

ANNUAL FINANCIAL REPORT

of the

CITY OF ANGLETON, TEXAS

**For the Year Ended
September 30, 2020**

CITY OF ANGLETON, TEXAS

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INTRODUCTORY SECTION

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CITY OF ANGLETON, TEXAS

PRINCIPAL OFFICIALS

September 30, 2020

GOVERNING BODY

Honorable Jason Perez, Mayor

John Wright, Mayor Pro-Tem

Travis Townsend, Council Member

Mikey Svoboda, Council Member

Cecil Booth, Council Member

Mark Gongora, Council Member

OTHER PRINCIPAL OFFICIALS

Chris Whittaker, City Manager

Chris Hill, 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 and Tourism Director

Guadalupe Valdez, Interim Police Chief

Jeff Sifford, Public Works Director

Megan Mainer, Parks and Recreation Director

Walter Reeves, Development Services Director

Scott Myers, Volunteer Fire Department Fire Chief

Jason Crews, IT Director

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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, 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total other postemployment benefits liabilities and related ratios, and schedule 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, 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, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated April 16, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
April 16, 2021

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***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, 2020

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 25 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 with the exception of the debt service fund and Angleton Better Living fund. These funds 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.

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

The City adopts an annual appropriated budget for its general fund, debt service fund, and each of the special revenue funds. 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 \$39,080,966 as of September 30, 2020. A portion of the City's net position (71%) 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, 2020

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 19,181,232	\$ 20,228,315	\$ 10,740,303	\$ 4,324,246	\$ 29,921,535	\$ 24,552,561
Capital assets, net	23,579,120	21,381,384	21,132,404	19,928,304	44,711,524	41,309,688
Total Assets	42,760,352	41,609,699	31,872,707	24,252,550	74,633,059	65,862,249
Deferred outflows - pensions	707,757	1,564,569	130,870	279,503	838,627	1,844,072
Deferred outflows - OPEB	55,076	14,287	10,551	2,616	65,627	16,903
Deferred charge on refunding	37,047	45,867	55,179	68,188	92,226	114,055
Total Deferred Outflows of Resources	799,880	1,624,723	196,600	350,307	996,480	1,975,030
Long-term liabilities	15,352,606	16,652,546	17,778,127	10,714,907	33,130,733	27,367,453
Other liabilities	1,426,366	1,558,657	924,270	779,885	2,350,636	2,338,542
Total Liabilities	16,778,972	18,211,203	18,702,397	11,494,792	35,481,369	29,705,995
Deferred inflows - pensions	865,034	379,576	178,104	71,331	1,043,138	450,907
Deferred inflows - OPEB	20,606	24,230	3,460	4,169	24,066	28,399
Total Deferred Inflows of Resources	885,640	403,806	181,564	75,500	1,067,204	479,306
Net Position:						
Net investment in capital assets	17,367,337	16,923,252	10,382,142	11,318,040	27,749,479	28,241,292
Restricted	6,305,285	6,783,799	798,211	146,756	7,103,496	6,930,555
Unrestricted	2,222,998	912,362	2,004,993	1,567,769	4,227,991	2,480,131
Total Net Position	\$ 25,895,620	\$ 24,619,413	\$ 13,185,346	\$ 13,032,565	\$ 39,080,966	\$ 37,651,978

A portion of the primary government's net position, \$7,103,496 or 18%, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$4,227,991 or 11%, 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, 2020

Statement of Activities

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 3,222,406	\$ 3,505,648	\$ 7,072,488	\$ 7,072,169	\$ 10,294,894	\$ 10,577,817
Operating grants and contributions	1,629,562	406,205	-	-	1,629,562	406,205
General revenues:						
Property taxes	7,280,581	6,980,985	-	-	7,280,581	6,980,985
Sales taxes	5,041,377	4,536,825	-	-	5,041,377	4,536,825
Franchise fees and local taxes	730,245	913,194	-	-	730,245	913,194
Investment revenue	129,542	319,017	96,019	33,430	225,561	352,447
Other revenues	696,762	404,775	-	-	696,762	404,775
Gain on sale of capital assets	-	3,393	-	-	-	3,393
Total Revenues	<u>18,730,475</u>	<u>17,070,042</u>	<u>7,168,507</u>	<u>7,105,599</u>	<u>25,898,982</u>	<u>24,175,641</u>
Expenses						
General administration	4,517,041	2,196,981	-	-	4,517,041	2,196,981
Financial administration	451,112	478,329	-	-	451,112	478,329
Public safety	7,517,808	6,662,169	-	-	7,517,808	6,662,169
Community services	4,506,510	5,087,321	-	-	4,506,510	5,087,321
Economic development	333,061	1,532,189	-	-	333,061	1,532,189
Interest and fiscal agent fees	356,011	401,541	570,972	232,703	926,983	634,244
Water	-	-	4,938,383	4,790,602	4,938,383	4,790,602
Sewer	-	-	1,279,096	1,745,485	1,279,096	1,745,485
Total Expenses	<u>17,681,543</u>	<u>16,358,530</u>	<u>6,788,451</u>	<u>6,768,790</u>	<u>24,469,994</u>	<u>23,127,320</u>
Increase in Net Position Before Transfers	1,048,932	711,512	380,056	336,809	1,428,988	1,048,321
Transfers in (out)	<u>227,275</u>	<u>270,421</u>	<u>(227,275)</u>	<u>(270,421)</u>	-	-
Change in Net Position	1,276,207	981,933	152,781	66,388	1,428,988	1,048,321
Beginning net position	24,619,413	23,637,480	13,032,565	12,966,177	37,651,978	36,603,657
Ending Net Position	<u>\$ 25,895,620</u>	<u>\$ 24,619,413</u>	<u>\$ 13,185,346</u>	<u>\$ 13,032,565</u>	<u>\$ 39,080,966</u>	<u>\$ 37,651,978</u>

For the year, net revenues from governmental activities increased by \$1,660,433 or 10%. The increase is mainly due to the federal grant received for COVID-19. Expenses from governmental activities increased by \$1,323,013 or 8% mainly due to increases in public safety and general administration related to the personnel costs.

Revenues from business-type activities increased by \$62,908 mainly due to an increase in investment earnings. Total expenses were comparable to the prior year with a net increase of \$19,661.

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

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 \$17,657,136, a net decrease of \$949,742 from the prior year. Of this combined fund balance, \$33,426 is nonspendable for inventory and prepaids, \$423,955 is restricted for debt service, \$820,187 is restricted for economic development, \$334,670 is restricted for special projects, and \$10,923,013 is restricted for capital projects. Unassigned fund balance totaled \$5,121,885 as of September 30, 2020.

Total revenues increased by \$1,641,068 or 10%. Compared to the prior year, expenditures increased by \$2,880,348 or 16% due mainly to the increases in expenditures for public safety and capital outlay.

The general fund is the chief operating fund of the City. At the end of the current year, the total fund balance was \$6,109,354, a net increase of \$1,783,748 from the prior year. Expenditures increased by \$1,508,164. General administration saw a significant increase over the prior year as the City hired human resource staff, received professional services, purchased software, and paid out additional fees to developers. Compared to the prior year, revenues increased \$1,622,344 due mainly to the Coronavirus Relief Fund grant monies received. 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 35% and 42%, respectively, of total general fund expenditures.

The debt service fund had a total fund balance of \$423,955, 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 \$55,516.

The street fund saw a decrease in fund balance of \$492,070 from the prior year as a result of capital improvements.

The C.O. series 2018 fund has a total fund balance of \$5,299,944, a decrease of \$2,161,368 due to various street improvements.

The Angleton Better Living fund has a total fund balance of \$888,022, a decrease of \$319,529 from prior year as a result of a transfer to other funds.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The City had planned an increase of \$908,225 in the general fund fund balance, but the general fund actually realized an increase of \$1,783,748, resulting in a positive budget variance of \$898,561. This net positive variance can be primarily attributed to intergovernmental revenue received in response to the COVID-19 pandemic.

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

CAPITAL ASSETS

At year end, the City's governmental and business-type activities had invested \$44,711,524, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$3,401,836 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 \$11,777,515. Business-type activities had total bonds and certificates of obligation outstanding of \$16,152,485 at year end. Of this total, \$4,300,000 was general obligation bonds and \$23,630,000 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 \$14,852,966 general fund budget for fiscal year 2020-2021, which is an increase of \$470,450 compared to the fiscal year 2019-2020 budget. While the tax rate will not increase, the total tax levy will increase by \$602,588 or 8% compared to the prior year's tax levy due to higher property values and new property added.

