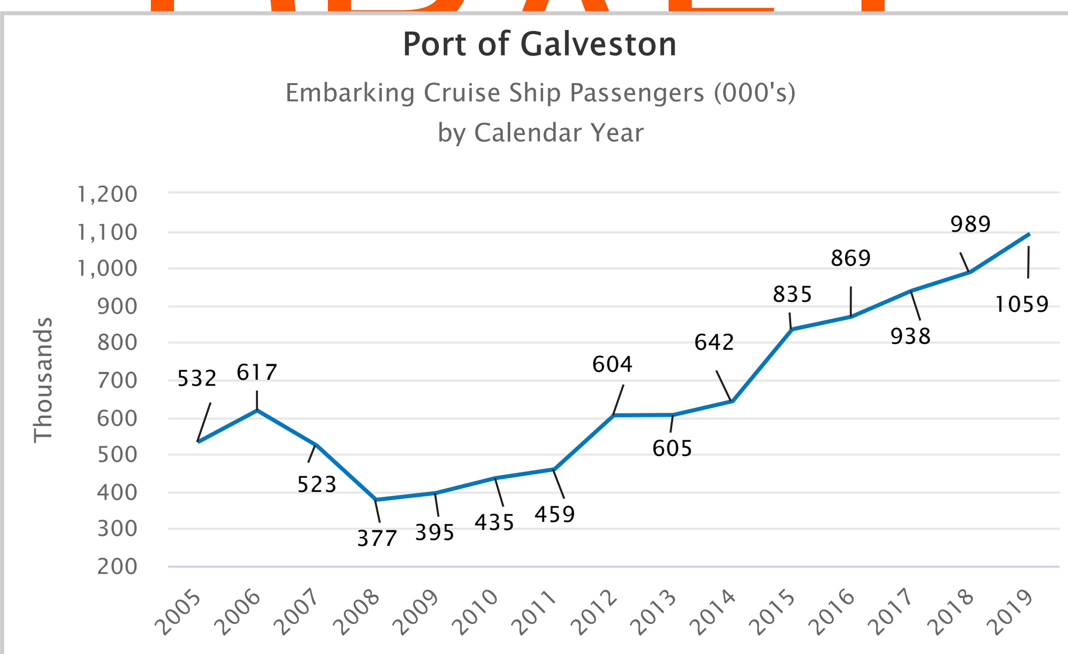
Galveston continues to have a lower cost of living than the nation in spite of its growing economy. According to the U.S. Department of Labor Statistics, the Consumer Price Index-Urban (CPI-U) for the U.S. as a whole was 260.5 in December 2020. The CPI-U For the metropolitan area including Galveston was 230.4 for the same period. By this measure, Galveston's cost of living is approximately 11.6 percent less than the nation as a whole.



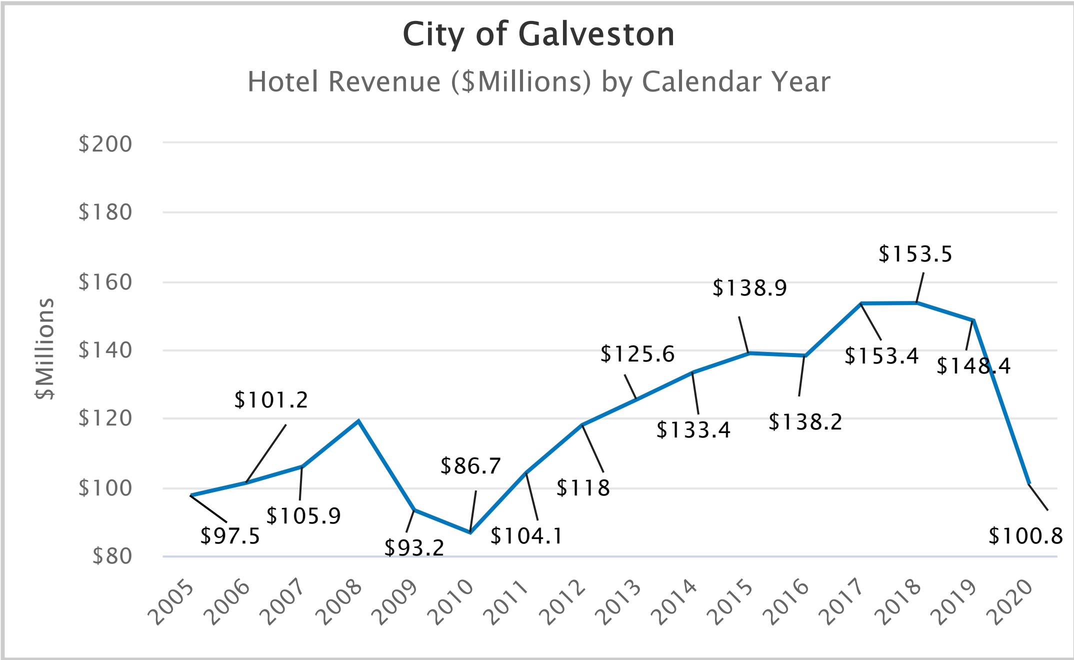
Construction activity in Galveston is continuing at a steady pace after the value of building permits in the immediate aftermath of Hurricane Ike peaked in 2008 at $284.8 million (not shown in the graph). For the seven year period of 2013 through 2019, the annual average value of commercial and residential building permits has been $165 million per year. For that same period of time (tax years 2014 through 2020, the value of new construction placed on the CIty's property tax roll by the Galveston County Appraisal District averaged $69 million. Calendar year 2020 produced a $186.0 million total and the expectation is that GCAD will again add a significant amount of new construction to the City's tax roll for tax year 2021.

The Port of Galveston has long been an important contributor to both the Galveston and Texas economies. One of the top 50 ports in the nation and one of the busiest in Texas, the Port moved 4.3 million tons of cargo in 2020, which is up 6.2 percent overall from 2019. Grain and wind led the Port with 1 127.6 percent increase. General cargoes increased 13.9 percent over 2019. Vessels lay-up at the Port of Galveston for a variety of reasons including obtaining vessel repairs and maintenance, gathering stores, and obtaining inspections. Lay dockage space is utilized only when there are no cargo-laden vessels available for berths. A record-setting 461 lay vessels called at the Port of Galveston in 2020 compared with 377 in 2019, for an increase of 22 percent.

Galveston is the fourth largest cruise port in the country, and cruise ship passengers through the port continue to set records each year. According to a report published by Cruise Lines International Association, the cruise industry in Galveston drove $1.6 billion in direct expenditures, 26,872 jobs, and had a total wage impact of $1.8 billion through the Texas economy in 2019. The cruise industry also has significant local impact generating $71.5 million in passenger on-shore spending in 2019, up from $65.7 million in 2018, and another $23.4 million in services provided at the port in 2019, up from $19.3 million in 2018. After cruise ship traffic was interrupted by Hurricane Ike in 2008 and cruise passengers dipped to 377,000, the Port of Galveston saw 985,000 cruise passengers in 2018, and 1,092,000 for 2019. Because of the pandemic, cruise companies suspended operations temporarily in 2020. When cruise companies resume operations, a similar rebound in Galveston's cruise traffic can be expected like the one that occurred after Ike that is referenced above.



The City of Galveston is a popular destination for tourists, because of its beaches and other attractions, including Moody Gardens, Schlitterbahn, and the Pleasure PIer. The City's downtown area features The Strand District, which is the home of some of Galveston's most historic commercial buildings, and the centerpiece for the City's active year-round calendar of community and seasonal events. Nearby is the East End Historic District which is on the National Historic Register and the site of many of the City's historic residential structures. A primary indicator of Galveston's tourism industry is total hotel occupancy tax revenue. Total hotel revenue was negatively impacted in calendar 2020 by the COVID pandemic, with closures and limited occupancy. However, part of the decrease is attributable to travelers shifting their lodging preferences from hotels to short-term rentals. From 2018 to 2020, short-term rental Hotel Occupancy Tax revenue has increased 24 percent, offsetting the losses attributable to hotels.

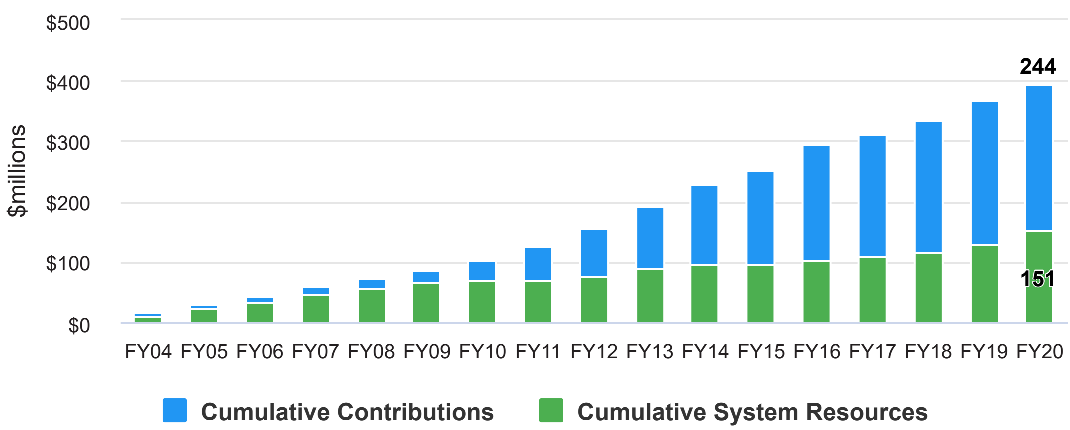


FY 2004 was the first year in which the City was required by Governmental Accounting Standards Board Statement 34 to include the value of its capital assets net of depreciation in its balance sheet. SInce 2004, GASB 34 has served as an annual reminder to communities of the importance of investments in infrastructure. And the true value of the requirement is best viewed from a long-term perspective.

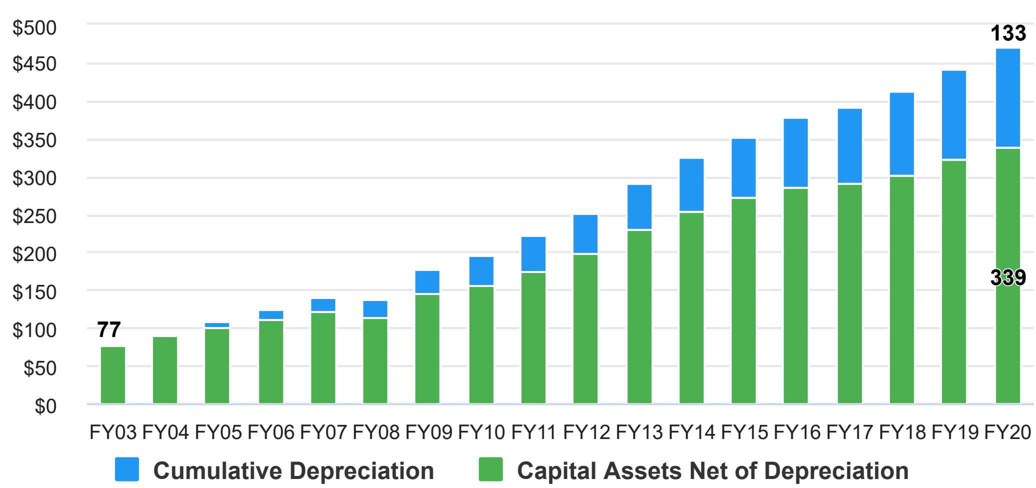
Since FY 2004, the City's net enterprise funds' capital asset position has increased from $77 million to $339 million, a $262 million increase. The two graphs below illustrate the summary totals of this infusion of federal grants for the City's enterprise funds in this regard. Since FY 2004, the City has invested a total of $395 million in improvements to its water, wastewater and airport systems. This included $151 million in system resources (cash, bond proceeds) and $244 million in contributions (largely federal grants) received by the City and invested in those same systems. If the total contribution ($395 million) is adjusted by $133 million less for accumulated depreciation from FY 2004 to FY 2020, the result is the same $262 million increase in investments net of depreciation above.

The totals viewed in this manner put in perspective two critical lessons. First, rebuilding and maintaining the value of the City's water and wastewater systems (included in the Combined Utility System in this CAFR) requires significant continual investment of grants and local funds. Second, the system resources invested ($151 million) were just enough to offset the depreciation of enterprise fund assets ($133 million). Third, depreciation for the enterprise systems totals $12 million in FY 2020 alone, making this the minimum annual investment in capital required to maintain the value of those systems.

System Resources ($151M) and Contributions ($244M)
Enterprise Fund Capital Investments
Total: $395M

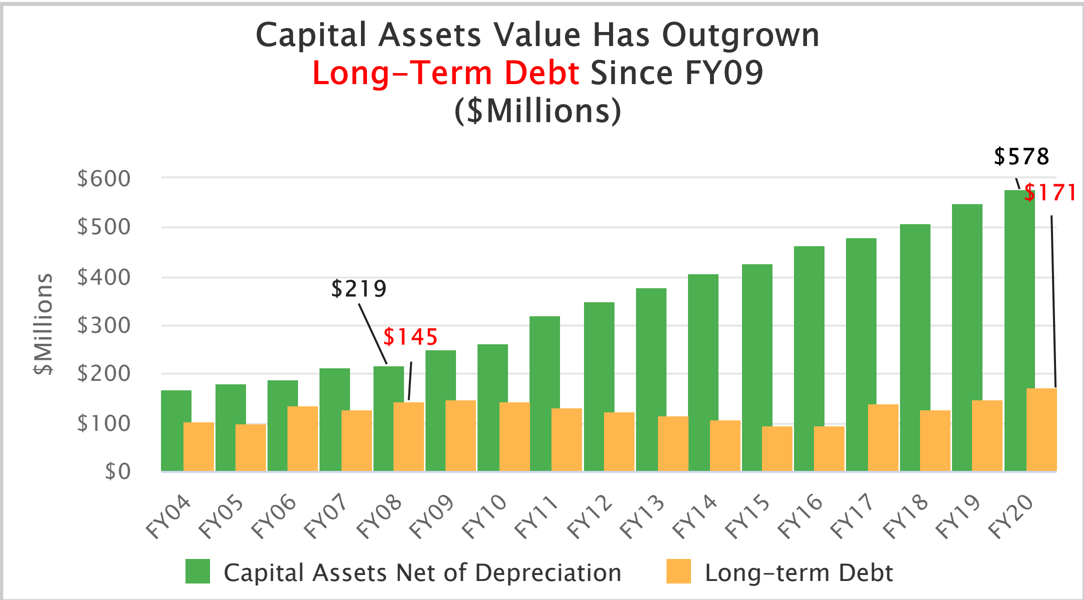


Enterprise Fund Capital Net of Depreciation: $339M in FY20,
$262M more than in FY03



The City issued no new long-term bonds for local investment in capital assets between FY 2008 and FY 2017. In FY 2016, the City adopted a five year capital improvement plan (CIP) including only projects that were to be fully financed with a combination of cash on hand and/or future bond sale proceeds. Programs to make substantial improvements to the City's streets, drainage system, water and wastewater system have been the primary focus of the CIP. In May 2017, Galveston voters authorized the issuance of $62 million in street and drainage general obligation bonds. By the end of FY 2020, the City had issued all of these bonds, and an additional $70 million in certificates of obligation for water and sewer projects that are being retired with utility system revenue.

As of FY 2020, the City's capital assets are valued at $578 million and the City's outstanding principal payments for long-term debt totals $171 million. This includes City bonds issued strictly for basic infrastructure improvements (water, wastewater, streets and drainage) and includes contract debt payable to the Gulf Coast Water Authority. It does not include special obligation debt (Convention Center bonds payable with hotel occupancy tax revenue) or other liabilities addressed in Note 8 of this financial statement. The $171 million outstanding as of the end of FY 2020 is $26 million more than existed at the end of FY 2008 when Hurricane Ike made landfall. The reason the current total is not higher is because of the City's long standing, conservative approach to scheduling and making principal payments through its budgeting and capital financing processes.



Long-term financial planning

In FY 2016, the City initiated a new budget and financial planning process that includes a five-year Long Range Financial Forecast, a five-year Capital Improvement Plan (CIP), and the Annual Budget. The Forecast serves as a pre-budget, providing the basis for spending targets for operating and capital budget requests.

Long term revenue analysis includes trends of ten years or more, as shown in the previous section, to identify the impact of variations in the business cycle on city revenue. Statistical modeling is used to explain the effects of significant changes in economic, climate and other factors on prior sales tax revenues. Taxable property values are forecasted based on twelve years of certification and hearings loss trends. Water and sewer revenues are forecasted using fifteen years of billing data. Non-major revenues are assumed to show modest to no growth. Expenditures are forecasted using conservative estimates of inflation, and prior period actual expenditures. Debt service is projected to include payments for new bonds needed to fund the CIP.

An essential element of long-term financial planning is ongoing monitoring and evaluation to identify new or different trends that can affect planning assumptions. Quarterly Budget Status Reports provide year-end projections of revenue and expenses for all budgeted funds as well as capital project status reports and detailed reconciliations for all capital funds. All of these financial documents can be found in the “Financial Transparency” section of the home page of the City’s website.

Relevant financial policies

The City Council has established a ninety-day target balance for General Fund unrestricted cash and cash equivalents to be used in case of emergencies. The General Fund ended the year with an operating balance of $16.75 million, representing approximately 109 days of maintenance and operating expenditures. Only the City Council can approve an allocation of the General Fund balance in excess of the ninety day minimum. In 2018, the City secured the renewal of its emergency bridge loan for $50 million to be used in the event of a major catastrophic emergency, and secured a contract for this important financial tool through spring 2023. The loan will be available to support eligible costs associated with any large emergency including a tropical storm or hurricane, including federally reimbursable costs, local costs as well as matching funds for disaster grants (see Note 8).

The City Charter assigns the responsibility to “administer all the financial affairs of the City other than the assessment and collection of taxes to the Director of Finance. This includes responsibility for the receipt, disbursement and safe-keeping of all City funds. The Finance Director establishes the accounting procedures to be used in all departments, and approves all expenditures to ensure that legal requirements have been met and the budget appropriations are not exceeded.” (See the City Charter Article VII Section 2.) Also, by State law and the City Charter, this Annual Comprehensive Financial Report, “including the auditor’s opinion on the statement, shall be filed in the office of the municipal secretary or clerk within 180 days after the last day of the municipality’s fiscal year.” (See Local Government Code Section 103.003.)

In FY 2019, the City Council adopted a debt management policy to formalize the practices included in the financial planning process that lead to decisions to issue long-term debt. The policy provides for specific projects with phased implementation and proposed funding sources to cover total project cost as the basis for any long-term debt issuance. Amortization schedules are proportional to what the City can afford, include no unusual principal amounts or “balloon” notes, and are shorter in years than the useful life of assets that are being constructed and/or acquired. The policy provides broad guidelines that encourage component units with debt issuance that must be approved by City Council to adhere to the key provisions mentioned above.

The City adheres to an investment policy that emphasizes, in order of priority, safety, liquidity, diversity and return on investments as required by the Public Fund Investment Act. (See Texas Government Code Chapter 2256.) This law and City policy require quarterly reports to the City Council that disclose the specific listing of investments that comprise the City’s investment pool, present the overall earnings from the pool, and balances as of the end of each calendar quarter. City Council appoints a Finance, Fiscal Affairs and Investment Advisory Committee (FFIAC) to provide strategic direction and oversight by working with the Finance Department to manage the City’s investments. This policy is reviewed and updated annually by the FFIAC and City Council. All of the City’s idle cash on hand, including operating and capital funds, is invested through this pooled approach. The only exception is federal grant cash which the City is not allowed to invest under federal regulation.

A laddered investment approach has been used previously to invest the City’s cash on hand in investment pools, federal agencies and treasuries. This approach took maximum advantage of rising interest rates by scheduling maturities based on specific project implementation schedules as well as the five year Capital Improvement Plan (CIP). With the advent of the COVID-19 pandemic, and actions by the Federal Reserve Board to set the prime rate at zero, the city has placed all of its cash in investment pools. This provides maximum liquidity and safety which is appropriate in the current interest rate environment. The CIP is adopted by the City Council annually, and each project’s status is monitored and reported through the City’s webpage.

Major initiatives

The City continues to implement its CIP by renewing and replacing capital facilities, many of which have outlived their useful lives. Any future bond sales will be conducted in accordance with State law and the City Charter including voter approval for General Obligation bonds providing new monies for major projects. The City is well positioned to continue the CIP as well as its long-term bond issuances. Moody’s Investors Service issued the following overall assessment of the City in its annual rating published in October: “The credit position for Galveston is good. Its Aa3 rating is level with the US cities median of Aa3. Notable credit factors include a healthy financial position, a large tax base and a moderate wealth and income profile. The rating also reflects a small debt burden and a somewhat inflated pension liability.” The City’s pension liability dropped $9 million in FY 2020 largely due to the performance of the three funds investment pools.

Moody's also noted the following in its October 2020 rating:."Texas cities are well positioned to operate soundly despite the coronavirus pandemic effects because cities typically retain healthy reserves and liquidity which will mitigate any near-term financial challenges. Additionally, cities maintain high flexibility to make expenditure cuts which will mitigate some of the challenges associated with falling sales tax revenues, which typically are about a third of the cities' revenue stream. Property taxes, typically the largest revenue source, remain strong and stable supported by historically solid tax base growth. Any slowdown in the economy will likely not affect budgets until fiscal 2022. Texas cities in energy dependent regions will face additional challenges by the slump in energy prices. Debt and pension levels are manageable for most cities."

By virtue of its location on the Texas Gulf Coast, Galveston is exposed to the ongoing threat of tropical storms that bring heavy floods, high winds and excessive storm tides. The magnitude of the impact on the City's operations, economy, or financial condition from climatic changes is indeterminate and unpredictable. But this is a threat that Galveston has managed its way through for over one hundred years. After the 1900 Storm that killed many thousands of Galveston residents, the City built a three mile long, seventeen feet high concrete wall to protect against storm tides associated with a tropical storm. The residents and businesses also elevated their properties to match the height of the Seawall and then taper slowly to sea level on the port side of the Island. Today, the seawall has been extended to protect ten miles of the City from high water events.

Prior to Hurricane Ike in 2008, the City established a $20 million emergency finance note program to assist the City with any costs and/or projects that are derived from any natural disaster. That "bridge loan" today stands at $50 million that can be employed in the event of a disaster declaration by the President. City management and staff are experienced as an organization in managing disasters and documenting eligible costs for reimbursement from FEMA. As this report goes to press, we are tracking and preparing reimbursement requests for eight active disasters largely because of the number and variety of disasters encountered in 2020.

Most recently, the City has received a $2.66 million FEMA Section 404 Hazard Mitigation Grant to design what will become a $32 million high water management pump station to be located at the Galveston ship channel. Design approval by the state and federal partners in this project should result in a grant for construction as well. This pump station will take the project service area from a 0.5 year flood level to a 25 year event and maintain a 100 year event in the right of way. Galveston also falls within the bounds of the area to be protected by the "Ike Dike," a proposed U.S. Army Corp of Engineers project to ultimately provide flood protection for the low lying areas near the Gulf and Galveston Bay in the metropolitan area.

In FY 2019, the City began a major water loss mitigation project aimed at reducing the amount of water loss in its aging water distribution system. After the major investments in the water system made recently, the City has shifted its focus to more accurate measurement of water usage and transmission throughout the City. The goal is to ensure that the City purchases only the water it needs from the Gulf Coast Water Authority, isolating sources of water loss so they may be addressed in a variety of ways.

Protection of neighborhoods through stricter codes and clearer rules is also a high priority with major revisions underway to the City's land development rules and zoning requirements. Renewed emphasis is being placed on the City's information technology resources, upgrading system infrastructure and beginning the implementation of major systems to manage field maintenance operations, improve plan review and the permit and inspections processes, as well as continuing to move the City to a paperless environment.

In FY 2019, the City and its police employees group secured passage of state legislation that revised and modernized the police officers' pension system, putting in place a thirty year funding plan that fully amortizes the plan's current unfunded accrued actuarial liability. This law provides for any future additional funding needs to be shared equally by the City and the plan members. The City's contribution is guaranteed to remain at the current authorized strength level for police officers should future economic downturns result in any reductions in force (see Note 14). In FY 2018, the City and firefighters agreed on a plan that increased contributions from the City and the firefighters that brought its long-term funding plan within State guidelines. The increases required in the City's contribution to the police pension plan (12 percent to 18 percent) and firefighters' pension plan (12 percent to 17 percent) are funded with current year income. The City will continue in FY 2021 to work to further stabilize these plans and the non-civil service City employees plan as well. As the City works to stabilize the three defined benefit pension plans, we persist in our long-term plan to convert those plans over time to a defined contribution basis or a hybrid plan such as that offered by the Texas Municipal Retirement System.

The City's retiree health insurance plan is reported in the government wide balance sheet. This presentation provides information in compliance with the Governmental Accounting Standards Board Statement 75 addressing Other Post-Employment Benefits (OPEB). The City's unfunded accrued liability for OPEB is estimated for FY 2020 at $11.4 million. Having addressed the City's pension fund liabilities, we now expect to begin to develop a plan that will address the unfunded OPEB liability.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awards a Certificate of Achievement for Excellence in Financial Reporting for recognizing conformance with the highest standards for preparation of state and local government reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

The award is valid for a period of one year only. We believe that this Annual Report will meet the Certificate of Achievement Program requirements and will submit it to GFOA to determine its eligibility for a certificate.

The preparation of this report is a joint effort of various departments and offices of the City. The City's Finance Department coordinates the compilation and prepares the final report for review by the City's independent auditor, Whitley Penn, LLP. The City assumed the lead role in preparing the financial statements and related notes for the first time in FY 2017. This financial report represents the fourth such effort. The successful and timely preparation of this report depends on the cooperation of all these groups and upon the diligence and dedication of the entire staff of the Finance Department. We would like to express our appreciation to all those who contributed to this effort.

Finally, we acknowledge the Mayor and Council Members who have consistently supported the City's goal of excellence in all aspects of financial management. Their support is greatly appreciated.

Respectfully submitted,

City Manager **Assistant City Manager for Finance**

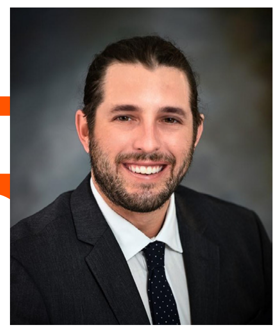
CITY OF GALVESTON, TEXAS
PRINCIPAL OFFICIALS

Mayor
Craig Brown

District 1

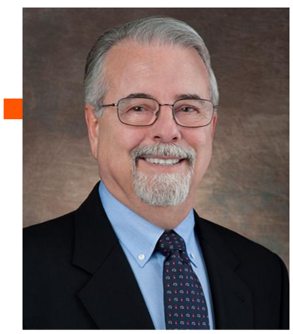
ER Johnson

District 2



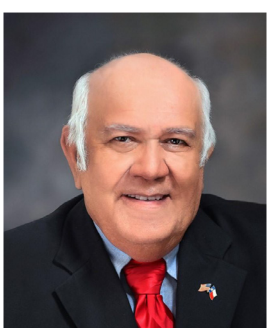
William Schuster

District 3



David Collins

District 4



Bill Quiroga

District 5

John Paul Listowski

District 6

Marie Robb

Charter Adopted April 19, 1960

Council – Manager Form of Government

City Council Appointees

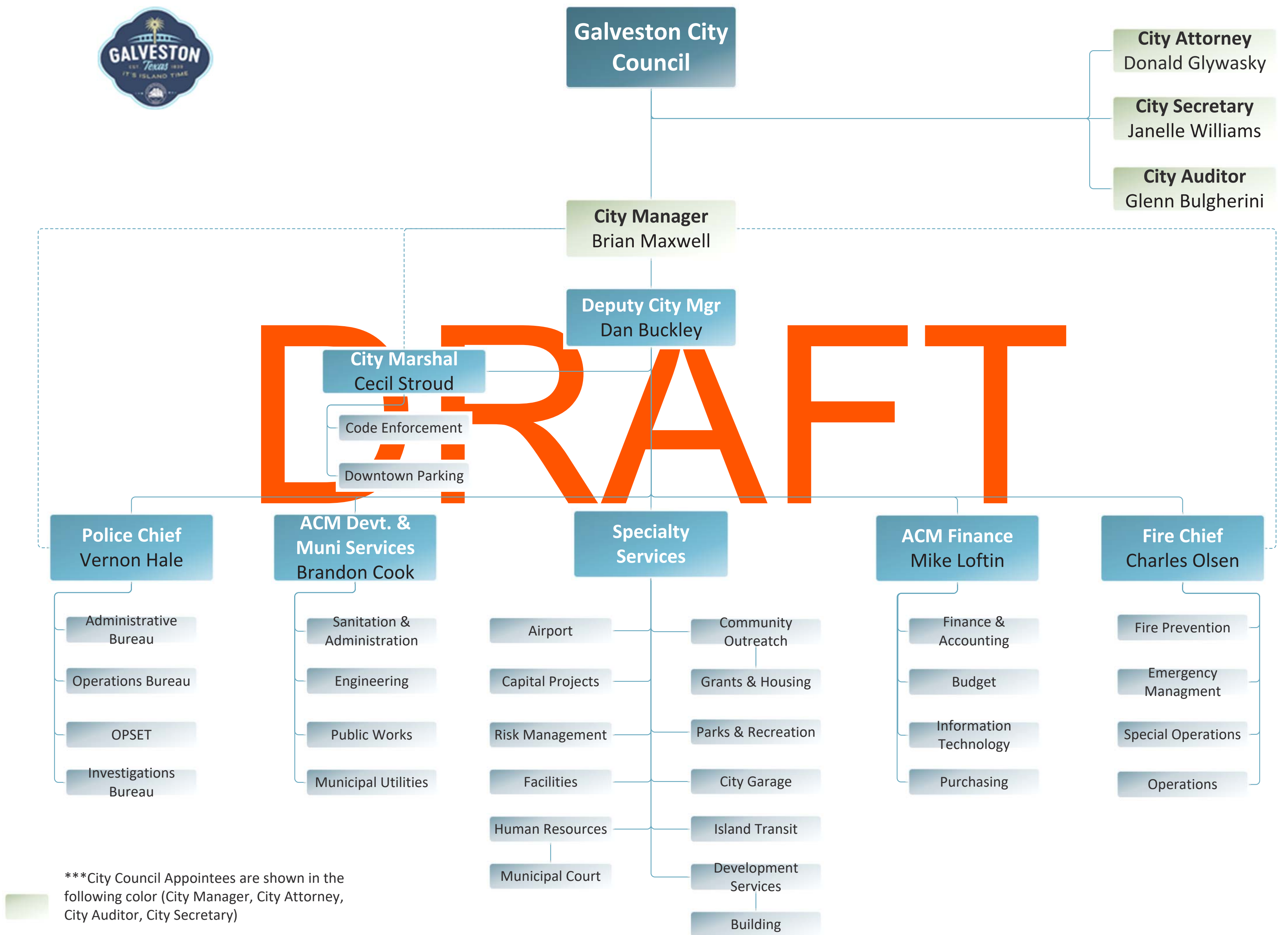
City Manager	Brian Maxwell
City Secretary	Janelle Williams
City Attorney	Donald Glywasky
Court Judge	Jim Schweitzer
City Auditor	Glenn Bulgherini

Departmental Directors

(City Manager Appointees)

Deputy City Manager	Dan Buckley
Assistant City Manager Finance	Michael Loftin
Assistant City Manager Development and Municipal Services	Brandon Cook
Police Chief	Vernon Hale
Fire Chief	Charles Olsen, Sr.
City Marshal	Cecil Stroud, Jr.
Executive Director of Development Services	Timothy Tietjens
Executive Director of Fleet, Mass Transit and Special Events	David Smith
Executive Director of Human Resources and Civil Service	Kent Etienne
Executive Director of Parks, Recreation and Community Outreach	Barbara Sanderson
Executive Director and Chief Information Technology Officer	Hope Dean
Executive Director and City Controller	Tammy Jacobs
City Engineer	Daniel Christodoss
Director of Administration and Sanitation	Cindy DeWitt
Director of Airport	Michael Shahan
Director of Municipal Utilities	Trino Pedraza
Director of Parks and Recreation	Cesar Garcia
Public Information Officer	Marissa Barnett
Emergency Management Coordinator	Mark Morgan, Sr.
Municipal Court Clerk	Gladys Lopez
Facilities Director	Charles Kenworthy
Risk Manager	Robert Simmons

City of Galveston Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Galveston
Texas

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

Financial Section

2020 Annual Comprehensive Financial Report

GALVESTON
EST. Texas 1839
IT'S ISLAND TIME

CITY OF GALVESTON
1839
TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Galveston (the "City") offers 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

1. The assets and deferred outflows of resources of the City exceeded its deferred inflows of resources and liabilities at the close of the most recent fiscal year by $481.7 million (net position). Of this amount, $35.4 million is restricted for specific purposes based on law and contractual obligations to citizens and creditors. Long-term liabilities increased from $183.6 million to $207.5 million largely due to the bond sale described below. Also, the aggregate net pension liability declined from $84.4 million in FY 2019 to $75.1 million in FY 2020 largely due to the performance of each fund's investment pool. The City's unrestricted net position went from a negative $28.5 million in FY 2019 to a negative $34.8 million in FY 2020..
2. On October 31, 2019, the City issued $31.2 million of Public Improvement Bonds, Series 2019 (see Note 8 for additional information). This completed the issuance of $62 million in General Obligation bonds approved by the voters in May, 2017.
3. In FY 2020, the CIty was forced to adopt new ways of conducting business in response to the COVID-19 pandemic. The City received federal grant assistance to ease the burden of additional costs incurred in this process. These grants included:
   a) $4,675,290 awarded under the CARES Act for Federal Transit Authority (FTA) eligible transit spending by the Island Transit department ($1,877,701 expended in FY 2020);
   b) $2,730,090 awarded under the CARES Act to cover the cost of specific measures taken to combat the spread of COVID-19, all of which had to be spent by December 31, 2020 ($546,018 was provided as an advance, and the CIty has requested reimbursement for the balance of this grant; however, no receivable has been recorded in the FY 2020 financial statements pending actual receipt of the $2,184,072 balance of the grant); and
   c) $442,934 awarded under the CARES Act for Community Development Block Grant-Coronavirus to help low and moderate income persons specifically impacted by the pandemic.

Overview of the Financial Statements

This discussion and analysis is 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) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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 corporation.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four 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 government'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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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, administrative services, public safety, public works, parks and recreation and community development. The business-type activities of the City include utility systems, including surface water operations, and solid waste operations as well as the operations of a regional airport facility.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also legally separate entities for which the City is financially accountable. Financial information for these *discretely presented component units* is reported separately from the financial information presented for the primary government itself. The City's eight discretely presented component units consist of the following:

Park Board of Trustees
Galveston Island Redevelopment Authority
Campeche Shores - Public Improvement District
Beachside Village - Public Improvement District
Bayside at Waterman's - Public Improvement District
Board of Trustees of Galveston Wharves
Galveston Housing Finance Corporation
Galveston Property Finance Authority

The financial statements of Galveston Housing Finance Corporation and Galveston Property Finance Authority have been excluded from this report.

The government-wide financial statements can be found on pages 31 through 33 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are 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 evaluating 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 60 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, Hurricane Ike, CDBG Disaster Fund Non-Housing, and General Obligation Bonds 2019 Capital Projects funds, all of which are considered to be major governmental funds. Data from the other 54 governmental funds are combined into a single, aggregated presentation (the Non-Major Governmental Funds); including 6 CDBG annual entitlement allocation funds and 11 Home Partnership Investment annual allocation funds. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* and can be found on pages 90 through 103 of this report.

The basic governmental fund financial statements can be found on pages 34 through 37 of this report.

Proprietary Funds - The City maintains two different types of proprietary funds, Enterprise Funds and Internal Service Funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its waterworks system, sewer system, drainage and sanitation operations as well as the operations of the airport. Internal Service Funds are used to report activities that provide supplies and services for the City's other programs and activities. The Municipal Garage, Central Service, Casualty and Liability insurance, Construction Management, Workers Compensation Insurance, and Health and Life Insurance funds are the City's internal service funds. Their purpose is to provide for the accumulation of money for employee benefits, as well as, vehicle and equipment replacement used in City operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Combined Utility System Fund is considered to be a major fund of the City. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the comprehensive annual financial report.

The basic proprietary fund financial statements can be found on pages 38 through 40 of this report.

Combining Component Unit Financial Statements

The City's eight discretely presented component units shown in aggregate on the face of the government-wide financial statements have individual information presented in the form of combining statements immediately following the fund financial statements of the primary government.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 45.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. The City adopts an annual appropriated budget for its general, debt service and certain special revenue funds. A budgetary comparison schedule has been provided for the general and debt service funds to demonstrate compliance with this budget. Required supplementary information can be found on pages 79 through 88 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $481.7 million at the close of the most recent fiscal year. The "Comparative Schedule of Net Position" presents the financial performance that results in this amount, and shows a comparison with the prior fiscal year as well. The City's Total Net Position for the fiscal year ended September 30, 2020 of $481.7 million is an $8.5 million increase over the prior year.

Total Assets were $790.4 million at the end of the current fiscal year, a $36.6 million increase over last fiscal year. This is attributable largely to the continued investment in the City's capital assets, including substantial amounts of contributions from grants as in prior years. Total investments in capital assets increased by $27.5 million.

Current assets for Governmental Activities increased by $29.4 million, largely due to the net result of $37.4 million in proceeds and premiums from a bond sale (see Note 8). The current assets for Business-Type Activities also decreased by $20.3 million, largely due to ongoing capital expenditures from previous bond sales for capital assets.

An increase in net outstanding debt associated with the bond sale can be seen in a $31.4 million increase in long-term liabilities of Governmental Activities. Similar decreases can be seen in long-term liabilities of Business-Type Activities with a decrease of $7.5 million reflecting the retirement of CIty issued bonds and contract debt.

By far the largest portion of the City's net position, 99.9 percent or $481.1 million, reflects its investment in capital assets net of depreciation (e.g., land, buildings, and infrastructure), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending as of September 30, 2020. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The total Net Pension Liability for the City's three pension funds decreased to $75.1 million in the current fiscal year compared with $84.4 million for the prior fiscal year. This was largely due to improved investment performance in the current fiscal year, assisted also by increased contribution rates for the firefighter and police plans (see Note 14).

COMPARATIVE SCHEDULE OF NET POSITION

September 30, 2020 and 2019
Amounts in (000's)

	Governmental Activities		Business-type Activities		Totals	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Current and other assets	$ 126,772	$ 97,346	$ 85,611	$ 105,892	$ 212,383	$ 203,238
Capital assets	239,423	228,153	338,602	322,378	578,025	550,531
Total Assets	366,195	325,499	424,213	428,270	790,408	753,769
Total Deferred Outflows of Resources	16,308	22,938	2,541	4,552	18,849	27,490
Other liabilities	14,927	15,469	9,833	9,162	24,760	24,631
Long-term liabilities	101,019	69,638	106,478	113,949	207,497	183,587
Total OPEB liability	11,380	9,465	-	-	11,380	9,465
Net pension liability	69,224	76,115	5,859	8,330	75,083	84,445
Total Liabilities	196,550	170,687	122,170	131,441	318,720	302,128
Total Deferred Inflows of Resources	7,381	5,431	1,482	487	8,863	5,918
Net Position (Deficit)						
Net investment in capital assets	198,501	191,799	282,578	277,164	481,079	467,518
Restricted	32,664	31,559	2,749	2,674	35,413	34,233
Unrestricted	(52,594)	(51,039)	17,775	21,056	(34,819)	(28,538)
Total Net Position (Deficit)	$ 178,571	$ 172,319	$ 303,102	$ 300,894	$ 481,673	$ 473,213

An additional portion of the City's net position, 7.4 percent or $35.4 million, represents resources that are restricted by external authorities and requirements on how they may be used. The total unrestricted net position of $34.8 million results from $52.6 million negative net position of Governmental Activities, that is partially offset by $17.8 million unrestricted net position of Business-Type Activities. The Governmental Activities negative net position includes almost all of the City's net pension liability because two of the three pension funds (police and fire) include public safety personnel funded strictly through the General Fund. The governmental funds provide $69.2 million of the total $75.1 million in net pension liabilities and $11.4 million of OPEB liabilities.

COMPARATIVE SCHEDULE OF CHANGES IN NET POSITION

For the Years Ended September 30, 2020 and 2019

Amounts in (000's)

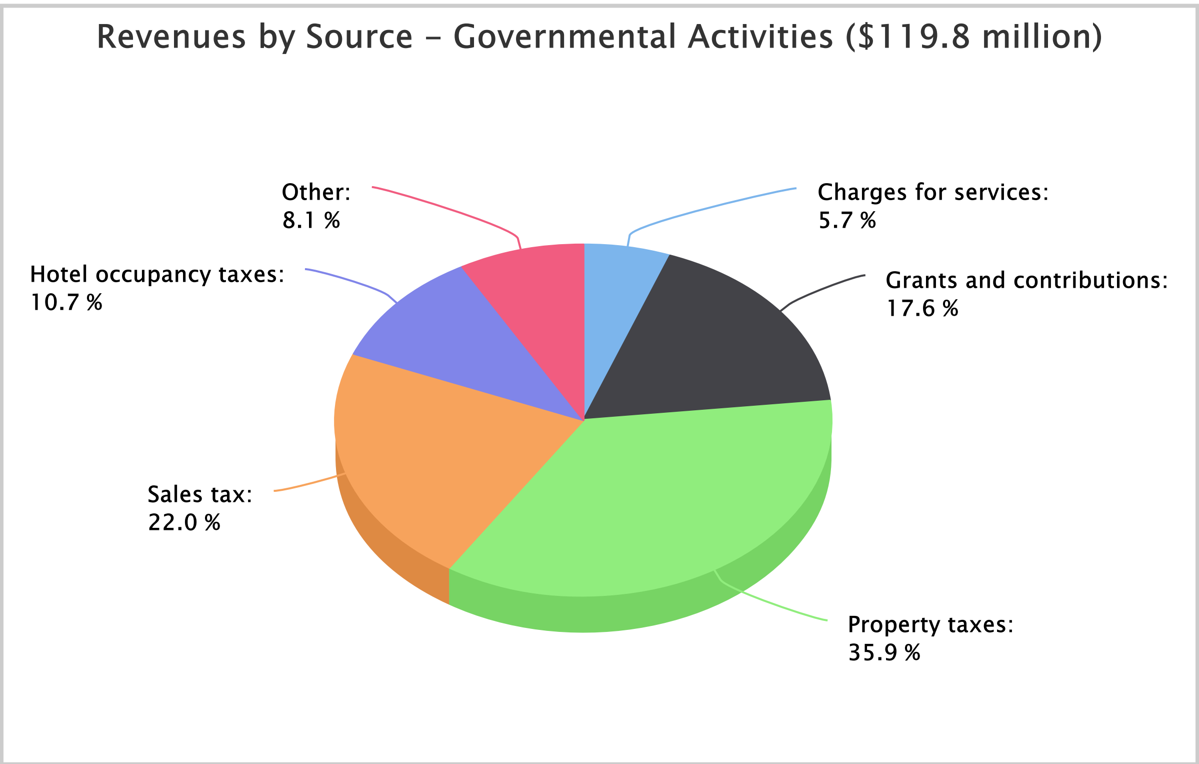
	Governmental Activities		Business-type Activities		Totals	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Revenues						
Program revenues:						
Charges for services	$ 5,614	$ 5,617	$ 48,489	$ 47,060	$ 54,103	$ 52,677
Operating grants and contributions	5,249	3,502	50	50	5,299	3,552
Capital grants and contributions	12,132	33,479	606	3,727	12,738	37,206
General revenues:						
Property taxes	35,474	32,692	-	-	35,474	32,692
Sales tax	21,808	22,633	-	-	21,808	22,633
Hotel occupancy taxes	10,602	12,824	-	-	10,602	12,824
Franchise and other taxes	5,874	6,420	-	-	5,874	6,420
Payments in lieu of taxes	315	248	-	-	315	248
Other	1,842	2,420	822	1,851	2,664	4,271
Total Revenues	98,910	119,835	49,967	52,688	148,877	172,523
Expenses						
General government	9,535	8,871	-	-	9,535	8,871
Public safety	40,476	38,414	-	-	40,476	38,414
Public works	10,481	10,653	-	-	10,481	10,653
Culture and recreation	17,350	19,637	-	-	17,350	19,637
Planning and community development	5,546	7,512	-	-	5,546	7,512
Transportation system	4,224	4,693	-	-	4,224	4,693
Interest on long-term debt	910	2,232	-	-	910	2,232
Combined utility system	-	-	38,071	36,776	38,071	36,776
Sanitation services	-	-	6,830	5,342	6,830	5,342
Drainage utility	-	-	3,364	3,064	3,364	3,064
Airport	-	-	1,958	1,768	1,958	1,768
Total Expenses	88,522	92,012	50,223	46,950	138,745	138,962
Increase (decrease) in net position before transfers	10,388	27,823	(256)	5,738	10,132	33,561
Transfers	(2,478)	(13,099)	2,478	13,099	-	-
Increase (decrease) in net position	7,910	14,724	2,222	18,837	10,132	33,561
Net position - beginning	172,319	154,149	300,894	282,057	473,213	469,767
Prior period adjustments	(1,657)	3,446	(13)	-	(1,670)	3,446
Net position - ending	$ 178,572	$ 172,319	$ 303,103	$ 300,894	$ 481,675	$ 506,774
	(1)		(1)			

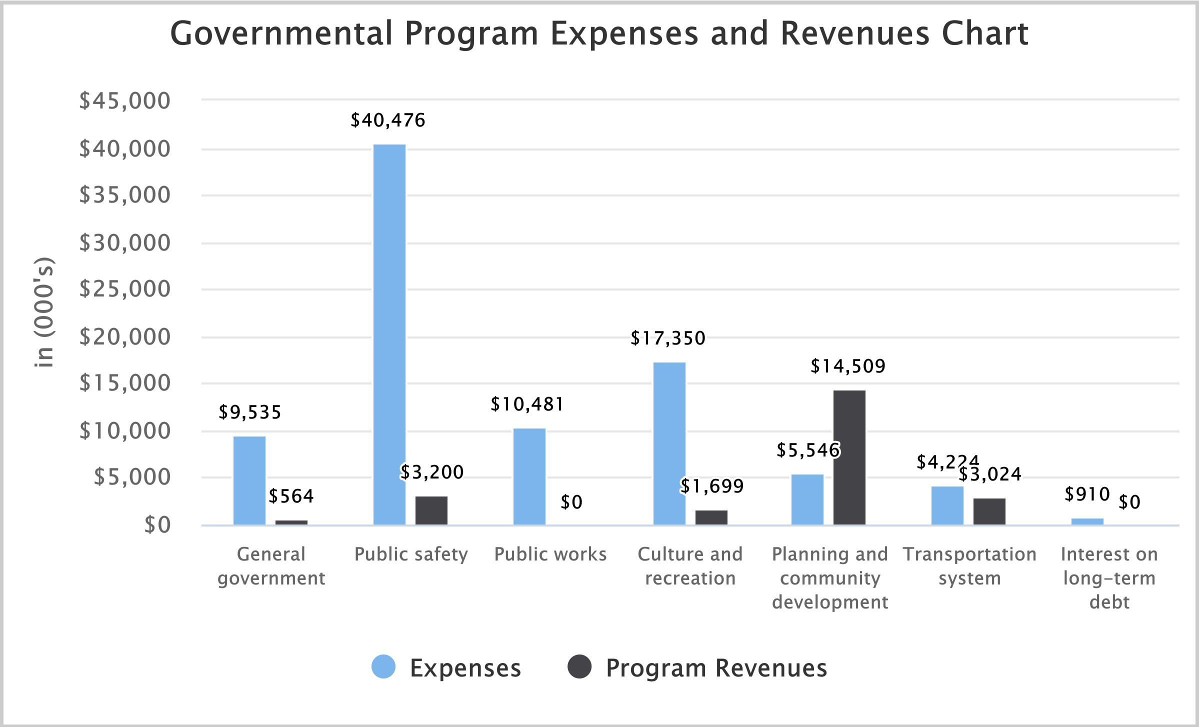
Governmental Activities

Governmental activities increased the City's net position by $7.9 million. Key elements of this net increase are as follows:

- A decrease in capital grants and contributions of $21.3 million from $33.5 million to $12.1 million and a decrease in operating grants and contributions of $1.7 million.
- Of the capital grants and contributions noted above, $2.5 million is presented as being transferred out of Governmental Activities and into Business-Type Activities where it was invested in capital assets held by the City's enterprise funds, primarily the Combined Utility System fund.
- Virtually all of the $12.1 million in capital grants and contributions shown in Governmental Activities revenue is being invested in the City's infrastructure.

Governmental activities are largely funded from property, sales and other taxes. Public safety is the major public service funded with governmental revenues. Planning and Community Development program revenues as shown here include federal grants awarded to the City for Hurricane Ike recovery and annual allocations of CDBG grants. The grant revenues for planning and community development were transferred to business-type activities for repairs and upgrades to the water and sewer systems.

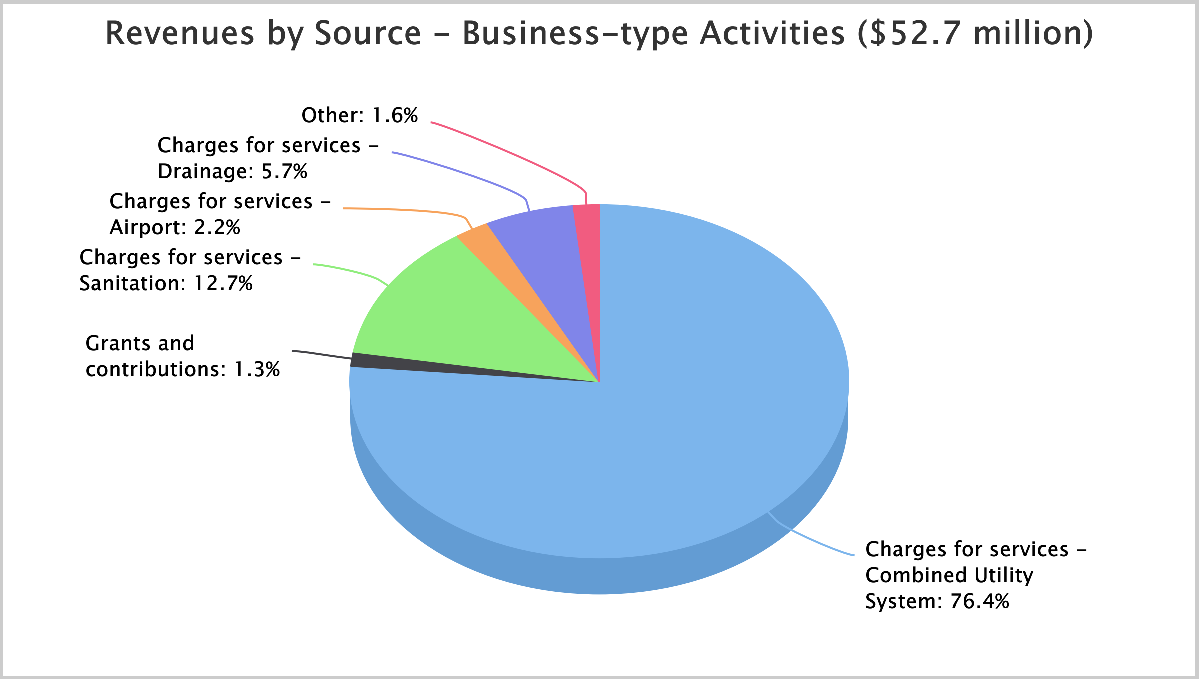


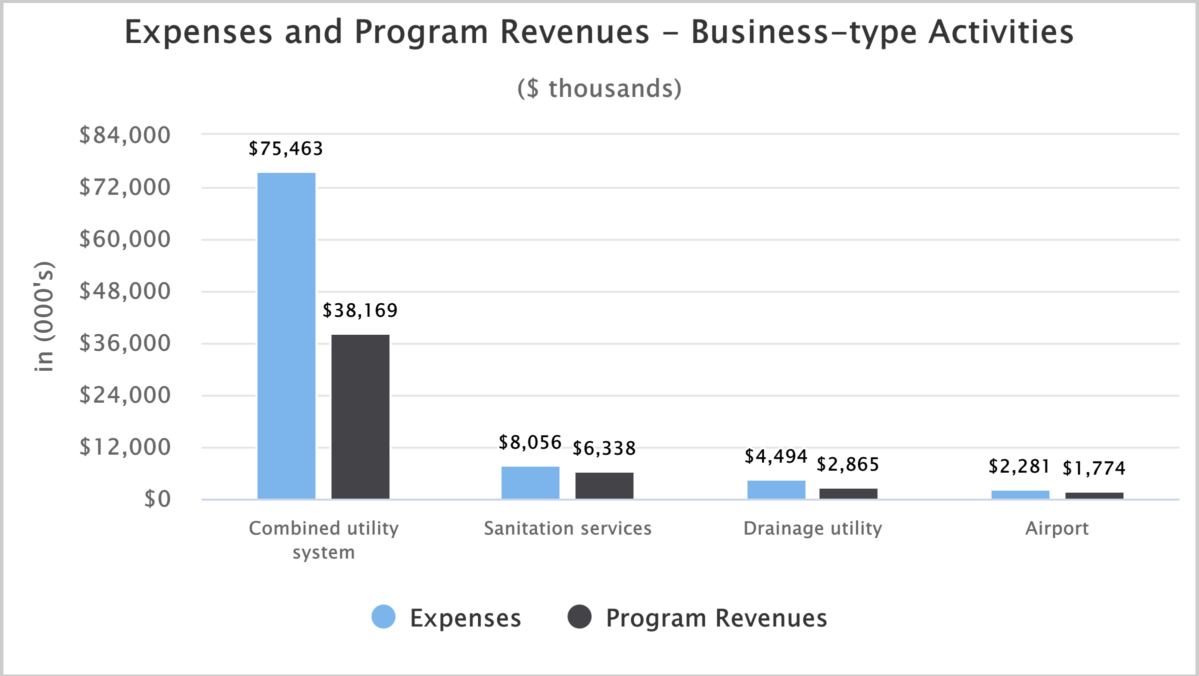


Business-type Activities

Business-type activities increased the City's net position by $2.2 million. Highlights for individual enterprise funds are as follows.

- Revenues for business-type activities totaled $50.0 million, $0.3 million less than total expenses for business-type activities, which were $50.2 million.
- Transfers in from governmental activities were the result of grant funded contributions to business-type assets.
- Business-type activities generated $2.7 million more in revenue due largely to the net effect of a $3.1 million increase in capital grants and contributions and a decrease of $1.4 million in charges for services. This is primarily as a result of a $0.7 million allowance for uncollectible accounts receivable recorded in the current fiscal year (see Note 5).





Financial Analysis of the City's Funds

As noted earlier, fund accounting is used to demonstrate and ensure 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 the City's net resources available for spending at the end of the fiscal year.

The General Fund balance includes $13.9 million, or ninety days of budgeted operating expenses assigned to be used for unforeseen emergencies and for one-time expenditures as approved by the City Council. The City also maintains a $50 million emergency bridge loan (see Note 8) capacity that is available under provisions of state law for cash flow, debris removal and infrastructure repairs in the event of a statewide and/or national emergency. If draws are made on the loan, proceeds may be repaid on a short-term or long-term basis up to ten years.

FEMA grant funds received for Hurricane Ike related work are almost expended and the remaining projects should be completed within the next twelve to eighteen months. CDBG Disaster grant funds are being expended for major transportation and facility projects that should be completed over a slightly longer time period.

The $62 million General Obligation Bond Funds will continue to be expended in accordance with the street and drainage program designations authorized by the voters in May 2017 and the one year capital budget and five year Capital Improvement Plan (CIP) approved each year by the City Council. The complete bond program for streets and drainage projects will require five years to complete. The second sale of $37 million (net of cost of issuance) took place in October 2019 as anticipated in the FY 2020-2024 CIP and the FY 2020 Budget (see Note 8). This exhausted the remaining bond election authorization.

The Infrastructure and Debt Service Fund is not reported as a part of the General Fund but as its own governmental fund. This fund is the recipient of an annual set aside of General Fund revenue in accordance with a City Charter requirement. In FY 2020, General Fund contributions to this fund equaled eight percent of the General Fund budget. The Infrastructure and Debt Service Fund's separate reporting status is appropriate so as to demonstrate compliance with the City Charter. These funds are programmed through the CIP along with all other capital funds.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Combined Utility System fund has an unrestricted net position at fiscal year end of $15.4 million. The cash that is restricted and held in reserve as required by bond covenants includes $4.4 million restricted for future debt service payments based on average annual future revenue supported debt service payments and $44.0 million to be used for capital projects.

General Fund Budgetary Highlights

FY 2020 was extremely challenging with the advent of COVID-19 in March 2020. It became necessary to conduct business differently than before, including wearing face masks, maintaining social distancing and keeping person to person contact to a minimum. In April, the administration revised revenue estimates downward in anticipation of the economic effects of the closures and shutdowns required to control the spread of the virus. General Fund revenue was expected to total $56.8 million, $2.5 million under budget. Faced with this possibility, the administration identified $2.5 million in General Fund cost avoidance and spending reductions that offset the projected revenue loss. These anticipated results were published in the FY 2020 Second Quarter Budget Status Report released in April.

The ending General Fund balance went up by $350,000 largely because total revenue exceeded the April projections. Year ending sales tax revenue turned out to be $1.4 million higher than anticipated in the revised April projections. Facilitated by strong tourist turnouts in the summer months and the federal fiscal stimulus, the sales tax total for the year still fell short of the original budget by $800,000. Other economically sensitive General Fund revenue also fell short of Budget, including mixed drink taxes and fines and forfeitures. This was accomplished without treating eighty percent of the City's CARES Act allocation as a General Fund receivable for FY 2020. The City received its twenty percent advance in FY 2020, but chose not to carry the balance as a receivable for FY 2020. Reimbursement of the balance of the City's grant amount is anticipated during FY 2021. General Fund revenue for FY 2020 ended at $58.49 million total including transfers in and sale of capital assets, $847,000 under the $59.34 million revenue budget.

The General Fund expenditures budget was amended three times in fiscal year 2020 using quarterly reports that provided year end projections of revenue and expenditures. These amendments were approved by the City Council in ordinance form as proposed and recommended by the City Manager. Each amendment was for municipal purposes as allowed by Section 102.010 of the Texas Local Government Code. The City Charter authorizes the City Manager to transfer budget amounts within a department's total budget as adopted or amended by City Council. A separate schedule is provided on page 79 that demonstrates compliance with this requirement.

The City Charter mandated transfer from the General Fund to the Infrastructure and Debt Service Fund during FY 2020 equaled eight percent of the General Fund budget, or $4.7 million as required. Total General Fund expenditures ended the year $2.84 million under budget due to the spending controls implemented in April. Additionally, a prior period adjustment of $1.53 million was approved in the third and last budget amendment by the City Council to recognize unreimbursed grant administrative expenses from the FY 2010-

2013 period for the CDBG Disaster Housing Program. Underspending ($2.84 million) therefore offset this prior period adjustment and the budget revenue shortfall totaling $2.37 million. The resulting ending fund balance of $16.75 million is $577,000 higher than budgeted, exceeding the City's policy minimum of ninety days of operating cost by 19 days.

Capital Assets and Debt Administration

At the end of fiscal year 2020, the City's governmental activities and business-type activities held capital assets net of depreciation of $239.4 million and $338.6 million, respectively. This includes a variety of capital assets and infrastructure, as reflected in the following schedule. This represents a net increase of $11.3 million or 4.9 percent over the end of the last fiscal year for governmental activities and a net increase of $16.2 million or 5.0 percent for business-type activities.

	Governmental Activities		Business-Type Activities		Totals	
Amounts in (000's)	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Land	$ 21,364	$ 20,895	$ 2,907	$ 2,786	$ 24,271	$ 23,681
Construction in progress	44,924	34,808	60,223	29,105	105,147	63,913
Infrastructure	106,044	107,727	120,241	131,235	226,285	238,962
Buildings and Improvements	55,231	51,990	135,715	139,744	190,946	191,734
Contractual water rights	-	-	8,410	9,507	8,410	9,507
Vehicles, equipment and furniture	11,860	12,733	11,107	10,001	22,967	22,734
Total Capital Assets	$ 239,423	$ 228,153	$ 338,603	$ 322,378	$ 578,026	$ 550,531

Additional information on capital assets can be found in Note 7 to the financial statements.

Construction in progress is at the $105.1 million level, an increase of $41.2 from prior year, with projects plans approved for appropriations in the adopted capital budget for FY 2020 of $86.5 million. Two major projects were completed in FY 2020, the 59th Street Pump Station ($31.4 million) and Fire Station #1 ($9.5 million). The most significant major projects still in progress are listed below:

- Public Services Facility construction ($7.2 million)
- Airport wastewater treatment plant refurbishment ($5.9 million)
- Various street milling and overlay projects ($3.7 million)
- 45th Street reconstruction from Broadway to Seawall ($2.9 million)
- Cedars Pump Station rehab ($2.6 million).

Long-Term Debt

At the end of the current fiscal year, the City had total bonds, certificates of obligation and other obligations outstanding of $192 million. This total included $17.5 million in discounts and premiums that were a part of bond sales that are being amortized as a part of the City's long-term debt.

	Governmental Activities		Business-Type Activities		Totals	
Amounts in (000's)	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
General obligation bonds	$ 56,867	$ 28,775	$ 10,483	$ 11,970	$ 67,350	$ 40,745
Special obligation bonds	20,580	21,625	-	-	20,580	24,553
Contracts payable	-	-	5,698	8,623	5,698	8,623
Revenue bonds	-	-	16,760	18,540	16,760	18,540
Certificates of obligation	-	1,391	63,825	64,580	63,825	64,488
Accreted interest on capital appreciation bonds	-	1,689	-	-	-	244
Notes payable	264	388	-	-	264	388
Discount and premiums	9,506	3,681	8,013	8,700	17,519	12,381
	$ 87,217	$ 57,549	$ 104,779	$ 112,413	$ 191,996	$ 169,962

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During FY 2020, the City increased its long-term debt by approximately $22.0 million. Debt service is being paid on the City's outstanding long-term debt as shown below. Annual principal and interest payments are budgeted based on the projects actually provided with the proceeds from the borrowings.

Amounts in (000's)	Property Tax Supported	Combined Utility System Revenue Supported	Central Services Revenue Supported	Hotel Occupancy Tax Revenue Supported	Total
Property-Tax Supported Debt					
General Obligation Bonds	$ 56,867	$ 10,483	$ -	$ -	$ 67,350
Certificates of Obligation	-	63,825	-	-	63,825
Subtotal	56,867	74,308	-	-	131,175
Special Obligation Bonds	-	-	-	20,580	20,580
Revenue Bonds	-	16,760	-	-	16,760
Contracts Payable	-	5,698	-	-	5,698
Notes Payable	-	-	264	-	264
Total Principal Payments	$ 56,867	$ 96,766	$ 264	$ 20,580	$ 174,477

Additional information on long-term debt can be found in Note 8 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Galveston's economy is tied to the national economy through tourism and trade, as well as the Texas state and Houston regional economy and their strong energy base. For these reasons, the City has a diversified basis for its economy that profits from local, regional, national and even international factors. The national economy took a major step back and is still recovering from last year's job losses that resulted from the closures necessitated to help control the spread of the COVID-19 virus. Throughout the summer months, when the budget was formulated, there was a slow but steady recovery underway. The major unknown was when vaccines might begin to become available, and how long the vaccination effort would take once begun.

The FY 2021 Budget was based on the uncertainty of the summer months, and a few certainties. Local construction permits have remained healthy throughout the last year and it is clear that Galveston's economic outlook is stable. Regional employment forecasts showed gradual recovery that might take as little as eighteen months or three years or more. This guided the sales tax assumptions. The property tax roll for FY 2021 was known in July 2020. This roll, and the $0.56 property tax rate adopted by City Council provided a firm basis for property tax revenue expectations based on prior years' collections experience.

The FY 2021 Adopted Budget includes $149.3 million for maintenance and operations, a 1.9 percent increase from FY 2020. One-time appropriations are budgeted at $1.06 million, and the capital budget, based on the first year of the FY 2021-2025 Capital Improvement Plan is adopted to cover project appropriations totalling $69.6 million, $19 million, or 21.5 percent less than last year. The total budget is $218.9 million, a 6.8 percent drop from last year's $234.9 million budget.

The property tax rate was reduced from $0.579885 to $0.56, including $0.5075 for maintenance and operations and $0.0525 for debt service. In accordance with the City Charter, the budget includes a General Fund transfer equal to eight percent of the budget ($4.75 million) to the Infrastructure and Debt Service Fund. This transfer is being used to pay for projects in excess of $100,000 and also to pay debt service for property tax supported bonds as required by the Charter.

For budget purposes, water and sewer rates are being held constant as revenues continued to perform well. Citywide operating priorities included $1.5 million for public safety including $1.2 million for police and fire classified personnel pay increases and $316,000 for permanently funding officers' positions funded with a COPS staffing grant. Other priorities include cost of living pay adjustments averaging two percent for non-civil service personnel, as well as generally flat budget amounts for the rest of the CIty's operations outside of public safety. City staff were reduced overall with the elimination of six positions.

Requests for Information

This financial report is designed to provide a general overview of the City of Galveston's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of Galveston, P.O. Box 779, Galveston, TX 77553, or physically located at 823 Rosenberg, Suite 300, Galveston, TX 77550.

Basic Financial Statement

2020 Annual Comprehensive Financial Report

CITY OF GALVESTON
1839
TEXAS

GALVESTON
EST. Texas 1839
IT'S ISLAND TIME

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STATEMENT OF NET POSITION

September 30, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Current assets:				
Cash and cash equivalents	$ 22,497,385	$ 10,383,808	$ 32,881,193	$ 31,295,093
Accounts receivable, net of allowance for doubtful accounts	6,095,033	11,765,566	17,860,599	12,664,023
Internal balances	(10,589,833)	10,589,832	(1)	-
Due from other governments	20,693,952	-	20,693,952	-
Restricted cash and investments	86,822,522	52,363,675	139,186,197	20,416,513
Inventories	577,741	320,134	897,875	9,251
Prepaid items	675,367	187,547	862,914	1,234,276
Total current assets	126,772,167	85,610,562	212,382,729	65,619,156
Non-current assets:				
Net investment in direct financing and capital leases	-	-	-	1,261,259
Capital assets not being depreciated	75,756,968	63,129,442	138,886,410	36,235,665
Capital assets net of depreciation	163,665,865	275,472,637	439,138,502	430,198,925
Total non-current assets	239,422,833	338,602,079	578,024,912	467,695,849
Total Assets	366,195,000	424,212,641	790,407,641	533,315,005
Deferred Outflows of Resources				
Deferred charge on bond issuance	375,879	909,815	1,285,694	117,276
Deferred outflows relating to other post-employment benefits (OPEB)	2,203,094	-	2,203,094	-
Deferred outflows relating to pension activities	13,728,537	1,630,745	15,359,282	1,177,383
Total Deferred Outflows of Resources	16,307,510	2,540,560	18,848,070	1,294,659
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	11,705,932	5,325,323	17,031,255	15,110,224
Due to other governments	140,366	203,317	343,683	395,837
Accrued interest	1,233,923	1,689,607	2,923,530	562,018
Unearned revenue	1,847,370	290,614	2,137,984	637,216
Customer deposits	-	2,323,717	2,323,717	-
Long-term liabilities due within one year	9,118,743	7,840,060	16,958,803	8,494,007
Total current liabilities	24,046,334	17,672,638	41,718,972	25,199,302
Non-current liabilities:				
Long-term liabilities due in more than one year	91,899,778	98,638,414	190,538,192	53,676,015
Total OPEB liability (health insurance)	11,379,952	-	11,379,952	-
Net pension liability	69,224,423	5,858,658	75,083,081	3,906,450
Total non-current liabilities	172,504,153	104,497,072	277,001,225	57,582,465
Total Liabilities	196,550,487	122,169,710	318,720,197	82,781,767
Deferred Inflows of Resources				
Deferred inflows relating to OPEB	1,473,634	-	1,473,634	-
Deferred inflows relating to pension activities	5,906,938	1,481,515	7,388,453	-
Total Deferred Inflows of Resources	7,380,572	1,481,515	8,862,087	-
Net Position				
Net investment in capital assets	198,501,256	282,578,071	481,079,327	426,301,984
Restricted:				
Capital projects	18,127,192	-	18,127,192	-
Grants	935,961	-	935,961	-
Beach preservation	1,573,309	-	1,573,309	-
Infrastructure and debt service	3,576,889	-	3,576,889	-
Debt service	3,250,742	2,749,289	6,000,031	8,957,104
Tourism, convention and hotel industry	5,200,023		5,200,023	-
Unrestricted	(52,593,921)	17,774,616	(34,819,305)	16,568,809
Total Net Position	$ 178,571,451	$ 303,101,976	$ 481,673,427	$ 451,827,897

See Notes to Financial Statements.

