

*ANNUAL FINANCIAL REPORT*

of the

**CITY OF ANGLETON, TEXAS**

**For the Year Ended  
September 30, 2019**

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# CITY OF ANGLETON, TEXAS

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## ***INTRODUCTORY SECTION***

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# **CITY OF ANGLETON, TEXAS**

## ***PRINCIPAL OFFICIALS***

**September 30, 2019**

### **GOVERNING BODY**

Honorable Jason Perez, Mayor

Bonnie McDaniel, Mayor Pro-Tem

Mike Sillavan, Council Member

Williams Tigner, Council Member

John Wright, Council Member

Cody Vasut, Council Member

### **OTHER PRINCIPAL OFFICIALS**

Scott Albert, City Manager

Susie J. Hernandez, Finance Director

Jeffrey Gilbert, Municipal Judge

Michelle Townsend, Alternate Judge

Grady Randle, City Attorney

Frances Aguilar, City Secretary

Colleen Martin, Human Resource Director

Angelia Hayes, Court Administrator

Martha Eighme, Economic & Tourism Director

Aaron Ausmus, Police Chief

Jeff Sifford, Public Works Director

Megan Mainer, Parks and Recreation Director

Kyle Reynolds, Interim Building Services Director

Scott Myers, Volunteer Fire Department Fire Chief

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***FINANCIAL SECTION***

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## ***INDEPENDENT AUDITORS' REPORT***

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Angleton, Texas (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total Other Postemployment Benefits liability and related ratios, schedule of the City's proportionate share of the net pension liability, and the schedules of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and schedules, and consolidated sub-fund statements are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
March 19, 2020

***MANAGEMENT'S DISCUSSION  
AND ANALYSIS***

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**CITY OF ANGLETON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2019**

The Statement of Activities presents information showing how the City's net position changed during the most recent 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 using the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including general administration, financial administration, public safety (municipal court, police, animal control, fire, and code enforcement), community services (streets, parks and recreation, and sanitation) and economic development. Interest payments on the City's debt are also reported here. Sales tax, property tax, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water distribution and wastewater collection/treatment.

The government-wide financial statements can be found after the MD&A.

## **FUND FINANCIAL STATEMENTS**

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of City funds are governmental and proprietary.

### **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 outflows and inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City'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 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, street fund, Angleton Better Living fund and the C.O. Series 2018 fund. These funds are considered to be major funds for reporting purposes. The debt service fund and Angleton Better Living fund did not meet the technical criteria for presentation as a major fund but the City has elected to present them as major due to their significance.

The City adopts an annual appropriated budget for its general fund, debt service fund, and each of the special revenue funds (with the exception of the child safety fund, FEMA assistance fund, OBJ Police grant fund, Policy

**CITY OF ANGLETON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2019**

Communication fund, Livable Center Study fund and Developer Deposit fund). Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

**Proprietary Funds**

The City maintains two types of proprietary 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 water distribution and wastewater collection/treatment. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

The City also uses an internal service fund to account for unemployment costs. This internal service fund has been included within governmental activities in the government-wide financial statements.

**Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

**Other Information**

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general fund and the Angleton Better Living fund, schedules of changes in net pension and total other postemployment benefits liability and related ratios, schedule of the City's proportionate share of the net pension liability, and schedules of contributions for the City's pension plans. RSI can be found after the notes to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceed liabilities and deferred inflows by \$37,651,978 as of September 30, 2019. A portion of the City's net position (75%) reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. 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 assets themselves cannot be used to liquidate these liabilities.

**CITY OF ANGLETON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2019

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 20,228,315	\$ 20,568,560	\$ 4,324,246	\$ 4,642,104	\$ 24,552,561	\$ 25,210,664
Capital assets, net	21,381,384	20,346,426	19,928,304	20,442,152	41,309,688	40,788,578
<b>Total Assets</b>	<b>41,609,699</b>	<b>40,914,986</b>	<b>24,252,550</b>	<b>25,084,256</b>	<b>65,862,249</b>	<b>65,999,242</b>
Deferred outflows - pensions	1,564,569	530,815	279,503	89,707	1,844,072	620,522
Deferred outflows - OPEB (TMRS)	14,287	18,031	2,616	3,187	16,903	21,218
Deferred charge on refunding	45,867	58,947	68,188	81,198	114,055	140,145
<b>Total Deferred Outflows of Resources</b>	<b>1,624,723</b>	<b>607,793</b>	<b>350,307</b>	<b>174,092</b>	<b>1,975,030</b>	<b>781,885</b>
Long-term liabilities	16,652,546	16,169,373	10,714,907	11,415,929	27,367,453	27,585,302
Other liabilities	1,558,657	827,358	779,885	743,236	2,338,542	1,570,594
<b>Total Liabilities</b>	<b>18,211,203</b>	<b>16,996,731</b>	<b>11,494,792</b>	<b>12,159,165</b>	<b>29,705,995</b>	<b>29,155,896</b>
Deferred inflows - pensions	379,576	809,445	71,331	133,006	450,907	942,451
Deferred inflows - OPEB (TMRS)	24,230	-	4,169	-	28,399	-
Deferred inflows - grant	-	79,123	-	-	-	79,123
<b>Total Deferred Inflows of Resources</b>	<b>403,806</b>	<b>888,568</b>	<b>75,500</b>	<b>133,006</b>	<b>479,306</b>	<b>1,021,574</b>
<b>Net Position:</b>						
Net investment in capital assets	16,923,252	15,897,859	11,318,040	10,820,949	28,241,292	26,718,808
Restricted	6,783,799	6,829,012	146,756	414,820	6,930,555	7,243,832
Unrestricted	912,362	910,609	1,567,769	1,730,408	2,480,131	2,641,017
<b>Total Net Position</b>	<b>\$ 24,619,413</b>	<b>\$ 23,637,480</b>	<b>\$ 13,032,565</b>	<b>\$ 12,966,177</b>	<b>\$ 37,651,978</b>	<b>\$ 36,603,657</b>

A portion of the primary government's net position, \$6,930,555, or 18% represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$2,480,131 or 7%, may be used to meet the City's ongoing obligation to citizens and creditors.

**CITY OF ANGLETON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2019**

**Statement of Activities**

The following table provides a summary of the City's changes in net position:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 3,505,648	\$ 3,650,620	\$ 7,072,169	\$ 7,233,527	\$ 10,577,817	\$ 10,884,147
Operating grants and contributions	406,205	348,805	-	-	406,205	348,805
General revenues:						
Property taxes	6,980,985	6,762,268	-	-	6,980,985	6,762,268
Sales taxes	4,536,825	4,564,831	-	-	4,536,825	4,564,831
Franchise fees and local taxes	913,194	999,844	-	-	913,194	999,844
Investment revenue	319,017	162,978	33,430	21,470	352,447	184,448
Other revenues	404,775	340,490	-	-	404,775	340,490
Gain (loss) on sale of capital assets	3,393	13,738	-	(4,400)	3,393	9,338
<b>Total Revenues</b>	<b>17,070,042</b>	<b>16,843,574</b>	<b>7,105,599</b>	<b>7,250,597</b>	<b>24,175,641</b>	<b>24,094,171</b>
<b>Expenses</b>						
General administration	2,196,981	3,961,311	-	-	2,196,981	3,961,311
Financial administration	478,329	396,145	-	-	478,329	396,145
Public safety	6,662,169	6,493,453	-	-	6,662,169	6,493,453
Community services	5,087,321	3,627,459	-	-	5,087,321	3,627,459
Economic development	1,532,189	305,001	-	-	1,532,189	305,001
Interest and fiscal agent fees	401,541	432,601	232,703	253,921	634,244	686,522
Water	-	-	4,790,602	4,607,411	4,790,602	4,607,411
Sewer	-	-	1,745,485	1,375,757	1,745,485	1,375,757
<b>Total Expenses</b>	<b>16,358,530</b>	<b>15,215,970</b>	<b>6,768,790</b>	<b>6,237,089</b>	<b>23,127,320</b>	<b>21,453,059</b>
<b>Increase in Net Position Before Transfers</b>	<b>711,512</b>	<b>1,627,604</b>	<b>336,809</b>	<b>1,013,508</b>	<b>1,048,321</b>	<b>2,641,112</b>
Transfers in (out)	270,421	200,301	(270,421)	(200,301)	-	-
<b>Change in Net Position</b>	<b>981,933</b>	<b>1,827,905</b>	<b>66,388</b>	<b>813,207</b>	<b>1,048,321</b>	<b>2,641,112</b>
Beginning net position	23,637,480	21,809,575	12,966,177	12,152,970	36,603,657	33,962,545
<b>Ending Net Position</b>	<b>\$ 24,619,413</b>	<b>\$ 23,637,480</b>	<b>\$ 13,032,565</b>	<b>\$ 12,966,177</b>	<b>\$ 37,651,978</b>	<b>\$ 36,603,657</b>

For the year, net revenues from governmental activities increased by \$226,468. Property tax revenue increased by \$218,717 as a result of an increase in the assessed value of properties within the City. Expenses from governmental activities increased by \$1,142,560 or 7% mainly due to an increase in community services expenses related to street repair and maintenance.

Revenues from business-type activities decreased by \$144,998 mainly due to a decrease in charges for services. Charges for services decreased by \$161,358 as the result of a decrease in customer consumption. Total expenses increased by \$567,500 from the prior year mainly due to an increase in repairs for the water and sewer system.

**CITY OF ANGLETON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2019**

**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 year.

The City's governmental funds reflect a combined fund balance of \$18,606,878, a net decrease of \$925,367 from the prior year. Of this combined fund balance, \$15,514 is nonspendable for inventory and prepaids, \$368,439 is restricted for debt service, \$958,012 is restricted for economic development, \$311,013 is restricted for special projects, and \$12,629,125 is restricted for capital projects. Unassigned fund balance totaled \$4,324,775 as of September 30, 2019.

Total revenues increased by \$245,640 or 1%. Compared to the prior year, expenditures increased by \$2,134,442 or 13% due mainly to the increases in expenditures for community services and economic development.

The general fund is the chief operating fund of the City. At the end of the current year, the total fund balance was \$4,325,606, a net increase of \$589,009 from the prior year. Expenditures increased by \$2,216,032. Community services saw a significant increase over the prior year as the City moved expenditures for street maintenance and repair funded from a dedicated sales tax from the street fund to the general fund in fiscal year 2019. Compared to the prior year, revenues increased \$2,697,851 due mainly to the sales taxes relocated from street fund to general fund. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent 33% of total general fund expenditures.

The debt service fund had a total fund balance of \$368,439, all of which is restricted for the payment of principal and interest on the City's outstanding long-term debt. The net increase in fund balance was \$72,347.

The street fund saw a decrease in fund balance of \$124,448 from the prior year as a result of capital improvements.

The Angleton Better Living fund has a total fund balance of \$1,207,551, a decrease of \$37,537 from prior year as a result of a transfer to other funds.

The C.O. series 2018 fund has a total fund balance of \$7,461,312, a decrease of \$1,522,161 due to various street improvements and other renovations to City parks and the recreation center.

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The City had planned an increase of \$92,403 in the general fund fund balance, but the general fund actually realized an increase of \$589,009, resulting in a positive budget variance of \$496,606.

**CITY OF ANGLETON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2019**

**CAPITAL ASSETS**

At year end, the City's governmental and business-type activities had invested \$41,309,688, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$521,110 from the prior year.

More detailed information about the City's capital assets is presented in note III. C. to the financial statements.

**LONG-TERM DEBT**

At the end of the current year, the City's governmental activities had total bonds and certificates of obligation outstanding of \$11,647,948. Business-type activities had total bonds and certificates of obligation outstanding of \$9,112,502 at year end. Of this total, \$2,822,502 was general obligation bonds and \$6,290,000 accounted for certificates of obligation.

More detailed information about the City's long-term liabilities is presented in note III. D. to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

City Council approved a \$14,262,765 general fund budget for fiscal year 2019-2020, which is an increase of \$559,531 compared to the fiscal year 2018-2019 budget. While the tax rate will not increase, the total tax levy will increase by \$230,309 or 4% compared to the prior year's tax levy due to new property added. General fund revenues are expected to increase \$559,531 due to an increase in property tax, sales tax, and revenues from several other sources.

City Council approved a \$3,114,847 debt service fund budget for fiscal year 2019-2020, which is an increase of \$443,097 or 17% compared to the fiscal year 2018-2019 budget.

City Council approved a \$2,720,000 street fund budget for fiscal year 2019-2020, which is a decrease of \$546,114 or 17%.

City Council approved a \$7,031,148 utility fund budget for fiscal year 2019-2020, which is an increase of \$18,237 or 0.26% compared to the fiscal year 2018-2019 budget. The water rate had an increase of \$0.07 per gallon is a pass-through of an increase by the City's regional water supplier, the Brazosport Water Authority (BWA). The BWA rate increase will fund the first phase of construction for a regional desalinization plant, allowing BWA to begin treating brackish (salty) water located underground. The 2018-2019 budget includes a salary increase of 2% for the water department, and an anticipated 15% increase in health insurance costs.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to Susie Hernandez, Finance Director, City of Angleton, 121 S. Velasco, Angleton, TX, 77515; telephone 979.849.4364; or email at [shernandez@angleton.tx.us](mailto:shernandez@angleton.tx.us).