City Council approved a \$3,019,846 debt service fund budget for fiscal year 2020-2021, which is a decrease of \$95,001 or 3% compared to the fiscal year 2019-2020 budget.

City Council approved a \$2,820,000 street fund budget for fiscal year 2020-2021, which is a decrease of \$93,500 or 3%.

City Council approved a \$7,395,174 utility fund budget for fiscal year 2020-2021, which is an increase of \$159,644 or 2% compared to the fiscal year 2019-2020 budget. The water rate had a decrease of \$0.02 per gallon as a pass-through of a decrease by the City's regional water supplier, the Brazosport Water Authority. The 2020-2021 budget includes an additional part-time utility clerk and an anticipated 10% 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 Chris Hill, Finance Director, City of Angleton, 121 S. Velasco, Angleton, TX, 77515; telephone 979.849.4364; or email at chill@angleton.tx.us.

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BASIC FINANCIAL STATEMENTS

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CITY OF ANGLETON, TEXAS

STATEMENT OF NET POSITION

September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 15,021,382	\$ 2,279,841	\$ 17,301,223
Investments	695,044	347,522	1,042,566
Receivables, net	1,491,450	975,235	2,466,685
Due from other governments	966,766	-	966,766
Inventory	19,274	63,830	83,104
Prepays	14,152	-	14,152
Restricted assets:			
Cash and cash equivalents	973,164	7,073,875	8,047,039
Total Current Assets	19,181,232	10,740,303	29,921,535
Capital assets:			
Nondepreciable capital assets	2,023,051	2,092,217	4,115,268
Net depreciable capital assets	21,556,069	19,040,187	40,596,256
Total Noncurrent Assets	23,579,120	21,132,404	44,711,524
Total Assets	42,760,352	31,872,707	74,633,059
Deferred outflows - pensions (TMRS)	662,313	130,870	793,183
Deferred outflows - pensions (TESRS)	45,444	-	45,444
Deferred outflows - OPEB	55,076	10,551	65,627
Deferred charge on refunding	37,047	55,179	92,226
Total Deferred Outflows of Resources	799,880	196,600	996,480
<u>Liabilities</u>			
Accounts payable and accrued liabilities	1,379,907	544,241	1,924,148
Accrued interest payable	46,459	54,914	101,373
Customer deposits	-	325,115	325,115
Total Current Liabilities	1,426,366	924,270	2,350,636
Noncurrent liabilities:			
Long-term liabilities due within one year	1,515,629	1,325,344	2,840,973
Long-term liabilities due in more than one year	13,836,977	16,452,783	30,289,760
Total Noncurrent Liabilities	15,352,606	17,778,127	33,130,733
Total Liabilities	16,778,972	18,702,397	35,481,369
<u>Deferred Inflows of Resources</u>			
Deferred inflows - pensions (TMRS)	864,901	178,104	1,043,005
Deferred inflows - pensions (TESRS)	133	-	133
Deferred inflows - OPEB	20,606	3,460	24,066
Total Deferred Inflows of Resources	885,640	181,564	1,067,204
<u>Net Position</u>			
Net investment in capital assets	17,367,337	10,382,142	27,749,479
Restricted for:			
Capital projects	4,688,485	798,211	5,486,696
Debt service	461,943	-	461,943
Economic development	820,187	-	820,187
Special projects	334,670	-	334,670
Unrestricted	2,222,998	2,004,993	4,227,991
Total Net Position	\$ 25,895,620	\$ 13,185,346	\$ 39,080,966

See Notes to Financial Statements.

CITY OF ANGLETON, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities:			
General administration	\$ 4,517,041	\$ -	\$ -
Financial administration	451,112	-	-
Public safety	7,517,808	879,032	1,629,562
Community services	4,506,510	2,343,374	-
Economic development	333,061	-	-
Interest and fiscal agent fees	356,011	-	-
Total Governmental Activities	17,681,543	3,222,406	1,629,562
Business-Type Activities:			
Water	4,938,383	4,455,470	-
Sewer	1,279,096	2,617,018	-
Interest and fiscal agent fees	570,972	-	-
Total Business-Type Activities	6,788,451	7,072,488	-
Total Primary Government	\$ 24,469,994	\$ 10,294,894	\$ 1,629,562

General Revenues:

- Property taxes
- Sales taxes
- Franchise fees and local taxes
- Industrial district agreement
- Investment revenue
- Other revenues

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

Governmental Activities	Business-Type Activities	Total
\$ (4,517,041)	\$ -	\$ (4,517,041)
(451,112)	-	(451,112)
(5,009,214)	-	(5,009,214)
(2,163,136)	-	(2,163,136)
(333,061)	-	(333,061)
(356,011)	-	(356,011)
<u>(12,829,575)</u>	<u>-</u>	<u>(12,829,575)</u>
-	(482,913)	(482,913)
-	1,337,922	1,337,922
-	(570,972)	(570,972)
-	284,037	284,037
<u>(12,829,575)</u>	<u>284,037</u>	<u>(12,545,538)</u>
7,280,581	-	7,280,581
5,041,377	-	5,041,377
730,245	-	730,245
117,302	-	117,302
129,542	96,019	225,561
579,460	-	579,460
227,275	(227,275)	-
<u>14,105,782</u>	<u>(131,256)</u>	<u>13,974,526</u>
1,276,207	152,781	1,428,988
24,619,413	13,032,565	37,651,978
<u>\$ 25,895,620</u>	<u>\$ 13,185,346</u>	<u>\$ 39,080,966</u>

CITY OF ANGLETON, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2020

	General	Debt Service	Street	C. O. Series 2018
Assets				
Cash and cash equivalents	\$ 3,928,188	\$ 424,705	\$ 2,338,530	\$ 5,261,365
Investments	347,522	-	347,522	-
Receivables, net	1,126,747	14,393	-	-
Inventory	153	-	19,121	-
Prepays	14,152	-	-	-
Restricted cash and cash equivalents	973,164	-	-	-
Due from other governments	925,681	-	-	41,085
Due from other funds	82,234	-	-	-
Total Assets	\$ 7,397,841	\$ 439,098	\$ 2,705,173	\$ 5,302,450
Liabilities				
Accounts payable and accrued liabilities	\$ 1,202,724	\$ 750	\$ 21,948	\$ 2,506
Due to other funds	-	-	-	-
Total Liabilities	1,202,724	750	21,948	2,506
Deferred Inflows of Resources				
Unavailable revenue - property taxes	85,763	14,393	-	-
	85,763	14,393	-	-
Fund Balances				
Nonspendable:				
Inventory and prepays	14,305	-	19,121	-
Restricted for:				
Debt service	-	423,955	-	-
Economic development	-	-	-	-
Special projects	-	-	-	-
Capital projects	973,164	-	2,664,104	5,299,944
Unassigned	5,121,885	-	-	-
Total Fund Balances	6,109,354	423,955	2,683,225	5,299,944
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,397,841	\$ 439,098	\$ 2,705,173	\$ 5,302,450

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.

An internal service fund is used by management to charge the costs of 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

Deferred outflows - pensions (TMRS)

Deferred outflows - pensions (TESRS)

Deferred outflows - OPEB

Deferred inflows - pensions (TMRS)

Deferred inflows - pensions (TESRS)

Deferred inflows - OPEB

Deferred charge on refunding

Angleton Better Living	Nonmajor Governmental	Total Governmental Funds
\$ 700,399	\$ 2,324,162	\$ 14,977,349
-	-	695,044
270,091	80,219	1,491,450
-	-	19,274
-	-	14,152
-	-	973,164
-	-	966,766
-	-	82,234
<u>\$ 970,490</u>	<u>\$ 2,404,381</u>	<u>\$ 19,219,433</u>
\$ 234	\$ 151,745	\$ 1,379,907
82,234	-	82,234
<u>82,468</u>	<u>151,745</u>	<u>1,462,141</u>
-	-	100,156
-	-	<u>100,156</u>
-	-	33,426
-	-	423,955
-	820,187	820,187
-	334,670	334,670
888,022	1,097,779	10,923,013
-	-	5,121,885
<u>888,022</u>	<u>2,252,636</u>	<u>17,657,136</u>
<u>\$ 970,490</u>	<u>\$ 2,404,381</u>	

2,023,051
21,556,069
100,156

44,033

(46,459)
(1,515,629)
(11,469,558)
(1,942,490)
(109,697)
(315,232)
662,313
45,444
55,076
(864,901)
(133)
(20,606)
37,047
\$ 25,895,620