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

		Program Revenue		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government				
Governmental Activities:				
General government	$ 9,535,075	$ 563,972	$ -	$ -
Public safety	40,476,252	1,759,071	940,564	500,000
Public works	10,480,989	-	-	-
Culture and recreation	17,349,886	1,574,998	124,500	-
Planning and community development	5,546,261	1,487,497	1,516,348	11,505,071
Transportation system	4,224,143	228,758	2,668,083	127,025
Interest on long-term debt	909,839	-	-	-
Total Governmental Activities	88,522,445	5,614,296	5,249,495	12,132,096
Business-type activities:				
Combined utility system	38,071,412	38,168,655	-	-
Sanitation	6,830,203	6,337,973	-	-
Drainage	3,364,245	2,865,032	-	-
Airport	1,958,008	1,117,793	50,000	605,854
Total Business-type Activities	50,223,868	48,489,453	50,000	605,854
Total Primary Government	$ 138,746,313	$ 54,103,749	$ 5,299,495	$ 12,737,950
Component Units	78,790,474	58,546,419	-	3,485,036
Total Component Units	$ 78,790,474	$ 58,546,419	$ -	$ 3,485,036

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General revenues
Property taxes
Sales tax
Hotel occupancy taxes
Franchise and other taxes
Payments in lieu of taxes
Unrestricted investment earnings
Miscellaneous
Transfers
Total general revenues, special items and transfers
Change in net position

Net position - beginning

Prior period adjustments

Net position - ending

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (8,971,103)	$ -	$ (8,971,103)	
(37,276,617)	-	(37,276,617)	
(10,480,989)	-	(10,480,989)	
(15,650,388)	-	(15,650,388)	
8,962,655	-	8,962,655	
(1,200,277)	-	(1,200,277)	
(909,839)	-	(909,839)	
(65,526,558)	-	(65,526,558)	
-	97,243	97,243	
-	(492,230)	(492,230)	
-	(499,213)	(499,213)	
-	(184,361)	(184,361)	
-	(1,078,561)	(1,078,561)	
$ (65,526,558)	$ (1,078,561)	$ (66,605,119)	
			$ (16,759,019)
			$ (16,759,019)
35,473,687	-	35,473,687	2,695,895
21,807,826	-	21,807,826	-
10,601,834	-	10,601,834	12,264,209
5,873,889	-	5,873,889	1,029,054
315,490	-	315,490	-
1,050,567	788,517	1,839,084	(1,609,540)
790,987	32,687	823,674	2,898,860
(2,478,306)	2,478,303	(3)	-
73,435,974	3,299,507	76,735,481	17,278,478
7,909,416	2,220,946	10,130,362	519,459
172,318,837	300,894,352	473,213,189	434,496,353
(1,656,798)	(13,320)	(1,670,118)	-
$ 178,571,455	$ 303,101,978	$ 481,673,433	$ 439,628,084
(4)	(2)		

BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020

	General Fund	Hurricane Ike Fund	CDBG Disaster Fund Non-Housing	General Obligation Bonds 2019 Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	$ 10,633,815	$ -	$ -	$ -	$ 6,673,417	$ 17,307,232
Receivables, net of allowance						
for uncollectibles	3,839,109	-	-	-	1,253,792	5,092,901
Due from other governments	3,171,696	6,082,853	6,356,939	-	4,720,939	20,332,427
Due from other funds	3,291,203	223,099	-	-	1,550,838	5,065,140
Inventories	-	-	-	-	309,440	309,440
Prepaid items	51,356	-	-	-	6,345	57,701
Restricted cash and investments	-	4,161,347	(1)	37,327,805	45,296,074	86,785,225
Total Assets	$ 20,987,179	$ 10,467,299	$ 6,356,938	$ 37,327,805	$ 59,810,845	$ 134,950,066
Liabilities						
Accounts payable	1,092,576	151,415	261,482	-	5,836,112	7,341,585
Accrued liabilities	1,701	39,207	1,802,500	-	855,838	2,699,246
Due to other funds	65,158	10,273,998	4,292,956	-	1,550,916	16,183,028
Due to other governments	138,984	-	-	-	1,382	140,366
Unearned revenue	854,871	2,679	-	-	989,819	1,847,369
Total Liabilities	2,153,290	10,467,299	6,356,938	-	9,234,067	28,211,594
Deferred Inflows of Resources						
Unavailable revenue - property taxes	1,372,779	-	-	-	223,607	1,596,386
Unavailable revenue - court fines	708,549	-	-	-	-	708,549
Total Deferred Inflows of Resources	2,081,328	-	-	-	223,607	2,304,935
Fund Balance						
Nonspendable:						
Inventories	-	-	-	-	309,440	309,440
Prepaid items	51,356	-	-	-	6,345	57,701
Restricted:						
Debt service	-	-	-	-	4,484,665	4,484,665
Beach preservation	-	-	-	-	1,573,309	1,573,309
Infrastructure and debt service	-	-	-	-	3,576,889	3,576,889
Capital projects	-	-	-	37,327,805	26,454,668	63,782,473
Grants	-	-	-	-	935,961	935,961
Tourism, convention and hotel industry:						
Convention center operator	-	-	-	-	3,400,736	3,400,736
City of Galveston	-	-	-	-	1,799,287	1,799,287
Committed:						
Governmental projects	-	-	-	-	1,723,887	1,723,887
Assigned:						
Emergency reserves	13,891,609	-	-	-	-	13,891,609
Other	-	-	-	-	6,089,666	6,089,666
Unassigned	2,809,596	-	-	-	(1,682)	2,807,914
Total Fund Balance	16,752,561	-	-	37,327,805	50,353,171	104,433,537
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 20,987,179	$ 10,467,299	$ 6,356,938	$ 37,327,805	$ 59,810,845	$ 134,950,066

See Notes to Financial Statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

September 30, 2020

Total fund balance, governmental funds		$ 104,433,537
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. The cost of the assets is $394,286,550 and the accumulated depreciation is $160,798,734.		233,487,816
Long-term non-financial receivables are not available to pay for current period expenditures and, therefore, are not reported as assets in the governmental funds.		
Property taxes receivable		1,596,386
Adjudicated municipal court fines		708,549
Certain liabilities, including bonds payable, compensated absences, claims and judgements, and net pension liability are not due in the current period and, therefore, are not reported as liabilities in the fund financial statements. Liabilities at year end related to bonds payable, compensated absences, claims and judgement, and net pension liability consists of:		
Bonds payable, at maturity	(77,446,599)	
Accrued interest on the bonds	(1,233,923)	
Premium/discount of bonds payable	(9,506,138)	
Compensated absences	(11,113,221)	
Deferred charge on refunding of debt	375,879	
Net pension liability	(69,224,423)	
		(168,148,425)
Deferred outflows and deferred inflows relating to pension activities		7,821,599
The assets and liabilities of certain internal service funds are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.		(1,328,011)
Net Position of Governmental Activities in the Statement of Net Position		$ 178,571,451

See Notes to Financial Statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	General Fund	Hurricane Ike Fund	CDBG Disaster Fund Non-Housing	General Obligation Bonds 2019 Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Taxes:						
Property taxes	$ 29,102,103	$ -	$ -	$ -	$ 6,251,206	$ 35,353,309
Sales tax	16,355,869	-	-	-	16,053,791	32,409,660
Franchise and other taxes	5,873,889	-	-	-	-	5,873,889
Licenses and permits	1,320,998	-	-	-	-	1,320,998
Fines and forfeitures	1,393,994	-	-	-	69,606	1,463,600
Charges for services	212,275	-	-	-	1,610,367	1,822,642
Investment earnings	199,284	-	-	327,805	490,585	1,017,674
Intergovernmental	-	1,568,368	8,436,250	-	9,860,274	19,864,892
Payments in lieu of taxes	315,490	-	-	-	-	315,490
Other	1,304,530	-	-	-	781,843	2,086,373
Total Revenues	56,078,432	1,568,368	8,436,250	327,805	35,117,672	101,528,527
Expenditures						
Current:						
General government	7,284,260	25,702	-	-	1,685,935	8,995,897
Public safety	35,123,374	-	-	-	866,569	35,989,943
Highways and roads	3,541,633	112,502	-	-	3,134,418	6,788,553
Culture and recreation	2,770,563	-	-	-	12,766,141	15,536,704
Planning and community development	1,574,264	14,616	492,536	-	(333,017)	1,748,399
Transportation	-	-	-	-	3,471,524	3,471,524
Debt Service:						
Principal	-	-	-	-	5,549,306	5,549,306
Interest and other charges	-	-	-	-	4,507,092	4,507,092
Bond issuance costs	-	-	-	-	399,024	399,024
Capital Outlay	701,054	1,415,548	7,943,714	-	17,524,963	27,585,279
Total Expenditures	50,995,148	1,568,368	8,436,250	-	49,571,955	110,571,721
Excess (deficiency) of revenues over expenditures	5,083,284	-	-	327,805	(14,454,283)	(9,043,194)
Other Financing Sources (Uses)						
Proceeds from bond sales	-	-	-	-	31,205,000	31,205,000
Premiums on bonds	-	-	-	-	6,194,024	6,194,024
Sale of capital assets	107,044	-	-	-	208,254	315,298
Transfers in	2,303,708	-	-	37,000,000	8,880,281	48,183,989
Transfers (out)	(5,601,038)	-	-	-	(39,785,875)	(45,386,913)
Total Other Financing Sources and Uses	(3,190,286)	-	-	37,000,000	6,701,684	40,511,398
Net change in fund balance	1,892,998	-	-	37,327,805	(7,752,599)	31,468,204
Fund balance - beginning	16,509,675	-	-	-	58,112,459	74,622,134
Prior period adjustments	(1,650,112)	-	-	-	(6,686)	(1,656,798)
Fund balance - ending	$ 16,752,561	$ -	$ -	$ 37,327,805	$ 50,353,174	$ 104,433,540

See Notes to Financial Statements.

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

For the Year Ended September 30, 2020

Net change in fund balance - total governmental funds:	$	31,468,204
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which depreciation ($10,775,985) is exceeded by capital outlay expenditures ($21,994,624) in the current period.		11,218,639
Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.		(17,717)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.		404,959
Governmental funds report the repayment of long-term receivables as revenues when received and available. In contrast these receipts are treated as a reduction in the receivable at the government wide level of reporting.		(1,053,333)
Contributions for defined benefit pension plans are recognized as expenditures in the governmental funds when the contributions are made. Pension expense is recognized in the government wide statement of activities based on changes in the long-term net pension liability.		8,430,661
Governmental funds report proceeds from new debt as a current financial resource. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments.		(25,655,694)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.		
Changes in accrued interest		(531,955)
Changes in deferred charge bond issuance and unamortized premiums		(5,861,072)
Changes in accrued compensated absences		(1,318,281)
Accretion on capital interest bonds		1,689,589
Pension expense for the pension plan measurement year		(10,177,954)
Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and insurance programs, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		(686,630)
Change in net position of governmental activities	$	7,909,416

See Notes to Financial Statements.

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STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities
	Combined Utility System	Other Enterprise Funds	Total	Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	$ 8,126,213	$ 1,978,875	$ 10,105,088	$ 4,203,000
Accounts receivable, net of allowance for doubtful accounts	9,533,966	2,231,600	11,765,566	1,002,132
Due from other funds	10,547,418	725,360	11,272,778	12,537
Due from component units	-	-	-	361,525
Inventories	313,554	6,580	320,134	268,300
Prepaid items	69,827	117,720	187,547	617,666
Restricted cash and cash equivalents	50,935,131	1,428,544	52,363,675	-
Total current assets	79,526,109	6,488,679	86,014,788	6,465,160
Non-current assets:				
Capital assets not being depreciated:				
Land	1,360,000	1,546,705	2,906,705	-
Construction in progress	55,748,638	4,474,099	60,222,737	413,374
Capital assets (net of depreciation):				
Infrastructure	94,953,387	25,288,004	120,241,391	-
Buildings and improvements	132,779,351	2,935,360	135,714,711	3,740,293
Equipment and furniture	3,440,313	1,865,707	5,306,020	1,357,612
Licensed vehicles	2,464,477	3,336,232	5,800,709	423,738
Intangibles	8,409,805	-	8,409,805	-
Total non-current assets	299,155,971	39,446,107	338,602,078	5,935,017
Total Assets	378,682,080	45,934,786	424,616,866	12,400,177
Deferred Outflows of Resources				
Deferred charge on refunding	909,815	-	909,815	-
Deferred outflows relating to OPEB	-	-	-	2,203,094
Deferred outflows relating to pension activities	926,560	704,185	1,630,745	-
Total Deferred Outflows of Resources	1,836,375	704,185	2,540,560	2,203,094
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	4,808,924	237,678	5,046,602	640,651
Accrued interest	1,689,607	-	1,689,607	-
Due to other funds	74,423	93,005	167,428	-
Due to other governments	152,036	51,281	203,317	-
Customer deposits	2,323,717	-	2,323,717	-
Unearned revenue	274,994	15,620	290,614	-
Long-term liabilities, due within one year	7,473,417	366,643	7,840,060	1,837,601
Total current liabilities	16,797,118	764,227	17,561,345	2,478,252
Non-current liabilities:				
Long-term liabilities, due in more than one year	98,245,591	392,823	98,638,414	1,114,962
Total OPEB liability	-	-	-	11,379,952
Net pension liability	3,328,782	2,529,876	5,858,658	-
Total non-current liabilities	101,574,373	2,922,699	104,497,072	12,494,914
Total Liabilities	118,371,491	3,686,926	122,058,417	14,973,166
Deferred Inflows of Resources				
Deferred inflows relating to OPEB	-	-	-	1,473,634
Deferred inflows relating to pension activities	841,770	639,745	1,481,515	-
Total Deferred Inflows of Resources	841,770	639,745	1,481,515	1,473,634
Net Position				
Net investment in capital assets	243,131,964	39,446,107	282,578,071	5,935,017
Restricted:				
Debt service	2,749,289	-	2,749,289	-
Unrestricted	15,423,941	2,866,193	18,290,134	(7,778,546)
Total Net Position	$ 261,305,194	$ 42,312,300	$ 303,617,494	$ (1,843,529)
The assets and liabilities of certain internal service funds are not included in the fund financial statements, but are included in the Business-type Activities of the Statement of Net Position.			(515,518)	
Total Net Position per Government-Wide financial statements			$ 303,101,976	

See Notes to Financial Statements.

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

For the Year Ended September 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities
	Combined Utility System	Other Enterprise Funds	Total	Internal Service Funds
Operating Revenues				
Charges for services	$ 38,168,655	$ 10,320,798	$ 48,489,453	$ 24,365,175
Total operating revenues	38,168,655	10,320,798	48,489,453	24,365,175
Operating Expenses				
Personnel services	9,293,693	6,136,171	15,429,864	4,524,577
Contractual services	3,155,400	2,782,215	5,937,615	4,501,197
Supplies and materials	2,147,437	262,371	2,409,808	2,269,165
Surface water contract	8,040,717	-	8,040,717	-
Insurance claims and premiums	-	-	-	13,499,927
Other expenses	2,166,034	583,592	2,749,626	268,250
Depreciation	9,283,116	2,388,107	11,671,223	610,257
Total operating expenses	34,086,397	12,152,456	46,238,853	25,673,373
Operating income (loss)	4,082,258	(1,831,658)	2,250,600	(1,308,198)
Non-Operating Revenues (Expenses)				
Interest and investment revenue	744,997	43,520	788,517	32,893
Insurance proceeds	-	-	-	179,023
Intergovernmental grants	-	50,000	50,000	-
Gain on disposal of capital assets	18	32,669	32,687	26,210
Interest expense	(3,550,953)	-	(3,550,953)	(14,807)
Total non-operating revenue (expenses)	(2,805,938)	126,189	(2,679,749)	223,319
Income (loss) before contributions and transfers	1,276,320	(1,705,469)	(429,149)	(1,084,879)
Capital contributions	3,340,977	2,085,455	5,426,432	421,968
Transfers in	-	55,000	55,000	-
Transfers (out)	(1,690,668)	(706,607)	(2,397,275)	(454,803)
Change in net position	2,926,629	(271,621)	2,655,008	(1,117,714)
Net position - beginning	258,388,301	42,587,507	300,975,808	(722,281)
Prior period adjustments	(9,735)	(3,585)	(13,320)	(3,535)
Net position - ending	$ 261,305,195	$ 42,312,301	$ 303,617,496	$ (1,843,530)

Change in net position per above	$ 2,655,008
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with Business Activities.	(434,062)
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements	$ 2,220,946

See Notes to Financial Statements.

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STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities
	Combined Utility System	Other Enterprise Funds	Total	Internal Service Funds
Cash Flows from Operating Activities:				
Receipts from customers and users	$ 38,340,550	$ 9,876,741	$ 48,217,291	$ 12,651,518
Receipts for interfund services	-	66,156	66,156	11,393,267
Disbursed for employee services	(8,968,789)	(6,021,254)	(14,990,043)	(4,315,316)
Disbursed for goods and services	(10,453,016)	(3,819,588)	(14,272,604)	(18,487,253)
Net cash provided (used) by operating activities	18,918,745	102,055	19,020,800	1,242,216
Cash Flows from Non-Capital Financial Activities:				
Transfers from other funds	-	55,000	55,000	-
Transfers to other funds	(1,690,668)	(706,607)	(2,397,275)	(454,803)
Net cash provided (used) by noncapital financing activities	(1,690,668)	(651,607)	(2,342,275)	(454,803)
Cash Flows from Capital and Related Financing Activities:				
Proceeds from the sale of equipment	18	32,669	32,687	26,210
Intergovernmental grants	-	50,000	50,000	-
Insurance proceeds	-	-	-	179,023
Interest payments on debt	(4,219,878)	-	(4,219,878)	(123,953)
Principal payments on debt	(6,946,263)	-	(6,946,263)	(14,807)
Acquisition and construction of capital assets	(21,162,910)	(1,300,978)	(22,463,888)	(257,636)
Net cash provided (used) by capital and related financing activities	(32,329,033)	(1,218,309)	(33,547,342)	(191,163)
Cash Flows from Investing Activities				
Interest received	744,997	43,520	788,517	32,893
Net cash provided (used) by investing activities	744,997	43,520	788,517	32,893
Net increase (decrease) in cash and equivalents	(14,355,959)	(1,724,341)	(16,080,300)	629,143
Cash and equivalents, beginning of year	73,417,302	5,131,761	78,549,063	3,573,857
Cash and equivalents, at end of year	$ 59,061,343	$ 3,407,420	$ 62,468,763	$ 4,203,000
Unrestricted cash and equivalents	$ 8,126,213	$ 1,978,875	$ 10,105,088	$ 4,203,000
Restricted cash and equivalents	50,935,131	1,428,544	52,363,675	-
	$ 59,061,344	$ 3,407,419	$ 62,468,763	$ 4,203,000
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	$ 4,091,993	$ (1,831,658)	$ 2,260,335	$ (1,311,178)
Adjustments to reconcile operating income to cash provided by operating activities:				
Depreciation and amortization	9,283,116	2,388,107	11,671,223	610,257
(Increase) decrease in accounts receivable	17,624	(59,631)	(42,007)	(25,822)
(Increase) decrease in inventory	(76,441)	(6,580)	(83,021)	(29,160)
(Increase) decrease in prepaid items	(18,285)	(111,384)	(129,669)	(143,918)
(Increase) decrease in interfund receivables and payables	4,586,682	(318,178)	4,268,504	(291,164)
(Increase) decrease in deferred outflows/inflows related to pension activities	1,670,875	1,252,309	2,923,184	-
(Increase) decrease in deferred outflows/inflows relating to OPEB	-	-	-	(92,652)
Increase (decrease) in accounts payable and accrued expenses	549,948	(68,651)	481,297	216,672
Increase (decrease) in customer deposits	154,271	-	154,271	-
Increase (decrease) in claims payable	-	-	-	185,406
Increase (decrease) in compensated absences payable	85,190	(97,309)	(12,119)	209,261
Increase (decrease) in deferred revenue	4,933	(4,887)	46	-
Increase (decrease) in total OPEB liability	-	-	-	1,914,514
Increase (decrease) in net pension liabiliity	(1,431,161)	(1,040,082)	(2,471,243)	-
Net cash provided (used) by operating activities	$ 18,918,745	$ 102,056	$ 19,020,801	$ 1,242,216
Non-cash Transactions:				
Capital contributions	$ 3,340,977	$ 2,085,455	$ 5,426,432	$ 421,969

See Notes to Financial Statements.

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FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

	Pension Trust Funds as of December 31, 2019	Agency Fund as of September 30, 2020
Assets		
Cash and temporary investments	$ 1,188,419	$ 721,519
Receivables		
Accounts receivable	75,000	-
Interest and dividends	118,038	-
Loans to participants	223,027	-
Prepaid items	459	-
Investments		
Money market funds	1,601,193	-
U.S. Government agencies	321,623	-
Bonds	5,775,109	-
Common stocks	19,913,694	-
Equity mutual funds	63,620,522	-
Bond mutual funds	24,258,267	-
Alternative investments	1,229,685	-
Real estate	2,078,149	-
Total Assets	120,403,185	$ 721,519
Liabilities		
Accounts and refunds payable	42,937	721,519
Total Liabilities	42,937	$ 721,519
Net Position - Restricted for Pension Benefits		
Held in trust for benefits and other purposes	120,360,248	
Total Net Position - Restricted for Pension Benefits	$ 120,360,248	

See Notes to Financial Statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year ended December 31, 2019

	Pension Trust Fund
Additions	
Contributions:	
Employer	$ 7,629,339
Plan members	4,605,174
Total contributions	12,234,513
Investment Earnings:	
Net increase in fair value of investments	18,203,562
Interest and dividends	2,927,260
Less investment expenses	(374,661)
Net investment income	20,756,161
Other income	-
Total Additions	32,990,674
Deductions	
Benefits paid to members and beneficiaries	12,247,392
Refunds of contributions	519,209
Administrative expenses	601,533
Total Deductions	13,368,134
Change in net position	19,622,540
Net position - restricted for pensions, beginning of year	108,859,027
Net position - restricted for pensions, end of year	$ 128,481,567

See Notes to Financial Statements.

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Note 1 – Summary of Significant Accounting Policies

The City of Galveston, Texas (the City) was incorporated in March 1839, and presently is a Home Rule City under statutes of the State of Texas. The current City Charter was adopted April 19, 1960, and initiated the Council-Manager form of government. The City provides the following services: public safety (police and fire), utilities (water, sewer, drainage and sanitation), streets and storm sewers, health and social services, culture, recreation, public improvements, planning and zoning, airport and general administrative services.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Financial Reporting Entity

These financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. The aggregate governmental and business-type discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government.

Blended Component Units Reported with the Primary Government

Blended component units provide services exclusively or almost exclusively for the City, or their board of directors are substantially the same as the City Council. The following blended component units are reported:

Industrial Development Corporation

The Industrial Development Corporation (the IDC) was formed in 1993 to provide for street repairs, beach renourishment and sewer improvements. The IDC Board of Directors is appointed by the City Council. Its Board of Directors is substantially the same as the City Council. Its activities are funded by a special local sales tax. The City manages the fiscal affairs of the IDC. The IDC operations are devoted to providing services for the City. The IDC fund is included in the City's non-major governmental funds as of year-end.

Pension Funds

The City of Galveston Employee's Retirement Plan for City Employees, Galveston Firefighters' Pension Fund, and the City of Galveston Employee's Retirement Plan for Police (the Pension Funds) were created in accordance with state statutes to provide benefits to non-civil service, firemen, police and City employees. The responsibility for administration and operation of the plan rests with each plan's board. Each pension plan is funded by a contribution mix from employees and the City. The Pension Funds are included in the City's pension trust funds as of December 31, 2019.

Discretely Presented Component Units

Discretely presented component units are legally separate entities whose governing body is appointed by the City Council and, in management's opinion, whose exclusion would render the reporting entity's financial statements incomplete or misleading.

Following are the City's discretely presented component units:

The Park Board of Trustees of the City of Galveston, Texas

The Park Board of Trustees of the City of Galveston, Texas, (the Park Board), was created by state statute to provide improvements and maintenance to City waterfront parks and beaches. The Park Board, funded primarily by hotel occupancy tax and beach parking receipts, is legally separate from the City. The Park Board, which is appointed by the City Council, has a nine-member board responsible for operations. The Park Board financial records are the board's responsibility. Complete financial statements for the Park Board may be obtained at the following address:

Park Board of Trustees of the City of Galveston, Texas
601 Tremont, Suite 200
Galveston, Texas 77550

Galveston Island Redevelopment Authority

Galveston Island Redevelopment Authority (GIRDA) is a local government corporation created and organized under the provisions of the Texas Transportation Corporation Act, Chapter 431, Transportation Code, and authorized and approved by the City under Resolution No. 02-071 adopted on August 22, 2002. The GIRDA has oversight responsibility for tax increment reinvestment zone thirteen. This tax zone were established to provide funds for development and improvement projects within a specific geographic area of the City. Property tax receipts over undeveloped assessments (base value) provide funding for the projects. The City appoints the board members who operate and account for each tax zone activity consistent with the state statute for economic benefit of the City. The City accounts for the tax zones (consolidated into the GIRDA) and separate audited reports are available. Complete financial statements for the GIRDA may be obtained at the following address:

Galveston Island Redevelopment Authority
1011 Tremont Street
Galveston, Texas 77550

GIRDA had been responsible previously for zones twelve and fourteen as well. On December 12, 2019, the City Council passed Ordinance No. 19-076 which closed Tax Increment Reinvestment Zones Twelve and Fourteen (“the TIRZ”) effective December 31, 2019. The City entered into an Interlocal Agreement with the County of Galveston relating to the procedures for the closing of the TIRZ as well as the distribution of tax increments held by the Galveston Island Redevelopment Authority.

Public Improvement District- Campeche Shores

Campeche Shores Public Improvement District (Campeche District) was established by the City to provide funds for development and improvement projects specifically for Campeche Shores District. An agreement between GIRDA and Campeche Shores LP dated April 28, 2005, details the responsibilities between all parties, including the City. Under the authority of GIRDA, the City has established a Public Improvement District Fund for the district. The City Appoints an advisory board to aid and assist the City in the preparation of the assessment roll, collection of assessments and the operation and management of Campeche District. Each year, following the levy and collection of assessments, the City shall transfer the amount to GIRDA. These funds are used by GIRA to pay the administrative costs and to reimburse Campeche Shores LP for any and all costs associated with the public improvements. Separately issued financial statements are not available.

Public Improvement District- Beachside Village

Beachside Village Public Improvement District (Beachside District) was established by the City on February 11, 2010 to provide funds for street, drainage and utility public improvement projects, specifically in Beachside Village Public Improvement District. The GIRDA has an agreement with Kahala Development, Limited Partnership, which details the responsibilities between all parties, including the City. The City Appoints an advisory board to aid and assist the City in the preparation of the assessment roll, collection of assessments and the operation and management of Beachside District. Each year, following the levy and collection of assessments levied against property within the district, the City shall transfer the amount to GIRDA. These funds are used by GIRA to pay the administrative costs and to reimburse Kahala Development for the costs of constructing the public improvements. Separately issued financial statements are not available.

Public Improvement District - Bayside at Waterman’s

Bayside at Waterman’s Public Improvement District was established by the City on October 28, 2014 for the development of approximately 162 single family residences and associated rights-of-way, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities within approximately 21.5 acres located in the corporate limits of the City.

An agreement between Bayside at Waterman’s Public Improvement District and Laffite’s Harbor Development, LP was signed December 10, 2014. Wilmington Trust agreed to be the Trustee and Paying Agent/Registrar as of December 1, 2014 for bonds issued relating to the development of the district. The bonds mature September 1, 2044. The average annual interest rate for bonds is approximately 5.85%.

On November 7, 2017, Lafitte's Harbor Development I LP filed for Chapter 11 Bankruptcy at the United States Bankruptcy Court for the Southern District of Texas, Houston Division. All debt service payments have been made on schedule as of March 2020 using reserves programmed for that purpose and assessments collected. The City has no financial or legal responsibility for payment of the bonds. The City's only responsibility is to pursue collections of assessments which is performed by a third party contractor on behalf of the City.

The Galveston Housing Finance Corporation and City of Galveston Property Finance Authority

The Galveston Housing Finance Corporation was created by state statute to provide the making of home mortgages and the making of loans to lending institutions for the purpose of making home mortgages. The City of Galveston Property Finance Authority, Inc. was created by State Statute for the purpose of acquiring, owning, holding, leasing and selling real or personal property to or for the benefit of the City of Galveston for the furtherance of its public purposes, and collecting, receiving, borrowing, lending or otherwise obtaining and lending funds to or for the use of the City or to others for the City's public purposes. These corporations are managed by the GIRDA board, which is appointed and may be removed at will by the City Council. The Galveston Housing Finance Corporation and the City of Galveston Property Finance Authority, Inc. financial records are each corporation's responsibility. Separately issued financial statements are not available.

Complete financial statements for the Galveston Housing Finance Corporation and the City of Galveston Property Finance Authority, Inc. may be obtained at the following address:

The Galveston Housing Finance Corporation /
The City of Galveston Property Finance Authority, Inc.
2127 Broadway
Galveston, Texas 77550

The Board of Trustees of the Galveston Wharves

The Board of Trustees of the Galveston Wharves (Galveston Wharves) was created by the City Charter on October 17, 1940 to manage, control, and maintain the wharves. The board of trustees of the Galveston Wharves, which is appointed by the City Council, is a seven-member board, which is responsible for operating the wharves. The Galveston Wharves financial records are the board's responsibility. The Galveston Wharves have a December 31 fiscal year-end.

Complete financial statements for the Galveston Wharves may be obtained at the following address:

Board of Trustees of the Galveston Wharves
123 Rosenberg
Galveston, Texas 77550

Related Organizations and Jointly Governed Organizations

The City is not legally or financially accountable for certain entities even though the City may appoint a majority of the organizations' boards; therefore the financial statements of the Galveston Housing Authority and the Rosenberg Library are not included in these statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the City as a whole. These statements include all 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column in the appropriate governmental fund and proprietary fund statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund and Fiduciary Fund financial statements. 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.

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 government 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. Budgets for all funds, including enterprise and governmental funds are based on the current financial resources focus and modified accrual basis of accounting as well. Budget to actual schedules include adjustments to include this budgetary focus.

Property taxes, sales taxes, franchise taxes, license fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the government.

The government reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. The General Fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues for the General Fund are property taxes, sales and use taxes, franchise taxes, permit fees, and fines and forfeitures. Expenditures are for general government, finance, public safety, public works, culture and recreation, planning and community development and transit operations.

CDBG Disaster Recovery Non-housing funds are made available from 2008 Supplemental Community Development Block Grant funding associated with the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, (Public Law 11 0-329) appropriated by Congress through the United States Department of Housing and Urban Development. Projects included in the funding are for the wastewater treatment plant, sewer lift station, water systems, historic building front preservation, economic development loans, fire station #4 and fire apparatus.

The government reports the following major proprietary funds:

The **Combined Utility System Fund** (formerly the Waterworks System Fund and Sewer System Fund) accounts for the provision of water and a sewer system to the residents of the City, including but not limited to administration, operations, maintenance, financing and related debt services, and billing and collections.

Additionally, the government reports the following fund types:

Internal Service Funds account for central services related to mailing, printing, data processing, insurance costs, employee benefits, construction management, and garage services provided to other City departments and functions of the government on a cost reimbursement basis.

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. These include the following:

The **Pension Trust Funds** account for the activities of the City Employees Retirement Plan, the Galveston Firefighters' Pension Fund and the Police Retirement Fund.

The **Agency Funds** are used to account for assets held by the City as an agent for individuals, private organizations and other governments. This fund is custodial in nature and does not involve measurement of results of operations. Agency funds include fiber crete maintenance funds, cemetery trust funds, confiscated monies pending disposition, etc.

As a general rule, the effect of interfund activity has been eliminated from the Government-wide financial statements.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and, 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 enterprise funds are charges to customers for goods and services. Operating expenses for enterprise funds include the cost of goods and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash and Investments

Cash and temporary investments include amounts in demand deposits, as well as short-term highly liquid investments with original maturities of three months or less. State Statutes and the City's investment policy authorize the City to invest in obligations of the U.S. Government and its agencies or instrumentalities and state obligations, certificates of deposits, repurchase agreements, Texas Local Government Investment Pools. All investments are recorded at fair value based on quoted market prices at year-end date. TexPool and TexTerm are external investment pools established by an interlocal contract under state law.

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the City's investments. The City pools excess cash of the various individual funds to purchase investments. These pooled investments are reported in the combined balance sheet as cash and temporary investments in each fund based on each fund's share of the pooled investments. Interest income is allocated to each respective individual fund based on its respective share of pooled investments.

The City categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants.*

E. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds," respectively, on the balance sheet. Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 24.6 percent of total property taxes including the related penalty and interest accrual as of year-end. The allowance for enterprise fund charges for services is 36.5 percent of total outstanding charges as of year-end.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are payable on or before January 31. No penalties or interest shall be collected if payment in full is made by January 31. City property taxes are recognized as current receivables when levied; however, such amounts are deferred and not reported as revenues until collections are received. At year end, all property taxes receivable are classified as delinquent. Penalties and interest accrued at year end are also recognized as receivables.

F. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond September 30, 2020 are recorded as prepaid items.

G. 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 government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in service concession arrangements are recorded at acquisition value rather than fair market value.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Asset Description	Estimated Useful Life
Buildings	25 to 75 years
Improvements	5 to 50 years
Equipment	2 to 40 years
Sewer plants	50 to 75 years
Sewer lines	40 to 75 years
Water plants, wells and hydrants	50 to 75 years
Water tanks and valves	50 years
Water meters	10 years
Infrastructure	5 to 75 years
Contractual water rights	10 to 30 years

H. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

I. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be paid from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the government-wide financial statements. Long-term liabilities expected to be paid from proprietary fund operations are accounted for in those funds.

The government-wide financial statements and proprietary fund type fund financial statements report long-term debt and other long-term obligations 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 applicable bond premiums or discounts.

The fund financial statements report bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources, net of issuance costs. Premiums or discounts associated with the debt are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Fund Balances and Net Position

The governmental fund financial statements of the City will present fund balances based on classifications including a hierarchy that is based primarily on the extent to which the City is bound to honor restrictions on the specific purposes for which amounts in a particular governmental fund can be spent. The five classifications used in the governmental fund financial statements will be as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. These amounts would include inventories and prepaid items as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. These guidelines are used for restricted net position.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal resolution of the City Council, which has the highest level of decision making authority. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. The action must be taken by the close of the reporting period. The amount of the commitment can be determined and approved by the City Council at a later date.

Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or by the City Council's designee, pursuant to the City's fund balance policy.

Unassigned: This classification includes the residual fund balance for the General Fund. The general fund should be the only fund that reports an unassigned fund balance.

When both restricted and unrestricted fund balances are available for use, it is the City's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications are available.

K. Restricted Cash and Investments

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Other restricted accounts reflect money set aside by City Council action for improvements or to meet contractual obligations.

L. Inter-fund Transactions

Inter-fund services provided and received are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions are reported as transfers.

M. Legal Compliance- Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

Pursuant to City Charter, at least 45 days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed operating and capital projects budget for the fiscal year commencing October

1. The proposed budget includes proposed expenditures and the means of financing them. A statement of capital projects planned for the next succeeding five fiscal years, with estimates of their costs is also submitted at this time.

The adoption of the budget shall require a favorable vote of at least a majority of all the members of the Council. In the event that the budget has not been adopted by the beginning of the fiscal year the latest budget proposed by the CIty Manager shall take and remain in effect until the budget is finally adopted by the Council.

The City Charter requires that no funds shall be expended nor shall any obligation for the expenditure of money be incurred unless an appropriation exists in the duly adopted budget. Annual appropriations style budgets are adopted for the General Fund, Special Revenue Funds including the Island Transit, Rosenberg Library, and the Debt Service Fund, and all Enterprise Funds. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, capital projects funds, debt service funds and enterprise funds.

Budgets are adopted and accounted for on a modified accrual basis, with the following exceptions:

Annual budgets are not adopted for certain special revenue funds, primarily relating to grant based projects. These grant projects are controlled through project length budgets that may span multiple fiscal years.

Capital and planning grant activities in the Island Transit Fund are not budgeted on an annual basis and are controlled in a manner similar to the grant project funds noted above. Budgeted amounts are reported herein as amended throughout the year. There were three formal, ordinance approved budget amendments during FY 2020. Total appropriations increased to accommodate the prior year adjustment of $1.5 million in the General Fund but remained in compliance with the City Charter requirement limiting the total budget to a seven percent increase overall each year. Appropriation balances lapse at year-end and may be re-appropriated by City Council.

Obligations outstanding at year-end through purchase orders, contracts and other commitments are re-appropriated in the subsequent year.

During the fiscal year, the City Council may transfer any unencumbered appropriation balance or portion thereof from one department to another at any time. The City Manager has authority, without City Council approval, to transfer appropriation balances from one expenditure account to another, inclusive within a single office, department or agency of the City.

Expenditures may not exceed appropriations at the department category level, as established by policy of the City Council. The administrative level of control is at the department category level and the legal level of control is at the department level by fund.

N. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles ("GAAP"), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

O. 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 City's three defined benefit pension plans (the "Plans") and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the individual Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Other Post-Employment Benefits

The City provides its retirees the opportunity to maintain health insurance coverage by participating in the City's self-insurance plan. The City reports the total liability for this plan on the government-wide and proprietary fund financial statements. The actual cost recorded in the governmental fund financial statements is the cost of the health benefits incurred on behalf of the retirees less the premiums collected from the retirees. Information regarding the City's total liability for this plan is obtained through a report prepared by the City's third-party actuary in compliance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Q. 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. The government has three items that qualify for reporting in this category:

- Deferred outflows of resources for pension – Reported for the City in the government-wide and enterprise fund financial statement of net position. One portion of this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability, and will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts will be amortized over a closed five-year period.
- Deferred outflows of resources for other postemployment benefits (OPEB) – Reported for the City in the government-wide and enterprise fund financial statement of net position. One portion of this deferred outflow results from contributions to the OPEB plan made after the measurement date of the OPEB liability. The other OPEB related deferred outflows result primarily from differences between projected and actual earnings on plan investments. These amounts will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with the OPEB through the OPEB plan.
- Deferred loss on refunding reported in the statement of net position – this deferred outflow results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualifies for reporting in this category:

- Deferred gain on refunding reported in the statement of net position – This deferred inflow results from the difference in carrying value the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred inflows of resources for pension – This deferred inflow results from the differences between expected and actual actuarial experiences and changes in actuarial assumptions will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan. The other OPEB related deferred outflows result primarily from differences between projected and actual earnings on plan investments.

R. New Accounting Standards

In the current year, the City implemented the following new standards:

- *GASB Statement No. 83*, Certain Asset Retirement Obligations ("ARO"), which establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for ARO's. This statement requires that recognition occur when the liability is both incurred and reasonably estimated.

  The City does not have any ARO's that have been incurred and reasonably estimated.
- *GASB Statement No. 88*, Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements, which requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, and significant subjective acceleration clauses. This statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt

separately from other debt.

Note 2 - Deposits (Cash) and Investments

Credit Risk. The primary stated objective of the City of Galveston's adopted Investment Policy (the Investment Policy) is the safety of principal and avoidance of principal loss. Credit risk within the City's portfolio among the authorized investments approved by the City's adopted Investment Policy is represented only in time and demand deposits, repurchase agreements, municipal obligations, and non-rated U.S. Securities and Exchange Commission (SEC) registered money market mutual funds.

All other investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies or instrumentalities and Local Government Investment Pools. State law and the Investment Policy restricts both time and demand deposits, including certificates of deposit, to those banks doing business in the State of Texas and further requires full insurance and/or collateral from these depositories.

Collateral, with a 110% margin, is required and collateral is limited to obligations of the U.S. Government, its agencies or instrumentalities and municipal obligations rated no less than AA or equivalent by two nationally recognized rating agencies. Independent safekeeping is required outside the pledging bank's holding company with monthly reporting. Securities are monitored and priced at market on a daily basis as a contractual responsibility of the bank. All bank deposits, totalling $20.8 million, were fully insured and collateralized. All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

By policy and state law, repurchase agreements are limited to those with defined termination dates executed with a Texas bank or a primary dealer, as defined by the Federal Reserve. The agreements require an industry standard, written master repurchase agreement and a minimum 102% margin on collateral as well as delivery versus payment settlement and independent safekeeping. Repurchase agreements may not exceed one year to stated maturity with the exception of flex repurchase agreements with a stated termination date not to exceed the planned completion date of the project(s).

The Investment Policy restricts investment in Security and Exchange Commission registered mutual funds to money market mutual funds striving to maintain a $1 net asset value as further defined by state law. Neither state law nor the Policy requires a rating.

The City invests in TexPool, which was created under the Interlocal Cooperation Act, Texas Government Code Ann. Chapter 791 and the Texas Public Funds Investment Act. The Texas Treasury Safekeeping Trust Company (the Trust) is trustee of TexPool and is a limited purpose trust company authorized pursuant to Texas Government Code Ann. Section 404.103 for which the Texas State Comptroller is sole officer, director and shareholder. The advisory board of TexPool is composed of the State Comptroller and other members appointed pursuant to the requirements of the Texas Public Funds Investment Act.

The City also invests in Texas Daily which is an individual investment portfolio established by the TexTerm Advisory Board pursuant to the TexTerm Common Investment Contract that established the Pool. Texas Daily is a local government investment portfolio that allows governments to pool their funds for investment under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, the PFIA and other similar cooperative statutes and under the statutes governing investment of funds by those local governments. TexTerm is directed by an advisory board of experienced local government officials, finance directors and treasurers and is managed by a team of industry leaders that are focused on providing professional investment services to investors. The City's investment in this pool is the same as the value of the pool shares, which are valued based on quoted market rates.

The City began investing funds in Local Government Investment Cooperative (LOGIC) in FY 2019. LOGIC is a local government investment pool created by Texas local government officials who understand the specific needs and challenges of investing public funds. LOGIC is administered by HilltopSecurities and JPMorgan Chase. Together these organizations bring to the LOGIC program the two leaders in financial services with a proven track record in local government investment pool management and extensive industry resources. The City's investment in this pool is the same as the value of the pool shares, which are valued based on quoted market rates. Due to the uncertainty in the commercial paper market as a result of the COVID-19 pandemic, the City transferred substantially all of the balances in the LOGIC investment pools to TexPool in FY 2020.

Local government investment pools in Texas are required to be rated AAA, or equivalent, by at least one nationally recognized rating agency. The City Policy further restricts investments to AAA-rated local government investment pools.

As of September 30, 2020,

- Investments in AAAm-rated local government investment pools represented 82.1% of the total portfolio, and
- Holdings in AA+-rated US Government securities represented 5.8% of the total portfolio.
- Bank deposits represented 12.1% of the total portfolio.

The City of Galveston recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The City's adopted Investment Policy establishes diversification as a major objective of the investment program. The Policy has established limits for concentration by market sector as shown below:

	Fair Value / Amortized Cost	Credit Quality Rating S & P	Credit Quality Rating Moody's	Percentage of Investments
Investment Type:				
Bank Accounts:				
Frost Bank-Sweep Repo	$ 10,008,000			5.82%
US Bank-HOT Funds	5,531,202			3.21%
Frost Bank-Deposit Accounts	5,261,892			3.06%
Total Bank Accounts	20,801,094			12.09%
Local Government Investment Pools:				
TexPool	140,017,939	AAAm		81.37%
Texas Term	1,249,749	AAAm		0.73%
Local Government Investment Cooperative (LOGIC)	98	AAAm		0.00%
Total Local Government Investment Pools	141,267,786			82.10%
Investment Securities:				
Federal Home Loan Bank	3,999,680	AA+	Aaa	2.32%
US Treasury Securities	5,998,830	AA+	Aaa	3.49%
Total Investment Securities	9,998,510			5.81%
Total Investment Portfolio	$ 172,067,390			100.00%

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Interest Rate Risk.
In order to limit interest and market rate risk from changes in interest rates, the City's adopted investment policy establishes a maximum maturity of 36 months for operating funds and five years for reserve funds.

A segmented time distribution analysis for the Primary Government portfolio by market sector is shown below.

Investment Type	Investment Maturities in Years: Less than 1 year	Investment Maturities in Years: 1 - 5 years
U.S. Treasury Notes and Bills	$ 5,998,830	$ -
U.S. Agency Securities:		
Federal Home Loan Bank	3,999,680	-
Local Government Pools	141,267,786	-
Total	$ 151,266,296	$ -

.*Custodial Credit Risk*. To control custody and safekeeping risk, the City's investment policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held in the City's name by an independent party. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and deposits must be collateralized to 102% and be executed under written agreements. Depository agreements are executed under the terms of FIRREA (U.S. Financial Institutions Reform, Recovery and Enforcement Act of 1989). The counter-party of each type of transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

Investments' fair value measurements are as follows as of September 30, 2020:

	Fair Value / Amortized Cost	Fair Value Measurements Using Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Weighted Average Maturity (Days)
Investment Securities:					
Federal Home Loan Bank	3,999,680	-	3,999,680	-	44
US Treasury Securities	5,998,830	5,998,830	-	-	71
Total Investment Securities	$ 9,998,510	$ 5,998,830	$ 3,999,680	$ -	60

Note 3 – Property Tax

According to the Tax Code of the State of Texas, property values are established through appraisal and appeals processes administered by the Galveston County Appraisal District. As provided by law, the Galveston City Council has designated the Galveston County Tax Assessor-Collector as the City Tax Assessor-Collector. Reports and information provided in this Comprehensive Annual Financial Report for property values and collections, including current and delinquent taxes, originate with these two County agencies.

The City may levy taxes up to $2.50 per $100 of net appraised assessed value under state law; however amendments to the City Charter approved by the voters placed additional limits on the city's total property tax rate. Approved in a charter election on January 20, 1979, language in Article VII Section 2 of the City Charter provides that the maximum property tax rate will be $0.70 per $100 of taxable valuation. This is inclusive of taxes levied to retire debt service, and the tax amount levied each year for the Rosenberg Library.

Subsequently, the voters of the City of Galveston approved language in Article VII, Section 2(b) of the City Charter that reduces the maximum tax rate each year based on sales tax collections. When the certified property tax roll is delivered by the Chief Appraiser in late July, the Tax Assessor-Collector calculates the City's effective tax rate in accordance with State law, including the sales tax collection allowance.

This allowance is based on receipts from one-fourth of the City's two percent sales tax generated for the prior July to June twelve month period. The effective tax rate calculation then requires a reduction in the total property tax rate equal to the property tax rate that would produce the same amount of sales tax collected as described. For FY 2020, the maximum property tax rate was $0.60157. Within these guidelines, the adopted tax rate per $100 of taxable valuation, for the year ended September 30, 2020, was $0.579885. The tax rate to finance general governmental services was set at $0.527385 and the tax rate for all other purposes, including debt service, was set at $0.0525 per $100 of assessed valuation.

Under the Texas Property Tax Code, property taxes are certified by the Chief Appraiser on or by July 25. The County Tax Assessor-Collector, acting in that capacity for the City, then presents the certified roll to the City Council accompanied by the No-New-Revenue and Voter Approval tax rates calculated for that tax year. The City Council must adopt a budget first and then adopt a property tax rate by September 30, or within sixty days after receipt of the tax roll from the Chief Appraiser. Taxes are due on a current basis by January 31. Late penalties and interest apply thereafter, including a twenty percent delinquent attorney's collection fee on July 1 should taxes not be paid prior to that time. There is no specific date for liens to be placed on properties for nonpayment of taxes.

Note 4 - Sales Tax

The City's sales tax rate is 2.0 percent for the year ended September 30, 2020. This rate includes 1.0 percent that generates receipts for general municipal operations that is deposited in the General Fund. Also deposited in the General Fund is the 0.5 percent sales tax collected for property tax rate reduction purposes (see Note 3). The remaining 0.5 percent is levied for economic development purposes and is deposited in the Industrial Development Corporation's funds.

On November 4, 2008, voters extended the economic development amount for the IDC fund for 20 years, to expire on April 1, 2029. Effective through March 31, 2029, the IDC fund collections are allocated strictly according to the language adopted by the voters. That language dedicates this economic development tax into four equal portions for beach renourishment, for streets, sewer and drainage improvement projects, for economic development programs and projects, and park improvements. Each of these portions of the tax are accounted for in what are reported in this annual report as four non-major governmental funds.

Note 5 - Accounts Receivable

Receivables, as of September 30, 2020 for the City's individual major funds, non-major funds and internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

GOVERNMENTAL FUNDS

	General Fund	Hurricane Ike Fund	CDBG Disaster Fund Non-Housing	Non -Major Governmental Funds	Total	Internal Service Funds
Receivables:						
Property taxes	$ 2,660,427	$ -	$ -	$ 360,284	$ 3,020,711	$ -
Sales and use taxes	2,893,142	-	-	964,380	3,857,522	-
Franchise taxes	347,040	-	-	40,664	387,704	-
Hotel taxes	-	-	-	548,557	548,557	-
Court fines	3,019,956	-	-	-	3,019,956	-
Customer accounts	430,275	-	-	-	430,275	48,303
Intergovernmental	278,554	6,082,853	6,356,939	3,208,002	15,926,348	361,525
Other	783,028	-	-	989,521	1,772,549	953,829
Allowance for uncollectibles	(3,401,617)	-	-	(136,677)	(3,538,294)	-
Total	$ 7,010,805	$ 6,082,853	$ 6,356,939	$ 5,974,731	$ 25,425,328	$ 1,363,657

BUSINESS TYPE ACTIVITIES

	Combined Utility System	Other Enterprise Funds	Total
Receivables:			
Customer accounts	$ 14,314,051	$ 3,924,325	$ 18,238,376
Other	177,076	-	177,076
Allowance for uncollectibles	(4,957,161)	(1,692,725)	(6,649,886)
Total	$ 9,533,966	$ 2,231,600	$ 11,765,566

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Note 6 - Interfund Transfers and Receivables

Interfund transfers for the primary government are as follows for the year ended September 30, 2020:

	Transfer In Fund				
	General Fund	General Obligation Bonds 2019 Capital Projects	Non-Major Governmental Funds	Other Enterprise Funds	Totals
Transfer Out Fund					
General Fund	$ -	$ -	$ 5,601,037	$ -	$ 5,601,037
Non-Major Governmental Funds	100,708	37,000,000	2,630,168	55,000	39,785,876
Combined Utility System Fund	1,637,000	-	53,669	-	1,690,670
Other Enterprise Funds	566,000	-	140,607	-	706,607
Internal Service Funds	-	-	454,802	-	454,802
	$ 2,303,708	$ 37,000,000	$ 8,880,283	$ 55,000	$ 48,238,992

The following is a detail of the interfund transfers:

Transfer In Fund	Transfer Out Fund	Purpose
General Fund	Non-Major Governmental Funds	General Admin Charges & Quartermaster Operations
General Fund	Combined Utility System Fund	General Admin Charges & Payment in lieu of taxes
General Fund	Other Enterprise Funds	General Admin Charges & Payment in lieu of taxes
General Obligation Bonds 2019 Capital Projects Fund	Debt Service Fund	Proceeds from Bond Issuance
Police Quartermaster Fund	General Fund	Quartermaster Operations
Infrastructure & Debt Service Fund	General Fund	Charter Mandated Transfer (8% of General Fund Budgeted Revenues)
Separation Pay Fund	General Fund	Budgeted Separation Pay
Island Transit Fund	Convention Center Surplus Fund	Trolley System
Lasker Pool Fund	IDC Parks Fund	Operational activity
Debt Service Fund	Infrastructure & Debt Service Fund	Debt service payments
Separation Pay Fund	Combined Utility System Fund	Budgeted Separation Pay
Separation Pay Fund	Other Enterprise Funds	Budgeted Separation Pay
Technology Improvement Fund	Central Service Fund	Improvement Projects
Other Enterprise Funds	IDC Economic Development Fund	Airport Improvement project

The following is a detail of interfund receivables and payables for the primary government as of September 30, 2020:

	Receivable Funds: Due From						
	General Fund	Hurricane Ike Fund	Non-Major Governmental Funds	Combined Utility System Fund	Other Enterprise Funds	Internal Service Funds	Totals
Payable Funds: Due To							
General Fund	$ -	$ 65,158	$ -	$ -	$ -	$ -	$ 65,158
Hurricane Ike Fund	1,642,754	-	749,470	7,431,914	443,900	5,960	10,273,998
CDBG Disaster Fund Non-Housing	909,803	-	-	3,101,692	281,460	-	4,292,955
Non-Major Governmental Funds	731,531	-	798,996	13,812	-	6,577	1,550,916
Combined Utility System Fund	-	74,423	-	-	-	-	74,423
Other Enterprise Funds	7,115	83,518	2,372	-	-	-	93,005
	$ 3,291,203	$ 223,099	$ 1,550,838	$ 10,547,418	$ 725,360	$ 12,537	$ 16,350,455

The following is a detail of interfund receivables and payables:

Receivable Funds: Due From	Payable Funds: Due To	
General Fund	Hurricane Ike	Negative Fund Cash Amounts
General Fund	CDBG Disaster Fund Non-Housing	Negative Fund Cash Amounts
General Fund	Non-Major Governmental Funds	Negative Fund Cash Amounts
General Fund	Other Enterprise Funds	Negative Fund Cash Amounts
Hurricane Ike	General Fund	City's Share of Disaster Recovery Projects
Hurricane Ike	Combined Utility System Fund	City's Share of Disaster Recovery Projects
Hurricane Ike	Other Enterprise Funds	City's Share of Disaster Recovery Projects
Non-Major Governmental Funds	Hurricane Ike	Negative Fund Cash Amounts
Non-Major Governmental Funds	Non-Major Governmental Funds	Negative Fund Cash Amounts
Non-Major Governmental Funds	Other Enterprise Funds	Accrue City's portion of sales tax
Combined Utility System Fund	Hurricane Ike	Disaster Recovery Projects
Combined Utility System Fund	CDBG Disaster Fund Non-Housing	Negative Fund Cash Amounts
Combined Utility System Fund	Non-Major Governmental Funds	Hurricane Harvey Disaster Recovery Projects
Other Enterprise Funds	Hurricane Ike	Negative Fund Cash Amounts
Other Enterprise Funds	CDBG Disaster Fund Non-Housing	Negative Fund Cash Amounts
Internal Service Funds	Hurricane Ike	Negative Fund Cash Amounts
Internal Service Funds	Non-Major Governmental Funds	Hurricane Harvey Disaster Recovery Projects

Note 7 - Capital Assets

The following is a detail of capital asset activity for the year ended September 30, 2020:

	Balance September 30, 2019	Increases	Decreases / Transfers	Balance September 30, 2020
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 20,894,632	$ 468,961	$ -	$ 21,363,593
Construction in progress	34,807,811	21,116,351	(10,999,730)	44,924,432
Total capital assets not being depreciated	55,702,443	21,585,312	(10,999,730)	66,288,025
Other capital assets:				
Infrastructure	198,785,749	42,600	5,127,874	203,956,223
Buildings and improvements	71,553,092	154,352	5,004,366	76,711,810
Licensed vehicles	24,274,358	666,186	(181,684)	24,758,860
Machinery and equipment	20,604,980	225,779	732,422	21,563,181
Improvements other than buildings	11,923,107	-	-	11,923,107
Total other capital assets	327,141,286	1,088,917	10,682,978	338,913,181
Less accumulated depreciation for:				
Infrastructure	(96,897,057)	(6,524,095)	-	(103,421,152)
Buildings and improvements	(19,563,461)	(1,917,705)	-	(21,481,166)
Licensed vehicles	(16,712,474)	(1,560,347)	163,966	(18,108,855)
Machinery and equipment	(15,433,817)	(1,054,504)	135,068	(16,353,253)
Improvements other than buildings	(6,084,357)	(329,589)	-	(6,413,946)
Total accumulated depreciation	(154,691,166)	(11,386,240)	299,034	(165,778,372)
Other capital assets, net	172,450,120	(10,297,323)	10,982,012	173,134,809
Totals	$ 228,152,563	$ 11,287,989	$ (17,718)	$ 239,422,834

	Balance September 30, 2019	Increases	Decreases / Transfers	Balance September 30, 2020
Business-type Activities:				
Capital assets not being depreciated:				
Land	$ 2,785,608	$ -	$ 121,098	$ 2,906,705
Construction in progress	29,105,603	26,050,117	5,067,017	60,222,737
Total capital assets not being depreciated	31,891,211	26,050,117	5,188,115	63,129,442
Other capital assets:				
Improvements other than buildings	208,583,890	-	(8,060,199)	200,523,691
Building and system	175,749,915	-	19,807	175,769,723
Machinery and equipment	14,741,075	817,624	1,329,897	16,888,596
Licensed vehicles	13,670,078	1,007,949	-	14,678,027
Contractual water rights	31,822,375	-	-	31,822,375
Total other capital assets	444,567,333	1,825,573	(6,710,495)	439,682,412
Less accumulated depreciation for:				
Improvements other than buildings	(77,349,255)	(4,436,275)	1,503,229	(80,282,301)
Building and system	(36,006,157)	(4,048,855)	-	(40,055,012)
Machinery and equipment	(10,828,530)	(792,936)	38,890	(11,582,576)
Licensed vehicles	(7,581,863)	(1,295,455)	-	(8,877,318)
Contractual water rights	(22,314,864)	(1,097,706)	-	(23,412,570)
Total accumulated depreciation	(154,080,669)	(11,671,227)	1,542,119	(164,209,777)
Other capital assets, net	290,486,664	(9,845,654)	(5,168,376)	275,472,635
Totals	$ 322,377,875	$ 16,204,463	$ 19,739	$ 338,602,077

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

General government	$	370,664
Public safety		1,038,001
Public works		5,705,487
Culture and recreation		2,729,081
Planning and community development		261,269
Transportation system		671,483
In addition, depreciation on capital assets held by the City's internal service funds is charged to various functions based on their usage of the assets		610,257
Total Governmental Activities	$	11,386,242
Combined utility system	$	9,283,116
Sanitation		621,188
Drainage		756,628
Airport		1,010,291
Total Business-Type Activities	$	11,671,223

Construction in progress and remaining commitment, as of September 30, 2020 are as follows:

Project Description	Project Authorization	Project Cost to Date	Remaining Commitment
Governmental Activities:			
Various street milling and overlay projects	$ 21,382,365	$ 7,326,734	$ 14,055,631
Public Services Facility	11,666,086	11,471,471	194,615
45th Street/Broadway to Seawall reconstruction	9,890,141	8,273,900	1,616,241
Little League and Sandhill Soccer Complexes	5,125,000	-	5,125,000
27th Corridor master plan	6,354,333	4,529,920	1,824,413
Rail Trolley rehabiliation and rail cars	5,226,483	4,814,116	412,367
29th Street/Ave O to Ave R 1/11 extension of storm sewer main	5,147,500	196,982	4,950,518
25th Street/Broadway to Seawall reconstruction	4,681,000	1,811,529	2,869,471
Various Island Transit projects	1,298,042	509,541	788,501
Various other projects	10,087,598	5,990,239	4,097,359
Total Governmental Activities	$ 80,858,548	$ 44,924,432	$ 35,934,116
Business-type Activities:			
Combined Utility System Fund Projects			
Various waterline repairs & replacements	$ 22,891,800	$ 10,324,030	$ 12,567,770
Inflow & infiltration line repairs	10,463,113	1,451,876	9,011,237
30" Causeway waterline	10,231,500	697,149	9,534,351
Pirates Beach and Seawolf Park wastewater treatment plant reconstruction and expansion	8,531,488	933,110	7,598,378
Lift station pump & electrical repairs	8,144,000	403,567	7,740,433
Fire hydrant replacement program	6,682,784	2,651,335	4,031,449
Airport pump station tank upgrade and new ground storage tanks	8,498,850	1,967,114	6,531,736
Airport wastewater treatment plant refurbishment	7,906,104	7,902,880	3,224
Various street utility improvements	5,257,559	2,723,484	2,534,075
Various other Combined Utility System projects	31,278,679	26,694,092	4,584,587
Sanitation Fund Projects			
Various Sanitation projects	202,639	132,277	70,362
Drainage Fund Projects			
Storm drain rehabilitation	15,347,904	1,352,264	13,995,640
Storm water management	840,678	830,897	9,781
Various other Drainage projects	2,512,574	1,386,696	1,125,878
Airport Fund Projects			
Various Airport projects	1,635,637	771,966	863,671
Total Business-type Activities	$ 140,425,309	$ 60,222,737	$ 80,202,572

Note 8 - Long-Term Debt

A. Governmental Activities

Long-term liability activity for the year ended September 30, 2020, is as follows:

	Balance September 30, 2019	Increases	(Decreases)	Balance September 30, 2020	Amounts Due Within One Year
Bonds payable:					
General obligation bonds	$ 28,775,284	$ 31,205,000	$ (3,113,685)	$ 56,866,599	$ 2,645,100
Accreted interest on capital appreciation bonds	1,689,589	79,790	(1,769,379)	-	-
Special obligation bonds	21,625,000	-	(1,045,000)	20,580,000	1,110,000
Certificates of obligation	1,390,621	-	(1,390,621)	-	-
Unamortized premiums and discounts	3,680,629	(4)	5,825,513	9,506,138	-
	57,161,123	31,284,786	(1,493,172)	86,952,737	3,755,100
				(2)	
Other liabilities:					
Notes payable	387,661	-	(123,953)	263,708	129,148
Claims payable - workers compensation	506,285	427,372	(209,066)	724,591	333,306
Claims payable - health insurance	993,540	8,171,117	(8,204,017)	960,640	960,640
Accrued claims and judgements	-		-	-	-
Compensated absences	10,589,303	4,350,791	(2,823,249)	12,116,845	3,940,549
Total Governmental Activities	$ 69,637,912	$ 44,234,066	$ (12,853,457)	$ 101,018,519	$ 9,118,743
Long-term debt due in more than one year					$ 91,899,776
				$ 2	

Compensated absences are liquidated by the funds based on the department personnel to whom the claims relate. Health claims and workers' compensation claims are liquidated by the Health Insurance Internal Service Fund and the Workers' Compensation Internal Service Fund which are reported as a governmental activity.

The City sponsors three (3) single-employer defined benefit pension plans: the Employees Retirement Plan for Police, the Retirement Plan for City Employees and the Firefighters' Pension Plan (see Note 14).

The City also has a Texas Tax and Revenue Emergency Anticipation Note, Series 2016-E in the amount of $50 million for the purpose of providing funds to pay for any contractual obligation incurred or to be incurred as a result of or to address the effect of a statewide and/or national emergency. The City has not drawn down any funds from this note as of September 30, 2020.

Accreted Interest on Premium of Capital Appreciation Bonds

A portion of the Series 2004 Combination Tax and Revenue Certificates of Obligation Bonds were capital appreciation bonds. The principal and interest on these obligations were paid in full upon maturity on February 1, 2020. The accretion expense recognized in the current fiscal year was $79,790, which is reflected in the accompanying general long-term debt accounts.

The following are descriptions of the governmental activities long-term obligations:

Series	Original Issue	Matures	Interest Rate (%)	Debt Outstanding
General Obligation Bonds				
Series 2011 Obligation Refunding Bonds	$ 7,520,000	2023	2.0 to 4.0	$ 2,375,000
Series 2014 Obligation Refunding Bonds *	3,717,000	2023	2.0 to 4.0	2,083,200
Series 2016 Obligation Refunding Bonds *	2,460,831	2033	2.0 to 5.0	2,228,400
Series 2017 Public Improvement Bonds	22,600,000	2046	2.0 to 4.0	19,750,000
Series 2019 Public Improvement Bonds	31,205,000	2039	3.0 to 5.0	30,430,000
Total General Obligation Bonds				$ 56,866,600
Special Obligation Bonds				
Series 2012A Hotel Occupancy Tax Refunding Bonds	$ 14,350,000	2034	3.0 to 5.0	$ 10,990,000
Series 2012B Hotel Occupancy Tax Refunding Bonds	13,215,000	2032	3.0 to 5.0	9,590,000
Total Special Obligation Bonds				$ 20,580,000
Note Payable **				
2007 Note Payable	$ 1,531,488	2022	3.5-4.0	$ 263,708
Total Note Payable				$ 263,708

* The original issue was $5,900,000 for the Series 2014 Obligation Refunding Bonds and $17,365,000 for the Series 2016 Obligation Refunding Bonds. The original issue amounts reported represent the portion allocated to governmental activities only.

** The Note Payable is carried by an Internal Service Fund.

Annual debt service requirements to maturity for governmental activity bonds are as follows:

Year Ending Sept. 30	General Obligation Bonds		Special Obligation Bonds	
	Principal	**Interest**	**Principal**	**Interest**
2021	$ 2,645,100	$ 2,528,243	$ 1,110,000	$ 756,113
2022	2,848,200	2,423,888	1,185,000	700,613
2023	3,075,400	2,299,078	1,270,000	641,363
2024	2,512,600	2,164,608	1,350,000	592,588
2025	2,623,900	2,048,428	1,425,000	538,188
2026-2030	14,823,700	8,207,570	8,285,000	1,960,088
2031-2035	16,972,700	4,438,061	5,955,000	486,681
2036-2037	11,365,000	1,028,400	-	-
	$ 56,866,600	$ 25,138,276	$ 20,580,000	$ 5,675,631

Year Ending Sept. 30	Notes Payable	
	Principal	**Interest**
2021	$ 129,148	$ 9,613
2022	134,561	4,200
	$ 263,709	$ 13,813

Current Year Issuance of Debt – Governmental Activities

On May 6, 2017, voters authorized the issuance of $62 million in tax supported General Obligation Bonds. On October 31, 2019, the City issued the second installment of Public Improvement Bonds, Series 2019 in the amount of $31,205,000. The interest rate ranges from 3.0% to 5.0%. The bonds were issued at premium totalling $6,194,024. The $37.4 million in proceeds generated by the sale covered the cost of issuance of approximately $400,000 and placed $37 million in the CIty's construction fund. This utilized the remaining bond election authorization as defined by State law. Proceeds from the sale of the Bonds will be used to pay the costs of issuance and for the construction, acquisition, improvement and rehabilitation of streets, bridges, storm sewers and drainage, including curbs, gutters, sidewalks and other related public infrastructure, traffic systems and the acquisition of rights of way relating to such projects.

Business-Type Activities

Long-term liability activity for the year ended September 30, 2020 is as follows:

	Balance September 30, 2019	Increases	(Decreases)	Balance September 30, 2020	Amounts Due Within One Year
Bonds payable:					
Contracts (Gulf Coast Water Authority)	$ 8,623,385	$ -	$ (2,924,947)	$ 5,698,438	$ 3,033,283
Revenue bonds	18,540,000	-	(1,780,000)	16,760,000	1,865,000
General obligation bonds	11,969,716	1	(1,486,316)	10,483,401	774,900
Certificates of obligation	64,580,000	1	(755,000)	63,825,001	1,265,000
Unamortized premiums and discounts	8,699,660	(1)	(687,006)	8,012,653	-
	112,412,761	1	(7,633,269)	104,779,493	6,938,183
Other liabilities:					
Compensated absences	1,536,142	780,445	(617,606)	1,698,981	901,877
Total Business-type Activities	$ 113,948,903	$ 780,446	$ (8,250,875)	$ 106,478,474	$ 7,840,060
	Long-term debt due in more than one year				$ 98,638,414

The following are descriptions of the business type activities long-term obligations:

Series	Original Issue	Matures	Interest Rate (%)	Debt Outstanding
Contracts (Gulf Coast Water Authority)				
Series 2011A GCWA Contract Refunding Revenue Bonds	17,730,000	2022	3.0 to 5.0	$ 4,539,438
Series 2012 GCWA Contract Refunding Revenue Bonds	7,645,000	2022	2.3	1,159,000
Total Contracts (Gulf Coast Water Authority)				$ 5,698,438
Revenue Bonds				
Series 2012 Waterworks and Sewer System Revenue and Refunding Bonds	6,180,000	2023	2.0 to 3.0	$ 2,195,000
Series 2014 Waterworks and Sewer System Revenue and Refunding Bonds	19,640,000	2025	3.0 to 5.0	14,565,000
Total Revenue Bonds				$ 16,760,000
General Obligation Bonds				
Series 2014 Obligation Refunding Bonds *	2,183,000	2023	2.0 to 4.0	$ 331,801
Series 2016 Obligation Refunding Bonds *	14,904,169	2033	2.0 to 5.0	10,151,600
Total General Obligation Bonds				$ 10,483,401
Certificates of Obligation				
Series 2017 Combination Tax and Revenue Bonds	33,330,000	2046	2.0 to 5.0	$ 31,330,000
Series 2019 Combination Tax and Revenue Bonds	32,750,000	2049	2.0 to 5.0	32,495,000
Total Certificates of Obligation				$ 63,825,000

* The original issue was $5,900,000 for the Series 2014 Obligation Refunding Bonds and $17,365,000 for the Series 2016 Obligation Refunding Bonds. The original issue amounts reported above represent the portion allocated to business type activities only.

Annual debt service requirements to maturity for business type activity long term debt are as follows:

	Business-Type Activities			
	Revenue Bonds		Contracts	
Year Ending Sept. 30	Principal	Interest	Principal	Interest
2021	$ 1,865,000	$ 794,100	$ 3,033,283	$ 264,541
2022	1,945,000	714,950	2,665,155	135,263
2023	2,035,000	632,300	-	-
2024	1,340,000	545,750	-	-
2025	1,405,000	478,750	-	-
2026-2030	8,170,000	1,264,750	-	-
2031-2033	-	-	-	-
	$ 16,760,000	$ 4,430,600	$ 5,698,438	$ 399,804

	Certificates of Obligation		General Obligation Bonds	
Year Ending Sept. 30	Principal	Interest	Principal	Interest
2021	$ 1,265,000	$ 2,783,650	$ 774,900	$ 477,307
2022	1,295,000	2,752,650	606,800	438,562
2023	1,330,000	2,714,950	639,600	408,222
2024	1,385,000	2,661,750	807,400	376,242
2025	1,440,000	2,606,350	701,100	335,872
2026-2030	8,200,000	12,035,500	4,071,300	1,116,430
2031-2035	10,390,000	9,840,650	2,882,300	228,739
2036-2040	13,045,000	7,196,250	-	-
2041-2045	16,215,000	4,004,800	-	-
2046-2049	9,260,000	823,000	-	-
	$ 63,825,000	$ 47,419,550	$ 10,483,400	$ 3,381,374

The total net revenues of the Combined Utility System Fund are pledged for repayment of the Business-type Activity Revenue Bonds, General Obligation Bonds and Certificates of Obligation. The pledge will remain in force for the term of the bonds.