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***BASIC FINANCIAL STATEMENTS***

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# CITY OF ANGLETON, TEXAS

## STATEMENT OF NET POSITION

September 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 16,870,259	\$ 2,016,363	\$ 18,886,622
Investments	1,516,045	344,192	1,860,237
Receivables, net	1,806,786	1,082,118	2,888,904
Due from other governments	19,711	-	19,711
Inventory	15,514	65,264	80,778
Restricted assets:			
Cash and cash equivalents	-	816,309	816,309
<b>Total Current Assets</b>	20,228,315	4,324,246	24,552,561
Capital assets:			
Nondepreciable capital assets	2,957,146	367,922	3,325,068
Net depreciable capital assets	18,424,238	19,560,382	37,984,620
<b>Total Noncurrent Assets</b>	21,381,384	19,928,304	41,309,688
<b>Total Assets</b>	41,609,699	24,252,550	65,862,249
Deferred outflows - pensions (TMRS)	1,539,296	279,503	1,818,799
Deferred outflows - pensions (TESRS)	25,273	-	25,273
Deferred outflows - OPEB	14,287	2,616	16,903
Deferred charge on refunding	45,867	68,188	114,055
<b>Total Deferred Outflows of Resources</b>	1,624,723	350,307	1,975,030
<b>Liabilities</b>			
Accounts payable and accrued liabilities	1,474,210	440,002	1,914,212
Accrued interest payable	84,447	30,873	115,320
Customer deposits	-	309,010	309,010
<b>Total Current Liabilities</b>	1,558,657	779,885	2,338,542
Noncurrent liabilities:			
Long-term liabilities due within one year	1,632,670	1,102,829	2,735,499
Long-term liabilities due in more than one year	15,019,876	9,612,079	24,631,955
<b>Total Noncurrent Liabilities</b>	16,652,546	10,714,907	27,367,453
<b>Total Liabilities</b>	18,211,203	11,494,792	29,705,995
<b>Deferred Inflows of Resources</b>			
Deferred inflows - pensions (TMRS)	375,560	71,331	446,891
Deferred inflows - pensions (TESRS)	4,016	-	4,016
Deferred inflows - pensions (OPEB)	24,230	4,169	28,399
<b>Total Deferred Inflows of Resources</b>	403,806	75,500	479,306
<b>Net Position</b>			
Net investment in capital assets	16,923,252	11,318,040	28,241,292
Restricted for:			
Capital projects	5,182,496	146,756	5,329,252
Debt service	332,278	-	332,278
Economic development	958,012	-	958,012
Special projects	311,013	-	311,013
Unrestricted	912,362	1,567,769	2,480,131
<b>Total Net Position</b>	\$ 24,619,413	\$ 13,032,565	\$ 37,651,978

See Notes to Financial Statements.

# CITY OF ANGLETON, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government</b>			
<b>Governmental Activities:</b>			
General administration	\$ 2,196,981	\$ -	\$ -
Financial administration	478,329	-	-
Public safety	6,662,169	904,667	327,082
Community services	5,087,321	2,600,981	79,123
Economic development	1,532,189	-	-
Interest and fiscal agent fees	401,541	-	-
<b>Total Governmental Activities</b>	<b>16,358,530</b>	<b>3,505,648</b>	<b>406,205</b>
<b>Business-Type Activities:</b>			
Water	4,790,602	4,434,091	-
Sewer	1,745,485	2,638,078	-
Interest and fiscal agent fees	232,703	-	-
<b>Total Business-Type Activities</b>	<b>6,768,790</b>	<b>7,072,169</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 23,127,320</b>	<b>\$ 10,577,817</b>	<b>\$ 406,205</b>

**General Revenues:**

- Property taxes
- Sales taxes
- Franchise fees and local taxes
- Industrial district agreement
- Investment revenue
- Other revenues
- Gain on sale of capital asset

**Transfers**

**Total General Revenues and Transfers**

**Change in Net Position**

Beginning net position

**Ending Net Position**

See Notes to Financial Statements.

**Net Revenue (Expense) and Changes in Net Position**  
**Primary Government**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (2,196,981)	\$ -	\$ (2,196,981)
(478,329)	-	(478,329)
(5,430,420)	-	(5,430,420)
(2,407,217)	-	(2,407,217)
(1,532,189)	-	(1,532,189)
(401,541)	-	(401,541)
<u>(12,446,677)</u>	<u>-</u>	<u>(12,446,677)</u>
-	(356,511)	(356,511)
-	892,593	892,593
-	(232,703)	(232,703)
<u>-</u>	<u>303,379</u>	<u>303,379</u>
<u>(12,446,677)</u>	<u>303,379</u>	<u>(12,143,298)</u>
6,980,985	-	6,980,985
4,536,825	-	4,536,825
913,194	-	913,194
103,730	-	103,730
319,017	33,430	352,447
301,045	-	301,045
3,393	-	3,393
270,421	(270,421)	-
<u>13,428,610</u>	<u>(236,991)</u>	<u>13,191,619</u>
981,933	66,388	1,048,321
23,637,480	12,966,177	36,603,657
<u>\$ 24,619,413</u>	<u>\$ 13,032,565</u>	<u>\$ 37,651,978</u>

# CITY OF ANGLETON, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

September 30, 2019

	General	Debt Service	Street	Angleton Better Living
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 3,445,061	\$ 368,439	\$ 2,940,287	\$ -
Investments	344,192	-	344,192	827,661
Receivables, net	1,343,542	15,792	-	388,600
Inventory	831	-	14,683	-
Due from other governments	19,711	-	-	-
Due from other funds	8,710	-	-	-
<b>Total Assets</b>	<b>\$ 5,162,047</b>	<b>\$ 384,231</b>	<b>\$ 3,299,162</b>	<b>\$ 1,216,261</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 742,749	\$ -	\$ 123,867	\$ -
Due to other funds	-	-	-	8,710
<b>Total Liabilities</b>	<b>742,749</b>	<b>-</b>	<b>123,867</b>	<b>8,710</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	93,692	15,792	-	-
<b><u>Fund Balances</u></b>				
Nonspendable:				
Inventory and prepaids	831	-	14,683	-
Restricted for:				
Debt service	-	368,439	-	-
Economic development	-	-	-	-
Special projects	-	-	-	-
Capital projects	-	-	3,160,612	1,207,551
Unassigned	4,324,775	-	-	-
<b>Total Fund Balances</b>	<b>4,325,606</b>	<b>368,439</b>	<b>3,175,295</b>	<b>1,207,551</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 5,162,047</b>	<b>\$ 384,231</b>	<b>\$ 3,299,162</b>	<b>\$ 1,216,261</b>

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, nondepreciable

Capital assets, net depreciable

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Internal service funds are used by management to charge the costs of certain activities, such as unemployment expenses, to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest payable

Noncurrent liabilities due in one year

Noncurrent liabilities due in more than one year

Net pension liability (TMRS)

Net pension liability (TESRS)

Total OPEB liability (TMRS)

Deferred outflows - pensions (TMRS)

Deferred outflows - pensions (TESRS)

Deferred outflows - OPEB (TMRS)

Deferred inflows - pensions (TMRS)

Deferred inflows - pensions (TESRS)

Deferred inflows - OPEB (TMRS)

Deferred charge on refunding

See Notes to Financial Statements.

**Net Position of Governmental Activities**

<b>C. O. Series 2018</b>	<b>Nonmajor Governmental</b>	<b>Total Governmental Funds</b>
\$ 7,946,898	\$ 2,124,733	\$ 16,825,418
-	-	1,516,045
-	58,852	1,806,786
-	-	15,514
-	-	19,711
-	-	8,710
<u>\$ 7,946,898</u>	<u>\$ 2,183,585</u>	<u>\$ 20,192,184</u>
\$ 485,586	\$ 114,910	\$ 1,467,112
-	-	8,710
<u>485,586</u>	<u>114,910</u>	<u>1,475,822</u>
-	-	109,484
-	-	15,514
-	-	368,439
-	958,012	958,012
-	311,013	311,013
7,461,312	799,650	12,629,125
-	-	4,324,775
<u>7,461,312</u>	<u>2,068,675</u>	<u>18,606,878</u>
<u>\$ 7,946,898</u>	<u>\$ 2,183,585</u>	

2,957,146  
18,424,238

109,484

37,743

(84,447)  
(1,632,670)  
(11,328,265)  
(3,379,197)  
(69,065)  
(243,349)  
1,539,296  
25,273  
14,287  
(375,560)  
(4,016)  
(24,230)  
45,867  
\$ 24,619,413

**CITY OF ANGLETON, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2019**

	<u>General</u>	<u>Debt Service</u>	<u>Street</u>	<u>Angleton Better Living</u>
<b>Revenues</b>				
Property taxes	\$ 5,974,095	\$ 997,095	\$ -	\$ -
Franchise fees and local taxes	695,227	-	-	-
Sales taxes	3,024,550	-	-	1,512,275
Industrial district agreement	103,730	-	-	-
Permits, licenses, and fees	233,144	-	-	-
Fines and forfeitures	637,576	-	-	-
Charges for services	2,088,439	-	-	-
Intergovernmental	33,144	-	-	-
Investment revenue	50,298	4,961	36,175	4,700
Miscellaneous revenue	166,202	-	-	-
<b>Total Revenues</b>	<u>13,006,405</u>	<u>1,002,056</u>	<u>36,175</u>	<u>1,516,975</u>
<b>Expenditures</b>				
<b>Current:</b>				
General administration	1,478,815	-	38,359	70,512
Financial administration	466,515	-	-	-
Public safety	6,438,801	-	-	-
Community services	4,416,159	-	-	-
Economic development	169,788	-	-	-
<b>Capital outlay</b>	-	-	122,264	-
<b>Debt service:</b>				
Principal	59,500	993,082	-	-
Interest and fiscal agent fees	12,214	382,348	-	-
<b>Total Expenditures</b>	<u>13,041,792</u>	<u>1,375,430</u>	<u>160,623</u>	<u>70,512</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(35,387)</u>	<u>(373,374)</u>	<u>(124,448)</u>	<u>1,446,463</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	712,463	445,721	-	-
Transfers (out)	(94,764)	-	-	(1,484,000)
Sale of capital assets	6,697	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>624,396</u>	<u>445,721</u>	<u>-</u>	<u>(1,484,000)</u>
<b>Net Change in Fund Balances</b>	589,009	72,347	(124,448)	(37,537)
Beginning fund balances	3,736,597	296,092	3,299,743	1,245,088
<b>Ending Fund Balances</b>	<u>\$ 4,325,606</u>	<u>\$ 368,439</u>	<u>\$ 3,175,295</u>	<u>\$ 1,207,551</u>

See Notes to Financial Statements.

<u>C. O.</u> <u>Series 2018</u>	<u>Nonmajor</u> <u>Governmental</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
\$ -	\$ 27,252	\$ 6,998,442
-	217,967	913,194
-	-	4,536,825
-	-	103,730
-	-	233,144
-	33,947	671,523
-	512,542	2,600,981
-	368,821	401,965
210,348	12,034	318,516
-	134,830	301,032
<u>210,348</u>	<u>1,307,393</u>	<u>17,079,352</u>
-	362,179	1,949,865
-	-	466,515
-	77,003	6,515,804
-	-	4,416,159
-	1,353,666	1,523,454
1,732,509	108,123	1,962,896
-	-	1,052,582
-	-	394,562
<u>1,732,509</u>	<u>1,900,971</u>	<u>18,281,837</u>
<u>(1,522,161)</u>	<u>(593,578)</u>	<u>(1,202,485)</u>
-	816,852	1,975,036
-	(125,851)	(1,704,615)
-	-	6,697
-	691,001	277,118
<u>(1,522,161)</u>	<u>97,423</u>	<u>(925,367)</u>
<u>8,983,473</u>	<u>1,971,252</u>	<u>19,532,245</u>
<u>\$ 7,461,312</u>	<u>\$ 2,068,675</u>	<u>\$ 18,606,878</u>

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**CITY OF ANGLETON, TEXAS**  
**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, 2019**

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

Net changes in fund balances - total governmental funds \$ (925,367)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	2,100,463
Net effect of disposals	(3,304)
Depreciation	(1,062,201)

Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds. (17,457)

The issuance of long-term debt (e.g., bonds, certificates of obligation, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

Principal repayments	1,052,582
Bond premium, net	42,262
Refunding loss	(13,080)
Accrued interest	(36,161)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(34,808)
Net pension liability (TESRS)	15,901
Total OPEB liability (TMRS)	9,520
Net pension liability (TMRS)	(1,568,630)
Deferred outflows - pensions (TMRS)	23,104
Deferred outflows - pensions (TESRS)	1,489
Deferred outflows - OPEB (TMRS)	(3,744)
Deferred inflows - pensions (TMRS)	1,450,970
Deferred inflows - pensions (TESRS)	(11,940)
Deferred inflows - OPEB (TMRS)	(24,230)
On behalf revenue - TESRS	4,240
Pension expense - TESRS	(4,240)

Internal service funds are used by management to charge the costs of certain activities, such as unemployment costs, to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities. (13,436)

**Change in Net Position of Governmental Activities** \$ 981,933

See Notes to Financial Statements.

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# CITY OF ANGLETON, TEXAS

## STATEMENT OF NET POSITION

### PROPRIETARY FUND

September 30, 2019

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
<b><u>Assets</u></b>		
Current assets:		
Cash and cash equivalents	\$ 2,016,363	\$ 44,841
Investments	344,192	-
Receivables, net	1,082,118	-
Inventory	65,264	-
<b>Total Current Assets</b>	<b>3,507,937</b>	<b>44,841</b>
Noncurrent assets:		
Restricted cash and cash equivalents	816,309	-
Capital assets:		
Nondepreciable	367,922	-
Depreciable, net	19,560,382	-
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<b>19,928,304</b>	<b>-</b>
<b>Total Assets</b>	<b>24,252,550</b>	<b>44,841</b>
<b><u>Deferred Outflows of Resources</u></b>		
Deferred outflows - pensions	279,503	-
Deferred outflows - OPEB	2,616	-
Deferred charge on refunding	68,188	-
<b>Total Deferred Outflows of Resources</b>	<b>350,307</b>	<b>-</b>
<b><u>Liabilities</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	440,002	7,098
Customer deposits	309,010	-
Accrued interest payable	30,873	-
<b>Total Current Liabilities</b>	<b>779,885</b>	<b>7,098</b>
Noncurrent liabilities:		
Long-term debt due within one year	1,102,829	-
Long-term debt due in more than one year	9,612,079	-
<b>Total Noncurrent Liabilities</b>	<b>10,714,907</b>	<b>-</b>
<b>Total Liabilities</b>	<b>11,494,792</b>	<b>7,098</b>
<b><u>Deferred Inflows of Resources</u></b>		
Deferred inflows - pensions	71,331	-
Deferred inflows - OPEB	4,169	-
<b>Total Deferred Inflows of Resources</b>	<b>75,500</b>	<b>-</b>
<b><u>Net Position</u></b>		
Net investment in capital assets	11,318,040	-
Restricted for capital projects	146,756	-
Unrestricted	1,567,769	37,743
<b>Total Net Position</b>	<b>\$ 13,032,565</b>	<b>\$ 37,743</b>

See Notes to Financial Statements.