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

	<u>General</u>	<u>Debt Service</u>	<u>Street</u>	<u>C. O. Series 2018</u>
Revenues				
Property taxes	\$ 6,233,993	\$ 1,028,679	\$ -	\$ -
Franchise fees and local taxes	628,500	-	-	-
Sales taxes	3,360,918	-	-	-
Industrial district agreement	117,302	-	-	-
Permits, licenses, and fees	379,284	-	-	-
Fines and forfeitures	479,471	-	-	-
Charges for services	2,119,017	-	-	-
Intergovernmental	1,163,166	-	-	-
Investment revenue	31,268	2,908	20,511	63,078
Miscellaneous revenue	115,830	-	-	487
Total Revenues	<u>14,628,749</u>	<u>1,031,587</u>	<u>20,511</u>	<u>63,565</u>
Expenditures				
Current:				
General administration	2,018,284	-	195,382	-
Financial administration	466,036	-	-	-
Public safety	6,965,424	-	-	-
Community services	4,650,311	-	-	-
Economic development	100,496	-	-	-
Capital outlay	254,095	-	317,199	2,224,933
Debt service:				
Principal	62,000	1,069,983	-	-
Interest and fiscal agent fees	10,272	382,968	-	-
Issuance costs	23,038	-	-	-
Total Expenditures	<u>14,549,956</u>	<u>1,452,951</u>	<u>512,581</u>	<u>2,224,933</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>78,793</u>	<u>(421,364)</u>	<u>(492,070)</u>	<u>(2,161,368)</u>
Other Financing Sources (Uses)				
Transfers in	592,286	476,880	-	-
Transfers (out)	(152,079)	-	-	-
Bonds issued	1,200,000	-	-	-
Bonds premium	50,297	-	-	-
Sale of capital assets	14,451	-	-	-
Total Other Financing Sources (Uses)	<u>1,704,955</u>	<u>476,880</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,783,748	55,516	(492,070)	(2,161,368)
Beginning fund balances	4,325,606	368,439	3,175,295	7,461,312
Ending Fund Balances	<u>\$ 6,109,354</u>	<u>\$ 423,955</u>	<u>\$ 2,683,225</u>	<u>\$ 5,299,944</u>

See Notes to Financial Statements.

<u>Angleton Better Living</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 27,237	\$ 7,289,909
-	101,745	730,245
1,680,459	-	5,041,377
-	-	117,302
-	-	379,284
-	20,277	499,748
-	224,357	2,343,374
-	461,252	1,624,418
3,780	7,708	129,253
-	449,193	565,510
<u>1,684,239</u>	<u>1,291,769</u>	<u>18,720,420</u>
290,729	1,227,386	3,731,781
-	-	466,036
-	461,311	7,426,735
-	40,049	4,690,360
-	245,888	346,384
-	156,401	2,952,628
-	-	1,131,983
-	-	393,240
-	-	23,038
<u>290,729</u>	<u>2,131,035</u>	<u>21,162,185</u>
<u>1,393,510</u>	<u>(839,266)</u>	<u>(2,441,765)</u>
-	1,135,300	2,204,466
(1,713,039)	(112,073)	(1,977,191)
-	-	1,200,000
-	-	50,297
-	-	14,451
<u>(1,713,039)</u>	<u>1,023,227</u>	<u>1,492,023</u>
(319,529)	183,961	(949,742)
<u>1,207,551</u>	<u>2,068,675</u>	<u>18,606,878</u>
<u>\$ 888,022</u>	<u>\$ 2,252,636</u>	<u>\$ 17,657,136</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, 2020

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

Net changes in fund balances - total governmental funds \$ (949,742)

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	3,264,022
Net effect of disposals	(19,908)
Depreciation	(1,046,378)

Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds. (9,328)

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	1,131,983
Bonds issued	(1,200,000)
Bond premium, net	(19,198)
Refunding loss	(8,820)
Accrued interest	37,988

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	62,963
Net pension liability (TESRS)	(40,632)
Net pension liability (TMRS)	1,436,707
Total OPEB liability	(71,883)
Deferred outflows - pensions (TMRS)	140,102
Deferred outflows - pensions (TESRS)	24,265
Deferred outflows - OPEB	40,789
Deferred inflows - pensions (TMRS)	(1,506,426)
Deferred inflows - pensions (TESRS)	(211)
Deferred inflows - OPEB	3,624
On behalf revenue - (TESRS)	5,144
Pension expense - (TESRS)	(5,144)

An internal service fund is used by management to charge the costs of unemployment costs to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.

	6,290
Change in Net Position of Governmental Activities	\$ 1,276,207

See Notes to Financial Statements.

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CITY OF ANGLETON, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2020

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 2,279,841	\$ 44,033
Investments	347,522	-
Receivables, net	975,235	-
Inventory	63,830	-
Restricted cash and cash equivalents	7,073,875	-
Total Current Assets	10,740,303	44,033
Capital assets:		
Nondepreciable	2,092,217	-
Depreciable, net	19,040,187	-
Total Capital Assets (Net of Accumulated Depreciation)	21,132,404	-
Total Noncurrent Assets	21,132,404	-
Total Assets	31,872,707	44,033
<u>Deferred Outflows of Resources</u>		
Deferred outflows - pensions	130,870	-
Deferred outflows - OPEB	10,551	-
Deferred charge on refunding	55,179	-
Total Deferred Outflows of Resources	196,600	-
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued liabilities	544,241	-
Accrued interest payable	54,914	-
Customer deposits	325,115	-
Total Current Liabilities	924,270	-
Noncurrent liabilities:		
Long-term debt due within one year	1,325,344	-
Long-term debt due in more than one year	16,452,783	-
Total Noncurrent Liabilities	17,778,127	-
Total Liabilities	18,702,397	-
<u>Deferred Inflows of Resources</u>		
Deferred inflows - pensions	178,104	-
Deferred inflows - OPEB	3,460	-
Total Deferred Inflows of Resources	181,564	-
<u>Net Position</u>		
Net investment in capital assets	10,382,142	-
Restricted for capital projects	798,211	-
Unrestricted	2,004,993	44,033
Total Net Position	\$ 13,185,346	\$ 44,033

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, 2020

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
<u>Operating Revenues</u>		
Water sales	\$ 4,235,265	\$ -
Sanitary sewer services	2,487,676	-
Other service fees	349,547	13,950
Total Operating Revenues	7,072,488	13,950
<u>Operating Expenses</u>		
Water distribution	352,523	-
Water plant operations	631,043	-
Water purchases	2,174,040	-
Sewer	321,564	-
Collection administration	1,720,341	-
Personnel services	-	7,949
Depreciation	1,017,968	-
Total Operating Expenses	6,217,479	7,949
Operating Income	855,009	6,001
<u>Nonoperating Revenues (Expenses)</u>		
Investment revenue	96,019	289
Interest expense	(412,681)	-
Issuance costs	(158,291)	-
Total Nonoperating Revenues (Expenses)	(474,953)	289
Income Before Transfers	380,056	6,290
<u>Transfers</u>		
Transfers (out)	(227,275)	-
Total Transfers	(227,275)	-
Change in Net Position	152,781	6,290
Beginning net position	13,032,565	37,743
Ending Net Position	\$ 13,185,346	\$ 44,033

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, 2020

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
<u>Cash Flows from Operating Activities</u>		
Receipts from customers and users	\$ 7,195,476	\$ 6,001
Payments to suppliers	(3,186,051)	(7,098)
Payments to employees	(1,638,461)	-
Net Cash Provided (Used) by Operating Activities	2,370,964	(1,097)
<u>Cash Flows from Noncapital Financing Activities</u>		
Transfers to other funds	(227,275)	-
Net Cash (Used) by Noncapital Financing Activities	(227,275)	-
<u>Cash Flows from Capital and Related Financing Activities</u>		
Acquisition and construction of capital assets	(2,222,068)	-
Proceeds from bond issuance	8,245,000	-
Principal paid on capital debt	(1,205,017)	-
Issuance costs	(158,291)	-
Interest paid on capital debt	(374,958)	-
Net Cash Provided by Capital and Related Financing Activities	4,284,666	-
<u>Cash Flows from Investing Activities</u>		
Purchase of investment	(3,330)	-
Interest received	96,019	289
Net Cash Provided by Investing Activities	92,689	289
Net Increase (Decrease) in Cash and Cash Equivalents	6,521,044	(808)
Beginning cash and cash equivalents	2,832,672	44,841
Ending Cash and Cash Equivalents	\$ 9,353,716	\$ 44,033
<u>Ending Cash and Cash Equivalents</u>		
Unrestricted cash and cash equivalents	\$ 2,279,841	\$ 44,033
Restricted cash and cash equivalents	7,073,875	-
	\$ 9,353,716	\$ 44,033

CITY OF ANGLETON, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 2 of 2) For the Year Ended September 30, 2020

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income	\$ 855,009	\$ 6,001
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	1,017,968	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Current Assets:		
Accounts receivable	106,883	-
Inventory	1,434	-
Deferred outflows - pensions	148,633	-
Deferred outflows - OPEB	(7,935)	-
Deferred charges	320,866	-
Increase (Decrease) in Current Liabilities:		
Accounts payable and accrued liabilities	128,280	(7,098)
Compensated absences	(17,590)	-
Deferred inflows - pensions	106,773	-
Deferred inflows - OPEB	(709)	-
Premium	(37,723)	-
Net pension liability	(281,093)	-
Total OPEB liability	14,063	-
Customer deposits	16,105	-
Net Cash Provided (Used) by Operating Activities	\$ 2,370,964	\$ (1,097)

See Notes to Financial Statements.