Description	Principal	Interest	Totals
Revenue bonds	$ 1,865,000	$ 794,100	$ 2,659,100
Certificates of Obligation	1,265,000	2,783,650	4,048,650
General Obligation	774,900	477,307	1,252,207
Contracts	3,033,283	264,541	3,297,824
Total annual debt service	**$ 6,938,183**	**$ 4,319,598**	**$ 7,959,957**
Operating revenues			$ 38,168,655
Operating expenses			34,086,397
Net operating income			4,082,258
Add:			
Depreciation			9,283,116
Total net revenues			**$ 13,365,374**
Debt service coverage			1.90

Defeased Debt

As a result of a prior year bond refunding, the City defeased certain outstanding bonds issued by placing the proceeds of new bonds in irrevocable escrow accounts to provide for all future debt service payments on the old bonds. Accordingly, the escrow accounts to provide for all future bonds are not included in the City's financial statements. The total amount of governmental and business-type defeased bonds outstanding as of September 30, 2020 is $12,900,000.

Long-Term Contracts - Waterworks System

On June 1, 2011, the City entered into a contract with GCWA whereby GCWA issued $17,730,000 of Gulf Coast Water Authority Contract Revenue Refunding Bonds, Series 2011A with the City's percentage share of 98.15% and the City of League City's share being the remainder 1.85%. This will repay its outstanding Series 1998B and also pay the cost of issuance of the bonds. These Bonds allowed Galveston to receive treated water from the Texas City plant upon completion of its expansion. The notes mature in 2022 and will be repaid with pledged revenues from the City's waterworks system.

On October 30, 2013, the City entered into a contract with GCWA whereby GCWA issued $7,645,000 of Gulf Coast Water Authority Contract Revenue Refunding Bonds, Series 2012. This will repay its outstanding Series 2002 and also pay the cost of issuance of the bonds. These Bonds were used to build and improve facilities for potable water transportation to and within the City. The notes mature in 2022 and will be repaid with pledged revenues from the City's waterworks system.

The pledged revenues are 1.9 times as compared to related current principal and interest requirements.

Discretely Presented Component Unit - Bayside at Waterman's Public Improvement District

Long-term liability activity for the year ended September 30, 2020 is as follows:

	Balance September 30, 2019	Increases	(Decreases)	Balance September 30, 2020	Amounts Due Within One Year
Bayside at Waterman's PID					
Special assessment revenue bonds	$ 9,150,000	$ -	$ (175,000)	$ 8,975,000	$ 175,000
	$ 9,150,000	$ -	$ (175,000)	$ 8,975,000	$ 175,000

The following are descriptions of the discretely presented component unit long-term obligations:

Series	Original Issue	Matures	Interest Rate (%)	Debt Outstanding
Bayside at Waterman's PID Bonds				
Series 2014 Special Assessment Revenue Bonds	$ 9,600,000	2044	5.8 to 6.3	$ 8,975,000
Total Bayside at Waterman's PID Bonds				$ 8,975,000

Annual debt service requirements to maturity for Bayside at Waterman's Public Improvement District long term debt are as follows:

	Bayside at Waterman's PID Revenue Bonds	
Year Ending Sept. 30	Principal	Interest
2021	$ 175,000	$ 536,219
2022	200,000	526,375
2023	200,000	515,125
2024	225,000	503,875
2025	225,000	491,219
2026-2030	1,325,000	2,252,563
2031-2035	1,775,000	1,808,375
2036-2040	2,375,000	1,206,250
2041-2044	2,475,000	388,938
	$ 8,975,000	$ 8,228,939

All of the special assessment revenue received by the District is obligated to pay for the special assessment revenue bonds noted above. The City has no financial or legal responsibility for payment of the bonds. The City's only responsibility is to pursue collections of assessments which is performed by a third-party consultant on behalf of the City.

Note 9 - Fund Equity

Net deficit reported by the Workers' Compensation Fund above reflects the inclusion $0.7 million of total estimated workers' compensation claims payable. Net deficit reported by the Health Insurance Fund reflects the inclusion $11.4 million of total OPEB liability. The City is reviewing options to fund the liability. See Note 13 for additional information on the total OPEB liability.

	Deficit Balance
Internal Service Funds:	
Workers' Compensation Fund	$ (491,805)
Health and Life Insurance Fund	$ (9,221,631)

Note 10 - Commitments and Contingencies

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor, cannot be determined at this time, although the City expects that any such amounts will be immaterial.

Environmental Liability

The City is aware of various sites contaminated by hazardous materials. There are no significant liabilities related to these sites of which the City is aware. The City also participates in the Texas Natural Resources Underground Storage Tank registration program and has each site insured for pollution liability. The City is also actively remediating several sites with grant funds from the General Land Office.

Note 11 - Risk Management

The City is exposed to various risks of loss related to torts, thefts, damage and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City has commercial insurance policies for liability and property insurance. The major insurance policies, including law enforcement and public official policies, have deductibles of $5,000 per occurrence.

The City purchases automobile and law enforcement liability insurance from the Texas Municipal League (TML) Intergovernmental Risk Pool, a self-insurance fund using members contributions to pay covered losses. Participation in the pool is affirmed when a City signs an inter-local agreement. There is no requirement for a municipality to invest funds into the risk pool other than by insurance premiums for actual policies issued by TML.

There have been no significant reductions in insurance coverage from prior years. There have been no insurance settlements exceeding insurance coverage in the past five years.

The Casualty and Liability Internal Service Fund is used to account for the accumulation of assets charged to other funds of the City for insurance premiums and all other liabilities.

Workers Compensation

The City is self-insured for workers compensation. The third party administrator for the City is TML, with a per coverage retention of $500,000. TML also provides the stop loss reinsurance for excess claims with an annual aggregate retention of $1,000,000 and aggregate limit of liability of $1,000,000.

All funds of the City participate in the program and make payments to the Workers Compensation Internal Service Fund based on estimates of the amounts needed to pay prior and current year claims. The claims liability is reported in the fund at September 30, 2020 , and is based on requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

The City's long-term workers' compensation liability is recorded in the government-wide statement of net position. Current liability amounts are recorded in all funds having incurred charges. The estimates of liability are based on current claims outstanding and the estimate of reserves based on industry experience.

Changes in the City's workers compensation claims liability reserve amount for the past two fiscal years are as follows:

Fiscal Year	Beginning of Year Accrual	Current Year Estimates	Current Year Payments	End of Year Accrual
2019	$ 602,399	$ 112,557	$ (208,671)	$ 506,285
2020	506,285	427,372	(209,066)	724,591

Employee Health Insurance

Effective November 1, 2001, the City established a limited Risk Management Program for Health Insurance by setting up an Internal Service Fund to account for its insured and self-insured risk of loss. The Health and Life Insurance Fund is principally supported by contributions from the City and the employees. The City makes contributions to cover the employees, and the employees are required to make contributions to cover their dependents. The Health and Life Insurance Fund charges the various operating funds premiums for the City's contribution. The City has obtained excess loss insurance that limits the City's claims paid to $200,000 per individual from Liberty Mutual Insurance, and $4,879,000 in aggregate claims on an annual basis from Aetna, Inc.

Incurred but not reported (IBNR) claims as of year-end are estimated by the third party administrator based on prior claims experience. Changes in the City's IBNR health claims liability, for the past two fiscal years, are as follows:

Fiscal Year	Beginning of Year Accrual	Current Year Estimates	Current Year Payments	End of Year Accrual
2019	$ 908,253	$ 5,551,941	$ (5,466,654)	$ 993,540
2020	993,540	8,171,117	(8,204,017)	960,640

Note 12 - Major Contracts and Commitments

As of year-end, the City has the following major contracts and commitments in force. The following is a summary of these commitments:

Emergency Medical Services Contract

Through agreement with the Galveston County Health District (the District), the District provides emergency medical services including trained personnel for treatment and dispatching, transport of victims to hospitals, ambulances and supplies, public education regarding medical emergencies, and management and system evaluation. Operation and management is under control of the District. The City is responsible for operating deficits of this entity for up to $225,000 per year.

Galveston County Jail

Through agreement with the County of Galveston (County), the County agrees to reserve 6 beds in the County Jail for individuals arrested by City police. The City will pay the County monthly the sum of $69.43 per City inmate per calendar day or fraction thereof. Annually this equates to a minimum of approximately $150,000 per year. The City pays the daily rate for months in which the average nightly occupancy is greater than 6.5 inmates.

Gulf Coast Water Authority

The Gulf Coast Water Authority (GCWA) supplies one hundred percent of Galveston's potable water supply. GCWA holds rights and maintains access to water originating in the Brazos River basin raw that flows through a system of canals and reservoirs to the Thomas Mackey water purification plant in Texas City. Purified water is pumped from the plant to the island through lines that cross the old causeway and/or the bay to the island. The City then assumes responsibility for pumping, storage and customer sales. Under the most recent amendment dated May 27, 2015, the City retains the right to use up to 21 million gallons per day at a flat cost of $0.45192 per 1000 gallons. Water actually consumed is supplied to the City at the rate of $0.5714 per 1000 gallons pumped. GCWA also makes improvements to the plant and its distribution system with bond proceeds, and the City pays its proportional share of this debt service to GCWA (see Note 8). In FY 2020, the City paid GCWA $11.7 million for debt service, water rights and water consumption.

Note 13 - Post-Employment Benefits Other Than Pensions

Plan Description

The City defined benefit OPEB plan provides certain post-employment retirement benefits for its qualifying employees and spouses/dependents through a single-employer defined benefit health care plan administered by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

Eligible participants, as defined by the City, may continue health care coverage during retirement by paying the total active contributions, including the City portion and the retiree portion. In the case of deferred retirement or death in service, the health care benefit is not available. However, in the case of disability retirement benefits, coverage is available if the employee is eligible for disability benefits through the City. Coverage under the health care plan ceases upon reaching Medicare eligibility. A separate, audited GAAP-basis postemployment benefit plan report is not available.

Employees covered by OPEB plan as of December 31, 2019 were as follows:

Inactive plan members or beneficiaries currently receiving benefits	21
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	808
Total plan members	829

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2019 and determined by an actuarial valuation as of that date in accordance with GASB Statement No. 75. Total OPEB liability is generally liquidated by the General Fund and the Health and Life Insurance Fund.

Changes in Total OPEB Liability

Changes in the City's OPEB liability presented below are calculated for the year ended December 31, 2019 (measurement year):

Total OPEB Liability		
Service cost	$	777,658
Interest on the total OPEB Liability		360,881
Difference between expected and actual experience actual experience		(796)
Changes of assumption		1,030,796
Benefit payments		(254,025)
Net change in total OPEB liability		1,914,514
Total OPEB liability - beginning		9,465,438
Total OPEB liability - ending	$	11,379,952
Covered payroll	$	41,819,576
Total OPEB liability as a percentage of covered payroll		27.21%

Changes of assumption reflects a change in discount rate from 3.31% in 2017 to 3.71% in 2019

OPEB Expense

For the year ended September 30, 2020, the City recognized total OPEB expense of $1,132,295.

Service cost	$	777,658
Interest on the total OPEB Liability		360,881
Recognition of current year inflow due to liabilities		(3,209)
Amortization of prior year inflow due to liabilities		97,729
Total OPEB expense	$	1,233,059

Deferred Outflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 35,097	$ 1,473,634
Changes of assumptions	2,322,773	-
Contributions subsequent to the measurement date	244,412	-
	$ 2,602,282	$ 1,473,634

The $244,412 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liablity for the year ending September 30, 2020. Other amounts reported as deferred outflows of resources relatd to OPEB will be recongized in OPEB expense as follows:

Year ended September 30:	
2021	$ 94,520
2022	94,520
2023	94,520
2024	94,520
2025	94,520
thereafter	411,636
	$ 884,236

Under the reporting parameters, the City's retiree health care plan is 0.0% funded with the actuarial accrued liability exceeding the actuarial assets by $11,379,952 at December 31, 2019. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 27.21%.

Actuarial Methods and Assumptions

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the City's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Discount Rate

The discount rate for plans that do not have formal assets equals the tax-exempt municipal bond rate on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. The municipal bond rate is based on the daily rate closest to, but not later than, the measurement date of the Fidelity "20-year Municipal GO AA Index".

Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions

Inflation Rate	2.50% per annum
Discount Rate	2.75% as of December 31, 2019
Actuarial Cost Method	Individual Entry-Age
Amortization Method	Average of expected remaining service life
Amortization Period	10.5393 closed period amortization
Payroll Growth	2.75% - 6.35% for General Employees 4.00% - 7.00% for Police 3.00% - 9.18% for Firefighters
Health Care Trend Rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years

Sensitivity of the total OPEB liability to changes in the discount rate
The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75% as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rates used:

	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
Total OPEB liability	$ 12,568,450	$ 11,379,952	$ 10,308,625

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates
The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower or 1-percentage-point higher than the current rates used:

	1% Decrease (6.20% decreasing to 3.25%)	Healthcare Cost Trend Rates (7.20% decreasing to 4.25%)	1% Increase (8.20% decreasing to 5.25%)
Total OPEB liability	$ 9,826,529	$ 11,379,952	$ 13,269,398

Note 14 - Employee Retirement System

Plan Descriptions

The City has three single employer defined benefit pension plans which provide pension benefits for substantially all of its full-time employees:

- City Of Galveston Employees' Retirement Plan for City Employees
- City Of Galveston Employees' Retirement Plan for Police
- Galveston Firefighters' Pension Fund

These pension plans were established under the authority of Title 8, Subchapter A of the Texas Government Code, Texas statutes (Vernon's Texas Civil Statutes, Articles 6243p and 6243e respectively) which establish the various benefit provisions. Independent Boards of Trustees administer each plan. The fiscal year of each pension fund ends December 31. The most recent available stand-alone financial statements of the pension funds are for the year ended December 31, 2019. The specific summary plan description for each Plan and the financial statements are available at the respective plan offices.

Benefits Provided

The City Of Galveston Employees' Retirement Plan for City Employees ("ERP") provides retirement benefits for non-civil service employees, service-connected disability and death benefits to eligible members and surviving spouse and/or dependents. The normal retirement benefit under the Plan equals 2.25% of Average Monthly Compensation multiplied by a Participant's years of benefit service. The maximum normal retirement benefit is $4,167 per month. Service retirement benefits are payable for the Participant's lifetime. In the event the Participant's death precedes that of his or her spouse, one half of the Participant's pension will be continued to the spouse for his or her lifetime or until remarried.

City Of Galveston Employees' Retirement Plan for Police ("PRP") provides retirement benefits for police officers in two groups: *Group A* consists of members with 15 or more years of service as of January 1, 2006, who were members as of June 30, 2008. *Group B* consists of members who either (a) had less than 15 years of service as of January 1, 2006, and who were members as of June 30, 2008, or (b) were employed on or after July 1, 2008.

Normal and Late Retirement - Eligibility attainment age is sixty-five (65). Benefits for Group A members shall be the greater of (i) the monthly amount determined as 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years, and (ii) the sum of the Preserved Benefit and Post Transition Accrued Benefit payable after the member reaches the eligible attainment age. Benefits for

Group B members will be equal to 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years.

Early Retirement - Eligibility for an Early Pension is: (i) on or after the member's 55th birthday and before Normal Retirement Date with between ten and twenty years of vested service, or (ii) after the member has reached the attainment age of sixty-two (62). Reduced early pension benefits will be equal to 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years, reduced by 1/180th for each of the first 60 months and 1/360th for each of the next 60 months and shall commence either on the member's Normal Retirement Date or on the first day of any month following his Early Retirement and before his Normal Retirement Date.

Special Early Retirement - Eligibility for a Special Early Pension benefits for Group A members is either (i) completion of at least twenty years, but less than twenty five years, of vested service and attainment of age forty-five (45) or (ii) twenty five or more years of service regardless of age. Benefits will be equal to the members choice of (i) 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years, (ii) the sum of his Preserved Benefit and his Post Transition Accrued Benefit, with one sum payable prior to age sixty-five (65) and a lower sum payable after age sixty-five (65), or (iii) a level monthly Pension that is the Actuarial Equivalent of the leveling option. The leveling option would maintain the same benefit payment throughout retirement. Eligibility for Group B members is completion of 20 or more years of service and attainment of age forty-five (45), but before attainment of age fifty (50). Benefits will be equal to 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years, reduced by 1/180th for each month by which the starting date of payments commences on the first of the month immediately following the latter of the member's fiftieth (50th) birthday or the date of retirement.

Galveston Firefighters' Pension Fund ("GFPF") provides retirement and incidental benefits for all civil service members of the City of Galveston, Texas Fire Department under the age of 35 at the date of entering service.

A member is eligible for service retirement upon completion of 20 years of service and attainment age of fifty (50). Benefits are calculated at 3% of the highest 60-month average salary times years of service. Benefits are payable for the member's lifetime; if the member's death precedes the death of the member's spouse, two-thirds of the member's pension will be continued for the spouse for his or her lifetime. However, benefits cease if the spouse remarries.

A member who has attained age 51.5 and 21.5 years of service may elect to receive benefits under the Retro Deferred Retirement Option Plan (DROP) option. This option is equal to the amount of monthly contributions that the member made to the fund during participation in the fund plus the total monthly retirement benefits the member would have received between the time the member entered DROP and the time the member retired under the plan.

Employees covered by the three plans as of September 30, 2020 were as follows:

	Employees Pension Plan	Fire Fighters Pension Plan	Police Pension Plan
Retirees and beneficiaries currently receiving benefits	356	89	143
Terminated employees entitled to but not receiving benefits	66	-	33
Terminated employees entitled to only a refund of contributions	166	-	-
Disabled	-	-	1
Active Employees	516	112	155
Total Participants	1,104	201	332

Contributions

Contribution rates for the City and employees for the fiscal year ended September 30, 2020 were as follows:

	Employees Pension Plan	Fire Fighters Pension Plan	Police Pension Plan
Participant contribution	6.00%	18.00%	12.00%
City contribution	9.00%	17.00%	18.00%

Pension contribution rates are determined by ordinance with respect to the Employee Plan. Collective bargaining agreements establish minimum contribution levels with respect to the Police and Firefighters Plans.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Plans' Fiduciary Net Position is determined on the same basis used by the pension plans.

	Employees Pension Plan	Fire Fighters Pension Plan	Police Pension Plan
Total Pension Liability	$ 70,813,036	$ 73,637,955	$ 59,113,656
Fiduciary Net Position	57,497,906	49,030,853	21,952,811
Net Pension Liability	$ 13,315,130	$ 24,607,102	$ 37,160,845
Fiduciary net position as a percentage of total pension liability	81.20%	66.58%	37.14%

Net Pension Liability is generally liquidated by the General Fund, Pension Reform Fund and Proprietary Funds.

On May 2, 2019, the Legislature of the State of Texas passed House Bill No 2763 ("HB 2763") relating to the police pension fund in certain municipalities. HB 2763 establishes requirements that a municipality must offset any negative financial impact to the fund, as determined by the actuary, caused solely by an action taken by the municipality, including a reduction in the number of police officers. The municipality will be required to provide additional funding to the police pension fund by making contribution increases until the negative impact is eliminated, as determined by the actuary. The bill also provides that current contribution rates (18 percent by the City and 12 percent by active plan members) will remain in place until January 1, 2025. After that time, any future deficit caused by forces beyond the City's control, including economic downturn, will result in any increased net pension liability being treated as a separate liability and split between the City and the plan members in the form of mandatory contributions. Therefore, the City and plan members are mandated to keep the plan's amortization period under 30 years effectively beginning in 2020.

HB 2763 also establishes minimum contribution levels. The City must contribute to the police pension fund 18 percent of payroll based on authorized staffing levels, as approved by the City Council and Collective Bargaining Agreement. The City shall calculate the difference between the actual payroll and the payroll in which the initial contribution was based and make a contribution to the police pension fund to cover the deficiency of the initial contribution. Furthermore, the rate of contributions to the police pension fund may not be reduced, nor shall a new benefit payable be established, if the change results in an increase to the amortization period of the unfunded actuarial liability that exceeds 25 years.

Changes in Net Pension Liability

Changes in the City's net pension liability presented below are calculated on the same basis as each of the plans for the year ended December 31, 2019 (measurement year):

	Employees' Retirement Plan for City Employees 2019	Galveston Firefighters' Pension Fund 2019	Employees' Retirement Plan for Police 2019
Total pension liability:			
Service cost	$ 2,315,618	$ 1,415,927	$ 1,622,016
Interest	4,953,301	5,156,123	3,979,593
Difference between expected and actual experience	(120,010)	374,319	(138,553)
Change in assumptions	-	3,564,858	(95,499)
Benefit payments, including refunds of employee contributions	(4,683,296)	(3,975,925)	(4,107,380)
Net change in total pension liability	2,465,613	6,535,302	1,260,177
Total pension liability - beginning	68,347,423	67,102,653	57,853,479
Total pension liability - ending (a)	$ 70,813,036	$ 73,637,955	$ 59,113,656
Plan fiduciary net position:			
Contributions - employer	$ 2,424,690	$ 1,401,579	$ 3,803,070
Contributions - employee	1,616,461	1,484,025	1,504,688
Net investment income	9,791,491	7,770,870	3,193,800
Benefit payments, including refunds of employee contributions	(4,683,296)	(3,975,925)	(4,107,380)
Administrative expense	(165,769)	(138,000)	(297,764)
Net change in plan fiduciary net position	8,983,577	6,542,549	4,096,414
Plan fiduciary net position - beginning	48,514,329	42,488,304	17,856,397
Plan fiduciary net position - ending (b)	$ 57,497,906	$ 49,030,853	$ 21,952,811
Net pension liability - ending (a) - (b)	$ 13,315,130	$ 24,607,102	$ 37,160,845

Pension Expense

For the year ended September 30, 2020, the City recognized total pension expense by plan is as follows:

	Employees Pension Plan	Fire Fighters Pension Plan	Police Pension Plan	Total
Service Cost	$ 2,315,618	$ 1,415,927	$ 1,622,016	$ 5,353,561
Interest on total pension liability	4,953,301	5,156,123	3,979,593	14,089,017
Administrative expenses	165,769	138,000	297,764	601,533
Member contributions	(1,616,461)	(1,484,025)	(1,504,688)	(4,605,174)
Expected investment return net of investment expenses	(3,488,002)	(3,245,245)	(1,241,607)	(7,974,854)
Recognition of economic/demographic gains or losses	(403,354)	(26,708)	(237,277)	(667,339)
Recognition of assumption changes or inputs	831,619	314,003	1,054,298	2,199,920
Differences between projected and actual earnings on plan investments	208,342	602,746	370,202	1,181,290
Pension Expense	$ 2,966,832	$ 2,870,821	$ 4,340,301	$ 10,177,954

Schedule of Deferred Outflows and Inflow of Resources

Deferred outflows of resources and deferred inflows of resources by source reported by the City at September 30, 2020 for each plan are as follows:

	Employees Pension Plan		Fire Fighters Pension Plan		Police Pension Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 288,618	$ (759,826)	$ 465,574	$ (439,190)	$ 251,078	$ (991,499)	$ 1,005,270	$ (2,190,515)
Changes of assumptions	1,477,929		3,182,810	(572,046)	4,767,817	(376,938)	9,428,556	(948,984)
Difference between projected and actual earnings		(2,607,253)		(1,230,755)		(410,946)	-	(4,248,954)
Employers contribution subsequent to measurement date	1,939,692		1,133,044	-	1,852,721	-	4,925,457	-
	$ 3,706,239	$ (3,367,079)	$ 4,781,428	$ (2,241,991)	$ 6,871,616	$ (1,779,383)	$ 15,359,283	$ (7,388,453)

The $4,925,457 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement date	Employees Pension Plan	Fire Fighters Pension Plan	Police Pension Plan	Total
2020	$ (302,828)	$ 70,480	$ 834,151	$ 601,803
2021	(314,473)	(107,933)	1,159,202	736,796
2022	222,069	573,707	1,252,256	2,048,032
2023	(1,201,580)	(617,829)	32,910	(1,786,499)
2024	(3,720)	488,166	(39,007)	445,439
thereafter	-	999,802	-	999,802
	$ (1,600,532)	$ 1,406,393	$ 3,239,512	$ 3,045,373

Actuarial Assumptions and Other Data

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Employees Pension Plan	Fire Fighters Pension Plan	Police Pension Plan
Inflation	2.75% per annum	2.85% per annum	4.00% per annum
Investment rate of return	7.25%, net of pension plan investment expenses	7.5%, net of pension plan investment expenses	7.00%, net of pension plan investment expenses
Salary increases	2.75% general annual compensation increase plus an average of 1.4% per year for pay increases due to promotions and longevity over a 25-year career.	2.85% general annual compensation increase plus an average of 1.85% per year for pay increases due to promotions and longevity over a 30-year career.	4.00% general annual compensation increase plus 3% grading down to 0% for longevity and promotion based on years of service.
Mortality rates	RP-2000 Combined Healthy Mortality tables projected by scale AA to 2024.	RP-2000 Combined Healthy Mortality tables projected by scale AA to 2024.	PubS-2010 Employee and Healthy Annuitant mortality tables projected generationally with Scale MP-2018. For post-retirement spouse mortality, PUbS-2010 Healthy Annuitant (opposite gender) mortality projected generationally with Scale MP-2018. All disabled members are assumed to be male using PubS-2010 Male Disability mortality tables and their spouses are assumed to be female using PubS-2010 Female Healthy Annuitant mortality tables, both projected generationally with Scale MP-2018.

Discount Rate

The discount rates reported are based on certified actuarial reports and are used to measure the total pension liability as of December 31, 2019 which is 7.25% for the Employees Pension Plan, 7.50% for the Firefighters Pension Plan and 7.00% for the Police Pension Plan. The discount rates used to measure the pension liability as of December 31, 2018 were 7.25% for the Employees Pension Plan, 7.5% for the Firefighters Pension Plan and 7.00% for the Police Pension Plan. The discount rate is an assumption that generally is not required to be updated between actuarial valuations dates.

Sensitivity of the net pension liability to changes in the discount rate

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

	1% Decrease	Current Discount Rate	1% Increase
	(6.25%)	(7.25%)	(8.25%)
Employees Pension Plan	$ 21,347,053	$ 13,315,130	$ 6,534,588
	(6.50%)	(7.50%)	(8.50%)
Fire Fighters Pension Plan	$ 28,450,702	$ 24,607,102	$ 14,098,810
	(6.00%)	(7.00%)	(8.00%)
Police Pension Plan	$ 44,491,136	$ 37,160,845	$ 31,089,925

Note 15 - Prior Period Adjustments

During the fiscal year, the City made the following prior period adjustment to the government-wide and fund financial statements:

1. Wrote down the receivable from a inter-governmental agency.
2. Other miscellaneous adjustments relating to payroll deductions.

	Government-wide Statement of Activities		Fund Level Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	
	Governmental Activities	Business-type Activities	Combined Utility System	Other Enterprise Funds
Net position at September 30, 2019, as previously reported	$ 172,318,837	$ 300,894,356	$ 258,388,301	$ 42,587,507
To recharacterize CDBG Disaster Recovery Housing Program Administration expenses and other miscellanous payroll related tems	(1,656,798)	(13,320)	(9,735)	(3,585)
Net position at September 30, 2019, as restated	$ 170,662,039	$ 300,881,036	$ 258,378,566	$ 42,583,922

Note 16 - Litigation/Contingency

The City is a defendant in various lawsuits and is aware of pending claims arising in the ordinary course of its activities, some of which seek damages that could impact the operations of the City. That litigation includes lawsuits claiming damages that allege that the City caused personal injuries and wrongful deaths; breach of contract and various claims from contractors for additional amounts under construction contracts. The status of such litigation ranges from an early discovery stage to various levels of appeal of judgments both for and against the City.

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The amount of damages is limited in certain cases under the Texas Tort Claims Act and is subject to appeal. Some cases in federal court for deprivation of civil rights do not have similar limitations.

Typically, the City is covered for claims under a policy through the Texas Municipal League Risk Pool. The City intends to defend itself vigorously against all suits; however, no prediction can be made, as of the date thereof, with respect to the liability of the City for such claims or the final outcome of such suits. The City typically utilizes its Risk Pool funds or the General Fund to liquidate claims and judgments; however, the City is authorized under Texas law to issue judgment bonds to pay final judgments against the City under appropriate circumstances.

Note 17 - Subsequent Events

Required Supplementary Information

2020 Annual Comprehensive Financial Report

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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts			
	Original	**Final**	**Actual**	**Reconciling Items**	**Actual - Budgetary Basis**	**Variance with Final Budget**
Revenues						
Property taxes	$ 29,069,000	$ 29,069,000	$ 29,102,103	$ -	$ 29,102,103	$ 33,103
Sales tax	17,175,000	17,175,000	16,355,869	-	16,355,869	(819,131)
Mixed beverage tax	1,063,000	1,063,000	-	761,777 [1]	761,777	(301,223)
Franchise and other taxes	5,337,600	5,337,600	5,873,889	(761,777) [1]	5,112,112	(225,488)
Licenses and permits	1,243,100	1,243,100	1,320,998	-	1,320,998	77,898
Fines and forfeitures	1,591,200	1,591,200	1,393,994	(1,956) [1]	1,392,038	(199,162)
Charges for services	233,700	233,700	212,275	1,956 [1]	214,231	(19,469)
Investment earnings	325,000	325,000	199,284	-	199,284	(125,716)
Intergovernmental	148,500	148,500	315,490	(100,000) [1]	215,490	66,990
Other	863,000	863,000	1,304,530	100,000 [1]	1,404,530	541,530
Total Revenues	57,049,100	57,049,100	56,078,432	-	56,078,432	(970,668)
General government						
Legislative	603,146	617,344	506,330	-	506,330	111,014
Judicial	728,353	772,257	697,601	-	697,601	74,656
Executive	696,989	720,224	632,195	-	632,195	88,029
City auditor	833,109	287,176	275,704	-	275,704	11,472
Finance	1,620,769	1,682,129	1,682,038	-	1,682,038	91
Legal	278,551	861,684	771,110	-	771,110	90,574
Personnel	560,117	575,041	531,952	-	531,952	43,089
Taxation	271,723	288,673	288,666	-	288,666	7
Total general government	5,592,757	5,804,528	5,385,596	-	5,385,596	418,932
Public safety						
Police	20,896,648	21,676,738	21,514,645	83,000 [1]	21,597,645	79,093
Fire	11,583,074	12,364,952	12,164,432	-	12,164,432	200,520
Emergency management	138,308	146,341	140,435	-	140,435	5,906
Emergency medical service	615,200	615,200	615,122	-	615,122	78
City marshal	819,018	844,308	688,740	-	688,740	155,568
Total public safety	34,052,248	35,647,539	35,123,374	83,000	35,206,374	441,165
Public works and traffic	3,841,084	4,006,290	3,541,633	(25,067) [2]	3,516,566	489,724
Culture and recreation	2,860,950	2,979,076	2,770,563	-	2,770,563	208,513
Planning and community development	1,786,963	1,853,696	1,574,264	-	1,574,264	279,432
Transportation system	800,000	800,000	-	200,000 [1]	200,000	600,000
Capital outlay	1,168,700	830,750	701,054	-	701,054	129,696
Governmental expenditures	2,614,834	408,649	404,800	-	404,800	3,849
Facilities maintenance	1,515,665	1,515,665	1,493,864	-	1,493,864	21,801
City Council contingency	-	-	-	-	-	-
Total expenditures	54,233,201	53,846,193	50,995,148	257,933	51,253,081	2,593,112
Other Financing Sources (Uses)						
Transfers in	2,257,700	2,257,700	2,303,708	-	2,303,708	46,008
Transfers out	(5,262,544)	(5,442,544)	(5,601,038)	257,933 [1]	(5,343,105) [3]	99,439
Sale of capital assets	30,000	30,000	107,044	-	107,044	77,044
Total Other Financing Sources (Uses)	(2,974,844)	(3,154,844)	(3,190,286)	257,933	(2,932,353)	222,491
Net change in fund balance	(158,945)	48,063	1,892,998	-	1,892,998	1,844,935
Fund balance - beginning	16,509,675	16,509,675	16,509,675	-	16,509,675	-
Prior period adjustments	-	(1,650,113) [4]	(1,650,112)	-	(1,650,112)	1
Fund balance - ending	$ 16,350,730	$ 14,907,625	$ 16,752,561	$ -	$ 16,752,561	$ 1,844,936

1) These represent reclasses for budget presentation purposes only.
2) These include amounts for close out FEMA project workorders.
3) This includes transfers totaling $596,161 to the Separation Pay Fund and the charter mandated 8% of General Fund Budgeted Revenues transfer to the Infrastructure & Debt Service Fund in the amount of $4,746,944.
4) This includes a transfer in the amount of $1,526,606 from the General Fund balance to create a one-time line item to properly record Hurricane Ike CDBG Housing Program Administration expenses.

REQUIRED PENSION SYSTEM SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios
For the Last Six Measurement Years

	2019	2018
Total pension liability:		
Service cost	$ 2,315,618	$ 2,157,580
Interest	4,953,301	4,640,796
Effect of plan changes	-	735,115
Difference between expected and actual experience	(120,010)	(365,588)
Change in assumptions	-	1,531,884
Benefit payments, including refunds of employee contributions	(4,683,296)	(4,411,522)
Net change in total pension liability	2,465,613	4,288,265
Total pension liability - beginning	68,347,423	64,059,158
Total pension liability - ending (a)	$ 70,813,036	$ 68,347,423
Plan fiduciary net position:		
Contributions - employer	$ 2,424,690	$ 2,367,759
Contributions - employee	1,616,461	1,578,505
Net investment income	9,791,491	(2,431,839)
Benefit payments, including refunds of employee contributions	(4,683,296)	(4,411,523)
Administrative expense	(165,769)	(138,864)
Net change in plan fiduciary net position	8,983,577	(3,035,962)
Plan fiduciary net position - beginning	48,514,329	51,550,291
Plan fiduciary net position - ending (b)	$ 57,497,906	$ 48,514,329
Net pension liability - ending (a) - (b)	13,315,130	19,833,094
Plan fiduciary net position as a percentage of total pension liability	81.20%	70.98%
Covered payroll	$ 26,741,018	$ 26,061,778
Net pension liability as a percentage of covered payroll	49.79%	76.10%
Annual money-weighted rate of return, net of investment expense	20.35%	-4.75%

The amounts presented are for each measurement year, which end the preceding December 31 of the City's fiscal year end. Net pension liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 68. Ten years of data should be presented in this schedule but data was unavailable prior to 2014.

Employees' Retirement Plan for City Employees			
2017	**2016**	**2015**	**2014**
$ 1,982,697	$ 1,782,456	$ 2,036,695	$ 2,184,793
4,423,875	4,388,324	4,465,817	4,291,727
-	-	-	-
636,348	(1,388,765)	(932,848)	-
33,335	1,539,868	1,385,114	-
(4,106,737)	(3,921,559)	(4,102,964)	(3,820,447)
2,969,518	2,400,324	2,851,814	2,656,073
61,089,640	58,689,316	55,837,502	53,181,429
$ 64,059,158	$ 61,089,640	$ 58,689,316	$ 55,837,502
$ 2,274,927	$ 2,059,527	$ 1,968,772	$ 1,836,025
1,518,519	1,371,184	1,315,516	1,224,018
6,356,393	3,333,830	(856,751)	1,803,409
(4,106,737)	(3,921,559)	(4,102,964)	(3,820,447)
(133,005)	(145,136)	(127,457)	(123,414)
5,910,097	2,697,846	(1,802,884)	919,591
45,640,194	42,942,348	44,745,232	43,825,641
$ 51,550,291	$ 45,640,194	$ 42,942,348	$ 44,745,232
12,508,867	15,449,446	15,746,968	11,092,270
80.47%	74.71%	73.17%	80.13%
$ 25,308,650	$ 22,853,067	$ 21,925,267	$ 20,400,300
49.43%	67.60%	71.82%	54.37%
14.00%	7.82%	-1.94%	4.16%

REQUIRED PENSION SYSTEM SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios
For the Last Six Measurement Years

	2019	2018
Total pension liability:		
Service cost	$ 1,415,927	$ 1,374,686
Interest	5,156,123	4,945,665
Effect of plan changes	-	-
Difference between expected and actual experience	374,319	-
Change in assumptions	3,564,858	-
Benefit payments, including refunds of employee contributions	(3,975,925)	(3,316,088)
Net change in total pension liability	6,535,302	3,004,263
Total pension liability - beginning	67,102,653	64,098,390
Total pension liability - ending (a)	$ 73,637,955	$ 67,102,653
Plan fiduciary net position:		
Contributions - employer	$ 1,401,579	$ 2,369,263
Contributions - employee	1,484,025	1,413,412
Net investment income	7,770,870	(2,484,721)
Benefit payments, including refunds of employee contributions	(3,975,925)	(3,316,088)
Administrative expense	(138,000)	(145,205)
Net change in plan fiduciary net position	6,542,549	(2,163,339)
Plan fiduciary net position - beginning	42,488,304	44,651,640
Plan fiduciary net position - ending (b)	$ 49,030,853	$ 42,488,301
Net pension liability - ending (a) - (b)	24,607,102	24,614,352
Plan fiduciary net position as a percentage of total pension liability	66.58%	63.32%
Covered payroll	$ 8,244,583	$ 8,273,793
Net pension liability as a percentage of covered payroll	298.46%	297.50%
Annual money-weighted rate of return, net of investment expense	18.56%	-5.35%

Galveston Firefighters' Pension Fund

2017	2016	2015	2014
$ 1,347,728	$ 1,323,916	$ 1,271,356	$ 1,216,609
4,780,763	4,960,114	4,715,969	4,523,782
-	(1,279,046)	-	-
(297,644)	(502,594)	268,323	-
-	(1,141,246)	121,483	-
(4,143,975)	(3,254,265)	(3,501,502)	(3,151,223)
1,686,872	106,879	2,875,629	2,589,168
62,411,518	62,304,639	59,429,010	56,839,842
$ 64,098,390	$ 62,411,518	$ 62,304,639	$ 59,429,010
$ 1,091,996	$ 1,072,865	$ 996,543	$ 986,610
1,247,995	1,226,133	1,138,906	1,127,549
6,445,125	2,187,709	(848,619)	1,486,347
(4,143,975)	(3,254,265)	(3,501,502)	(3,151,223)
(144,975)	(103,459)	(113,486)	(133,008)
4,496,166	1,128,983	(2,328,158)	316,275
40,155,474	39,026,491	41,354,649	41,038,374
$ 44,651,640	$ 40,155,474	$ 39,026,491	$ 41,354,649
19,446,750	22,256,044	23,278,148	18,074,361
69.66%	64.34%	62.64%	69.59%
$ 7,799,969	$ 7,663,331	$ 7,118,164	$ 7,044,338
249.32%	290.42%	327.02%	256.58%
16.45%	5.68%	-2.09%	4.16%

REQUIRED PENSION SYSTEM SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios
For the Last Six Measurement Years

	2019	2018
Total pension liability:		
Service cost	$ 1,622,016	$ 1,258,499
Interest	3,979,593	3,897,882
Effect of plan changes	-	-
Difference between expected and actual experience	(138,553)	(992,542)
Change in assumptions	(95,499)	5,113,954
Benefit payments, including refunds of employee contributions	(4,107,380)	(4,275,151)
Net change in total pension liability	1,260,177	5,002,642
Total pension liability - beginning	57,853,479	52,850,837
Total pension liability - ending (a)	$ 59,113,656	$ 57,853,479
Plan fiduciary net position:		
Contributions - employer	$ 3,803,070	$ 1,713,305
Contributions - employee	1,504,688	1,417,069
Net investment income	3,193,800	(1,134,296)
Benefit payments, including refunds of employee contributions	(4,107,380)	(4,275,151)
Administrative expense	(297,764)	(408,688)
Net change in plan fiduciary net position	4,096,414	(2,687,761)
Plan fiduciary net position - beginning	17,856,397	20,544,158
Plan fiduciary net position - ending (b)	$ 21,952,811	$ 17,856,397
Net pension liability - ending (a) - (b)	37,160,845	39,997,082
Plan fiduciary net position as a percentage of total pension liability	37.14%	30.86%
Covered payroll	$ 12,539,068	$ 11,808,927
Net pension liability as a percentage of covered payroll	296.36%	338.70%
Annual money-weighted rate of return, net of investment expense	18.01%	-5.74%

Employees' Retirement Plan for Police

2017	2016	2015	2014
$ 1,073,161	$ 1,106,580	$ 1,054,361	$ 1,140,739
3,932,216	3,834,917	3,646,049	3,669,170
-	-	-	-
(358,201)	519,531	157,590	(502,743)
2,398,032	223,990	590,641	(2,527,532)
(4,547,830)	(4,322,870)	(4,114,277)	(3,808,422)
2,497,378	1,362,148	1,334,364	(2,028,788)
50,353,459	48,991,311	47,656,947	49,685,735
$ 52,850,837	$ 50,353,459	$ 48,991,311	$ 47,656,947
$ 1,486,488	$ 1,255,887	$ 1,257,637	$ 1,240,469
1,371,862	1,255,887	1,254,637	1,240,469
2,581,753	1,493,582	(486,296)	1,101,143
(4,547,830)	(4,322,870)	(4,114,277)	(3,808,422)
(132,932)	(126,111)	(86,285)	(85,937)
759,341	(443,625)	(2,174,584)	(312,278)
19,784,817	20,228,442	22,403,026	22,715,304
$ 20,544,158	$ 19,784,817	$ 20,228,442	$ 22,403,026
32,306,679	30,568,642	28,762,869	25,253,921
38.87%	39.29%	41.29%	47.01%
$ 11,432,183	$ 10,465,725	$ 10,455,308	$ 10,337,242
282.59%	292.08%	275.10%	244.30%
13.68%	7.75%	2.26%	4.96%

REQUIRED PENSION SYSTEM SUPPLEMENTARY INFORMATION

Schedule of Contributions
Last Nine Fiscal Years

	Employees' Retirement Plan for City Employees								
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Actuarially determined contributions	$ 2,508,671	$ 2,506,334	$ 2,334,748	$ 2,153,885	$ 2,024,974	$ 2,278,432	$ 2,040,170	$ 2,108,505	$ 2,026,248
Contribution in relation to the actuarially required contribution	$ 2,508,671	$ 2,506,334	$ 2,334,748	$ 2,177,518	$ 2,024,974	$ 1,858,266	$ 1,836,025	$ 1,583,356	$ 1,616,976
Contribution deficiency (excess)	$ (0)	$ -	$ -	$ (23,633)	$ -	$ 420,166	$ 204,145	$ 525,149	$ 409,272
Covered payroll	$27,874,119	$ 27,848,145	$ 25,941,635	$23,932,061	$ 22,499,711	$ 20,647,326	$ 20,400,300	$ 17,592,844	$ 17,966,400
Contributions as a percentage of covered payroll	9.0%	9.0%	9.0%	9.1%	9.0%	9.0%	9.0%	9.0%	9.0%

	Galveston Firefighters' Pension Fund								
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Contractually required contribution	$ 1,450,275	$ 1,467,673	$ 1,280,134	$ 1,082,739	$ 1,023,954	$ 985,160	$ 986,610	$ 945,945	$ 918,961
Contribution in relation to the contractually required contribution	$ 1,450,154	$ 1,467,729	$ 1,280,032	$ 1,082,739	$ 1,023,954	$ 985,160	$ 986,610	$ 945,945	$ 918,961
Contribution deficiency (excess)	$ 121	$ (56)	$ 102	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 8,531,031	$ 8,633,370	$ 8,117,526	$ 7,733,848	$ 7,313,957	$ 7,036,850	$ 7,044,338	$ 6,756,748	$ 6,564,000
Contributions as a percentage of covered payroll	17.0%	17.0%	15.8%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%

	Employees' Retirement Plan for Police								
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Contractually required contribution	$ 2,356,044	$ 2,114,333	$ 1,624,952	$ 1,405,962	$ 1,249,715	$ 1,187,532	$ 1,240,469	$ 1,114,126	$ 1,117,059
Contribution in relation to the contractually required contribution	$ 2,356,823	$ 2,114,922	$ 1,625,097	$ 1,407,567	$ 1,249,715	$ 1,187,532	$ 1,240,469	$ 1,114,126	$ 1,117,059
Contribution deficiency (excess)	$ (779)	$ (589)	$ (145)	$ (1,605)	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$13,089,134	$12,853,090	$11,623,408	$10,815,095	$ 10,414,292	$ 9,896,098	$ 10,337,242	$ 9,281,758	$ 9,308,825
Contributions as a percentage of covered payroll (a)	18.00%	16.45%	13.98%	12.83%	12.0%	12.0%	12.0%	12.0%	12.0%

(a) Contributions by the City increased from 17% to 18% in October 2019.

REQUIRED PENSION SYSTEM SUPPLEMENTARY INFORMATION

Notes to Schedule of Contributions
For the Year Ended December 31, 2019

	Employees' Retirement Plan for City Employees	Galveston Firefighters' Pension Fund	Employees' Retirement Plan for Police
Valuation Date:	31-Dec-19	31-Dec-19	31-Dec-19
Methods and assumptions used to determine contribution rates:			
Asset valuation method	Fair Value	Smoothed market value	Adjusted market value within a corridor range of 90% to 110% of fair market value.
Actuarial cost method	Entry Age Service	Entry Age Service	Entry Age Service
Amortization method	Level percentage of payroll, open.	Level percentage of payroll, closed.	Level percentage of payroll based on an assumed annual payroll growth of 3.5% per year.
Inflation	2.75% per annum	2.85% per annum	4.00% per annum
Investment rate of return	7.25%, net of pension plan investment expenses	7.5%, net of pension plan investment expenses	7.00%, net of pension plan investment expenses
Administrative expense	Assumed to be 0.60% of payroll.	Assumed to be 1.55% of payroll.	Assumed to be 0.95% of payroll.
Salary increases	2.75% general annual compensation increase plus an average of 1.4% per year for pay increases due to promotions and longevity over a 25-year career.	2.85% general annual compensation increase plus an average of 1.85% per year for pay increases due to promotions and longevity over a 30-year career.	4.00% general annual compensation increase plus 3% grading down to 0% for longevity and promotion based on years of service.
Mortality rates	Mortality rates were based on the PubG-2010 below-medium income table for employees and for retirees, projected for mortality impovement generationally using the projection scale MP-2018	RP-2000 Combined Healthy Mortality tables projected by scale AA to 2024.	PubS-2010 Employee and Healthy Annuitant mortality tables projected generationally with Scale MP-2018. For post-retirement spouse mortality, PUbS-2010 Healthy Annuitant (opposite gender) mortality projected generationally with Scale MP-2018. All disabled members are assumed to be male using PubS-2010 Male Disability mortality tables and their spouses are assumed to be female using PubS-2010 Female Healthy Annuitant mortality tables, both projected generationally with Scale MP-2018.

REQUIRED OPEB SUPPLEMENTARY INFORMATION
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Two Last Measurement Years

	2020	2019
Total OPEB Liability		
Service cost	$ 777,658	$ 825,240
Interest on the total OPEB Liability	360,881	310,894
Difference between expected and actual experience	(796)	(1,817,888)
Changes of assumption	1,030,796	1,325,541
Benefit payments	(254,025)	(316,616)
Net change in total OPEB liability	1,914,514	327,171
Total OPEB liability - beginning	9,465,438	9,138,267
Total OPEB liability - ending	$ 11,379,952	$ 9,465,438
Covered payroll	$ 41,819,576	$ 41,580,086
Total OPEB liability as a percentage of covered payroll	27.21%	22.76%

The amounts presented are for each measurement year, which end the preceding December 31 of the City's fiscal year end. Total OPEB liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 75. Ten years of data should be presented in this schedule but data was unavailable prior to 2017.

Notes to Schedule:

Changes of assumption: Changes of assumption reflects the effect of changes in the discount rate each period. The following are the discount rates used in each period:

2020	2.75%
2019	3.71%
2018	3.31%
2017	3.81%

Combining and Individual Fund Statements and Schedule

2020 Annual Comprehensive Financial Report

CITY OF GALVESTON 1839 TEXAS

GALVESTON
EST. Texas 1839
IT'S ISLAND TIME

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

Island Transit – To account for the receipt of and expenditure of federal, state, and local revenues designated for transit and other livable community projects.

Rosenberg Library Fund – To account for ad valorem taxes collected and transferred to the library, to be used for library purposes, as authorized by City Charter.

Parks and Recreation Improvement Fund – To account for receipt and expenditure of intergovernmental revenues designated for parks and recreation improvements.

Housing & Urban Development (HUD) Entitlement Grants Fund – To account for receipt and expenditure of annual federal CDBG Entitlement and HOME Investment Partnership allocations.

Project Specific Programs – To account for receipt and expenditures designated for governmental special projects; including Police/Fire general projects, Fire special revenue, Courts general projects, and other parks general projects.

Convention Center Operations Fund – To account for operating and capital reserves relating to the convention center.

Cable Television Public Education & Government Fund – To account for receipt and expenditures of public-access television tax revenue provided for the purpose of public, educational, and governmental information.

CDBG Disaster Fund Housing – To account for receipt and expenditure of federal revenue designated for disaster relief, long-term recovery, and restoration of housing including affordable rental housing in declared federal disaster areas in 2008.

Parking Management Fund – To account for receipts of downtown parking revenue and expenditures related to the operation and capital improvement of the downtown area.

Seawall Parking Fund – To account for net receipts of seawall parking revenue in excess of Park Board expenditures related to the operation of the seawall and beach. Balances can only be allocated by the CIty Council for capital improvements to the seawall and beach.

Arts and Historical Fund – To account for receipts of the ⅛ percent hotel occupancy tax, to be used for advertisement and capital repairs to historical buildings and statues.

Neighborhood Revitalization Fund – To account for receipt and expenditure of monies from the Industrial Development Board of the City of Galveston to be used for Capital Projects.

Public Safety Programs – To account for receipt and expenditures of federal, state and/or local grant monies restricted for governmental public safety programs and capital projects.

Infrastructure & Debt Service Fund – To account for receipt and expenditures restricted for governmental infrastructure capital projects as defined by the City Charter.

Judicial Programs – To account for receipt and expenditures designated for governmental judicial capital projects, including court building security and technology, and youth after-school programs.

Convention Center Surplus Fund – To account for local hotel occupancy tax allocated to operations and capital projects that enhance and promote tourism and the convention and hotel industry.

Lasker Pool - To account for receipts and expenditures for City pool operations.

Pension Reform Fund - To account for funds set aside to be used for reforming the City's three pension plans.

Recovery and Capital Reserve Fund – To account for receipt and expenditures committed for governmental projects.

Separation Pay Fund – To account for the final payout of employees accrued benefits at the separation of employment.

Revenue Producing Parks Fund – To account for receipts and expenditures of revenue generating beach parks.

Technology Replacement Fund – To account for City resources from other funds used to implement new and or upgraded computer hardware and software systems.

Hurricane Harvey Fund – To account for receipt and expenditures of grant monies restricted for Hurricane Harvey recovery efforts.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

Island Transit Capital Projects – To account for capital outlay related to the Island Transit operations.

General Obligation Bonds 2017 Capital Projects – To account for capital outlay financed by the proceeds from the General Obligation Bonds, Series 2017.

Industrial Development Corporation Beach Renourishment Fund – To account for project costs renourish beaches as financed by the IDC and directed by the voters.

Industrial Development Corporation Economic Development Fund – To account for economic development projects as financed by the IDC and directed by the voters.

Industrial Development Corporation Parks Improvement Fund – To account for improvements to City parks financed by the IDC and directed by the voters.

Industrial Development Corporation Infrastructure Fund – To account for streets, drainage and sewer system improvement projects financed by the IDC and directed by the voters.

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for debt service fund and payment of general long-term debt, principal, interest and related costs.

Debt Service Fund – To account for the payment of interest and principal on all property tax-supported general obligation long-term debt of the City. Water and sewer supported general obligation refunding bond debt service payment are paid by the respective enterprise fund. City bonds issued on behalf of the Wharves Authority are paid here and reimbursed by the Authority.

Hotel Occupancy Tax Debt Service Fund – To account for the accumulation of hotel occupancy taxes to fund reserves and debt service payments for bonds issued to build the convention center and adjoining parking garage.

BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2020

	Island Transit	Rosenberg Library Fund	Housing & Urban Development Entitlement Grants Fund
Assets			
Cash and cash equivalents	$ 78	$ -	$ -
Receivables (net of allowance for uncollectibles)	1,030	114,802	-
Due from other governments	276,479	-	418,353
Due from other funds	-	-	-
Inventories	309,440	-	-
Prepaid Items	-	-	1,681
Restricted cash and investments	-	-	855,276
Total Assets	$ 587,027	$ 114,802	$ 1,275,310
Liabilities			
Accounts payable	$ 64,631	$ -	$ (13,444)
Accrued expenditures	-	-	7,616
Due to other funds	172,771	6,088	427,591
Due to other governments	-	-	1,382
Due to component units	-	-	-
Unearned revenue	-	-	852,165
Total Liabilities	237,402	6,088	1,275,310
Deferred Inflows of Resources			
Unavailable revenue - property taxes	-	108,714	-
Total Deferred Inflows of Resources	-	108,714	-
Fund Balance			
Nonspendable:			
Inventories	309,440	-	-
Prepaid items	-	-	1,681
Restricted:			
Debt service	-	-	-
Beach preservation	-	-	-
Infrastructure and debt service	-	-	-
Capital projects	-	-	-
Grants	40,185	-	-
Tourism, convention and hotel industry:			
Convention center operator	-	-	-
City of Galveston	-	-	-
Committed:			
Governmental projects	-	-	-
Assigned:			
Other	-	-	-
Unassigned	-	-	(1,681)
Total Fund Balance	349,625	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 587,027	$ 114,802	$ 1,275,310

Project Specific Programs	Convention Center Operations Fund	Cable Public Television Education & Government Fund	Parking Management Fund	Seawall Parking Fund	Arts and Historical Fund
$ 4,144	$ -	$ -	$ 569,089	$ -	$ 1,476,137
-	-	40,664	-	-	-
1,996,893	-	-	-	63,965	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,075,818	2,762,830	1,192,504	-	1,566,829	-
$ 3,076,855	$ 2,762,830	$ 1,233,168	$ 569,089	$ 1,630,794	$ 1,476,137
$ 1,955,421	$ 2,014,806	$ -	$ 2,970	$ 57,485	$ -
-	-	-	-	-	-
41,472	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,144	-	-	-	-	-
2,001,037	2,014,806	-	2,970	57,485	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,573,309	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	748,024	-	-	-	-
-	-	1,233,168	566,119	-	-
1,075,818	-	-	-	-	-
-	-	-	-	-	1,476,137
-	-	-	-	-	-
1,075,818	748,024	1,233,168	566,119	1,573,309	1,476,137
$ 3,076,855	$ 2,762,830	$ 1,233,168	$ 569,089	$ 1,630,794	$ 1,476,137

BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2020

	Neighborhood Revitalization	Public Safety Programs	Convention Center Surplus Fund	Infrastructure and Debt Service Fund
Assets				
Cash and cash equivalents	$ 419,310	$ -	$ -	$ -
Receivables (net of allowance for uncollectibles)	-	-	982,403	-
Due from other governments	-	84,627	-	-
Due from other funds	-	-	-	47,011
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Restricted cash and investments	-	819,109	1,670,381	3,985,146
Total Assets	$ 419,310	$ 903,736	$ 2,652,784	$ 4,032,157
Liabilities				
Accounts payable	$ 3,501	$ 9,522	$ 72	$ 353,870
Accrued expenditures	1,683	-	-	101,398
Due to other funds	-	83,609	-	-
Due to other governments	-	-	-	-
Due to component unit	-	-	-	-
Unearned revenue	-	14,829	-	-
Total Liabilities	5,184	107,960	72	455,268
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balance				
Nonspendable:				
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Restricted:				
Debt service	-	-	-	-
Beach preservation	-	-	-	-
Infrastructure and debt service	-	-	-	3,576,889
Capital projects	-	-	-	-
Grants	-	795,776	-	-
Tourism, convention and hotel industry:				
Convention center operator	-	-	2,652,712	-
City of Galveston	-	-	-	-
Committed:				
Governmental projects	-	-	-	-
Assigned:				
Other	414,126	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	414,126	795,776	2,652,712	3,576,889
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 419,310	$ 903,736	$ 2,652,784	$ 4,032,157

	Judicial Programs	Lasker Pool	Pension Reform Fund	Recovery and Capital Reserve Fund	Separation Pay Fund	Revenue Producing Parks	Technology Replacement Fund
	$ 260,167	$ 200	$ 1,066,054	$ 482,888	$ 419,465	$ 418,206	$ 1,557,679
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	85,700
	-	-	-	-	-	-	-
	4,664	-	-	-	-	-	-
	227	351,445	-	208,993	-	-	-
	$ 265,058	$ 351,645	$ 1,066,054	$ 691,881	$ 419,465	$ 418,206	$ 1,643,379
	$ 83	$ 5,986	$ -	$ 31,339	$ -	$ 438	$ -
	-	-	-	12,473	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	83	5,986	-	43,812	-	438	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	4,664	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	648,069	-	-	-
	260,311	345,659	1,066,054	-	419,465	417,768	1,643,379
	-	-	-	-	-	-	-
	264,975	345,659	1,066,054	648,069	419,465	417,768	1,643,379
	$ 265,058	$ 351,645	$ 1,066,054	$ 691,881	$ 419,465	$ 418,206	$ 1,643,379

BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2020

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	Hurricane Harvey Fund	Coronavirus Relief Fund	Island Transit Capital Projects	General Obligation Bond 2017 Capital Projects
Assets				
Cash and cash equivalents	$ -	$ -	$ -	$ -
Receivables (net of allowance for uncollectibles)	-	-	-	-
Due from other governments	839,778	-	76,464	-
Due from other funds	-	-	678,184	737,571
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Restricted cash and investments	54,489	113,464	3,571,229	9,318,514
Total Assets	$ 894,267	$ 113,464	$ 4,325,877	$ 10,056,085
Liabilities				
Accounts payable	$ -	$ 13,464	$ 15,684	$ 1,217,207
Accrued expenditures	-	-	-	511,402
Due to other funds	757,960	-	61,425	-
Due to other governments	-	-	-	-
Due to component unit	-	-	-	-
Unearned revenue	89,540	-	29,141	-
Total Liabilities	847,500	13,464	106,250	1,728,609
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balance				
Nonspendable:				
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Restricted:				
Debt service	-	-	-	-
Beach preservation	-	-	-	-
Infrastructure and debt service	-	-	-	-
Capital projects	-	-	4,219,627	8,327,476
Grants	-	100,000	-	-
Tourism, convention and hotel industry:				
Convention center operator	-	-	-	-
City of Galveston	-	-	-	-
Committed:				
Governmental projects	-	-	-	-
Assigned:				
Other	46,767	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	46,767	100,000	4,219,627	8,327,476
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 894,267	$ 113,464	$ 4,325,877	$ 10,056,085

Industrial Development Corporation Beach Renourishment Fund	Industrial Development Corporation Economic Development Fund	Industrial Development Corporation Parks Improvement Fund	Industrial Development Corporation Infrastructure Fund	Debt Service Fund	Hotel Occupancy Tax Debt Service Fund	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ 6,673,417
-	-	-	-	114,893	-	1,253,792
241,095	241,095	241,095	241,095	-	-	4,720,939
593	593	593	593	-	-	1,550,838
-	-	-	-	-	-	309,440
-	-	-	-	-	-	6,345
4,874,289	3,026,221	1,608,376	3,756,020	1,716,543	2,768,372	45,296,074
$ 5,115,977	$ 3,267,909	$ 1,850,064	$ 3,997,708	$ 1,831,436	$ 2,768,372	$ 59,810,845
$ -	$ 3,017	$ 16,743	$ 83,067	$ 250	$ -	$ 5,836,112
-	162,998	-	58,268	-	-	855,838
-	-	-	-	-	-	1,550,916
-	-	-	-	-	-	1,382
-	-	-	-	-	-	-
-	-	-	-	-	-	989,819
-	166,015	16,743	141,335	250	-	9,234,067
-	-	-	-	114,893	-	223,607
-	-	-	-	114,893	-	223,607
-	-	-	-	-	-	309,440
-	-	-	-	-	-	6,345
-	-	-	-	1,716,293	2,768,372	4,484,665
-	-	-	-	-	-	1,573,309
-	-	-	-	-	-	3,576,889
5,115,977	3,101,894	1,833,321	3,856,373	-	-	26,454,668
-	-	-	-	-	-	935,961
-	-	-	-	-	-	3,400,736
-	-	-	-	-	-	1,799,287
-	-	-	-	-	-	1,723,887
-	-	-	-	-	-	6,089,666
-	-	-	-	-	-	(1,682)
5,115,977	3,101,894	1,833,321	3,856,373	1,716,293	2,768,372	50,353,171
$ 5,115,977	$ 3,267,909	$ 1,850,064	$ 3,997,708	$ 1,831,436	$ 2,768,372	$ 59,810,845

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	Island Transit	Rosenberg Library Fund	Housing & Urban Development Entitlement Grants Fund
Revenues			
Property taxes	$ -	$ 3,046,312	$ -
Sales and use taxes	-	-	-
Fines and forfeitures	-	-	-
Charges for services	186,251	-	-
Investment earnings	-	-	-
Intergovernmental	2,668,083	-	1,516,348
Other	42,507	-	-
Total revenues	2,896,841	3,046,312	1,516,348
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Highways and roads	-	-	-
Culture and recreation	-	3,046,312	-
Planning and community development	-	-	675,137
Transportation	3,461,817	-	-
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital Outlay	-	-	836,117
Total expenditures	3,461,817	3,046,312	1,511,254
Excess (deficiency) of revenues over (under) expenditures	(564,976)	-	5,094
Other Financing Sources (Uses)			
Sale of capital assets	254	-	-
Transfers in	565,010	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	565,264	-	-
Net change in fund balance	288	-	5,094
Fund balance - beginning	349,625	-	-
Prior period adjustments	(288)	-	(5,094)
Fund balance - ending	$ 349,625	$ -	$ -

Project Specific Programs	Convention Center Operations Fund	Cable Television Public Education & Government Fund	Parking Management Fund	Seawall Parking Fund	Arts and Historical Fund
$ -	$ -	$ -	$ -	$ -	$ -
-	6,826,138	-	-	-	222,273
3,851	-	-	-	-	-
49,914	-	164,473	736,988	146,370	-
3,269	12,986	9,417	5,859	13,266	-
-	-	-	-	-	-
572,000	-	-	-	-	-
629,034	6,839,124	173,890	742,847	159,636	222,273
-	-	-	-	-	-
50,096	-	-	-	103,205	-
-	-	-	-	-	-
(5,528)	6,634,659	-	732,660	-	(1,425)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18,298	140,815	-	12,010	-	-
62,866	6,775,474	-	744,670	103,205	(1,425)
566,168	63,650	173,890	(1,823)	56,431	223,698
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	798	-	-
-	-	-	798	-	-
566,168	63,650	173,890	(1,025)	56,431	223,698
509,651	684,374	1,059,278	567,144	1,516,878	1,252,439
-	-	-	-	-	-
$ 1,075,819	$ 748,024	$ 1,233,168	$ 566,119	$ 1,573,309	$ 1,476,137

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	Neighborhood Revitalization	Public Safety Programs	Convention Center Surplus Fund	Infrastructure and Debt Service Fund
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Sales and use taxes	-	-	1,731,380	-
Fines and forfeitures	-	-	-	-
Charges for services	-	52,934	-	-
Investment earnings	4,219	6,142	-	37,384
Intergovernmental	-	638,363	-	-
Other	-	238,065	-	2,674
Total revenues	4,219	935,504	1,731,380	40,058
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	713,268	-	-
Highways and roads	-	-	-	1,019,191
Culture and recreation	33,928	-	964,600	-
Planning and community development	-	-	-	-
Transportation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital Outlay	38,490	-	143,235	2,543,552
Total expenditures	72,418	713,268	1,107,835	3,562,743
Excess (deficiency) of revenues over (under) expenditures	(68,199)	222,236	623,545	(3,522,685)
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
Transfers in	-	82,999	-	4,746,943
Transfers (out)	-	(31,614)	(466,159)	(1,816,011)
Total other financing sources (uses)	-	51,385	(466,159)	2,930,932
Net change in fund balance	(68,199)	273,621	157,386	(591,753)
Fund balance - beginning	482,324	522,168	2,495,326	4,168,643
Prior period adjustments	-	(13)		-
Fund balance - ending	$ 414,125	$ 795,776	$ 2,652,712	$ 3,576,890

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Judicial Programs	Lasker Pool	Pension Reform Fund	Recovery and Capital Reserve Fund	Separation Pay Fund	Revenue Producing Parks	Technology Replacement Fund
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
65,755	-	-	-	-	-	-
-	14,030	-	-	-	259,407	-
2,694	3,987	9,367	993	-	1,926	8,975
-	-	-	-	-	-	-
-	-	-	-	-	17	-
68,449	18,017	9,367	993	-	261,350	8,975
113,544	-	-	126,499	712,493	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	393,315	-	-	-	54,329	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	475,815	-	-	66,450
113,544	393,315	-	602,314	712,493	54,329	66,450
(45,095)	(375,298)	9,367	(601,321)	(712,493)	207,021	(57,475)
-	-	-	208,000	-	-	-
-	400,000	-	-	756,730	-	456,000
-	-	-	-	-	(19,093)	-
-	400,000	-	208,000	756,730	(19,093)	456,000
(45,095)	24,702	9,367	(393,321)	44,237	187,928	398,525
310,070	321,778	1,056,688	1,041,390	375,227	230,310	1,244,854
-	(821)	-	-	-	(470)	-
$ 264,975	$ 345,659	$ 1,066,055	$ 648,069	$ 419,464	$ 417,768	$ 1,643,379

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	Hurricane Harvey Fund	Coronavirus Relief Fund	Island Transit Capital Projects	General Obligation Bond 2017 Capital Projects
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Sales and use taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	37,067	157,633
Intergovernmental	954,435	796,018	127,025	-
Other	(73,420)	-	-	-
Total revenues	881,015	796,018	164,092	157,633
Expenditures				
Current:				
General government	-	696,018	-	37,381
Public safety	-	-	-	-
Highways and roads	-	-	-	295,204
Culture and recreation	-	-	-	-
Planning and community development	50,491	-	-	-
Transportation	-	-	9,707	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Bond issuance cost	-	-	-	-
Capital Outlay	887,835	-	168,771	10,204,328
Total expenditures	938,326	696,018	178,478	10,536,913
Excess (deficiency) of revenues over (under) expenditures	(57,311)	100,000	(14,386)	(10,379,280)
Other Financing Sources (Uses)				
Proceeds from bonds sales	-	-	-	-
Premiums on bonds	-	-	-	-
Payment with escrow agent	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	5,440	-	51,148	-
Transfers (out)	-	-	1,204	-
Total other financing sources (uses)	5,440	-	52,352	-
Net change in fund balance	(51,871)	100,000	37,966	(10,379,280)
Fund balance - beginning	98,638	-	4,181,661	18,706,757
Prior period adjustments	-	-	-	-
Fund balance - ending	$ 46,767	$ 100,000	$ 4,219,627	$ 8,327,477

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Industrial Development Corporation Beach Renourishment Fund	Industrial Development Corporation Economic Development Fund	Industrial Development Corporation Parks Improvement Fund	Industrial Development Corporation Infrastructure Fund	Debt Service Fund	Hotel Occupancy Tax Debt Service Fund	Totals
$ -	$ -	$ -	$ -	$ 3,204,894	$ -	$ 6,251,206
1,362,990	1,362,989	1,362,989	1,362,989	-	1,822,043	16,053,791
-	-	-	-	-	-	69,606
-	-	-	-	-	-	1,610,367
34,424	22,748	12,840	33,097	50,452	21,840	490,585
-	-	-	-	3,160,002	-	9,860,274
-	-	-	-	-	-	781,843
1,397,414	1,385,737	1,375,829	1,396,086	6,415,348	1,843,883	35,117,672
-	-	-	-	-	-	1,685,935
-	-	-	-	-	-	866,569
-	-	-	1,820,023	-	-	3,134,418
300,782	-	612,509	-	-	-	12,766,141
754	234,343	71	(1,293,813)	-	-	(333,017)
-	-	-	-	-	-	3,471,524
						-
-	-	-	-	4,504,306	1,045,000	5,549,306
-	-	-	-	3,715,079	792,013	4,507,092
-	-	-	-	399,024	-	399,024
-	694,717	-	1,294,530	-	-	17,524,963
301,536	929,060	612,580	1,820,740	8,618,409	1,837,013	49,571,955
1,095,878	456,677	763,249	(424,654)	(2,203,061)	6,870	(14,454,283)
-	-	-	-	31,205,000	-	31,205,000
-	-	-	-	6,194,024	-	6,194,024
-	-	-	-	-	-	-
-	-	-	-	-	-	208,254
-	-	-	-	1,816,011	-	8,880,281
-	(55,000)	(400,000)	-	(37,000,000)	-	(39,785,875)
-	(55,000)	(400,000)	-	2,215,035	-	6,701,684
1,095,878	401,677	363,249	(424,654)	11,974	6,870	(7,752,599)
4,020,099	2,700,217	1,470,072	4,281,027	1,704,319	2,761,502	58,112,459
-	-	-	-	-	-	(6,686)
$ 5,115,977	$ 3,101,894	$ 1,833,321	$ 3,856,373	$ 1,716,293	$ 2,768,372	$ 50,353,174

SPECIAL REVENUE FUND - ISLAND TRANSIT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2020

	Budgeted Amounts Final	Actual Amounts: Actual	Actual Amounts: Reconciling Items	Actual - Budgetary Basis	Variance with Final Budget
Revenues					
Charges for services	$ 300,000	$ 186,251	$ (39,367) [1]	$ 146,884	$ (153,116)
Intergovernmental	2,065,000	2,668,083	-	2,668,083	603,083
Other	113,200	42,507	39,367 [1]	81,874	(31,326)
Total revenues	2,478,200	2,896,841	-	2,896,841	418,641
Expenditures					
Current:					
Transportation	4,187,581	3,461,817	-	3,461,817	725,764
Total expenditures	4,187,581	3,461,817	-	3,461,817	725,764
Revenues over (under) expenditures	(1,709,381)	(564,976)	-	(564,976)	1,144,405
Other Financing Sources (Uses)					
Sale of capital assets	-	254		254	254
Transfers in	1,754,625	565,010	-	565,010	(1,189,615)
Total other financing sources (uses)	1,754,625	565,264	-	565,264	(1,189,361)
Changes in fund balance	45,244	288	-	288	(44,956)
Fund balance - beginning	317,408	349,625	-	349,625	32,217
Prior period adjustments	(288)	(288)		(288)	-
Fund balance - ending	$ 362,364	$ 349,913	$ -	$ 349,913	$ (12,739)

1) Reconciling items represent reclassification in accordance with the budget presentation.