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**CITY OF ANGLETON, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**For the Year Ended September 30, 2019**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Utility</b>	<b>Internal Service</b>
<b><u>Operating Revenues</u></b>		
Water sales	\$ 4,137,211	\$ -
Sanitary sewer services	2,461,448	-
Other service fees	473,510	13
<b>Total Operating Revenues</b>	<b>7,072,169</b>	<b>13</b>
<b><u>Operating Expenses</u></b>		
Water distribution	312,079	-
Water plant operations	757,291	-
Water purchases	2,049,840	-
Sewer	655,277	-
Collection administration	1,772,733	-
Personnel services	-	13,950
Depreciation	988,867	-
<b>Total Operating Expenses</b>	<b>6,536,087</b>	<b>13,950</b>
<b>Operating Income (Loss)</b>	<b>536,082</b>	<b>(13,937)</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>		
Investment revenue	33,430	501
Interest expense	(232,703)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(199,273)</b>	<b>501</b>
<b>Income (Loss) Before Transfers</b>	<b>336,809</b>	<b>(13,436)</b>
<b><u>Transfers</u></b>		
Transfers (out)	(270,421)	-
<b>Total Transfers</b>	<b>(270,421)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>66,388</b>	<b>(13,436)</b>
Beginning net position	12,966,177	51,179
<b>Ending Net Position</b>	<b>\$ 13,032,565</b>	<b>\$ 37,743</b>

See Notes to Financial Statements.

# CITY OF ANGLETON, TEXAS

## STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 1 of 2) For the Year Ended September 30, 2019

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Utility</b>	<b>Internal Service</b>
<b><u>Cash Flows from Operating Activities</u></b>		
Receipts from customers and users	\$ 7,086,324	\$ -
Payments to suppliers	(3,939,036)	(6,839)
Payments to employees	(1,612,187)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,535,101</b>	<b>(6,839)</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>		
Transfers to other funds	(270,421)	-
<b>Net Cash (Used) by Noncapital Financing Activities</b>	<b>(270,421)</b>	<b>-</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>		
Acquisition and construction of capital assets	(475,019)	-
Principal paid on capital debt	(936,918)	-
Interest paid on capital debt	(190,593)	-
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(1,602,530)</b>	<b>-</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of investment	(3,930)	-
Interest received	33,430	501
<b>Net Cash Provided by Investing Activities</b>	<b>29,500</b>	<b>501</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	<b>(308,350)</b>	<b>(6,338)</b>
Beginning cash and cash equivalents	3,141,022	51,179
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 2,832,672</b>	<b>\$ 44,841</b>
<b><u>Ending Cash and Cash Equivalents</u></b>		
Unrestricted cash and cash equivalents	\$ 2,016,363	\$ 44,841
Restricted cash and cash equivalents	816,309	-
	<b>\$ 2,832,672</b>	<b>\$ 44,841</b>

See Notes to Financial Statements.

# CITY OF ANGLETON, TEXAS

## STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 2 of 2) For the Year Ended September 30, 2019

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Utility</b>	<b>Internal Service</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>		
Operating income (loss)	\$ 536,082	\$ (13,937)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	988,867	-
<b>Changes in Operating Assets and Liabilities:</b>		
<b>(Increase) Decrease in Current Assets:</b>		
Accounts receivable	3,755	-
Inventory	9,683	-
Deferred outflows - pensions	(189,796)	-
Deferred outflows - OPEB	571	-
Deferred charges	(29,100)	-
<b>Increase (Decrease) in Current Liabilities:</b>		
Accounts payable and accrued liabilities	26,249	7,098
Compensated absences	9,765	-
Deferred inflows - pensions	(61,675)	-
Deferred inflows - OPEB	4,169	-
Premium	(42,110)	-
Net pension liability	269,879	-
Total OPEB liability	(1,638)	-
Customer deposits	10,400	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,535,101</b>	<b>\$ (6,839)</b>

See Notes to Financial Statements.

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**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Angleton, Texas (the “City”) was incorporated in 1912. The City has operated under a “Home Rule Charter” which provides for a Mayor-Council-Administrator form of government.

The City Council is the principal legislative body of the City. The City Manager is appointed by the City Council and is responsible to the Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: general administration, financial administration, public safety (municipal court, police, animal control, fire, and code enforcement), community services (streets, parks and recreation, swimming pool, and sanitation), economic development, water distribution, and wastewater collection/treatment.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. The component units listed below, although legally separate, are considered part of the reporting entity. No other entities have been included in the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

**Blended Component Units**

**Angleton Better Living Corporation**

Angleton Better Living Corporation, Inc. (the “Corporation”) has been included in the reporting entity as a blended component unit. The Corporation is a governmental entity that promotes economic and community development in the City. The Corporation’s Board of Directors is appointed by and serves at the discretion of City Council. The Corporation is primarily funded through a one-half cent sales tax approved by general election in 2001. City Council approval is required for the annual budget and the issuance of any debt. In the event of dissolution, any assets of the Corporation will be transferred to the City. Separate financial statements of the Corporation may be obtained from the Finance Department of the City.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**Tax Increment Reinvestment Zone**

During fiscal year 2005, the City passed an ordinance creating a Tax Increment Reinvestment Zone (TIRZ), in accordance with Section 311.005 of the Texas Tax Code, for the purpose of providing for the design and construction of water, wastewater, and roadway infrastructure improvements, in order to facilitate the development of new commercial properties. The TIRZ includes participation by a developer and another governmental entity, the Angleton Drainage District. Under this arrangement, increases in property taxes will be utilized to pay for certain infrastructure costs. Such taxes are controlled by a board of directors managing the TIRZ and accounted for as a special revenue fund with the City's financial oversight. This fund is holding monies to be remitted to the developer for payment of related debt when the related improvements are accepted by the City.

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government and its component units. *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 to external customers for support.

**C. Basis of Presentation – Government-Wide Financial Statements**

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**D. Basis of Presentation – Fund Financial Statements**

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

The City reports the following governmental funds:

The *general fund* is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales taxes, franchise fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general administration, financial administration, public safety, community services, and economic development. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for debt

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

service is local property taxes. The City has elected to present the debt service fund as a major fund for reporting purposes.

The *special revenue funds* are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue funds are considered nonmajor funds for reporting purposes except for Angleton Better Living fund. The City elected to present it as a major fund.

The *capital projects funds* are used to account for the expenditures of resources accumulated from sales tax revenues and the sale of bonds and related interest earnings for capital improvement projects. The capital projects funds are considered nonmajor funds for reporting purposes, except for the street fund and C.O. series 2018 fund, which are considered major funds for reporting purposes.

The City reports the following enterprise fund:

*The enterprise fund* is used to account for the operations that provide water and wastewater collection and wastewater treatment operations. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The utility fund is considered a major fund for reporting purposes.

Additionally, the City reports the following fund type:

*Internal service funds* account for services provided to other departments of the City, or to other governments, on a cost reimbursement basis. The internal service fund is used to account for unemployment costs.

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

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

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

*current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

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

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Cash and Cash Equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, balances in statewide investment pools, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

The City maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest-bearing accounts and other investments are displayed on the combined balance sheet as "cash and cash equivalents". For cash management purposes, the City has a sweep arrangement with the bank to transfer cash balances to a money market mutual fund account each day. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the City's investments.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**2. Investments**

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

**3. Inventories and Prepaid Items**

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

**4. Restricted Assets**

Restricted assets are either limited for use for specified purposes or are otherwise not available for payment of current operating expenses. The City's restricted assets consist of noncurrent prepaid expenses associated with a contract providing operating services covering street and utility operations. Also included as restricted assets are cash and investments resulting from the issuance of debt restricted to the construction of utility service assets.

**5. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are 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.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	10 to 40 years
Vehicles, equipment, and furnishings	5 to 15 years
Infrastructure	30 to 50 years
Water and sewer system	30 to 50 years

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City’s fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding 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.

At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**7. Compensated Employee Absences**

The City records a liability for the amount of unused vacation and other benefit time that has vested for each employee at year end. Time accumulated for sick leave is not included in this accrual as such time is only used for cause and is subject to forfeiture.

**8. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premiums or discounts.

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

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund. Although a portion of the general obligation debt was directly related to the purchase of water and sewer infrastructure, the debt service expenditures are included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of water system revenues.

Assets acquired under the terms of a capital lease are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

**9. Net Position Flow Assumption**

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

**10. Fund Balance Flow Assumptions**

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

**11. Fund Balance Policies**

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**12. Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**13. Pensions**

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

**14. Other Postemployment Benefits**

The City participates in a single-employer, unfunded, defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**G. Revenues and Expenditures/Expenses**

**1. Program Revenues**

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

**2. Property Taxes**

Property taxes are levied during October of each year, are due upon receipt of the City's tax bill, and become delinquent if unpaid on February 1, with late fees assessed monthly. After June 30, any taxes still uncollected are subject to lawsuit for collection and additional charges to offset legal costs.

**3. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except the capital projects funds, which adopt project length budgets. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the charter is the object and purpose stated in the approved budget. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended September 30, 2019.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2019

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of September 30, 2019, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Investment pools		
Texpool	\$ 1,587,967	0.00
TexStar	1,680,395	0.00
Lone Star	11,292,284	0.00
Certificates of deposit	1,032,576	0.67
<b>Total Fair Value</b>	<b>\$ 15,593,222</b>	
Portfolio weighted average maturity		0.05

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of year end, fair market values of pledged securities and FDIC coverage exceeded bank balances.

*Credit risk.* The City’s investment policy limits investments in public fund investment pools rated as to investment quality not less than ‘AAA’ or ‘AAA-m’, or at an equivalent rating by at least one nationally recognized rating service. As of September 30, 2019, the City’s investments in TexPool, Lone Star, and TexSTAR were rated ‘AAAm’ by Standard & Poor’s.

**TexPool**

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor’s rates TexPool ‘AAAm’. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool’s liquidity.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**TexSTAR**

The Texas Short-Term Asset Reserve Fund (TexSTAR) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexSTAR was created in April 2002 by contract among its participating governmental units and is governed by a board of directors. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. act as co-administrators, providing investment management services, participant services, and marketing. JPMorgan Chase Bank and/or its subsidiary, J.P. Morgan Investor Services, Inc., provide custodial, transfer agency, fund accounting, and depository services.

TexSTAR is measured at amortized cost. TexSTAR’s strategy is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to TexSTAR. TexSTAR has a redemption notice period of one day and may redeem daily. TexSTAR may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national or state emergency that affects TexSTAR’s liquidity.

**Lone Star**

Lone Star is a public funds investment pool organized under the authority of the Interlocal Cooperation Act of the Texas Government Code, Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is sponsored by the Texas Association of School Boards. The Lone Star Board (the “Board”) acts as trustee and is comprised of 11 members representing school districts that have adopted the investment agreement, including school board members, school administrators, and school business officials. The Board has entered into an agreement with First Public, LLC to act as administrator for Lone Star. Responsibilities of First Public include daily servicing of participants’ accounts, negotiating contracts with investment advisors and other service providers, and performing related administrative services. Finally, Standard & Poor’s rates Lone Star “AAAm”. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for

**B. Receivables**

The following comprise receivable balances as of September 30, 2019:

	<u>General</u>	<u>Debt Service</u>	<u>Angleton Better Living</u>	<u>Nonmajor Governmental</u>	<u>Utility</u>	<u>Total</u>
Property taxes	\$ 158,559	\$ 26,420	\$ -	\$ -	\$ -	\$ 184,979
Other taxes	966,640	-	-	-	-	966,640
Intergovernmental	-	-	-	55,936	-	55,936
Accounts	283,211	-	388,600	2,916	1,584,721	2,259,448
Less allowance	(64,868)	(10,628)	-	-	(502,603)	(578,099)
<b>Totals</b>	<u>\$ 1,343,542</u>	<u>\$ 15,792</u>	<u>\$ 388,600</u>	<u>\$ 58,852</u>	<u>\$ 1,082,118</u>	<u>\$ 2,888,904</u>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2019

**C. Capital Assets**

A summary of changes in capital assets for governmental activities for the fiscal year ended September 30, 2019 is as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,218,563	\$ -	\$ -	\$ 1,218,563
Construction in progress	6,074	1,732,509	-	1,738,583
Total capital assets not being depreciated	1,224,637	1,732,509	-	2,957,146
Other capital assets:				
Buildings and improvements	12,395,860	-	-	12,395,860
Equipment	11,152,827	367,954	(33,037)	11,487,744
Infrastructure	23,973,703	-	-	23,973,703
Total other capital assets	47,522,390	367,954	(33,037)	47,857,307
Less accumulated depreciation for:				
Buildings and improvements	(4,227,039)	(284,701)	-	(4,511,740)
Equipment	(8,616,204)	(373,425)	29,733	(8,959,896)
Infrastructure	(15,557,358)	(404,075)	-	(15,961,433)
Total accumulated depreciation	(28,400,601)	(1,062,201)	29,733	(29,433,069)
Other capital assets, net	19,121,789	(694,247)	(3,304)	18,424,238
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 20,346,426</b>	<b>\$ 1,038,262</b>	<b>\$ (3,304)</b>	<b>21,381,384</b>
				(12,396,143)
				7,892,144
				45,867
			<b>Net Investment in Capital Assets</b>	<b>\$ 16,923,252</b>

Depreciation was charged to governmental functions as follows:

General administration	\$ 41,673
Public safety	260,445
Community services	760,083
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$ 1,062,201</b>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

The following is a summary of changes in capital assets for business-type activities for the fiscal year ended September 30, 2019:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 320,589	\$ 96,767	\$ (49,434)	\$ 367,922
Total capital assets not being depreciated	320,589	96,767	(49,434)	367,922
Other capital assets:				
Buildings and other improvements	297,209	-	-	297,209
Equipment	2,151,023	421,686	-	2,572,709
Infrastructure	46,955,183	6,000	-	46,961,183
Total other capital assets	49,403,415	427,686	-	49,831,101
Less accumulated depreciation for:				
Buildings and other improvements	(260,328)	(4,132)	-	(264,460)
Equipment	(1,488,046)	(140,734)	35,799	(1,592,981)
Infrastructure	(27,533,478)	(844,001)	(35,799)	(28,413,278)
Total accumulated depreciation	(29,281,852)	(988,867)	-	(30,270,719)
Other capital assets, net	20,121,563	(561,181)	-	19,560,382
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 20,442,152</b>	<b>\$ (464,414)</b>	<b>\$ (49,434)</b>	<b>19,928,304</b>
			Less associated debt	(9,348,005)
			Plus unspent bond proceeds	669,553
			Plus deferred charge on refunding	68,188
			<b>Net Investment in Capital Assets</b>	<b>\$ 11,318,040</b>

Depreciation was charged to business-type functions as follows:

Water	\$ 206,418
Sewer	782,449
<b>Total Business-Type Activities Depreciation Expense</b>	<b>\$ 988,867</b>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2019

**D. Long-Term Debt**

The City issues general obligation bonds and certificates of obligation for the acquisition of assets and construction of major capital facilities. These debt issues have been used for both governmental and business-type activities. Each debt issue is serviced by a specific City fund.