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CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

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 (the “State”) 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, 2020

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.

Tax Increment Reinvestment Zone No. Two

During fiscal year 2020 the City passed an ordinance creating Tax Increment Reinvestment Zone No. Two (TIRZ 2), also referred to as the Riverwood Ranch TIRZ, in accordance with Section 311.005 of the Texas Tax Code, for the purpose of promoting the redevelopment of the area. Increases in property taxes will be utilized for certain infrastructure costs. Such taxes are controlled by a board of directors who is responsible for the management and oversight of the TIRZ in accordance with the project and financing plan. Tax deposits shall not commence until after January 1, 2021 and termination of the operation of TIRZ 2 shall occur on December 31, 2051, or at an earlier time designated by subsequent ordinance or when all project costs, other obligations, debt, and interest have been paid in full. There was no financial activity related to TIRZ 2 for fiscal year 2020.

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,

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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 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 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 fund) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
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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 *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.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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.

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 cash and investments resulting from the issuance of debt restricted to the purchase and/or construction of governmental and business-type activity capital 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.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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.

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.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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. 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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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 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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

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, 2020.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

A. Excess of Expenditures over Appropriations

General fund		
Public Safety:		
Police department	\$	12,530
Community services:		
Sanitation	\$	2,928
Transfers (out)	\$	138,517
Drug confiscation fund		
Public safety	\$	9
Police donation fund		
Public safety	\$	817
GLO grant fund		
General administration	\$	35,899
Developer Deposit fund		
General administration	\$	20,534

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2020, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Investment pools		
TexPool	\$ 1,602,439	0.10
TexStar	9,187,598	0.11
Lone Star	7,382,236	0.11
Certificates of deposit	1,042,566	0.67
Total Fair Value	<u>\$ 19,214,839</u>	
Portfolio weighted average maturity		0.10

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, 2020, the City’s investments in investment pools were rated ‘AAAm’ by Standard & Poor’s.

TexPool

TexPool was established as a trust company with the Treasurer of the State 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 &

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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.

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

B. Receivables

The following comprise receivable balances as of September 30, 2020:

	<u>General</u>	<u>Debt Service</u>	<u>Angleton Better Living</u>	<u>Nonmajor Governmental</u>	<u>Utility</u>	<u>Total</u>
Property taxes	\$ 157,508	\$ 26,587	\$ -	\$ -	\$ -	\$ 184,095
Other taxes	736,280	-	270,091	-	-	1,006,371
Intergovernmental	-	-	-	77,115	-	77,115
Accounts	304,705	-	-	3,104	1,490,782	1,798,591
Less allowance	(71,746)	(12,194)	-	-	(515,547)	(599,487)
Totals	<u>\$ 1,126,747</u>	<u>\$ 14,393</u>	<u>270,091</u>	<u>\$ 80,219</u>	<u>\$ 975,235</u>	<u>\$ 2,466,685</u>

C. Capital Assets

A summary of changes in capital assets for governmental activities for the fiscal year ended September 30, 2020 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,218,563	\$ 277,277	\$ -	\$ 1,495,840
Construction in progress	1,738,583	835,105	(2,046,477)	527,211
Total capital assets not being depreciated	<u>2,957,146</u>	<u>1,112,382</u>	<u>(2,046,477)</u>	<u>2,023,051</u>
Other capital assets:				
Buildings and improvements	12,395,860	-	-	12,395,860
Equipment	11,487,744	347,781	(169,944)	11,665,581
Infrastructure	23,973,703	3,850,336	-	27,824,039
Total other capital assets	<u>47,857,307</u>	<u>4,198,117</u>	<u>(169,944)</u>	<u>51,885,480</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,511,740)	(275,903)	-	(4,787,643)
Equipment	(8,959,896)	(345,062)	150,036	(9,154,922)
Infrastructure	(15,961,433)	(425,413)	-	(16,386,846)
Total accumulated depreciation	<u>(29,433,069)</u>	<u>(1,046,378)</u>	<u>150,036</u>	<u>(30,329,411)</u>
Other capital assets, net	<u>18,424,238</u>	<u>3,151,739</u>	<u>(19,908)</u>	<u>21,556,069</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,381,384</u>	<u>\$ 4,264,121</u>	<u>\$ (2,066,385)</u>	<u>23,579,120</u>
			Less associated debt	(12,483,358)
			Plus unspent bond proceeds	6,234,528
			Plus deferred charge on refunding	37,047
			Net Investment in Capital Assets	<u>\$ 17,367,337</u>

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

Depreciation was charged to governmental functions as follows:

General administration	\$	520,913
Public safety		231,745
Community services		<u>293,720</u>
Total Governmental Activities Depreciation Expense	\$	<u>1,046,378</u>

The following is a summary of changes in capital assets for business-type activities for the fiscal year ended September 30, 2020:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 367,922	\$ 2,092,217	\$ (367,922)	\$ 2,092,217
Total capital assets not being depreciated	<u>367,922</u>	<u>2,092,217</u>	<u>(367,922)</u>	<u>2,092,217</u>
Other capital assets:				
Buildings and other improvements	297,209	22,456	-	319,665
Equipment	2,572,709	107,396	-	2,680,105
Infrastructure	46,961,183	367,921	-	47,329,104
Total other capital assets	<u>49,831,101</u>	<u>497,773</u>	<u>-</u>	<u>50,328,874</u>
Less accumulated depreciation for:				
Buildings and other improvements	(264,460)	(4,025)	-	(268,485)
Equipment	(1,592,981)	(164,982)	-	(1,757,963)
Infrastructure	(28,413,278)	(848,961)	-	(29,262,239)
Total accumulated depreciation	<u>(30,270,719)</u>	<u>(1,017,968)</u>	<u>-</u>	<u>(31,288,687)</u>
Other capital assets, net	<u>19,560,382</u>	<u>(520,195)</u>	<u>-</u>	<u>19,040,187</u>
Business-Type Activities Capital Assets, Net	<u>\$ 19,928,304</u>	<u>\$ 1,572,022</u>	<u>\$ (367,922)</u>	<u>21,132,404</u>
			Less associated debt	(16,695,845)
			Plus unspent bond proceeds	5,890,404
			Plus deferred charge on refunding	<u>55,179</u>
			Net Investment in Capital Assets	<u>\$ 10,382,142</u>

Depreciation was charged to business-type functions as follows:

Water	\$	219,439
Sewer		<u>798,529</u>
Total Business-Type Activities Depreciation Expense	\$	<u>1,017,968</u>

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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, 2020. In general, the City uses the debt service fund and general fund to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
General obligation refunding bonds	\$ 1,675,000	\$ -	\$ 325,000	\$ 1,350,000 *	\$ 210,000
Direct borrowings/private placement:					
Refunding bonds	797,498	-	228,773	568,725 *	228,773
Certificates of obligation	9,175,000	1,200,000	516,210	9,858,790 *	561,210
Capital leases	330,051	-	62,000	268,051 *	64,000
Plus deferred amounts:					
For premiums	418,594	50,297	31,099	437,792 *	
	<u>12,396,143</u>	<u>1,250,297</u>	<u>1,163,082</u>	<u>12,483,358</u>	<u>1,063,983</u>
Other liabilities:					
Net pension liability - TMRS	3,379,197	-	1,436,707	1,942,490	-
Net pension liability - TESRS	69,065	40,632	-	109,697	-
Total OPEB liability	243,349	71,883	-	315,232	-
Compensated absences	564,792	461,185	524,148	501,829	451,646
	<u>4,256,403</u>	<u>573,700</u>	<u>1,960,855</u>	<u>2,869,248</u>	<u>451,646</u>
Total Governmental Activities	<u>\$ 16,652,546</u>	<u>\$ 1,823,997</u>	<u>\$ 3,123,937</u>	<u>\$ 15,352,606</u>	<u>\$ 1,515,629</u>
			Long-Term Debt Due In More Than One Year	<u>\$ 13,836,977</u>	
			* Debt Associated With Capital Assets	<u>\$ 12,483,358</u>	