SPECIAL REVENUE FUND - ROSENBERG LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2020

	Budgeted Amounts Final	Actual	Variance with Final Budget
Revenues			
Property taxes	$ 3,052,400	$ 3,046,312	$ (6,088)
Total revenues	3,052,400	3,046,312	(6,088)
Expenditures			
Current:			
Culture and recreation	3,052,400	3,046,312	6,088
Total expenditures	3,052,400	3,046,312	6,088
Changes in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	$ -	$ -	$ -

DRAFT

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2020

	Budgeted Amounts Final	Actual	Variance with Final Budget
Revenues			
Property taxes	$ 3,203,100	$ 3,204,894	$ 1,794
Investment earnings	60,000	50,452	(9,548)
Wharves Authority	3,160,000	3,160,002	2
Total revenues	6,423,100	6,415,348	(7,752)
Expenditures			
Debt Service:			
Principal	4,729,306	4,504,306	225,000
Interest and other charges	3,974,300	3,715,079	259,221
Total expenditures	8,703,606	8,219,385	484,221
Revenues over (under) expenditures	(2,280,506)	(1,804,037)	476,469
Other Financing Sources (Uses)			
Transfers in	2,281,000	1,816,011	(464,989)
Total other financing sources (uses)	2,281,000	1,816,011	(464,989)
Changes in fund balance	494	11,974	11,480
Fund balance - beginning	1,616,133	1,704,319	88,186
Fund balance - ending	$ 1,616,627	$ 1,716,293	$ 99,666

DRAFT

CITY OF GALVESTON, TEXAS

OTHER ENTERPRISE FUNDS

To account for operations that are financed and operated in a manner similar to private business enterprises – (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through the user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Sanitation Services – To account for the provision of a sanitation system to the residents of the City, including but not limited to administration, operations, maintenance, financing and related debt services, and billing and collections.

Drainage Utility – To account for the provision of a utility drainage system to the residents of the City, including but not limited to administration, operations, maintenance, financing and related debt services, and billing and collections.

Airport – To account for the provision of a municipal airport including but not limited to administration, operations, maintenance, financing and related debt services, and billing and collections.

COMBINING STATEMENT OF NET POSITION
OTHER ENTERPRISE FUNDS
September 30, 2020

	Sanitation	Drainage	Airport	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 283,658	$ 836,159	$ 859,058	$ 1,978,875
Accounts Receivable, net of allowance for doubtful accounts	1,468,850	570,381	192,369	2,231,600
Due from other funds	724,616	644	100	725,360
Inventories	-	6,580	-	6,580
Prepaid items	6,139	4,093	107,488	117,720
Restricted cash and investments	-	170,319	1,258,225	1,428,544
Total current assets	2,483,263	1,588,176	2,417,240	6,488,679
Non-current assets:				
Capital assets not being depreciated:				
Land and improvements	-	315,941	1,230,764	1,546,705
Construction in progress	132,276	3,569,857	771,966	4,474,099
Capital assets (net of depreciation):				
Infrastructure	30,071	6,058,858	19,199,075	25,288,004
Buildings and improvements	369,781	-	2,565,579	2,935,360
Equipment and furniture	285,438	1,503,789	76,480	1,865,707
Licensed vehicles	2,509,290	826,942	-	3,336,232
Total non-current assets	3,326,856	12,275,387	23,843,864	39,446,107
Total Assets	5,810,119	13,863,563	26,261,104	45,934,786
Deferred Outflows of Resources				
Deferred outflows relating to pension activities	444,749	222,374	37,062	704,185
Total Deferred Outflows of Resources	444,749	222,374	37,062	704,185
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	113,682	7,175	116,821	237,678
Due to other funds	9,487	-	83,518	93,005
Due to other governments	51,281	-	-	51,281
Unearned revenue	15,620	-	-	15,620
Long-term liabilities, due within one year	242,282	103,279	21,082	366,643
Total current Liabilities	432,352	110,454	221,421	764,227
Non-current liabilities:				
Long-term liabilities, due in more than one year	336,510	48,664	7,649	392,823
Net pension liability	1,597,816	798,908	133,152	2,529,876
Total non-current Liabilities	1,934,326	847,572	140,801	2,922,699
Total Liabilities	2,366,678	958,026	362,222	3,686,926
Deferred Inflows of Resources				
Deferred inflows relating to pension activities	404,049	202,025	33,671	639,745
Total Deferred Inflows of Resources	404,049	202,025	33,671	639,745
Net Position				
Net investment in capital assets	3,326,856	12,275,387	23,843,864	39,446,107
Unrestricted	157,285	650,499	2,058,409	2,866,193
Total Net Position	$ 3,484,141	$ 12,925,886	$ 25,902,273	$ 42,312,300

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION OTHER ENTERPRISE FUNDS

For the Year Ended September 30, 2020

	Sanitation	Drainage	Airport	Total
Operating Revenues				
Charges for services	$ 6,337,973	$ 2,865,032	$ 1,117,793	$ 10,320,798
Total operating revenues	6,337,973	2,865,032	1,117,793	10,320,798
Operating Expenses				
Personnel services	3,735,555	1,955,749	444,867	6,136,171
Contractual services	2,161,689	429,691	190,835	2,782,215
Supplies and materials	99,717	96,974	65,680	262,371
Other expenses	212,054	125,203	246,335	583,592
Depreciation	621,188	756,628	1,010,291	2,388,107
Total operating expenses	6,830,203	3,364,245	1,958,008	12,152,456
Operating income (loss)	(492,230)	(499,213)	(840,215)	(1,831,658)
Non-Operating Revenues (Expenses)				
Interest and investment revenue	11,991	11,180	20,349	43,520
Intergovernmental grants	-	-	50,000	50,000
Gain on disposal of capital assets	20,013	-	12,656	32,669
Total non-operating revenue (expenses)	32,004	11,180	83,005	126,189
Income (loss) before contributions and transfers	(460,226)	(488,033)	(757,210)	(1,705,469)
Capital contributions	67,970	1,411,631	605,854	2,085,455
Transfers in	-	-	55,000	55,000
Transfers (out)	(522,700)	(73,000)	(110,907)	(706,607)
Change in net position	(914,956)	850,598	(207,263)	(271,621)
Net position - beginning	4,401,329	12,076,779	26,109,399	42,587,507
Prior period adjustments	(2,232)	(1,491)	138	(3,585)
Net position - ending	$ 3,484,141	$ 12,925,886	$ 25,902,274	$ 42,312,301

COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS
For the Year Ended September 30, 2020

	Sanitation	Drainage	Airport	Total
Cash Flows from Operating Activities:				
Receipts from customers and users	$ 6,061,249	$ 2,786,081	$ 1,029,411	$ 9,876,741
Receipts for interfund services	-	-	66,156	66,156
Disbursed for employee services	(3,603,449)	(1,966,023)	(451,782)	(6,021,254)
Disbursed for goods and services	(2,583,950)	(742,607)	(493,031)	(3,819,588)
Net cash provided (used) by operating activities	(126,150)	77,451	150,754	102,055
Cash Flows from Non-Capital Financial Activities:				
Transfers from other funds	-	-	55,000	55,000
Transfers to other funds	(522,700)	(73,000)	(110,907)	(706,607)
Net cash provided (used) by noncapital financing activities	(522,700)	(73,000)	(55,907)	(651,607)
Cash Flows from Capital and Related Financing Activities:				
Proceeds from the sale of equipment	20,013	-	12,656	32,669
Intergovernmental grants	-	-	50,000	50,000
Acquisition and construction of capital assets	(605,076)	(373,230)	(322,672)	(1,300,978)
Net cash used by capital and related financing activities	(585,063)	(373,230)	(260,016)	(1,218,309)
Cash Flows from Investing Activities				
Interest received	11,991	11,180	20,349	43,520
Net cash provided (used) by investing activities	11,991	11,180	20,349	43,520
Net increase (decrease) in cash and equivalents	(1,221,922)	(357,599)	(144,820)	(1,724,341)
Cash and equivalents, beginning of year	1,505,580	1,364,078	2,262,103	5,131,761
Cash and equivalents, at end of year	$ 283,658	$ 1,006,479	$ 2,117,283	$ 3,407,420
Unrestricted cash and equivalents	$ 283,658	$ 836,159	$ 859,058	1,978,875
Restricted cash and equivalents	-	170,319	1,258,225	1,428,544
	$ 283,658	$ 1,006,478	$ 2,117,283	$ 3,407,419
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	$ (492,230)	$ (499,213)	$ (840,215)	(1,831,658)
Adjustments to reconcile operating income to cash provided by operating activities:				
Depreciation	621,188	756,628	1,010,291	2,388,107
(Increase) decrease in accounts receivable	40,802	(78,307)	(22,126)	(59,631)
(Increase) decrease in inventories	-	(6,580)	-	(6,580)
(Increase) decrease in prepaid items	(2,337)	(1,559)	(107,488)	(111,384)
(Increase) decrease in interfund receivables and payables	(317,434)	(644)	(100)	(318,178)
(Increase) decrease in deferred outflows/inflows relating to pension activities	763,980	418,567	69,762	1,252,309
Increase (decrease) in accounts payable and accrued expenses	(103,358)	(82,600)	117,307	(68,651)
Increase (decrease) in compensated absences payable	(48,050)	(37,762)	(11,497)	(97,309)
Increase (decrease) in deferred revenue	(4,887)	-	-	(4,887)
Increase (decrease) in net pension liabiliity	(583,824)	(391,078)	(65,180)	(1,040,082)
Net cash provided by operating activities	$ (126,150)	$ 77,452	$ 150,754	$ 102,056
Non-cash Transactions:				
Capital contributions	$ 67,970	$ 1,411,631	$ 605,854	$ 2,085,455

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL COMBINED UTILITY SYSTEM - OPERATING

For the Year Ended September 30, 2020

	Budgeted Amounts Final	Actual Amounts: Actual	Actual Amounts: Reconciling Items	Actual - Budgetary Basis	Variance with Final Budget
Operating Revenues					
Charges for services	$ 35,796,500	$ 38,168,655	$ -	$ 38,168,655	$ 2,372,155
Total operating revenues	35,796,500	38,168,655	-	38,168,655	2,372,155
Operating Expenses					
Personnel services	8,819,992	9,293,693	(475,059) [1,10]	8,818,634	1,358
Contractual services	2,990,312	3,155,400	(177,155) [2,10]	2,978,245	12,067
Supplies and materials	2,147,816	2,147,437	-	2,147,437	379
Surface water contract	11,124,386	8,040,717	2,924,947 [3]	10,965,664	158,722
Other expenses	1,830,231	2,166,034	(340,220) [10]	1,825,814	4,417
Administration charge	1,213,000	-	1,213,000 [5]	1,213,000	-
Depreciation	-	9,283,116	(9,283,116) [6]	-	-
Capital outlay	1,204,877	-	1,190,536 [7]	1,190,536	14,341
Total operating expenses	29,330,614	34,086,397	(4,947,067)	29,139,330	191,284
Operating income (loss)	6,465,886	4,082,258	4,947,067	9,029,325	2,563,439
Non-Operating Revenues (Expenses)					
Interest and investment revenue	105,000	744,997	(582,688) [10]	162,319	57,319
Principal expenditure	(4,021,315)	-	(4,021,316) [3]	(4,021,316)	(1)
Gain on disposal of capital assets	-	18	-	18	18
Interest expense	(4,218,316)	(3,550,953)	(600,249) [8]	(4,151,202)	67,114
Total non-operating revenue (expenses)	(8,134,631)	(2,805,938)	(5,204,253)	(8,010,181)	124,450
Income (loss) before contributions and transfers	(1,668,745)	1,276,320	(257,186)	1,019,144	2,687,889
Capital contributions		3,340,977	(3,340,977) [9]	-	-
Transfers in		-		-	-
Transfers (out)	(487,240)	(1,690,668)	1,213,000 [4,5]	(477,668)	9,572
Change in net position	(2,155,985)	2,926,629	(2,385,163)	541,476	2,697,461
Net position - beginning	258,388,301	258,388,301	-	258,388,301	-
Prior period adjustments	(9,735)	(9,735)	-	(9,735)	-
Net position - ending	$ 256,222,581	$ 261,305,195	$ (2,385,163)	$ 258,920,042	$ 2,697,461

1) This includes the accrual for compensated absences and GASB 68 pension expense which are not budgeted items.
2) This includes expenditures budgeted as capital outlay but not capitalizable assets and therefore reported as contractual services for GAAP basis.
3) This represents the principal payments on long-term debt which are budgeted as expenses (see Note #).
4) This represents interfund payments in lieu of taxes which are reflected as interfund transfers for GAAP basis.
5) This represents interfund administrative service charges which are reflected as interfund transfers for GAAP basis.
6) Depreciation is a non-cash expense and therefore not budgeted.
7) Capital outlay is budgeted as an expense but is capitalized and depreciated for GAAP basis.
8) This represents the amortization of deferred charge on bond issuance and bond issuance premiums which are non-cash expenses and therefore not budgeted.
9) Capital contributions are not budgeted items.
10) This represents non-budgeted Improvement Fund transactions.

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
SANITATION SERVICES
For the Year Ended September 30, 2020

		Actual Amounts			
	Budgeted Amounts Final	Actual	Reconciling Items	Actual - Budgetary Basis	Variance with Final Budget
Operating Revenues					
Charges for services	$ 6,394,669	$ 6,337,973	$ -	$ 6,337,973	$ (56,696)
Total operating revenues	6,394,669	6,337,973	-	6,337,973	(56,696)
Operating Expenses					
Personnel services	3,702,778	3,735,555	(244,742) [1]	3,490,813	211,965
Contractual services	2,164,129	2,161,689	-	2,161,689	2,440
Supplies and materials	101,450	99,717	-	99,717	1,733
Other expenses	212,859	212,054	-	212,054	805
Administration charge	240,000	-	240,000 [2]	240,000	-
Depreciation	-	621,188	(621,188) [3]	-	-
Capital outlay	606,000	-	605,077 [4]	605,077	923
Total operating expenses	7,027,216	6,830,203	(20,853)	6,809,350	217,866
Operating income (loss)	(632,547)	(492,230)	20,853	(471,377)	161,170
Non-Operating Revenues (Expenses)					
Interest and investment revenue	21,687	11,991	-	11,991	(9,696)
Gain (loss) on disposal of capital assets	20,000	20,013	-	20,013	13
Total non-operating revenue (expenses)	41,687	32,004	-	32,004	(9,683)
Income (loss) before contributions and transfers	(590,860)	(460,226)	20,853	(439,373)	151,487
Capital contributions	-	67,970	(67,970) [5]	-	-
Transfers (out)	(282,700)	(522,700)	240,000 [2]	(282,700)	-
Change in net position	(873,560)	(914,956)	192,883	(722,073)	151,487
Net position - beginning	2,866,856	4,401,329	50,084	4,451,411	1,584,555
Prior period adjustments	(2,232)	(2,232)	-	(2,232)	-
Net position - ending	$ 1,991,064	$ 3,484,141	$ 242,967	$ 3,727,106	$ 1,736,042

1) This includes the accrual for compensated absences and GASB 68 pension expense which are not budgeted items.
2) This represents interfund administrative service charges which are reflected as interfund transfers for GAAP basis.
3) Depreciation is a non-cash expense and therefore not budgeted.
4) Capital outlay is budgeted as an expense but is capitalized and depreciated for GAAP basis.

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
DRAINAGE UTILITY
For the Year Ended September 30, 2020

	Budgeted Amounts Final	Actual Amounts: Actual	Actual Amounts: Reconciling Items	Actual - Budgetary Basis	Variance with Final Budget
Operating Revenues					
Charges for services	$ 2,906,340	$ 2,865,032	$ -	$ 2,865,032	$ (41,308)
Total operating revenues	2,906,340	2,865,032	-	2,865,032	(41,308)
Operating Expenses					
Personnel services	1,914,610	1,955,749	(41,138) [1,6]	1,914,611	(1)
Contractual services	403,025	429,691	(26,666) [3]	403,028	(3)
Supplies and materials	96,974	96,974	-	96,974	-
Other expenses	125,205	125,203	-	125,203	2
Administration charge	53,000	-	53,000 [2]	53,000	-
Capital outlay	375,356	-	375,356 [3]	375,356	-
Depreciation	-	756,628	(756,628) [4]	-	-
Total operating expenses	2,968,170	3,364,245	(396,076)	2,968,172	(2)
Operating income (loss)	(61,830)	(499,213)	396,076	(103,140)	(41,310)
Non-Operating Revenues (Expenses)					
Interest and investment revenue	20,000	11,180	(1,732) [6]	9,454	(10,546)
Total non-operating revenue (expenses)	20,000	11,180	(1,732)	9,454	(10,546)
Income (loss) before contributions and transfers	(41,830)	(488,033)	394,344	(93,686)	(51,856)
Capital contributions	-	1,411,631	(1,411,631) [5]	-	-
Transfers (out)	(20,000)	(73,000)	53,000 [2]	(20,000)	-
Change in net position	(61,830)	850,598	(964,287)	(113,686)	(51,856)
Net position - beginning	11,121,376	12,076,779	(921,243)	11,155,536	34,160
Prior period adjustments	(1,491)	(1,491)		(1,491)	-
Net position - ending	$ 11,058,055	$ 12,925,886	$ (1,885,530)	$ 11,040,359	$ (17,696)

1) This represents the accrual for compensated absences and GASB 68 pension expense which are not budgeted items.
2) This represents interfund administrative service charges which are reflected as interfund transfers for GAAP basis.
3) Capital outlay is budgted as an expenditure but is capitalized and depreciated for GAAP basis.
4) Depreciation is a non-cash expense and therefore not budgeted.
5) Capital contributions are not budgeted items.
6) This represents non-budgeted Improvement Fund transactions.

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
AIRPORT
For the Year Ended September 30, 2020

	Budgeted Amounts Final	Actual Amounts: Actual	Actual Amounts: Reconciling Items		Actual - Budgetary Basis	Variance with Final Budget
Operating Revenues						
Charges for services	$ 1,097,189	$ 1,117,793	$ -		$ 1,117,793	$ 20,604
Total operating revenues	1,097,189	1,117,793	-		1,117,793	20,604
Operating Expenses						
Personnel services	441,408	444,867	(4,257)	1	440,610	798
Contractual services	238,594	190,835	47,619	3	238,457	137
Supplies and materials	65,745	65,680	-		65,680	65
Other expenses	246,335	246,335	-		246,335	-
Administrative charge	61,000	-	61,000	2	61,000	-
Capital outlay	55,301	-	55,301	3	55,301	-
Depreciation	-	1,010,291	(1,010,291)	4	-	-
Total operating expenses	1,108,383	1,958,008	(850,628)		1,107,383	1,000
Operating income (loss)	(11,194)	(840,215)	850,628		10,410	21,604
Non-Operating Revenues (Expenses)						
Intergovernmental grants	-	50,000	-		50,000	50,000
Interest and investment revenue	12,000	20,349	(12,970)	7	7,386	(4,614)
Gain (loss) on disposal of capital assets	-	12,656	-		12,656	12,656
Total non-operating revenue (expenses)	12,000	83,005	(12,970)		70,042	58,042
Income (loss) before contributions and transfers	806	(757,210)	837,658		80,452	79,646
Capital contributions	-	605,854	(605,854)	5	-	-
Transfers in	-	55,000	(55,000)		-	-
Transfers (out)	(11,938)	(110,907)	100,390	6,7	(10,517)	1,421
Change in net position	(11,132)	(207,263)	277,194		69,935	81,067
Net position - beginning	22,508,035	26,109,399	(3,286,469)		22,822,930	314,895
Prior period adjustments	138	138	-		138	-
Net position - ending	$ 22,497,041	$ 25,902,274	$ (3,009,275)		$ 22,893,003	$ 395,962

1) This represents the accrual for compensated absences and GASB 68 pension expense which are not budgeted items.
2) This represents interfund administrative service charges which are reflected as interfund transfers for GAAP basis.
3) Capital outlay is budgted as an expenditure but is capitalized and depreciated for GAAP basis.
4) These items are non-cash expenses and therefore are not budgeted.
5) Capital contributions are not budgeted items.
6) This represents budgeted interfund administrative service charges which are reflected as interfund transfers for GAAP basis.
7) This represents non-budgeted Improvement Fund transactions.

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INTERNAL SERVICE FUNDS

To account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Central Garage – To account for the financing of garage activities through charges to user departments.

Casualty and Liability Insurance – To account for City casualty and liability insurance costs and financing through charges to user departments.

Central Service – To account for the financing of providing mailing, printing and data processing services to user departments.

Construction Management – To account for the financing of construction project oversight.

Workers' Compensation Insurance – To account for City workers' compensation insurance costs and financing through charges to user departments.

Health and Life Insurance – To account for City health and life insurance costs and financing through charges to user departments and participating agencies including the Park Board and Wharves Authority.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2020

	Central Garage	Casualty & Liability Insurance	Central Service	Construction Management
Assets				
Current assets:				
Cash and cash equivalents	$ 791,018	$ 36,178	$ 1,353,942	$ 269,053
Accounts receivable, net of allowance for doubtful accounts	48,303	34,123	-	-
Due from other funds	12,537	-	-	-
Due from other governments	-	-	-	-
Due from component units	-	-	-	-
Inventories	268,300	-	-	-
Prepaid items	-	518,166	98,933	567
Restricted cash and investments	-	-	-	-
Total current assets	1,120,158	588,467	1,452,875	269,620
Non-current assets:				
Capital assets not being depreciated:				
Construction in progress	413,374	-	-	-
Capital assets (net of depreciation):				
Buildings and improvements	21,929	-	3,718,364	-
Equipment and furniture	81,491	-	1,276,121	-
Licensed vehicles	278,554	-	145,184	-
Total non-current assets	795,348	-	5,139,669	-
Total Assets	1,915,506	588,467	6,592,544	269,620
Deferred inflows of Resources				
Deferred outflows relating to OPEB	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	155,343	15,725	56,896	934
Due to other funds	-	-	-	-
Long-term liabilities, due within one year	98,575	13,790	315,376	115,914
Total current liabilities	253,918	29,515	372,272	116,848
Non-current liabilities:				
Long-term liabilities, due in more than one year	159,180	37,151	395,706	131,640
Total OPEB liability	-	-	-	-
Total non-current liabilities	159,180	37,151	395,706	131,640
Total Liabilities	413,098	66,666	767,978	248,488
Deferred Inflows of Resources				
Deferred inflows relating to OPEB	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Net Position				
Net investment in capital assets	795,348	-	5,139,669	-
Restricted for capital projects	-	-	-	-
Unrestricted	707,060	521,801	684,897	21,132
Total Net Position	$ 1,502,408	$ 521,801	$ 5,824,566	$ 21,132

Workers' Compensation Insurance	Health and Life Insurance	Total
$ 248,053	$ 1,504,756	$ 4,203,000
-	919,706	1,002,132
-	-	12,537
-	-	-
-	361,525	361,525
-	-	268,300
-	-	617,666
-	-	-
248,053	2,785,987	6,465,160
-	-	413,374
-	-	3,740,293
-	-	1,357,612
-	-	423,738
-	-	5,935,017
248,053	2,785,987	12,400,177
-	2,203,094	2,203,094
-	2,203,094	2,203,094
15,267	396,486	640,651
-	-	-
333,306	960,640	1,837,601
348,573	1,357,126	2,478,252
391,285	-	1,114,962
-	11,379,952	11,379,952
391,285	11,379,952	12,494,914
739,858	12,737,078	14,973,166
-	1,473,634	1,473,634
-	1,473,634	1,473,634
-	-	5,935,017
-	-	-
(491,805)	(9,221,631)	(7,778,546)
$ (491,805)	$ (9,221,631)	$ (1,843,529)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2020

	Central Garage	Casualty & Liability Insurance	Central Service	Construction Management
Operating Revenues				
Charges for services	$ 4,081,629	$ 2,072,430	$ 4,274,631	$ 606,303
Total operating revenues	4,081,629	2,072,430	4,274,631	606,303
Operating Expenses				
Personnel services	1,476,566	164,037	2,380,458	503,516
Contractual services	1,233,724	19,849	909,522	129,249
Supplies and materials	1,933,040	2,014	323,160	10,951
Insurance claims and premiums	-	1,736,933	-	-
Other expenses	-	-	152	(152)
Depreciation	55,803	-	554,454	-
Total operating expenses	4,699,133	1,922,833	4,167,746	643,564
Operating income (loss)	(617,504)	149,597	106,885	(37,261)
Non-Operating Revenues (Expenses)				
Interest and investment revenue	10,357	115	14,919	-
Insurance proceeds	179,023	-	-	-
Interest expense	-	-	(14,807)	-
Gain (loss) on disposal of capital assets	9,225	-	16,985	-
Total non-operating revenue (expenses)	198,605	115	17,097	-
Income (loss) before capital contributions and transfers	(418,899)	149,712	123,982	(37,261)
Capital contributions	389,980	-	31,988	-
Transfers in	-	-	-	-
Transfers (out)	1,198	-	(456,001)	-
Change in net position	(27,721)	149,712	(300,031)	(37,261)
Total net position - beginning	1,530,128	372,201	6,125,153	58,829
Prior period adjustments	-	(111)	(556)	(436)
Total net position - ending	$ 1,502,407	$ 521,802	$ 5,824,566	$ 21,132

Workers' Compensation Insurance	Health and Life Insurance	Total
$ 447,984	$ 12,882,198	$ 24,365,175
447,984	12,882,198	24,365,175
-	-	4,524,577
-	2,208,853	4,501,197
-	-	2,269,165
569,512	11,193,482	13,499,927
-	268,250	268,250
-	-	610,257
569,512	13,670,585	25,673,373
(121,528)	(788,387)	(1,308,198)
1,082	6,420	32,893
-	-	179,023
-	-	(14,807)
-	-	26,210
1,082	6,420	223,319
(120,446)	(781,967)	(1,084,879)
-	-	421,968
-	-	-
-	-	(454,803)
(120,446)	(781,967)	(1,117,714)
(371,359)	(8,437,233)	(722,281)
-	(2,432)	(3,535)
$ (491,805)	$ (9,221,632)	$ (1,843,530)

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2020

	Central Garage	Casualty & Liability Insurance	Central Service	Construction Management
Cash Flows from Operating Activities:				
Receipts from customers and users	$ 371,304	$ (34,123)	$ -	$ -
Receipts for interfund services	3,747,653	2,072,430	4,274,631	850,569
Disbursed for personnel services	(1,476,101)	(164,587)	(2,233,339)	(441,289)
Disbursed for goods and services	(3,201,949)	(1,868,233)	(1,338,306)	(140,226)
Net cash provided (used) by operating activities	(559,093)	5,487	702,986	269,054
Cash Flows from Non-Capital Financing Activities:				
Transfers from other funds	-	-	-	-
Transfers to other funds	1,198	-	(456,001)	-
Net cash provided (used) by noncapital financing activities	1,198	-	(456,001)	-
Cash Flows from Capital and Related Financing Activities:				
Proceeds from the sale of equipment	9,225	-	16,985	-
Insurance proceeds	179,023	-	-	-
Principal payments on debt	-	-	(123,953)	-
Interest payments on debt	-	-	(14,807)	-
Acquisition and construction of capital assets	(118,524)	-	(139,112)	-
Net cash provided (used) by capital and related financing activities	69,724	-	(260,887)	-
Cash Flows from Investing Activities				
Interest received	10,357	115	14,919	-
Net cash provided (used) by investing activities	10,357	115	14,919	-
Net increase/(decrease) in cash and equivalents	(477,814)	5,602	1,017	269,054
Cash and equivalents, beginning of year	1,268,832	30,577	1,352,925	-
Cash and equivalents, at end of year	$ 791,018	$ 36,179	$ 1,353,942	$ 269,054
Unrestricted cash and equivalents	$ 791,018	$ 36,178	$ 1,353,942	$ 269,053
	$ 791,018	$ 36,178	$ 1,353,942	$ 269,053
Reconciliation of operating income to net cash provided by operating activities				
Operating income (loss)	(617,504)	149,486	106,885	(37,697)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	55,803	-	554,454	-
(Increase) decrease in accounts receivable	43,288	(34,123)	3,404	529,470
(Increase) decrease in inventory	(33,459)	-	4,299	-
(Increase) decrease in prepaid items	-	(89,125)	(66,922)	(567)
(Increase) decrease in interfund receivables and payables	(5,960)	-	-	(285,204)
(Increase) decrease in deferred outflows/inflows relating to OPEB	-	-	-	-
Increase (decrease) in accounts payable	(1,726)	(20,201)	(46,253)	825
Increase (decrease) in claims payable	-	-	-	-
Increase (decrease) in compensated absences payables	465	(550)	147,119	62,227
Increase (decrease) in total OPEB liability	-	-	-	-
Net cash provided (used) by operating activities	$ (559,093)	$ 5,487	$ 702,986	$ 269,054
Non-cash Transactions:				
Capital contributions	$ 389,981	$ -	$ 31,988	$ -

Workers' Compensation Insurance	Health and Life Insurance	Total
$ -	$ 12,314,337	$ 12,651,518
447,984	-	11,393,267
-	-	(4,315,316)
(335,939)	(11,602,599)	(18,487,253)
112,045	711,738	1,242,216
-	-	-
-	-	(454,803)
-	-	(454,803)
-	-	26,210
-	-	179,023
-	-	(123,953)
-	-	(14,807)
-	-	(257,636)
-	-	(191,163)
1,082	6,420	32,893
1,082	6,420	32,893
113,127	718,158	629,143
134,926	786,597	3,573,857
$ 248,053	$ 1,504,755	$ 4,203,000
$ 248,053	$ 1,504,756	$ 4,203,000
$ 248,053	$ 1,504,756	$ 4,203,000
(121,528)	(790,819)	(1,311,178)
-	-	610,257
-	(567,861)	(25,822)
-	-	(29,160)
-	12,696	(143,918)
-	-	(291,164)
-	(92,652)	(92,652)
15,267	268,760	216,672
218,306	(32,900)	185,406
-	-	209,261
-	1,914,514	1,914,514
$ 112,045	$ 711,738	$ 1,242,216
$ -	$ -	$ 421,969

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FIDUCIARY FUNDS

To account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. These funds include Pension Trust and Agency Funds.

Pension Trust – To account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. These funds are reported on a calendar year basis for the year ended December 31, 2019.

Agency – Custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2019

	City of Galveston Employee's Retirement Plan for Employees	Galveston Firefighters' Pension Fund	City of Galveston Employee's Retirement Plan for Police	Total
Assets				
Cash and temporary investments	$ -	$ 1,188,419	$ -	$ 1,188,419
Receivables				
Accounts receivable	-	-	75,000	75,000
Interest and dividends	10,302	52,409	55,327	118,038
Loans to participants	-	-	223,027	223,027
Prepaid items		459	-	459
Investments				
Money market funds	1,337,010	-	264,183	1,601,193
U.S. Government agencies	-	-	321,623	321,623
Bonds	-	-	5,775,109	5,775,109
Common stocks	-	19,913,694	-	19,913,694
Equity mutual funds	41,262,531	7,776,429	14,581,562	63,620,522
Bond mutual funds	14,905,390	9,352,877	-	24,258,267
Alternative investments	-	1,229,685	-	1,229,685
Hedge funds	-	8,121,319	-	8,121,319
Real estate	-	1,395,589	682,560	2,078,149
Total Assets	57,515,233	49,030,880	21,978,391	128,524,504
Liabilities				
Accounts payable	17,327	30	25,580	42,937
Total Liabilities	17,327	30	25,580	42,937
Net Position - Restricted for Pension Benefits				
Held in trust for benefits and other purposes	57,497,906	49,030,850	21,952,811	128,481,567
Total Net Position - Restricted for Pension Benefits	$ 57,497,906	$ 49,030,850	$ 21,952,811	$ 128,481,567

FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2019

	City of Galveston Employee's Retirement Plan for Employees	Galveston Firefighters' Pension Fund	City of Galveston Employee's Retirement Plan for Police	Total
Additions				
Contributions:				
Employer	$ 2,424,690	$ 1,401,579	$ 3,803,070	$ 7,629,339
Plan members	1,616,461	1,484,025	1,504,688	4,605,174
Total contributions	4,041,151	2,885,604	5,307,758	12,234,513
Investment Earnings:				
Net increase (decrease) in fair value of investments	8,583,152	6,855,477	2,764,933	18,203,562
Interest and dividends	1,288,837	1,141,289	497,134	2,927,260
Less investment expenses	(80,498)	(225,896)	(68,267)	(374,661)
Net investment income (loss)	9,791,491	7,770,870	3,193,800	20,756,161
Other income	-	-	-	-
Total Additions	13,832,642	10,656,474	8,501,558	32,990,674
Deductions				
Benefits paid to members and beneficiaries	4,683,296	3,456,716	4,107,380	12,247,392
Refunds of contributions	-	519,209	-	519,209
Administrative expenses	165,769	138,000	297,764	601,533
Total Deductions	4,849,065	4,113,925	4,405,144	13,368,134
Change in net position	8,983,577	6,542,549	4,096,414	19,622,540
Net position - restricted for pensions, beginning of year	48,514,329	42,488,301	17,856,397	108,859,027
Net position - restricted for pensions, end of year	$ 57,497,906	$ 49,030,850	$ 21,952,811	$ 128,481,567

AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended September 30, 2020

	September 30, 2019	Additions	Deletions	September 30, 2020
Assets				
Cash and temporary investments	$ 764,678	$ 1,096,248	$ (1,139,407)	$ 721,519
Total Assets	764,678	1,096,248	(1,139,407)	721,519
Liabilities				
Accounts and refunds payable	764,678	338,595	(381,754)	721,519
Total Liabilities	$ 764,678	$ 338,595	$ (381,754)	$ 721,519

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DISCRETELY PRESENTED COMPONENT UNITS

The following statements combine information from six of the City's eight discretely presented component units.

DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
September 30, 2020

	Park Board of Trustees	Galveston Island Redevelopment Authority	Campeche Shores - Public Improvement District No. 1	Beachside Village - Public Improvement District
Assets				
Current assets:				
Cash and cash equivalents	$ 9,453,396	$ 276,529	$ -	$ 2,818
Investments	3,015,700	-	-	-
Accounts receivable, net of allowance for doubtful accounts	1,932,047	88,554	2,831	-
Inventories	9,251	-	-	-
Prepaid items	369,930	-	-	-
Other	7,300	-	-	-
Restricted cash and temporary investments	-	-	-	-
Total current assets	14,787,624	365,083	2,831	2,818
Non-current assets:				
Net investment in direct financing and capital leases	-	-	-	-
Capital assets not being depreciated	1,476,225	-	-	-
Capital assets (net of accumulated depreciation)	313,503,219	-	-	-
Total non-current assets	314,979,444	-	-	-
Total Assets	329,767,068	365,083	2,831	2,818
Deferred Outflows of Resources				
Deferred charge on refunding	-	-	-	-
Deferred outflows relating to pension activities	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	1,850,112	4,680,257	-	2,818
Due to other governments	206,593	-	-	-
Interest payable	14,625	-	-	-
Deferred revenue	111,358	-	-	-
Due within one year	700,629	465,000	-	-
Total current liabilities	2,883,317	5,145,257	-	2,818
Non-current liabilities:				
Due in more than one year	3,023,327	11,419,990	-	-
Net pension liability	-	-	-	-
Total non-current liabilities	3,023,327	11,419,990	-	-
Total Liabilities	5,906,644	16,565,247	-	2,818
Deferred Inflows of Resources				
Deferred gain on refunding	-	-	-	-
Deferred inflows relating to pension activities	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Net Position				
Net investment in capital assets	311,496,757	-	-	-
Restricted:				
Debt service	393,132	-	-	-
Unrestricted	11,970,535	(16,200,164)	2,831	-
Total Net Position	$ 323,860,424	$ (16,200,164)	$ 2,831	$ -

*As of December 31, 2019

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Bayside at Waterman's - Public Improvement District	Board of Trustees of Galveston Wharves*	Total
$ 1,249,749	$ 20,312,601	$ 31,295,093
-	-	3,015,700
-	10,640,591	12,664,023
-	-	9,251
-	657,900	1,027,830
-	199,146	206,446
-	17,400,813	17,400,813
1,249,749	49,211,051	65,619,156
-	1,261,259	1,261,259
-	34,759,440	36,235,665
5,823,744	110,871,962	430,198,925
5,823,744	146,892,661	467,695,849
7,073,493	196,103,712	533,315,005
117,276	-	117,276
-	1,177,383	1,177,383
117,276	1,177,383	1,294,659
-	8,577,037	15,110,224
-	189,244	395,837
-	547,393	562,018
-	525,858	637,216
175,000	7,153,378	8,494,007
175,000	16,992,910	25,199,302
8,800,000	30,432,698	53,676,015
-	3,906,450	3,906,450
8,800,000	34,339,148	57,582,465
8,975,000	51,332,058	82,781,767
-	-	-
-	-	-
-	-	-
(2,858,980)	117,664,207	426,301,984
-	8,563,972	8,957,104
1,074,749	19,720,858	16,568,809
$ (1,784,231)	$ 145,949,037	$ 451,827,897

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DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

		Program Revenues			
Functions/Programs	**Expenses**	**Charges for Services**	**Capital Grants and Contributions**	**Park Board of Trustees**	**Galveston Island Redevelopment Authority**
Component Unit:					
Park Board of Trustees	$ 37,419,533	$ 7,072,310	$ 2,831,656	$ (27,515,567)	
Galveston Island Redevelopment Authority	1,027,753	-	-		(1,027,753)
Campeche Shores - Public Improvement District No. 1	104,412	-	-		
Beachside Village - Public Improvement District	105,917	-	-		
Bayside at Waterman's - Public Improvement District	834,257	-	-		
Board of Trustees of Galveston Wharves*	39,298,602	51,474,109	653,380		
	$ 78,790,474	$ 58,546,419	$ 3,485,036	(27,515,567)	(1,027,753)
General revenues					
Taxes:					
Property taxes				-	2,695,895
Hotel occupancy taxes				12,264,209	-
Special assessments				-	-
Miscellaneous				2,898,860	-
Unrestricted investment earnings				152,684	5,211
Total general revenues				15,315,753	2,701,106
Change in net position				(12,199,814)	1,673,353
Net position (deficit) - beginning				323,860,424	(22,485,789)
Extraordinary item				-	4,612,272
Net position (deficit) - ending				$ 311,660,610	$ (16,200,164)

*For the Year Ended December 31, 2019
**As restated.

Net (Expense) Revenue and Changes in Net Position				
Campeche Shores - Public Improvement District No. 1	Beachside Village - Public Improvement District	Bayside at Waterman's - Public Improvement District	Board of Trustees of Galveston Wharves*	Totals
				$ (27,515,567)
				(1,027,753)
(104,412)				(104,412)
	(105,917)			(105,917)
		(834,257)		(834,257)
			12,828,887	12,828,887
(104,412)	(105,917)	(834,257)	12,828,887	(16,759,019)
-	-	-	-	2,695,895
-	-	-	-	12,264,209
38,185	105,917	884,952	-	1,029,054
-	-	-	-	2,898,860
-	-	11,105	(1,778,540)	(1,609,540)
38,185	105,917	896,057	(1,778,540)	17,278,478
(66,227)	-	61,800	11,050,347	519,459
69,059	-	(1,846,031)	134,898,690	434,496,353
-	-	-	-	4,612,272
$ 2,832	$ -	$ (1,784,231)	$ 145,949,037	$ 439,628,084

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Unaudited Statistical Section

2020 Annual Comprehensive Financial Report

CITY OF GALVESTON
1839
TEXAS

GALVESTON
EST. Texas 1839
IT'S ISLAND TIME

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UNAUDITED STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Galveston's overall financial health.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

Amounts in (000's)
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2011	**2012**	**2013**	**2014**
Governmental Activities				
Net investment in capital assets	$ 98,510	$ 90,856	$ 102,988	$ 110,071
Restricted	25,326	25,670	22,388	26,170
Unrestricted	10,861	31,737	33,857	30,237
Total governmental activities net position	$ 134,697	$ 148,263	$ 159,233	$ 166,478
Business-type Activities				
Net investment in capital assets	$ 99,989	$ 80,157	$ 181,656	$ 181,656
Restricted	11,886	11,920	21,326	21,326
Unrestricted	22,183	70,504	18,221	18,220
Total business-type activities net position	$ 134,058	$ 162,581	$ 221,203	$ 221,202
Primary government				
Net investment in capital assets	$ 198,499	$ 171,013	$ 284,644	$ 291,727
Restricted	37,212	37,590	43,714	47,496
Unrestricted	33,044	102,241	52,078	48,457
Total primary government net position	$ 268,755	$ 310,844	$ 380,436	$ 387,680

* As restated.

Fiscal Year					
2015	2016	2017	2018	2019	2020
$ 113,903	$ 131,335	$ 147,847	$ 170,911	$ 191,799	$ 198,501
35,409	32,732	34,264	33,271	31,559	32,664
(27,164)	(18,881)	(27,203)	(46,587)	(51,039)	(52,594)
$ 122,148	$ 145,186	$ 154,908	$ 157,595	$ 172,319	$ 178,571
$ 178,032	$ 193,491	$ 240,169	$ 255,587	$ 277,164	$ 282,578
18,097	15,706	2,937	3,196	2,674	2,749
39,681	45,169	28,429	23,274	21,056	17,775
$ 235,810	$ 254,366	$ 271,535	$ 282,057	$ 300,894	$ 303,102
$ 291,935	$ 324,826	$ 388,016	$ 426,498	$ 468,963	$ 481,079
53,506	48,438	37,201	36,467	34,233	35,413
12,517	26,288	1,226	(23,313)	(29,983)	(34,819)
$ 357,958	$ 399,552	$ 426,443	$ 439,652	$ 473,213	$ 481,673

CHANGES IN NET POSITION
Last Ten Fiscal Years
Amounts in (000's)
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2011	**2012**	**2013**	**2014**
Expenses				
Governmental Activities:				
General government	$ 7,413	$ 5,164	$ 6,874	$ 7,864
Public Safety	27,056	26,919	28,075	29,542
Public works	23,631	6,925	6,847	6,504
Culture and recreation	8,820	9,672	9,082	11,300
Planning and community development	31,723	12,942	11,972	5,246
Transportation system	4,649	24,150	8,164	6,804
Interest on long-term debt	2,555	4,909	1,716	2,160
Total governmental activities expenses	105,847	90,681	72,730	69,420
Business-Type Activities:				
Combined utility system	26,577	24,992	25,659	26,907
Sanitation	4,108	4,176	4,382	4,781
Drainage	1,750	1,959	1,873	2,356
Airport	1,496	1,468	1,499	1,579
Total business-type activities expenses	33,931	32,595	33,413	35,623
Total primary government expenses	139,778	123,276	106,143	105,043
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	1,841	2,159	1,884	1,873
Public safety	3,030	2,554	2,417	2,246
Public works	318	-	-	-
Culture and recreation	1	2	2	-
Planning and community development	1,441	1,379	1,402	1,845
Transportation system	650	840	1,575	1,875
Operating grants and contributions:				
General government	176	-	-	-
Public safety	537	181	249	254
Public works	281	-	-	-
Culture and recreation	734	116	139	180
Planning and community development	25,706	31,006	11,119	9,067
Transportation system	3,015	2,771	2,789	3,559
Capital grants and contributions:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	10,247	1,718	71	13
Culture and recreation	3	-	-	-
Planning and community development	12,398	23,385	27,313	24,112
Transportation system	1,392	3,525	3,858	799
Total governmental activities program revenues	61,770	69,636	52,818	45,823
Business-Type Activities				
Charges for services:				
Combined utility system	28,240	29,199	30,450	30,525
Sanitation	4,247	4,655	5,088	5,617
Drainage	2,507	2,517	2,564	2,584
Airport	804	1,186	1,236	1,230
Operating grants and contributions:				
Airport	-	-	-	-
Capital grants and contributions:				
Combined utility system	-	1,628	-	-
Drainage	-	330	-	-
Airport	2,700	2,413	26	999
Total business-type activities program revenues	38,498	41,928	39,364	40,955
Total primary government program revenues	100,268	111,564	92,182	86,778
Net (Expense) Revenue				
Governmental activities	(44,077)	(21,045)	(19,912)	(23,597)
Business-type activities	4,567	9,333	5,951	5,332
Total primary government net (expense) revenue	$ (39,510)	$ (11,712)	$ (13,961)	$ (18,265)

Fiscal Year					
2015	2016	2017	2018	2019	2020
$ 8,284	$ 9,882	$ 13,984	$ 10,381	$ 8,870	$ 9,535
32,840	31,839	34,793	36,194	38,415	40,476
6,570	6,383	7,729	9,669	10,653	10,481
12,240	18,416	18,754	17,633	19,637	17,350
8,799	4,733	10,067	21,999	7,512	5,546
8,424	6,013	5,705	5,125	4,693	4,224
1,896	2,660	1,620	2,488	2,232	910
79,053	79,926	92,652	103,489	92,012	88,522
22,494	21,011	32,273	35,646	36,776	38,071
2,537	2,949	5,739	6,566	5,342	6,830
12,444	14,141	2,979	2,726	3,064	3,364
1,709	1,774	1,887	1,796	1,768	1,958
39,184	39,875	42,878	46,734	46,950	50,223
118,237	119,801	135,530	150,223	138,962	138,745
1,977	1,725	1,761	225	127	564
2,113	2,378	2,658	1,870	2,017	1,759
-	-	-	-	-	-
-	42	198	1,436	1,604	1,575
2,002	1,714	1,455	1,375	1,423	1,487
1,365	1,681	1,568	1,166	446	229
52	14	-	-	-	-
279	2,613	930	333	601	941
-	-	-	-	-	-
103	1,885	109	196	100	125
1,958	4,881	15,228	1,722	740	1,516
3,472	3,506	2,792	2,293	2,061	2,668
2,396	-	-	-	465	-
619	-	-	-	-	500
2,323	32	-	-	-	-
36	-	400	380	115	-
23,824	21,705	10,942	25,979	32,828	11,505
5,424	3,897	3,600	1,217	71	127
47,943	46,073	41,641	38,192	42,598	22,996
21,506	26,796	37,201	38,279	36,999	38,169
2,277	2,464	5,494	6,288	6,216	6,338
11,540	14,524	2,853	2,825	2,789	2,865
1,594	1,151	935	957	1,056	1,118
69	43	251	322	50	50
-	-	2,808	63	25	-
46	-	-	-	-	-
896	1,972	501	499	3,702	606
37,928	46,950	50,043	49,233	50,837	49,146
85,871	93,023	91,684	87,425	93,435	72,142
(31,110)	(33,853)	(51,011)	(65,297)	(49,414)	(65,526)
(1,256)	7,075	7,165	2,499	3,887	(1,077)
$ (32,366)	$ (26,778)	$ (43,846)	$ (62,798)	$ (45,527)	$ (66,603)

CHANGES IN NET POSITION

Last Ten Fiscal Years
Amounts in (000's)
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2011	**2012**	**2013**	**2014**
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	$ 20,087	$ 21,489	$ 21,988	$ 22,920
Sales and use taxes	16,589	17,712	18,638	19,978
Hotel occupancy taxes	4,722	5,507	5,500	6,092
Franchise taxes	5,009	5,073	5,043	5,267
Payments in lieu of taxes	120	119	125	165
Unrestricted investment earnings	89	122	179	120
Miscellaneous	1,113	3,418	2,535	927
Insurance proceeds	-	-	-	-
Transfers	(18,863)	(18,830)	(23,124)	(23,601)
Total governmental activities general revenues and other changes in net position	28,866	34,610	30,884	31,868
Business-Type Activities:				
Net gain on sale of asset	-	-	-	-
Unrestricted investment earnings	155	132	153	54
Miscellaneous	158	228	4,075	165
Impairment of capital assets due to Hurricane Ike	-	-	-	-
Insurance proceeds	-	-	-	-
Transfers	18,863	18,830	23,124	23,601
Total business-type activities general revenues and other changes in net position	19,176	19,190	27,352	23,820
Total primary government general revenues and other changes in net position	48,042	53,800	58,236	55,688
Changes in Net Position:				
Governmental activities	(15,211)	13,565	10,972	8,270
Business-type activities	23,743	28,523	33,303	29,153
Total primary government changes in net position	$ 8,532	$ 42,088	$ 44,275	$ 37,423

Fiscal Year					
2015	**2016**	**2017**	**2018**	**2019**	**2020**
$ 23,272	$ 25,963	$ 28,509	$ 31,846	$ 32,692	$ 35,474
20,588	20,956	21,143	21,425	22,633	21,808
7,068	11,782	11,731	13,279	12,824	10,602
5,245	5,386	5,563	6,605	6,420	5,874
207	268	289	167	248	315
299	492	444	1,462	1,714	1,051
523	3,038	1,699	1,971	705	791
7,111	-	-	-	-	-
(18,951)	(29,007)	(9,260)	(9,368)	(13,099)	(2,478)
45,362	38,878	60,118	67,387	64,137	73,437
-	-	273	-	108	33
179	154	281	998	1,743	789
30	1	189	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18,951	29,007	9,260	9,368	13,099	2,478
19,160	29,162	10,003	10,366	14,950	3,300
64,522	68,040	70,121	77,753	79,087	76,737
14,252	5,025	9,107	2,091	14,723	7,911
17,904	36,237	17,168	12,758	18,837	2,223
$ 32,156	$ 41,262	$ 26,275	$ 14,849	$ 33,560	$ 10,134

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2011	**2012**	**2013**	**2014**
General fund				
Nonspendable:				
Prepaid items	$ 88,521	$ 49,626	$ 47,206	$ 85,379
Restricted:				
Debt service	-	363,296	363,296	2,519,528
Committed:				
Other	363,296	-	-	-
Assigned:				
Emergency reserves	3,402,225	3,425,226	3,575,226	3,575,226
Unassigned	6,588,090	12,939,901	14,751,167	13,706,159
Total General fund	$ 10,442,132	$ 16,778,049	$ 18,736,895	$ 19,886,292
All other governmental funds				
Nonspendable:				
Inventories	$ 151,858	$ 148,976	$ 162,672	$ 259,579
Prepaid items	-	-	-	-
Restricted:				
Debt service	8,447,339	12,515,705	12,749,073	6,634,959
Beach preservation	-	4,921,580	968,854	3,228,192
Infrastructure and debt service	-	-	-	-
Capital projects	29,207,678	15,276,707	21,195,867	20,634,660
Grants	-	8,782,571	8,775,316	10,143,558
Other	-	-	-	-
Convention Center Operator	-	-	-	3,821,514
City of Galveston	-	-	-	2,815,873
Committed:				
Governmental projects	2,145,641	1,834,852	1,353,703	1,633,932
Assigned:				
Other	-	-	-	-
Unassigned	(147,964)	(188,367)	(138,902)	(109,360)
Total all other governmental funds	$ 39,804,552	$ 43,292,024	$ 45,066,583	$ 49,062,907

Note: In conforming to provisions of GASB Statement No. 54, fund balances of prior periods were restated to the new fund balance classifications.

Fiscal Year					
2015	2016	2017	2018	2019	2020
$ 92,764	$ 88,427	$ 79,354	$ 91,435	$ 68,961	$ 51,356
-	-	-	-	-	-
-	-	-	-	-	-
3,575,226	3,575,226	11,968,618	13,550,627	13,384,909	13,891,609
14,989,479	16,995,557	5,738,923	6,179,328	3,055,805	2,809,596
$ 18,657,469	$ 20,659,210	$ 17,786,895	$ 19,821,390	$ 16,509,675	$ 16,752,561
$ 264,300	$ 294,596	$ 129,879	$ 310,764	$ 331,719	$ 309,440
249,875	-	-	23,122	10,045	6,345
			-	-	-
5,139,884	4,254,333	4,408,675	4,367,984	4,465,821	4,484,665
864,030	1,056,745	1,212,904	1,358,515	1,516,878	1,573,309
-	-	4,393,781	3,504,762	4,168,643	3,576,889
26,858,694	21,549,478	46,396,468	41,924,866	35,359,833	63,782,473
10,128,787	1,833,048	951,233	411,349	540,074	935,961
-	-	-	-	-	-
4,066,682	520,419	1,837,916	3,130,596	3,179,700	3,400,736
3,375,562	4,154,602	1,055,608	1,473,585	1,626,422	1,799,287
7,517,189	12,933,623	5,404,901	4,160,382	1,551,041	1,723,887
-	-	6,346,778	5,350,132	5,362,283	6,089,666
(241,400)	(430,719)	(14,770)	(16,706)	-	(1,682)
$ 58,223,603	$ 46,166,125	$ 72,123,373	$ 65,999,351	$ 58,112,459	$ 87,680,976

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2011	**2012**	**2013**	**2014**
Revenues				
Taxes:				
Property taxes	$ 20,133,281	$ 21,581,964	$ 22,134,235	$ 23,063,200
Sales and use taxes	21,310,423	23,218,434	24,137,885	26,477,757
Franchise taxes	5,009,456	5,073,022	5,042,575	5,267,085
Licenses and permits	1,143,096	1,260,920	1,157,610	1,226,220
Fines and forfeitures	2,833,357	2,466,092	2,243,919	1,991,045
Charges for services	2,647,526	2,703,729	3,290,246	3,818,853
Investment earnings	77,639	103,988	149,833	101,853
Intergovernmental	54,464,276	62,395,037	47,740,626	40,750,422
Other	2,235,767	2,633,854	974,471	1,163,677
Payments in lieu of taxes	-	-	-	-
Total Revenues	109,854,821	121,437,040	106,871,400	103,860,112
Expenditures				
General government	6,565,344	5,862,705	6,478,540	6,881,718
Public safety	27,751,162	26,312,416	26,953,671	27,522,088
Highways and roads	20,947,719	4,376,642	4,171,875	3,707,638
Culture and recreation	7,933,345	7,902,712	6,964,476	9,101,210
Planning and community development	30,051,147	33,911,247	11,784,903	5,086,927
Transportation	5,115,134	5,057,683	5,291,857	5,562,920
Capital outlay	26,735,581	28,211,925	33,036,633	34,977,699
Debt Service:				
Principal	2,474,843	3,460,785	7,420,397	6,030,509
Interest and other charges	3,657,873	3,385,968	3,311,138	2,561,735
Total Expenditures	131,232,148	118,482,083	105,413,490	101,432,444
Excess of revenues over (under) expenditures	(21,377,327)	2,954,957	1,457,910	2,427,668
Other Financing Sources (Uses)				
Premiums on bonds	-	2,632,838	1,700,560	-
Proceeds from bond sales	8,029,904	-	-	-
Payments to refunding bond escrow agent	(7,810,944)	-	(42,296,436)	-
Issuance of debt	150,000	1,564,791	41,165,000	1,071,675
Sale of capital assets	150,489	1,990,040	467,254	49,650
Transfers in	4,281,316	2,816,126	13,261,479	9,599,009
Transfers (out)	(3,378,451)	(2,135,363)	(12,022,362)	(8,002,281)
Total Other Financing Sources (Uses)	1,422,314	6,868,432	2,275,495	2,718,053
Extraordinary item - insurance proceeds from Hurricane Ike	-	-	-	-
Net change in fund balances	$ (19,955,013)	$ 9,823,389	$ 3,733,405	$ 5,145,721
Debt service as a percentage of noncapital expenditures	5.9%	7.6%	14.8%	12.9%

Fiscal Year					
2015	2016	2017	2018	2019	2020
$ 23,215,372	$ 26,076,657	$ 28,357,560	$ 31,856,689	$ 32,409,278	$ 35,353,309
27,656,239	31,899,257	31,994,292	34,704,102	35,456,386	32,409,660
5,244,681	6,224,831	6,542,201	6,604,636	6,420,262	5,873,889
1,437,379	1,330,049	1,142,579	1,196,241	1,264,319	1,320,998
1,775,217	1,877,085	1,667,151	1,620,853	1,771,369	1,463,600
4,211,953	4,040,969	4,112,023	2,831,731	2,252,123	1,822,642
257,725	426,697	397,473	1,311,524	1,607,645	1,017,674
42,403,382	37,174,025	37,662,122	34,950,034	39,882,936	19,864,892
8,390,920	7,927,895	2,287,674	2,464,658	1,146,282	2,086,373
-	-	188,561	166,921	248,545	315,490
114,592,868	116,977,465	114,351,636	117,707,389	122,459,145	101,528,527
8,030,642	7,870,018	9,383,448	8,979,498	8,394,061	8,995,897
26,895,220	28,662,210	30,744,605	31,746,253	33,077,768	35,989,943
3,559,100	3,623,002	3,933,319	4,959,120	8,794,060	6,788,553
10,002,638	16,080,344	15,326,905	17,080,557	17,047,521	15,536,704
4,367,107	4,026,954	8,838,704	6,027,028	8,677,373	1,748,399
5,656,739	5,853,333	5,543,757	4,453,424	3,923,930	3,471,524
21,545,616	41,872,758	38,569,718	41,922,932	48,132,202	27,585,279
4,681,927	6,520,000	5,126,769	6,578,170	4,819,042	5,549,306
2,500,163	3,893,170	1,911,402	2,153,652	3,838,683	4,906,116
87,239,152	118,401,789	119,378,627	123,900,634	136,704,640	110,571,721
27,353,716	(1,424,324)	(5,026,991)	(6,193,245)	(14,245,495)	(9,043,194)
832,890	2,455,092	2,708,151	-	-	6,194,024
5,900,000	17,365,000	22,600,000	-	-	-
(6,583,192)	(19,522,803)	-	-	-	-
-	-	-	-	-	-
99,109	29,260	87,474	195,262	229,303	315,298
6,666,229	5,654,928	37,901,933	8,917,866	16,785,746	48,183,989
(26,336,878)	(5,034,951)	(36,849,302)	(7,009,410)	(13,968,161)	(45,386,913)
(19,421,842)	946,526	26,448,256	2,103,718	3,046,888	9,306,398
-	-	-	-	-	-
$ 7,931,874	$ (477,798)	$ 21,421,265	$ (4,089,527)	$ (11,198,607)	$ 263,204
10.2%	11.2%	8.0%	10.7%	8.1%	11.8%

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years
(Unaudited)

		Real Property			
Fiscal Year	Tax Year	Residential Property	Commercial Property	Personal Property	Less Tax Exempt Real Property
2011	2010	$ 3,608,440,796	$ 2,247,235,921	$ 394,971,941	2,201,984,567
2012	2011	3,657,579,440	2,276,704,639	439,643,914	2,179,641,187
2013	2012	3,786,151,318	2,283,664,701	395,564,155	2,142,532,519
2014	2013	3,896,885,655	2,318,866,523	457,168,489	2,137,855,522
2015	2014	4,124,343,068	2,345,587,752	466,504,332	2,180,798,250
2016	2015	4,493,378,375	2,635,995,951	490,328,554	2,329,056,020
2017	2016	5,078,286,527	2,948,065,401	475,924,292	2,656,735,937
2018	2017	5,731,588,183	2,767,945,856	440,556,376	2,767,008,032
2019	2018	5,783,141,090	2,785,915,714	466,581,283	2,704,709,306
2020	2019	6,170,091,943	2,821,267,727	481,536,694	2,795,241,612

Source: Galveston Central Appraisal District

Note: All properties are assessed at 100% of actual taxable value. The difference between market value and taxable value is the value of exemptions given for statutory purposes.

Residential property includes both single-family and multi-family properties.

*Unadjusted for over 65 and disabled property tax freeze

Total Taxable Assessed Value*	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Estimated Actual Value	Effective Tax Levy for Fiscal Year
4,048,664,091	$ 0.55400	$ 6,250,648,658	64.77%	$ 22,384,352
4,194,286,806	0.55400	6,373,927,993	65.80%	23,030,149
4,322,847,655	0.55400	6,465,380,174	66.86%	23,714,788
4,535,065,145	0.55400	6,672,920,667	67.96%	24,913,658
4,755,636,902	0.53389	6,936,435,152	68.56%	25,105,697
5,290,646,860	0.52900	7,619,702,880	69.43%	27,559,694
5,845,540,283	0.52600	8,502,276,220	68.75%	30,107,754
6,173,082,383	0.56100	8,940,090,415	69.05%	33,579,559
6,330,928,781	0.56100	9,035,638,087	70.07%	34,349,034
6,677,654,752	0.57989	9,472,896,364	70.49%	37,274,510

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(Unaudited)

	City Direct Rates				Overlapping Rates				
Fiscal Year	**General**	**Library**	**Debt Service**	**Total Direct**	**Galveston Independent School District**	**Galveston College**	**Navigation District 1**	**Galveston County**	**Total Millage**
2011	$ 0.44640	$ 0.05000	$ 0.05760	$ 0.55400	$ 1.16500	$ 0.18950	$ 0.04880	$ 0.61980	$ 2.57710
2012	0.45120	0.05000	0.05280	0.55400	1.16500	0.18950	0.04660	0.61290	2.56800
2013	0.45320	0.05000	0.04887	0.55207	1.16500	0.18940	0.04660	0.59990	2.55297
2014	0.45513	0.05000	0.05080	0.55593	1.16500	0.18700	0.04662	0.58370	2.53825
2015	0.43658	0.05000	0.04731	0.53389	1.15500	0.18700	0.04662	0.57884	2.50135
2016	0.43396	0.05000	0.04505	0.52900	1.15500	0.17875	0.04529	0.56125	2.46929
2017	0.44103	0.05000	0.03498	0.52600	1.15500	0.17025	0.04167	0.54625	2.43917
2018	0.44100	0.05000	0.07000	0.56100	1.15500	0.16619	0.04047	0.54615	2.46881
2019	0.45850	0.05000	0.05250	0.56100	1.15500	0.17519	0.04292	0.52983	2.46394
2020	0.47739	0.05000	0.05250	0.57989	1.08500	0.17118	0.04439	0.50440	2.38486

Source: Galveston Central Appraisal District, 2019 Taxing Entities and Tax Rates

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

(Unaudited)

	Fiscal year 2020			Fiscal Year 2011		
	Tax year 2019			Tax Year 2010		
Taxpayer	**Taxable Assessed Value**	**Rank**	**% of Total Assessed Valuation**	**Taxable Assessed Value**	**Rank**	**% of Total Assessed Valuation**
CenterPoint Energy Inc	$ 50,873,600	1	0.76%	$ 40,361,290	1	0.94%
Fertitta Hospitality Inc	43,026,250	2	0.64%	27,474,890	2	0.64%
Beatty Street Properties	20,035,900	3	0.30%			
TFT Galveston Portfolio LTD	18,679,220	4	0.28%			
Eighteen Seventy Strand Corp	17,355,000	5	0.26%			
Silverleaf Resorts Inc	17,957,590	7	0.27%	15,112,230	6	0.35%
Galveston Island Water Park LP	17,243,090	6	0.26%	16,430,160	4	0.38%
Island Hospitality Inc.	15,160,090	8	0.23%	12,277,360	10	0.29%
Union Pacific Raiload	14,784,390	9	0.22%			
Galveston Terminals Inc.	14,609,570	10	0.22%			
Halliburton Energy Services	-			17,971,659	3	0.42%
East Beach Project Phase 1 Ltd	-			15,761,100	5	0.37%
Diamond Beach VP, LP	-			-		
Walmart Realty	-			13,015,320	7	0.30%
MP Island	-			13,014,941	8	0.30%
M-I LLC	-			12,451,370	9	0.29%
	229,724,700		3.44%	183,870,320		4.28%
Other taxpayers	6,447,930,052		96.56%	4,118,384,342		95.72%
Total Assessed Valuation	$ 6,677,654,752		100.00%	$ 4,302,254,662		100.00%

Source - Galveston County Appraisal District

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

				Collected Within the Fiscal Year of the Levy		Collections (Refunds) in Subsequent Years	Total Collections to Date	
Fiscal Year	Tax Year	Tax Rate	Effective Tax Levy for Fiscal Year	Amount	Percent of Levy	Amount	Amount	Percent of Levy
2011	2010	$ 0.55400	$ 22,384,352	$ 21,634,612	96.7%	$ 975,821	$ 22,610,433	101.0%
2012	2011	0.55400	23,030,149	22,448,732	97.5%	917,415	23,366,147	101.5%
2013	2012	0.55400	23,714,788	23,155,399	97.6%	838,593	23,993,992	101.2%
2014	2013	0.55400	24,913,658	24,346,107	97.7%	743,149	25,089,256	100.7%
2015	2014	0.53389	25,105,697	24,593,586	98.0%	753,857	25,347,443	101.0%
2016	2015	0.52900	27,559,694	27,069,019	98.2%	749,472	27,818,491	100.9%
2017	2016	0.52600	30,107,754	29,484,505	97.9%	657,324	30,141,829	100.1%
2018	2017	0.56100	33,579,559	33,017,376	98.3%	865,913	33,883,289	100.9%
2019	2018	0.56100	34,349,034	33,644,354	97.9%	832,044	34,476,398	100.4%
2020	2019	0.57989	37,274,510	36,532,560	98.0%	973,945	37,506,505	100.6%

Source: Tax department records of the City. Tax levy based on the Tax Collector Monthly Report from GCAD.

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RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years
Amounts in (000's) except per capita amounts
(Unaudited)

	Governmental Activities				
Fiscal Year	**General Obligation Bonds**	**Special Obligation Bonds**	**Capital Leases**	**Certificates of Obligation**	**Other****
2011	$ 17,143	$ 31,595	$ 212	$ 22,605	$ 2,516
2012	19,032	30,290	1,654	22,516	2,854
2013	18,569	26,690	1,291	18,758	3,029
2014	16,472	25,960	882	16,900	5,192
2015	14,620	25,200	-	14,153	5,332
2016	12,565	24,390	-	9,789	7,571
2017	33,835	23,525	-	5,829	7,938
2018	31,131	22,605	-	2,874	7,612
2019	28,775	24,553	-	1,391	5,758
2020	56,867	20,580	-	-	9,770

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

*See the Schedule of Demographic and Economic Statistics for personal income and population data.
** Other debt consists of contracts and notes payable, bond issuance discount/premiums and accretion on capital appreciation bonds.

Business-Type Activities								
Revenue Bonds	General Obligation Bonds	Capital Leases	Certificates of Obligation	Other**	Total Primary Government	Percentage of Personal Income*	Percentage of Total Taxable Value of Property	Per Capita*
$ 39,800	$ -	$ 397	$ 15,174	$ 43,593	$ 173,035	15.4%	4.3%	$ 3,624
37,955	-	135	14,658	40,651	169,745	14.9%	4.0%	3,504
35,755	-	-	14,116	30,767	148,975	12.6%	3.4%	3,119
33,525	-	-	13,674	26,820	139,425	10.8%	3.1%	2,861
28,810	-	-	13,210	25,675	127,000	9.8%	2.7%	2,560
23,515	15,440	-	-	21,576	114,846	8.6%	2.2%	2,289
21,910	14,466	-	33,355	21,602	162,460	11.7%	2.8%	3,214
20,255	13,499	-	32,330	18,512	148,818	10.4%	2.4%	2,947
18,540	11,970	-	64,580	17,323	169,962	11.3%	2.7%	3,368
16,760	10,483	-	63,825	13,711	191,996	12.2%	2.9%	3,714

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years
Amounts in (000's) except per capita amounts
(Unaudited)

Fiscal Year	Tax Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net General Obligation Bonds	Percentage of Estimated Actual Taxable Value* of Property	Per Capita**
2011	2010	$ 17,143	$ 4,611	$ 12,532	0.20%	$ 262
2012	2011	19,032	3,766	15,266	0.24%	315
2013	2012	18,569	5,164	13,405	0.21%	281
2014	2013	16,472	5,543	10,929	0.16%	224
2015	2014	14,620	4,270	10,350	0.15%	209
2016	2015	12,565	3,433	9,132	0.12%	182
2017	2016	33,835	3,579	30,256	0.36%	599
2018	2017	31,131	3,724	27,407	0.31%	543
2019	2018	28,775	3,811	24,964	0.28%	495
2020	2019	56,867	1,717	55,150	0.58%	1,067

Note: The General Obligation Bonds amounts above represent only the tax supported General Obligation Debt. The General Obligation Bonds of the business-type activities are excluded as these are revenue supported debt and would artificially inflate the per capita amounts if included. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

* See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
** Population data can be found in the Schedule of Demographic and Economic Statistics.

DIRECT AND ESTIMATED OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2020
(Unaudited)

Taxing Jurisdiction	Gross Debt	Overlapping Estimated Percentage *	Overlapping Amount
Galveston County	$ 297,022,000	26.80%	$ 79,601,896
Galveston Independent School District	65,334,998	78.74%	51,444,777
Galveston County Municipal Utility District #30	4,365,000	100.00%	4,365,000
Total Overlapping Debt			135,411,673
City Direct Debt			131,175,001
Total Direct and Overlapping Debt			$ 266,586,674
Ratio of Direct and Overlapping Funded Debt to 2020 Taxable Assessed Valuation			3.99%
Per Capita Debt - Direct and Overlapping			$ 5,157

Sources: Texas Municipal Advisory Council of Texas and City Finance Department

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Galveston. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for paying the debt of each overlapping government.

*Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Population [1]	Personal Income ($ thousands)	Per Capita Personal Income [1]	Median Age [1]	Educational Level in Years of Formal Schooling [1]	School Enrollment [2]	Unemployment Rate [3]	Value of Building Permits ($ thousands) [4]
2011	47,743	$ 1,125,828	$ 23,581	38.8	12.0	6,400	8.9%	$ 108,628
2012	48,444	1,142,358	23,581	38.8	12.0	6,450	7.6%	108,578
2013	47,762	1,185,548	24,822	38.8	12.0	6,450	7.7%	227,128
2014	48,733	1,287,039	26,410	38.8	12.0	6,800	5.6%	173,339
2015	49,608	1,297,944	26,164	37.3	12.0	6,813	6.3%	184,223
2016	50,180	1,338,050	26,665	36.3	12.0	6,976	4.8%	131,081
2017	50,550	1,383,351	27,366	37.0	12.0	6,884	5.0%	224,606
2018	50,497	1,425,379	28,227	36.6	12.0	7,017	4.5%	123,707
2019	50,457	1,500,238	29,733	39.4	12.0	7,015	3.6%	157,480
2020	51,691	1,571,717	30,406	37.8	12.0	7,041	3.90%	131,373

Data Sources:
1 - United States Census Bureau and City-Data.com
2 - Galveston Independent School District
3 - United States Census Bureau and Texas Workforce Comission https://texaslmi.com/LMIbyCategory/LAUS
4 - City of Galveston

Note: Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average.

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PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago
(Unaudited)

	2020			2011		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment (A)**	**Employees**	**Rank**	**Percentage of Total City Employment (A)**
University of Texas Medical Branch	8,324	1	28.34%	11,568	1	43.82%
Landry's Restaurants	1,930	2	6.57%	1,045	2	3.96%
Galveston County (on Island only)	1,247	3	4.25%	969	4	3.67%
Galveston Independent School District	1,069	4	3.64%	1,012	3	3.83%
Moody Gardens	1,034	5	3.52%	655	7	2.48%
American National Insurance Company	950	6	3.23%	800	5	3.03%
City of Galveston	868	7	2.96%	728	6	2.76%
Schlitterbahn*	500	8	1.70%			0.00%
ILA (Local 20, 1665, 15048, 1443)	500	9	1.70%			0.00%
Walmart	360	10	1.23%	350	10	1.33%
Mitchell Historic Properties	335	11	1.14%			0.00%
Texas A&M University at Galveston	319	12	1.09%	400	9	1.52%
Fertitta Hospitality	-		0.00%	582	8	2.20%
	17,436		59.37%	18,109		68.60%

* Employment increases by 45% - almost 600 additional jobs during the summer.

Source: United States Census Bureau and Galveston Economic Development Partnership
http://www.gedp.org/Content/Major_Employers/5712

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
Function	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
General government:										
City Secretary	3	3	3	3	3	4	4	4	4	4
Municipal Court	10	10	10	9	9	9	8	8	8	8
City Manager	5	5	4	4	4	6	6	5	3	4
City Auditor	1	1	2	2	2	2	2	2	2	2
Finance	13	13	14	15	16	19	19	18	17	13
Legal	5	5	6	6	6	6	7	7	7	5
Human Resources	4	3	3	3	3	4	5	5	5	5
Public Safety:										
Police	131	177	177	188	185	185	190	203	209	200
Fire	115	115	115	115	115	118	120	119	119	118
Emergency Management	1	1	2	2	2	2	2	2	1	1
City Marshal	-	-	-	-	-	1	1	1	1	17
Public Works:										
Streets and Traffic	31	31	36	42	42	46	43	58	61	49
Parks	34	34	33	34	34	36	39	40	42	38
Planning and Community Development	23	24	24	23	23	25	25	24	25	42
Waterworks	32	32	35	37	41	40	45	43	44	39
Sewer System	69	69	80	81	84	87	90	87	88	54
Drainage Utility	23	23	26	35	35	34	33	37	36	28
Municipal Golf Course	-	-	-	-	-	-	-	-	-	
Sanitation	45	45	45	48	48	58	59	59	59	56
Municipal Airport	8	8	8	8	8	8	8	8	8	7
Central Service	12	12	13	14	15	16	18	24	25	34
Central Garage	22	22	22	22	22	24	22	22	22	21
Municipal Insurance	2	2	2	2	2	2	2	2	2	2
Construction Management	5	5	5	5	5	6	13	17	17	17
Island Transit	52	52	52	52	52	58	58	58	53	38
Total	646	692	717	750	756	796	819	853	858	802

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OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
Function	**2011**	**2012**	**2013**	**2014**
Police:				
Physical arrests	6,593	7,065	7,597	6,039
Parking violations	11,951	27,680	9,267	25,556
Traffic violations	40,676	15,328	28,765	22,148
Fire:				
Calls	8,645	6,681	6,311	7,020
Inspections	735	1,324	407	1,678
Water:				
Service connections	23,966	21,323	20,595	23,294
Average daily consumption (gallons)	16,143,437	14,480,142	14,570,688	14,557,447
Sewer:				
Average daily flow (gallons)	6,694,692	7,108,791	7,854,000	7,136,000
Maximum daily capacity of plants (gallons)	14,580,000	14,580,000	14,500,000	17,713,000

Source: Various City Departments.

Fiscal Year					
2015	2016	2017	2018	2019	2020
6,356	6,178	5,176	4,794	4,450	4,100
12,320	15,406	18,834	19,546	22,947	1,119
20,243	20,915	16,054	16,369	18,059	6,892
7,172	7,700	7,360	7,031	6,843	6,891
1,693	2,750	1,964	1,765	1,450	1,926
19,938	21,623	21,945	22,338	22,794	26,811
14,509,978	14,170,071	14,092,921	11,904,677	10,616,792	10,892,000
8,826,700	9,302,558	7,420,000	7,640,699	7,792,000	7,792,000
14,550,000	14,550,000	14,874,000	14,874,000	14,874,000	14,874,000

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CAPITAL ASSETS STATISTICS BY FUNCTION

Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
Function	**2011**	**2012**	**2013**	**2014**
Police:				
Stations	4	1	2	1
Patrol Units	67	55	60	74
Police officers	131	139	143	143
Fire:				
Stations	6	6	6	6
Fire fighters	115	108	115	109
Highways and streets:				
Streets (miles)	321	321	321	321
Street lights	4,444	4,365	4,377	4,411
Culture and recreation:				
Parks acreage	50	50	168	168
Parks	14	14	14	14
Tennis courts	16	16	16	16
Community centers	2	2	2	2
Cemeteries	2	2	7	7
Athletic fields	11	11	12	12
Swimming pools	-	-	-	-
Water:				
Water mains (miles)	388	389	389	389
Fire hydrants	2,422	2,422	2,422	2,552
Maximum daily capacity (thousands of gallons)	33,000,000	37,150,000	39,700,000	39,700,000
Sewer:				
Treatmant plants	4	4	4	4
Sanitary sewers (miles)	243	243	243	243
Storm sewers (miles)	75	75	75	75
Maximum daily treatment capacity (thousands of gallons)	14,580,000	14,580,000	14,250,000	14,250,000

Source: Various City Departments.

Note: No capital asset indicators are available for the general government function.

Fiscal Year					
2015	2016	2017	2018	2019	2020
1	1	1	1	1	1
78	65	68	62	52	109
140	136	132	148	146	151
6	6	6	6	6	6
109	112	112	112	115	111
321	324	324	324	324	378
4,417	4,405	4,405	4,541	4,583	4,583
168	168	168	751	751	751
14	13	13	17	17	17
16	16	16	16	16	16
2	2	2	2	2	2
7	6	6	6	6	6
12	11	11	24	24	24
-	-	1	1	1	1
389	391	391	395	400	491
2,555	2,555	2,555	2,585	2,696	2,600
36,500,000	21,500,000	21,500,000	21,500,000	37,100,000	37,100,000
4	4	4	4	4	4
243	244	244	246	246	268
75	75	75	57	62	63
14,750,000	14,874,000	14,874,000	14,874,000	14,874,000	14,874,000

City of Galveston
First Quarter Report
FY 2021

CITY OF GALVESTON
QUARTERLY REPORT
FISCAL YEAR 2021
OCTOBER 2020 – DECEMBER 2020

CITY OF GALVESTON
QUARTERLY REPORT
FISCAL YEAR 2021
OCTOBER 2021 – DECEMBER 2021

City of Galveston

OFFICE OF THE CITY MANAGER
PO Box 779| Galveston, TX 77553-0779
www.citymanager@galvestontx.gov |409-797-3520

February 24, 2021

Honorable Mayor Dr. Craig Brown and Members of Council

This is to present the First Quarter Budget Status Report for the period ending December 31, 2020 with projections as of the fiscal year ending September 30, 2021 (FY 2021). This quarterly report includes preliminary statements of income, expense and ending fund balances for all operating funds as well as the cash balances and project allocations for all capital funds.

As you know, last fiscal year FY 2020 became extremely challenging with the advent of COVID-19 in March 2020. City operations had begun to stabilize when the most severe winter storm in 30 years hit Galveston and the entire State of Texas during the week of February 15-19, 2021.

The effects of this storm on city finances are still being added up and are not yet available for inclusion in this report. But we expect to receive reimbursement for virtually all of our additional expenses through disaster assistance provided by FEMA through the State. After ending FY 2020 in strong financial condition, overall city revenues have continued to perform well in FY 2021.

In total, the city budgeted $133 million in revenue, and collections for FY 2021 are projected to total $133.4 million. Citywide spending was budgeted at $148.3 million, including $32.7 million in the City's Special Revenue Funds. Projected spending for year-end totals $138.9 million with the Special Revenue Funds accounting for the vast majority of the drop-off in spending from the budgeted level as they always do.

(*Note: Because special fund revenues are legally restricted to limited purposes, it is our practice to include all of the available special fund revenue in each year's budget. This makes the money available in case the City Council determines a need for those funds to be spent. Unexpended special fund balances remain in their dedicated fund until they are expended for an appropriate legally restricted purpose as authorized by City Council.*)

General Fund
As of July 2020, when we prepared the FY 2021 General Fund Budget, we estimated $57.5 million in revenue and $57.1 million in spending for FY 2020 resulting in a net

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anticipated addition to fund balance of $600,000. As of the FY 2020 fourth quarter end, revenues are now projected at $58.5 million and General Fund spending is projected to be $56.6 million, providing a $1.9 million boost to the city's most visible and critical fund reserve. Including this boost, the $18.2 million projected ending fund balance is $4.2 million in excess of the 90-day requirement. However, it is also still $1.6 million less than it was at the beginning of FY 2019 ($19.7 million) prior to the CDM settlement payment.

This $18.2 million beginning balance for FY 2021 does not include 80 percent of the expected but not yet received CARES Act reimbursement for COVID-19 costs estimated at $1.7 million for the General Fund. The projections in this report also exclude anticipated reimbursements in excess of $292,000 for General Fund preparations for Hurricane Laura. These expenses (CARES Act and Laura) are under review by the Texas Department of Emergency Management and a decision is expected during FY 2021.

As of the writing of this transmittal, pending is an adjustment proposed for budget approval by City Council on February 25th to write off $1.53 million in CDBG receivables because collection is highly unlikely. This writeoff is being recommended for inclusion in the FY 2020 Comprehensive Annual Financial Report. If approved, this will reduce the FY 2020 ending General Fund balance by $1.53 million to $16.6 million as the previously charged expenses must be funded with City dollars. The potential net effect of the CARES Act, Laura and CDBG adjustments is to increase the reported fund balance by approximately $470,000 to $18.8 million once they have all been approved.

Both General Fund revenue and expense are projected to underrun the FY 2021 Adopted Budget by approximately one percent. (See pages 1 and 2 from this report.) General Fund revenues, budgeted at $60.97 million are projected to end FY 2021 at $60.41 million. This $558,000 shortage is attributable to lower mixed drink tax revenues resulting from ongoing COVID-19 effects as well as the prolonged and continuing effect on Municipal Court revenue due to difficulties associated with in-person appearances. Also, lower franchise tax revenue is being collected as the full effect of the 2019 state legislation that forgives telephone franchise payments by Comcast and cable TV payments by AT&T takes effect for a full year.

Sales tax revenue is currently projected to make budget ($16.3 million) while property tax revenue is projected to be less by yearend as the result of $52 million less in taxable

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value being certified by GCAD than was assumed when the budget was prepared. We are advised by GCAD that very little of this taxable value loss was due to taxpayers who appealed their current year taxable values as provided by the disaster relief measure passed by Council in December.

FY 2021 General Fund spending is also budgeted at $60.97 million, and is projected to end the fiscal year at $60.4 million, or $574,000 below the FY 2021 Budget. Each significant variation in projected revenue or spending from budget is footnoted and explained in the General Fund summary herein (See pages 1-2).

Other Funds

The Combined Utility System Fund (including the water and wastewater funds) is currently projected to receive $39.93 million in revenue, more than $1 million over the $38.7 million budget. (See page 23 of this report.) Prior to the recent winter storm, and before significant water revenue losses were incurred as a direct result of the storm, water fund revenue was projected at $1.17 million over budget. All water revenue losses now are being prepared for submission to TDEM/FEMA for reimbursement through disaster assistance.

Wastewater fund expenses are projected at $16.1 million, $283,000 over budget. This is solely attributable to a clerical error made in the preparation of the Wastewater Collection budget. This will be corrected in the first budget amendment submitted to City Council for FY 2021. (See page 25 of this report.)

As a key portion of this quarterly report, let me express concern for the steady trend experienced with higher medical costs than anticipated in the FY 2021 Budget for the joint Health and Life Fund. (See page 35 of this report.) Since last July, total medical and pharmaceutical costs net of stop-loss reimbursements have remained in the $1 million range per month. The City, the Port and the Park Board each contribute an employer's share to this plan and all our employees receive benefits accordingly. We are self-insured, as we have been for some time, but the current trend is being referred to our benefits consultants, HUB International for recommendations.

HUB provided expense projections for this report that total $12.7 million. Scheduled premium payments by plan members and the three employers total $11.9 million. This is problematic for the current year because the goal is to maintain balance between these two numbers and keep the plan sound. Currently, it appears that the plan began

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the fiscal year with approximately $2.3 million. That balance will be pulled down to $1.45 million by September 30, 2021 because of the expense trend described above. if no additional funds are provided.

This is also problematical for next year because medical expenses are projected to follow a seven percent growth trend in FY 2022. All things being equal, this means the expense budget for FY 2022 could be as much as $13.6 million. This is $1.7 million more than the $11.9 million current contributions level. Our HUB benefits advisory team is going to analyze the situation and make recommendations to the City, the Port, and the Park Board for moving forward with the plan into FY 2022 and beyond. All options will be considered, including going fully insured, plan benefit changes and changing the current basis for employer contributions to consider actual expenses for each entity's employees. The timeframe for this effort is sixty days so that at least preliminary policy decisions might be made regarding allocations of scarce resources by all three entities in their FY 2022 budgets.

The quarterly report includes income and expense for every budgeted City operating fund and every capital projects fund. CIP project status is also a part of this report.

Please let me know if you need further information on this First Quarter Budget Status Report for FY 2021.

Brian Maxwell
City Manager

Financial Data

CITY-WIDE SUMMARY
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate
Beginning Fund Balance				
General Fund	$16,402,377	$18,171,928	$18,171,928	$18,171,928
Special Revenue Funds	16,904,865	17,088,432	17,088,432	17,088,432
Debt Service Fund	1,704,319	1,716,293	1,716,293	1,716,293
Enterprise Funds	22,735,320	21,878,542	21,878,542	21,878,542
Total	**$57,746,881**	**$58,855,195**	**$58,855,195**	**$58,855,195**
Revenue				
General Fund	$58,489,183	$60,971,038	$15,470,934	$60,414,920
Special Revenue Funds	16,735,644	17,671,084	4,162,614	17,420,761
Debt Service Fund	8,231,359	5,179,893	2,763,983	5,110,093
Enterprise Funds	48,591,495	49,159,974	11,933,907	50,406,177
Total	**$132,047,682**	**$132,981,989**	**$34,331,439**	**$133,351,951**
Expenditures				
General Fund	$56,575,259	$60,971,038	$14,849,731	$60,397,077
Special Revenue Funds	16,572,777	32,658,974	3,789,953	23,485,523
Debt Service Fund	8,219,385	5,179,893	1,264,372	5,176,093
Enterprise Funds	48,454,239	49,517,741	12,088,196	49,750,842
Total	**$129,821,659**	**$148,327,646**	**$31,992,251**	**$138,809,535**
Revenues over/(under) Expenditures				
General Fund	$1,913,925	$0	$621,204	$17,843
Special Revenue Funds	162,868	(14,987,890)	372,661	(6,064,761)
Debt Service Fund	11,974	0	1,499,611	(66,000)
Enterprise Funds	137,256	(357,767)	(154,289)	655,335
Total	**$2,226,023**	**($15,345,657)**	**$2,339,187**	**($5,457,584)**
Fund Balance Adjustments/Appropriation of Fund Balance				
General Fund	$144,374	$0	$0	$0
Special Revenue Funds	21,521	0	0	0
Debt Service Fund	0	0	0	0
Enterprise Funds	(980,433)	(1,055,000)	0	(1,055,000)
Total	**($814,539)**	**($1,055,000)**	**$0**	**($1,055,000)**
Ending Fund Balance				
General Fund	$18,171,928	$18,171,928	$18,793,132	$18,189,771
Special Revenue Funds	17,089,253	2,100,542	17,461,093	11,023,671
Debt Service Fund	1,716,293	1,716,293	3,215,905	1,650,293
Enterprise Funds	21,892,143	20,465,775	21,724,252	21,478,876
Sub-Total	**$58,869,618**	**$42,454,537**	**$61,194,383**	**$52,342,611**
Internal Service Funds	$5,445,930	$5,630,712	$4,501,295	$4,774,525
TOTAL WITH INTERNAL SERVICE FUNDS	**$64,315,548**	**$48,085,250**	**$65,695,678**	**$57,117,136**

Note: The Internal Service Funds revenues and expenses are not included in the totals above to avoid duplication.

GENERAL FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year				
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate		FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$16,402,377**	**$18,171,928**	**$18,171,928**	**$18,171,928**		**$0**
Revenues						
Property Taxes	29,102,103	$31,381,600	$11,191,038	$31,257,100	(1)	($124,500)
Sales Taxes	16,355,869	16,300,000	1,314,115	16,300,000	(2)	0
Mixed Beverage Taxes	761,777	920,000	0	750,000	(3)	(170,000)
Franchise Taxes	5,112,112	5,197,450	857,265	5,073,900	(4)	(123,550)
Licenses and Permits	1,320,998	1,242,800	306,795	1,229,050		(13,750)
Interfund Transfers for Service	2,222,093	2,704,700	676,175	2,812,700	(5)	108,000
Charges for Services	214,408	255,188	47,433	254,100		(1,088)
Fines and Forfeits	1,391,862	1,718,700	367,330	1,431,300	(6)	(287,400)
Investment Earnings	199,284	75,000	1,448	50,000		(25,000)
Other Revenues	1,727,063	1,125,600	709,335	1,206,770		81,170
Other Financing Sources	81,614	50,000	0	50,000		0
Total Revenues	**$58,489,183**	**$60,971,038**	**$15,470,934**	**$60,414,920**		**($556,118)**
Expenditures						
Public Safety						
Police	$21,597,645	$23,610,111	$5,964,542	$23,556,537		$53,574
Fire	12,164,432	12,956,380	3,297,527	12,934,075		22,305
Emergency Management	140,435	164,763	47,811	164,763		(0)
Emergency Medical Service	615,122	730,882	182,433	729,734		1,148
City Marshal	688,740	896,680	213,829	885,750		10,930
Subtotal	**$35,206,374**	**$38,358,816**	**$9,706,143**	**$38,270,859**		**$87,956**
Public Works						
Streets	$1,341,444	$1,815,727	$416,987	$1,487,083	(7)	$328,644
Traffic	2,246,942	2,266,759	485,134	2,155,769	(8)	110,990
Subtotal	**$3,588,386**	**$4,082,486**	**$902,121**	**$3,642,852**		**$439,633**
Parks and Recreation						
Administration	$887,015	$933,836	$219,863	$912,675		$21,161
Parks and Parkways	1,913,993	1,833,184	474,761	1,884,005	(9)	(50,821)
Subtotal	**$2,801,008**	**$2,767,020**	**$694,624**	**$2,796,681**		**($29,661)**
Developmental Services						
Planning	$956,207	$863,978	$260,970	$831,531		$32,447
Building Inspection	618,057	632,429	176,554	690,445	(10)	(58,016)
Subtotal	**$1,574,264**	**$1,496,407**	**$437,524**	**$1,521,976**		**($25,568)**
General Government						
City Secretary	$506,330	$557,638	$138,609	$557,154		$484
Elections	0	70,000	0	70,000		0
Municipal Court	697,601	776,693	177,690	759,520	(11)	17,173
City Manager	632,195	716,654	164,548	711,739		4,915
City Auditor	275,704	285,555	72,205	292,938	(12)	(7,383)
Legal	771,110	822,731	190,646	808,043		14,688
Human Resources	531,952	536,631	119,760	526,011		10,620
Transportation	200,123	200,000	50,000	200,000		0
Subtotal	**$3,615,015**	**$3,965,902**	**$913,458**	**$3,925,404**		**$40,497**
Finance						
Administration	$373,415	$344,636	$51,765	$347,263	(13)	($2,627)
Accounting	861,809	766,134	190,647	862,791	(14)	(96,657)
Purchasing	209,415	197,943	46,538	231,875	(15)	(33,932)
Budget	237,400	243,880	40,665	221,883		21,997
Subtotal	**$1,682,039**	**$1,552,593**	**$329,615**	**$1,663,812**		**($111,219)**

GENERAL FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year				
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget (1)	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate		FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Non-Departmental						
Taxation	$288,666	$320,546	$25,466	$320,546		$0
Facility Maintenance	1,493,864	1,233,252	308,313	1,233,252		0
COLA Increases	0	277,689	0	0	(16)	277,689
COVID 19 Expenses	24,522	0	0	0		0
Cedars Water & Electric Station	526	58,560	468	39,309		19,251
Contractual Services	22,160	70,000	60,057	194,619	(17)	(124,619)
Hurricane Laura Expenditures	111,059	(100,000)	0	(100,000)		0
Vehicle Purchases	577,740	1,000,000	0	1,000,000		0
Community Outreach/Public Information	246,534	260,084	65,021	260,084		0
Transfer to Separation Pay Fund	596,160	750,000	187,500	750,000		0
Transfer to Infrastructure Fund	4,746,944	4,877,683	1,219,421	4,877,683		0
Subtotal	**$8,108,173**	**$8,747,814**	**$1,866,246**	**$8,575,493**		**$172,321**
Total Expenditures	**$56,575,259**	**$60,971,038**	**$14,849,731**	**$60,397,077**		**$573,958**
Revenues Over/(Under) Expenditures	**$1,913,925**	**$0**	**$621,204**	**$17,843**		**$17,843**
Prior Year Adjustment	**$123,507**	**$0**	**$0**	**$0**		**$0**
Subtotal	**$18,192,795**	**$18,171,928**	**$18,793,132**	**$18,189,771**		**$17,843**
Less: Appropriation of Fund Balance						
One-Time Capital Outlay	$45,933	$0	$0	$0		$0
Transfer to Hurricane Harvey Grant	(25,066)	0	0	0		0
Subtotal	**$20,867**	**$0**	**$0**	**$0**		**$0**
Ending Fund Balance	**$18,171,928**	**$18,171,928**	**$18,793,132**	**$18,189,771**		**$17,843**
90 Day Reserve	**$13,950,064**	**$15,033,955**	**$3,661,577**	**$14,892,430**		**($141,525)**
Excess over 90 Days	**$4,221,864**	**$3,137,974**	**$15,131,555**	**$3,297,341**	(18)	**$159,367**
Total General Fund Appropriation	**$56,596,125**	**$60,971,038**	**$14,849,731**	**$60,397,077**		**$573,958**

NOTES:

(1) Property tax revenue reflects supplemental rolls to date with the net taxable roll including $50 million less than budgeted out of $7.3 billion in value. Higher collections rate used to parallel actual collection experience of last four years. It is premature to base projections on amount collected to date.

(2) Sales tax estimate assumes growth of forty thousand jobs in FY2021, as well as some additional collections due to pending stimulus payments.

(3) Mixed drink taxes reflect effects of COVID-19 leading to fewer bar patrons.

(4) Full effect of state 2019 legislation that forgives telephone franchise payments by Comcast and cable TV franchise payments by AT&T.

(5) Adjusted FY 2021 Indirect cost using FY 2021 Estimate, increasing Waterworks Fund payment by $74,000 and Wastewater Fund payment by $31,000.

(6) Municipal Court revenues were impacted considerably by effects of COVID on court appearances.

(7) The Streets Department is projected to receive a total of $1.9 million in reimbursements for repair work associated with in house construction programs or projects or work required to repair utility cuts. This is comparable with the $1.876 million received in FY 2020.

(8) The projected underrun in the **Traffic Department** is a result of analysis of the electricity streetlight portion of that account. The tariffs (rates) became effective in May so this caused the monthly amount to drop.

(9) **Parks and Parkways** overrun is the result of $20,845 billed for GPS monitoring that was not budgeted, cellular service usage increase ($6,100) and COLA increases ($24,000) that will be addressed with a future budget amendment.

(10) The projected overage in the **Building Inspection Department** is a result of hiring a Permit Technician position that was to be discontinued in FY21. This will be addressed in a future budget amendment.

(11) **Municipal Court** is expected to have an $17,000 underrun do the hiring of a full time Deputy City Marshal to perform bailiff duties with 50% of their salary being reimbursed from the Building Security Special Revenue Fund.

(12) The anticipated overage in the office of **City Auditor** is the result of the need to hire temporary administrative personnel approved by City Council on January 28th and COLA increases for FY21. This will be accessed with a future budget amendment.

(13) The overage in **Finance Administration** is the result of COLA costs that will be addressed with a future budget amendment.

(14) The projected overage in **Finance Accounting** is due to the addition of one accountant full-time equivalent for compliance accounting.

(15) The projected overage in **Finance Purchasing** is the added cost of upgrading the recently vacant supervisor position to a manager.

(16) Funding for the 2% **COLA increases** for civilian employee's was set aside at the beginning of the fiscal year. Experience has been that these funds were not needed to cover budget overruns caused solely by the 2% COLA.

(17) **Contractual Services** includes $138,000 for temporary personnel and $46,000 needed to track, document and handle federal and state review of disaster related expenditures for storms and the pandemic. Much of this is reimbursable over time.

(18) Projected ending fund balance of $18.2 million would be 110 days of reserve, and $3.3 million or 20 days more than the 90 day policy minimum.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

Rosenberg Library Fund (1040) - To account for ad valorem taxes collected and transferred to the library, to be used for library purposes, as authorized by City Charter.

Seawall Parking Fund (1095) – To account for receipts of seawall parking revenue and expenditures related to the operation and capital improvement of the seawall and beach.

Convention Center Surplus Fund (1090) – To account for local hotel occupancy tax, to be used to enhance and promote tourism and the convention and hotel industry.

Historical Buildings Fund (1093) – To account for receipts of 1/8 hotel occupancy tax, to be used for advertisement and capital repairs to historical buildings and statues.

City Council Projects & Initiatives Program Fund (1098) – To account for funds to enhance neighborhood resources, economic development, public services, and the quality of life for residents.

Infrastructure Fund (3199) – To account for funds for capital improvement and/or debt service allocating 1% of the General Fund Operating Budget beginning in FY 2013 and an additional 1% in each successive fiscal year thereafter until the cumulative annual allocation reaches a minimum of 8% of the total General Fund Operating Budget.

Separation Pay Fund (1099) – To account for funds from the General, Waterworks, Sewer System, Sanitation, Drainage and Airport for accrued benefits paid to an employee who terminates employment from the City.

Public Access Channel Fund (1092) – To account for funds used for improvements and equipment related to the City's public access channel. The revenues from this fund come from Comcast. It is a legal requirement that the funds be spent to improve the public access channel.

Parking Management Fund (1096) - To account for collection of parking revenue and fees around the downtown area.

Lasker Pool Fund (1094) - To account for funds received through donations, grants and IDC funding to be used for the first community pool in the City of Galveston.

Pension Reform Fund (1020) - To account for funds set aside to address the City of Galveston Civilian Pension Plan.

Revenue Producing Parks Fund (1031) - To account for the collection of fees and expenses at Pocket Park #1, Pocket Park #2, Pocket Park #3, Fort Crockett Seawall Park, McAllis Point and Ostermayer Bayou.

Asset Forfeiture Funds (1811) – To account for the equitable sharing of assets received from federal and state agencies to be used for law enforcement purposes. Funds are used to enhance and supplement, not supplant or replace the Police Department's appropriated budget.

Police Special Revenue Fund (1812) – To account for funds donated from the community to be used for Police Department needs.

Police Quartermaster Fund (1813) – To account for funds to maintain and purchase clothing and equipment as determined by the Police Administration for all full time paid police officers

Alarm Permit Fund (1814) – To account for fees paid by permit holders for annual alarm system permits issued by the city. Fees shall be used for the general administration and enforcement of the city alarm systems program as required by Local Government Code, Section 214.194.

Fire Special Revenue Fund (1816) – To account for funds donated from the community to be used for Fire Department needs.

Municipal Court Building Security Fund (1821) – To account for a fee of $3.00 per misdemeanor conviction and is collected for future improvements to the security of the court facilities.

Municipal Court Technology Fund (1822) – To account for a fee of $4.00 per misdemeanor conviction and is collected for future improvements to technology of the court facilities.

Municipal Court Juvenile Services Fund (1823) – To account for a fee of $6.00 per misdemeanor conviction (90% State, 10% City) to promote the efficient operation of the court and the investigation, prosecution, and enforcement of the offenses within the court's jurisdiction.

Recovery and Capital Reserve Fund (3050) - To account for funds collected through the legal department.

Technology Improvement Fund (1097) - To account for funding for city-wide efforts to enhance technology of the city's hardware and software configurations and status including disaster recovery planning.

Island Transit Fund (1300) – To account for the receipt of and expenditure of federal, state, and local revenues designated for transit and other livable community projects.

SPECIAL REVENUE FUNDS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020		FY2021 Budget Estimate
Beginning Fund Balance					
Rosenberg Library	$0	$0	$0		$0
Seawall Parking	1,516,878	1,573,309	1,573,309		1,573,309
Convention Center Surplus	2,495,326	2,652,712	2,652,712		2,652,712
Historical Buildings	1,252,439	1,476,137	1,476,137		1,476,137
City Council Projects & Initiatives Program	482,324	414,126	414,126		414,126
Infrastructure Fund	4,168,643	3,576,889	3,576,889		3,576,889
Separation Pay Fund	375,227	419,465	419,465		419,465
Public Access Channel Fund	1,059,278	1,233,168	1,233,168		1,233,168
Parking Management Fund	567,144	566,119	566,119		566,119
Lasker Pool Fund	321,778	345,659	345,659		345,659
Pension Reform Fund	1,056,688	1,066,054	1,066,054		1,066,054
Revenue Producing Parks	230,310	417,768	417,768		417,768
D.E.A. Asset Forfeiture Fund	219,337	411,453	411,453		411,453
Police Special Revenue Fund	149,858	173,622	173,622		173,622
Police Quartermaster Fund	62,200	71,031	71,031		71,031
Alarm Permit Fund	90,773	139,671	139,671		139,671
Fire Special Revenue Fund	143,804	117,094	117,094		117,094
Municipal Court Building Security Fund	33,500	24,542	24,542		24,542
Municipal Court Technology Fund	105,265	60,888	60,888		60,888
Municipal Court Juvenile Services Fund	171,306	179,319	179,319		179,319
Recovery and Capital Reserve Fund	1,041,390	439,076	439,076		439,076
Technology Improvement Fund	1,244,854	1,643,379	1,643,379		1,643,379
Island Transit	17,906	40,185	40,185		40,185
Hurricane Harvey	98,638	46,767	46,767		46,767
Total	**$16,904,865**	**$17,088,432**	**$17,088,432**		**$17,088,432**
Revenues					
Rosenberg Library	$3,046,312	$3,438,900	$1,192,806		$3,424,900
Seawall Parking	159,636	145,000	64,502	(1)	160,000
Convention Center Surplus	1,731,380	1,589,000	564,946		1,589,000
Historical Buildings	222,273	188,000	31,487		188,000
City Council Projects & Initiatives Program	4,219	2,500	81		486
Infrastructure Fund	4,787,002	4,917,683	1,221,280		4,917,683
Separation Pay Fund	756,730	875,570	217,403		875,570
Public Access Channel Fund	173,890	181,000	3,658		149,469
Parking Management Fund	742,846	656,000	208,992		754,212
Lasker Pool Fund	418,017	517,700	400,870		412,750
Pension Reform Fund	9,367	8,000	215		4,000
Revenue Producing Parks	261,350	192,820	84		192,820
D.E.A. Asset Forfeiture Fund	199,954	52,500	83		50,997
Police Special Revenue Fund	45,818	27,900	1,634		24,505
Police Quartermaster Fund	83,879	83,500	83,514		83,583
Alarm Permit Fund	53,901	66,500	3,404		50,171
Fire Special Revenue Fund	23,387	24,510	22,524		22,642
Municipal Court Building Security Fund	20,495	15,300	5,073		15,032
Municipal Court Technology Fund	21,993	23,500	4,582		21,071
Municipal Court Juvenile Services Fund	25,734	20,800	5,358		20,221
Recovery and Capital Reserve Fund	0	0	0		0
Technology Improvement Fund	464,975	8,000	266		1,594
Island Transit	3,462,105	4,408,234	128,832		4,232,867
Hurricane Harvey	20,380	228,167	1,022		229,189
Total	**$16,735,644**	**$17,671,084**	**$4,162,614**		**$17,420,761**

(1) Seawall Parking projections assume transition to Parks Board as of February, 2016.

SPECIAL REVENUE FUNDS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate
Expenditures				
Rosenberg Library	$3,046,312	$3,438,900	$1,146,300	$3,424,900
Seawall Parking	103,205	1,676,531	0	25,000
Convention Center Surplus	1,573,994	4,438,563	147,901	4,085,321
Historical Buildings	(1,425)	1,654,864	0	0
City Council Projects & Initiatives Program	72,417	402,551	116,223	402,551
Infrastructure Fund	5,378,755	7,978,803	929,369	5,752,664
Separation Pay Fund	712,493	875,570	244,076	875,570
Public Access Channel Fund	0	918,957	9,836	918,957
Parking Management Fund	743,870	1,029,720	97,520	731,683
Lasker Pool Fund	393,315	844,684	82,765	470,603
Pension Reform Fund	0	1,076,035	0	0
Revenue Producing Parks	73,422	534,343	10,968	73,286
D.E.A. Asset Forfeiture Fund	7,838	395,925	1,663	150,000
Police Special Revenue Fund	22,055	185,467	1,870	185,467
Police Quartermaster Fund	75,048	148,133	7,781	148,133
Alarm Permit Fund	5,004	223,319	44	66,943
Fire Special Revenue Fund	50,096	167,222	0	139,737
Municipal Court Building Security Fund	29,452	37,836	9,796	37,836
Municipal Court Technology Fund	66,371	77,138	4,664	50,183
Municipal Court Juvenile Services Fund	17,721	202,285	4,005	16,750
Recovery and Capital Reserve Fund	602,314	404,905	98,580	370,344
Technology Improvement Fund	66,450	1,307,788	25,056	1,040,056
Island Transit	3,461,817	4,406,660	849,920	4,272,082
Hurricane Harvey	72,251	232,775	1,615	247,456
Total	**$16,572,777**	**$32,658,974**	**$3,789,953**	**$23,485,523**
Prior Year Adjustment				
Lakser Pool	($821)	$0	$0	$0
Revenue Produing Parks	(470)	0	0	0
Island Transit	21,991	0	0	0
Total	**$21,521**	**$0**	**$0**	**$0**
Ending Balances				
Rosenberg Library	$0	$0	$46,506	$0
Seawall Parking	1,573,309	41,778	1,637,811	1,708,309
Convention Center Surplus	2,652,712	(196,850)	3,069,757	156,391
Historical Buildings	1,476,137	9,273	1,507,624	1,664,137
City Council Projects & Initiatives Program	414,126	14,075	297,984	12,060
Infrastructure Fund	3,576,889	515,769	3,868,800	2,741,908
Separation Pay Fund	419,465	419,465	392,791	419,465
Public Access Channel Fund	1,233,168	495,211	1,226,990	463,679
Parking Management Fund	566,119	192,399	677,591	588,648
Lasker Pool Fund	345,659	18,675	663,764	287,806
Pension Reform Fund	1,066,054	(1,981)	1,066,270	1,070,054
Revenue Producing Parks	417,768	76,245	406,883	537,302
D.E.A. Asset Forfeiture Fund	411,453	68,028	409,873	312,450
Police Special Revenue Fund	173,622	16,055	173,386	12,659
Police Quartermaster Fund	71,031	6,398	146,764	6,482
Alarm Permit Fund	139,671	(17,148)	143,030	122,899
Fire Special Revenue Fund	117,094	(25,617)	139,618	(0)
Municipal Court Building Security Fund	24,542	2,007	19,818	1,738
Municipal Court Technology Fund	60,888	7,250	60,806	31,776
Municipal Court Juvenile Services Fund	179,319	(2,166)	180,671	182,789
Recovery and Capital Reserve Fund	439,076	34,171	340,496	68,732
Technology Improvement Fund	1,643,379	343,592	1,618,588	604,917
Island Transit	40,185	41,759	(680,903)	969
Hurricane Harvey	46,767	42,159	46,174	28,500
Total	**$17,088,432**	**$2,100,545**	**$17,461,093**	**$11,023,671**

ROSENBERG LIBRARY
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$0	$0	$0	$0	$0
Revenues					
Property Taxes	$2,997,928	$3,398,900	$1,171,737	$3,384,900	($14,000)
Property Taxes-Delinquent	48,384	40,000	21,069	40,000	0
Total Revenues	$3,046,312	$3,438,900	$1,192,806	$3,424,900	($14,000)
Expenditures					
Payments to Library	$3,046,312	$3,438,900	$1,146,300	$3,424,900	$14,000
Total Expenditures	$3,046,312	$3,438,900	$1,146,300	$3,424,900	$14,000
Revenues Over/(Under) Expenditures	$0	$0	$46,506	$0	$0
Ending Fund Balance	$0	$0	$46,506	$0	$0

NOTE:

SEAWALL PARKING
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$1,516,878	$1,573,309	$1,573,309	$1,573,309	$0
Revenues					
Transient Fees	$146,370	$125,000	$64,197	$150,000	$25,000
Other Revenue	13,266	20,000	305	10,000	(10,000)
Total Revenues	$159,636	$145,000	$64,502	$160,000	$15,000
Expenditures					
Materials and Supplies	$14,012	$0	$0	$0	$0
Contractual Services	101,199	0	0	0	0
Miscellaneous Expenses	(12,006)	0	0	25,000 (2)	(25,000)
Capital Reserve	0	1,676,531	0	0	1,676,531
Total Expenditures	$103,205	$1,676,531	$0	$25,000	$1,651,531
Revenues Over/(Under) Expenditures	$56,431	($1,531,531)	$64,502	$135,000	$1,666,531
Ending Fund Balance	$1,573,309 (1)	$41,778	$1,637,811	$1,708,309	$1,666,531

NOTE:

(1) By contract, The Park Board collects all Seawall parking revenue, incurs the expense of operating the parking system, and provides the City income net of expenditures. The City maintains this net income in this fund and has it reserved until significant projects to improve the Seawall are identified.
(2) Funding for additional signage needed for beach access.

CONVENTION CENTER SURPLUS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year				
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate		FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$2,495,326	$2,652,712	$2,652,712	$2,652,712		$0
Revenues						
Convention Center (Hotel Tax) Surplus	$1,731,380	$1,589,000	$564,946	$1,589,000	(1)	$0
Total Revenues	$1,731,380	$1,589,000	$564,946	$1,589,000		$0
Expenditures						
Special Events (City)						
Special Events General Fund	$50,000	$50,000	$0	$50,000		$0
Summer Band Concert	0	29,117	0	0		29,117
Christmas Decorations	0	0	0	0		0
Mardi Gras	262,782	260,000	0	0		260,000
Subtotal Special Events (City)	312,782	339,117	0	50,000		289,117
Seawall and Related Activities (City)						
Seawall Police Services (GPD)	499,786	573,266	111,763	573,266	(2)	0
Restrooms (Operations & Maintenance)	1,922	2,000	0	2,000	(3)	0
Portable Restrooms (Seawall)	0	0	(8,470)			0
Subtotal Seawall (City)	501,708	575,266	103,293	575,266		0
Park Board						
East End Lagoon	0	0	0	0		0
Seawall Litter Detail	200,000	200,000	0	200,000		0
West End Beach Access Cans	0	0	0	0		0
Subtotal Park Board	200,000	200,000	0	200,000		0
Island Transit						
Bus Trolley Operations	365,011	422,511	38,560	460,703		(38,192)
Rail Trolley Operations	0	601,353	6,048	499,036		102,317
Transportation Study	0	0	0	0		0
Trolley System Track Repair Project	0	0	0	0		0
Trolley Rail Car Air-conditioning	0	0	0	0		0
Trolley System Reserve	51,148	2,300,316	0	2,300,316		0
Subtotal Island Transit	416,159	3,324,180	44,608	3,260,055	(4)	64,125
Historic Preservation/Promotion Activities						
Historic Broadway Lighting Improvements	143,235	0	0	0		0
Historic City Hall Remodeling	0	0	0	0		0
Causeway Mural Painting	110	0	0	0		0
Subtotal Historic Preservation	143,345	0	0	0		0
Total Expenditures	$1,573,994	$4,438,563	$147,901	$4,085,321		$353,242
Revenues Over/(Under) Expenditures	$157,386	($2,849,563)	$417,045	($2,496,321)		$353,242
Ending Fund Balance	$2,652,712 (5)	($196,851)	$3,069,757	$156,391		$353,242

NOTE:

(1) The Convention Center operator implements major maintenance and repair projects that are charged to Hotel Occupancy Tax Capital Reserve funds under terms of the original convention center development and management agreements. This directly affects the portion of the hotel occupancy tax revenue left over to "trickle down" to this fund.

(2) Funding for the reimbursement to the Police Department for Officers assigned to the Seawall District. Assignments began in January 2018.

(3) Funding for Portlets along the Ferry Landing. Restrooms on the Seawall are being maintained by the Park Board.

(4) Trolley restoration project now totals $8,4,22,240 with funding coming from FEMA ($2,202,399), FTA Grant ($1,960,000), Insurance ($272,042), and local match from the Convention Center Surplus Fund ($3,987,799).

(5) A Budget Amendment will be submitted to reduce expenditure budget to net the fund to zero.

TROLLEY PROJECT BUDGET
INCEPTION TO DATE COSTS AND FUNDING SOURCES (UNAUDITED)
DECEMBER 2020

Trolley System Project Costs	FTA Grant (1)	FEMA Grant (1)	Convention Center Surplus Fund (2)	Insurance (1)	Total Resources
Track Construction					
Track Construction Contract Award	$1,848,850	$0	$133,183		**$1,982,033**
Construction Contingency (3.1%)			$61,867		**$61,867**
Testing			$20,000		**$20,000**
Inspection			$25,000		**$25,000**
Track Construction Subtotal (3)	**$1,848,850**	**$0**	**$240,050**	**$0**	**$2,088,900**
Track Cleaning					
In house Repair and Cleaning (3)	**$36,150**	**$0**	**$0**	**$0**	**$36,150**
Maintenance Building					
Maint Bldg Repair		$4,252	$103,846	$64,042	**$172,140**
Maint Bldg Mitigation		$440,667	$48,963		**$489,630**
Maintenance Building (4)	**$0**	**$444,919**	**$152,809**	**$64,042**	**$661,770**
Design and Project Management - The Goodman Corporation					
Charges to Date	$75,000		$444,120		**$519,120**
Remaining Charges			$20,528		**$20,528**
Design For Maint Bldg Repair		$19,291	$2,143		**$21,434**
Design For Maint Bldg Mitigation		$62,026	$6,892		**$68,918**
Design and Project Management - TGC Subtotal (5)	**$75,000**	**$81,317**	**$473,682**	**$0**	**$629,999**
Trolley Vehicles					
Trolley Rail Car Restoration (6)		$1,646,163	$2,209,722	$168,000	**$4,023,885**
Trolley Bus Purchase (7)			$911,536		**$911,536**
Trolley Lifts		$30,000		$40,000	**$70,000**
Trolley Vehicles Subtotal	**$0**	**$1,676,163**	**$3,121,258**	**$208,000**	**$5,005,421**
TROLLEY PROJECT TOTALS	**$1,960,000**	**$2,202,399**	**$3,987,799**	**$272,042**	**$8,422,240**

NOTES:

(1) FTA Grant, FEMA Grant and Insurance are fixed amounts. If total costs are more or less in any given phase, the Convention Center Surplus Fund can either realize savings or cover the overrun.

(2) Convention Center Surplus Fund is HOT funds are all other costs have been paid from HOT and the remainder is split between the City and the Convention Center operator, Landry's corporation.

(3) Major track readiness and repairs project was completed in 2016. Prior to operations beginning, city staff will perform necessary adjustments.

(4) FEMA-funded repair was completed 1st quarter of FY18. Additional FEMA funds will be sought after the third car is delivered. Delivery is expected in March.

(5) The Goodman Corporation's involvement is limited to inspection of cars after rehabilition is complete.

(6) Three cars have been rehabilitated and rehab of the fourth car will require 100% local funding. If the contractor agrees to the original price per car, this would require $1,309,000 in local funds. The Convention Center Surplus Fund has sufficient funds in a budgeted Trolley Car Reserve for this project. If the fourth trolley car is not rehabilitated, FTA has informed the CIty that we would have pay back approximately $1 million in FTA grant funding.

(7) Trolley buses were funded 100% with HOT funds from the Convention Center Surplus fund, and are purely under local

HISTORICAL BUILDINGS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$1,252,439	$1,476,137	$1,476,137	$1,476,137	$0
Revenues					
HOT-Transfer In	$222,273	$188,000	$31,487	$188,000	$0
Total Revenues	$222,273	$188,000	$31,487	$188,000	$0
Expenditures					
City Hall	($1,425)	$0	$0	$0	$0
Capital Outlay - Improvements	0	1,654,864	0	0	1,654,864
Total Expenditures	($1,425)	$1,654,864	$0	$0	$1,654,864
Revenues Over/(Under) Expenditures	$223,698	($1,466,864)	$31,487	$188,000	$1,654,864
Ending Fund Balance	$1,476,137	$9,273	$1,507,624	$1,664,137	$1,654,864

NOTE:

CITY COUNCIL PROJECTS & INITIATIVES PROGRAM FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$482,324	$414,126	$414,126	$414,126	$0
Revenues					
Operating Transfer in	$0	$0	$0	$0	$0
Other Revenue	4,219	2,500	81	486	(2,014)
Total Revenues	$4,219	$2,500	$81	$486	($2,014)
Expenditures					
Capital Improvements	$72,417	$402,551	$116,223	$402,551 (1)	$0
Total Expenditures	$72,417	$402,551	$116,223	$402,551	$0
Revenues Over/(Under) Expenditures	($68,199)	($400,051)	($116,142)	($402,065)	($2,014)
Ending Fund Balance	$414,126	$14,075	$297,984	$12,060	($2,014)

NOTE:
(1) Project lists approved by City Council with plans and specifications being prepared by city staff.

INFRASTRUCTURE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$4,168,643	$3,576,889	$3,576,889	$3,576,889	$0
Revenues					
Operating Transfer in-General Fund	$4,746,944	$4,877,683	$1,219,421	$4,877,683 (1)	$0
Other Revenue	40,058	40,000	1,859	40,000	0
Total Revenues	$4,787,002	$4,917,683	$1,221,280	$4,917,683	$0
Expenditures					
Capital Improvement	$2,401,348	$3,421,676	$458,129	$3,421,676	$0
Salary Reimbursements	453,000	275,000	14,005	275,000	0
Engineering Services	126,825	82,270	920	82,270	0
Machinery & Equipment	15,379	0	0	0	0
Project Management Cost	111,965	37,726	14,015	37,726	0
Expense Reimbursement (Equipment)	454,226	425,000	64,552	425,000	0
Transfer to Debt Service Fund	1,816,011	1,510,993	377,748	1,510,993	0
Construction Contingency	0	1,000,000	0	0	1,000,000
Capital Reserve	0	1,226,139	0	0	1,226,139
Total Expenditures	$5,378,755	$7,978,803	$929,369	$5,752,664 (2)	$2,226,139
Revenues Over/(Under) Expenditures	($591,753)	($3,061,120)	$291,911	($834,981)	$2,226,139
Ending Fund Balance	$3,576,889	$515,769	$3,868,800	$2,741,908	$2,226,139

NOTE:
(1) Equal to eight percent of General Fund revenues in accordance with Chapter VII Section 20 of the City Charter.
(2) See appendix for project detail.

SEPARATION PAY FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$375,227	$419,465	$419,465	$419,465	$0
Revenues					
Operating Transfer In					
General Fund	$596,160	$750,000	$187,500	$750,000	$0
Waterworks Fund	22,440	22,440	5,610	22,440	0
Sewer System Fund	40,800	40,800	10,200	40,800	0
Sanitation Fund	70,700	35,700	8,925	35,700	0
Drainage Fund	20,000	20,000	5,000	20,000	0
Airport Fund	6,630	6,630	168	6,630	0
Total Revenues	$756,730	$875,570	$217,403	$875,570 (1)	$0
Expenditures					
General Fund	$594,959	$750,000	$239,653	$750,000	$0
Waterworks Fund	48,753	22,440	3,483	22,440	0
Sewer System Fund	13,677	40,800	939	40,800	0
Sanitation Fund	49,385	35,700	0	35,700	0
Drainage Fund	5,139	20,000	0	20,000	0
Airport Fund	580	6,630	0	6,630	0
Total Expenditures	$712,493	$875,570	$244,076	$875,570	$0
Revenues Over/(Under) Expenditures	$44,237	$0	($26,674)	$0	$0
Ending Fund Balance	$419,465	$419,465	$392,791	$419,465	$0

NOTE:
(1) Separation Pay for internal Service Fund and Island Transit Fund not charged here but charged directly to those funds. Island Transit involved grant funds while Internal Service Fund expenditures are charged back to all departments.

PUBLIC ACCESS CHANNEL FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

		Prior Year	Current Fiscal Year			
		FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance		$1,059,278	$1,233,168	$1,233,168	$1,233,168	$0
Revenues						
P.E.G. Fees	(1)	$164,473	$170,000	$3,413	$148,000	($22,000)
Interest Earned		9,417	11,000	245	1,469	(9,531)
Total Revenues		$173,890	$181,000	$3,658	$149,469	($31,531)
Expenditures						
Capital Outlay		$0	$918,957	$9,836	$918,957	$0
Other Expenditures		0	0	0	0	0
Total Expenditures		$0	$918,957	$9,836	$918,957	$0
Revenues Over/(Under) Expenditures		$173,890	($737,957)	($6,178)	($769,488)	($31,531)
Ending Fund Balance		$1,233,168	$495,211	$1,226,990	$463,679	($31,531)

NOTE:
(1) One sixth of cable TV franchise tax revenue reserved for municipal station capital outlay and equipment. Five sixths is General Fund revenue. Amount shown includes Comcast only with no current or future contributions from AT&T for cable service they provide.

PARKING MANAGEMENT FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

		Prior Year	Current Fiscal Year				
		FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate		FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	(1)	$567,144	$566,119	$566,119	$566,119		$0
Revenues							
Parking Meter Fees		$736,988	$650,000	$208,290	$750,000		$100,000
Other Revenues		5,858	6,000	702	4,212		(1,788)
Total Revenues		$742,846	$656,000	$208,992	$754,212		$98,212
Expenditures							
Personnel Services		$471,474	$470,872	$60,886	$470,872		$0
Supplies		68,409	26,000	3,726	26,000		0
Contractual Services		192,775	234,811	32,909	234,811		0
Other Services		0	0	0	0		0
Capital Outlay		0	0	0	0		0
Capital Improvements		12,010	0	0	0		0
Transfer to Hurricane Harvey Fund		(798)	0	0	0		0
Capital Reserve		0	298,038	0	0	(2)	298,038
Total Expenditures		$743,870	$1,029,720	$97,520	$731,683		$298,038
Revenues Over/(Under) Expenditures		($1,025)	($373,720)	$111,472	$22,529		$396,250
Ending Fund Balance		$566,119	$192,399	$677,591	$588,648		$396,250

NOTE:
(1) Meters installed and revenue began to be collected in April 2016.
(2) Capital Reserve funds are available as needed.

LASKER POOL FUND

Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

		Prior Year	Current Fiscal Year			
		FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	(1)	$321,778	$345,659	$345,659	$345,659	$0
Revenues						
Transfer from IDC		$400,000	$400,000	$400,000	$400,000	$0
Recreation Fees		0	5,000	0	1,250	(3,750)
Memberships/Admissions		13,934	90,000	808	10,000	(80,000)
Rentals		0	7,000	0	0	(7,000)
Training/Education		0	1,000	0	0	(1,000)
Concessions		96	6,000	0	0	(6,000)
Interested Earned		3,987	8,700	62	1,500	(7,200)
Total Revenues		$418,017	$517,700	$400,870	$412,750	($104,950)
Expenditures						
Personnel Services		$236,109	$356,268	$50,714	$267,201	$89,067
Supplies		68,900	116,000	10,345	87,000	29,000
Services and Charges		50,948	57,369	6,956	57,369	0
Other Services		37,358	59,033	14,751	59,033	0
Capital Outlay		0	0	0	0	0
Contingency		0	256,014	0	0	256,014
Total Expenditures		$393,315 (1)	$844,684	$82,765	$470,603	$374,081
Revenues Over/(Under) Expenditures		$24,703	($326,984)	$318,105	($57,853)	$269,131
Prior Year Adjustment		($821)	$0	$0	$0	$0
Ending Fund Balance		$345,659	$18,675	$663,764	$287,806	$269,131

NOTE:
(1) Lasker Pool opened in August, 2017. Constructed with IDC sales tax revenue and individual contributions, IDC contributes to the operation and maintenance of the pool.

PENSION REFORM FUND

Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$1,056,688	$1,066,054	$1,066,054	$1,066,054	$0
Revenues					
Transfer from General Fund	$0	$0	$0	$0	$0
Interested Earned	9,367	8,000	215	4,000	(4,000)
Total Revenues	$9,367	$8,000	$215	$4,000	($4,000)
Expenditures					
Consultant Services	$0	$0	$0	$0	$0
Attorney Fees	0	0	0	0	0
Operating Transfer Out	0	0	0	0	0
Contingency/Reserve	0	1,076,035	0	0	1,076,035
Total Expenditures	$0	$1,076,035	$0	$0	$1,076,035
Revenues Over/(Under) Expenditures	$9,367	($1,068,035)	$215	$4,000	$1,072,036
Ending Fund Balance	$1,066,054 (2)	($1,981)	$1,066,270	$1,070,055 (1)	$1,072,036

NOTE:
(1) Future funding available for pension plans are determined by City Council.
(2) A Budget Amendment will be submitted to reduced expenditure budget to net the fund to zero.

REVENUE PRODUCING PARKS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$230,310	$417,768	$417,768	$417,768	$0
Revenues					
Beach Users Fees	$185,588	$142,000	$0	$142,000	$0
Season Pass	7,125	5,470	0	5,470	0
Vendors/Concessions	66,694	44,200	0	44,200	0
Pavilion Rentals	0	0	0	0	0
Other Revenue	1,943	1,150	84	1,150	0
Total Revenues	$261,350	$192,820	$84	$192,820	$0
Expenditures					
Personnel Services	$41,702	$53,961	$7,173	$53,961	$0
Materials and Supplies	2,064	5,800	14	5,800	0
Contractual Services	10,584	7,825	2,606	7,825	0
Other Services	19,072	5,700	1,175	5,700	0
Capital Outlay	0	0	0	0	0
Contingency Reserve	0	461,057	0	0	461,057
Total Expenditures	$73,422	$534,343	$10,968	$73,286	$461,057
Revenues Over/(Under) Expenditures	$187,928	($341,523)	($10,885)	$119,534	$461,057
Prior Year Adjustment	($470)	$0	$0	$0	
Ending Fund Balance	$417,768	$76,245	$406,883	$537,302	$461,057

NOTE:

D.E.A. ASSET FORFEITURE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$219,337	$411,453	$411,453	$411,453	$0
Revenues					
Drug Enforcement Agency	$197,520	$50,000	$0	$50,000	$0
Interest Earned	2,434	2,500	83	997	(1,503)
Total Revenues	$199,954	$52,500	$83	$50,997	($1,503)
Expenditures					
Police Equipment	$6,678	$105,000	$1,489	$105,000	$0
Equipment Repairs	0	10,000	0	10,000	0
Police Training	1,160	20,000	174	20,000	0
Machinery & Equipment	0	15,000	0	15,000	0
Capital Reserve	0	245,925	0	0	245,925
Total Expenditures	$7,838	$395,925	$1,663	$150,000	$245,925
Revenues Over/(Under) Expenditures	$192,116	($343,425)	($1,580)	($99,003)	$244,422
Ending Fund Balance	$411,453	$68,028	$409,873	$312,450	$244,422

NOTE:

POLICE SPECIAL REVENUE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$149,858	$173,622	$173,622	$173,622	$0
Revenues					
Galveston County District Attorney	$3,344	$5,000	$0	$5,000	$0
Texas Department of Public Safety	9,679	9,700	0	9,700	0
Towed/Abandoned Vehicles	10,654	12,000	0	8,000	(4,000)
Donations	20,280	0	1,600	1,600	1,600
Interest Earned	1,862	1,200	34	205	(995)
Total Revenues	$45,818	$27,900	$1,634	$24,505	($3,395)
Expenditures					
Police Equipment	$19,080	$157,367	$0	$157,367	$0
Police Training/Investigations	1,810	20,000	0	20,000	0
Narcotics' Petty Cash	5,877	6,600	1,870	6,600	0
Other Expenditures	2,374	1,500	0	1,500	0
Reimbursable from Insurance	(7,087)	0	0	0	0
Total Expenditures	$22,055	$185,467	$1,870	$185,467	$0
Revenues Over/(Under) Expenditures	$23,763	($157,567)	($236)	($160,962)	($3,395)
Ending Fund Balance	$173,622	$16,055	$173,386	$12,659	($3,395)

NOTE:

POLICE QUARTERMASTER FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$62,200	$71,031	$71,031	$71,031	$0
Revenues					
Operating transfers in	$83,000	$83,000	$83,500	$83,500	$500
Interest Earned	879	500	14	83	(417)
Total Revenues	$83,879	$83,500	$83,514	$83,583	$83
Expenditures					
Police Clothing	$43,433	$129,518	$7,781	$129,518	$0
Operating Transfer Out	31,614	18,615	0	18,615 (1)	0
Total Expenditures	$75,048	$148,133	$7,781	$148,133	$0
Revenues Over/(Under) Expenditures	$8,831	($64,633)	$75,733	($64,550)	$83
Ending Fund Balance	$71,031	$6,398	$146,764	$6,482	$83

NOTE:

(1) Transfer is net of cash paid out to non-uniform officers.

ALARM PERMIT FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$90,773	$139,671	$139,671	$139,671	$0
Revenues					
Alarm Permit Fees	$52,934	$65,000	$3,375	$50,000	($15,000)
Interest Earned	967	1,500	29	171	(1,329)
Total Revenues	$53,901	$66,500	$3,404	$50,171	($16,329)
Expenditures					
Administrative Staff	$0	$43,943	$0	$43,943	$0
Police salary reimbursements	0	16,000	0	16,000	0
Supplies and materials	670	500	0	500	0
Contractual services	4,169	6,500	44	6,500	0
Bank Service Charges	164	0	0	0	0
Capital Reserve	0	156,376	0	0	156,376
Total Expenditures	$5,004	$223,319	$44	$66,943	$156,376
Revenues Over/(Under) Expenditures	$48,897	($156,819)	$3,360	($16,772)	$140,047
Ending Fund Balance	$139,671 (1)	($17,148)	$143,030	$122,899	$140,047

NOTE:

(1) A Budget Amendment will be submitted to reduced expenditure budget to net the fund to zero.

FIRE SPECIAL REVENUE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$143,804	$117,094	$117,094	$117,094	$0
Revenues					
Galveston County FFA	$22,500	$22,500	$22,500	$22,500	$0
LEOSE training funds	0	850	0	0	(850)
Interest Earned	887	1,160	24	142	(1,018)
Total Revenues	$23,387	$24,510	$22,524	$22,642	($1,868)
Expenditures					
Fire equipment	$20,188	$166,372	$0	$138,887	$27,486
Fire training	(852)	850	0	850	0
Expense Reimbursement	30,760	0	0	0	0
Total Expenditures	$50,096	$167,222	$0	$139,737	$27,486
Revenues Over/(Under) Expenditures	($26,710)	($142,712)	$22,524	($117,095)	$25,617
Ending Fund Balance	$117,094 (1)	($25,618)	$139,618	$0	$25,617

NOTE:

(1) A Budget Amendment will be submitted to reduced expenditure budget to net the fund to zero.

MUNICIPAL COURT BUILDING SECURITY FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$33,500	$24,542	$24,542	$24,542	$0
Revenues					
Fines and Forfeitures	$20,181	$15,000	$5,067	$15,000	$0
Interest Earned	313	300	5	32	(268)
Total Revenues	$20,495	$15,300	$5,073	$15,032	($268)
Expenditures					
Municipal Court Bailiff	$24,107	$30,000	$8,236	$30,000	$0
Minor equipment	0	2,418	0	2,418	0
Security service	5,256	5,328	1,560	5,328	0
Communications	90	90	0	90	0
Total Expenditures	$29,452	$37,836	$9,796	$37,836	$0
Revenues Over/(Under) Expenditures	($8,957)	($22,536)	($4,724)	($22,804)	($268)
Ending Fund Balance	$24,542	$2,007	$19,818	$1,738	($268)

NOTE:

MUNICIPAL COURT TECHNOLOGY FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$105,265	$60,888	$60,888	$60,888	$0
Revenues					
Court Technology fee	$21,165	$23,000	$4,571	$21,000	($2,000)
Interest Earned	829	500	12	71	(429)
Total Revenues	$21,993	$23,500	$4,582	$21,071	($2,429)
Expenditures					
Minor Equipment	$37,500	$24,480	$0	$24,480	$0
Software Licenses	10,045	0	0	0	0
Maintenance contracts	18,826	25,703	4,664	25,703	0
Capital Reserve	0	26,955	0	0	26,955
Total Expenditures	$66,371	$77,138	$4,664	$50,183	$26,955
Revenues Over/(Under) Expenditures	($44,378)	($53,638)	($82)	($29,112)	$24,526
Ending Fund Balance	$60,888	$7,250	$60,806	$31,776	$24,526

NOTE:

(1) Overage includes 50% of funding for software upgrades to License Plate Readers used by Parking Management. This will be addressed with a future Budget Amendment.

MUNICIPAL COURT LOCAL TRUANCY AND DIVERSION FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$171,306	$179,319	$179,319	$179,319	$0
Revenues					
Juvenile Case Manager fee	$24,182	$20,000	$5,321	$20,000	$0
Interest Earned	1,552	800	37	221	(579)
Total Revenues	$25,734	$20,800	$5,358	$20,221	($579)
Expenditures					
Salary Reimbursements	$17,721	$16,000	$4,005	$16,000	$0
Travel and Training	0	750	0	750	0
Capital Reserve	0	185,535	0	0	185,535
Total Expenditures	$17,721	$202,285	$4,005	$16,750	$185,535
Revenues Over/(Under) Expenditures	$8,013	($181,485)	$1,352	$3,471	$184,956
Ending Fund Balance	$179,319 (1)	($2,166)	$180,671	$182,789	$184,956

NOTE:

(1) A Budget Amendment will be submitted to reduced expenditure budget to net the fund to zero.

SETTLEMENT AND CAPITAL RESERVE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year				
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate		FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$1,041,390	$439,076	$439,076	$439,076		$0
Revenues						
Insurance Proceeds	$0	$0	$0	$0		$0
Operating transfer in	0	0	0	0		0
Total Revenues	$0	$0	$0	$0		$0
Expenditures						
Litigation expenses	$126,499	$350,000	$82,629	$350,000	(1)	$0
City Hall Improvements	475,815	0	0	0		0
Capital Outlay	0	20,344	15,952	20,344	(2)	0
Capital Reserve	0	34,561	0	0		34,561
Total Expenditures	$602,314	$404,905	$98,580	$370,344		$34,561
Revenues Over/(Under) Expenditures	($602,314)	($404,905)	($98,580)	($370,344)		$34,561
Ending Fund Balance	$439,076	$34,171	$340,496	$68,732		$34,561

NOTE:
(1) Estimated cost of litigation fees for FY2021.
(2) Funding for remodeling of Historic City Hall.

TECHNOLOGY IMPROVEMENT FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$1,244,854	$1,643,379	$1,643,379	$1,643,379	$0
Revenues					
General Fund	$0	$0	$0	$0	$0
Waterworks Fund	0	0	0	0	0
Sewer System Fund	0	0	0	0	0
Sanitation Fund	0	0	0	0	0
Drainage Fund	0	0	0	0	0
Airport Fund	0	0	0	0	0
Interest Earned	8,975	8,000	266	1,594	6,406
Operating Transfer In	456,000	0	0	0	0
Total Revenues	$464,975	$8,000	$266	$1,594	$6,406
Expenditures					
Technology Projects:					
Drainage Fee billing project	$0	$75,000	$0	$75,000	$0
False Alarm Permitting software	0	15,000	0	15,000	0
Utility System upgrade	0	50,000	0	50,000	0
Technology Infrastructure Expansion	0	400,000	0	400,000	0
Kronos Upgrade/HR Software Project	0	150,000	0	150,000	0
Banner Financial System Upgrade	66,450	0	0	0	0
Mobile Based Service Request System	0	100,000	0	100,000	0
MS Client Access Licenses	0	26,000	25,056	25,056	944
Telephone System Upgrade	0	225,000	0	225,000	0
Technology Acquisition Reserve	0	266,788	0	0	266,788
Total Expenditures	$66,450	$1,307,788	$25,056	$1,040,056	$267,732
Revenues Over/(Under) Expenditures	$398,525	($1,299,788)	($24,791)	($1,038,462)	$274,138
Ending Fund Balance	$1,643,379	$343,591	$1,618,588	$604,917	$274,138

NOTE:

ISLAND TRANSIT
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year		Current Fiscal Year				
	FY2020 Estimated as of 01/15/2021		FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate		FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$17,906		$40,185	$40,185	$40,185		$0
Revenues							
FTA-Operating Grant	$332,879		$0	$0	$0		$0
FTA-Cares Funding	1,877,701		2,295,669	0	2,295,669		0
FTA - E & D Grant	147,094		170,000	0	170,000		0
State DOT Grants	310,409		352,501	0	352,501		0
Fare Box Revenue	146,884		270,000	21,586	166,343		(103,657)
UTMB Shuttles	30,070		40,000	10,023	40,000		0
Port Cruise Shuttles	0		0	0	0		0
Parking Garage Revenue	9,297		26,200	0	10,000		(16,200)
Other Revenue	42,761		30,000	2,615	38,615		8,615
General Fund	200,000		200,000	50,000	200,000		0
HOT Transfer In	365,011		1,023,864	44,609	959,739	(1)	(64,125)
Total Revenues	$3,462,105		$4,408,234	$128,832	$4,232,867		($175,367)
Expenditures							
Administration	$265,227		$353,367	$81,363	$360,926		($7,559)
Transit System	1,722,545		1,875,795	401,286	1,832,354		43,441
FTA Maintenance	1,077,817		1,053,634	322,663	1,119,063		(65,429)
Seawall Transportation Route	351,227		472,511	38,560	460,703	(1)	11,808
Rail Trolley System	45,002		651,353	6,048	499,036	(1)	152,317
Total Expenditures	$3,461,817		$4,406,660	$849,920	$4,272,082		$134,578
Revenues Over/(Under) Expenditures	$288		$1,574	($721,088)	($39,216)		($40,790)
Prior Year Adjustment	$21,991	(2)	$0	$0	$0		
Ending Fund Balance	$40,185		$41,759	($680,903)	$969		($40,790)

NOTE:

(1) Underruns in the Seawall Transportation Route reflect actual cost estimated for the year that will reimbursed using Convention Center Surplus Funds net of Farebox revenue collected on the Seawall and Trolley routes. The Rail Trolley System is anticipated to start later this fiscal year.

HURRICANE HARVEY
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$98,638	$46,767	$46,767	$46,767	$0
Revenues					
Transfer In (Operating Cash 90%)					
General Fund	$10,651	$0	$0	$0	$0
Water	279	0	0	0	0
Sewer	8,277	0	0	0	0
Sanitation	4,538	0	0	0	0
Drainage	0	0	0	0	0
Central Garage	1,719	0	0	0	0
Airport	51,829	0	1,022	1,022	1,022
Special Revenue Fund	372	205,380	0	205,380	0
Grants	(14,072)	0	0	0	0
Transfer In (Local Match 10%)					
General Fund	($15,077)	$0	0	0	$0
Water	0	0	0	0	0
Sewer	182	0	0	0	0
Sanitation	0	0	0	0	0
Drainage	0	0	0	0	0
Central Garage	0	0	0	0	0
Airport	45,101	0	0	0	0
Special Revenue Fund	0	22,787	0	22,787	0
Insurance Proceeds					
General Fund	($73,420)	$0	$0	$0	$0
Central Garage	0	0	0	0	0
Airport	0	0	0	0	0
Total Revenues	$20,380	$228,167	$1,022	$229,189 (1)	$1,022
Expenditures					
General Fund					
Disaster Consulting	$0	$0	$0	$0	$0
Protective Measures	14,391	0	0	0	0
Fire	0	0	0	0	0
Streets	(47,639)	10,544	0	23,611	(13,067)
Traffic	0	0	0	0	0
Parks	78,613	0	0	0	0
Building Repairs	4,240	0	0	0	0
Historic Buildings (City Hall)	0	222,231	0	222,231	0
Parking Management Fund	372	0	0	0	0
Island Transit Fund	478	0	0	0	0
Waterworks Fund	279	0	0	0	0
Sewer System Fund	4,155	0	0	0	0
Sanitation Fund	3,334	0	0	0	0
Drainage Fund	0	0	0	0	0
Central Garage Fund	1,772	0	0	0	0
Airport Fund	12,256	0	1,615	1,615	(1,615)
Total Expenditures	$72,251	$232,775	$1,615	$247,456 (2)	($14,681)
Revenues Over/(Under) Expenditures	($51,871)	($4,608)	($593)	($18,267)	($13,659)
Ending Fund Balance	$46,767	$42,159	$46,174	$28,500	($13,659)

NOTE:

(1) A Major Disaster Declaration for the State of Texas (FEMA-4332-DR) was issued August 25, 2017 for Hurricane Harvey. This resulted in the City receiving a federally reimbursable grant for hurricane response. In FY2020, 90% of the cost of ten projects were reimbursed by FEMA. TDEM provided some funds along with the City's for the required 10% local cash match. In addition, excess insurance proceeds received in a prior years were deferred and excess contributions for projects completed in previous year's were returned to the operating funds.