General obligation debt pledges the full faith and credit of the City. The bonds and certificates of obligation are further supported by specific annual tax levies, which are legally restricted to servicing these debt issues. The collection and remittance of such levies are controlled and reported in the debt service fund. Some issues are also secured by a pledge of the City's utility fund net revenues and, in previous years, the utility fund was making annual transfers into the debt service fund to pay for a portion of the debt service. Beginning in fiscal year 2003, all long-term debt originating for the purpose of constructing proprietary fund assets is carried within and directly serviced by the utility fund. The following is a summary of changes in the City's total governmental long-term liabilities for the fiscal year ended September 30, 2019. In general, the City uses the debt service fund and general fund to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
General obligation					
refunding bonds	\$ 1,985,000	\$ -	\$ 310,000	\$ 1,675,000 *	\$ 325,000
Direct borrowings/private placement:					
Refunding bonds	1,015,580	-	218,082	797,498 *	228,773
Certificates of obligation	9,640,000	-	465,000	9,175,000 *	480,000
Capital leases	389,551	-	59,500	330,051 *	62,000
Plus deferred amounts:					
For premiums	460,856	-	42,262	418,594 *	28,584
	<u>13,490,987</u>	<u>-</u>	<u>1,094,844</u>	<u>12,396,143</u>	<u>1,124,357</u>
<b>Other liabilities:</b>					
Net pension liability - TMRS	1,810,567	1,568,630	-	3,379,197	-
Net pension liability - TESRS	84,966	-	15,901	69,065	-
Total OPEB liability	252,869	-	9,520	243,349	-
Compensated absences	529,984	654,735	619,927	564,792	508,313
	<u>2,678,386</u>	<u>2,223,365</u>	<u>645,348</u>	<u>4,256,403</u>	<u>508,313</u>
<b>Total Governmental Activities</b>	<u>\$ 16,169,373</u>	<u>\$ 2,223,365</u>	<u>\$ 1,740,192</u>	<u>\$ 16,652,546</u>	<u>\$ 1,632,670</u>
<b>Long-Term Debt Due In More Than One Year</b>				<u>\$ 15,019,876</u>	
<b>* Debt Associated With Capital Assets</b>				<u>\$ 12,396,143</u>	

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
<b>Business-Type Activities</b>					
General obligation					
refunding bonds	\$ 1,905,000	\$ -	\$ 150,000	\$ 1,755,000 *	\$ 135,000
Direct borrowings/private placement:					
Refunding bonds	1,359,420	-	291,918	1,067,502 *	306,227
Certificates of obligation	2,840,000	-	315,000	2,525,000 *	330,000
Certificates of obligation	3,945,000	-	180,000	3,765,000 *	185,000
Plus deferred amounts:					
For premiums	277,613	-	42,110	235,503 *	20,444
	<u>10,327,033</u>	<u>-</u>	<u>979,028</u>	<u>9,348,005</u>	<u>976,671</u>
Other liabilities:					
Net pension liability	913,792	269,879	-	1,183,671	-
Total OPEB liability	44,694	-	1,638	43,056	-
Compensated absences	130,410	78,099	68,334	140,175	126,158
	<u>1,088,896</u>	<u>347,978</u>	<u>69,972</u>	<u>1,366,902</u>	<u>126,158</u>
<b>Total Business-Type Activities</b>	<u>\$ 11,415,929</u>	<u>\$ 347,978</u>	<u>\$ 1,049,000</u>	<u>\$ 10,714,907</u>	<u>\$ 1,102,829</u>
				<u>\$ 9,612,079</u>	
				<u>\$ 9,348,005</u>	

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Long-term debt at year end was comprised of the following debt issues:

<u>Description</u>	<u>Interest Rates</u>	<u>Balance</u>
<b><u>Governmental Activities</u></b>		
<b>General Obligation Refunding Bonds</b>		
Series 2013	1.75%	\$ 797,498
Series 2016	2.00-4.00%	1,675,000
		<u>2,472,498</u>
<b>Certificates of Obligation</b>		
Series 2018	3.00-4.00%	9,175,000
		<u>9,175,000</u>
<b>Capital Leases</b>		
Fire Truck	3.25%	330,051
		<u>330,051</u>
	<b>Total Governmental Activities Long-Term Debt</b>	<b>\$ <u>11,977,549</u></b>
<b><u>Business-Type Activities</u></b>		
<b>General Obligation Refunding Bonds</b>		
Series 2013	1.75%	1,067,502
Series 2016	2.00-4.00%	1,755,000
		<u>2,822,502</u>
<b>Certificates of Obligation</b>		
Water and sewer, series 2013	2.28%	2,525,000
Water and sewer, series 2015	3.00-4.00%	3,765,000
		<u>6,290,000</u>
	<b>Total Business-Type Activities Long-Term Debt</b>	<b>\$ <u>9,112,502</u></b>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2019

The annual requirements to amortize debt issues outstanding at year end were as follows:

<b>Governmental Activities</b>						
<b>Year Ending Sep 30</b>	<b>General Obligation Refunding Bonds</b>		<b>Certificates of Obligation</b>		<b>Capital Leases</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2020	\$ 325,000	\$ 45,300	\$ 480,000	\$ 292,185	\$ 62,000	\$ 10,272
2021	210,000	39,950	525,000	277,110	64,000	8,240
2022	170,000	36,150	480,000	259,635	65,500	6,144
2023	185,000	31,675	500,000	240,035	68,000	3,991
2024	250,000	25,150	520,000	219,635	70,551	2,382
2025-2029	535,000	29,100	2,415,000	864,600	-	-
2030-2034	-	-	2,385,000	502,225	-	-
2035-2038	-	-	1,870,000	124,250	-	-
<b>Total</b>	<b>\$ 1,675,000</b>	<b>\$ 207,325</b>	<b>\$ 9,175,000</b>	<b>\$ 2,779,675</b>	<b>\$ 330,051</b>	<b>\$ 31,029</b>

<b>Governmental Activities - Direct borrowings/private placement</b>		
<b>Year Ending Sep 30</b>	<b>General Obligation Refunding Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
2020	\$ 228,773	\$ 13,956
2021	228,773	9,953
2022	179,597	5,949
2023	160,355	2,806
<b>Total</b>	<b>\$ 797,498</b>	<b>\$ 32,664</b>

<b>Business-Type Activities</b>				
<b>Year Ending Sep 30</b>	<b>General Obligation Refunding Bonds</b>		<b>Certificates of Obligation</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2020	\$ 135,000	\$ 49,400	\$ 185,000	\$ 118,688
2021	195,000	46,100	190,000	113,063
2022	325,000	40,900	195,000	107,288
2023	390,000	31,800	200,000	101,363
2024	245,000	22,275	210,000	94,163
2025-2029	465,000	18,500	1,150,000	355,990
2030-2034	-	-	1,340,000	165,183
2035-2038	-	-	295,000	5,163
<b>Total</b>	<b>\$ 1,755,000</b>	<b>\$ 208,975</b>	<b>\$ 3,765,000</b>	<b>\$ 1,060,901</b>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2019

<b>Business-Type Activities - Direct borrowings/private placement</b>				
<b>Year Ending Sep 30</b>	<b>General Obligation Refunding Bonds</b>		<b>Certificates of Obligation</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2020	\$ 306,227	\$ 18,681	\$ 330,000	\$ 53,808
2021	306,227	13,322	275,000	46,911
2022	240,403	7,963	225,000	41,211
2023	214,645	3,756	200,000	36,366
2024	-	-	315,000	30,495
2025-2029	-	-	1,180,000	52,554
<b>Total</b>	<b>\$ 1,067,502</b>	<b>\$ 43,722</b>	<b>\$ 2,525,000</b>	<b>\$ 261,345</b>

The City is not obligated in any manner for special assessment debt. Capital assets acquired under current capital lease obligations totaled \$2,402,992, less accumulated depreciation of \$1,882,483, net \$520,509.

**Federal Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, it could result in a substantial liability to the City. The City engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

**E. Interfund Transactions**

Transfers between the primary government funds during the year were as follows:

<b>Transfer In</b>	<b>Transfer Out</b>	<b>Amounts</b>
General	Nonmajor	\$ 122,113
General	Utility	250,000
General	Angleton Better Living	340,350
Debt service	Angleton Better Living	435,500
Debt service	Utility	10,221
Nonmajor	General	94,764
Nonmajor	Utility	10,200
Nonmajor	Nonmajor	3,738
Nonmajor	Angleton Better Living	708,150
		<b>\$ 1,975,036</b>

Transfers to the general fund were subsidies for administrative expenditures and reimbursements for capital lease payments. Other amounts transferred between funds related to amounts collected by the nonmajor governmental funds for various governmental expenditures. Transfer made to debt service fund were to satisfy debt allocated to each of corresponding funds.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

The composition of interfund balances as of year end is as follows:

<b>Due To</b>	<b>Due From</b>	<b>Amount</b>
General	Angleton Better Living	\$ 8,710

The amounts recorded as due to/from are considered to be a temporary loan and will be repaid during the following year.

**F. Fund Equity**

Funds restricted by enabling legislation are \$700,693 related to hotel/motel tax, child safety, and municipal court security and technology.

**G. Restricted Assets**

The balance of the restricted cash account in the enterprise fund recognized by the City is as follows:

<b>Utility Fund</b>	
Restricted for capital projects	\$ 816,309

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League’s Intergovernmental Risk Pools (the “Pool”). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

**B. Contingent Liabilities**

Amounts received or receivable from granting 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 amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

TIRZ Due to Developer

The TIRZ Board approved a developer reimbursement audit in fiscal year 2012 for improvements made within the TIRZ. The Board approved a total due to developer in the amount of \$2,189,414 which consisted of \$1,758,250 in costs and accrued interest of \$431,164. Total payments to date have been made in the amount of \$317,193, leaving a balance due to the developer of \$1,872,221 as of September 30, 2019. Payments due to the developer are contingent upon future tax increments paid within the TIRZ.

**C. Pension Plans**

**1. Texas Municipal Retirement System**

Plan Description

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees (the "Board"). Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at [www.tmr.com](http://www.tmr.com).

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

Benefits Provided

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

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

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

	<u>2019</u>	<u>2018</u>
Employee deposit rate	6.00%	6.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100%	100%
Annuity increase (to retirees)	70% of CPI	70% of CPI

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Employees Covered by Benefit Terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	58	
Inactive employees entitled to, but not yet receiving, benefits	57	
Active employees	124	
<b>Total</b>	239	

Contributions

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

Employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.52% and 12.35% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2019 were \$808,099 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year	
Overall payroll growth	3.0% per year	
Investment rate of return	6.75%, net of pension plan investment expense, including inflation	

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

mortality assumption for healthy annuitants and annuity purchase rate are based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, TMRS adopted the EAN actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<b>Assets Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
<b>Total</b>	100.0%	

Discount Rate

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

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2019

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 875,925	\$ -	\$ 875,925
Interest	1,741,013	-	1,741,013
Changes in current period benefits	-	-	-
Difference between expected and actual experience	(372,360)	-	(372,360)
Changes in assumptions	-	-	-
Contributions - employer	-	754,235	(754,235)
Contributions - employee	-	361,455	(361,455)
Net investment income	-	(695,480)	695,480
Benefit payments, including refunds of employee contributions	(1,166,182)	(1,166,182)	-
Administrative expense	-	(13,439)	13,439
Other changes	-	(702)	702
<b>Net Changes</b>	<b>1,078,396</b>	<b>(760,113)</b>	<b>1,838,509</b>
Balance at December 31, 2017	25,937,909	23,213,550	2,724,359
<b>Balance at December 31, 2018</b>	<b>\$ 27,016,305</b>	<b>\$ 22,453,437</b>	<b>\$ 4,562,868</b>

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL would be if it were calculated using a discount rate that is 1% lower (5.75%) or 1% higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability (Asset)	\$ 8,371,961	\$ 4,562,868	\$ 1,443,474

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmr.com](http://www.tmr.com).

Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$921,062.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ -	\$ 446,891
Changes in actuarial assumptions	21,984	-
Net difference between projected and actual investment earnings	1,205,048	-
Contributions subsequent to the measurement date	591,767	-
<b>Total</b>	<b>\$ 1,818,799</b>	<b>\$ 446,891</b>

\$591,767 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 NPL for the fiscal 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:

<b>Fiscal Year Ended September 30</b>	<b>Pension Expense</b>
2020	\$ 257,969
2021	23,996
2022	65,110
2023	433,066
Thereafter	-
<b>Total</b>	<b>\$ 780,141</b>

**2. Texas Emergency Services Retirement System**

Plan Description

The City participates in a cost-sharing multiple employer pension plan that has a special funding situation. The plan is administered by the TESRS and established and administered by the State of Texas (the “State”) to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. At August 31, 2018, there were 238 contributing fire and/or emergency services department members participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department.

On August 31, 2018, the pension system membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	3,533
Terminated Members Entitled to Benefits but Not Yet Receiving Them	1,927
Active Participants (Vested and Nonvested)	3,927

Pension Plan Fiduciary Net Position

Detailed information about the TESRS’s fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and Required Supplementary Information. TESRS issues a publicly available Annual Financial Report, which includes financial statements, notes, and Required Supplementary Information, which can be obtained

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

at [www.tesrs.org](http://www.tesrs.org). The separately issued actuarial valuations that may be of interest are also available at the same link.

Benefits Provided

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees (the “Board”) authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by Board rule. The benefit provisions include retirement benefits, as well as death and disability benefits. Members are 50 percent vested after the tenth year of service, with the vesting percentage increasing ten percent for each of the next five years of service so that a member becomes 100 percent vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percentage multiplied by six times the governing body’s average monthly contribution over the member’s years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2 percent compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount or continuing monthly payments to a member’s surviving spouse and dependent children.

Funding Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of TESRS, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the TESRS contribution that directly impacts future retiree annuities.

The State is required to contribute an amount necessary to make TESRS “actuarially sound” each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The Board rule defining contributions was amended effective July 27, 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the State are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percentage of the Part One portion (not to exceed 15 percent), is to be actuarially adjusted near the end of each even-numbered calendar year based on the most recent actuarial valuation. Based on the actuarial valuation as of August 31, 2016, the Part Two contributions were established by the Board to be 2%, if the Part One contributions beginning September 1, 2017. Based on the August 31, 2018 actuarial valuation, the part Two contributions are not required for an adequate contribution arrangement.