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities					
General obligation refunding bonds	\$ 1,755,000	\$ -	\$ 135,000	\$ 1,620,000 *	\$ 195,000
Direct borrowings/private placement:					
Refunding bonds	1,067,502	-	306,227	761,275 *	306,227
Certificates of obligation	2,525,000	-	330,000	2,195,000 *	275,000
Certificates of obligation	3,765,000	8,245,000	433,790	11,576,210 *	438,790
Plus deferred amounts:					
For premiums	235,503	345,580	37,723	543,360 *	-
	<u>9,348,005</u>	<u>8,590,580</u>	<u>1,242,740</u>	<u>16,695,845</u>	<u>1,215,017</u>
Other liabilities:					
Net pension liability	1,183,671	-	281,093	902,578	-
Total OPEB liability	43,056	14,063	-	57,119	-
Compensated absences	140,175	128,591	146,181	122,585	110,327
	<u>1,366,902</u>	<u>142,654</u>	<u>427,274</u>	<u>1,082,282</u>	<u>110,327</u>
Total Business-Type Activities	<u>\$ 10,714,907</u>	<u>\$ 8,733,234</u>	<u>\$ 1,670,014</u>	<u>\$ 17,778,127</u>	<u>\$ 1,325,344</u>
			Long-Term Debt Due In More Than One Year	<u>\$ 16,452,783</u>	
			* Debt Associated With Capital Assets	<u>\$ 16,695,845</u>	

In November 2019, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2019 (the “Certificates”) in the amount of \$9,445,000. Proceeds from the sale of the Certificates will be used for all or any part of the costs associated with the (i) construction, acquisition, renovation, and equipment of improvement to the City water and sewer system; (ii) purchase of a new fire truck; and (iii) the cost of professional services incurred in connection therewith. The Certificates will mature on February 15, 2039. The Certificates bear an interest rate ranging between 2.00% and 4.00%.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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

Description	Interest Rates	Balance
<u>Governmental Activities</u>		
General Obligation Refunding Bonds		
Series 2013	1.75%	\$ 568,725
Series 2016	2.00-4.00%	1,350,000
		<u>1,918,725</u>
Certificates of Obligation		
Series 2018	3.00-4.00%	8,695,000
Series 2019	2.00-4.00%	1,163,790
		<u>9,858,790</u>
Capital Leases		
Fire truck	3.25%	268,051
		<u>268,051</u>
	Total Governmental Activities Long-Term Debt	\$ 12,045,566
<u>Business-Type Activities</u>		
General Obligation Refunding Bonds		
Series 2013	1.75%	\$ 761,275
Series 2016	2.00-4.00%	1,620,000
		<u>2,381,275</u>
Certificates of Obligation		
Water and sewer, series 2013	2.28%	2,195,000
Water and sewer, series 2015	3.00-4.00%	3,580,000
Secries 2019	2.00-4.00%	7,996,210
		<u>13,771,210</u>
	Total Business-Type Activities Long-Term Debt	\$ 16,152,485

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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

Year Ending Sep 30	Governmental Activities					
	General Obligation Refunding Bonds		Certificates of Obligation		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 210,000	\$ 39,950	\$ 561,210	\$ 307,725	\$ 64,000	\$ 8,240
2022	170,000	36,150	517,480	288,776	65,500	6,144
2023	185,000	31,675	515,246	268,121	68,000	3,991
2024	250,000	25,150	565,103	246,824	70,551	2,382
2025	220,000	17,000	535,185	227,961	-	-
2026-2030	315,000	12,100	2,742,875	894,626	-	-
2031-2035	-	-	2,744,555	479,923	-	-
2036-2039	-	-	1,677,136	83,012	-	-
Total	\$ 1,350,000	\$ 162,025	\$ 9,858,790	\$ 2,796,968	\$ 268,051	\$ 20,757

Governmental Activities - Direct Borrowings/Private Placement		
Year Ending Sep 30	General Obligation Refunding Bonds	
	Principal	Interest
	2021	\$ 228,773
2022	179,597	5,949
2023	160,355	2,806
Total	\$ 568,725	\$ 18,708

Business-Type Activities				
Year Ending Sep 30	General Obligation Refunding Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
	2021	\$ 195,000	\$ 46,100	\$ 438,790
2022	325,000	40,900	452,520	307,510
2023	390,000	31,800	304,754	294,340
2024	245,000	22,275	519,897	280,977
2025	235,000	13,900	559,815	264,315
2026-2030	230,000	4,600	3,472,125	1,023,472
2031-2035	-	-	3,855,445	479,597
2036-2039	-	-	1,972,864	94,970
Total	\$ 1,620,000	\$ 159,575	\$ 11,576,210	\$ 3,068,592

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

Business-Type Activities - Direct Borrowings/Private Placement				
Year Ending Sep 30	General Obligation		Certificates of	
	Refunding Bonds		Obligation	
	Principal	Interest	Principal	Interest
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	-	-	310,000	23,370
2026-2030	-	-	870,000	29,184
Total	\$ 761,275	\$ 25,041	\$ 2,195,000	\$ 207,537

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 \$1,918,804, net \$484,188.

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:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amounts</u>
General	Nonmajor	\$ 112,073
General	Utility	119,751
General	Angleton Better Living	360,462
Debt service	Angleton Better Living	443,976
Debt service	Utility	32,904
Nonmajor	General	152,079
Nonmajor	Utility	74,620
Nonmajor	Angleton Better Living	908,601
		<u>\$ 2,204,466</u>

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 the 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, 2020

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

Due To	Due From	Amount
General	Angleton Better Living	\$ 82,234

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 \$580,915 related to hotel/motel tax, child safety, and municipal court security and technology.

G. Restricted Assets

The balances of the restricted cash accounts in the general fund and enterprise fund recognized by the City were as follows:

General Fund		
Restricted for capital projects	\$	973,164
Utility Fund		
Restricted for capital projects		7,073,875
Total	\$	8,047,039

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, 2020

COVID-19

The continued spread of the COVID-19 pandemic has given a rise in uncertainties that may have a significant negative impact on the operating activities and results of the City. The occurrence and extent of such impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are uncertain.

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 \$371,933, leaving a balance due to the developer of \$1,817,481 as of September 30, 2020. 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 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State 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. 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. 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.

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.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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:

	2020	2019
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

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	71
Inactive employees entitled to, but not yet receiving, benefits	70
Active employees	129
Total	270

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 12.35% and 12.21% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2020 were \$887,773 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-Distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a four-year set-forward for males and a three-year set-forward for females. In addition, a 3.5 percent and 3.0 percent minimum mortality rate is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, 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:

Assets Class	Target Allocation	Long-Term Expected Real
Global Equities	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	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, 2020

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 967,612	\$ -	\$ 967,612
Interest	1,810,253	-	1,810,253
Change in current period benefits	-	-	-
Difference between expected and actual experience	56,625	-	56,625
Changes of assumptions	121,586	-	121,586
Contributions - employer	-	822,437	(822,437)
Contributions - employee	-	399,564	(399,564)
Net investment income	-	3,472,078	(3,472,078)
Benefit payments, including refunds of employee contributions	(1,363,110)	(1,363,110)	-
Administrative expense	-	(19,614)	19,614
Other changes	-	(589)	589
Net Changes	1,592,966	3,310,766	(1,717,800)
Balance at December 31, 2018	27,016,305	22,453,437	4,562,868
Balance at December 31, 2019	\$ 28,609,271	\$ 25,764,203	\$ 2,845,068

Sensitivity of the NPL/(A) to Changes in the Discount Rate

The following presents the NPL/(A) of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL/(A) 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)	\$ 6,821,134	\$ 2,845,068	\$ (402,909)

Pension Plan Fiduciary Net Position

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

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

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$791,703.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 43,238	\$ 255,989
Changes in actuarial assumptions	92,842	-
Net difference between projected and actual investment earnings	-	787,016
Contributions subsequent to the measurement date	657,103	-
Total	\$ 793,183	\$ 1,043,005

\$657,103 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense
2021	\$ (325,167)
2022	(284,053)
2023	83,903
2024	(381,608)
2025	-
Thereafter	-
Total	\$ (906,925)

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 to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. At August 31, 2019, there were 237 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, 2019, the pension system membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	3,649
Terminated Members Entitled to Benefits but Not Yet Receiving Them	1,842
Active Participants (Vested and Nonvested)	3,702

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, and can be obtained at

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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% vested after the tenth year of service, with the vesting percentage increasing 10% for each of the next five years of service so that a member becomes 100% 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% 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%), 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%, of 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 15 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, 2020

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, 2019, total contributions (dues, prior service, and interest on prior service financing) of \$17,337 were paid by the City. The State appropriated \$1,329,224 for the fiscal year ending August 31, 2019 to TESRS as a whole.