(2) Currently, the work toward repairs is underway at the various departments. Estimated completion dates are unknown at this time.

DEBT SERVICE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/25/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	1,704,319	$1,716,293	$1,716,293	$1,716,293	$0
Revenues					
Property taxes - current	$3,152,273	$3,568,900	$1,230,257	$3,554,100	($14,800)
Property taxes - delinquent	52,621	40,000	22,465	40,000	0
Interest earnings	50,452	60,000	267	5,000	(55,000)
Infrastructure/Debt - transfer in	1,816,011	1,510,993	1,510,993	1,510,993	0
Galveston Wharves	3,160,002	0	0	0	0
Total Revenues	$8,231,359	$5,179,893	$2,763,983	$5,110,093	($69,800)
Expenditures					
Principal retirement					$0
Tax Supported	$4,504,306	$2,645,100	$0	$2,645,100	$0
Subtotal	4,504,306	2,645,100	0	2,645,100	0
Interest payment					
Tax Supported	3,712,329	2,528,243	1,264,122	2,528,243	0
Subtotal	3,712,329	2,528,243	1,264,122	2,528,243	0
Fiscal agent fees	2,750	6,550	250	2,750	3,800
Total Expenditures	$8,219,385	$5,179,893	$1,264,372	$5,176,093	$3,800
Revenues Over/(Under) Expenditures	$11,974	$0	$1,499,611	($66,000)	($66,000)
Ending Fund Balance	$1,716,293	$1,716,293	$3,215,905	$1,650,293	($66,000)

ENTERPRISE FUNDS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

		FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate
Beginning Fund Balance					
Combined Utility System Fund		$17,382,170	$17,362,935	$17,362,935	$17,362,935
Sanitation Fund		2,981,796	2,210,254	2,210,254	2,210,254
Drainage Utility Fund		1,515,151	1,379,358	1,379,358	1,379,358
Scholes Airport Fund		856,203	925,995	925,995	925,995
Total	(1)	**$22,735,320**	**$21,878,542**	**$21,878,542**	**$21,878,542**
Revenues					
Combined Utility System Fund		$38,213,207	$38,682,040	$9,317,906	$39,932,393
Sanitation Fund		6,327,066	6,386,864	1,602,636	6,362,928
Drainage Utility Fund		2,863,395	2,905,900	713,792	2,860,542
Scholes Airport Fund		1,187,828	1,185,170	299,573	1,250,314
Total		**$48,591,495**	**$49,159,974**	**$11,933,907**	**$50,406,177**
Expenditures					
Combined Utility System Fund		$38,222,708	$39,093,542	$9,505,241	$39,388,823
Sanitation Fund		6,491,299	6,547,022	1,616,032	6,545,875
Drainage Utility Fund		2,622,335	2,761,565	690,935	2,703,968
Scholes Airport Fund		1,117,898	1,115,612	275,989	1,112,177
Total		**$48,454,239**	**$49,517,741**	**$12,088,196**	**$49,750,842**
Fund Balance Adjustments/Appropriation of Fund Balance					
Combined Utility System Fund		$0	($300,000)	$0	($300,000)
Sanitation Fund		(605,077)	(420,000)	0	(420,000)
Drainage Utility Fund		(375,356)	(305,000)	0	(305,000)
Scholes Airport Fund		0	(30,000)	0	(30,000)
Total		**($980,433)**	**($1,055,000)**	**$0**	**($1,055,000)**
Ending Fund Balances					
Combined Utility System Fund		$17,372,670	$16,651,433	$17,175,601	$17,606,504
Sanitation Fund		2,212,486	1,630,096	2,196,858	1,607,307
Drainage Utility Fund		1,380,854	1,218,693	1,402,215	1,230,933
Scholes Airport Fund		926,133	965,553	949,579	1,034,132
Total		**$21,892,143**	**$20,465,775**	**$21,724,252**	**$21,478,876**

NOTE:

COMBINED UTILITY SYSTEM FUND SUMMARY
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year			
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$17,382,170	$17,362,935	$17,362,935	$17,362,935	$0
Revenues					
Metered Customers	$37,262,172	$37,626,540	$9,159,658	$39,203,000	$1,576,460
Service Connections	478,106	465,000	129,622	518,490	53,490
Waste Hauler Fees	56,490	60,000	13,455	53,820	(6,180)
Interest Earned	162,309	107,000	3,215	19,287	(87,713)
Penalties on Account	175,989	363,000	(14)	90,000	(273,000)
Other Revenues	78,142	60,500	11,971	47,796	(12,704)
Total Revenues	$38,213,207	$38,682,040	$9,317,906	$39,932,393	$1,250,353
Expenditures					
Management Services	$1,012,592	$707,531	$170,586	$644,228	$63,303
Utility Billing	1,775,193	1,934,453	585,049	1,933,402	1,051
Supply	1,778,348	2,006,905	569,382	2,003,009	3,896
Distribution	2,579,553	2,604,816	692,446	2,603,938	878
Industrial Pretreatment	339,748	327,006	76,930	326,984	22
Wastewater Collection	3,818,671	3,449,110	838,163	3,803,028	(353,918)
Wastewater Treatment Plan	4,045,702	4,048,052	1,034,443	4,015,329	32,723
Cost of Water	11,123,409	11,097,315	2,721,421	11,097,182	133
Debt Service	8,243,882	9,670,707	2,027,529	9,670,707	0
Transfer to Hurricane Harvey Fund	(9,571)	0	0	0	0
Other Expenses	3,515,180	3,247,647	789,291	3,291,017	(43,370)
Total Expenditures	$38,222,708	$39,093,542	$9,505,241	$39,388,823	($295,281)
Revenues Over/(Under) Expenditures	($9,500)	($411,502)	($187,334)	$543,569	$955,071
Transfer to Improvement Account	$0	$300,000	$0	$300,000	$0
Prior Period Adjustment	$9,735	$0	$0	$0	$0
Ending Fund Balance (163 days)	$17,362,935	$16,651,433	$17,175,601	$17,606,504	$955,071
90 Day Reserve	$9,424,777	$9,639,504	$2,343,758	$9,712,313	
120 Day Reserve	$12,566,370	$12,852,671	$3,125,011	$12,949,750	

WATERWORKS FUND (PART OF COMBINED UTILITY SYSTEM FUND)
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

		Prior Year	Current Fiscal Year				
		FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate		FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	(1)	$ 7,224,218	$7,568,297	$7,568,297	$7,568,297		$0
Revenues							
Metered Customers		$22,390,073	$22,441,190	$5,546,164	$23,810,000	(2)	$1,368,810
Service Connections		351,252	350,000	81,014	324,057		(25,943)
Interest Earned		56,728	30,000	1,135	6,812		(23,188)
Penalties on Account		88,943	188,000	(14)	50,000	(3)	(138,000)
Other Revenues		55,237	60,500	11,942	47,679		(12,821)
Total Revenues		$22,942,233	$23,069,690	$5,640,241	$24,238,548		$1,168,858
Expenditures							
Management Services		$517,603	$362,938	$85,524	$325,019		$37,919
Utility Billing		886,163	978,697	294,364	977,893		804
Supply		1,778,348	2,006,905	569,382	2,003,009		3,896
Distribution		2,579,553	2,604,816	692,446	2,603,938		878
Cost of Water		11,123,409	11,097,315	2,721,421	11,097,182		133
Debt Service		3,865,705	4,569,542	1,031,384	4,569,542		0
Transfer to Hurricane Harvey Fund		(698)	0	0	0		0
Non-Departmental		1,844,608	1,648,294	404,513	1,703,244		(54,950)
Total Expenditures		$22,594,690	$23,268,507	$5,799,034	$23,279,828		($11,321)
Revenues Over/(Under) Expenditures		$347,544	($198,817)	($158,793)	$958,721		$1,157,538
Transfer to Improvement Account		$0	$150,000	$0	$150,000		$0
Prior Period Adjustment		$3,464 (4)	$0	$0	$0		$0
Ending Fund Balance (131 days)		$ 7,568,297	$7,219,480	$7,409,505	$8,377,018		$1,157,538
90 Day Reserve		$5,571,293	$5,737,440	$1,429,899	$5,740,232		$2,791
120 Day Reserve		$7,428,391	$7,649,920	$1,906,532	$7,653,642		$3,722

NOTES:
(1) Beginning Fund Balance for FY 2021 is based on the adjustments below to put the calculations used in the Comprehensive Annual Financial Report that are full accrual on a modified accrual basis for budget adoption and reporting purposes.
(2) Revenues stated include accruals recorded at year-end in accordance with Generally Accepted Accounting Principles (GAAP). Total will vary in monthly revenue schedule that is in the Major Revenue Source Report.
(3) Penalties not charged during the 2020 pandemic. Penalties reinstituted February 2021.

Descriptions		FY2020
Current Assets		
Cash	$	2,043,697
Accounts receivable		6,125,210
Due from other agencies	$	80,643
Inventory	$	152,915
Prepaid	$	45,391
Current Liabilities		
Accounts payable	$	(1,052,338)
Due to other governments	$	(152,036)
Due to other funds	$	(71,656)
Compensated Absences	$	(213,077)
Reconciling Items		
Restricted cash for revenue bonds	$	409,121
Miscellaneous adjustment	$	200,426
Estimated Unreserved FY20 Fund Balance	**$**	**7,568,297**

SEWER SYSTEM FUND (PART OF COMBINED UTILITY SYSTEM FUND)

Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

		Prior Year	Current Fiscal Year				
		FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate		FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	(1)	$ 10,157,952	$9,794,637	$9,794,637	$9,794,637		$0
Revenues							
Metered Customers		$14,872,099	$15,185,350	$3,613,494	$15,393,000	(2)	$207,650
Service Connections		126,854	115,000	48,608	194,433		79,433
Waster Hauler Fees		56,490	60,000	13,455	53,820		(6,180)
Interest Earned		105,581	77,000	2,079	12,475		(64,525)
Penalties on Account		87,046	175,000	0	40,000	(3)	(135,000)
Other Revenues		22,905	0	29	116		116
Total Revenues		$15,270,974	$15,612,350	$3,677,665	$15,693,844		$81,494
Expenditures							
Management Services		$494,989	$344,593	$85,062	$319,209		$25,384
Utility Billing		889,031	955,756	290,685	955,509		247
Industrial Pretreatment		339,748	327,006	76,930	326,984		22
Wastewater Collection		3,818,671	3,449,110	838,163	3,803,028	(4)	(353,918)
Wastewater Treatment Plant		4,045,702	4,048,052	1,034,443	4,015,329		32,723
Debt Service		4,378,177	5,101,165	996,145	5,101,165		0
Transfer to Hurricane Harvey Fund		(8,873)	0	0	0		0
Non-Departmental		1,670,572	1,599,353	384,778	1,587,773		11,580
Total Expenditures		$15,628,018	$15,825,036	$3,706,207	$16,108,996		($283,961)
Revenues Over/(Under) Expenditures		($357,044)	($212,686)	($28,542)	($415,151)		($202,466)
Transfer to Improvement Account		$0	$150,000	$0	$150,000		$0
Prior Period Adjustment		$6,271	$0	$0	$0		$0
Ending Fund Balance (209 Days)		$ 9,794,637	$9,431,952	$9,766,096	$9,229,486		($202,466)
90 Day Reserve		$3,853,484	$3,902,064	$913,859	$3,972,081		
120 Day Reserve		$5,137,979	$5,202,751	$1,218,479	$5,296,108		

NOTES:

(1) Beginning Fund Balance for FY 2020 is based on the adjustments below to put the calculations used in the Comprehensive Annual Financial Report that are full accrual

(2) Revenues stated include accruals recorded at year-end in accordance with Generally Accepted Accounting Principles (GAAP). Total will vary in monthly revenue schedule that is in the Major Revenue Source Report.

(3) An formula error of $212,300 was made when calculating the vacancy rate for the FY21 budget greatly reducing the regular payroll line item in this Department. In addition it is estimated that this department will exceed its overtime line item by $142,000 to address a backlog of work orders due to vacancies within the last fiscal year. A future budget amendment will be presented to address this issue.

Descriptions	FY2020
Current Assets	
Cash	$ 5,738,133
Accounts receivable	$ 3,251,012
Due from other agencies	$ -
Due from other funds	$ 181,274
Inventory	$ 160,639
Prepaid	$ 24,436
Current Liabilities	
Accounts payable	$ (279,250)
Due to other funds	$ (2,767)
Compensated Absences	$ (322,158)
Reconciling Items	
Restricted cash for revenue bonds	$ 698,838
Miscellaneous adjustment	$ 344,481
Estimated Unreserved FY20 Fund Balance	**$ 9,794,637**

SANITATION FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

		Prior Year	Current Fiscal Year			
		FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	(1)	2,981,796	$2,210,254	$2,210,254	$2,210,254	$0
Revenues						
Collection Fees		$5,684,693	$5,714,039	$1,442,933	$5,771,733	$57,694
Recycling Fees		514,395	517,325	129,935	519,741	2,416
Dumpster Fees		29,982	28,000	21,894	29,894	1,894
Penalties on Account		50,782	100,000	0	10,000 (2)	(90,000)
Other Revenues		47,213	27,500	7,874	31,561	4,061
Total Revenues		$6,327,066	$6,386,864	$1,602,636	$6,362,928	($23,936)
Expenditures						
Refuse Collection		$4,660,800	$4,889,009	$1,187,618	$4,884,568	$4,441
Recycling		678,787	721,826	186,217	721,048	778
Utility Billing		207,529	210,408	59,010	210,069	339
Non-Departmental		944,183	725,779	183,188	730,190	(4,411)
Total Expenditures		$6,491,299	$6,547,022	$1,616,032	$6,545,875	$1,147
Revenues Over/(Under) Expenditures		($164,233)	($160,158)	($13,396)	($182,947)	($22,789)
Capital Outlay		$605,077	$420,000	$0	$420,000	$0
Prior Period Adjustment		$2,232	$0	$0	$0	$0
Ending Fund Balance (90 Days)		$2,210,254	$1,630,096	$2,196,858	$1,607,307	($22,789)
90 Day Reserve		$1,600,594	$1,614,334	$398,474	$1,614,051	
120 Day Reserve		$2,134,126	$2,152,446	$531,298	$2,152,068	

NOTES:

(1) Beginning Fund Balance for FY 2020 is based on the adjustments below to put the calculations used in the Comprehensive Annual Financial Report that are full accrual on a modified accrual basis for budget adoption and reporting purposes.

(2) Penalties not charged during the 2020 pandemic. Penalties reinstituted February 2021.

Descriptions	FY2020
Current Assets	
Cash	$ 283,658
Accounts receivable	$ 1,466,086
Due from other funds	$ 724,616
Inventory	$ -
Prepaid	$ 6,139
Current Liabilities	
Accounts payable	$ (110,919)
Due to other governments	$ (51,281)
Due to other funds	$ (9,487)
Unearned revenue	$ (15,620)
Compensated Absences	$ (242,282)
Reconciling Items	
Miscellaneous adjustment	$ 159,343
Estimated Unreserved FY20 Fund Balance	**$ 2,210,254**

DRAINAGE UTILITY FUND

Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

		Prior Year	Current Fiscal Year			
		FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	(1)	1,515,151	$1,379,358	$1,379,358	$1,379,358	$0
Revenues						
Drainage District Charge		$2,836,043	$2,850,900	$713,604	$2,854,415 (2)	$3,515
Penalties on Account		17,904	40,000	0	5,000 (3)	(35,000)
Interest Earned		9,448	15,000	188	1,127	(13,873)
Total Revenues		$2,863,395	$2,905,900	$713,792	$2,860,542	($45,358)
Expenditures						
Municipal Drainage Utility		$2,288,424	$2,412,831	$601,993	$2,357,073	$55,758
Utility Billing		142,662	150,426	39,365	148,587	1,839
Non-Departmental		191,249	198,308	49,577	198,308	0
Total Expenditures		$2,622,335	$2,761,565	$690,935	$2,703,968	$57,597
Revenues Over/(Under) Expenditures		$241,060	$144,335	$22,857	$156,575	$12,240
Transfer to Improvement Account/Capital Outlay		$375,356	$305,000	$0	$305,000	$0
Prior Period Adjustment		($1,497)	$0	$0	$0	$0
Ending Fund Balance (166 Days)		$1,379,358	$1,218,693	$1,402,215	$1,230,933	$12,240
90 Day Reserve		$646,603	$680,934	$170,367	$666,732	
120 Day Reserve		$862,138	$907,912	$227,157	$888,976	

NOTES:

(1) Beginning Fund Balance for FY 2020 is based on the adjustments below to put the calculations used in the Comprehensive Annual Financial Report that are full accrual on a modified accrual basis for budget reporting purposes.

(2) Revenues stated include accruals recorded at year-end in accordance with Generally Accepted Accounting Principles (GAAP).

(3) Penalties not charged during the 2020 pandemic. Penalties reinstituted February 2021.

Descriptions	FY2020
Current Assets	
Cash	$ 836,744
Accounts receivable	$ 570,381
Due from other funds	
Inventory	$ 6,580
Prepaid	$ 4,093
Current Liabilities	
Accounts payable	$ (7,175)
Compensated Absences	$ (103,279)
Reconciling Items	
Miscellaneous adjustment	$ 72,015
Estimated Unreserved FY20 Fund Balance	**$ 1,379,358**

SCHOLES AIRPORT FUND

Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

		Prior Year	Current Fiscal Year			
		FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	(1)	856,203	$925,995	$925,995	$925,995	$0
Revenues						
Building Rentals		$37,671	$38,575	$9,550	$38,198	($377)
Hangar Rentals		73,459	85,995	24,229	96,915	10,920
Terminal Space Rental		44,440	42,190	12,304	49,215	7,025
Land Rentals		684,600	673,035	180,023	720,093	47,058
Municipal Utilities		82,307	84,365	21,000	84,000	(365)
Golf Course		88,025	90,040	22,141	88,565	(1,475)
General Fund Rental		66,156	67,810	16,953	67,811	1
Fuel Flowage Fees		36,320	37,500	12,851	51,402	13,902
Interest Earned		7,378	12,000	172	1,034	(10,966)
TXDOT Grant		50,000	50,000	0	50,000	0
Other Revenue		4,815	3,660	350	3,080	(580)
Other Funding Sources		12,657	0	0	0	0
Total Revenues		$1,187,828	$1,185,170	$299,573	$1,250,314	$65,144
Expenditures						
Airport Operations		$807,587	$845,785	$208,532	$842,350	$3,435
Transfer to Hurricane Harvey Fund		3,887	0	0	0	0
Non-Departmental		306,423	269,827	67,457	269,827	0
Total Expenditures		$1,117,898	$1,115,612	$275,989	$1,112,177	$3,435
Revenues Over/(Under) Expenditures		$69,930	$69,558	$23,584	$138,138	$68,580
Transfer to Improvement Account		$0	$30,000	$0	$30,000	$0
Prior Period Adjustment		($138)	$0	$0	$0	
Ending Fund Balance (339 Days)		$925,995	$965,553	$949,579	$1,034,132	$68,580
90 Day Reserve		$275,646	$275,082	$68,052	$274,235	
120 Day Reserve		$367,528	$366,777	$90,736	$365,647	

NOTES:

(1) Beginning Fund Balance for FY 2020 is based on the adjustments below to put the calculations used in the Comprehensive Annual Financial Report that are full accrual on a modified accrual basis for budget reporting purposes.

Descriptions	FY2020
Current Assets	
Cash	$ 859,158
Accounts receivable	$ 192,369
Due from other funds	$ -
Current Liabilities	
Accounts payable	$ (19,513)
Compensated Absences	$ (21,082)
Due to other funds	$ (83,518)
Reconciling Items	
Miscellaneous adjustment	$ (1,418)
Estimated Unreserved FY20 Fund Balance	**$ 925,995**

INTERNAL SERVICE FUNDS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate
Beginning Fund Balance				
Central Service Fund	$1,265,651	$1,376,439	$1,376,439	$1,376,439
Municipal Garage Fund	1,444,772	964,815	964,815	964,815
Casualty and Liability Fund	423,692	572,742	572,742	572,742
Workers' Compensation Fund	134,926	232,786	232,786	232,786
Health and Life Insurance Fund	1,260,384	2,297,848	2,297,848	2,297,848
Capital Projects Fund	5,813	1,300	1,300	1,300
Total	**$4,535,238**	**$5,445,930**	**$5,445,930**	**$5,445,930**
Revenues				
Central Service Fund	$4,306,534	$4,334,142	$1,058,447	$4,287,705
Municipal Garage Fund	4,280,233	4,486,125	1,212,486	4,677,703
Casualty and Liability Fund	2,072,545	2,149,649	537,369	2,149,490
Workers' Compensation Fund	449,066	449,184	112,296	449,184
Health and Life Insurance Fund	12,888,618	11,263,595	1,990,040	11,895,000
Capital Projects Fund	0	0	8	48
Total	**$23,996,996**	**$22,682,695**	**$4,910,647**	**$23,459,130**
Expenditures				
Central Service Fund	$4,195,189	$4,316,142	$945,758	$4,295,157
Municipal Garage Fund	4,666,992	4,468,191	1,289,393	4,540,364
Casualty and Liability Fund	1,923,383	2,148,206	116,791	2,149,181
Workers' Compensation Fund	351,206	414,818	136,422	407,832
Health and Life Insurance Fund	11,848,722	11,150,556	3,253,131	12,738,000
Capital Projects Fund	4,077	0	113,787	0
Total	**$22,989,569**	**$22,497,913**	**$5,855,282**	**$24,130,536**
Fund Balance Adjustments/Appropriation of Fund Balance				
Central Service Fund	($556)	$0	$0	$0
Municipal Garage Fund	93,199	0	0	0
Casualty and Liability Fund	(111)	0	0	0
Workers' Compensation Fund	0	0	0	0
Health and Life Insurance Fund	(2,432)	0	0	0
Capital Projects Fund	(436)	0	0	0
Total	**$89,662**	**$0**	**$0**	**$0**
Ending Fund Balances				
Central Service Fund	$1,376,439	$1,394,439	$1,489,129	$1,368,987
Municipal Garage Fund	964,815	982,749	887,908	1,102,154
Casualty and Liability Fund	572,742	574,185	993,321	573,050
Workers' Compensation Fund	232,786	267,152	208,661	274,138
Health and Life Insurance Fund	2,297,848	2,410,887	1,034,756	1,454,848
Capital Projects Fund	1,300	1,300	(112,480)	1,347
Total	**$5,445,930**	**$5,630,712**	**$4,501,295**	**$4,774,525**

NOTE:

CENTRAL SERVICE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

		Prior Year	Current Fiscal Year				
		FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate		FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance		1,265,651	$1,376,439	$1,376,439	$1,376,439	(1)	$0
Revenues							
Sales to Departments							
Data Processing		$2,605,426	$2,620,002	$651,934	$2,607,736		($12,266)
Central Mail Charges		49,740	114,148	10,698	96,076		(18,072)
Facilities Department Charges		1,150,818	1,107,039	276,759	1,107,038		(1)
Communications & Engagement		468,015	474,953	118,738	474,953		(0)
Other Revenue		32,534	18,000	317	1,903		(16,097)
Total Revenues		$4,306,534	$4,334,142	$1,058,447	$4,287,705		($46,437)
Expenditures							
Mail		$108,477	$114,148	$12,997	$96,076		$18,072
Information Technology		2,163,825	2,620,002	566,034	2,588,915		31,087
Facilities Department		1,001,511	1,107,039	250,368	1,096,401		10,638
Print Shop		2,256	0	0	0		0
Community Outreach		463,121	474,953	116,359	513,765	(2)	(38,812)
Transfer to Technology Improvement Fund		456,000	0	0	0		0
Total Expenditures		$4,195,189	$4,316,142	$945,758	$4,295,157		$20,985
Revenues Over/(Under) Expenditures		$111,345	$18,000	$112,689	($7,452)		($25,452)
Prior Year Adjustment	(4)	($556)	$0	$0	$0		$0
Ending Fund Balance		$1,376,439	$1,394,439	$1,489,129	$1,368,987		($25,452)

NOTES:

(1) Beginning Fund Balance for FY 2020 is based on the estimated adjustments below to put the calculations used in the Comprehensive Annual Financial Report that are full accrual on a modified accrual basis for budget reporting purposes.

(2) Legislative Coordinator position elevated to Director of Policy and Government Relations.

Descriptions	FY2020
Current Assets	
Cash	$ 1,334,402
Accounts receivable	$ -
Due from other funds	$ -
Inventory	$ -
Prepaid	$ 98,933
Current Liabilities	
Accounts payable	$ (56,896)
Miscellanous adjustment	
Estimated Unreserved Fund Balance as of 9/30/2020	**$ 1,376,439**

CENTRAL GARAGE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

		Prior Year	Current Fiscal Year				
		FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate		FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	(1)	1,444,772	$964,815	$964,815	$964,815		$0
Revenues							
Motor Vehicle Charges		$3,747,653	$3,881,947	$1,106,382	$4,253,046	(2)	$371,099
Outside Agency Revenue		333,976	421,178	71,716	286,864		(134,314)
Other Revenues		179,023	153,000	33,186	132,744		(20,256)
Sale of Equipment		9,225	15,000	1,082	4,329		(10,671)
Interest Earned		10,357	15,000	120	720		(14,280)
Total Revenues		$4,280,233	$4,486,125	$1,212,486	$4,677,703	(3)	$191,578
Expenditures							
Administration		$864,285	$893,553	$218,325	$892,691		$862
Operations		3,802,706	3,574,638	1,071,068	3,647,673	(2)	(73,035)
Total Expenditures		$4,666,992	$4,468,191	$1,289,393	$4,540,364		($72,173)
Revenues Over/(Under) Expenditures		($386,758)	$17,934	($76,907)	$137,339		$119,405
Capital Outlay		$93,199	$0	$0	$0		$0
Ending Fund Balance		$964,815	$982,749	$887,908	$1,102,154		$119,405

NOTES:

(1) Beginning Fund Balance for FY 2020 is based on the estimated adjustments below to put the calculations used in the Comprehensive Annual Financial Report that are full accrual on a modified accrual basis for budget reporting purposes.

(2) Funding is a result of a new annual amount being charged to monitor GPS and cameras on City Vehicles. Funding is being collected by charging the various City Departments.

(3) Revenues are based on actual charges for repairs, insurance and the cost of fuel.

Descriptions	FY2020
Current Assets	
Cash	$ 796,978
Accounts receivable	$ 48,303
Due from other funds	$ 6,577
Inventory	$ 268,300
Prepaid	$ -
Current Liabilities	
Accounts payable	$ (155,343)
Miscellanous adjustment	$ -
Estimated Unreserved Fund Balance as of 9/30/2020	**$ 964,815**

CASUALTY AND LIABILITY INSURANCE
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

		Prior Year	Current Fiscal Year				
		FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate		FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	(1)	**$423,692**	**$572,742**	**$572,742**	**$572,742**		**$0**
Revenues							
Charges for Services							
Waterworks Fund		$226,482	$261,853	$65,463	$261,853		($0)
Sewer System Fund		260,249	299,343	74,836	299,343		0
Drainage Utility Fund		33,508	34,246	8,561	34,246		(0)
Sanitation Fund		71,250	71,490	17,873	71,490		0
Capital Projects Fund		18,094	18,366	4,592	18,366		0
Central Services		37,794	39,121	9,780	39,121		0
Central Garage		542,190	609,460	152,365	609,460		(0)
Airport Fund		168,845	164,136	41,034	164,136		0
Federal/state grants		75,125	68,911	17,228	68,911		(0)
Community Pool		39,403	40,063	10,016	40,063		(0)
General Fund		599,677	542,460	135,615	542,460		0
Other Revenues		(72)	200	7	41		(159)
Operating Transfer In		0	0	0	0		0
Total Revenues		**$2,072,545**	**$2,149,649**	**$537,369**	**$2,149,490**		**($159)**
Expenditures							
Administration		$185,355	$185,875	$44,661	$186,004		($129)
Insurance Polices		1,539,416	1,644,331	43,873	1,728,119	(2)	(83,788)
Other Expenses		198,612	318,000	28,256	235,058	(3)	82,942
Total Expenditures		**$1,923,383**	**$2,148,206**	**$116,791**	**$2,149,181**		**($975)**
Revenues Over/(Under) Expenditures		**$149,162**	**$1,443**	**$420,578**	**$308**		**($1,135)**
Prior Year Adjustment		**($111)**	**$0**	**$0**	**$0**		**$0**
Ending Fund Balance		**$572,742**	**$574,185**	**$993,321**	**$573,050**		**($1,135)**

NOTES:
(1) Beginning Fund Balance for FY 2020 is based on the estimated adjustments below to put the calculations used in the Comprehensive Annual Financial Report that are full accrual on a modified accrual basis for budget reporting purposes.
(2) Overage in Windstorm Insurance policy.
(3) Estimated savings in uninsured damage claims ($26,000) and uninsured legal fees ($55,000).

Descriptions	FY2020
Current Assets	
Cash	$ 36,178
Accounts receivable	$ 34,123
Prepaid	$ 518,166
Current Liabilities	
Accounts payable	$ (15,725)
Miscellanous adjustment	$ -
Estimated Unreserved Fund Balance as of 9/30/2020	**$ 572,742**

WORKERS' COMPENSATION FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

		Prior Year	Current Fiscal Year			
		FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate	FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	(1)	$134,926	$232,786	$232,786	$232,786	$0
Revenues						
Charges for Services		$447,984	$447,984	$112,296	$449,184	$1,200
Interest Earned		1,082	1,200	0	0	(1,200)
Total Revenues		$449,066	$449,184	$112,296	$449,184	$0
Expenditures						
Insurance Policies		$351,206	$414,818	$136,422	$407,832	$6,986
Total Expenditures		$351,206	$414,818	$136,422	$407,832	$6,986
Revenues Over/(Under) Expenditures		$97,860	$34,366	($24,126)	$41,352	$6,986
Ending Fund Balance		$232,786	$267,152	$208,661	$274,138	$6,986

NOTES:
(1) Beginning Fund Balance for FY 2020 is based on the estimated adjustments below to put the calculations used in the Comprehensive Annual Financial Report that are full accrual on a modified accrual basis for budget reporting purposes.

Descriptions	FY2020
Current Assets	
Cash	$ 248,053
Current Liabilities	
Accounts payable	$ (15,267)
Estimated Unreserved Fund Balance as of 9/30/2020	**$ 232,786**

HEALTH AND LIFE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

		Prior Year	Current Fiscal Year				
		FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate		FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	(1)	$1,260,384	$2,297,848	$2,297,848	$2,297,848		$0
Revenues							
Medical insurance - retiree & cobra		$277,270	$260,000	$71,672	$278,000		$18,000
Medical insurance - contributions-city		7,492,170	7,059,248	1,138,328	7,350,000	(2)	290,752
Medical insurance - contributions-E'ees		1,531,858	1,528,347	386,340	1,528,000		(347)
Park Board medical - contributions		758,270	696,640	(57,895)	683,000		(13,640)
Park Board medical - employee		166,480	155,000	(11,940)	166,000		11,000
Wharves medical - contributions		774,424	778,800	58,815	700,000		(78,800)
Wharves medical - employee		173,425	145,560	14,555	174,000		28,440
Premiums - life insurance		214,003	130,000	214,834	130,000		0
Interest Earned		6,420	10,000	87	1,000		(9,000)
Transition Credit		250,000	0	0	0		0
Drug Rebates, No-Show Fees, and Other Recoveries		287,542	250,000	1,249	444,000		194,000
Stop Loss Reimbursements/Refunds/Voids		956,755	250,000	173,996	441,000		191,000
Total Revenues		$12,888,618	$11,263,595	$1,990,040	$11,895,000		$631,405
Expenditures							
Claims and Expenses							
City of Galveston Medical Claims		$5,693,185	$5,216,036	$1,982,301	$6,252,000		($1,035,964)
City Medical Claims Subtotal		**5,693,185**	**5,216,036**	**1,982,301**	**6,252,000**		**(1,035,964)**
Port of Galveston Medical Claims		1,160,560	1,316,916	313,113	1,501,000		(184,084)
Park Board of Trustees Medical Claims		972,382	626,102	154,455	767,000		(140,898)
All Medical Claims Subtotal		**7,826,127**	**7,159,054**	**2,449,869**	**8,520,000**	(3)	**(1,360,946)**
Prescriptions							
Prescriptions - City		1,905,748	1,854,011	468,325	1,918,000		(63,989)
Prescriptions - Port		153,848	176,527	37,779	201,000		(24,473)
Prescriptions - Park Board		81,418	159,469	19,103	76,000		83,469
Prescriptions Subtotal		**2,141,014**	**2,190,007**	**525,207**	**2,195,000**		**(4,993)**
Total Claims Expense		**9,967,141**	**9,349,061**	**2,975,075**	**10,715,000**	(3)	**(1,365,939)**
Other Expenses							
Administration - Plan Administrator		268,250	522,707	123,679	524,000		(1,293)
Stop Loss Premium		1,163,569	1,068,788	103,372	1,289,000		(220,212)
Consultant Services		67,839	80,000	19,875	80,000		0
Health Clinics Operating Expense		254,833	0	0	0		0
Life Insurance		127,090	130,000	31,131	130,000		0
Other Expenses Subtotal		**1,881,581**	**1,801,495**	**278,056**	**2,023,000**		**(221,505)**
Total Expenditures		$11,848,722	$11,150,556	$3,253,131	$12,738,000		($1,587,444)
Revenues Over/(Under) Expenditures		**$1,039,896**	**$113,039**	**($1,263,091)**	**($843,000)**		**($956,038)**
Prior Year Adjustment		**($2,432)**	**$0**	**$0**	**$0**		**$0**
Estimated Ending Fund Balance		**$2,297,848**	**$2,410,886**	**$1,034,756**	**$1,454,848**		**($956,038)**

NOTES:

(1) Beginning Fund Balance for FY 2020 is based on the adjustments below to put the calculations used in the Comprehensive Annual Financial Report that are full accrual on a modified accrual basis for budget reporting purposes. Not shown is a liability of over $10 million for future retiree healthcare.

(2) The FY 2021 Estimate shown for the City's contribution anticipates that the City will again contribute its entire health insurance budget in FY 2021 to the Health Insurance Fund. This would constitute the third year the City has done this to help meet plan expenses.

(3) Medical claims are averaging $100,000 more per month than anticipated with medical inflation of 7% accounting for about half of the increase and COVID-19 and excessive emergency clinic charges accounting for the rest..

Descriptions		FY2020
Current Assets		
Cash	$	1,504,756
Accounts receivable	$	919,706
Due from other governments	$	361,525
Current Liabilities		
Accounts payable	$	(396,486)
Miscellaneous adjustment (IBNR)	$	(91,653)
Estimated Unreserved Fund Balance as of 9/30/2020	**$**	**2,297,848**

CAPITAL PROJECTS FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2021 - December Report

	Prior Year	Current Fiscal Year				
	FY2020 Estimated as of 01/15/2021	FY2021 Adopted Budget	FY2021 YTD Actual through 12/31/2020	FY2021 Budget Estimate		FY2021 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	$5,813	$1,300	$1,300	$1,300		$0
Revenues						
Sale of Equipment	$0	$0	$8	$48		$0
Expenditures						
Construction Management	4,077	0	113,787	0		(0)
Total Expenditures	$4,077	$0	$113,787	$0	(1)	($0)
Revenues Over/(Under) Expenditures	($4,077)	$0	($113,779)	$48		($0)
Prior Year Adjustment	($436)	$0	$0	$0		$0
Estimated Ending Fund Balance	$1,300	$1,300	($112,480)	$1,347		($0)

NOTES:
(1) All expenditures are reallocated to projects that have been approved by City Council in the CIP as project management costs.

Capital Improvements

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
FY 2021- 1ST QUARTER - DECEMBER 31,2020

STREETS & TRAFFIC PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2020 STATUS
ST1503	26TH - BROADWAY TO CHURCH (phase 2)	Replace approx. 1,282 feet milling and overlay and upgrading of the drainage system.	$ 543,986	$ 512,133	Project Awaiting Fire Station and City Hall Annex Demolition/Parking Lot Completion	To avoid conflict with Fire Station Construction, project will not be initiated until Fire Station is Complete. Currently, the Fire Station Annex on City Hall is in the final phases.
ST1802	16TH - BROADWAY TO AVE N 1/2	Approximately 1,945 feet to include milling and replacement of asphalt surface and replace of drainage inlets and laterals, replace and upsize old water and sewer utilities.	$ 150,332	$ 151,852	Project in Design	Project in 100% Design; Construction to be completed as part of the 15th Street Pilot Stormwater Pump Project
ST1901	37TH - BROADWAY TO SEAWALL	Approximately 5,830 feet to include milling and replace asphalt surface, extension of storm sewer main to provide for future expansion of drainage system and replace and upsize old water and sewer utilities.	$ 297,106	$ 296,876	In Design	Project in 100% Design. Site visit with plans planned.
ST2001	29TH - AVE O TO AVE R 1/2	Approximately 2,275 feet to include milling and replace asphalt surface.	$ 152,061	$ 152,061	Complete	Completed
ST1706	INTERSECTION OF 61ST and SEAWALL BLVD.	Redesign traffic signal to provide for turning and better facilities for pedestrians crossing.	$ 278,000	$ -	Complete	Completed using M&O budget
TR1701	BROADWAY LIGHTING IMPROVEMENTS	Improvements to lighting on Broadway.	$ 11,958	$ 11,958	Complete	Completed
ST1801	30TH - AVENUE O TO SEAWALL	Approximately 2,550 feet to include milling and replacement of asphalt surface and replace and upsize old water and sewer utilities.	$ 169,049	$ 169,049	Complete	Completed
ST2002	49TH - AVE P TO AVE S 1/2	Approximately 2,275 feet to include milling and replace asphalt surface, replace and upsize old water and sewer utilities.	$ 454,239	$ 3,360,184	In Construction	Project Under Construction. Substantial Completion planned for Q2
ST2003	35TH - POST OFFICE TO BROADWAY	Approximately 1,600 feet to include milling and replace asphalt surface, extension of storm sewer main to provide for future expansion of drainage system and replace and upsize old water and sewer utilities.	$ 3,458,181	$ 366,776	In Construction	In Construction. Preconstruction meeting held 1/8/20201
ST1701	25TH ST - BROADWAY to SEAWALL	Repaving of approx. 4,154 feet and replace and upsize old water and sewer utilities. To begin after completion of trolley track rehab.	$ 7,392,635	$ 7,271,823	In Construction	Construction 60% complete
ST1705 (IDC45)	45TH ST - BROADWAY to SEAWALL (IDC Econ Dev silo for design)	Repaving of approx. 6,740 feet and replace and upsize old water and sewer utilities.	$ 11,874,076	$ 11,875,821	In Construction	Complete
ST1604	29TH ST - CHURCH to HARBORSIDE	Replace storm sewer inlets and inlet leads. Mill and asphalt overlay 48 foot wide	$ 598,780	$ 23,280	Design to be finalized by end of February 2021	Construction planned for July 2021
ST1702	73RD ST - HEARDS LANE to AVENUE N 1/2	Repaving of approx. 1,265 feet and replace and upsize old water and sewer utilities.	$ 1,665,277	$ 1,677,877	In Construction	In Construction; Substantial Completion Q2. 85% complete
ST1709	SEAWALL (TXDOT LOCAL SHARE)	Ferry Road East to the End of the Seawall.	1,205,169	$ 1,184,532	Construction Completed	Construction Completed
IHST19	STREETS & OVERLAY BY CITY FORCES (In House Streets FY2019)	Correcting streets identified as less than Satisfactory by 2013 Street Assessment by LJA Engineering.	$ 2,343,323	$ 1,192,740	Ongoing, Annual Mill & Overlay Contract executed for overflow	Ongoing

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
FY 2021- 1ST QUARTER - DECEMBER 31, 2020

DRAINAGE IMPROVEMENT PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2020 STATUS
D1601	11 MILE ROAD DRAINAGE IMPROVEMENTS	To alleviate drainage concerns, culvert replacement and ditch regrading needed. Drainage improvement along FM 3005 will require coordination with TXDOT.	$ 147,500	$ -	Planning	Awaiting TXDOT final design so outfall ditches can be designed accordingly.
D1602	18TH STREET DRAINAGE IMPROVEMENTS	Replace and upgrade the existing vitrified clay storm sewer system per recommendations in the Master Drainage Study.	$ 17,035,196	$ 17,053,393	In Construction	Preconstruction meeting 1/8/2021
D1604	CHURCH STREET DRAINAGE IMPROVEMENTS	Replace and upgrade the existing vitrified clay storm sewer system per recommendations in the Master Drainage Study.	$ 1,820,216	$ 1,783,630	In Construction	Preconstruction meeting 1/8/2021
D1701	MASTER DRAINAGE PLAN and FEASIBILITY STUDY	Engineering study of current drainage system throughout City with recommendation as to the feasibility of various alternatives to improve drainage.	$ 348,250	$ 462	Supplemental Presentation in February 2021	Drainage Masterplan to start in May 2021 after City Council Approval
DSTORM	STORM WATER MANAGEMENT	Annual reporting and monitoring of Municipal Separate Storm Sewer System (MS4) Permit to TCEQ	$ 500,000	$ 25,669	Annual	Annual Recurring Project. In progress. March 2018 annual report for the City of Galveston Phase II MS4 has been approved by TCEQ on June 18, 2018. New 2020 Report due to TCEQ in April 2021 appears to be in house since Dannenbaum Contract Inactive
D1702	EVALUATION OF STORM SEWER OUTFALLS	Evaluation of the 42 storm sewer outfalls. Majority of these outfalls are submerged and their condition is unknown.	$ 250,000	$ 48,158	Field work completed. Some outfall locations could not be identified. Alternate technologies being evaluated	Report provided for City Review. Comments provided requesting concept design and cost estimate and alternate technology evaluation and presentations to the team. Engineering provided cost estimate for critical outfall repair. No further work is anticipated on this project.

WATERWORKS PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2020 STATUS
WWELLS	REHABILITATION OF WATER WELLS # 9 AND #11	To provide alternate source of drinking water for the City. City Council pre-qualified Consultant to evaluate cost of wells for potential sale	$ 985,000	$ 496,682	Consultant preparing scope for evaluating asset value and sale	Design complete but GCWA has concerns with main line that wells are tying into. They need to do condition assessment. Alternate approach to sell the wells being investigated with the hiring of consultant
W1802	NON-REVENUE WATER MITIGATION PROGRAM	Mitigate the amount of water that is not sold at retail price. Areas such as leak detection, improvements, meter replacements.	$ 300,000	$ 79,098	In Construction	In Construction
W1801	30" WATERLINE - 71ST STREET TO 59TH STREET PUMP STATION	Replace approx. 4,300 feet of 30" water line.	$ 5,103,000	$ 2,032	Delay until 59th Street Pump Station and Tank complete	Team suggested delaying this project until 59th Street PS and Tank is complete.
W1702	20" WATERLINE - TAMUG TO SEAWOLF PARKWAY TO BRADNER STREET	Replace approx. 5,250 feet of existing 20" water line that serves a major portion of Pelican Island. Old bar wrapped concrete cylinder pipe with multiple failure points and expensive to repair.	$ 3,611,695	$ 190	Planning	Planning
W1902	12" WATERLINE - SEAWALL BLVD., 81ST TO 97TH STREET	Construction of approx. 3,650 ft. of 12" water line. To complete the loop providing water to the west end and improve the water qualify and pressure available to the properties located in this stretch of seawall.	$ 2,061,750	$ -	Planning	Planning
W1707	24" WATERLINE - 59TH ST. PUMP STATION to AIRPORT PUMP STATION	Construction to provide redundancy of supply and pressure to potable water in the event of failure of either pump station.	$ 20,349,050	$ 21,561,570	In Construction	Construction 70% Complete
W1612	NEW GROUND STORAGE TANK @ 59th Street (CDBG 2.2)	Construct new ground storage tank at 59th Street Pump Station	$ 7,583,074	$ 3,146	Construction Complete	Construction Complete
W1704	30" WATERLINE - RAILROAD BRIDGE TO HARBORSIDE DR	Replace approx. 2,100 feet of waterline.	$ 2,369,356	$ 256,234	Delay until 59th Street Pump Station and Tank complete	Team suggested delaying this project until 59th Street PS and Tank is complete.
W1701	WELL DISINFECTION / FLUSHING (2A, 6A, 10, 12, 13, 16, 17)	Installation of a disinfection system and flush valve for each of the previously rehabilitated Alta Loma Wells. This allows for the use of these wells without contamination the water system.	$ 570,000	$ 45,536	Consultant preparing scope for evaluating asset value and sale	Design complete but GCWA has concerns with main line that wells are tying into. They need to do condition assessment. Alternate approach to sell the wells being investigated with the hiring of consultant
W1605	30" CAUSEWAY WATERLINE	Construction of a 36" waterline along the causeway to provide additional redundancy for island water.	$ 9,439,900	$ 699,164	Design at 95%	Construction anticipated in FY 2022. TXDOT Coordination in progress due to structural stability

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
FY 2021 - 1ST QUARTER - DECEMBER 31, 2020

WATERWORKS PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2020 STATUS
W1615	WATER MASTER PLAN	Update existing water master plan. Needs to be accomplished in FY 2017.	$ 203,534	$ 102,749	100% Plan in review. Recommendations being implemented.	Model provided to AWC for other CIP water projects evaluation.
W1703	AIRPORT PUMP STATION / CONTROL UPGRADES	Expand controls building and upgrade electronics and controls, replace pumps. Preliminary to construction of new ground storage tanks at pump station.	$ 3,243,000	$ 288,044	In Construction	Construction at 50%
W1601	10 MILE ROAD ELEVATED STORAGE TANK REHABILITION	Rehab of EST is vital as the coating is severely degraded and the tank needs to be recoated. Update tank from "flow by" to "flow through" to preserve water quality.	$ 7,790,000	$ 1,194,963	Design in progress	95% Design in Progress.
W1705	AIRPORT PUMP STATION TANK UPGRADES PHASE 1	Construction of a new 5 million gallon water ground storage tank (GST) at the Airport Pump Station. This is needed to protect water supply from risk of contamination from flood waters and ensure the proper water quality and pressure to the west end.	$ 9,999,473	$ 751,958	In Construction	Construction 50% Complete
	AIRPORT PUMP STATION TANK UPGRADES PHASE 2	Construction of 7 MG Tank			Design @ 90%	Design @ 90%
W1618	WATER SYSTEM IMPROVEMENTS	Continued rehab of water distribution system through City.	$ 6,500,000	$ 4,390,240	Recurring Project	Recurring Project.
FD-132	FIRE HYDRANTS REPLACEMENT PROGRAM	Continue to replacement or repair non or poorly functioning fire hydrants (Portion possible reimbursement from FEMA)	$ 1,870,000	$ 1,062	Recurring Project	Ongoing
FD-132 (WFIRHY)	FIRE HYDRANT REPLACEMENT PROGRAM (Hurricane Ike portion)	Continue to replacement or repair non or poorly functioning fire hydrants (FEMA reimbursement)	$ 4,812,784	$ 3,577,860	Ongoing	Ongoing

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
FY 2021 - 1ST QUARTER - DECEMBER 31, 2020

SEWER PROGRAM

PROJECT CODE	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2020 STATUS
S1701	LIFT STATION PUMP and ELECTRICAL UPDGRADES	Upgrading the existing pumps and electrical systems for lift stations located throughout the City.	$ 12,468,397	$ 480,905	In 100% Design	Design Complete
S1604	LIFT STATION SCADA	System to monitor control and collect data from lift stations city wide. ~48 liftstation, 3 water water elevated storage tanks, 1 pump station and 1 wastewater treatement plant	$ 1,200,000	$ -	Project PO Issued	Phase 1, SCADA Network Connectivity and Platform upgrades in progress
S1610	SLUDGE and GRIT REMOVAL FROM MAIN WWTP SLUDGE HOLDING TANK	Remove approx. 6,700 cubic yards of wastewater sludge, grit and associated materials from Main WWTP	$ 8,408,838	$ 674,598	Design	100% Design for Digester Cleaning Received. Project deferred for the future
S1702	WEST END IMPROVEMENTS	Researching alternatives for the West End unserved areas.	$ 2,579,933	$ 15,171	ROI not available to proceed with project	Awaiting opportunities for doing under grant
SW-165 SSEAWO	SEAWOLF PARK WWTP Reconstruction & Expansion	Construction of wastewater package plant due to damage of existing plant by Hurricane Ike. FEMA, COG, Park Board.	$ 1,141,907	$ 310,488	Package Plant Selected and Design in Progress	Package Plant Selected and Design in Progress
S1607	PIRATES BEACH WWTP	Nearing its lifetime. Design and replace to be in compliance with TCEQ.	$ 7,964,400	$ 942,519	Design at 100%	Advertisement awaiting permit from TCEQ
SW-159 SWWPT	AIRPORT WWTP (CDBG 2.2 and Hurricane Ike)	Refurbish Airport Wastewater Treatment Plant at Sky Master Road and Mustang Drive	$ 6,370,289	$ 1,727,618	Completed	Completed
S1609	SUNNY BEACH 8 MILE ROAD SANITARY SEWER	Installation of sanitary sewer along 8 mile from Sunny Beach subdivision to Stewart Road	$ 2,956,652	$ 2,957,093	Construction Complete	Construction Complete
S1603	REHABILITATION OF SANITARY SEWER FORCE MAINS	Rehabilitation of existing sanitary force mains	$ 760,200	$ 755,734	Construction	As needed, improvements are being made periodically on this project.
SLINEI	SANITARY SEWER REHABILITATION INFLOW & INFILTRATION	Reduce inflow and infiltration to existing sanitary sewer system through rehab of collection system.	$ 4,125,000	$ 3,479,029	Construction	Ongoing evaluations. As needed, improvements are being made periodically on this project.

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
FY 2021 - 1ST QUARTER - DECEMBER 31, 2020

SCHOLES INTERNATIONAL AIRPORT

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2020 STATUS
A1701	HANGAR CONSTRUCTION PROJECT	Construction of three hangars, consisting of a 8-unit nested T-hangar and two, 60' x 60' box hangars.	$ 795,359	$ 4,889	RFP Award Phase	Approved by City Council
H-AP1	AIR TRAFFIC CONTROL TOWER	Rehabilitation of the Air Traffic Control Tower	$ 185,459	$ 419,980	Construction Phase	Completed replacing 3 windows and frames. Exterior repairs - construction phase - anticipated completion in 2nd quarter of 2021
A2020	AIRPORT MASTER PLAN UPDATE	Airport Master Plan Update	$ 63,500	$ 23,268	Development Phase	50% complete
A2020	AIRFIELD DESIGN & ENGINEERING FOR PAVEMENT IMPROVEMENTS	Engineering & design for pavement improvement to Runway 18/36, South Apron and South Ramp	$ 63,500	$ 40,232	Contract Negotiation	Start 1st. Quarter 2021
A2001	RUNWAY 14/32 ASPHALT REPAIRS AND NORTH APRON JOINT SEAL REPAIRS	Engineering & Design - Asphalt Replacement on Runway 14/32 & Joint Seal Repairs on the North Apron	$ 94,000.00	$ 94,000.00	Bid Phase	Construction starting 2nd. Quarter 2021

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
FY 202 - 1ST QUARTER - DECEMBER 31, 2020

FACILITIES

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2020 STATUS
CH1702	CITY HALL REMODELING	Develop plans to remodel floors in City Hall.	$ 513,450	$ 857,004	Construction	Construction of the 3rd floor restrooms and 1st floor restrooms Completed
SA1701	PARKING LOT IMPROVEMENTS AT SANITATION	Improvement to existing parking area at the sanitation building by placing concrete pavement in areas of high traffic to protect City equipment and personnel. (FEMA project RE-102. City portion $95,000.)	$ 95,000	$ -	Design	Project expected to be restarted in April 2021 and has been on hold
SW-171	REPLACEMENT OF RECYCLING BUILDING AT ECO-CENTER	Replacement of recycling building damaged by Ike. New office, employee facilities, covered operating area for recycling equipment. Fema funds and Insurance proceeds.	$ 350,000	$ 103,022	Design	AWC Engineers has begun design of the facility . Soils investigations are complete. Premanufactured building procurement is pending funding.
F1801	GARAGE - EAST END PARKING LOT	Installation of concrete for the East Parking Lot, 502 32nd Street, Galveston.	$ 800,000	$ 959	Design	Project expected to be restarted in April 2021 and has been on hold

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
FY 2021 - 1ST QUARTER - DECEMBER 31, 2020

CDBG - NON HOUSING

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2020 STATUS
CREHAB	Cedars - Pump Station Rehab	Rehabilitate historic Water & Electric Light Station Building, 30th and Ball	$ 2,549,797	$ 3,245,035	Construction	Completed
ISTUDY	Municipal Incinerator - Study	Develop cleanup plan for incinerator site and surrounding properties on Lennox Avenue	$ 8,861	$ 1,494	Complete	Completed
PWFAC	Public Works Facilities	Demolish Bersinger Building, Construct new Public Works Facility at same location, 30th & Market Street	$ 10,924,092	$ 11,561,641	Construction	99.9% Completed, punch list being finalized
FS1	Fire Station #1	Construct new Fire Station #1 at 26th and Sealy	$ 10,028,081	$ 9,889,767	Construction	Completed
DFS1	Fire Station #1 - Demolition	Demolish current Fire Station #1 after new station is Constructed	$ 237,353	$ 357,341	Complete	Demolition is complete. Plaza is 90% Complete

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
FY 2021 - 1ST QUARTER - DECEMBER 31, 2020

IDC - BEACH NOURISHMENT, ECONOMIC DEVELOPMENT & INFRASTRUCTURE PROGRAM

PROJECT NO. (Beaches)	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2020 STATUS
IDCSS	STRUCTURAL SOLUTIONS	Structural solutions to support beach remediation along the Gulf of Mexico	$ 75,000	$ 75,000	Planning	The Park Board has developed an RFQ to hire an engineer for the duration of the project to work alongside USACE
IDCDEL	DELLANERA BEACH REMEDIATION	**Complete rebuild of project with 118,000 cubic yards of material- FEMA Claim from Harvey**	$ 222,000	$ -	Project Obligated	FEMA has agreed that the nourishment can take place without HMP worked out. This can be a 2 phased approach. Working with the GLO for contract documents related to CEPRA / funding / procurement / construction

PROJECT NO. (EconDev)	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2020 STATUS
IDCLB	LAND BANK	Infill Redevelopment project	$ 250,000	$ -	Planning	Ongoing meetings with IDC on Landbank Concept.
ST1705 (IDC45)	45th STREET CORRIDOR	Road reconstruction with drainage, storm and utility improvements including neighborhood landscape enhancements and traffic calming features at intersections	$ 1,100,000	$ 1,078,000	Construction	Construction Completed except for conduit installation for street lights and planting schedule.
WEMA	WEST MARKET - 25TH to 33RD	Improvements to West Market Street. Engineering.	$ 1,650,000	$ 1,404,097	Construction	Construction Completed
IDCHAR	HARBORSIDE DR IMPROVEMENT PROJECT (Design)	Pedestrian Safety and beautification project. Project is in Construction.	$ 2,300,000	$ 2,276,200	Project Completed	Construction Completed
IDCPMP	PORT MASTERPLAN	Port met with City Public Works/Engineering	$ 150,000	$ 150,000	Project Completed	Port Masterplan Complete

PROJECT NO. (Infrastr.)	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2020 STATUS
IDC27	27TH CORRIDOR	Redevelopment. Improve infrastructure, pedestrian safety, bicycle, streets, parking, etc.	$ 6,241,265	$ 4,296,695	Construction	Phase II is complete except for Seawall Median/Planting and Phase III is 75% complete with sidewalk and light pole foundation installation in progress
IDCDOW	DOWNTOWN STREETSCAPE	Design is in progress for 23rd Street; Site visits and design adjustments for ADA access modifications are ongoing	$ 2,597,318	$ 112,368	Design	Design is planned to be at 30% in Q2 2021
IDCSCC	SIDEWALK & CURB CREW	Improvements to Sidewalks/Curbs. Residents to pay for materials.	$ 1,767,368	$ 1,738,303	Construction	Recurring and Ongoing. Phase 3 has begun In-house Construction.

CITY OF GALVESTON
CASH RECONCILIATION REPORT
per ADOPTED BUDGET 2021
AS OF 01/08/21
(2 pages)

Department:	COUNCIL	IDC				PUBLIC IMPROVEMENT	PUBLIC IMPROVEMENT	STREETS / TRAFFIC	DRAINAGE
Fund Description:	PROJECTS & INITIATIVES PRG.	BEACHES	ECON DEV	PARKS	INFRAST	2017 G.O. Bonds	2019 G.O. Bonds	ISA & DS	Drainage Improve
Fund #:	1098	3190	3191	3192	3193	3217	3219	3199	44102
Page #:	Page 3	Page 4	Page 5	Page 6	Page 7	Page 8	Page 8	Page 9	Page 10
CASH RECONCILIATION									
Beginning Balance, Oct 1, 2020	$419,310	$4,874,289	$3,026,220	$1,608,377	$3,756,019	$10,056,085	$ 37,327,804.65	$3,985,408	$170,319
Add: Interest FY 2021	$81	$1,167	$741	$420	$900	$1,572	$ 7,541.51	$968	$34
Add: FY 2021 Transfers / Revenues / Other Sources	$0	$109,510	$109,510	$109,510	$109,510	$0	$ -	$1,220,312	$0
CASH, TOTAL RESOURCES	$419,391	$4,984,965	$3,136,471	$1,718,306	$3,866,429	$10,057,657	$37,335,346	$5,206,688	$170,353
Less: YTD Expenditures	($109,169)	($268,871)	($99,592)	($474,092)	($167,111)	($1,224,661)	$ (583.64)	($949,416)	$0
Less: Payables, Due from	($3,501)	$241,688	$238,671	$224,945	$158,622	$ (1,217,207.27)	$ -	($353,870)	$0
CASH, ENDING BALANCE	$306,720	$4,957,782	$3,275,550	$1,469,159	$3,857,940	$7,615,789	$37,334,763	$3,903,403	$170,353

BUDGET RECONCILIATION									
CASH, ENDING BALANCE	$306,720	$4,957,782	$3,275,550	$1,469,159	$3,857,940	$7,615,789	$ 37,334,762.52	$3,903,403	$170,353
Add: FY 2021 Outstanding Estimated Revenue, Other Funding Sources, Transfers	$0	$1,190,490	$1,190,490	$1,190,490	$1,190,490	$0	$ -	$3,658,262	$0
Less: Encumbered	($31,460)	($86,893)	($130,233)	($58,363)	($644,733)	($6,947,965)	$ (20,722,618.64)	($1,290,040)	($100,000)
Less: Unencumbered	($261,921)	($3,590,241)	($2,323,470)	($723,723)	($656,674)	($67,895)	$ (417,312.36)	($5,739,299)	$0
AVAILABLE FY 2020	$13,338	$2,471,137	$2,012,337	$1,877,564	$3,747,023	$599,928	$16,194,832	$532,327	$70,353
Less: Pending CIP FY 2021	$ -	$ -	$ -	$ -	$ -			$ -	$ -
	$ -	$ -	$ -	$ -	$ -			$ -	$ -

CITY OF GALVESTON
CASH RECONCILIATION REPORT
per ADOPTED BUDGET 2021
AS OF 01/08/21
(2 pages)

Department:	AIRPORT	WATER					SEWER				TOTAL
Fund Description:	Airport Improve	Water Improve	2006 Bonds	2008 Bonds	2017 CO Bonds	2019 CO Bonds	Sewer Improve	2008 Bonds	2017 CO Bonds	2019 CO Bonds	
Fund #:	43302	40102	40111	40115	40117	40119	42102	42115	42117	42119	ALL FUNDS
Page #:	Page 11	Page 12	Page 13	Page 14	Page 15	Page 16	Page 17	Page 18	Page 19	Page 20	
CASH RECONCILIATION											
Beginning Balance, Oct 1, 2020	**$1,258,225**	**$198,298**	**$3,819**	**$19,932**	**$7,494,524**	**$ 24,017,334.58**	**$512,571**	**$404,106**	**$14,985,934**	**$ 5,169,061.84**	**$119,287,638**
Add: Interest FY 2021	$232	$39	$0	$0	$774	$ 4,235.84	$77	$6	$2,222	$ 1,005.83	$22,015
Add: FY 2021 Transfers / Revenues / Other Sources	$ -	$0	$0	$0	$0	$ -	$0	$0	$0	$ -	$1,658,350
CASH, TOTAL RESOURCES	**$1,258,457**	**$198,337**	**$3,819**	**$19,932**	**$7,495,298**	**$24,021,570**	**$512,649**	**$404,112**	**$14,988,156**	**$5,170,068**	**$120,968,003**
Less: YTD Expenditures	($37,972)	($19,333)	$0	$0	($1,001,401)	($3,110,354)	($95,904)	($1,657)	($48,185)	($581,869)	($8,190,172)
Less: Payables, Due from	($97,308)	($6,262)	$0	$0	($825,009)	$ (1,301,244.13)	($117,232)	($374,967)	$328,923	$ (111,265.90)	($3,215,019)
CASH, ENDING BALANCE	**$1,123,177**	**$172,742**	**$3,819**	**$19,932**	**$5,668,887**	**$19,609,973**	**$299,512**	**$27,488**	**$15,268,894**	**$4,476,933**	**$109,562,813**
BUDGET RECONCILIATION											
CASH, ENDING BALANCE	**$1,123,177**	**$172,742**	**$3,819**	**$19,932**	**$5,668,887**	**$19,609,973**	**$299,512**	**$27,488**	**$15,268,894**	**$4,476,933**	**$109,562,813**
Add: FY 2021 Outstanding Estimated Revenue, Other Funding Sources, Transfers	$0	$150,000	$0	$0	$0	$ -	$150,000	$0	$0	$ -	$8,720,224
Less: Encumbered	($93,345)	($54,054)	($4,122)	($21,388)	($5,495,863)	($19,102,701)	($621,518)	($138,464)	($1,114,932)	($124,567)	($56,783,260)
Less: Unencumbered	$943	$13,999	$0	$0	($87,824)	$881,495	$44,295	$1,657	($65,819)	($587,106)	($13,578,897)
AVAILABLE FY 2020	**$1,030,775**	**$282,687**	**($303)**	**($1,455)**	**$85,201**	**$1,388,766**	**($127,711)**	**($109,319)**	**$14,088,143**	**$3,765,259**	**$47,920,880**
Less: Pending CIP FY 2021	$ -		$ -	$ -	$ -						$ -
	$1,030,775	**$ -**	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**	**$ -**		**$ 1,030,775.12**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
COUNCIL PROJECTS & INITIATIVE FUND 1098
AS OF 01/08/21

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2020	$	**419,309.70**
FY 2021: Interest	$	80.95
Total Cash Resources	**$**	**419,390.65**
Less: Expenditures		($109,169)
Less: Accounts Payable as of 12/31/20	$	(3,501.17)
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**306,720.37**

Budget Reconciliation		
Cash, Ending 12/31/20	$	306,720.37
FY 2021: Transfers	$	-
Total Cash/Budget	**$**	**306,720.37**
Less: Encumbered		($31,460)
Less: Unencumbered	$	(261,921.42)
Available FY 2021		**13,338**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS BY DISTRICT							
D2 - 27TH STREET	2019	IDC27	9,534	133	9,621	9,754	(220)
D6 - DOG PARK	2020	D6PARK	231,072	109,036	21,840	130,876	100,196
AVAILABLE FOR APPROPRIATIONS		AVAIL	161,945	0	0	0	161,945
		TOTAL BUDGET (established)	**402,551**	**$109,169**	**$31,460**	**$140,630**	**261,921**

Note: This fund includes the Old IDC funding.

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
IDC BEACH NOURISHMENT FUND 3190
AS OF 01/08/21

Cash Reconciliation

Cash, Beginning Balance Oct 1, 2020	**$**	**4,874,288.64**
FY 2021: Interest	$	1,166.67
FY 2021: 4B Sales Tax ($1,300,000)	$	109,509.54
Total Cash Resources	**$**	**4,984,964.85**
Less: Expenditures	$	(268,871.40)
Less: Accounts Payable 09/30/2020, Due from State	$	241,688.10
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**4,957,781.55**

Budget Reconciliation

Cash, Ending 12/31/20	$	4,957,781.55	
FY 2021: Transfers	$	-	
FY 2021: 4B Sales Tax	$	1,190,490.46	*(anticipated)*
Total Cash/Budget	**$**	**6,148,272.01**	
Less: Encumbered	$	(86,893.25)	
Less: Unencumbered	$	(3,590,241.35)	
Available FY 2021		**2,471,137**	

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
OPERATING							
OPERATING EXPENDITURES	2020	OPEXP	448,016	64,207	86,893	151,100	296,916
PROJECTS							
8 Mile Road Beach Project		IDC8MR	240,000	0	0	0	240,000
BABES BEACH PRESERVATION	MAR 2018	IDCBBP	2,000,000	0	0	0	2,000,000
STEWART/BABES BEACH REMEDIATION		IDCBBR	190,000	0	0	0	190,000
BABES BEACH - HARVEY		IDCBHA	75,000	0	0	0	75,000
BEACH REMEDIATION EQUIPMENT	11/12/2020	IDCBRE	330,750	0	0	0	330,750
DELLANERA BREAKWATER	*pending approval*	IDCDEL	222,000	222,000	0	222,000	0
STEWART BEACH PARKING ELEVATION		IDCSPK	440,240	0	0	0	440,240
STRUCTURAL SOLUTIONS	MAR 2018	IDCSS	0	(17,336)		(17,336)	17,336
		TOTAL BUDGET (established)	**$3,946,006**	**$268,871**	**$86,893**	**$355,765**	**$3,590,241**

CITY OF GALVESTON

CASH & BUDGET RECONCILIATION REPORT

IDC ECONOMIC DEVELOPMENT FUND 3191

AS OF 01/08/21

Cash Reconciliation

Cash, Beginning Balance Oct 1, 2020	$	**3,026,220.46**
FY 2021: Interest	$	740.51
FY 2021: 4B Sales Tax ($1,300,000)		109,509.54
Total Cash Resources	**$**	**3,136,470.51**
Less: Expenditures	$	(99,591.95)
Less: Accounts Payable 09/30/20, Due from State	$	238,671.10
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**3,275,549.66**

Budget Reconciliation

Cash, Ending 12/31/20	$	3,275,549.66
FY 2021: Transfers	$	-
FY 2021: 4B Sales Tax	$	1,190,490.46
Total Cash/Budget	**$**	**4,466,040.12**
Less: Encumbered	$	(130,233.43)
Less: Unencumbered	$	(2,323,470.05)
Available FY 2021		**2,012,337**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
OPERATING							
OPERATING EXPENDITURES	2019	OPEXP	362,204	84,482	2,111	86,593	275,611
PROJECTS							
WEST MARKET 25TH to 33RD (1)	APR 2017	WEMA	107,036	4,110	105,067	109,177	(2,141)
INFILL REDEVELOPMENT PROJECT	8/1/2015	IDCLB	250,000	0	0	0	250,000
HARBORSIDE DRIVE - 33RD TO 20TH CONSTRUCTION	2/1/2018	IDCHAR	12,055	0	12,055	12,055	0
45TH ST - BROADWAY TO SEAWALL	APR 2017	ST1705	22,000	11,000	11,000	22,000	0
CLOSED PROJECTS (Finalizing Accounting)							
PELICAN ISLAND BRIDGE	FY2020	PIBRIDG	1,800,000	0	0	0	1,800,000
	TOTAL BUDGET (established)		**$2,553,295**	**$99,592**	**$130,233**	**$229,825**	**$2,323,470**

(1) IDC approved $150,000 for design. WEMA

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
IDC PARKS & RECREATION FUND 3192
AS OF 01/08/21

Cash Reconciliation	
Cash, Beginning Balance Oct 1, 2020	**$ 1,608,376.90**
FY 2021: Interest	$ 419.79
FY 2021: 4B Sales Tax ($1,300,000)	$ 109,509.54
Total Cash Resources	**$ 1,718,306.23**
Less: Expenditures	$ (474,092.11)
Less: Accounts Payable 09/30/20, Due from State	$ 224,944.60
CASH, ENDING BALANCE AS OF 12/31/20	**$ 1,469,158.72**

Budget Reconciliation	
Cash, Ending 12/31/20	$ 1,469,158.72
FY 2021: Transfers	$ -
FY 2021: 4B Sales Tax	$ 1,190,490.46
Total Cash/Budget	**$ 2,659,649.18**
Less: Encumbered	$ (58,362.78)
Less: Unencumbered	($723,723)
Available FY 2021	**1,877,564**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
OPERATING							
OPERATING EXPENDITURES	2018	OPEXP	111,877	24,482	2,111	26,593	85,284
IDC PROJECTS (Parks Crew Maintenance) (1)	MAR 2018	*IDCPCR*	160,000	47,559	0	47,559	112,441
LASKER COMMUNITY POOL (2)	2018	LASKER	400,000	400,000	0	400,000	0
PROJECTS							
LITTLE LEAGUE COMPLEX - 53RD & AVE S	FEB 2015	IDCLLC	230,646	0	0	0	230,646
PARKS PACKAGE #3	3/1/2019	IDCPP3	353,655	186	56,252	56,438	297,217
SANDHILL CRANE PROJECT		IDCSHC	0	1,393	0	1,393	(1,393)
SIDEWALK CURB CREW (IDC)		IDCSCC	0	471	0	471	(471)
CLOSED PROJECTS (Finalizing Accounting)							
		TOTAL BUDGET (established)	**$1,256,178**	**$474,092**	**$58,363**	**$532,455**	**$723,723**

(1) Reimburse General Fund for maintenance expenditures as incurred.
(2) Transfer of funds to the Lasker Pool fund.