Additional contributions may be made by governing bodies within two years of joining TESRS to grant up to ten years of credit for service per member. Prior service purchased must have occurred before the department began participation in TESRS.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

A small subset of participating departments has a different contribution arrangement that is being phased out over time. In this arrangement, contributions made in addition to the monthly contributions for active members are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when their respective departments merged into TESRS. There is no actuarial impact associated with this arrangement as the pay-as-you-go contributions made by these governing bodies are always equal to benefit payments paid by TESRS.

Contributions

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions were set by Board rule, and there is no maximum contribution rate. For the fiscal year ending August 31, 2018, total contributions (dues, prior service, and interest on prior service financing) of \$22,453 were paid by the City. The State appropriated \$1,329,219 for the fiscal year ending August 31, 2018 to TESRS as a whole.

Actuarial Assumptions

The TPL in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	8/31/2018
Actuarial Cost Method	Entry age
Amortization Method	Level dollar, open
Amortization Period	30 years
Asset Valuation Method	Market value smoothed by a 5-year deferred recognition method with a 80%/120% corridor on market value
Actuarial Assumptions:	
Investment Rate of Return*	7.75%
Projected Salary Increases	N/A
*Includes Inflation at	3.00%
Cost of Living Adjustments	None

Mortality rates were based on the RP-2000 Combined Healthy Lives Mortality Tables for males and for females projected to 2024 by scale AA. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (currently 5.01%) and by adding expected inflation (3.00%). In addition, the final 7.75% assumption reflected a reduction of 0.26% for adverse deviation.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long -Term Expected Net Real Rate of Return</u>
Equities		
Large cap domestic	32%	5.81%
Samll cap domestic	15	5.92
Developed international	15	6.21
Emerging markets	5	7.18
Master limited partnership	5	7.61
Real Estate	5	4.46
Fixed income	23	1.61
Cash	0	0.0
<b>Total</b>	<u>100%</u>	
Weighted average		5.01%

Discount Rate

The discount rate used to measure the TPL was 7.75%. No projection of cash flows was used to determine the discount rate because the August 31, 2018 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method and with a lower value of assets, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Discount Rate Sensitivity Analysis

The following presents the NPL of the City, calculated using the discount rate of 7.75%, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate:

	<u>1% Decrease in Discount Rate (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase in Discount Rate (8.75%)</u>
City's proportionate share of the net pension liability	\$ 137,253	\$ 69,065	\$ 23,074

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Pension Liabilities, Pension Expense, and Deferred Outflows/Deferred Inflows of Resources Related to Pensions

At August 31, 2018, the City reported a liability of \$69,065 for its proportionate share of TESRS's NPL. The amount recognized by the City as its proportionate share of the NPL, the related State support, and the total portion of the NPL that was associated with the City were as follows:

City's Proportionate share of the collective net pension liability	\$ 69,065	
State's proportionate share that is associated with the City*	19,168	
<b>Total</b>	<b>\$ 88,233</b>	

*\*Calculated using the City's proportionate share of contributions multiplied by the State's share of the collective net pension liability.*

The TPL used to calculate the NPL was determined by an actuarial valuation as of August 31, 2018. *Governmental Accounting Standards Board Statement No. 68 (GASB 68)* requires the NPL to be measured as of a date no earlier than the end of the employer's prior fiscal year. TESRS did not roll forward (nor did they provide the necessary information for the participants to roll forward) the NPL to be measured as of a date no earlier than the end of the City's prior fiscal year. While the City acknowledges that the measurement date does not fall within this 12 month period, the City elected to honor the conservatism principle and report a NPL measured as of August 31, 2018. The City used the assumption that any differences in the NPL measured as of August 31, 2018 versus September 30, 2018 would be immaterial. The employer's proportion of the NPL was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

At August 31, 2018, the employer's proportion of the collective NPL was 0.319%, which was a decrease 0.035% of from its proportion measured as of August 31, 2017.

There were no changes of assumptions or other inputs that affected measurement of the TPL during the measurement period.

There were no changes of benefit terms that affected measurement of the TPL during the measurement period.

For the year ended August 31, 2018, the City recognized pension expense of \$21,894. The City recognized on-behalf revenues of \$4,240 calculated by taking the State's total contributions to TESRS multiplied by the City's proportionate share.

At August 31, 2018, the City reported its proportionate share of the TESRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between projected and actual investment earnings	\$ -	\$ 3,817
Changes in assumptions	258	-
Difference between expected and actual economic experience	19	199
Contributions paid to TESRS subsequent to the measurement date	24,996	-
<b>Total</b>	<b>\$ 25,273</b>	<b>\$ 4,016</b>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

The net amounts of the employer's balances of deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year</b>		<b>Pension</b>
<b>Ended</b>		<b>Expense</b>
<b>September 30</b>		<b>Expense</b>
2020	\$	4,450
2021		(2,476)
2022		(3,644)
2023		(2,069)
<b>Total</b>	<b>\$</b>	<b>(3,739)</b>

**D. Other Postemployment Benefits**

**TMRS - Supplemental Death Benefit**

Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75. *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The TMRS Act requires the PTF to allocate a 5% interest credit from investment income to the SDBF on an annual basis each December 31 based on the mean balance in the SDBF during the year.

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Participation in the SDBF as of December 31, 2018 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	40	
Inactive employees entitled to, but not yet receiving, benefits	15	
Active employees	124	
<b>Total</b>	179	

Total OPEB Liability

The City's total OPEB liability of \$286,405 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%	
Salary increases	3.50% to 10.50% including inflation	
Discount rate*	3.71%	
Retirees' share of benefit-related costs	Zero	
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.	
Mortality - service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.	
Mortality - disabled retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.	

\*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Changes in the Total OPEB Liability

		<u>Total OPEB Liability</u>
Changes for the year:		
Service cost	\$	16,265
Interest		10,069
Changes of benefit terms		-
Difference between expected and actual experience		(13,650)
Changes of assumptions		(20,830)
Benefit payments*		(3,012)
<b>Net Changes</b>		<u>(11,158)</u>
Balance at December 31, 2017		<u>297,563</u>
<b>Balance at December 31, 2018</b>	\$	<u><u>286,405</u></u>

\* Benefit payments are treated as being equal to the employer's yearly contribution for retirees due to the SDBF being considered an unfunded OPEB plan under GASB 75.

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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 a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	<u>1% Decrease (2.71%)</u>	<u>Discount Rate (3.71%)</u>	<u>1% Increase (4.71%)</u>
City's Total OPEB Liability	\$ 342,932	\$ 286,405	\$ 242,352

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized OPEB expense of \$24,337. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 11,243
Changes in actuarial assumptions	14,986	17,156
Contributions subsequent to the measurement date	1,917	-
<b>Total</b>	<u>\$ 16,903</u>	<u>\$ 28,399</u>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

\$2,396 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 liability for the fiscal year ending September 30, 2020.

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Fiscal Year Ended September 30</b>	<b>OPEB Expense Amount</b>
2020	\$ (1,997)
2021	(1,997)
2022	(1,997)
2023	(3,347)
2024	(4,075)
Thereafter	-
<b>Total</b>	<b>\$ (13,413)</b>

**E. Deferred Compensation Plan**

The City offers its employees a deferred compensation plan (the “Plan”) created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Plan’s trust arrangements are established to protect deferred compensation amounts of employees under the Plan from any other use than intended under the Plan (eventual payment to employees deferring the compensation) in accordance with federal tax laws. Amounts of compensation deferred by employees under Plan provisions are disbursed monthly by the City to a third-party administrator. The third-party administrator handles all funds in the Plan and makes investment decisions and disburses funds to employees in accordance with Plan provisions.

**F. Chapter 380 Economic Development Agreement/Tax Abatements**

Chapter 380, *Miscellaneous Provisions Relating to Municipal Planning and Development*, of the Texas Local Government Code provides the authority to the governing body of a municipality to establish and provide for the administration of one or more programs, including programs to promote state or local economic development and to stimulate business and commercial activity in the municipality.

Angleton 288 Industrial Park 380 Agreement

On October 28, 2014, the City entered into a Chapter 380 Economic Development Agreement (the “Agreement”) with one business (the “Business”). This Business agreed to:

- Provide a 40’ x 40’ easement to the City for the location of a lift station, force main, and receiving manhole.
- Construct two buildings within 24 months.
- Construct and extend water and sewer lines on the property that will be a minimum of eight inches in size.
- In consideration of the City’s construction of a sewer line to the property line of the Business’s property, the Business agrees to pay the City \$63,750. One half of the amount, \$31,875, will be

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

payable when the Agreement is executed and the remaining amount will be due and payable when the sewer line has been extended to the Business's property line.

The City agreed to:

- Complete a capital improvement program extending sewer utilities to the Business's property.
- Construct a lift station, force main, and receiving manhole on the Business's property.
- If required, pay the cost of upsizing the water and sewer lines.
- Pay the Business a one-time building incentive payment not to exceed \$12,750 after the first two buildings are constructed and the certificate of occupancy had been issued within 24 months of the Agreement.
- Provide a four-year refund equal to 80% of the property taxes each year on the new tax value of the Business's property. No taxes were refunded during fiscal year 2019.

On January 18, 2019, the Business requested a \$35,000 building incentive payment referenced in Section 4.4 of the Agreement. To date, only one building has been constructed with July 2019 as the 2-year deadline to have two buildings erected. Under Section 6.2 of the Agreement, the project is consider abandoned if, after the commencement of construction, no measurable work toward completion is documented for 90 days or longer the project is consider abandoned. The project has seen no measurable progress for well over 90 days, therefore, the Business is in default of the Agreement. The City will not be releasing a building incentive payment.

FL Tucker LTD 380 Agreement

On August 28, 2018 City Council approved an agreement with FL Tucker LTD (the "Business") who purchased the property. The City agreed to the following;

- Provide a 3-year refund equal to 60% of property taxes imposed by the City paid each year on the difference between the developed value and the current value. Refunds of the taxes on the increased value would begin with the tax year 2020 with the first refund being paid in 2021.
- To only charge an impact fee of \$13,269.21 for a 9,000 square foot office/showroom and 8,000 square foot shop/service bay. However, if it is determined at the time building plans are submitted that the impact in City utility facilities is greater than the original data submitted, then the Business would pay an additional impact fee as determined by the County Road 220 (CR) Development Impact Fee Study.

The Business agreed to the following:

- Must submit a site plan to the City prior to starting construction.
- Within 36 months after the Agreement was executed on August 28, 2018, the Business must have all improvements set out in the site plan constructed.
- The Business shall submit building plans to the City.
- In exchange for the tax incentive, the Business will make sure the entrance of the building is located on the property facing CR 220, gravel surface is only allowed for the storage yard, the facility will include approximately a 4-foot to 5-foot wrought fence running the length of frontage road except for two gate entrances to the property which will have a rolling wrought iron gate. The other three sides of the property will have a standard 6-foot galvanized chain link fence with razor barbed wire for security.

No taxes were refunded during fiscal year 2019.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**G. Subsequent Event**

In November 2019, the City Council approved the issuance of Combination Tax and Revenue Certificates of Obligation, Series 2019 (the “2019 Certificates”) in the amount of \$9,445,000. Proceeds from the sale of the 2019 Certificates will be used to pay for the construction, acquisition, renovation and equipment of improvement to the City’s water and sewer system, purchase of a new fire truck and the cost of professional services incurred in connection therewith. The 2019 Certificates will mature on February 15, 2029. The 2019 Certificates shall bear an interest rate ranging from 2.375% to 4.000%.

***REQUIRED SUPPLEMENTARY INFORMATION***

**CITY OF ANGLETON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Page 1 of 2)**  
**For the Year Ended September 30, 2019**

	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Property taxes	\$ 5,994,334	\$ 5,994,334	\$ 5,974,095	\$ (20,239)
Franchise fees and local taxes	696,800	696,800	695,227	(1,573)
Sales taxes	3,020,000	3,020,000	3,024,550	4,550
Industrial district agreement	106,315	106,315	103,730	(2,585)
Permits, licenses, and fees	256,800	256,800	233,144	(23,656)
Fines and forfeitures	723,000	723,000	637,576	(85,424)
Charges for services	2,079,685	2,079,685	2,088,439	8,754
Intergovernmental	36,450	36,450	33,144	(3,306)
Investment revenue	25,800	26,590	50,298	23,708
Miscellaneous revenue	60,750	60,750	166,202	105,452
<b>Total Revenues</b>	<b>12,999,934</b>	<b>13,000,724</b>	<b>13,006,405</b>	<b>5,681</b>
<b>Expenditures</b>				
General administration				
Administrative	1,365,550	1,365,550	1,271,075	94,475
Buildings	310,999	310,999	207,740	103,259
Total general administration	<b>1,676,549</b>	<b>1,676,549</b>	<b>1,478,815</b>	<b>197,734</b>
Financial administration				
Tax collection	49,700	49,700	45,978	3,722
Finance and accounting	445,410	445,410	420,537	24,873
Total financial administration	<b>495,110</b>	<b>495,110</b>	<b>466,515</b>	<b>28,595</b>
Public safety				
Municipal court	512,753	512,753	474,868	37,885
Police department	4,773,336	4,773,336	4,719,078	54,258
Animal control	244,905	244,905	213,444	31,461
Fire department	622,674	622,674	617,818	4,856
Code enforcement	527,794	451,073	413,593	37,480
Total public safety	<b>6,681,462</b>	<b>6,604,741</b>	<b>6,438,801</b>	<b>165,940</b>
Community services				
Information technology	310,283	310,283	284,895	25,388
Parks and recreation	1,201,234	1,201,234	1,148,647	52,587
Public work	1,190,328	1,190,328	1,104,923	85,405
Sanitation	1,940,575	1,940,575	1,877,694	62,881
Total community services	<b>4,642,420</b>	<b>4,642,420</b>	<b>4,416,159</b>	<b>226,261</b>

**CITY OF ANGLETON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Page 2 of 2)**  
**For the Year Ended September 30, 2019**