Actuarial Assumptions

The TPL in the August 31, 2019 actuarial valuation, rolled forward to August 31, 2019, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	8/31/2019
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, 2020

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>Expected Net Real Rate of Return</u>
Equities		
Large cap domestic	32%	5.81%
Small 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%	0.00%
Total	<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	\$ 194,970	\$ 109,697	\$ 52,617

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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

At August 31, 2019, the City reported a liability of \$109,697 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	\$ 109,697	
State's proportionate share that is associated with the City*	32,539	
Total	\$ 142,236	

**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, rolled forward to a measurement date of August 31, 2019. GASB Statement No. 68 *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No.27* (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, 2019. The City used the assumption that any differences in the NPL measured as of August 31, 2019 versus September 30, 2020 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, 2018 through August 31, 2019.

At August 31, 2019, the City's proportion of the collective NPL was 0.387%, which was an increase 0.068% of from its proportion measured as of August 31, 2018.

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 September 30, 2020, the City recognized pension expense of \$25,994. The City recognized on-behalf revenues of \$5,144 calculated by taking the State's total contributions to TESRS multiplied by the City's proportionate share.

At September 30, 2020, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual investment earnings	\$ 14,126	\$ -
Difference between expected and actual economic experience	-	133
Contributions paid to TESRS subsequent to the measurement date	31,318	-
Total	\$ 45,444	\$ 133

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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

Fiscal Year	
Ended	Pension
September 30	Expense
2021	\$ 2,978
2022	1,562
2023	3,472
2024	5,981
Total	\$ 13,993

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 Statement 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, 2020

Participation in the SDBF as of December 31, 2019 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	50	
Inactive employees entitled to, but not yet receiving, benefits	18	
Active employees	129	
Total	197	

Total OPEB Liability

The City's total OPEB liability of \$372,351 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 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 11.50% including inflation	
Discount rate*	2.75%	
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.	
Mortality - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.	
Mortality - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.	

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

Changes in the Total OPEB Liability

		<u>Total OPEB Liability</u>
Changes for the year:		
Service cost	\$	15,983
Interest		10,873
Changes of benefit terms		-
Difference between expected and actual experience		(2,124)
Changes of assumptions		63,878
Benefit payments*		(2,664)
	Net Changes	<u>85,946</u>
Balance at December 31, 2018		<u>286,405</u>
	Balance at December 31, 2019	<u><u>\$ 372,351</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.

The discount rate decreased from 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019. There were no other 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 (1.75%)</u>	<u>Discount Rate (2.75%)</u>	<u>1% Increase (3.75%)</u>
City's total OPEB liability	\$ 454,759	\$ 372,351	\$ 309,301

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$35,789. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 10,584
Changes in actuarial assumptions	63,474	13,482
Contributions subsequent to the measurement date	2,153	-
Total	\$ 65,627	\$ 24,066

\$2,153 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, 2021.

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

Fiscal Year Ended September 30	OPEB Expense
2021	\$ 8,933
2022	8,933
2023	7,583
2024	6,855
2025	7,104
Thereafter	-
Total	\$ 39,408

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 Agreements/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.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

FL Tucker LTD 380 Agreement

On August 28, 2018, City Council approved an agreement (the “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 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, and 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 2020.

DEES PROPERTIES, LLC 380 Agreement

On October 8, 2019, City Council approved a community development program agreement (the “Agreement”) with Dees Properties LLC (the “Business”) for the restoration and preservation of the Bowman Building located at 116 N. Velasco, TX 77515 (the “Building”). The City agreed to the following:

- Provide a 5-year refund equal to 50% of the property and sales taxes or until the property and sales taxes rebate imposed and received by the City reaches a combined total of \$300,000, whichever comes first.
- This Agreement shall remain in effect until the expiration of the 5-year period and may be extended for an additional period on terms mutually accepted by both parties.
- In the event this Agreement is terminated, or Building is sold by Company to another party other than City, before the fifth (5th) anniversary of the signing of this agreement, Company shall repay the total amount of the grant received up to the date of sale or termination.

The Business agreed to the following:

- Revitalize the Bowman Building.
- Add taxable improvements to the real property.
- Create employment opportunities.

No taxes were refunded during fiscal year 2020.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

G. Subsequent Event

In November 2020, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2020 (the “Certificates”) in the amount of \$2,925,000. Proceeds from the sale of the Certificates will be used for all or any part of the costs associated with the construction, acquisition, renovation and equipment of improvements to (i) the Lakeside Park project and any/all other City parks, (ii) the Municipal Pool, (iii) the B.G. Peck Soccer Complex, and (iv) the Angleton Recreation Center within the City, and the cost of professional services incurred in connection therewith.

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, 2020

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 6,195,978	\$ 6,240,279	\$ 6,233,993	\$ (6,286)
Franchise fees and local taxes	700,800	700,800	628,500	(72,300)
Sales taxes	3,207,865	3,360,965	3,360,918	(47)
Industrial district agreement	123,063	123,063	117,302	(5,761)
Permits, licenses, and fees	279,800	386,673	379,284	(7,389)
Fines and forfeitures	739,661	740,411	479,471	(260,940)
Charges for services	2,082,400	2,123,435	2,119,017	(4,418)
Intergovernmental	36,450	36,450	1,163,166	1,126,716
Investment revenue	48,810	48,810	31,268	(17,542)
Miscellaneous revenue	415,708	55,198	115,830	60,632
Total Revenues	<u>13,830,535</u>	<u>13,816,084</u>	<u>14,628,749</u>	<u>812,665</u>
Expenditures				
General administration				
Administrative	1,489,967	1,788,653	1,756,219	32,434
Buildings	301,450	301,124	262,065	39,059
Total general administration	<u>1,791,417</u>	<u>2,089,777</u>	<u>2,018,284</u>	<u>71,493</u>
Financial administration				
Tax collection	48,000	48,000	47,251	749
Finance and accounting	289,325	420,673	418,785	1,888
Total financial administration	<u>337,325</u>	<u>468,673</u>	<u>466,036</u>	<u>2,637</u>
Public safety				
Municipal court	510,308	468,725	468,302	423
Police department	5,142,049	5,046,640	5,059,170	(12,530) *
Animal control	258,789	229,008	228,400	608
Fire department	677,845	706,505	673,919	32,586
Emergency management	93,472	32,681	32,516	165
Code enforcement	560,754	539,818	503,117	36,701
Total public safety	<u>7,243,217</u>	<u>7,023,377</u>	<u>6,965,424</u>	<u>57,953</u>
Community services				
Information technology	497,239	402,698	343,736	58,962
Parks and recreation	1,271,430	1,300,110	1,288,416	11,694
Public work	1,086,151	1,146,654	1,142,415	4,239
Sanitation	1,889,016	1,872,816	1,875,744	(2,928) *
Total community services	<u>4,743,836</u>	<u>4,722,278</u>	<u>4,650,311</u>	<u>71,967</u>

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, 2020

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive Negative
<u>Expenditures (continued)</u>				
Economic development	\$ 175,309	\$ 158,080	\$ 100,496	\$ 57,584
Capital outlay	-	254,095	254,095	-
Debt service				
Principal	59,500	62,000	62,000	-
Interest expense	12,214	10,274	10,272	2
Issuance costs	-	23,038	23,038	-
Total debt service	<u>71,714</u>	<u>72,274</u>	<u>95,310</u>	<u>2</u>
Total Expenditures	<u>14,362,818</u>	<u>14,788,554</u>	<u>14,549,956</u>	<u>261,636</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(532,283)</u>	<u>(972,470)</u>	<u>78,793</u>	<u>1,074,301</u>
<u>Other Financing Sources (Uses)</u>				
Bonds issued	-	1,200,000	1,200,000	-
Bond premium	-	50,297	50,297	-
Transfers in	890,578	629,509	592,286	(37,223)
Transfers (out)	(92,972)	(13,562)	(152,079)	(138,517) *
Sale of capital assets	-	14,451	14,451	-
Total Other Financing Sources	<u>797,606</u>	<u>1,880,695</u>	<u>1,704,955</u>	<u>(175,740)</u>
Net Change in Fund Balance	<u>\$ 265,323</u>	<u>\$ 908,225</u>	1,783,748	<u>\$ 898,561</u>
Beginning fund balance			<u>4,325,606</u>	
Ending Fund Balance			<u>\$ 6,109,354</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. * Expenditures exceeded appropriations at the legal level of control.