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
IDC INFRASTRUCTURE FUND 3193
AS OF 01/08/21

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2020	$	**3,756,019.05**
FY 2021: Interest	$	900.02
FY 2021: 4B Sales Tax ($1,300,000)	$	109,509.54
Total Cash Resources	**$**	**3,866,428.61**
Less: Expenditures	$	(167,110.78)
Less: Accounts Payable 09/30/20, Due from State	$	158,621.76
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**3,857,939.59**

Budget Reconciliation		
Cash, Ending 12/31/20	$	3,857,939.59
FY 2021: Transfers	$	-
FY 2021: 4B Sales Tax	$	1,190,490.46
Total Cash/Budget	**$**	**5,048,430.05**
Less: Encumbered	$	(644,733.05)
Less: Unencumbered	$	(656,673.52)
Available FY 2021		**3,747,023**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
OPERATING							
OPERATING EXPENDITURES	2018	OPEXP	111,877	24,482	2,111	26,593	85,284
PARKS MAINTANENCE CREW	10/1/2019	IDCPCR	100,000	2,107	0	2,107	97,893
SIDEWALK CURB CREW - salary reim	AUG 2015	IDCSCC	369,000	89,143	0	89,143	279,857
PROJECTS							
HARBORSIDE DRIVE --33RD to 20TH (DESIGN)	MAY 2012	IDCHAR	5,839	0	5,839	5,839	0
27TH CORRIDOR	SEP 2014	IDC27	437,620	4,569	428,269	432,838	4,782
27TH CORRIDOR PHASE II		IDC272	0	9,073	0	9,073	(9,073)
27TH CORRIDOR PHASE III		IDC273	191,500	36,875	155,832	192,707	(1,208)
DOWNTOWN STREETSCAPE	12/1/2018	IDCDOW	2,682	861	2,682	3,543	(861)
25TH STREET - BROADWAY TO SEAWALL	5/1/2019	ST1701	50,000	0	50,000	50,000	0
PELICAN ISLAND BRIDGE	FY2020	PIBRIDG	200,000	0	0	0	200,000
TOTAL BUDGET (established)			**$1,468,517**	**$167,111**	**$644,733**	**$811,844**	**$656,674**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
INFRASTRUCTURE & DEBT SERVICE FUND 3199
AS OF 01/08/21

Cash Reconciliation

Cash, Beginning Balance Oct 1, 2020	$	**3,985,408.49**
FY 2021: Interest	$	968.08
FY 2021: Other Revenue	$	891.00
FY 2021: Transfer from GF*	$	1,219,420.75
Total Cash Resources	**$**	**5,206,688.32**
Less: Expenditures	$	(949,416.04)
Less: Accounts Payable as of 09/30/2020	$	(353,869.60)
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**3,903,402.68**

Budget Reconciliation

Cash, Ending 12/31/20	$	3,903,402.68	
FY 2021: Transfer In GF*	$	3,658,262.25	***(to be transferred)***
FY 2021: Other	$	-	
FY 2021: TIRZ14 A/F	$	-	
Total Cash/Budget	**$**	**7,561,664.93**	
Less: Encumbered	$	(1,290,039.52)	
Less: Unencumbered	$	(5,739,298.84)	
Available FY 2021		**532,327**	

**Adopted Budget 2020 - Transfer from General Fund to Infrastructure Set Aside is $4746944. Transfers are posted on a quarterly basis.

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
Capital Reserve		AVAIL	1,226,139	0	0	0	1,226,139
Transfer to Harvey Fund							0
Transfer to Debt Service			1,510,993	377,748	0	377,748	1,133,245
STREET PROJECTS							
IN HOUSE STREETS - (labor+equip) 2020	OCT 2017	INST20	250,000	2,727	250,000	252,727	(2,727)
IN HOUSE STREETS - (labor+equip) 2021	9/10/2020	INST21	1,505,000	148,435	280,073	428,508	1,076,492
LEGAS DRIVE BULKHEAD	PENDING	LEGAS	702,995	124,574	578,459	703,033	(38)
29TH ST - CHURCH to HARBORSIDE (design)	FEB 2016	ST1604	0	151	0	151	(151)
25TH - BROADWAY TO SEAWALL	JUL 2017	ST1701	21,000	13,773	21,000	34,773	(13,773)
STREET ASSESSMENT		ST1707	0	172	0	172	(172)
SEAWALL (TxDot) Local Share	JUL 2017	ST1709	67,307	920	66,387	67,307	0
TXDOT ON STREET BIKE NETWORK	JUL 2018	BKLANE	69,165	0	69,165	69,165	0
STREETS MILL & OVERLAY FY20		STM020	(49)	99	0	99	(147)
STREETS CONTINGENCY	9/10/2020	STCONT	1,000,000	12,667	7,450	20,117	979,883
OTHER PROJECTS							
EAST PARKING LOT - GARAGE	PENDING	F1801	847,620	0	0	0	847,620
GARAGE STORAGE TANK REPLACEMENT	PENDING	F2101	714,000	0	0	0	714,000
CITY HALL RENOVATION	NOV 2013	CH1702	56,032	268,151	8,952	277,103	(221,071)
83RD ST - DRAIN & ROADWAY (TIRZ14)	2017	ST1805	8,553	0	8,553	8,553	0
	TOTAL BUDGET (established)		**$7,978,754**	**$949,416**	**$1,290,040**	**$2,239,456**	**$5,739,299**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
2017 GO BONDS FUND 3217
AS OF 01/08/21

Cash Reconciliation	
Cash, Beginning Balance Oct 1, 2020	**$ 10,056,085.47**
FY 2021: Interest	$ 1,571.71
FY 2021: Other	
Total Cash Resources	**$ 10,057,657.18**
Less: Expenditures	$ (1,224,661.21)
Less: Accounts Payable as of 09/30/20	$ (1,217,207.27)
CASH, ENDING BALANCE AS OF 12/31/20	**$ 7,615,788.70**

Budget Reconciliation	
Cash, Ending 12/31/20	$ 7,615,788.70
FY 2020: Transfers	$ -
FY 2020: Other	
Total Cash/Budget	**$ 7,615,788.70**
Less: Encumbered	$ (6,947,965.08)
Less: Unencumbered	$ (67,895.27)
Available FY 2021	**599,928.35**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
DRAINAGE PROJECTS							
18TH ST DRAIN IMPROVEMENTS	FEB 2018	D1602	31,710	8,387	28,539	36,926	(5,216)
CHURCH ST DRAIN IMPROVEMENTS	*FY2021*	D1604	11,190	3,381	11,190	14,571	(3,381)
STORM DRAIN REHAB & INSPECTION	AUG 2017	D1608		736		736	(736)
PILOT STORM WATER PUMP STATION		D1901	1,073,511	181,673	913,268	1,094,941	(21,430)
CHURCH ST - 35TH ST TO 37TH ST			0	247	0	247	(247)
DISASTER CONSULTANT		DCNSLT	17,476	9,199	8,277	17,476	0
STREET PROJECTS							
IN HOUSE STREETS (MATERIALS COST)	OCT 2020	IHST20	195,919	0	0	0	195,919
25TH - BROADWAY TO SEAWALL	JUL 2017	ST1701	2,706,333	90,294	2,614,767	2,705,061	1,272
73RD - HEARDS LANE TO AVE N 1/2		ST1702	714,988	246,307	481,281	727,588	(12,600)
45TH - BROADWAY TO SEAWALL	*planning*	ST1705	1,936,020	493,181	1,454,644	1,947,825	(11,805)
30TH - AVE O TO SEAWALL	*FY2021*	ST1801	18,023	1,246	0	1,246	16,777
16TH - BROADWAY TO AVE N 1/2	*planning*	ST1802	11,818	1,520	11,818	13,338	(1,520)
23RD - BROADWAY TO SEAWALL (COUNTY)		ST1806	0	1,304	0	1,304	(1,304)
AVE S - 53RD TO SEAWALL (COUNTY)		ST1807	0	1,505	0	1,505	(1,505)
37TH - BROADWAY TO SEAWALL	*FY2021*	ST1901	35,392	2,406	34,281	36,687	(1,295)
29TH - AVE O TO AVE R 1/2	*FY2021*	ST2001	28,246	0	28,246	28,246	0
49TH - AVE P TO AVE S 1/2	DEC 2017	ST2002	1,412,156	179,134	1,328,724	1,507,858	(95,702)
35TH - POST OFFICE TO BROADWAY	*FY2021*	ST2003	47,740	4,142	32,929	37,071	10,669
	TOTAL BUDGET (established)		**$8,240,522**	**$1,224,661**	**$6,947,965**	**$8,172,626**	**$67,895**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
2019 GO BONDS FUND 3219
AS OF 01/08/21

Cash Reconciliation

Cash, Beginning Balance Oct 1, 2020	**$**	**37,327,804.65**
FY 2021: Interest	$	7,541.51
FY 2021: Other (2019 bond proceeds)	$	-
Total Cash Resources	**$**	**37,335,346.16**
Less: Expenditures	$	(583.64)
Less: Accounts Payable as of 09/30/20	$	-
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**37,334,762.52**

Budget Reconciliation

Cash, Ending 12/31/20	$	37,334,762.52
FY 2021: Transfers	$	-
FY 2021: Other	$	-
Total Cash/Budget	**$**	**37,334,762.52**
Less: Encumbered	$	(20,722,618.64)
Less: Unencumbered	$	(417,312.36)
Available FY 2021		**16,194,831.52**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
DRAINAGE PROJECTS							
18TH ST DRAIN IMPROVEMENTS	6/25/2020	D1602	16,032,093	0	16,032,093	16,032,093	0
DRAINAGE CONTINGENCY		DCONT	300,000	0	0	0	300,000
STREET PROJECTS							
CHURCH STREET DRAINAGE IMPROVEMENTS	9/17/2020	D1604	1,690,964	0	1,650,997	1,650,997	39,967
35TH ST - POSTOFFICE TO BROADWAY	9/17/2020	ST2003	3,117,458	584	3,039,529	3,040,112	77,345
	TOTAL BUDGET (established)		**$21,140,515**	**$584**	**$20,722,619**	**$20,723,202**	**$417,312**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
WATERWORKS IMPROVEMENT FUND 40102
AS OF 01/08/21

Cash Reconciliation

Cash, Beginning Balance Oct 1, 2020	**$**	**198,297.93**
FY 2021: Interest	$	38.57
FY 2021: Transfers**	$	-
Total Cash Resources	**$**	**198,336.50**
Less: Expenditures	$	(19,333.07)
Less: Accounts Payable as of 09/30/20	$	(6,261.79)
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**172,741.64**

Budget Reconciliation

Cash, Ending 12/31/20	$	172,741.64	
FY 2021: Other	$	-	
FY 2021: Transfers**	$	150,000.00	***(to be transferred)***
Total Cash/Budget	**$**	**322,741.64**	
Less: Encumbered	$	(54,053.66)	
Less: Unencumbered	$	13,998.63	
Available FY 2021		**282,687**	

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS							
10 MI ELEVATED STORAGE TANK REHAB	DEC 2017	W1601	0	4,998	0	4,998	(4,998)
REHAB - 30" 1890 WATERLINE (CAUSEWAY)	AUG 2016	W1605	0	350	0	350	(350)
PIRATES BEACH LAFFITTE COVE LOOP	DEC 2017	W1610	993	3,358	0	3,358	(2,365)
WATER SYSTEM IMPROVEMENTS / VALVES	CIP 2016	W1618	0	6,285	0	6,285	(6,285)
AIRPORT PS AND CONTROLS UPGRADE	DEC 2017	W1703	52,840	4,342	48,498	52,840	0
16TH - BROADWAY TO TO AVE N1/2		ST1802	5,556	0	5,556	5,556	0
RENEWAL AND REPALCEMENT PROGRAM		WRENEW	150,000	0	0	0	150,000
TOTAL BUDGET (established)			**209,388**	**19,333**	**$54,054**	**$73,387**	**($13,999)**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
SEWER IMPROVEMENT FUND 42102
AS OF 01/08/21

Cash Reconciliation

Cash, Beginning Balance Oct 1, 2019	$	**512,571.28**
FY 2021: Interest	$	77.41
FY 2021: Retainage		
Total Cash Resources	**$**	**512,648.69**
Less: Expenditures	$	(95,904.40)
Less: Accounts Payable as of 09/30/20	$	(117,232.20)
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**299,512.09**

Budget Reconciliation

Cash, Ending 12/31/20	$	299,512.09	
FY 2021: Transfers**	$	150,000.00	***(to be transferred)***
FY 2021: Other	$	-	
Total Cash/Budget	**$**	**449,512.09**	
Less: Encumbered	$	(621,518.34)	
Less: Unencumbered		$44,295	
Available FY 2021		**(127,711)**	

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS							
PIRATES BEACH WWTP	FEB 2016	S1607	218,030	42,197	175,833	218,030	0
WASTEWATER MASTER PLAN	2017	S1611	0	265	0	265	(265)
SANITARY SEWER REHABILITATION PROGRAM	2015	SLINEI	0	294	0	294	(294)
SANITARY SEWER REHABILITATION PROGRAM	2015	SLINE2	70,652	0	70,652	70,652	0
SANITARY SEWER REHABILITATION PROGRAM	9/10/2020	SLINE3	326,423	53,147	317,011	370,158	(43,735)
SEAWOLF WWTP RECON & EXPANSION	2015	SSEAWO	55,027	0	55,027	55,027	0
16TH - BROADWAY TO AVE N 1/2	2018	ST1802	2,997	0	2,997	2,997	0
RENEWAL AND REPALCEMENT PROGRAM		SRENEW	150,000	0	0	0	150,000
	TOTAL BUDGET (established)		**$823,128**	**$95,904**	**$621,518**	**$717,423**	**($44,295)**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
AIRPORT IMPROVEMENT FUND 43302
AS OF 01/08/21

Cash Reconciliation

Cash, Beginning Balance Oct 1, 2020	**$**	**1,258,225.20**
FY 2021: Interest	$	231.67
FY 2021: Received from IDC	$	-
FY 2021: Received from TXDOT (less prepaid)	$	-
Total Cash Resources	**$**	**1,258,456.87**
Less: Expenditures	$	(37,971.80)
Less: Accounts Payable as of 09/30/20	$	(97,307.81)
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**1,123,177.26**

Budget Reconciliation

Cash, Ending 12/31/20	$	1,123,177.26
FY 2020: Prepaid	$	-
FY 2020: Transfers**	$	-
FY 2021 Pending CIP		
Total Cash/Budget	**$**	**1,123,177.26**
Less: Encumbered		($93,345)
Less: Unencumbered		$943
Available FY 2021		**1,030,775**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS							
HANGAR IMPROVEMENTS (TIRZ14)	MAR 2017	A1701	0	248	0	248	(248)
AIR TRAFFIC CONTROL TOWER	8/22/2019	H-AP1	130,374	37,029	93,345	130,374	0
AIRFIELD PAVEMENT IMPROVEMENT RUNWAY 18/36							
FUTURE AIRPORT PROJECTS		ARPORT	0	424	0	424	(424)
AIRPORT MASTER PLAN & ENGINEERING		A2020	0	270	0	270	(270)
	TOTAL BUDGET (established)		**$130,374**	**$37,972**	**$93,345**	**$131,317**	**($943)**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
DRAINAGE IMPROVEMENT FUND 44102
AS OF 01/08/21

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2020	$	**170,318.60**
FY 2021: Interest	$	34.43
FY 2021: Transfers	$	-
Total Cash Resources	**$**	**170,353.03**
Less: Expenditures	$	-
Less: Accounts Payable as of 09/30/2020	$	-
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**170,353.03**

Budget Reconciliation		
Cash, Ending 12/31/20	$	170,353.03
FY 2021: Other	$	-
FY 2021: Transfers	$	-
Total Cash/Budget	**$**	**170,353.03**
Less: Encumbered	$	(100,000.00)
Less: Unencumbered	$	-
Available FY 2021		**70,353**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
STORM DRAINAGE REHAB & INSPECTION	JUL 2016	D1608	100,000	0	100,000	100,000	0
TOTAL BUDGET (established)			**$100,000**	**$0**	**$100,000**	**$100,000**	**$0**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
WATERWORKS REVENUE BONDS, SERIES 2006 FUND 40111
AS OF 01/08/21

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2020	$	**3,818.81**
FY 2021: Interest	$	-
FY 2021: Transfers	$	-
Total Cash Resources	**$**	**3,818.81**
Less: Expenditures	$	-
Less: Accounts Payable as of 09/30/20		
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**3,818.81**

Cash, Ending 12/31/20			
Cash, Ending 12/31/20	$	3,818.81	
FY 2021: Transfers	$	-	
FY 2021: Other	$	-	
Total Cash/Budget	**$**	**3,818.81**	
Less: Encumbered	$	(4,122.03)	
Less: Unencumbered	$	-	
Available FY 2021		**(303)**	***FINAL, no funds available***

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET		CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
AIRPORT PUMPSTATION TANK #2	***6/1/2020***	W1901	4,122		0	4,122	4,122	0
		TOTAL BUDGET (established)	**$ 4,122**		**$ -**	**$ 4,122**	**$ 4,122**	**$ -**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
WATERWORKS REVENUE BONDS, SERIES 2008 FUND 40115
AS OF 01/08/21

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2020	$	19,932.42
FY 2021: Interest	$	-
Total Cash Resources	**$**	**19,932.42**
Less: Expenditures	$	-
Less: Accounts Payable as of 09/30/20	$	-
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**19,932.42**

Budget Reconciliation		
Cash, Ending 12/31/20	$	19,932.42
FY 2020: Transfers	$	-
Total Cash/Budget	**$**	**19,932.42**
Less: Encumbered	$	(21,388.07)
Less: Unencumbered	$	-
Available FY 2021		**(1,456)**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
AIRPORT PUMPSTATION TANK #2	***6/1/2019***	W1901	21,388	0	21,388	21,388	0
		TOTAL BUDGET (established)	**$21,388**	**$0**	**$21,388**	**$21,388**	**$0**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
WATERWORKS CO 2017 BONDS FUND 40117
AS OF 01/08/21

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2020	$	**7,494,524.20**
FY 2021: Interest	$	773.81
FY 2021: Reconciling entry 2019	$	-
Total Cash Resources	**$**	**7,495,298.01**
Less: Expenditures		(1,001,401)
Less: Accounts Payable as of 09/30/20	$	(825,009.45)
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**5,668,887.27**

Budget Reconciliation		
Cash, Ending 12/31/20	$	5,668,887.27
FY 2021: Transfers	$	-
FY 2021: Other	$	-
Total Cash/Budget	**$**	**5,668,887.27**
Less: Encumbered		($5,495,863)
Less: Unencumbered		($87,824)
Available FY 2021		**85,200.63**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS							
10 MILE RD ELEVATED STORAGE TANK		W1601	586,611	174,251	412,360	586,611	0
REHAB 30" 1890 WATERLINE		W1605	66,050	0	66,050	66,050	0
PIRATES BEACH LAFFITTE COVE LOOP		W1610	153,381	0	153,381	153,381	0
WATER SYSTEM IMPROVEMENTS / VALVES	pending fy19	W1618	2,149,160	58,644	2,096,644	2,155,288	(6,128)
AIRPORT PUMP STATION (PUMPS&CONTROLS)		W1703	0	14,967	0	14,967	(14,967)
30" WL - RAILROAD BRIDGE / HARBORSIDE	JAN 2017	W1704	0	363	0	363	(363)
AIRPORT PUMP STATION (TANK UPGRADE PH	DEC 2017	W1705	192,508	20,836	173,929	194,765	(2,257)
24" WL - 59TH ST PS TO AIRPORT PUMP STAT	JAN 2017	W1707	366,865	76,946	256,145	333,091	33,774
NON REVENUE WATER MITIGATION PROGRA	2017	W1802	252,359	34,301	184,929	219,231	33,129
TEICHMAN WL 91ST-96TH		W1803	66,000	32,623	54,780	87,403	(21,403)
AIRPORT PUMP STATION (TANK UPGRADE PH	6/1/2019	W1901	393,398	53	393,398	393,451	(53)
FIRE HYDRANTS (HURRICANE IKE) (1)		FD-132	1,028,553	1,707	1,028,553	1,030,260	(1,707)
25TH ST - BROADWAY TO SEAWALL	*pending fy19*	ST1701	880,672	413,883	398,989	812,872	67,800
45TH STREET IMPROVEMENTS	Dec-18	ST1705	105,365	0	105,365	105,365	0
37TH ST - BROADWAY TO SEAWALL		ST1901	21,192	786	20,407	21,192	0
49TH ST - AVE P TO AVE S 1/2		ST2002.	322,974	172,041	150,933	322,974	0
TOTAL BUDGET (established)			**$6,585,088**	**$1,001,401**	**$5,495,863**	**$6,497,264**	**$87,824**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
WATERWORKS CO 2019 BONDS FUND 40119
AS OF 01/08/21

Cash Reconciliation	
Cash, Beginning Balance Oct 1, 2020	**$ 24,017,334.58**
FY 2021: Interest	$ 4,235.84
FY 2021: Other (2019 bond proceeds)	$ -
Total Cash Resources	**$ 24,021,570.42**
Less: Expenditures	(3,110,354)
Less: Accounts Payable as of 09/30/20	$ (1,301,244.13)
CASH, ENDING BALANCE AS OF 12/31/20	**$ 19,609,972.63**

Budget Reconciliation	
Cash, Ending 12/31/20	$ 19,609,972.63
FY 2021: Transfers	$ -
FY 2021: Other	$ -
Total Cash/Budget	**$ 19,609,972.63**
Less: Encumbered	($19,102,701)
Less: Unencumbered	$881,495
Available FY 2021	**1,388,765.79**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS							
FIRE HYDRANTS		FD-132	10,128	0	10,128	10,128	0
73rd STREET - HEARDS LANE		ST1702	346,500	143,403	203,098	346,500	0
AP PS CONTROLS UPGRADES		W1705	8,382,867	1,011,025	6,834,881	7,845,906	536,962
24" WL - 59TH ST PS TO AIRPORT PUMP STAT	JAN 2017	W1707	9,817,032	1,100,387	10,135,101	11,235,488	(1,418,456)
TEICHMAN WL 91ST-96TH		W1803	2,611,005	825,928	1,785,076	2,611,005	0
WATER METER REPLACEMENT		W2001	164,028	29,611	134,417	164,028	0
TOTAL BUDGET (established)			**$21,331,561**	**3,110,354**	**$19,102,701**	**$22,213,055**	**($881,495)**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
SEWER REVENUE BONDS, SERIES 2008 FUND 42115
AS OF 01/08/21

Cash Reconciliation

Cash, Beginning Balance Oct 1, 2020	$	404,106.15
FY 2021: Interest	$	6.28
Total Cash Resources	**$**	**404,112.43**
Less: Expenditures	$	(1,657.34)
Less: Accounts Payable as of 09/30/20	$	(374,967.43)
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**27,487.66**

Budget Reconciliation

Cash, Ending 12/31/20	$	27,487.66
FY 2021: Transfers	$	-
Total Cash/Budget	**$**	**27,487.66**
Less: Encumbered	$	(138,463.80)
Less: Unencumbered	$	1,656.84
Available FY 2021		**(109,319)**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET		CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS (1)								
8 MI SUNNY SEWER	*to 42117*	S1609	70,851		441	70,851	71,292	(441)
L/S PUMP & ELECTRICAL UPGRADES	2017	S1701	67,613		1,216	67,613	68,829	(1,216)
TOTAL BUDGET (established)			**138,464**		**1,657**	**138,464**	**140,121**	**(1,657)**

(1) Projects are funded utilitizing the First In First Out method of resources available.
(2) Project budgets will be funded with an alternate funding source.

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
SEWER CO 2017 BONDS FUND 42117
AS OF 01/08/21

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2019	$	**14,985,933.56**
FY 2021: Interest	$	2,222.06
FY 2021: Reconciling entry FY 2020	$	-
Total Cash Resources	**$**	**14,988,155.62**
Less: Expenditures	$	(48,184.79)
Less: Accounts Payable as of09/30/20	$	328,922.68
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**15,268,893.51**

Budget Reconciliation			
Cash, Ending 12/31/20	$	15,268,893.51	
FY 2021: Transfers	$	-	*(to 40117)*
FY 2021: Other	$	-	
Total Cash/Budget	**$**	**15,268,893.51**	
Less: Encumbered	$	(1,114,931.83)	
Less: Unencumbered	$	(65,818.83)	
Available FY 2021		**14,088,142.85**	

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS							
PIRATES BEACH WWTP	*planning*	S1607	0	9,679	0	9,679	(9,679)
WWTP - SLUDGE/GRIT REMOVAL	*pending*	S1610	179,057	216	179,057	179,273	(216)
TERRAMAR WWTP UPGRADE	*11/12/2020*	S1903	130,010	0	130,010	130,010	0
SANITARY SEWER REHABILITATION PROGRAM		SLINE3	0	9,066	0	9,066	(9,066)
SANITARY SEWER REHABILITATION PROGRAM		SLINEI	45,546	0	45,546	45,546	0
SEAWOLF WWTP RECONSTRUCTION	JAN 2016	SSEAWO	0	738	0	738	(738)
25TH ST - BROADWAY TO SEAWALL	*5/1/2019*	ST1701	819,389	27,672	706,198	733,870	85,519
45TH STREET IMPROVEMENTS	*12/1/2018*	ST1705	30,683	0	30,683	30,683	0
37TH ST - BROADWAY TO SEAWALL		ST1901	24,251	813	23,438	24,251	0
	TOTAL BUDGET (established)		**1,228,935**	**48,185**	**1,114,932**	**1,163,117**	**65,819**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
SEWER CO 2019 BONDS FUND 42119
AS OF 01/08/21

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2020	$	**5,169,061.84**
FY 2021: Interest	$	1,005.83
FY 2021: Other	$	-
Total Cash Resources	**$**	**5,170,067.67**
Less: Expenditures		(581,869)
Less: Accounts Payable as of 09/30/20	$	(111,265.90)
CASH, ENDING BALANCE AS OF 12/31/20	**$**	**4,476,932.86**

Budget Reconciliation		
Cash, Ending 12/31/20	$	4,476,932.86
FY 2021: Transfers	$	-
FY 2021: Other	$	-
Total Cash/Budget	**$**	**4,476,932.86**
Less: Encumbered		($124,567)
Less: Unencumbered		($587,106)
Available FY 2021		**3,765,259.33**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS							
73RD STREET - HEARDS LANE		ST1702	109,116	59,177	49,938	109,116	0
24" WL - 59TH ST PS TO AIRPORT PUMP STATION		W1707	265,509	79,135	14,301	93,436	172,073
SANITARY SEWER REHABILITATION PROGRAM		SLINE3	411,468	382,682	30,290	412,972	(1,504)
SEWER CONTINGENCY		SCONT	507,450	59,615	22,587	82,202	425,248
TERRAMAR WWTP UPGRADE		S1903	0	1,260	0	1,260	(1,260)
PROGRAM CONTINGENCY (STREETS & TRAFFIC)		STCONT	0	0	7,450	7,450	(7,450)
TOTAL BUDGET (established)			**1,293,542**	**581,869**	**124,567**	**706,436**	**587,106**

Appendices

CITY OF GALVESTON PROPERTY TAX COLLECTIONS
MONTHLY AND YEAR TO DATE TOTALS FY 2001-2021
INCLUDING TAXES PASSED THROUGH TO LIBRARY, TAX INCREMENT ZONES AND MUDS

MONTHLY PROPERTY TAX COLLECTION TOTALS

Fiscal Year	October	November	December	January	February	March	April	May	June	July	August	September
2001	787,825.87	1,180,230.78	3,034,365.48	3,241,440.50	466,468.38	581,638.87	130,105.29	288,877.96	519,134.21	285,510.57	94,264.80	197,138.66
2002	751,814.67	1,190,757.11	2,030,894.32	4,658,653.81	1,475,947.37	158,229.62	146,960.81	296,916.96	725,872.42	260,766.70	94,882.88	58,542.51
2003	541,761.51	883,462.58	2,516,716.78	4,901,540.05	1,690,711.18	209,512.29	182,300.22	165,804.04	702,100.22	451,102.01	90,913.22	69,799.27
2004	545,559.91	726,004.97	2,247,751.99	4,892,878.85	3,460,870.63	339,050.13	224,463.27	220,117.51	260,845.06	145,964.86	148,383.14	76,902.32
2005	318,694.08	1,044,425.62	3,119,177.92	4,392,435.91	3,059,616.36	1,184,353.79	253,964.48	203,980.34	237,276.32	281,125.73	149,855.48	74,236.02
2006	249,647.97	1,086,704.01	2,691,382.26	5,201,874.01	4,209,818.91	1,314,480.23	247,130.47	304,917.96	231,280.50	299,228.01	116,647.19	104,763.33
2007	81,892.35	873,501.30	2,447,900.61	9,040,744.94	2,985,713.01	446,983.62	246,559.35	243,989.66	443,778.66	267,909.47	127,570.61	115,800.89
2008	95,989.77	871,935.25	3,841,038.00	10,259,362.16	3,040,369.56	437,809.17	391,382.19	283,065.96	316,961.02	312,456.24	87,740.68	40,624.46
2009	237,091.46	573,291.64	4,411,061.67	9,968,805.14	2,895,853.58	1,072,345.07	512,264.90	355,989.08	444,948.45	380,407.63	193,310.10	84,059.74
2010	113,485.20	1,988,051.57	5,992,362.38	7,053,547.43	3,182,849.21	883,974.42	277,390.37	410,380.57	325,826.61	187,608.61	152,264.16	62,864.65
2011	96,974.35	1,698,932.92	7,297,951.54	6,477,364.21	4,937,057.69	579,777.98	347,847.74	308,698.88	341,432.63	220,337.51	189,774.99	114,282.30
2012	133,094.40	2,315,531.59	5,738,318.27	8,765,207.46	3,829,476.69	733,352.94	368,230.26	337,271.17	502,887.33	385,508.95	173,258.09	84,010.18
2013	568,708.27	2,310,809.14	6,095,486.25	8,590,115.69	3,561,183.93	611,729.89	423,407.73	398,529.19	774,840.36	407,645.70	154,076.93	97,458.99
2014	153,256.92	2,736,129.65	7,543,885.32	6,537,213.76	5,005,794.47	1,151,319.17	279,017.80	309,910.52	661,582.36	488,155.24	111,661.34	111,330.19
2015	169,888.49	2,683,715.51	8,274,453.01	6,681,300.75	4,815,928.25	652,116.02	343,979.83	284,433.23	599,863.00	615,405.54	127,765.94	98,593.98
2016	125,450.76	2,308,589.39	9,991,483.24	8,280,842.27	3,500,614.68	1,062,987.33	344,712.13	384,931.06	846,836.59	678,021.90	192,588.96	101,432.48
2017	423,460.29	3,403,255.33	10,096,330.16	9,497,387.52	3,773,411.95	747,398.19	278,797.27	455,229.12	794,204.79	585,206.49	109,372.46	74,277.26
2018	238,607.73	3,784,907.42	11,504,770.93	10,905,734.30	3,703,564.59	734,126.51	597,565.52	584,086.96	698,363.34	765,204.70	211,905.20	132,818.06
2019	1,124,721.25	3,402,132.72	7,964,770.96	14,479,225.03	3,639,276.06	732,220.53	615,055.29	461,218.41	930,539.88	773,119.14	244,108.39	98,866.79
2020	271,055.12	3,522,470.33	12,087,090.31	13,025,377.34	4,239,424.28	730,808.80	680,944.85	555,977.06	1,191,796.50	761,708.13	243,029.49	166,234.00
2021	491,807.34	3,901,441.99	9,243,317.41									

YEAR TO DATE PROPERTY TAX COLLECTION TOTALS

	October	November	December	January	February	March	April	May	June	July	August	September
2001	787,825.87	1,968,056.65	5,002,422.13	8,243,862.63	8,710,331.01	9,291,969.88	9,422,075.17	9,710,953.13	10,230,087.34	10,515,597.91	10,609,862.71	10,807,001.37
2002	751,814.67	1,942,571.78	3,973,466.10	8,632,119.91	10,108,067.28	10,266,296.90	10,413,257.71	10,710,174.67	11,436,047.09	11,696,813.79	11,791,696.67	11,850,239.18
2003	541,761.51	1,425,224.09	3,941,940.87	8,843,480.92	10,534,192.10	10,743,704.39	10,926,004.61	11,091,808.65	11,793,908.87	12,245,010.88	12,335,924.10	12,405,723.37
2004	545,559.91	1,271,564.88	3,519,316.87	8,412,195.72	11,873,066.35	12,212,116.48	12,436,579.75	12,656,697.26	12,917,542.32	13,063,507.18	13,211,890.32	13,288,792.64
2005	318,694.08	1,363,119.70	4,482,297.62	8,874,733.53	11,934,349.89	13,118,703.68	13,372,668.16	13,576,648.50	13,813,924.82	14,095,050.55	14,244,906.03	14,319,142.05
2006	249,647.97	1,336,351.98	4,027,734.24	9,229,608.25	13,439,427.16	14,753,907.39	15,001,037.86	15,305,955.82	15,537,236.32	15,836,464.33	15,953,111.52	16,057,874.85
2007	81,892.35	955,393.65	3,403,294.26	12,444,039.20	15,429,752.21	15,876,735.83	16,123,295.18	16,367,284.84	16,811,063.50	17,078,972.97	17,206,543.58	17,322,344.47
2008	95,989.77	967,925.02	4,808,963.02	15,068,325.18	18,108,694.74	18,546,503.91	18,937,886.10	19,220,952.06	19,537,913.08	19,850,369.32	19,938,110.00	19,978,734.46
2009	237,091.46	810,383.10	5,221,444.77	15,190,249.91	18,086,103.49	19,158,448.56	19,670,713.46	20,026,702.54	20,471,650.99	20,852,058.62	21,045,368.72	21,129,428.46
2010	113,485.20	2,101,536.77	8,093,899.15	15,147,446.58	18,330,295.79	19,214,270.21	19,491,660.58	19,902,041.15	20,227,867.76	20,415,476.37	20,567,740.53	20,630,605.18
2011	96,974.35	1,795,907.27	9,093,858.81	15,571,223.02	20,508,280.71	21,088,058.69	21,435,906.43	21,744,605.31	22,086,037.94	22,306,375.45	22,496,150.44	22,610,432.74
2012	133,094.40	2,448,625.99	8,186,944.26	16,952,151.72	20,781,628.41	21,514,981.35	21,883,211.61	22,220,482.78	22,723,370.11	23,108,879.06	23,282,137.15	23,366,147.33
2013	568,708.27	2,879,517.41	8,975,003.66	17,565,119.35	21,126,303.28	21,738,033.17	22,161,440.90	22,559,970.09	23,334,810.45	23,742,456.15	23,896,533.08	23,993,992.07
2014	153,256.92	2,889,386.57	10,433,271.89	16,970,485.65	21,976,280.12	23,127,599.29	23,406,617.09	23,716,527.61	24,378,109.97	24,866,265.21	24,977,926.55	25,089,256.74
2015	169,888.49	2,853,604.00	11,128,057.01	17,809,357.76	22,625,286.01	23,277,402.03	23,621,381.86	23,905,815.09	24,505,678.09	25,121,083.63	25,248,849.57	25,347,443.55
2016	125,450.76	2,434,040.15	12,425,523.39	20,706,365.66	24,206,980.34	25,269,967.67	25,614,679.80	25,999,610.86	26,846,447.45	27,524,469.35	27,717,058.31	27,818,490.79
2017	423,460.29	3,826,715.62	13,923,045.78	23,420,433.30	27,193,845.25	27,941,243.44	28,220,040.71	28,675,269.83	29,469,474.62	30,054,681.11	30,164,053.57	30,238,330.83
2018	238,607.73	4,023,515.15	15,528,286.08	26,434,020.38	30,137,584.97	30,871,711.48	31,469,277.00	32,053,363.96	32,751,727.30	33,516,932.00	33,728,837.20	33,861,655.26
2019	1,124,721.25	4,526,853.97	12,491,624.93	26,970,849.96	30,610,126.02	31,342,346.55	31,957,401.84	32,418,620.25	33,349,160.13	34,122,279.27	34,366,387.66	34,465,254.45
2020	271,055.12	3,793,525.45	15,880,615.76	28,905,993.10	33,145,417.38	33,876,226.18	34,557,171.03	35,113,148.09	36,304,944.59	37,066,652.72	37,309,682.21	37,475,916.21
2021	491,807.34	4,393,249.33	13,636,566.74									

CITY OF GALVESTON PROPERTY TAX COLLECTIONS
MONTHLY AND YEAR TO DATE TOTALS FY 2001-2021
INCLUDING TAXES PASSED THROUGH TO LIBRARY, TAX INCREMENT ZONES AND MUDS

YTD PROPERTY TAX COLLECTION TOTALS AS PERCENT OF YEAREND TOTAL												
	October	November	December	January	February	March	April	May	June	July	August	September
2001	7.3%	18.2%	46.3%	76.3%	80.6%	86.0%	87.2%	89.9%	94.7%	97.3%	98.2%	100.0%
2002	6.3%	16.4%	33.5%	72.8%	85.3%	86.6%	87.9%	90.4%	96.5%	98.7%	99.5%	100.0%
2003	4.4%	11.5%	31.8%	71.3%	84.9%	86.6%	88.1%	89.4%	95.1%	98.7%	99.4%	100.0%
2004	4.1%	9.6%	26.5%	63.3%	89.3%	91.9%	93.6%	95.2%	97.2%	98.3%	99.4%	100.0%
2005	2.2%	9.5%	31.3%	62.0%	83.3%	91.6%	93.4%	94.8%	96.5%	98.4%	99.5%	100.0%
2006	1.6%	8.3%	25.1%	57.5%	83.7%	91.9%	93.4%	95.3%	96.8%	98.6%	99.3%	100.0%
2007	0.5%	5.5%	19.6%	71.8%	89.1%	91.7%	93.1%	94.5%	97.0%	98.6%	99.3%	100.0%
2008	0.5%	4.8%	24.1%	75.4%	90.6%	92.8%	94.8%	96.2%	97.8%	99.4%	99.8%	100.0%
2009	1.1%	3.8%	24.7%	71.9%	85.6%	90.7%	93.1%	94.8%	96.9%	98.7%	99.6%	100.0%
2010	0.6%	10.2%	39.2%	73.4%	88.9%	93.1%	94.5%	96.5%	98.0%	99.0%	99.7%	100.0%
2011	0.4%	7.9%	40.2%	68.9%	90.7%	93.3%	94.8%	96.2%	97.7%	98.7%	99.5%	100.0%
2012	0.6%	10.5%	35.0%	72.6%	88.9%	92.1%	93.7%	95.1%	97.2%	98.9%	99.6%	100.0%
2013	2.4%	12.0%	37.4%	73.2%	88.0%	90.6%	92.4%	94.0%	97.3%	99.0%	99.6%	100.0%
2014	0.6%	11.5%	41.6%	67.6%	87.6%	92.2%	93.3%	94.5%	97.2%	99.1%	99.6%	100.0%
2015	0.7%	11.3%	43.9%	70.3%	89.3%	91.8%	93.2%	94.3%	96.7%	99.1%	99.6%	100.0%
2016	0.5%	8.7%	44.7%	74.4%	87.0%	90.8%	92.1%	93.5%	96.5%	98.9%	99.6%	100.0%
2017	1.4%	12.7%	46.0%	77.5%	89.9%	92.4%	93.3%	94.8%	97.5%	99.4%	99.8%	100.0%
2018	0.7%	11.9%	45.9%	78.1%	89.0%	91.2%	92.9%	94.7%	96.7%	99.0%	99.6%	100.0%
2019	3.3%	13.1%	36.2%	78.3%	88.8%	90.9%	92.7%	94.1%	96.8%	99.0%	99.7%	100.0%
2020	0.7%	10.1%	42.4%	77.1%	88.4%	90.4%	92.2%	93.7%	96.9%	98.9%	99.6%	100.0%
2001-20 Avg	**2.0%**	**10.4%**	**35.8%**	**71.7%**	**87.4%**	**90.9%**	**92.5%**	**94.1%**	**96.9%**	**98.8%**	**99.5%**	**100.0%**
5 Yrs Max Rev	**0.7%**	**10.1%**	**36.2%**	**77.1%**	**88.4%**	**90.4%**	**92.2%**	**93.7%**	**96.7%**	**98.9%**	**99.6%**	**100.0%**
5 Yrs Min Rev	**3.3%**	**13.1%**	**46.0%**	**78.3%**	**89.9%**	**92.4%**	**93.3%**	**94.8%**	**97.5%**	**99.4%**	**99.8%**	**100.0%**
5 Yrs Avg	**1.3%**	**11.3%**	**43.0%**	**77.1%**	**88.6%**	**91.1%**	**92.6%**	**94.2%**	**96.9%**	**99.0%**	**99.7%**	**100.0%**
FY 2020 Projected (Trends only - Partial Payment Plan Considerations not included)												
2001-19 Avg	**$13,587,000**	**$36,564,000**										
5 Yrs Max Rev	**$38,722,000**	**$37,560,000**										
5 Yrs Min Rev	**$8,214,000**	**$28,958,000**										
5 Yrs Avg	**$20,534,000**	**$33,571,000**										
2021 Budgeted	**$39,448,900**	**$39,448,900**										
2021 Est/Actual	**$39,448,900**	**$39,448,900**										
	Oct	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sept**

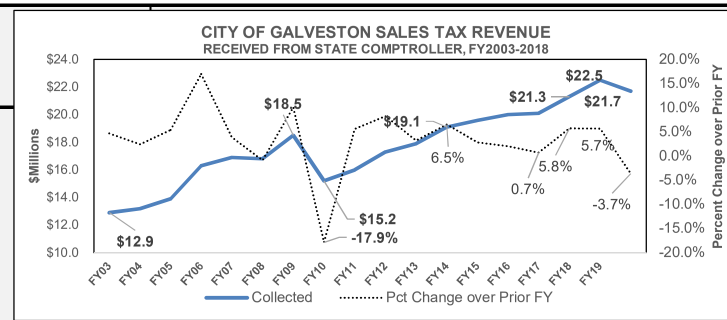
#DIV/0!

ANALYSIS OF PROPERTY TAX REVENUES
FISCAL YEARS 2019-21

DESCRIPTION	FY17 ACTUAL	FY18 ACTUAL	FY19 ACTUAL	FY20 ACTUAL	FY21 ADOPTED
NET PROPERTY TAX LEVY					
Total Taxable Value ($millions)	$5,845.5	$6,173.1	$6,334.9	$6,684.8	$7,324.0
Less TIRZ	($300.8)	($324.2)	($310.2)	($288.2)	($106.2)
Less 60% MUD Value	($57.7)	($63.7)	($64.7)	($64.6)	($75.8)
Net Taxable Value	$5,487.1	$5,785.2	$5,960.0	$6,332.0	$7,142.0
Times Tax Rate per $100 of Taxable Value	$0.526000	$0.561000	$0.561000	$0.579885	$0.560000
Total Tax Levy ($Thousands Revenue)	**$30,747.5**	**$34,631.1**	**$35,538.8**	**$38,764.2**	**$41,014.4**
Less: Freeze Acct Total Value Revenue Equivalent (Over 65 and Disabled)	($2,658.9)	($3,420.1)	($3,732.9)	($4,235.4)	($4,569.5)
Plus: Freeze Acct collectible Revenue (Over 65 & Disabled)	$2,019.2	$2,377.1	$2,575.8	$2,787.8	$3,154.3
Less: Taxes Lost to Tax Freeze	**($639.8)**	**($1,043.0)**	**($1,157.1)**	**($1,447.6)**	**($1,415.2)**
Net Current Year Tax Levy ($000's Revenue)	**$30,107.7**	**$33,588.1**	**$34,381.7**	**$37,316.6**	**$39,599.2**
Effective Taxable Value	**$5,723.9**	**$5,987.2**	**$6,128.6**	**$6,435.2**	**$7,071.3**
Effective Freeze Accounts Taxable Value	**$1,088.2**	**$1,067.2**	**$1,092.4**	**$1,109.7**	**$1,262.7**
Less TIRZ Incremental Values	**($300.8)**	**($324.2)**	**($310.2)**	**($288.2)**	**($106.2)**
Effective Taxable Value Retained by City	**$5,423.1**	**$5,663.0**	**$5,818.4**	**$6,147.0**	**$6,965.1**
DISTRIBUTION OF NET LEVY ($THOUSANDS)					
Net Current Year Levy ($000's)	$30,107.7	$33,588.1	$34,381.7	$37,316.6	$39,599.2
Less TIRZ Increment	**($1,581.9)**	**($1,682.5)**	**($1,740.2)**	**($1,671.0)**	**($594.7)**
Net Current Year Levy Retained by the City	$28,525.8	$31,905.6	$32,641.5	$35,645.6	$39,004.5
General Fund Share (including MUD 30) of NCL	$23,917.4	$24,973.7	$26,677.4	$29,344.9	$31,865.3
Debt Service Share of NCL	$1,896.7	$3,964.1	$3,054.7	$3,227.2	$3,656.7
Library Fund Share of NCL	$2,711.6	$2,831.5	$2,909.2	$3,073.5	$3,482.5
Net Current Year Levy Retained by the City	**$28,525.7**	**$31,769.3**	**$32,641.3**	**$35,645.6**	**$39,004.5**
COLLECTION OF TAXES ($THOUSANDS)					
Estimated/Actual Collections	**FY17 ACTUAL**	**FY18 ACTUAL**	**FY19 ACTUAL**	**FY20 ACTUAL**	**FY21 ADOPTED**
General Fund Current Collection Total	$24,954.1	$26,319.5	$27,812.9	$30,382.4	$31,681.0
General Fund Delinquent Taxes	$289.6	$403.4	$402.2	$459.8	$390.0
General Fund Penalty & Interest	$304.0	$372.8	$335.7	$413.1	$330.0
Less TIRZ Increment	($1,487.3)	($1,682.5)	($1,717.0)	($1,746.3)	($594.7)
Less MUD 30 Rebate	($297.0)	($344.1)	($350.1)	($406.9)	($424.7)
General Fund Total	**$23,763.4**	**$25,069.1**	**$26,483.7**	**$29,102.1**	**$31,381.6**
Debt Service Net Current Levy Total	$1,865.4	$3,907.9	$2,987.6	$3,152.3	$3,568.9
Debt Service Delinquent Taxes	$30.6	$43.4	$51.1	$52.6	$40.0
Debt Service Fund Total	**$1,896.0**	**$3,951.3**	**$3,038.7**	**$3,204.9**	**$3,608.9**
Library Net Current Levy Total	$2,665.0	$2,790.0	$2,843.9	$2,997.9	$3,398.9
Library Delinquent Taxes	$33.0	$46.4	$43.1	$48.4	$40.0
Library Fund Total	**$2,698.0**	**$2,836.4**	**$2,887.0**	**$3,046.3**	**$3,438.9**
GRAND TOTAL COLLECTIONS	**$28,357.4**	**$31,856.8**	**$32,409.4**	**$35,353.3**	**$38,429.4**
Estimated Current Collection Rate (of Gross Taxes)	**97.9%**	**98.3%**	**97.9%**	**97.9%**	**97.6%**
Estimated Total Collection Rate (of gross taxes	**100.1%**	**100.9%**	**100.3%**	**100.5%**	**99.6%**
Percent Change in Grand Total Collections	**8.8%**	**12.3%**	**1.7%**	**9.1%**	**9.0%**
Tax Rate					
General Fund Operations and Maintenance	$0.441025	$0.441000	$0.458500	$0.477385	$0.457500
Debt Service Fund Interest and Sinking	$0.034975	$0.070000	$0.052500	$0.052500	$0.052500
Library Fund	$0.050000	$0.050000	$0.050000	$0.050000	$0.050000
Total Rate	**$0.526000**	**$0.561000**	**$0.561000**	**$0.579885**	**$0.560000**
	ACTUAL	**ACTUAL**	**ESTIMATE**	**ESTIMATE**	**ESTIMATE**
Estimated Current Taxes Collection rate	**97.90%**	**98.30%**	**97.80%**	**97.80%**	**97.60%**
TOTAL COLLECTIONS	**$30,141.7**	**$33,883.4**	**$34,476.5**	**$37,506.5**	**$39,448.8**

CITY OF GALVESTON SALES TAX COLLECTIONS RESULTS FOR FULL 2% TAX
(1.5% TO CITY, 0.5% TO IDC)
RECEIVED FROM STATE COMPTROLLER

MONTH TAX COLLECTED BY RETAILER	2018 (Full 2% Receipts)	2019 (Full 2% Receipts)	2020 (Full 2% Receipts)	2021 (Full 2% Receipts)	Pct Over Same Mo Last FY	General Fund Share (75% of Total Receipts
October	1,583,869.29	1,618,015.12	1,634,553.31	1,732,065.87	5.97%	1,299,049.40
November	1,508,187.73	1,549,058.16	1,531,731.60	1,637,150.25	6.88%	1,227,862.69
December	1,898,024.07	1,904,785.84	2,144,281.50	1,989,862.73	-7.20%	1,492,397.05
January	1,338,215.41	1,483,226.85	1,597,010.15			
February	1,355,370.24	1,494,810.37	1,507,781.44			
March	2,016,199.59	2,039,770.58	1,808,268.53			
April	1,628,106.23	1,871,434.34	1,393,457.90			
May	1,790,834.04	1,777,842.73	1,887,222.74			
June	2,335,983.24	2,373,395.72	2,434,783.43			
July	2,147,580.24	2,272,459.96	1,894,070.23			
August	1,851,919.35	2,029,978.03	1,817,909.07			
September	1,850,497.99	2,097,694.19	2,038,643.14			
	21,304,787.42	22,512,471.89	21,689,713.04	5,359,078.85		**4,019,309.14**
Year over Year Pct Change	5.8%	5.7%	-3.7%	-75.3%		



FY20 ACTUAL GF	**16,355,869**
FY21 ESTIMATE GF	**16,300,000**
FY21 BUDGET GF	**16,300,000**

YTD Totals	2018	2019	2020	2021	Pct	GENERAL FUND PROJECTIONS (1.5%) LOW	AVERAGE	HIGH	AVG FY11-18	FULL 2% PROJECTIONS LOW	AVERAGE	HIGH
October	1,583,869.29	1,618,015.12	1,634,553.31	1,732,065.87	5.97%	17,229,000	18,468,000	20,234,000	18,468,000	22,972,000	24,624,000	26,979,000
November	3,092,057.02	3,167,073.28	3,166,284.91	3,369,216.12	6.41%	16,292,000	18,690,000	23,056,000	18,690,000	21,723,000	24,920,000	30,741,000
December	4,990,081.09	5,071,859.12	5,310,566.41	5,359,078.85	0.91%	15,931,000	17,952,000	19,578,000	17,952,000	21,241,000	23,936,000	26,104,000
January	6,328,296.50	6,555,085.97	6,907,576.56									
February	7,683,666.74	8,049,896.34	8,415,358.00									
March	9,699,866.33	10,089,666.92	10,223,626.53									
April	11,327,972.56	11,961,101.26	11,617,084.43									
May	13,118,806.60	13,738,943.99	13,504,307.17									
June	15,454,789.84	16,112,339.71	15,939,090.60									
July	17,602,370.08	18,384,799.67	17,833,160.83									
August	19,454,289.43	20,414,777.70	19,651,069.90									
September	21,304,787.42	22,512,471.89	21,689,713.04									

CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL, REGIONAL AND NATIONAL FACTORS

Sales Tax Econometric Forecast
Date: 2.12.2021

	FORECAST SOURCE		Dr. Gilmer of UH		Loftin		Loftin		Loftin		Loftin		Loftin		Congessional Budget Office/Loftin					
			Employment		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var #2		Houston Gasoline Price Index + 1 Qtr		Galveston Storm & Pandemic Variable		Pleasure Pier Adjustment		U.S. Real GDP + 2 Qtr					
	COEFFICIENTS		1.609		-0.01991		1.4		0.7787		516.7		244.8		0.1749					
FY	Fiscal Year	DATA	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = H	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = E	DATA	PRODUCT OF DATA AND COEFFICIENT = F	DATA	PRODUCT OF DATA AND COEFFICIENT = G	DATA	PRODUCT OF DATA AND COEFFICIENT = G	MODEL ESTIMATE ($000's) = A+B+C+D+E+F+G+H	ACTUAL ($000's)	ESTIMATE (OVER)/ UNDER ACTUAL	% Difference
1992	1992-2	(3,385)	1,783.9	2,870.4	$9,188.9	(183.0)	0.00	0.0	106.07	82.6	0.0	0.0	0.00	0.00	$9,388.85	1,642.1	$1,027.1	$1,106.6	$79.5	7.2%
1992	1992-3	(3,385)	1,810.1	2,912.4	$9,789.5	(194.9)	129.10	180.7	100.00	77.9	0.0	0.0	0.00	0.00	$9,421.57	1,647.8	$1,238.9	$1,292.8	$53.9	4.2%
1992	1992-4	(3,385)	1,802.7	2,900.6	$10,391.3	(206.9)	205.20	287.3	102.67	79.9	0.0	0.0	0.00	0.00	$9,534.35	1,667.6	$1,343.5	$1,300.2	($43.3)	-3.3%
1993	1993-1	(3,385)	1,827.3	2,940.2	$10,204.4	(203.2)	0.00	0.0	106.33	82.8	0.0	0.0	0.00	0.00	$9,637.73	1,685.6	$1,120.4	$1,142.6	$22.2	1.9%
1993	1993-2	(3,385)	1,805.4	2,904.9	$10,207.1	(203.2)	0.00	0.0	102.77	80.0	0.0	0.0	0.00	0.00	$9,732.98	1,702.3	$1,099.0	$1,070.7	($28.3)	-2.6%
1993	1993-3	(3,385)	1,837.4	2,956.4	$10,235.8	(203.8)	132.40	185.4	98.33	76.6	0.0	0.0	0.00	0.00	$9,834.51	1,720.1	$1,349.7	$1,235.5	($114.2)	-9.2%
1993	1993-4	(3,385)	1,847.6	2,972.7	$10,765.7	(214.3)	210.10	294.1	101.77	79.2	0.0	0.0	0.00	0.00	$9,850.97	1,722.9	$1,469.6	$1,420.4	($49.2)	-3.5%
1994	1994-1	(3,385)	1,867.5	3,004.8	$9,825.6	(195.6)	0.00	0.0	99.50	77.5	0.0	0.0	0.00	0.00	$9,908.35	1,733.0	$1,234.7	$1,222.8	($11.9)	-1.0%
1994	1994-2	(3,385)	1,843.4	2,966.1	$10,753.7	(214.1)	0.00	0.0	97.73	76.1	0.0	0.0	0.00	0.00	$9,955.64	1,741.2	$1,184.3	$1,127.4	($56.9)	-5.0%
1994	1994-3	(3,385)	1,881.0	3,026.5	$11,859.3	(236.1)	137.10	191.9	93.13	72.5	0.0	0.0	0.00	0.00	$10,091.05	1,764.9	$1,434.7	$1,487.0	$52.3	3.5%
1994	1994-4	(3,385)	1,888.0	3,037.8	$12,620.1	(251.3)	219.90	307.9	97.77	76.1	0.0	0.0	0.00	0.00	$10,188.95	1,782.0	$1,567.5	$1,626.9	$59.4	3.7%
1995	1995-1	(3,385)	1,921.0	3,090.9	$13,043.3	(259.7)	0.00	0.0	104.33	81.2	0.0	0.0	0.00	0.00	$10,327.02	1,806.2	$1,333.6	$1,393.5	$59.9	4.3%
1995	1995-2	(3,385)	1,910.6	3,074.1	$13,320.8	(265.2)	0.00	0.0	101.67	79.2	0.0	0.0	0.00	0.00	$10,387.38	1,816.8	$1,319.9	$1,335.3	$15.4	1.2%
1995	1995-3	(3,385)	1,941.0	3,123.1	$11,594.2	(230.8)	139.00	194.6	98.03	76.3	0.0	0.0	0.00	0.00	$10,506.37	1,837.6	$1,615.8	$1,514.5	($101.3)	-6.7%
1995	1995-4	(3,385)	1,952.1	3,140.9	$10,867.7	(216.4)	221.40	310.0	103.50	80.6	0.0	0.0	0.00	0.00	$10,543.64	1,844.1	$1,774.2	$1,585.5	($188.7)	-11.9%
1996	1996-1	(3,385)	1,977.4	3,181.6	$11,715.2	(233.2)	0.00	0.0	101.87	79.3	0.0	0.0	0.00	0.00	$10,575.10	1,849.6	$1,492.3	$1,529.7	$37.4	2.4%
1996	1996-2	(3,385)	1,957.0	3,148.7	$12,115.0	(241.2)	0.00	0.0	94.90	73.9	0.0	0.0	0.00	0.00	$10,665.06	1,865.3	$1,461.7	$1,595.5	$133.8	8.4%
1996	1996-3	(3,385)	1,988.4	3,199.3	$13,000.4	(258.8)	143.00	200.2	99.00	77.1	0.0	0.0	0.00	0.00	$10,737.48	1,878.0	$1,710.8	$1,818.1	$107.3	5.9%
1996	1996-4	(3,385)	1,997.3	3,213.7	$13,659.5	(272.0)	225.60	315.8	110.67	86.2	0.0	0.0	0.00	0.00	$10,817.90	1,892.1	$1,850.8	$1,957.3	$106.5	5.4%
1997	1997-1	(3,385)	2,034.8	3,274.1	$14,347.2	(285.7)	0.00	0.0	103.63	80.7	0.0	0.0	0.00	0.00	$10,998.32	1,923.6	$1,607.7	$1,675.2	$67.5	4.0%
1997	1997-2	(3,385)	2,026.3	3,260.3	$15,784.5	(314.3)	0.00	0.0	105.87	82.4	0.0	0.0	0.00	0.00	$11,096.98	1,940.9	$1,584.3	$1,670.1	$85.8	5.1%
1997	1997-3	(3,385)	2,066.7	3,325.3	$15,671.8	(312.0)	145.00	203.0	104.63	81.5	0.0	0.0	0.00	0.00	$11,212.21	1,961.0	$1,873.8	$1,958.4	$84.6	4.3%
1997	1997-4	(3,385)	2,086.6	3,357.3	$17,053.3	(339.5)	229.70	321.6	101.57	79.1	0.0	0.0	0.00	0.00	$11,284.59	1,973.7	$2,007.2	$2,036.7	$29.5	1.4%
1998	1998-1	(3,385)	2,130.6	3,428.1	$18,581.2	(370.0)	0.00	0.0	104.70	81.5	0.0	0.0	0.00	0.00	$11,472.14	2,006.5	$1,761.1	$1,745.7	($15.4)	-0.9%
1998	1998-2	(3,385)	2,130.5	3,428.0	$20,082.2	(399.8)	0.00	0.0	100.73	78.4	0.0	0.0	0.00	0.00	$11,615.64	2,031.6	$1,753.2	$1,767.0	$13.8	0.8%
1998	1998-3	(3,385)	2,174.1	3,498.2	$19,566.7	(389.6)	146.40	205.0	92.73	72.2	0.0	0.0	0.00	0.00	$11,715.39	2,049.0	$2,049.8	$2,094.6	$44.8	2.1%
1998	1998-4	(3,385)	2,197.7	3,536.0	$19,253.2	(383.3)	232.90	326.1	92.17	71.8	0.0	0.0	0.00	0.00	$11,832.49	2,069.5	$2,235.1	$2,094.9	($140.2)	-6.7%
1999	1999-1	(3,385)	2,224.4	3,579.0	$19,219.3	(382.7)	0.00	0.0	90.33	70.3	0.0	0.0	0.00	0.00	$11,942.03	2,088.7	$1,970.3	$2,030.1	$59.8	2.9%
1999	1999-2	(3,385)	2,196.8	3,534.7	$20,733.4	(412.8)	0.00	0.0	88.97	69.3	0.0	0.0	0.00	0.00	$12,091.61	2,114.8	$1,921.0	$1,999.7	$78.7	3.9%
1999	1999-3	(3,385)	2,208.9	3,554.2	$18,947.4	(377.2)	148.30	207.6	84.03	65.4	0.0	0.0	0.00	0.00	$12,287.00	2,149.0	$2,214.0	$2,121.1	($92.9)	-4.4%
1999	1999-4	(3,385)	2,218.7	3,569.8	$20,375.6	(405.7)	235.30	329.4	95.53	74.4	0.0	0.0	0.00	0.00	$12,403.29	2,169.3	$2,352.2	$2,183.9	($168.3)	-7.7%
2000	2000-1	(3,385)	2,243.8	3,610.3	$22,400.4	(446.0)	0.00	0.0	102.33	79.7	0.0	0.0	0.00	0.00	$12,498.69	2,186.0	$2,045.0	$2,150.1	$105.1	4.9%
2000	2000-2	(3,385)	2,231.7	3,590.8	$25,185.5	(501.4)	0.00	0.0	109.07	84.9	0.0	0.0	0.00	0.00	$12,662.39	2,214.7	$2,004.0	$2,057.3	$53.3	2.6%
2000	2000-3	(3,385)	2,268.5	3,650.0	$26,069.9	(519.1)	153.40	214.8	120.17	93.6	0.0	0.0	0.00	0.00	$12,877.59	2,252.3	$2,306.6	$2,285.1	($21.5)	-0.9%
2000	2000-4	(3,385)	2,278.2	3,665.6	$27,594.8	(549.4)	244.00	341.6	131.13	102.1	0.0	0.0	0.00	0.00	$12,924.18	2,260.4	$2,435.3	$2,428.5	($6.8)	-0.3%
2001	2001-1	(3,385)	2,303.1	3,705.6	$29,289.1	(583.1)	0.00	0.0	133.90	104.3	0.0	0.0	0.00	0.00	$13,160.84	2,301.8	$2,143.6	$2,094.2	($49.4)	-2.4%
2001	2001-2	(3,385)	2,289.8	3,684.2	$28,395.2	(565.3)	0.00	0.0	124.97	97.3	0.0	0.0	0.00	0.00	$13,178.42	2,304.9	$2,136.1	$2,253.3	$117.2	5.2%
2001	2001-3	(3,385)	2,317.0	3,728.0	$26,688.3	(531.4)	159.60	223.4	120.80	94.1	0.0	0.0	0.00	0.00	$13,260.51	2,319.3	$2,448.4	$2,476.4	$28.0	1.1%
2001	2001-4	(3,385)	2,312.6	3,720.9	$25,252.5	(502.8)	250.60	350.8	139.07	108.3	0.0	0.0	0.00	0.00	$13,222.69	2,312.6	$2,604.8	$2,532.2	($72.6)	-2.9%
2002	2002-1	(3,385)	2,315.6	3,725.8	$24,399.0	(485.8)	0.00	0.0	120.67	94.0	0.0	0.0	0.00	0.00	$13,299.98	2,326.2	$2,275.2	$2,262.9	($12.3)	-0.5%
2002	2002-2	(3,385)	2,289.6	3,683.9	$24,956.7	(496.9)	0.00	0.0	100.57	78.3	0.0	0.0	0.00	0.00	$13,244.78	2,316.5	$2,196.8	$2,060.3	($136.5)	-6.6%
2002	2002-3	(3,385)	2,310.5	3,717.5	$22,607.9	(450.1)	158.60	222.0	95.97	74.7	0.0	0.0	0.00	0.00	$13,280.86	2,322.8	$2,501.9	$2,449.9	($52.0)	-2.1%
2002	2002-4	(3,385)	2,302.6	3,704.8	$24,875.7	(495.3)	253.00	354.2	119.23	92.8	0.0	0.0	0.00	0.00	$13,397.00	2,343.1	$2,614.6	$2,478.9	($135.7)	-5.5%
2003	2003-1	(3,385)	2,310.7	3,718.0	$24,805.1	(493.9)	0.00	0.0	115.93	90.3	0.0	0.0	0.00	0.00	$13,478.15	2,357.3	$2,286.7	$2,145.5	($141.2)	-6.6%
2003	2003-2	(3,385)	2,283.9	3,674.8	$25,181.4	(501.4)	0.00	0.0	119.27	92.9	0.0	0.0	0.00	0.00	$13,538.07	2,367.8	$2,249.1	$2,309.0	$59.9	2.6%
2003	2003-3	(3,385)	2,295.9	3,694.2	$22,677.8	(451.5)	162.50	227.5	132.47	103.2	0.0	0.0	0.00	0.00	$13,559.03	2,371.5	$2,559.9	$2,573.9	$14.0	0.5%
2003	2003-4	(3,385)	2,282.6	3,672.7	$23,909.5	(476.0)	259.30	363.0	124.33	96.8	0.0	0.0	0.00	0.00	$13,634.25	2,384.6	$2,656.1	$2,655.3	($0.8)	0.0%
2004	2004-1	(3,385)	2,295.5	3,693.5	$24,379.3	(485.4)	0.00	0.0	128.27	99.9	0.0	0.0	0.00	0.00	$13,751.54	2,405.1	$2,328.1	$2,308.7	($19.4)	-0.8%
2004	2004-2	(3,385)	2,282.9	3,673.2	$26,445.1	(526.5)	0.00	0.0	120.90	94.1	0.0	0.0	0.00	0.00	$13,985.07	2,446.0	$2,301.8	$2,308.3	$6.5	0.3%
2004	2004-3	(3,385)	2,305.8	3,710.1	$25,869.5	(515.1)	169.50	237.3	133.97	104.3	0.0	0.0	0.00	0.00	$14,145.65	2,474.1	$2,625.7	$2,611.7	($14.0)	-0.5%
2004	2004-4	(3,385)	2,306.0	3,710.3	$27,729.9	(552.1)	267.20	374.1	154.23	120.1	0.0	0.0	0.00	0.00	$14,221.15	2,487.3	$2,754.7	$2,687.7	($67.0)	-2.5%
2005	2005-1	(3,385)	2,331.0	3,750.6	$27,854.7	(554.6)	0.00	0.0	151.93	118.3	0.0	0.0	0.00	0.00	$14,329.52	2,506.2	$2,435.5	$2,440.5	$5.0	0.2%
2005	2005-2	(3,385)	2,327.7	3,745.2	$29,277.2	(582.9)	0.00	0.0	157.63	122.7	0.0	0.0	0.00	0.00	$14,464.98	2,529.9	$2,429.9	$2,457.1	$27.2	1.1%
2005	2005-3	(3,385)	2,364.3	3,804.2	$28,141.6	(560.3)	174.60	244.4	155.03	120.7	0.0	0.0	0.00	0.00	$14,609.88	2,555.3	$2,779.3	$2,726.1	($53.2)	-2.0%
2005	2005-4	(3,385)	2,379.2	3,828.1	$29,882.8	(595.0)	277.30	388.2	178.07	138.7	0.0	0.0	0.00	0.00	$14,771.60	2,583.6	$2,958.6	$2,825.3	($133.3)	-4.7%
2006	2006-1	(3,385)	2,417.3	3,889.4	$30,111.5	(599.5)	0.00	0.0	211.00	164.3	0.0	0.0	0.00	0.00	$14,839.78	2,595.5	$2,664.7	$2,769.6	$104.9	3.8%
2006	2006-2	(3,385)	2,418.7	3,891.7	$32,111.6	(639.3)	0.00	0.0	207.97	161.9	0.0	0.0	0.00	0.00	$14,972.05	2,618.6	$2,647.9	$2,780.7	$132.8	4.8%
2006	2006-3	(3,385)	2,460.2	3,958.5	$32,483.1	(646.7)	181.80	254.5	197.70	153.9	0.0	0.0	0.00	0.00	$15,066.60	2,635.1	$2,970.3	$3,268.7	$298.4	9.1%
2006	2006-4	(3,385)	2,481.9	3,993.3	$34,056.7	(678.1)	288.40	403.8	247.40	192.7	0.0	0.0	0.00	0.00	$15,267.03	2,670.2	$3,196.9	$3,405.2	$208.3	6.1%
2007	2007-1	(3,385)	2,522.8	4,059.1	$33,103.7	(659.1)	0.00	0.0	236.70	184.3	0.0	0.0	0.00	0.00	$15,302.71	2,676.4	$2,875.7	$2,850.4	($25.3)	-0.9%
2007	2007-2	(3,385)	2,521.0	4,056.3	$34,078.3	(678.5)	0.00	0.0	183.47	142.9	0.0	0.0	0.00	0.00	$15,326.37	2,680.6	$2,816.3	$2,988.6	$172.3	5.8%
2007	2007-3	(3,385)	2,571.8	4,138.1	$32,157.0	(640.2)	184.30	258.0	192.60	150.0	0.0	0.0	0.00	0.00	$15,456.93	2,703.4	$3,224.3	$3,292.4	$68.1	2.1%
2007	2007-4	(3,385)	2,580.4	4,151.9	$34,410.4	(685.1)	290.20	406.3	250.16	194.8	0.0	0.0	0.00	0.00	$15,493.33	2,709.8	$3,392.7	$3,566.1	$173.4	4.9%
2008	2008-1	(3,385)	2,617.0	4,210.8	$34,836.2	(693.6)	0.00	0.0	236.56	184.2	0.0	0.0	0.00	0.00	$15,582.09	2,725.3	$3,041.7	$3,165.6	$123.9	3.9%

CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL, REGIONAL AND NATIONAL FACTORS