	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Expenditures (continued)</u></b>				
Economic development	\$ 135,979	\$ 170,679	\$ 169,788	\$ 891
Debt service				
Principal	59,500	101,521	59,500	42,021
Interest expense	12,214	12,214	12,214	-
Total debt service	<u>71,714</u>	<u>113,735</u>	<u>71,714</u>	<u>42,021</u>
<b>Total Expenditures</b>	<u>13,703,234</u>	<u>13,703,234</u>	<u>13,041,792</u>	<u>661,442</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(703,300)</u>	<u>(702,510)</u>	<u>(35,387)</u>	<u>667,123</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	852,028	852,028	712,463	(139,565)
Transfers (out)	(77,115)	(77,115)	(94,764)	(17,649)
Sale of capital assets	<u>20,000</u>	<u>20,000</u>	<u>6,697</u>	<u>(13,303)</u>
<b>Total Other Financing Sources</b>	<u>794,913</u>	<u>794,913</u>	<u>624,396</u>	<u>(170,517)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 91,613</u>	<u>\$ 92,403</u>	589,009	<u>\$ 496,606</u>
Beginning fund balance			<u>3,736,597</u>	
<b>Ending Fund Balance</b>			<u>\$ 4,325,606</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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**CITY OF ANGLETON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**ANGLETON BETTER LIVING FUND**  
**For the Year Ended September 30, 2019**

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Sales taxes	\$ 1,510,000	\$ 1,510,000	\$ 1,512,275	\$ 2,275
Investment revenue	3,000	3,000	4,700	1,700
<b>Total Revenues</b>	<u>1,513,000</u>	<u>1,513,000</u>	<u>1,516,975</u>	<u>3,975</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General administration	29,000	72,013	70,512	1,501
<b>Total Expenditures</b>	<u>29,000</u>	<u>72,013</u>	<u>70,512</u>	<u>1,501</u>
<b>Excess of Revenues Over Expenditures</b>	<u>1,484,000</u>	<u>1,440,987</u>	<u>1,446,463</u>	<u>5,476</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfer (out)	(1,484,000)	(1,484,000)	(1,484,000)	-
<b>Total Other Financing (Uses)</b>	<u>(1,484,000)</u>	<u>(1,484,000)</u>	<u>(1,484,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (43,013)</u>	<u>(37,537)</u>	<u>\$ 5,476</u>
Beginning fund balance			<u>1,245,088</u>	
<b>Ending Fund Balance</b>			<u>\$ 1,207,551</u>	

# CITY OF ANGLETON, TEXAS

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

### TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

For the Year Ended September 30, 2019

	Measurement Year*			
	2018	2017	2016	2015
<b>Total Pension Liability</b>				
Service cost	\$ 875,925	\$ 842,374	\$ 785,512	\$ 791,844
Interest (on the total pension liability)	1,741,013	1,651,811	1,584,707	1,562,646
Changes of benefit terms	-	(42,824)	-	-
Difference between expected and actual experience	(372,360)	(85,751)	(252,182)	(165,121)
Changes of assumptions	-	-	-	137,392
Benefit payments, including refunds of employee contributions	(1,166,182)	(1,041,573)	(1,177,455)	(1,163,080)
<b>Net Change in Total Pension Liability</b>	<u>1,078,396</u>	<u>1,324,217</u>	<u>940,582</u>	<u>1,163,981</u>
Beginning total pension liability	<u>26,937,909</u>	<u>24,613,692</u>	<u>23,673,110</u>	<u>22,509,129</u>
<b>Ending Total Pension Liability</b>	<u><u>\$ 27,016,305</u></u>	<u><u>\$ 25,937,909</u></u>	<u><u>\$ 24,613,692</u></u>	<u><u>\$ 23,673,110</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 754,235	\$ 729,850	\$ 687,899	\$ 730,615
Contributions - employee	361,455	368,923	346,549	353,239
Net investment income	(695,480)	2,820,968	1,298,516	28,450
Benefit payments, including refunds of employee contributions	(1,166,182)	(1,041,573)	(1,177,455)	(1,163,080)
Administrative expense	(13,439)	(14,617)	(14,663)	(17,328)
Other	(702)	(742)	(790)	(856)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(760,113)</u>	<u>2,862,809</u>	<u>1,140,056</u>	<u>68,960</u>
Beginning plan fiduciary net position	<u>23,213,550</u>	<u>20,350,741</u>	<u>19,210,685</u>	<u>19,279,645</u>
<b>Ending Plan Fiduciary Net Position</b>	<u><u>\$ 22,453,437</u></u>	<u><u>\$ 23,213,550</u></u>	<u><u>\$ 20,350,741</u></u>	<u><u>\$ 19,210,685</u></u>
<b>Net Pension Liability</b>	<u><u>\$ 4,562,868</u></u>	<u><u>\$ 2,724,359</u></u>	<u><u>\$ 4,262,951</u></u>	<u><u>\$ 4,462,425</u></u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	83.11%	89.50%	82.68%	81.15%
<b>Covered Payroll</b>	\$ 6,024,244	\$ 6,148,715	\$ 5,775,821	\$ 5,887,320
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	75.74%	44.31%	73.81%	75.80%

\*Only five years of information is currently available.  
The City will build this schedule over the next five-year period.

**Measurement  
Year\***

**2014**

\$ 698,595  
1,507,813

-

(436,428)

-

(903,465)

866,515

21,642,614

\$ 22,509,129

\$ 660,722  
323,355  
1,039,581

(903,465)

(10,853)

(892)

1,108,448

18,171,197

\$ 19,279,645

\$ 3,229,484

85.65%

\$ 5,389,248

59.92%

**CITY OF ANGLETON, TEXAS**  
**SCHEDULE OF THE CITY'S PROPORTIONATE**  
**SHARE OF THE NET PENSION LIABILITY**  
**TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM (TESRS)**  
**For the Year Ended September 30, 2019**

	<b>Measurement Year*</b>			
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
City's proportion of the net pension liability	0.319%	0.354%	0.413%	0.428%
City's proportionate share of the net pension liability	\$ 69,065	\$ 84,966	\$ 120,165	\$ 114,150
State's proportionate share of the net pension liability	19,168	27,824	41,542	39,568
<b>Total</b>	<b>\$ 88,233</b>	<b>\$ 112,790</b>	<b>\$ 161,707</b>	<b>\$ 153,718</b>
Number of Active Members**	37	40	32	34
City's net pension liability per active member	\$ 1,846	\$ 2,102	\$ 3,815	\$ 3,391
Plan fiduciary net position as a percentage of the total pension liability	84.3%	81.4%	76.3%	76.9%

\*Only five years of information is currently available. The City will build this schedule over the next five-year period.

\*\*There is no compensation for active members. Number of active members is used instead.

**Notes to Required Supplementary Information:**

Defined Benefit Pension Plan

*Changes in benefit terms*

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

*Changes in assumptions*

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

**Measurement**

**Year \***

**2014**

0.452%

\$ 82,146

27,613

\$ 109,759

34

\$ 2,416

83.5%

**CITY OF ANGLETON, TEXAS**  
**SCHEDULE OF CONTRIBUTIONS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)**  
**For the Year Ended September 30, 2019**

	Fiscal Year*			
	2019	2018	2017	2016
Actuarially determined contribution	\$ 808,099	\$ 735,614	\$ 727,148	\$ 693,433
Contributions in relation to the actuarially determined contribution	808,099	735,614	727,148	693,433
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,519,525	\$ 5,961,986	\$ 6,120,417	\$ 5,754,427
Contributions as a percentage of covered payroll	12.40%	12.34%	11.88%	12.05%

\*Only six years of information are currently available. The City will build this schedule over the next four-year period.

**Notes to Required Supplementary Information:**

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27 years
Asset valuation method	10 year smoothed market; 15% soft corridor
Inflation	2.5%
Salary increases	3.5% to 10.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

3. Other Information:

There were no benefit changes during this year.

**Fiscal Year \***

<u>2015</u>	<u>2014</u>
\$ 687,403	\$ 658,787
687,403	658,787
<u>\$ -</u>	<u>\$ -</u>
\$ 5,554,619	\$ 5,389,248
12.38%	12.22%

**CITY OF ANGLETON, TEXAS**  
**SCHEDULE OF CONTRIBUTIONS**  
**TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM (TESRS)**  
**For the Year Ended September 30, 2019**

	Fiscal Year*			
	2019	2018	2017	2016
Contractually required contribution	\$ 24,996	\$ 22,453	\$ 24,255	\$ 18,900
Contributions in relation to the contractually required	<u>24,996</u>	<u>22,453</u>	<u>24,255</u>	<u>18,900</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Number of active members**	42	37	40	36
Contributions per active member	\$ 595	\$ 607	\$ 606	\$ 525

\*Only six years of information is currently available. The City will build this schedule over the next four-year period.

\*\*There is no compensation for active members. Number of active members is used instead.

<b>Fiscal Year *</b>	
<u>2015</u>	<u>2014</u>
\$ 20,200	\$ 20,580
<u>20,200</u>	<u>20,580</u>
<u>\$ -</u>	<u>\$ -</u>
34	34
\$ 594	\$ 605

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# CITY OF ANGLETON, TEXAS

## SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

For the Year Ended September 30, 2019

	Measurement Year*	
	2018	2017
<b>Total OPEB Liability</b>		
Service cost	\$ 16,265	\$ 14,142
Interest (on the total OPEB liability)	10,069	9,793
Changes of benefit terms	-	-
Difference between expected and actual experience	(13,650)	-
Change of assumptions	(20,830)	22,154
Benefit payments**	(3,012)	(3,074)
<b>Net Change in Total OPEB Liability</b>	(11,158)	44,015
Beginning total OPEB liability	297,563	253,548
<b>Ending Total OPEB Liability</b>	\$ 286,405	\$ 297,563
<b>Covered Payroll</b>	\$ 6,024,244	\$ 6,148,715
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	4.75%	4.84%

\* Only two years of information is currently available. The City will build this schedule over the next eight-year period.

\*\* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

### Notes to Required Supplementary Information:

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.5%
Salary increases	3.5% to 10.5% including inflation
Discount rate	3.71%
Administrative expenses	All administrative expenses are paid through the Pension Trust Fund and accounted for under reporting requirements under GASB Statement No. 68.
Mortality - service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality - disabled retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

Change of assumptions is the annual change in the municipal bond index rate.

There were no benefit changes during the year.

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***COMBINING STATEMENTS  
AND SCHEDULES***

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## ***NONMAJOR GOVERNMENTAL FUNDS***

### **Special Revenue Funds**

**Hotel/Motel Fund** - Hotel tax revenue from local hotels.

**Child Safety Fund** - Collection and disbursement of money used for child safety programs.

**Municipal Court Technology Fund** - Collection and disbursement of money used for court technology.

**Municipal Court Building Security Fund** - Collection and disbursement of money used for court security.

**FEMA Assistance Fund** - Fund designated for costs related Hurricane Harvey.

**Drug Confiscation Fund** - Police seizure and buy account.

**Keep Angleton Beautiful Fund** - Fund designated to receive donations to clean up and landscape across the City.

**Angleton Act Center Fund** - Designated for the revenues and expenditures for the recreation center.

**TIRZ #1 Fund** - Designated to separate property tax funds that will be utilized for certain infrastructure costs.

**OBJ Police Grant Fund** - Office of Byrne Memorial Justice assistance program grant designated for body worn camers.

**Police Donation Fund** - Money donated to the police department for special purposes.

**Fire Department ESD Fund** - To account for the contract with the County fire department.

**A/C Donations Fund** - Fund designated to receive donations for the activity center.

**Police Communication Grant** - For radios used for the police department.

**Livable Center Study Fund** - For the feasibility study for livable center.

**Developer Deposit Fund** - To account for the developers deposit and capital projects activities.

### **Capital Project Funds**

**DCP Midstream** - Capital improvements for DCP Midstream.

**Lake Side Park Fund** - Capital improvement for Lake Side Park.

# CITY OF ANGLETON, TEXAS

COMBINING BALANCE SHEET (Page 1 of 2)

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2019

## Special Revenue Funds

	<u>Hotel/Motel</u>	<u>Child Safety</u>	<u>Municipal Court Technology</u>	<u>Municipal Court Building Security</u>
<b><u>Assets</u></b>				
Current assets:				
Cash and cash equivalents	\$ 607,709	\$ 7,030	\$ 14,993	\$ 20,193
Receivables, net	55,766	-	-	-
<b>Total Assets</b>	<b>\$ 663,475</b>	<b>\$ 7,030</b>	<b>\$ 14,993</b>	<b>\$ 20,193</b>
<b><u>Liabilities and Fund Balances</u></b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 4,998	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>4,998</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:				
Restricted for:				
Economic development	658,477	-	-	-
Special projects	-	7,030	14,993	20,193
Capital projects	-	-	-	-
<b>Total Fund Balances</b>	<b>658,477</b>	<b>7,030</b>	<b>14,993</b>	<b>20,193</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 663,475</b>	<b>\$ 7,030</b>	<b>\$ 14,993</b>	<b>\$ 20,193</b>

**Special Revenue Funds**

<b>FEMA Assistance</b>	<b>Drug Confiscation</b>	<b>Keep Angleton Beautiful</b>	<b>Angleton Act Center</b>	<b>TIRZ #1</b>	<b>OBJ Police Grant</b>
\$ 7,566	\$ 18,352	\$ 57,319	\$ 339,529	\$ 34,077	\$ 4,300
-	-	2,916	-	170	-
<u>\$ 7,566</u>	<u>\$ 18,352</u>	<u>\$ 60,235</u>	<u>\$ 339,529</u>	<u>\$ 34,247</u>	<u>\$ 4,300</u>
\$ 477	\$ 9,531	\$ 2,360	\$ 39,994	\$ 34,203	\$ -
477	9,531	2,360	39,994	34,203	-
-	-	-	299,535	-	-
7,089	8,821	57,875	-	44	4,300
-	-	-	-	-	-
<u>7,089</u>	<u>8,821</u>	<u>57,875</u>	<u>299,535</u>	<u>44</u>	<u>4,300</u>
<u>\$ 7,566</u>	<u>\$ 18,352</u>	<u>\$ 60,235</u>	<u>\$ 339,529</u>	<u>\$ 34,247</u>	<u>\$ 4,300</u>

# CITY OF ANGLETON, TEXAS

COMBINING BALANCE SHEET (Page 2 of 2)

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2019

## Special Revenue Funds

	<u>Police Donation</u>	<u>Fire Dept. ESD</u>	<u>A/C Donations</u>	<u>Police Communication Grant</u>
<b><u>Assets</u></b>				
Current assets:				
Cash and cash equivalents	\$ 5,815	\$ 147,072	\$ 12,489	\$ 8,675
Receivables, net	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,815</b>	<b>\$ 147,072</b>	<b>\$ 12,489</b>	<b>\$ 8,675</b>
<b><u>Liabilities and Fund Balances</u></b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 23,347	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>23,347</b>	<b>-</b>	<b>-</b>
Fund balances:				
Restricted for:				
Economic development	-	-	-	-
Special projects	5,815	123,725	12,489	8,675
Capital projects	-	-	-	-
<b>Total Fund Balances</b>	<b>5,815</b>	<b>123,725</b>	<b>12,489</b>	<b>8,675</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 5,815</b>	<b>\$ 147,072</b>	<b>\$ 12,489</b>	<b>\$ 8,675</b>