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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, 2020

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Sales taxes	\$ 1,603,931	\$ 1,680,459	\$ 1,680,459	\$ -
Investment revenue	3,501	3,781	3,780	(1)
Total Revenues	<u>1,607,432</u>	<u>1,684,240</u>	<u>1,684,239</u>	<u>(1)</u>
<u>Expenditures</u>				
Current:				
General administration	26,393	301,201	290,729	10,472
Total Expenditures	<u>26,393</u>	<u>301,201</u>	<u>290,729</u>	<u>10,472</u>
Excess of Revenue Over Expenditures	<u>1,581,039</u>	<u>1,383,039</u>	<u>1,393,510</u>	<u>10,471</u>
<u>Other Financing Sources (Uses)</u>				
Transfer in	50,000	330,000	-	(330,000)
Transfer (out)	(1,631,039)	(1,713,039)	(1,713,039)	-
Total Other Financing (Uses)	<u>(1,581,039)</u>	<u>(1,383,039)</u>	<u>(1,713,039)</u>	<u>(330,000)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(319,529)</u>	<u>\$ (319,529)</u>
Beginning fund balance			<u>1,207,551</u>	
Ending Fund Balance			<u>\$ 888,022</u>	

Notes to Required Supplementary Information:

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, 2020

	Measurement Year*			
	2019	2018	2017	2016
Total Pension Liability				
Service cost	\$ 967,612	\$ 875,925	\$ 842,374	\$ 785,512
Interest (on the total pension liability)	1,810,253	1,741,013	1,651,811	1,584,707
Changes of benefit terms	-	-	(42,824)	-
Difference between expected and actual experience	56,625	(372,360)	(85,751)	(252,182)
Changes of assumptions	121,586	-	-	-
Benefit payments, including refunds of employee contributions	(1,363,110)	(1,166,182)	(1,041,573)	(1,177,455)
Net Change in Total Pension Liability	<u>1,592,966</u>	<u>1,078,396</u>	<u>1,324,217</u>	<u>940,582</u>
Beginning total pension liability	<u>27,016,305</u>	<u>25,937,909</u>	<u>24,613,692</u>	<u>23,673,110</u>
Ending Total Pension Liability	<u><u>\$ 28,609,271</u></u>	<u><u>\$ 27,016,305</u></u>	<u><u>\$ 25,937,909</u></u>	<u><u>\$ 24,613,692</u></u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 822,437	\$ 754,235	\$ 729,850	\$ 687,899
Contributions - employee	399,564	361,455	368,923	346,549
Net investment income	3,472,078	(695,480)	2,820,968	1,298,516
Benefit payments, including refunds of employee contributions	(1,363,110)	(1,166,182)	(1,041,573)	(1,177,455)
Administrative expense	(19,614)	(13,439)	(14,617)	(14,663)
Other	(589)	(702)	(742)	(790)
Net Change in Plan Fiduciary Net Position	<u>3,310,766</u>	<u>(760,113)</u>	<u>2,862,809</u>	<u>1,140,056</u>
Beginning plan fiduciary net position	<u>22,453,437</u>	<u>23,213,550</u>	<u>20,350,741</u>	<u>19,210,685</u>
Ending Plan Fiduciary Net Position	<u><u>\$ 25,764,203</u></u>	<u><u>\$ 22,453,437</u></u>	<u><u>\$ 23,213,550</u></u>	<u><u>\$ 20,350,741</u></u>
Net Pension Liability	<u><u>\$ 2,845,068</u></u>	<u><u>\$ 4,562,868</u></u>	<u><u>\$ 2,724,359</u></u>	<u><u>\$ 4,262,951</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.06%	83.11%	89.50%	82.68%
Covered Payroll	\$ 6,659,408	\$ 6,024,244	\$ 6,148,715	\$ 5,775,821
Net Pension Liability as a Percentage of Covered Payroll	42.72%	75.74%	44.31%	73.81%

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

Measurement Year*	
2015	2014
\$ 791,844	\$ 698,595
1,562,646	1,507,813
-	-
(165,121)	(436,428)
137,392	-
(1,163,080)	(903,465)
<u>1,163,981</u>	<u>866,515</u>
<u>22,509,129</u>	<u>21,642,614</u>
<u>\$ 23,673,110</u>	<u>\$ 22,509,129</u>
\$ 730,615	\$ 660,722
353,239	323,355
28,450	1,039,581
(1,163,080)	(903,465)
(17,328)	(10,853)
(856)	(892)
<u>68,960</u>	<u>1,108,448</u>
<u>19,279,645</u>	<u>18,171,197</u>
<u>\$ 19,210,685</u>	<u>\$ 19,279,645</u>
<u>\$ 4,462,425</u>	<u>\$ 3,229,484</u>
81.15%	85.65%
\$ 5887320	\$ 5,389,248
75.80%	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, 2020

	Measurement Year*			
	2019	2018	2017	2016
City's proportion of the net pension liability	0.387%	0.319%	0.354%	0.413%
City's proportionate share of the net pension liability	\$ 109,697	\$ 69,065	\$ 84,966	\$ 120,165
State's proportionate share of the net pension liability	32,539	19,168	27,824	41,542
Total	\$ 142,236	\$ 88,233	\$ 112,790	\$ 161,707
Number of Active Members**	27	37	40	32
City's net pension liability per active member	\$ 4,063	\$ 1,846	\$ 2,102	\$ 3,815
Plan fiduciary net position as a percentage of the total pension liability	80.2%	84.3%	81.4%	76.3%

*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.

Notes to Required Supplementary Information:

Changes in benefit terms

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

Changes in assumptions

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

Measurement Year *	
2015	2014
0.428%	0.452%
\$ 114,150	\$ 82,146
39,568	27,613
<u>\$ 153,718</u>	<u>\$ 109,759</u>
34	34
\$ 3,391	\$ 2,416
76.9%	83.5%

CITY OF ANGLETON, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the Year Ended September 30, 2020

	Fiscal Year*			
	2020	2019	2018	2017
Actuarially determined contribution	\$ 887,773	\$ 808,099	\$ 735,614	\$ 727,148
Contributions in relation to the actuarially determined contribution	887,773	808,099	735,614	727,148
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 7,249,082	\$ 6,519,525	\$ 5,961,986	\$ 6,120,417
Contributions as a percentage of covered payroll	12.25%	12.40%	12.34%	11.88%

*Only seven years of information are currently available. The City will build this schedule over the next three-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	26 years
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period December 31, 2014-December 31, 2018.
Mortality	Post-retirement 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during this year.

Fiscal Year *		
2016	2015	2014
\$ 693,433	\$ 687,403	\$ 658,787
693,433	687,403	658,787
\$ -	\$ -	\$ -
\$ 5,754,427	\$ 5,554,619	\$ 5,389,248
12.05%	12.38%	12.22%

CITY OF ANGLETON, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM (TESRS)
For the Year Ended September 30, 2020

	Fiscal Year*			
	2020	2019	2018	2017
Contractually required contribution	\$ 31,318	\$ 24,996	\$ 22,453	\$ 24,255
Contributions in relation to the contractually required	31,318	24,996	22,453	24,255
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Number of active members**	26	42	37	40
Contributions per active member	\$ 1,205	\$ 595	\$ 607	\$ 606

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

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

Fiscal Year *

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 18,900	\$ 20,200	\$ 20,580
<u>18,900</u>	<u>20,200</u>	<u>20,580</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
36	34	34
\$ 525	\$ 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, 2020

	Measurement Year*		
	2019	2018	2017
Total OPEB Liability			
Service cost	\$ 15,983	\$ 16,265	\$ 14,142
Interest (on the total OPEB liability)	10,873	10,069	9,793
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(2,124)	(13,650)	-
Change of assumptions	63,878	(20,830)	22,154
Benefit payments**	(2,664)	(3,012)	(3,074)
Net Change in Total OPEB Liability	<u>85,946</u>	<u>(11,158)</u>	<u>44,015</u>
Beginning total OPEB liability	<u>286,405</u>	<u>297,563</u>	<u>253,548</u>
Ending Total OPEB Liability	<u><u>372,351</u></u>	<u><u>\$ 286,405</u></u>	<u><u>\$ 297,563</u></u>
Covered Payroll	<u>6,659,408</u>	<u>\$ 6,024,244</u>	<u>\$ 6,148,715</u>
Total OPEB Liability as a Percentage of Covered Payroll	5.59%	4.75%	4.84%

* Only three years of information is currently available. The City will build this schedule over the next seven-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	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.75%

Administrative expenses All administrative expenses are paid through the Pension Trust Fund and accounted for under reporting requirements under GASB 68.