Sales Tax Econometric Forecast
Date: 2.12.2021

	FORECAST SOURCE		Dr. Gilmer of UH		Loftin		Loftin		Loftin		Loftin		Loftin		Congessional Budget Office/Loftin					
			Employment		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var #2		Houston Gasoline Price Index + 1 Qtr		Galveston Storm & Pandemic Variable		Pleasure Pier Adjustment		U.S. Real GDP + 2 Qtr					
	COEFFICIENTS		1.609		-0.01991		1.4		0.7787		516.7		244.8		0.1749					
FY	Fiscal Year	DATA	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = H	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = E	DATA	PRODUCT OF DATA AND COEFFICIENT = F	DATA	PRODUCT OF DATA AND COEFFICIENT = G	DATA	PRODUCT OF DATA AND COEFFICIENT = G	MODEL ESTIMATE ($000's) = A+B+C+D+E+F+ G+H	ACTUAL ($000's)	ESTIMATE (OVER)/ UNDER ACTUAL	% Difference
2008	2008-2	(3,385)	2,599.7	4,183.0	$34,514.4	(687.2)	0.00	0.0	242.61	188.9	0.0	0.0	0.00	0.00	$15,666.74	2,740.1	$3,039.8	$3,014.3	($25.5)	-0.8%
2008	2008-3	(3,385)	2,634.0	4,238.1	$35,745.6	(711.7)	191.20	267.7	259.83	202.3	0.0	0.0	0.00	0.00	$15,761.97	2,756.8	$3,368.2	$3,406.4	$38.2	1.1%
2008	2008-4	(3,385)	2,630.8	4,232.9	$38,174.1	(760.0)	304.50	426.3	312.79	243.6	(1.0)	(516.7)	0.00	0.00	$15,671.38	2,740.9	$2,982.0	$3,000.6	$18.6	0.6%
2009	2009-1	(3,385)	2,647.6	4,260.0	$40,339.7	(803.2)	0.00	0.0	318.52	248.0	1.0	516.7	0.00	0.00	$15,752.31	2,755.1	$3,591.6	$3,496.6	($95.0)	-2.7%
2009	2009-2	(3,385)	2,588.3	4,164.7	$36,960.7	(735.9)	0.00	0.0	190.92	148.7	0.5	258.4	0.00	0.00	$15,667.03	2,740.2	$3,191.1	$3,339.2	$148.1	4.4%
2009	2009-3	(3,385)	2,570.8	4,136.4	$29,068.4	(578.8)	191.00	267.4	154.24	120.1	0.5	258.4	0.00	0.00	$15,328.03	2,680.9	$3,499.4	$3,568.9	$69.5	1.9%
2009	2009-4	(3,385)	2,533.5	4,076.5	$29,515.9	(587.7)	302.90	424.1	191.69	149.3	0.5	258.4	0.00	0.00	$15,155.94	2,650.8	$3,586.4	$3,452.6	($133.8)	-3.9%
2010	2010-1	(3,385)	2,538.5	4,084.4	$33,779.8	(672.6)	0.00	0.0	212.28	165.3	0.0	0.0	0.00	0.00	$15,134.12	2,647.0	$2,839.1	$2,580.7	($258.4)	-10.0%
2010	2010-2	(3,385)	2,515.9	4,048.1	$36,528.0	(727.3)	0.00	0.0	212.12	165.2	0.0	0.0	0.00	0.00	$15,189.22	2,656.6	$2,757.6	$2,558.2	($199.4)	-7.8%
2010	2010-3	(3,385)	2,561.1	4,120.8	$37,439.0	(745.4)	194.40	272.2	223.55	174.1	0.0	0.0	0.00	0.00	$15,356.06	2,685.8	$3,122.5	$2,969.8	($152.7)	-5.1%
2010	2010-4	(3,385)	2,557.4	4,114.9	$40,419.8	(804.8)	308.40	431.8	235.53	183.4	0.0	0.0	0.00	0.00	$15,415.15	2,696.1	$3,236.4	$3,271.6	$35.2	1.1%
2011	2011-1	(3,385)	2,585.1	4,159.5	$41,341.4	(823.1)	0.00	0.0	222.38	173.2	0.0	0.0	0.00	0.00	$15,557.28	2,721.0	$2,845.6	$2,646.2	($199.4)	-7.5%
2011	2011-2	(3,385)	2,571.9	4,138.1	$44,464.5	(885.3)	0.00	0.0	235.55	183.4	0.0	0.0	0.00	0.00	$15,671.97	2,741.0	$2,792.2	$2,764.0	($28.2)	-1.0%
2011	2011-3	(3,385)	2,622.1	4,219.0	$46,096.9	(917.8)	201.50	282.1	272.97	212.6	0.0	0.0	0.00	0.00	$15,750.63	2,754.8	$3,165.7	$3,200.0	$34.3	1.1%
2011	2011-4	(3,385)	2,630.7	4,232.8	$49,637.2	(988.3)	319.90	447.9	326.26	254.1	0.0	0.0	0.00	0.00	$15,712.75	2,748.2	$3,309.7	$3,406.7	$97.0	2.8%
2012	2012-1	(3,385)	2,662.2	4,283.5	$50,904.9	(1,013.5)	0.00	0.0	306.67	238.8	0.0	0.0	0.00	0.00	$15,825.10	2,767.8	$2,891.6	$2,671.3	($220.3)	-8.2%
2012	2012-2	(3,385)	2,662.3	4,283.6	$51,649.6	(1,028.3)	0.00	0.0	278.18	216.6	0.0	0.0	0.00	0.00	$15,820.70	2,767.0	$2,853.9	$2,844.2	($9.7)	-0.3%
2012	2012-3	(3,385)	2,719.2	4,375.3	$52,954.1	(1,054.3)	205.50	287.7	303.36	236.2	0.0	0.0	1.00	244.80	$16,004.11	2,799.1	$3,503.8	$3,564.9	$61.1	1.7%
2012	2012-4	(3,385)	2,736.7	4,403.3	$53,111.5	(1,057.5)	322.30	451.2	318.76	248.2	0.0	0.0	1.00	244.80	$16,129.42	2,821.0	$3,726.0	$3,928.4	$202.4	5.2%
2013	2013-1	(3,385)	2,781.2	4,474.9	$54,216.3	(1,079.4)	0.00	0.0	303.71	236.5	0.0	0.0	0.00	0.00	$16,198.81	2,833.2	$3,080.2	$2,927.6	($152.6)	-5.2%
2013	2013-2	(3,385)	2,776.0	4,466.6	$55,593.2	(1,106.9)	0.00	0.0	287.53	223.9	0.0	0.0	0.00	0.00	$16,220.67	2,837.0	$3,035.6	$3,101.1	$65.5	2.1%
2013	2013-3	(3,385)	2,823.9	4,543.7	$53,698.4	(1,069.1)	207.70	290.8	299.70	233.4	0.0	0.0	1.20	293.80	$16,239.14	2,840.2	$3,747.8	$3,530.8	($217.0)	-6.1%
2013	2013-4	(3,385)	2,832.6	4,557.6	$57,007.1	(1,135.0)	329.50	461.3	301.63	234.9	0.0	0.0	1.20	293.80	$16,382.96	2,865.4	$3,893.0	$3,865.4	($27.6)	-0.7%
2014	2014-1	(3,385)	2,872.8	4,622.3	$56,796.0	(1,130.8)	0.00	0.0	300.73	234.2	0.0	0.0	0.00	0.00	$16,403.18	2,868.9	$3,209.6	$3,059.1	($150.5)	-4.9%
2014	2014-2	(3,385)	2,863.1	4,606.8	$58,452.9	(1,163.8)	0.00	0.0	272.83	212.5	0.0	0.0	0.00	0.00	$16,531.69	2,891.4	$3,161.9	$3,131.8	($30.1)	-1.0%
2014	2014-3	(3,385)	2,918.8	4,696.3	$57,650.5	(1,147.8)	214.00	299.6	284.62	221.6	0.0	0.0	1.20	293.80	$16,663.65	2,914.5	$3,893.0	$3,849.3	($43.7)	-1.1%
2014	2014-4	(3,385)	2,932.8	4,718.8	$61,111.2	(1,216.7)	338.30	473.6	308.23	240.0	0.0	0.0	1.20	293.80	$16,616.54	2,906.2	$4,030.7	$4,261.6	$230.9	5.4%
2015	2015-1	(3,385)	2,985.4	4,803.5	$61,351.5	(1,221.5)	0.00	0.0	296.31	230.7	0.0	0.0	0.00	0.00	$16,841.48	2,945.6	$3,373.3	$3,294.6	($78.7)	-2.4%
2015	2015-2	(3,385)	2,964.9	4,770.6	$60,893.9	(1,212.4)	0.00	0.0	242.67	189.0	0.0	0.0	0.00	0.00	$17,047.10	2,981.5	$3,343.7	$3,358.3	$14.6	0.4%
2015	2015-3	(3,385)	2,982.3	4,798.5	$57,190.4	(1,138.7)	213.20	298.5	183.93	143.2	0.0	0.0	1.20	293.80	$17,143.04	2,998.3	$4,008.6	$3,929.0	($79.6)	-2.0%
2015	2015-4	(3,385)	2,972.0	4,782.0	$60,261.7	(1,199.8)	339.20	474.9	216.05	168.2	0.0	0.0	1.20	293.80	$17,305.75	3,026.8	$4,160.9	$4,124.1	($36.8)	-0.9%
2016	2016-1	(3,385)	2,994.0	4,817.4	$60,298.9	(1,200.6)	0.00	0.0	212.31	165.3	0.0	0.0	0.00	0.00	$17,422.85	3,047.3	$3,444.4	$3,366.5	($77.9)	-2.3%
2016	2016-2	(3,385)	2,967.8	4,775.2	$58,709.1	(1,168.9)	0.00	0.0	170.99	133.2	0.0	0.0	0.00	0.00	$17,486.02	3,058.3	$3,412.8	$3,413.4	$0.6	0.0%
2016	2016-3	(3,385)	2,983.5	4,800.4	$55,470.9	(1,104.4)	216.40	303.0	147.74	115.0	0.0	0.0	1.20	293.80	$17,514.06	3,063.2	$4,086.0	$4,018.7	($67.3)	-1.7%
2016	2016-4	(3,385)	2,968.5	4,776.3	$57,809.9	(1,151.0)	342.20	479.1	180.71	140.7	0.0	0.0	1.20	293.80	$17,613.26	3,080.6	$4,234.5	$4,202.5	($32.0)	-0.8%
2017	2017-1	(3,385)	2,990.7	4,812.1	$58,101.3	(1,156.8)	0.00	0.0	180.02	140.2	0.0	0.0	0.00	0.00	$17,668.20	3,090.2	$3,500.7	$3,455.1	($45.6)	-1.3%
2017	2017-2	(3,385)	2,974.2	4,785.5	$58,846.7	(1,171.6)	0.00	0.0	180.11	140.3	0.0	0.0	0.00	0.00	$17,764.39	3,107.0	$3,476.2	$3,512.2	$36.0	1.0%
2017	2017-3	(3,385)	3,013.8	4,849.2	$58,923.2	(1,173.2)	220.30	308.4	189.15	147.3	0.0	0.0	1.20	293.80	$17,876.18	3,126.5	$4,167.0	$4,085.3	($81.7)	-2.0%
2017	2017-4	(3,385)	2,993.4	4,816.3	$60,247.7	(1,199.5)	351.40	492.0	198.61	154.7	(0.5)	(258.4)	1.20	293.80	$17,977.30	3,144.2	$4,058.1	$4,056.5	($1.6)	0.0%
2018	2018-1	(3,385)	3,039.4	4,890.4	$60,906.2	(1,212.6)	0.00	0.0	200.06	155.8	0.5	258.4	0.00	0.00	$18,054.05	3,157.7	$3,864.7	$3,742.6	($122.1)	-3.3%
2018	2018-2	(3,385)	3,026.0	4,868.8	$63,531.9	(1,264.9)	0.00	0.0	202.55	157.7	0.0	0.0	0.00	0.00	$18,185.64	3,180.7	*$3,557.3*	$3,532.3	($25.0)	-0.7%
2018	2018-3	(3,385)	3,068.7	4,937.5	$63,774.7	(1,269.8)	226.20	316.7	207.89	161.9	0.0	0.0	1.20	293.80	$18,359.43	3,211.1	$4,266.2	$4,316.2	$50.0	1.2%
2018	2018-4	(3,385)	3,072.9	4,944.3	$67,815.6	(1,350.2)	357.60	500.6	236.90	184.5	0.0	0.0	1.20	293.80	$18,530.48	3,241.0	*$4,429.0*	$4,387.5	($41.5)	-0.9%
2019	2019-1	(3,385)	3,121.9	5,023.1	$67,132.0	(1,336.6)	0.00	0.0	236.22	183.9	0.0	0.0	0.00	0.00	$18,654.38	3,262.7	*$3,748.1*	$3,803.9	$55.8	1.5%
2019	2019-2	(3,385)	3,107.8	5,000.4	$67,222.7	(1,338.4)	0.00	0.0	213.39	166.2	0.0	0.0	0.00	0.00	$18,752.36	3,279.8	*$3,723.0*	$3,763.4	$40.4	1.1%
2019	2019-3	(3,385)	3,137.3	5,048.0	$64,007.3	(1,274.4)	229.30	321.0	186.39	145.1	0.0	0.0	1.20	293.80	$18,813.92	3,290.6	*$4,439.1*	$4,517.0	$77.9	1.7%
2019	2019-4	(3,385)	3,135.8	5,045.5	$65,466.3	(1,303.4)	362.50	507.5	228.87	178.2	0.0	0.0	1.20	293.80	$18,950.35	3,314.4	*$4,651.0*	$4,800.1	$149.1	3.1%
2020	2020-1	(3,385)	3,182.8	5,121.1	$64,846.3	(1,291.1)	0.0	0.0	215.85	168.1	0.0	0.0	0.00	0.0	$19,021.86	3,326.9	*$3,940.0*	$3,982.9	$42.9	1.1%
2020	2020-2	(3,385)	2,907.8	4,678.7	$62,250.3	(1,239.4)	0.0	0.0	201.74	157.1	(0.5)	(258.4)	0.00	0.00	$19,141.74	3,347.9	*$3,300.9*	$3,684.8	$383.9	10.4%
2020	2020-3	(3,385)	2,960.8	4,763.9	$60,279.5	(1,200.2)	227.60	318.6	194.11	151.2	0.0	0.0	1.20	293.80	$19,253.96	3,367.5	*$4,309.8*	$4,286.6	($23.2)	-0.5%
2020	2020-4	(3,385)	3,037.3	4,887.0	$38,755.1	(771.6)	361.80	506.5	149.63	116.5	(0.8)	(387.5)	1.20	293.80	$19,010.85	3,325.0	*$4,584.7*	$4,313.0	($271.7)	-6.3%
2021	2021-1	(3,385)	3,060.1	4,923.7	$54,198.9	(1,079.1)	0.0	0.0	165.41	128.8	0.0	0.0	0.00	0.00	$17,302.51	3,026.2	*$3,614.6*	$4,019.3	$404.7	10.1%
2021	*2021-2*	*(3,385)*	*3,070.3*	*4,940.1*	$59,438.2	*(1,183.4)*	*0.0*	*0.0*	159.30	124.0	*0.0*	*0.0*	*0.00*	*0.00*	$18,596.52	3,252.5	*$3,748.2*			
2021	*2021-3*	*(3,385)*	*3,080.5*	*4,956.5*	*$60,000.0*	*(1,194.6)*	*231.00*	*323.4*	*194.11*	*151.2*	*0.0*	*0.0*	*1.20*	*293.80*	$18,834.00	*3,294.1*	*$4,439.4*			
2021	*2021-4*	*(3,385)*	*3,090.7*	*4,972.9*	*$65,000.0*	*(1,294.2)*	*367.20*	*514.08*	*149.6*	*116.50*	*0.0*	*0.0*	*1.20*	*293.80*	*$19,060.00*	*3,333.6*	*$4,551.7*			
2022	*2022-1*	*(3,385)*	*3,111.3*	*5,006.1*	*$51,489.0*	*(1,025.1)*	*0.0*	*0.0*	*165.41*	*128.8*	*0.0*	*0.0*	*0.00*	*0.00*	*$19,178.00*	*3,354.2*	*$4,079.0*			
2022	*2022-2*	*(3,385)*	*3,137.1*	*5,047.6*	*$56,466.3*	*(1,124.2)*	*0.0*	*0.0*	*202.00*	*157.3*	*0.0*	*0.0*	*0.00*	*0.00*	*$19,358.00*	*3,385.7*	*$4,081.4*			
2022	*2022-3*	*(3,385)*	*3,162.9*	*5,089.1*	*$57,000.0*	*(1,134.9)*	*235.60*	*329.8*	*194.11*	*151.2*	*0.0*	*0.0*	*1.20*	*293.80*	*$19,531.00*	*3,416.0*	*$4,760.0*			
2022	*2022-4*	*(3,385)*	*3,188.7*	*5,130.6*	*$61,750.0*	*(1,229.4)*	*374.50*	*524.30*	*149.6*	*116.50*	*0.0*	*0.0*	*1.20*	*293.80*	*$19,672.00*	*3,440.6*	*$4,891.4*			
2023	*2023-1*	*(3,385)*	*3,156.3*	*5,078.5*	*$50,201.8*	*(999.5)*	*0.0*	*0.0*	*165.41*	*128.8*	*0.0*	*0.0*	*0.00*	*0.00*	*$19,778.00*	*3,459.2*	*$4,282.0*			
2023	*2023-2*	*(3,385)*	*3,182.1*	*5,120.0*	*$55,054.6*	*(1,096.1)*	*0.0*	*0.0*	*202.00*	*157.3*	*0.0*	*0.0*	*0.00*	*0.00*	*$19,896.00*	*3,479.8*	*$4,276.0*			
2023	*2023-3*	*(3,385)*	*3,207.9*	*5,161.5*	*$55,575.0*	*(1,106.5)*	*235.60*	*329.8*	*194.11*	*151.2*	*0.0*	*0.0*	*1.20*	*293.80*	*$20,007.00*	*3,499.2*	*$4,944.0*			
2023	*2023-4*	*(3,385)*	*3,233.7*	*5,203.0*	*$60,206.3*	*(1,198.7)*	*382.00*	*534.80*	*149.6*	*116.50*	*0.0*	*0.0*	*1.20*	*293.80*	*$20,100.00*	*3,515.5*	*$5,079.9*			
2024	*2024-1*	*(3,385)*	*3,201.3*	*5,150.9*	*$48,946.8*	*(974.5)*	*0.0*	*0.0*	*165.41*	*128.8*	*0.0*	*0.0*	*0.00*	*0.00*	*$20,213.00*	*3,535.3*	*$4,455.5*			

CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL, REGIONAL AND NATIONAL FACTORS

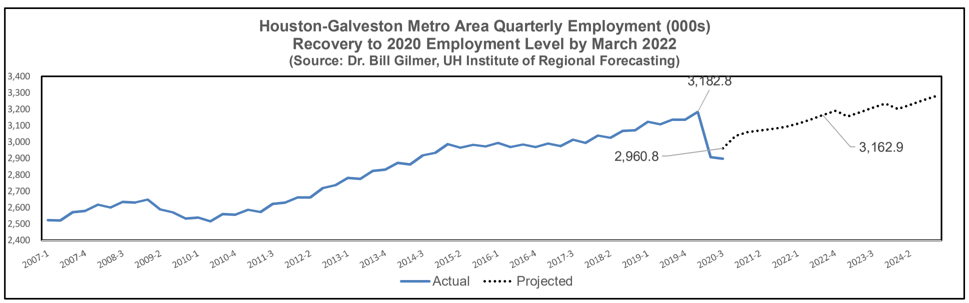
Sales Tax Econometric Forecast
Date: 2.12.2021

	FORECAST SOURCE		Dr. Gilmer of UH		Loftin		Loftin		Loftin		Loftin		Loftin		Congessional Budget Office/Loftin					
			Employment		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var #2		Houston Gasoline Price Index + 1 Qtr		Galveston Storm & Pandemic Variable		Pleasure Pier Adjustment		U.S. Real GDP + 2 Qtr					
	COEFFICIENTS		1.609		-0.01991		1.4		0.7787		516.7		244.8		0.1749					
FY	Fiscal Year	DATA	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = H	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = E	DATA	PRODUCT OF DATA AND COEFFICIENT = F	DATA	PRODUCT OF DATA AND COEFFICIENT = G	DATA	PRODUCT OF DATA AND COEFFICIENT = G	MODEL ESTIMATE ($000's) = A+B+C+D+E+F+ G+H	ACTUAL ($000's)	ESTIMATE (OVER)/ UNDER ACTUAL	% Difference
2024	2024-2	(3,385)	3,227.1	5,192.4	$53,678.2	(1,068.7)	0.0	0.0	202.00	157.3	0.0	0.0	0.00	0.00	$20,334.00	3,556.4	$4,452.4			
2024	2024-3	(3,385)	3,252.9	5,233.9	$54,185.6	(1,078.8)	240.30	336.4	194.11	151.2	0.0	0.0	1.20	293.80	$20,457.00	3,577.9	$5,129.4			
2024	2024-4	(3,385)	3,278.7	5,275.4	$58,701.1	(1,168.7)	389.60	545.44	149.6	116.50	0.0	0.0	1.20	293.80	$20,564.00	3,596.6	$5,274.0			

ASSUMPTIONS

Fiscal Year Jobs Growth	*Fiscal Year Tax Actual/ Estimate*	*Cal Year*	*Calendar Year Employment Growth Rate*	*Fiscal Year*	*Fiscal Year Employment Growth*	*U.S. Real GDP Growth*	*Exports to Mexico*	*CPI*	*Projected COG Sales Tax ($Millions)*
(3.6)	$15.0	2016	-0.10%	FY 2016	-0.11%	1.00%	-3.64%	1.30%	$15.00
24.9	$15.1	2017	1.74%	FY 2017	1.63%	2.17%	4.83%	2.23%	$15.11
79.5	$16.0	2018	2.70%	FY 2018	2.71%	3.33%	10.22%	2.23%	$15.98
62.9	$16.9	2019	2.00%	FY 2019	2.18%	2.70%	-7.50%	1.12%	$16.88
(122.7)	$16.1	2020	5.60%	FY 2020	-3.10%	1.00%	-5.00%	1.00%	$16.14
51.2	$16.4	2021	1.80%	FY 2021	1.80%	1.20%	-2.50%	1.50%	$16.35
45.0	$17.8	2022	2.00%	FY 2022	1.95%	2.00%	0.00%	2.00%	$17.81
45.0	$18.6	2023	2.15%	FY 2023	2.11%	2.00%	2.50%	2.00%	$18.58
77.4	$19.3	2024	2.00%	FY 2024	2.04%	2.00%	5.00%	2.00%	$19.31

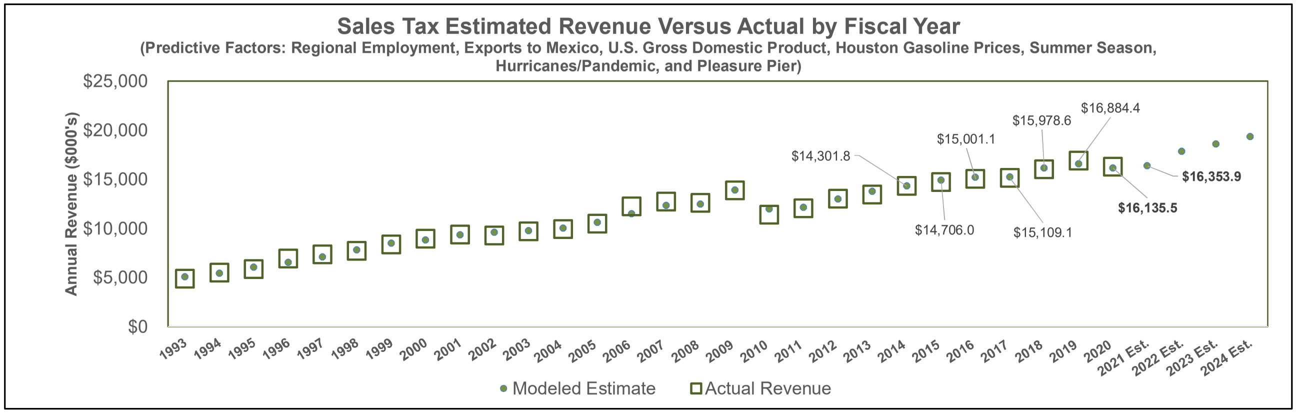
Fiscal Year	Model Total ($000's)	20,921.49	Actual Over/ (Under) Model	Pct Actual Over/Under Model	Pct Change
1993	$5,038.7	$4,869.2	($169.5)	-3.48%	
1994	$5,421.2	$5,464.1	$42.9	0.79%	12.22%
1995	$6,043.5	$5,828.8	($214.7)	-3.68%	6.67%
1996	$6,515.6	$6,900.6	$385.0	5.58%	18.39%
1997	$7,073.0	$7,340.4	$267.4	3.64%	6.37%
1998	$7,799.1	$7,702.2	($96.9)	-1.26%	4.93%
1999	$8,457.5	$8,334.8	($122.7)	-1.47%	8.21%
2000	$8,790.9	$8,921.0	$130.1	1.46%	7.03%
2001	$9,333.0	$9,356.1	$23.1	0.25%	4.88%
2002	$9,588.5	$9,252.0	($336.5)	-3.64%	-1.11%
2003	$9,751.8	$9,683.7	($68.1)	-0.70%	4.67%
2004	$10,010.3	$9,916.4	($93.9)	-0.95%	2.40%
2005	$10,603.4	$10,449.0	($154.4)	-1.48%	5.37%
2006	$11,479.8	$12,224.2	$744.4	6.09%	16.99%
2007	$12,309.0	$12,697.5	$388.5	3.06%	3.87%
2008	$12,431.7	$12,586.9	$155.2	1.23%	-0.87%
2009	$13,868.5	$13,857.3	($11.2)	-0.08%	10.09%
2010	$11,955.5	$11,380.3	($575.2)	-5.05%	-17.88%
2011	$12,113.2	$12,016.9	($96.3)	-0.80%	5.59%
2012	$12,975.3	$13,008.8	$33.5	0.26%	8.25%
2013	$13,756.6	$13,424.9	($331.7)	-2.47%	3.20%
2014	$14,295.2	$14,301.8	$6.6	0.05%	6.53%
2015	$14,886.5	$14,706.0	($180.5)	-1.23%	2.83%
2016	$15,177.6	$15,001.1	($176.5)	-1.18%	2.01%
2017	$15,202.0	$15,109.1	($92.9)	-0.61%	0.72%
2018	$16,117.2	$15,978.6	($138.6)	-0.87%	5.75%
2019	$16,561.2	$16,884.4	$323.2	1.91%	5.67%
2020	$16,135.5	$16,267.3	$131.8	0.81%	-4.44%
2021 Est.	$16,353.9				1.35%
2022 Est.	$17,811.8				8.92%
2023 Est.	$18,581.9				4.32%
2024 Est.	$19,311.4				3.93%
20-24 Sum	$88,194.5				

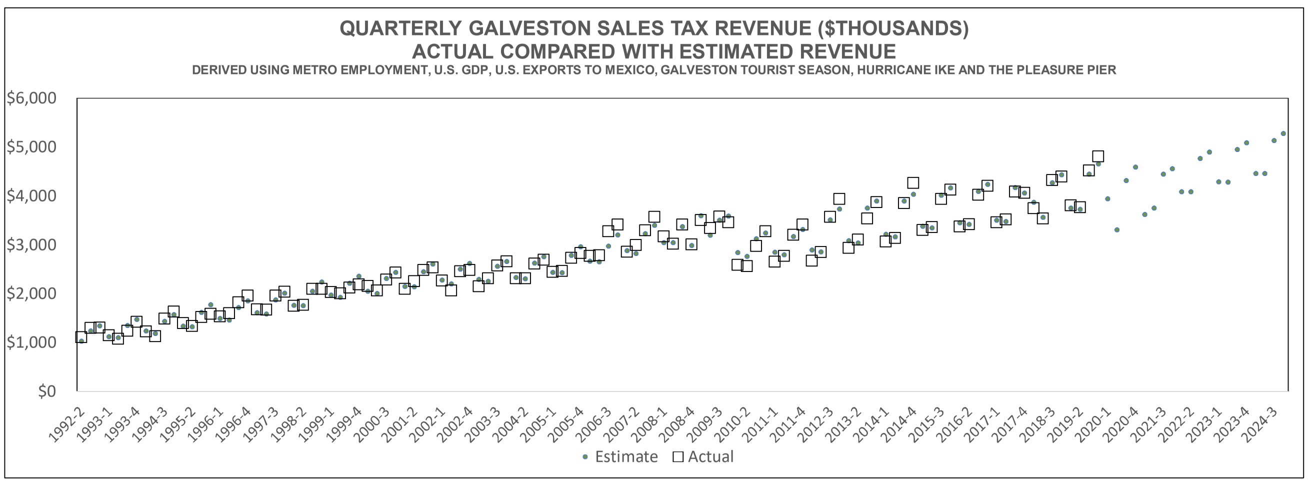


CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL, REGIONAL AND NATIONAL FACTORS

Sales Tax Econometric Forecast
Date: 2.12.2021

	FORECAST SOURCE		Dr. Gilmer of UH		Loftin		Loftin		Loftin		Loftin		Loftin		Congessional Budget Office/Loftin					
			Employment		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var #2		Houston Gasoline Price Index + 1 Qtr		Galveston Storm & Pandemic Variable		Pleasure Pier Adjustment		U.S. Real GDP + 2 Qtr					
	COEFFICIENTS		1.609		-0.01991		1.4		0.7787		516.7		244.8		0.1749					
FY	Fiscal Year	DATA	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = H	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = E	DATA	PRODUCT OF DATA AND COEFFICIENT = F	DATA	PRODUCT OF DATA AND COEFFICIENT = G	DATA	PRODUCT OF DATA AND COEFFICIENT = G	MODEL ESTIMATE ($000's) = A+B+C+D+E+F+G+H	ACTUAL ($000's)	ESTIMATE (OVER)/ UNDER ACTUAL	% Difference





WATER BILLED BY MONTH CONSUMED
FY 2015-2021

PERIOD	Consumption Month	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY21 Over/(Under) FY20	Monthly Budget FY 2021
1	October	1,531,876	1,980,495	1,798,033	1,822,567	1,736,241	1,991,366	2,013,923	1.1%	1,840,200
2	November	1,201,595	1,472,169	1,735,283	1,671,082	1,664,169	1,657,825	1,881,610	13.5%	1,772,800
3	December	1,130,961	1,661,710	1,713,271	1,402,614	1,327,839	1,584,778	1,650,631	4.2%	1,391,400
4	January	1,290,354	1,572,610	1,448,479	1,470,569	1,281,167	1,566,263		-100.0%	1,368,900
5	February	971,541	1,293,101	1,288,374	1,206,586	1,390,858	1,533,680		-100.0%	1,481,100
6	March	1,090,198	1,464,200	1,577,075	1,384,404	1,476,295	1,584,655		-100.0%	1,548,500
7	April	1,182,676	1,601,530	1,519,366	1,661,344	1,612,466	1,651,458		-100.0%	1,727,900
8	May	1,134,449	1,556,558	1,819,959	1,912,776	1,727,472	1,871,688		-100.0%	1,817,800
9	June	1,461,962	1,643,370	2,008,489	2,477,920	2,031,123	2,161,847		-100.0%	2,154,300
10	July	1,763,127	2,334,289	1,821,316	2,340,423	2,204,460	2,179,945		-100.0%	2,333,900
11	August	1,732,325	2,245,392	2,179,099	2,458,505	2,359,064	2,169,939		-100.0%	2,513,400
12	September	1,471,078	1,860,832	1,788,294	1,826,993	2,355,926	2,325,458		-100.0%	2,491,000
	FY TOTALS	**15,962,142**	**20,686,256**	**20,697,037**	**21,635,782**	**21,167,080**	**22,278,902**	**5,546,164**	-75.1%	**22,441,190**
PERIOD	**YTD Totals**	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY21 Over/(Under) FY20**	**YTD Budget FY 2021**
1	October	1,531,876	1,980,495	1,798,033	1,822,567	1,736,241	1,991,366	2,013,923	1.1%	1,840,200
2	November	2,733,471	3,452,664	3,533,316	3,493,649	3,400,410	3,649,191	3,895,534	7.3%	3,613,000
3	December	3,864,432	5,114,374	5,246,587	4,896,263	4,728,249	5,233,970	5,546,164	10.7%	5,004,400
4	January	5,154,786	6,686,983	6,695,065	6,366,832	6,009,416	6,800,232		13.2%	6,373,300
5	February	6,126,327	7,980,085	7,983,440	7,573,418	7,400,274	8,333,913		12.6%	7,854,400
6	March	7,216,524	9,444,285	9,560,515	8,957,822	8,876,569	9,918,568		11.7%	9,402,900
7	April	8,399,201	11,045,815	11,079,880	10,619,166	10,489,035	11,570,026		10.3%	11,130,800
8	May	9,533,650	12,602,373	12,899,839	12,531,941	12,216,508	13,441,714		10.0%	12,948,600
9	June	10,995,612	14,245,743	14,908,328	15,009,861	14,247,630	15,603,561		9.5%	15,102,900
10	July	12,758,739	16,580,032	16,729,644	17,350,283	16,452,090	17,783,505		8.1%	17,436,800
11	August	14,491,064	18,825,424	18,908,743	19,808,788	18,811,154	19,953,445		6.1%	19,950,200
12	September	15,962,142	20,686,256	20,697,037	21,635,782	21,167,080	22,278,902	5,546,164	5.3%	22,441,200

SEWER BILLED BY MONTH
FY 2015-2021

PERIOD	Consumption Month	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY21 Over/(Under) FY20	Monthly Budget FY 2021
1	October	1,177,037	1,255,861	1,163,205	1,251,166	1,269,338	1,266,908	1,272,006	0.4%	1,305,940
2	November	923,386	1,020,359	1,159,339	1,189,764	1,233,452	1,147,249	1,195,763	4.2%	1,260,384
3	December	883,472	1,156,091	1,206,249	1,086,712	1,058,534	1,107,323	1,145,725	4.6%	1,078,160
4	January	1,013,899	1,117,668	1,102,726	1,161,656	1,053,540	1,129,113		7.2%	1,078,160
5	February	780,149	992,412	1,011,493	1,031,977	1,075,580	1,109,584		3.2%	1,108,531
6	March	812,036	1,130,585	1,205,061	1,136,495	1,108,460	1,151,658		3.9%	1,138,901
7	April	941,364	1,138,186	1,093,401	1,220,685	1,142,842	1,105,008		-3.3%	1,169,272
8	May	884,914	1,147,865	1,194,918	1,248,638	1,207,573	1,242,306		2.9%	1,230,013
9	June	1,130,599	1,209,374	1,374,260	1,500,147	1,357,042	1,447,644		6.7%	1,397,052
10	July	1,256,796	1,362,298	1,279,550	1,481,918	1,454,716	1,414,313		-2.8%	1,488,164
11	August	1,235,798	1,369,124	1,496,221	1,520,080	1,432,234	1,392,471		-2.8%	1,472,979
12	September	1,066,429	1,245,600	1,267,306	1,270,028	1,427,995	1,417,165		-0.8%	1,457,794
	FY TOTALS	**12,105,879**	**14,145,423**	**14,553,730**	**15,099,266**	**14,821,307**	**14,930,743**	**3,613,494**	0.7%	**15,185,350**
PERIOD	**YTD TOTALS**	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY21 Over/(Under) FY20**	**YTD Budget FY 2021**
1	October	1,177,037	1,255,861	1,163,205	1,251,166	1,269,338	1,266,908	1,272,006	0.4%	1,305,940
2	November	2,100,423	2,276,220	2,322,544	2,440,930	2,502,790	2,414,157	2,467,769	2.2%	2,566,324
3	December	2,983,895	3,432,311	3,528,793	3,527,642	3,561,325	3,521,481	3,613,494	2.6%	3,644,484
4	January	3,997,794	4,549,979	4,631,519	4,689,298	4,614,865	4,650,594		-100.0%	4,722,644
5	February	4,777,944	5,542,391	5,643,012	5,721,275	5,690,445	5,760,178		-100.0%	5,831,174
6	March	5,589,980	6,672,976	6,848,073	6,857,770	6,798,905	6,911,836		-100.0%	6,970,076
7	April	6,531,344	7,811,162	7,941,475	8,078,455	7,941,747	8,016,844		-100.0%	8,139,348
8	May	7,416,258	8,959,027	9,136,393	9,327,093	9,149,320	9,259,150		-100.0%	9,369,361
9	June	8,546,857	10,168,401	10,510,653	10,827,240	10,506,363	10,706,794		-100.0%	10,766,413
10	July	9,803,652	11,530,699	11,790,203	12,309,158	11,961,078	12,121,107		-100.0%	12,254,577
11	August	11,039,450	12,899,823	13,286,424	13,829,239	13,393,312	13,513,578		-100.0%	13,727,556
12	September	12,105,879	14,145,423	14,553,730	15,099,266	14,821,307	14,930,743	3,613,494	-75.8%	**15,185,350**

COAS: C CITY OF GALVESTON
FUND: 0100 General Fund
PRED ORG:
ORG: 0 NON ORGANIZATION

ACCOUNT		PRIOR YEAR ACTUAL	ANNUAL BUDGET	YEAR TO DATE ACTIVITY	PROJECTED REMAINING REVENUE	TOTAL REVENUE	VARIANCE POSITIVE (NEGATIVE)
311100	Real Property Taxes	30,382,359	31,681,000	10,898,083	20,681,317	31,579,400	(101,600)
311107	Real Property Taxes - Due to MUD 30	(406,911)	(424,700)	0	(421,300)	(421,300)	3,400
311110	Delinquent Property Taxes	459,821	390,000	208,046	181,954	390,000	0
311120	Property Tax Penalties and Interest	413,120	330,000	84,909	245,091	330,000	0
311270	Tax Increment Payable to TIRZ 12	(177,920)	0	0	0	0	0
311280	Tax Increment Payable to TIRZ 13	(594,674)	(594,700)	0	(621,000)	(621,000)	(26,300)
311290	Tax Increment Payable to TIRZ 14	(973,693)	0	0	0	0	0
	Property Taxes Subtotal	**29,102,103**	**31,381,600**	**11,191,038**	**20,066,062**	**31,257,100**	**(124,500)**
313020	**Sales and Use Taxes**	**16,355,869**	**16,300,000**	**1,314,115**	**14,985,885**	**16,300,000**	**0**
314040	**Mixed Beverage Taxes**	**761,777**	**920,000**	**0**	**750,000**	**750,000**	**(170,000)**
314050	Bingo Tax	84	100	0	100	100	0
318210	Tour Train Franchise	0	500	0	0	0	(500)
318211	Sightseeing Franchise	1,770	1,800	500	1,300	1,800	0
318250	Electricity Franchise	3,105,451	3,105,000	768,212	2,336,788	3,105,000	0
318260	Natural Gas Franchise	372,912	400,000	0	400,000	400,000	0
318270	Cable TV Franchise	753,387	740,000	0	740,000	740,000	0
318280	Telephone Franchise	361,838	400,000	802	311,198	312,000	(88,000)
318295	Other Franchise Fees	30	50	30	(30)	0	(50)
318300	Refuse Collection Franchise Fees	271,295	300,000	39,515	230,485	270,000	(30,000)
318301	Temporary Refuse Collection Franchise Fees	245,346	250,000	48,205	196,795	245,000	(5,000)
	Franchise And Other Taxes Subtotal	**5,112,112**	**5,197,450**	**857,265**	**4,216,635**	**5,073,900**	**(123,550)**
	TOTAL TAXES	**51,331,860**	**53,799,050**	**13,362,418**	**40,018,582**	**53,381,000**	**(418,050)**
321101	Alcoholic Beverage Licenses	43,681	40,000	10,437	29,563	40,000	0
321110	Beer and Wine Licenses	32,129	36,000	5,025	26,975	32,000	(4,000)
321120	Late Hour Permits	7,166	5,000	1,819	5,181	7,000	2,000
321210	Cemetery Permits	550	500	0	550	550	50
321310	Fire Permits	131,183	125,000	35,349	89,651	125,000	0
321620	Air Conditioning Contractors' Permits	0	500	0	200	200	(300)
321640	Electricians' Licenses	0	200	0	200	200	0
321650	Plumbers' Licenses	100	200	50	150	200	0
321690	Hotel Inspection Fee	2,600	20,000	1,000	2,000	3,000	(17,000)
321720	Coin Operated Machine License	5,943	9,200	2,180	3,820	6,000	(3,200)
321760	Vending Permits	19,690	17,200	1,500	18,500	20,000	2,800
322105	Roofing Contractors' Registration Fees	38,047	35,000	8,800	29,200	38,000	3,000
322110	Building Permits	684,809	565,000	173,526	426,474	600,000	35,000
322120	Air Conditioning Permits	49,272	70,000	8,461	61,539	70,000	0
322125	Electrical Permits	81,386	70,000	13,104	56,896	70,000	0
322130	Plumbing Permits	109,004	100,000	22,920	77,080	100,000	0
322150	Site Inspections	72,521	90,000	15,338	59,662	75,000	(15,000)
322170	Sign Permits	15,425	14,500	1,680	13,320	15,000	500
322210	Parking Permits	2,883	2,500	50	2,450	2,500	0
322310	Taxi Cab Operators' Licenses	8,135	20,000	3,980	4,020	8,000	(12,000)
322610	Animal Permits	1,075	1,000	225	775	1,000	0
322700	Other Non-business Licenses	15,400	21,000	1,350	14,050	15,400	(5,600)
	LICENSES AND PERMITS SUBTOTAL	**1,320,998**	**1,242,800**	**306,795**	**922,255**	**1,229,050**	**(13,750)**

341610	Water Fund Administrative Services Fee	753,000	816,000	204,000	685,000	889,000	73,000
339040	Water System Payment in Lieu of Taxes	212,000	300,000	75,000	225,000	300,000	0
341620	Sanitary Sewer Fund Administrative Services Fee	460,000	581,000	145,250	470,750	616,000	35,000
339050	Sanitary Sewer System Payment in Lieu of Taxes	212,000	300,000	75,000	225,000	300,000	0
341625	Drainage Fund Administrative Services Fee	53,000	108,000	27,000	81,000	108,000	0
341630	Sanitation Fund Administrative Services Fee	240,000	300,000	75,000	225,000	300,000	0
339060	Sanitation Fund Payment in Lieu of Taxes	212,000	255,000	63,750	191,250	255,000	0
341635	Pocket Park Administrative Services Fee	19,093	4,700	1,175	3,525	4,700	0
341680	Airport Administrative Services Fee	61,000	40,000	10,000	30,000	40,000	0
	INTERFUND TRANSFERS FOR SERVICE SUBTOTAL	**2,222,093**	**2,704,700**	**676,175**	**2,136,525**	**2,812,700**	**108,000**
341110	Court Cost Collection Fees	33,566	20,000	0	34,000	34,000	14,000
341320	Zoning Fees	138,568	145,000	38,879	96,121	135,000	(10,000)
341340	Certification Fees	82	1,000	0	1,000	1,000	0
341350	Credit Access Business Fee	0	0	0	0	0	0
341420	Bid Specifications	0	0	0	0	0	0
342120	Police Offense Reports	9,173	11,000	1,581	4,419	6,000	(5,000)
342125	Golf Cart Registration	27,849	20,000	5,075	22,925	28,000	8,000
342130	Motor Carrier Weight Fee	1,956	8,500	236	1,765	2,000	(6,500)
342220	Fire Reports	175	200	0	200	200	0
347100	Recreation Fees	75	0	525	(425)	100	100
347200	Memberships/Admissions	55	0	0	100	100	100
347300	Rentals (Parks & Rec.)	0	2,200	1,138	(1,138)	0	(2,200)
347400	Concessions	1,220	1,000	0	1,200	1,200	200
348320	Other Revenue	1,688	0	0	1,500	1,500	1,500
348565	Sale of Equipment	0	20,000	0	20,000	20,000	0
348650	Miscellaneous	0	26,288	0	25,000	25,000	(1,288)
	CHARGES FOR SERVICES SUBTOTAL	**214,408**	**255,188**	**47,433**	**206,667**	**254,100**	**(1,088)**
351110	Parking Fines	516,956	475,000	184,704	415,296	600,000	125,000
351130	Class "C" Misdemeanors' Fines	843,305	1,200,000	175,395	624,605	800,000	(400,000)
351150	Arrest Fees/Local Court Fees	24,357	35,000	5,317	19,683	25,000	(10,000)
351178	Time Payment Fee	1,393	300	1,432	(432)	1,000	700
351185	Court Time/Payment Fee	5,535	8,000	468	4,532	5,000	(3,000)
351190	Court Subpoena Fee	100	200	15	85	100	(100)
351195	Police Overtime Fee	217	200	0	200	200	0
	FINES AND FORFEITS SUBTOTAL	**1,391,862**	**1,718,700**	**367,330**	**1,063,970**	**1,431,300**	**(287,400)**
361110	Interest Earned - Operating Account	199,284	75,000	1,448	48,552	50,000	(25,000)
	INVESTMENT EARNINGS SUBTOTAL	**199,284**	**75,000**	**1,448**	**48,552**	**50,000**	**(25,000)**
339020	Galveston Wharves Payment in Lieu of Taxes	148,620	148,600	0	148,600	148,600	0
339030	Galveston Housing Authority Payment in Lieu	66,870	55,000	0	66,870	66,870	11,870
363110	Rental of General Property	0	500	0	100	100	(400)
363140	Mineral and Gas Royalties	214	500	174	26	200	(300)
363200	Miscellaneous	246,586	50,000	16,027	58,973	75,000	25,000
363208	Moody Gardens	435,540	436,000	441,864	(5,864)	436,000	0
339070	Moody Gardens Payment in Lieu of Taxes	100,000	100,000	0	100,000	100,000	0
339080	Park Board Profit Sharing	200,000	200,000	250,000	0	250,000	50,000
363209	Landry's	100,000	100,000	0	100,000	100,000	0
371701	TIRZ 12 Cash Balance	0	0	0	0	0	0
371702	TIRZ 14 Cash Balance	322,189	5,000	0	0	0	(5,000)
378000	Sale of General Fixed Assets	107,044	30,000	1,270	28,730	30,000	0
	OTHER REVENUES SUBTOTAL	**1,727,063**	**1,125,600**	**709,335**	**497,435**	**1,206,770**	**81,170**
379000	Operating Transfers - In	81,614	50,000	0	50,000	50,000	0
	OTHER FINANCING SOURCES SUBTOTAL	81,614	50,000	0	50,000	50,000	**0**
	TOTAL - ALL REVENUE	**58,489,183**	**60,971,038**	**15,470,934**	**44,943,986**	**60,414,920**	**(556,118)**

CITY OF GALVESTON POSITION TOTALS BY DEPARTMENT
As of December 31, 2020
Fiscal Year 2021 - September Report

	Budgeted Positions	Vacant Positions	Filled Positions
GENERAL FUND			
City Secretary	4.00	0.00	4.00
Municipal Court	10.00	(1.00)	9.00
City Manager	3.00	0.00	3.00
City Auditor	2.00	0.00	2.00
City Attorney	6.00	0.00	6.00
Human resources	5.30	(1.00)	4.30
Finance	13.00	(2.00)	11.00
Police (unclassified)	41.00	(3.00)	38.00
Police (classified)	168.00	(11.00)	157.00
Fire (unclassified)	4.00	(1.00)	3.00
Fire (classified)	115.00	0.00	115.00
Emergency Management	1.00	0.00	1.00
City Marshal	8.00	0.00	8.00
Streets & Traffic	56.35	(8.00)	48.35
Parks and Recreation	40.70	(6.00)	34.70
Developmental Services	16.00	0.00	16.00
Total General Fund	493.35	(33.00)	460.35
ENTERPRISE FUNDS			
Waterworks Fund	47.93	0.00	47.93
Sewer System Fund	85.43	(7.00)	78.43
Drainage Utility	35.24	(5.00)	30.24
Sanitation Fund	59.46	(3.00)	56.46
Municipal Airport	7.00	0.00	7.00
Total Enterprise Funds	235.05	(15.00)	220.05
INTERNAL SERVICE FUNDS			
Central Service Fund	27.00	(1.00)	26.00
Central Garage Fund	24.00	(4.00)	20.00
Municipal Insurance Fund	1.70	0.00	1.70
Project Management	14.00	0.00	14.00
Total Internal Service Funds	66.70	(5.00)	61.70
SPECIAL REVENUE FUNDS			
Island Transit	45.00	(4.00)	41.00
Parking Management	4.50	0.00	4.50
Lasker Park Pool	4.10	(1.00)	3.10
Alarm Permit	0.00	0.00	0.00
Revenue Producing Parks	0.30	0.00	0.30
Total Special Revenue Funds	53.90	(5.00)	48.90
RECURRING GRANT POSITIONS			
CDBG - Code Enforcement	3.00	0.00	3.00
CDBG - Program Management	2.55	0.00	2.55
CDBG - Housing Rehab Administration	0.45	0.00	0.45
Industrial Development Corporation - Parks	4.00	0.00	4.00
Industrial Development Corporation - Coastal Resources	2.00	0.00	2.00
Industrial Development Corporation - Economic Development Coord.	1.00	(1.00)	0.00
Industrial Development Corporation - Technology Services	1.00	0.00	1.00
Total Recurring Grant Positions	14.00	(1.00)	13.00
Total of all FTE'S	863.00	(59.00)	804.00

Huntington | CAPITAL MARKETS

Houston Public Finance Office
4545 Post Oak Place
Suite 215
Houston, Texas 77027

City of Galveston Financing Opportunity

March 15, 2021

James Niederle
(713) 429-5898
Jim.R.Niederle@huntington.com

Executive Summary

- Huntington Capital Markets, acting as financial advisor for the City, proposes a taxable refunding of all outstanding debt of the City's Waterworks and Sewer System Revenue Bonds in the amount of $14,895,000

- We also propose that the City use the $3.3 million debt service reserve fund ("DSRF") to downsize the refunding bonds

Summary of Taxable Advance Refunding

The City has its Waterworks and Sewer System Revenue Refunding Bonds, Series 2012 and 2014, outstanding in the amount of $16,760,000 of which $14,895,000 will be refunded with call dates from 05/01/22 – 05/01/24. Under current market conditions, the City could save approximately $545 thousand in net present value savings, which is 4.02% of refunded par if they are advance refunded on a taxable basis in May 2021.

Issue	Par Refunded	First Call Date	Maturities Refunded
WW & SS Rev Ref Bds Ser 2012	$1,490,000	5/1/2022	2021-2023
WW & SS Rev Ref Bds Ser 2014	$13,405,000	5/1/2024	2021-2030
	$14,895,000		

Summary of Refunding Analysis

	Taxable Advance Refunding
Par Amount of Refunding Bonds	$ 13,570,000
Par Amount of Bonds Refunded	$ 14,895,000
Average Coupon of Refunded Bonds	4.94%
All-In TIC	1.72%
Gross Savings	$ 797,748
Net Present Value (PV) Savings	$ 545,366
Net PV Savings as % of Par Refunded	4.02%

Assuming a Delivery Date of 5/1/21; Market interest rates as of 3/10/21

Cost of issuance $100,000 and Underwriter's Discount of $5/bond

Savings Summary - Inclusive of Debt Service Reserve Fund

Date	Prior Debt Service	Debt Service Reserve Fund	Refunding Debt Service	Savings
5/1/2022	$2,659,950	$0	$2,205,645	$450,333
5/1/2023	$2,667,300	$0	$2,212,677	$454,624
5/1/2024	$1,885,750	$0	$1,431,229	$454,522
5/1/2025	$1,883,750	$0	$1,428,790	$454,960
5/1/2026	$1,888,500	$0	$1,430,035	$458,465
5/1/2027	$1,889,500	$0	$1,435,460	$454,040
5/1/2028	$1,886,750	$0	$1,432,303	$454,448
5/1/2029	$1,885,250	$0	$1,426,903	$458,348
5/1/2030	$1,884,750	-$3,300,000	$1,426,740	-$2,841,990
Total	$18,531,500	-$3,300,000	$14,429,780	$797,748

Disclosures

Important Disclosures

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In connection with its responsibilities under the federal securities laws and the rules of the Municipal Securities Rulemaking Board, HSI wants to ensure that you understand the purpose of our communications with you and the role that we will play in any transactions that we may engage in with you. You have engaged us as an underwriter in connection with a proposed offering of municipal securities. We will serve as an underwriter in the offering, not as a financial advisor or municipal advisor, regardless of whether we have advised or are currently advising you on other matters.

Any advice contained in this presentation, which may concern the structure, timing, terms and other similar matters concerning the issuance of the underwritten securities, is provided as part of our services as underwriter. Please also note that:

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THE CITY OF GALVESTON

INVESTMENT POLICY

May 2021
(City Council Approved XXXXXXX)

PROPOSED

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Investment Policy
City of Galveston, Texas

Policy Statement
The Investment Policy, known as “The Investment Policy of the City of Galveston” (the “Investment Policy”) complies with and incorporates the Public Funds Investment Act, (the “Act”), Chapter 2256, Texas Government Code and the Public Funds Collateral Act, Chapter 2257, Texas Government Code.

All applicable provisions of the Act, as amended, are adopted by incorporation of Appendix A, the Act, in its entirety.

In the event of a conflict with these investment policies and the Act, the more restrictive of the two shall control.

All participants in the investment process shall act responsibly as custodians of the public trust.

It is the policy of the City of Galveston (the “City”) that the administration and investment of its funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal through risk management and diversification while meeting the daily cash flow needs of the City and conforming to all applicable state and local statues, rules and regulations governing the investment of public funds.

The Investment Policy is based on standards of prudent money management. Effective cash flow management and cash investment practices are recognized as essential to good fiscal management and have been incorporated into the investment program.

I. Scope
The Investment Policy shall apply to all financial assets and pooled funds of the City and govern the management of Investments by the Finance Department of the City of Galveston. The Investment Policy shall govern the investment management process with respect to investments managed by the Finance Department of the City of Galveston for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds and Enterprise Funds. The investments will meet the cash flow requirements of the City as established by City Council and City management. These funds are defined in the City’s Comprehensive Annual Financial Report (CAFR). This Investment Policy applies to any new fund created by the City unless specifically exempted by the City Council and this Investment Policy.

II. General Objectives

(1) The emphasis of all investment activity shall be safety, liquidity, diversification and yield.

a. **Safety.** The primary objective shall be on safety and preservation of principal. Adherence to the permitted investments listed in the Investment Policy will maximize safety. Whenever practical, assets held in the common investment portfolio shall be diversified to minimize the risk of loss resulting from one concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Whenever possible, the City will purchase non-callable securities in order to best ensure the laddering of maturities and balancing of classes of securities. The City's investments shall be reviewed and rebalanced with respect to diversification at least once per calendar quarter. The emphasis shall be on maintaining a prudent level of cash (money market and investment pool) balances, relative to security types and maturities.

b. **Liquidity.** The goal of liquidity is to maintain available cash balances sufficient to cover anticipated and unexpected cash demands. The City's investment portfolio will remain sufficiently liquid to meet all daily operating requirements.

c. **Diversification.** Whenever practical, assets held in the portfolio(s) shall be diversified to minimize the risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer, or a specific market sector. The City's investments shall be reviewed and rebalanced with respect to diversification at least once per calendar quarter.

d. **Yield.** Yield considerations shall be subordinate to safety and liquidity requirements, but shall be maximized within those constraints through prudent and active management.

(2) **Loss of Required Ratings**. The Investment Officers shall take all prudent measures consistent with this Investment Policy to liquidate an investment that does not meet any minimum specified rating. Investment Officers or the Advisor will monitor the credit ratings of all rated investments at all times. Should any investment requiring minimum ratings be placed on market watch, downgraded or placed on credit watch by any nationally recognized rating agency, Investment Officers shall notify the Finance Director immediately. Liquidation of the security may, but need not be, effected. Evaluation of the cause of the action, the maturity of the security, and the position of the security in the portfolio will be considered and prudent measures taken to protect City funds.

(3) **Prudent Person Rule.** The standard of prudence to be used in the investment function shall be the "prudent person" standard and

shall be applied in the context of managing the overall portfolio. This standard states:

"Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived."

In determining whether investment personnel exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

a. the investment of all funds over which investment personnel had responsibility rather than a consideration as to the prudence of a single investment, and
b. whether the investment decision was consistent with the written Investment Policy.

Investment personnel involved in investment decisions, when acting in accordance with this Investment Policy and exercising due diligence, shall not be held responsible for a change in a specific investment's credit risk or market price, provided deviation from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

III. Investment Strategy

The City commingles its operating and reserve funds into one investment portfolio for investment purposes of efficiency, accurate distribution of interest, and maximum investment opportunity. Bond funds are managed separately in accordance with their anticipated expenditure schedule. Although commingled, the City recognizes the unique characteristics and needs of the individual funds in its strategy statement and management of the funds. The maximum dollar weighted average maturity of the entire portfolio shall be no greater than 18 months.

(1) **Operating Funds.** The investment strategy for operating funds has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. This may be accomplished by purchasing high quality, short- to medium-term maturity securities, which will complement each other in a laddered maturity structure permitting some extension for yield enhancement.

(2) **Debt Service Funds**. The investment strategy for debt service funds shall have as its primary objective the assurance of available funds adequate to fund the debt service obligations on a timely

basis. Successive debt service dates will be fully funded before extension.

(3) **Bond Reserve Funds.** The investment strategy for bond reserve funds shall have as its primary objective the ability to generate a revenue stream to the bond reserve funds from high quality securities with a low degree of volatility. Securities should be high credit quality and, except as may be required by a bond ordinance specific to an individual issue, of short to intermediate-term maturities. Reserve portfolios will utilize securities with a maximum maturity of five years and have a maximum weighted average maturity, if managed as a separate portfolio, not to exceed three years.

(4) **Capital Project Funds**. The investment strategy for capital project funds will have as its primary objective assurance that anticipated expenditures are matched with maturing investments for adequate liquidity. The stated final maturity dates of securities held may not exceed the estimated project completion date.

Separately managed portfolios are to be managed with the specific expenditure schedules and legal requirements of those funds. The portfolios will be guided by the provisions of this Investment Policy.

Cash Management

Effective cash management is recognized as essential to a prudent investment strategy and overall fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and use. The City shall maintain a comprehensive cash management program, which includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms and the management of banking services.

As a part of this comprehensive cash management program, the City recognizes that there is the potential need for unexpected cash drawdowns during the hurricane season which commences in June and concludes in November of each year. The portfolio should be structured so that adequate investments mature during this period.

IV. Suitable and Authorized Investments

Authorized investments shall be limited to the following, as further defined by the Act:

(1) Obligations of the United States or its agencies and instrumentalities to include obligations in which the principal and interest are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities, including obligations that are fully

guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC"), National Credit Union Share Insurance Fund ("NCUSIF") or by the explicit full faith and credit of the United States per Texas State Code 2256.009.

(2) Obligations of the Federal Home Loan Bank (FHLB) per Texas State Code 2256.009.
(3) Municipal Securities per Texas State Code 2256.009
(4) Fully insured or collateralized certificates of deposit at commercial banks, savings banks and credit unions per Texas State Code 2256.010.
(5) Repurchase agreements collateralized by U.S. Treasury or U.S. Government Agency securities per Texas State Code 2256.011
(6) Securities and Exchange Commission (the "SEC") registered, no load money market funds as permitted by Texas State Code 2256.014.
(7) Texas local government investment pools per Texas State Code 2256.016. Although this Investment Policy does not permit direct purchase of commercial paper, investment pools that contain commercial paper as well as any investment specifically authorized within the Act are permitted.

The City's ownership share of any public funds investment pool shall be limited to 10% of the overall pool balance.

Exemption of Existing Investments

The City is not required to liquidate investments that were authorized investments at the time of purchase. Any investments held that do not meet the guidelines of the Investment Policy shall be reviewed to determine ability to liquidate. If the security cannot be liquidated because of material adverse changes in value since the time of purchase, and holding the security to maturity does not negatively affect disbursement or cash flow, a recommendation of holding the security to maturity is acceptable. At all times, liquidations shall be effected taking into account the prudent person standard.

Certain Prohibited Investments

The City is prohibited from investing in companies that do business in Sudan, Iran, or with Foreign Terrorist Organizations (collectively known as "Listed Companies").

V. Incorporation of the Public Funds Investment Act

(1) **Competitive Bidding.** All individual security transactions shall require at least three competitive bids/offers where practicable.
(2) **Delivery versus Payment**. Transactions must be settled on a delivery-versus-payment (DVP) basis to a City approved depository except for transactions involving mutual funds or investment pool

funds. This assures City control of all its funds and assets. No securities shall be held by transaction counterparty.

(3) **Independent Third-Party Safekeeping**. Collateral provided for bank time and demand deposits as well as repurchase agreements will be held by an independent third-party safekeeping agent approved by the City and providing the City with original safekeeping receipts. Authorized collateral will include:

a. Obligations of the U.S. Government and its agencies and instrumentalities, including mortgage-backed securities.
b. Municipal obligations of any state or subdivision, rated no less than AA or equivalent by a Nationally Recognized Statistical Rating Organization ("NRSRO").

All City-owned securities will be registered and held in the name of the City in a segregated third-party safekeeping account through the City's contracted depository. Financial institutions serving as City depositories will be required to sign a tri-party depository agreement with the City and the independent safekeeping agent (custodian) in compliance with the Financial Institutions reform, Recover, and Enforcement Act ("FIRREA"). The agreement shall define the collateral and City rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, which require that:

a. The Agreement be in writing;
b. The Agreement be approved by the Board of Directors or the Loan Committee of the Depository and a copy of the meeting minutes or resolution reference must be delivered to the City; and
c. No listing of pledged collateral shall be part of the written agreement.

(4) **Collateral Policy**. Collateralization is required for all uninsured collected balances. Collateral will be equal to or exceed 110% of the total deposit amount of all operating accounts, with accrued interest, if any. Substitution will be granted with prior City approval. Counterparties will be contractually liable for monitoring and maintaining the required margin levels on all collateral at all times. The City will value the collateral securities monthly unless market conditions warrant more frequent valuation. If the market value of collateral is deficient, additional collateral must be requested.

Collateral will be equal to or exceed 102% of the daily repurchase sweep agreement amount.

VI. Diversification and Maximum Maturities

(1) **Diversification**. Diversification will be used to minimize risk of loss by over-investment in a particular market sector, maturity or security. The City will strive for portfolios with laddered maturities and securities in accordance with the authorized investments and maximum maturity constraints. To assure diversification in the portfolio the following limits will be imposed:

Investment Type	**Max. % in Portfolio**
US Treasury Obligations	100%
US Agency and Instrumentality Obligations	80%
SEC Registered Money Market Funds	50%
Repurchase Agreements	50%
Flex Repurchase (Bond Funds)	50%
Municipal Securities	20%
Local Government Investment Pools	100%
Collateralized, FDIC or NCUSIF-insured CDs	50%

(2) **Maximum Maturities.** The maximum maturity for investments designated for operations, current debt service, and construction funds shall not exceed 36 months. The maturity for debt service reserve holdings can be extended to the life of the bond maturity or five years, whichever is less.

(3) **Weighted Average Maturity for Pooled Fund Groupings.** The maximum dollar weighted average maturity of the entire portfolio shall be no greater than 18 months based on the stated maturity date.

VII. Finance, Fiscal Affairs and Investment Advisory Committee (the "Committee")

Ordinance No. 19-042 established the reconstituted Finance and Fiscal Affairs Committee which is now charged with the duties of the Investment Advisory Committee. The committee shall be composed of seven voting members, and one non-voting ex-officio member of city council. All members shall be appointed by the city council. There shall be appointed additional non-voting, advisory members as deemed necessary and as appointed by the city council.

The committee is established to review and evaluate for the purpose of making recommendations to council, review of the city's financial statements and reports, audit, budget and budget performance, fund accounting and fund balances, and financial management policies. The Committee's responsibilities also include the review of the City's Investment Policy annually, review investment recommendations, review investment reports, oversee the City's investment portfolio to ensure compliance with State law, adopt a list of qualified brokers authorized to engage in investment transactions and approve the independent source providing state mandated investment training.

VIII. Designation of Investment Officers

(1) **Delegation of Investment Authority**. The Assistant City Manager of Finance, Executive Director/City Controller and Accounting Manager shall be designated as Investment Officers to execute the investment management process of local revenues. Investments of five (5) million or more will require authorization by two investment officers. The Assistant City Manager of Finance may temporarily designate another qualified staff individual to function as Investment Officer in his or her place if and when necessary. That individual will also attend the state mandated training described below.

The Investment Officers shall review investment positions at least once per quarter for conformance to this Investment Policy and the needs of the City.

The Investment Officers shall develop and maintain written administrative procedures for the operation of the investment program, which are consistent with this Investment Policy. Procedures will include safekeeping, settlement, documentation, agreements, contracts, and other investment related activities.

(2) **Investment Training**. The Investment Officers shall attend ten (10) hours of investment training within twelve (12) months of assuming duties, and subsequently shall attend 10 hours of training within every succeeding two-year period following the initial 10 hours of training completed within the first 12 months of assuming duties, as required by the Act. The training cycle becomes concurrent with the City's fiscal year.

The training sessions shall be provided by the Texas Municipal League, the Government Finance Officers Association of Texas (GFOAT), the Government Treasurers Organization of Texas (GTOT), the University of North Texas Center for Public Management, the Texas Society of Certified Public Accountants, or any other independent source approved by the Committee.

Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with PFIA.

Capability of Investment Management. Professional services may be used to provide expertise in the areas of Investments, cash management, bonded indebtedness, and other areas deemed appropriate by City Council and the Executive Management Team

(EMT). The EMT addresses quality and capability of investment management through the utilization of State laws pertaining to these services. These services shall be subordinate to City Management and this Investment Policy, as applicable.

The City may contract with an Investment Advisor, who shall adhere to the spirit, philosophy and specific term of this Investment Policy and shall invest within the same standard of prudence. The Investment Advisor must be registered with the SEC under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board. Advisors may assist the City with the management of its funds and other responsibilities including, but not limited to: review of investment policy, development of appropriate investment strategies, security analysis, trade execution, security clearance, broker dealer compliance, investment reporting and security documentation.

(3) **Ethics Disclosure and Conflicts of Interest.** If an Investment Officer has a personal business relationship as defined in the Act, with a business organization engaging in investment transactions with the City or, the officer is related within the second degree by affinity or consanguinity to an individual seeking to transact with the City, the Investment Officer must disclose the relationship and file a disclosure with the City Secretary and the Texas Ethics Commission.

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IX. Establishment and Annual Review of Qualified Bidders list

Investments shall be executed through broker/dealers and/or banks only. The Committee will review, revise and approve the list of authorized broker/dealers annually. The Investment Officers or investment advisor will obtain and maintain information on each authorized broker/dealer.

Securities broker/dealers must meet certain criteria as determined by the Investment Officers. The following criteria must be met by firms on the list:

- provision of an audited financial statement for the most recent period,
- proof of registration with the Financial Industry Regulatory Authority (FINRA), and
- proof of current registration with the Texas State Securities Commission.

If the City has contracted with an Investment Advisor, the Advisor shall be responsible for performing due diligence on broker/dealers and shall provide a list of approved broker/dealers to the City no less than annually. The Investment Advisor shall meet the requirements of Texas State Code 2256.003.

X. Investment Policy Certification

The City shall present a copy of this Investment Policy to any business organization offering to engage in an investment transaction with the City. An authorized representative of an investment pool or Investment Advisory firm acting in a discretionary capacity shall execute a Policy Certification form substantially to the effect that the representative has received and thoroughly reviewed the Investment Policy, and acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude investment transactions that are not authorized by this Investment Policy, except to the extent that the authorization is dependent on an analysis of the makeup of the City's primary commingled portfolio or requires an interpretation of subjective investment standards.

XI. Investment Reporting

Quarterly Reporting. The Investment Officers and Investment Advisor shall provide to City Council, not less than quarterly, a written report of investment positions and activity in accordance with Section 2256.023 of the Act.

Marking to Market. The quarterly investment report shall include the market value of the portfolio. Market values shall be obtained from the Investment Advisor or other independent sources such as a safekeeping institution or industry publications. If market values are unavailable from independent sources, the City may obtain market values from its authorized brokers, provided the broker providing the market price is not the same broker that sold the security to the City. The market price of investments acquired with public funds is monitored by a third party Investment Advisor firm (engaged by the City) with access to pricing applications (e.g. Bloomberg).

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XII. Internal Controls

The Assistant City Manager of Finance shall establish a system of internal controls designed to prevent losses due to fraud, employee error, negligence, collusion, third party misrepresentation, and unanticipated market changes as well as other foreseeable circumstances arising in the investment function. The controls are to safeguard City assets and securities throughout the investment process. The internal control structure shall be designed to provide reasonable assurance that these Investment Policy objectives are met and controls shall be reviewed annually with the independent auditor of the City.

Transactions shall, in all cases, comply with established internal controls especially as regards the transfer of funds.

The concept of reasonable assurance recognizes that:

a. The cost of a control should not exceed the benefits likely to be derived, and
b. The valuation of costs and benefits requires estimates and judgments by management.

The controls shall address, at a minimum, the functions of documentation; competitive bidding practices; delivery and custody of securities; perfected ownership; collateralization; timely reconciliation of transactions, receipts and statements; required audits; and financial counter-parties. The controls shall address these functions with attention to potential collusion, separation of duties, and clear delegation of authority.

XIII. Review by Independent Auditor

The City's audit engagement shall include a compliance audit of management controls on investments and adherence to the City's established investment policies. The compliance audit shall be performed annually in conjunction with the City's financial audit and will include a review of the quarterly reports.

XIV. Annual Review and Adoption of Investment Policy and Strategies

The City Council of the City of Galveston shall review and adopt this Investment Policy and its incorporated investment strategies not less than annually. The approving resolution will list all changes being made to the Policy.

Appendix A – Texas Government Code 2256

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Attachment A - Policy Certification

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