<u>Special Revenue Funds</u>		<u>Capital projects Funds</u>		<u>Total Nonmajor Governmental Funds</u>
<u>Livable Center Study Grant</u>	<u>Developer Deposit</u>	<u>DCP Midstream</u>	<u>Lake Side Park</u>	
\$ 39,964	\$ 22,651	\$ 432,213	\$ 344,786	\$ 2,124,733
-	-	-	-	58,852
<u>\$ 39,964</u>	<u>\$ 22,651</u>	<u>\$ 432,213</u>	<u>\$ 344,786</u>	<u>\$ 2,183,585</u>
\$ -	\$ -	\$ -	\$ -	\$ 114,910
-	-	-	-	114,910
-	-	-	-	958,012
39,964	-	-	-	311,013
-	22,651	432,213	344,786	799,650
<u>39,964</u>	<u>22,651</u>	<u>432,213</u>	<u>344,786</u>	<u>2,068,675</u>
<u>\$ 39,964</u>	<u>\$ 22,651</u>	<u>\$ 432,213</u>	<u>\$ 344,786</u>	<u>\$ 2,183,585</u>

**CITY OF ANGLETON, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (Page 1 of 2)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2019

**Special Revenue Funds**

	<b>Hotel/Motel</b>	<b>Child Safety</b>	<b>Municipal Court Technology</b>	<b>Municipal Court Building Security</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	217,967	-	-	-
Fines and forfeitures	-	5,995	13,912	10,434
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment revenue	6,284	114	171	223
Miscellaneous revenue	-	-	-	-
<b>Total Revenues</b>	<b>224,251</b>	<b>6,109</b>	<b>14,083</b>	<b>10,657</b>
<b>Expenditures</b>				
<b>Current:</b>				
General administration	-	-	-	-
Public safety	-	-	17,174	2,939
Economic development	185,735	-	-	-
<b>Capital outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>185,735</b>	<b>-</b>	<b>17,174</b>	<b>2,939</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>38,516</b>	<b>6,109</b>	<b>(3,091)</b>	<b>7,718</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	(19,400)	(6,000)	-	(5,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(19,400)</b>	<b>(6,000)</b>	<b>-</b>	<b>(5,000)</b>
<b>Net Change in Fund Balances</b>	<b>19,116</b>	<b>109</b>	<b>(3,091)</b>	<b>2,718</b>
Beginning fund balances	639,361	6,921	18,084	17,475
<b>Ending Fund Balances</b>	<b>\$ 658,477</b>	<b>\$ 7,030</b>	<b>\$ 14,993</b>	<b>\$ 20,193</b>

**Special Revenue Funds**

<b>FEMA Assistance</b>	<b>Drug Confiscation</b>	<b>Keep Angleton Beautiful</b>	<b>Angleton Act Center</b>	<b>TIRZ #1</b>	<b>OBJ Police Grant</b>
\$ -	\$ -	\$ -	\$ -	\$ 27,252	\$ -
-	-	-	-	-	-
-	3,606	-	-	-	-
79,123	-	-	-	-	-
-	-	-	512,542	-	-
-	368	622	470	256	-
-	31,812	29,952	-	-	-
<u>79,123</u>	<u>35,786</u>	<u>30,574</u>	<u>513,012</u>	<u>27,508</u>	<u>-</u>
-	-	-	-	27,503	700
-	32,980	-	-	-	-
-	-	28,161	1,139,770	-	-
-	-	-	19,683	-	-
<u>-</u>	<u>32,980</u>	<u>28,161</u>	<u>1,159,453</u>	<u>27,503</u>	<u>700</u>
<u>79,123</u>	<u>2,806</u>	<u>2,413</u>	<u>(646,441)</u>	<u>5</u>	<u>(700)</u>
-	-	-	708,150	-	5,000
-	(23,737)	-	-	-	-
<u>-</u>	<u>(23,737)</u>	<u>-</u>	<u>708,150</u>	<u>-</u>	<u>5,000</u>
79,123	(20,931)	2,413	61,709	5	4,300
<u>(72,034)</u>	<u>29,752</u>	<u>55,462</u>	<u>237,826</u>	<u>39</u>	<u>-</u>
<u>\$ 7,089</u>	<u>\$ 8,821</u>	<u>\$ 57,875</u>	<u>\$ 299,535</u>	<u>\$ 44</u>	<u>\$ 4,300</u>

**CITY OF ANGLETON, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (Page 2 of 2)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2019

**Special Revenue Funds**

	<b>Police Donation</b>	<b>Fire Dept. ESD</b>	<b>A/C Donations</b>	<b>Police Communication Grant</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	284,761	-	4,937
Charges for services	-	-	-	-
Investment revenue	93	-	79	-
Miscellaneous revenue	20,995	2,958	10,230	-
<b>Total Revenues</b>	<b>21,088</b>	<b>287,719</b>	<b>10,309</b>	<b>4,937</b>
<b>Expenditures</b>				
<b>Current:</b>				
General administration	-	315,761	1,991	-
Public safety	23,910	-	-	-
Economic development	-	-	-	-
<b>Capital outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>23,910</b>	<b>315,761</b>	<b>1,991</b>	<b>-</b>
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	<b>(2,822)</b>	<b>(28,042)</b>	<b>8,318</b>	<b>4,937</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	3,738
Transfers (out)	-	(71,714)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(71,714)</b>	<b>-</b>	<b>3,738</b>
<b>Net Change in Fund Balances</b>	<b>(2,822)</b>	<b>(99,756)</b>	<b>8,318</b>	<b>8,675</b>
Beginning fund balances	8,637	223,481	4,171	-
<b>Ending Fund Balances</b>	<b>\$ 5,815</b>	<b>\$ 123,725</b>	<b>\$ 12,489</b>	<b>\$ 8,675</b>

<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>		<u>Total Nonmajor Governmental Funds</u>
<u>Livable Center Study Grant</u>	<u>Developer Deposit</u>	<u>DCP Midstream</u>	<u>Lake Side Park</u>	
\$ -	\$ -	\$ -	\$ -	\$ 27,252
-	-	-	-	217,967
-	-	-	-	33,947
-	-	-	-	368,821
-	-	-	-	512,542
-	-	-	3,354	12,034
-	38,875	-	8	134,830
<u>-</u>	<u>38,875</u>	<u>-</u>	<u>3,362</u>	<u>1,307,393</u>
-	16,224	-	-	362,179
-	-	-	-	77,003
-	-	-	-	1,353,666
-	-	88,440	-	108,123
<u>-</u>	<u>16,224</u>	<u>88,440</u>	<u>-</u>	<u>1,900,971</u>
-	22,651	(88,440)	3,362	(593,578)
39,964	-	-	60,000	816,852
-	-	-	-	(125,851)
<u>39,964</u>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>691,001</u>
39,964	22,651	(88,440)	63,362	97,423
-	-	520,653	281,424	1,971,252
<u>\$ 39,964</u>	<u>\$ 22,651</u>	<u>\$ 432,213</u>	<u>\$ 344,786</u>	<u>\$ 2,068,675</u>

**CITY OF ANGLETON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended September 30, 2019

<b>Hotel / Motel</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Franchise fees and local taxes	\$ 280,000	\$ 280,000	\$ 217,967	\$ (62,033)
Investment revenue	2,200	2,200	6,284	4,084
<b>Total Revenues</b>	<b>282,200</b>	<b>282,200</b>	<b>224,251</b>	<b>(57,949)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Economic development	186,504	186,504	185,735	769
<b>Total Expenditures</b>	<b>186,504</b>	<b>186,504</b>	<b>185,735</b>	<b>769</b>
<b>Excess of Revenues Over Expenditures</b>	<b>95,696</b>	<b>95,696</b>	<b>38,516</b>	<b>(57,180)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(95,696)	(95,696)	(19,400)	76,296
<b>Total Other Financing (Uses)</b>	<b>(95,696)</b>	<b>(95,696)</b>	<b>(19,400)</b>	<b>76,296</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>19,116</b>	<b>\$ 19,116</b>
Beginning fund balance			639,361	
<b>Ending Fund Balance</b>			<b>\$ 658,477</b>	

<b>Municipal Court Technology</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 17,160	\$ 17,160	\$ 13,912	\$ (3,248)
Investment revenue	40	40	171	131
<b>Total Revenues</b>	<b>17,200</b>	<b>17,200</b>	<b>14,083</b>	<b>(3,117)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	17,200	17,200	17,174	26
<b>Total Expenditures</b>	<b>17,200</b>	<b>17,200</b>	<b>17,174</b>	<b>26</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(3,091)</b>	<b>\$ (3,091)</b>
Beginning fund balance			18,084	
<b>Ending Fund Balance</b>			<b>\$ 14,993</b>	

**CITY OF ANGLETON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
For the Year Ended September 30, 2019

<b>Municipal Court Building Security</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive Negative</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 12,345	\$ 12,345	\$ 10,434	\$ (1,911)
Investment revenue	60	60	223	163
<b>Total Revenues</b>	<b>12,405</b>	<b>12,405</b>	<b>10,657</b>	<b>(1,748)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	7,405	7,405	2,939	4,466
<b>Total Expenditures</b>	<b>7,405</b>	<b>7,405</b>	<b>2,939</b>	<b>4,466</b>
<b>Excess of Revenues Over Expenditures</b>	<b>5,000</b>	<b>5,000</b>	<b>7,718</b>	<b>2,718</b>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(5,000)	(5,000)	(5,000)	-
<b>Total Other Financing (Uses)</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>2,718</b>	<b>\$ 2,718</b>
Beginning fund balance			17,475	
<b>Ending Fund Balance</b>			<b>\$ 20,193</b>	

<b>Drug Confiscation</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive Negative</b>
<b>Revenues</b>				
Fines and forfeitures	\$ -	\$ -	\$ 3,606	\$ 3,606
Investment revenue	100	100	368	268
Miscellaneous revenue	29,900	58,812	31,812	(27,000)
<b>Total Revenues</b>	<b>30,000</b>	<b>58,912</b>	<b>35,786</b>	<b>(23,126)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	10,000	34,912	32,980	1,932
<b>Total Expenditures</b>	<b>10,000</b>	<b>34,912</b>	<b>32,980</b>	<b>1,932</b>
<b>Excess of Revenues Over Expenditures</b>	<b>20,000</b>	<b>24,000</b>	<b>2,806</b>	<b>(21,194)</b>
<b>Other Financing Sources</b>				
Transfers (out)	(20,000)	(24,000)	(23,737)	263
<b>Total Other Financing (Uses)</b>	<b>(20,000)</b>	<b>(24,000)</b>	<b>(23,737)</b>	<b>263</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(20,931)</b>	<b>\$ (20,931)</b>
Beginning fund balance			29,752	
<b>Ending Fund Balance</b>			<b>\$ 8,821</b>	

**CITY OF ANGLETON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
For the Year Ended September 30, 2019

<b>Keep Angleton Beautiful</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Investment revenue	\$ 300	\$ 300	\$ 622	\$ 322
Miscellaneous revenue	31,000	31,000	29,952	(1,048)
<b>Total Revenues</b>	<u>31,300</u>	<u>31,300</u>	<u>30,574</u>	<u>(726)</u>
<b>Expenditures</b>				
<b>Current:</b>				
Economic development	31,300	31,300	28,161	3,139
<b>Total Expenditures</b>	<u>31,300</u>	<u>31,300</u>	<u>28,161</u>	<u>3,139</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	2,413	<u>\$ 2,413</u>
Beginning fund balance			<u>55,462</u>	
<b>Ending Fund Balance</b>			<u>\$ 57,875</u>	

<b>Angleton Act Center</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Charges for services	\$ 557,600	\$ 557,600	\$ 512,542	(45,058)
Investment revenue	50	50	470	420
<b>Total Revenues</b>	<u>557,650</u>	<u>557,650</u>	<u>513,012</u>	<u>(44,638)</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	1,245,800	1,245,800	1,139,770	106,030
Capital outlay	20,000	20,000	19,683	317
<b>Total Expenditures</b>	<u>1,245,800</u>	<u>1,245,800</u>	<u>1,159,453</u>	<u>106,030</u>
<b>excess (Under) Expenditures</b>	<u>(688,150)</u>	<u>(688,150)</u>	<u>(646,441)</u>	<u>(61,392)</u>
<b>Other Financing Sources(Uses)</b>				
Transfers in	708,150	708,150	708,150	-
<b>Total Other Financing Sources</b>	<u>708,150</u>	<u>708,150</u>	<u>708,150</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	61,709	<u>\$ 41,709</u>
Beginning fund balance			<u>237,826</u>	
<b>Ending Fund Balance</b>			<u>\$ 299,535</u>	

**CITY OF ANGLETON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
For the Year Ended September 30, 2019

		<b>TIRZ #1 Property Tax</b>			
		<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>					
	Property taxes	\$ 24,909	\$ 24,909	\$ 27,252	\$ 2,343
	Investment revenue	100	100	256	156
	Other revenue	9,042	9,042	-	(9,042)
	<b>Total Revenues</b>	<b>34,051</b>	<b>34,051</b>	<b>27,508</b>	<b>(6,543)</b>
<b>Expenditures</b>					
<b>Current:</b>					
	General administration	34,051	34,051	27,503	6,548
	<b>Total Expenditures</b>	<b>34,051</b>	<b>34,051</b>	<b>27,503</b>	<b>6,548</b>
	<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>5</b>	<b>\$ 5</b>
	Beginning fund balance			39	
	<b>Ending Fund Balance</b>			<b>\$ 44</b>	

		<b>Police Donation</b>			
		<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>					
	Investment revenue	\$ -	\$ -	\$ 93	\$ 93
	Miscellaneous revenue	18,100	26,900	20,995	(5,905)
	<b>Total Revenues</b>	<b>18,100</b>	<b>26,900</b>	<b>21,088</b>	<b>(5,812)</b>
<b>Expenditures</b>					
<b>Current:</b>					
	Public safety	18,100	26,900	23,910	2,990
	<b>Total Expenditures</b>	<b>18,100</b>	<b>26,900</b>	<b>23,910</b>	<b>2,990</b>
	<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(2,822)</b>	<b>\$ (2,822)</b>
	Beginning fund balance			8,637	
	<b>Ending Fund Balance</b>			<b>\$ 5,815</b>	

**CITY OF ANGLETON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
For the Year Ended September 30, 2019

<b>Fire Department ESD</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Intergovernmental	\$ 280,000	\$ 280,000	\$ 284,761	\$ 4,761
Other revenue	1,000	1,000	2,958	1,958
<b>Total Revenues</b>	<b>281,000</b>	<b>281,000</b>	<b>287,719</b>	<b>6,719</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	209,286	209,286	315,761	(106,475)
<b>Total Expenditures</b>	<b>209,286</b>	<b>209,286</b>	<b>315,761</b>	<b>(106,475)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>71,714</b>	<b>71,714</b>	<b>(28,042)</b>	<b>(99,756)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(71,714)	(71,714)	(71,714)	-
<b>Total Other Financing (Uses)</b>	<b>(71,714)</b>	<b>(71,714)</b>	<b>(71,714)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(99,756)</b>	<b>\$ (99,756)</b>
Beginning fund balance			223,481	
<b>Ending Fund Balance</b>			<b>\$ 123,725</b>	

<b>A/C Donations</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Miscellaneous revenue	\$ 1,490	\$ 10,230	\$ 10,230	\$ -
Investment revenue	10	10	79	69
<b>Total Revenues</b>	<b>1,500</b>	<b>10,240</b>	<b>10,309</b>	<b>69</b>
<b>Expenditures</b>				
<b>Current:</b>				
General administration	1,500	9,820	1,991	7,829
<b>Total Expenditures</b>	<b>1,500</b>	<b>9,820</b>	<b>1,991</b>	<b>7,829</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ 420</b>	<b>8,318</b>	<b>\$ 7,898</b>
Beginning fund balance			4,171	
<b>Ending Fund Balance</b>			<b>\$ 12,489</b>	

**CITY OF ANGLETON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

**DEBT SERVICE FUND**

For the Year Ended September 30, 2019

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Property taxes	\$ 1,026,616	\$ 1,026,616	\$ 997,095	\$ (29,521)
Investment revenue	1,000	1,000	4,961	3,961
<b>Total Revenues</b>	<u>1,027,616</u>	<u>1,027,616</u>	<u>1,002,056</u>	<u>(25,560)</u>
<b><u>Expenditures</u></b>				
<b>Debt service:</b>				
Principal	1,975,000	1,975,000	993,082	981,918
Interest and fiscal agent fees	696,750	696,750	382,348	314,402
<b>Total Expenditures</b>	<u>2,671,750</u>	<u>2,671,750</u>	<u>1,375,430</u>	<u>1,296,320</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,644,134)</u>	<u>(1,644,134)</u>	<u>(373,374)</u>	<u>1,270,760</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	1,644,134	1,644,134	445,721	(1,198,413)
<b>Total Other Financing Sources</b>	<u>1,644,134</u>	<u>1,644,134</u>	<u>445,721</u>	<u>(1,198,413)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>72,347</u>	<u>\$ 72,347</u>
Beginning fund balance			<u>296,092</u>	
<b>Ending Fund Balance</b>			<u>\$ 368,439</u>	

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***CONSOLIDATED SUB-FUND  
STATEMENTS***

# CITY OF ANGLETON, TEXAS

## CONSOLIDATED BALANCE SHEET

### GENERAL FUND - SUB-FUNDS

September 30, 2019

	General	Community Events	Capital Lease Purchase	Downtown Revitalization
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 3,325,944	\$ 17,330	\$ 4,080	\$ 11,807
Investments	344,192	-	-	-
Receivables, net	1,343,542	-	-	-
Inventory	831	-	-	-
Due from other governments	19,711	-	-	-
Due from other funds	8,710	-	-	-
<b>Total Assets</b>	<b>\$ 5,042,930</b>	<b>\$ 17,330</b>	<b>\$ 4,080</b>	<b>\$ 11,807</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 734,820	\$ 7,929	\$ -	\$ -
<b>Total Liabilities</b>	<b>734,820</b>	<b>7,929</b>	<b>-</b>	<b>-</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	93,692	-	-	-
<b><u>Fund Balances</u></b>				
Nonspendable:				
Inventory and prepaids	831	-	-	-
Unassigned	4,213,587	9,401	4,080	11,807
<b>Total Fund Balances</b>	<b>4,214,418</b>	<b>9,401</b>	<b>4,080</b>	<b>11,807</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 5,042,930</b>	<b>\$ 17,330</b>	<b>\$ 4,080</b>	<b>\$ 11,807</b>

<u>Citywide Repairs</u>	<u>Total General Fund</u>
\$ 85,900	\$ 3,445,061
-	344,192
-	1,343,542
-	831
-	19,711
-	8,710
<u>\$ 85,900</u>	<u>\$ 5,162,047</u>
<u>\$ -</u>	<u>\$ 742,749</u>
<u>-</u>	<u>742,749</u>
<u>-</u>	<u>93,692</u>
-	831
<u>85,900</u>	<u>4,324,775</u>
<u>85,900</u>	<u>4,325,606</u>
<u>\$ 85,900</u>	<u>\$ 5,162,047</u>

**CITY OF ANGLETON, TEXAS**  
**CONSOLIDATED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND - SUB-FUNDS**  
**For the Year Ended September 30, 2019**

	<u>General</u>	<u>Community Events</u>	<u>Capital Lease Purchase</u>	<u>Downtown Revitalization</u>
<b>Revenues</b>				
Property taxes	\$ 5,974,095	\$ -	\$ -	\$ -
Franchise fees and local taxes	695,227	-	-	-
Sales taxes	3,024,550	-	-	-
Industrial district agreement	103,730	-	-	-
Permits, licenses, and fees	233,144	-	-	-
Fines and forfeitures	637,576	-	-	-
Charges for services	2,088,439	-	-	-
Intergovernmental	33,144	-	-	-
Investment revenue	48,550	1,209	-	90
Miscellaneous revenue	49,195	117,007	-	-
<b>Total Revenues</b>	<u>12,887,650</u>	<u>118,216</u>	<u>-</u>	<u>90</u>
<b>Expenditures</b>				
<b>Current:</b>				
General administration	1,426,349	-	-	-
Financial administration	466,515	-	-	-
Public safety	6,438,801	-	-	-
Community services	4,416,159	-	-	-
Economic development	16,384	146,294	-	7,110
<b>Debt service:</b>				
Principal	-	-	59,500	-
Interest and fiscal agent fees	-	-	12,214	-
<b>Total Expenditures</b>	<u>12,764,208</u>	<u>146,294</u>	<u>71,714</u>	<u>7,110</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>123,442</u>	<u>(28,078)</u>	<u>(71,714)</u>	<u>(7,020)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	530,749	-	71,714	10,000
Transfers (out)	(54,764)	(40,000)	-	-
Sale of capital assets	6,697	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>482,682</u>	<u>(40,000)</u>	<u>71,714</u>	<u>10,000</u>
<b>Net Change in Fund Balances</b>	606,124	(68,078)	-	2,980
Beginning fund balances	3,608,294	77,479	4,080	8,827
<b>Ending Fund Balances</b>	<u>\$ 4,214,418</u>	<u>\$ 9,401</u>	<u>\$ 4,080</u>	<u>\$ 11,807</u>

<u>Citywide Repairs</u>	<u>Total General Fund</u>
\$ -	\$ 5,974,095
-	695,227
-	3,024,550
-	103,730
-	233,144
-	637,576
-	2,088,439
-	33,144
449	50,298
-	166,202
449	13,006,405
52,466	1,478,815
-	466,515
-	6,438,801
-	4,416,159
-	169,788
-	59,500
-	12,214
52,466	13,041,792
(52,017)	(35,387)
100,000	712,463
-	(94,764)
-	6,697
100,000	624,396
47,983	589,009
37,917	3,736,597
\$ 85,900	\$ 4,325,606

**CITY OF ANGLETON, TEXAS**  
**CONSOLIDATED STATEMENT OF NET POSITION**  
**UTILITY FUND - SUB-FUNDS**  
September 30, 2019

	<u>Water</u>	<u>Capital Lease Purchase</u>	<u>Infrastructure</u>	<u>2013 C.O. Bonds</u>
<b><u>Assets</u></b>				
Current assets:				
Cash and cash equivalents	\$ 2,016,363	\$ -	\$ -	\$ -
Investments	344,192	-	-	-
Receivables, net	1,082,118	-	-	-
Inventory	65,264	-	-	-
<b>Total Current Assets</b>	<u>3,507,937</u>	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent assets:				
Restricted cash and cash equivalents	-	16	604,434	211,859
Capital assets:				
Nondepreciable	-	-	-	367,922
Depreciable, net	19,560,382	-	-	-
<b>Total Capital Assets</b>	<u>19,560,382</u>	<u>-</u>	<u>-</u>	<u>367,922</u>
<b>(Net of Accumulated Depreciation)</b>	<u>19,560,382</u>	<u>-</u>	<u>-</u>	<u>367,922</u>
<b>Total Noncurrent Assets</b>	<u>19,560,382</u>	<u>16</u>	<u>604,434</u>	<u>579,781</u>
<b>Total Assets</b>	<u>23,068,319</u>	<u>16</u>	<u>604,434</u>	<u>579,781</u>
<b><u>Deferred Outflows of Resources:</u></b>				
Deferred outflows - pensions	279,503	-	-	-
Deferred outflows - OPEB	2,616	-	-	-
Deferred charge on refunding	68,188	-	-	-
<b>Total Deferred Outflows of Resources</b>	<u>350,307</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Liabilities</u></b>				
Current liabilities:				
Accounts payable and accrued liabilities	431,299	-	-	8,703
Customer deposits	309,010	-	-	-
Accrued interest payable	30,873	-	-	-
<b>Total Current Liabilities</b>	<u>771,182</u>	<u>-</u>	<u>-</u>	<u>8,703</u>
Noncurrent liabilities:				
Long-term debt due within one year	1,102,829	-	-	-
Long-term debt due in more than one year	9,612,079	-	-	-
<b>Total Noncurrent Liabilities</b>	<u>10,714,907</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>11,486,089</u>	<u>-</u>	<u>-</u>	<u>8,703</u>
<b><u>Deferred Inflows of Resources:</u></b>				
Deferred inflows - pensions	71,331	-	-	-
Deferred inflows - OPEB	4,169	-	-	-
<b>Total Deferred inflows of Resources</b>	<u>75,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Net Position</u></b>				
Net investment in capital assets	11,318,040	-	-	-
Restricted for capital projects	146,756	-	-	-
Unrestricted	392,241	16	604,434	571,078
<b>Total Net Position</b>	<u>\$ 11,857,037</u>	<u>\$ 16</u>	<u>\$ 604,434</u>	<u>\$ 571,078</u>

<u>2015 C.O. Bonds</u>	<u>Total Utility Fund</u>
\$ -	\$ 2,016,363
-	344,192
-	1,082,118
-	65,264
-	<u>3,507,937</u>
-	816,309
-	367,922
-	<u>19,560,382</u>
-	19,928,304
-	<u>20,744,613</u>
-	<u>24,252,550</u>
-	279,503
-	2,616
-	68,188
-	<u>350,307</u>
-	440,002
-	309,010
-	30,873
-	<u>779,885</u>
-	1,102,829
-	9,612,079
-	<u>10,714,907</u>
-	<u>11,494,792</u>
-	71,331
-	4,169
-	<u>75,500</u>
-	11,318,040
-	146,756
-	1,567,769
\$ -	<u>\$ 13,032,565</u>

**CITY OF ANGLETON, TEXAS**  
**CONSOLIDATED STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**UTILITY FUND - SUB-FUNDS**  
**For the Year Ended September 30, 2019**

	<u>Water</u>	<u>Capital Lease Purchase</u>	<u>Infrastructure</u>	<u>2013 C.O. Bonds</u>
<b><u>Operating Revenues</u></b>				
Water sales	\$ 3,976,976	\$ -	\$ 160,235	\$ -
Sanitary sewer services	2,305,891	-	155,557	-
Other service fees	473,510	-	-	-
<b>Total Operating Revenues</b>	<b>6,756,377</b>	<b>-</b>	<b>315,792</b>	<b>-</b>
<b><u>Operating Expenses</u></b>				
Water distribution	312,079	-	-	-
Water plant operations	757,291	-	-	-
Water purchases	2,049,840	-	-	-
Sewer	373,109	-	-	282,168
Collection administration	1,772,733	-	-	-
Depreciation	988,867	-	-	-
<b>Total Operating Expenses</b>	<b>6,253,919</b>	<b>-</b>	<b>-</b>	<b>282,168</b>
<b>Operating Income (Loss)</b>	<b>502,458</b>	<b>-</b>	<b>315,792</b>	<b>(282,168)</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Investment revenue	26,574	-	-	6,856
Interest expense	(108,540)	-	(124,163)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(81,966)</b>	<b>-</b>	<b>(124,163)</b>	<b>6,856</b>
<b>Income (Loss) Before Transfers</b>	<b>420,492</b>	<b>-</b>	<b>191,629</b>	<b>(275,312)</b>
<b><u>Transfers</u></b>				
Transfers in (out)	(268,421)	-	(2,000)	417,000
<b>Total Transfers</b>	<b>(268,421)</b>	<b>-</b>	<b>(2,000)</b>	<b>417,000</b>
<b>Change in Net Position</b>	<b>152,071</b>	<b>-</b>	<b>189,629</b>	<b>141,688</b>
Beginning net position	11,704,967	16	414,804	429,390
<b>Ending Net Position</b>	<b>\$ 11,857,038</b>	<b>\$ 16</b>	<b>\$ 604,433</b>	<b>\$ 571,078</b>

<u>2015 C.O. Bonds</u>	<u>Total Utility Fund</u>
\$ -	\$ 4,137,211
-	2,461,448
-	473,510
<u>-</u>	<u>7,072,169</u>
-	312,079
-	757,291
-	2,049,840
-	655,277
-	1,772,733
-	988,867
<u>-</u>	<u>6,536,087</u>
-	536,082
-	33,430
-	(232,703)
<u>-</u>	<u>(199,273)</u>
-	336,809
(417,000)	(270,421)
<u>(417,000)</u>	<u>(270,421)</u>
(417,000)	66,388
417,000	12,966,177
<u>\$ -</u>	<u>\$ 13,032,565</u>

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