Mortality - service retirees 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Mortality - disabled retirees 2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the 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, 2019.

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 to 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 cameras.

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 Fund - For radios used for the police department.

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

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

IDM Incentive Fund - To account for the equipment used for police department.

GLO Grant Fund - To account the revenue and expenses for General Land Office grant.

Capital Project Funds

Local Park Grant Fund - Capital improvements for Local Park Grant.

City-Wide Capital Projects Fund - Capital improvements for the City.

CITY OF ANGLETON, TEXAS

COMBINING BALANCE SHEET (Page 1 of 3)

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2020

Special Revenue Funds				
	Hotel/Motel	Child Safety	Municipal Court Technology	Municipal Court Building Security
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 512,984	\$ 4,338	\$ 108	\$ 23,839
Receivables, net	46,533	-	-	-
Total Assets	\$ 559,517	\$ 4,338	\$ 108	\$ 23,839
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 6,887	\$ -	\$ -	\$ -
Total Liabilities	6,887	-	-	-
Fund balances:				
Restricted for:				
Economic development	552,630	-	-	-
Special projects	-	4,338	108	23,839
Capital projects	-	-	-	-
Total Fund Balances	552,630	4,338	108	23,839
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 559,517	\$ 4,338	\$ 108	\$ 23,839

Special Revenue Funds

FEMA Grant	Drug Confiscation	Keep Angleton Beautiful	Angleton Act Center	TIRZ #1	OBJ Police Grant
\$ 962	\$ 36,315	\$ 66,565	\$ 317,837	\$ 33,881	\$ -
-	-	3,104	254	-	30,328
<u>\$ 962</u>	<u>\$ 36,315</u>	<u>\$ 69,669</u>	<u>\$ 318,091</u>	<u>\$ 33,881</u>	<u>\$ 30,328</u>
\$ 962	\$ 8,097	\$ 1,250	\$ 50,534	\$ 33,766	\$ 1,596
962	8,097	1,250	50,534	33,766	1,596
-	-	-	267,557	-	-
-	28,218	68,419	-	115	28,732
-	-	-	-	-	-
-	28,218	68,419	267,557	115	28,732
<u>\$ 962</u>	<u>\$ 36,315</u>	<u>\$ 69,669</u>	<u>\$ 318,091</u>	<u>\$ 33,881</u>	<u>\$ 30,328</u>

CITY OF ANGLETON, TEXAS
COMBINING BALANCE SHEET (Page 2 of 3)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020

	Special Revenue Funds			
	Police Donation	Fire Dept. ESD	A/C Donations	Police Communication Grant
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 29,269	\$ 167,140	\$ 7,887	\$ -
Receivables, net	-	-	-	-
	-	-	-	-
Total Assets	\$ 29,269	\$ 167,140	\$ 7,887	\$ -
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 23,395	\$ -	\$ -
	-	23,395	-	-
Total Liabilities	-	23,395	-	-
Fund balances:				
Restricted for:				
Economic development	-	-	-	-
Special projects	29,269	143,745	7,887	-
Capital projects	-	-	-	-
	-	-	-	-
Total Fund Balances	29,269	143,745	7,887	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 29,269	\$ 167,140	\$ 7,887	\$ -

Special Revenue Funds				Capital Projects Funds	
Livable Center Study	Developer Deposit	IDM Incentive	GLO Grant	Local Park Grant	City-Wide Capital Projects
\$ -	\$ 342,976	\$ -	\$ 3,705	\$ 369,261	\$ 407,095
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 342,976</u>	<u>\$ -</u>	<u>\$ 3,705</u>	<u>\$ 369,261</u>	<u>\$ 407,095</u>
\$ -	\$ -	\$ -	\$ 3,705	\$ 21,553	\$ -
-	-	-	3,705	21,553	-
-	-	-	-	-	-
-	342,976	-	-	347,708	407,095
-	342,976	-	-	347,708	407,095
<u>\$ -</u>	<u>\$ 342,976</u>	<u>\$ -</u>	<u>\$ 3,705</u>	<u>\$ 369,261</u>	<u>\$ 407,095</u>

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CITY OF ANGLETON, TEXAS
COMBINING BALANCE SHEET (Page 3 of 3)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020

	Total Nonmajor Governmental Funds
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 2,324,162
Receivables, net	80,219
Total Assets	\$ 2,404,381
 <u>Liabilities and Fund Balances</u>	
Liabilities:	
Accounts payable and accrued liabilities	\$ 151,745
Total Liabilities	151,745
Fund balances:	
Restricted for:	
Economic development	820,187
Special projects	334,670
Capital projects	1,097,779
Total Fund Balances	2,252,636
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,404,381

CITY OF ANGLETON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Page 1 of 3)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	Special Revenue Funds			
	Hotel/Motel	Child Safety	Municipal Court Technology	Municipal Court Building Security
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	101,745	-	-	-
Fines and forfeitures	-	2,259	9,327	8,691
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment revenue	3,673	49	71	137
Miscellaneous revenue	-	-	-	-
Total Revenues	105,418	2,308	9,398	8,828
Expenditures				
Current:				
General administration	-	-	-	-
Public safety	-	-	35,383	182
Community services	-	-	-	-
Economic development	192,572	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	192,572	-	35,383	182
Excess (Deficiency) of Revenues Over (Under) Expenditures	(87,154)	2,308	(25,985)	8,646
Other Financing Sources (Uses)				
Transfers in	707	-	11,100	-
Transfers (out)	(19,400)	(5,000)	-	(5,000)
Total Other Financing Sources (Uses)	(18,693)	(5,000)	11,100	(5,000)
Net Change in Fund Balances	(105,847)	(2,692)	(14,885)	3,646
Beginning fund balances	658,477	7,030	14,993	20,193
Ending Fund Balances	\$ 552,630	\$ 4,338	\$ 108	\$ 23,839

Special Revenue Funds

FEMA Grant	Drug Confiscation	Keep Angleton Beautiful	Angleton Act Center	TIRZ #1	OBJ Police Grant
\$ -	\$ -	\$ -	\$ -	\$ 27,237	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
20,237	-	-	-	-	54,610
-	-	-	224,357	-	-
-	112	369	790	71	-
-	26,644	31,841	-	-	-
<u>20,237</u>	<u>26,756</u>	<u>32,210</u>	<u>225,147</u>	<u>27,308</u>	<u>54,610</u>
-	-	-	1,121,644	27,237	-
45,947	7,359	-	-	-	60,601
-	-	-	-	-	-
-	-	53,316	-	-	-
-	-	-	71,896	-	-
<u>45,947</u>	<u>7,359</u>	<u>53,316</u>	<u>1,193,540</u>	<u>27,237</u>	<u>60,601</u>
(25,710)	19,397	(21,106)	(968,393)	71	(5,991)
29,021	-	31,650	936,415	-	30,423
(10,400)	-	-	-	-	-
<u>18,621</u>	<u>-</u>	<u>31,650</u>	<u>936,415</u>	<u>-</u>	<u>30,423</u>
(7,089)	19,397	10,544	(31,978)	71	24,432
7,089	8,821	57,875	299,535	44	4,300
<u>\$ -</u>	<u>\$ 28,218</u>	<u>\$ 68,419</u>	<u>\$ 267,557</u>	<u>\$ 115</u>	<u>\$ 28,732</u>

CITY OF ANGLETON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Page 2 of 3)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

Special Revenue Funds

	Police Donation	Fire Dept. ESD	A/C Donations	Police Communication Grant
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	289,215	-	-
Charges for services	-	-	-	-
Investment revenue	50	-	77	-
Miscellaneous revenue	37,274	1,225	8,813	2,537
Total Revenues	37,324	290,440	8,890	2,537
Expenditures				
Current:				
General administration	-	-	13,492	-
Public safety	13,870	198,147	-	11,212
Community services	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	13,870	198,147	13,492	11,212
Excess (Deficiency of Revenues Over (Under) Expenditures	23,454	92,293	(4,602)	(8,675)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	(72,273)	-	-
Total Other Financing Sources (Uses)	-	(72,273)	-	-
Net Change in Fund Balances	23,454	20,020	(4,602)	(8,675)
Beginning fund balances	5,815	123,725	12,489	8,675
Ending Fund Balances	\$ 29,269	\$ 143,745	\$ 7,887	\$ -

Special Revenue Funds				Capital Projects Funds	
Livable Center Study	Developer Deposit	IDM Incentive	GLO Grant	Local Park Grant	City-Wide Capital Projects
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	88,610	8,580	-	-
-	-	-	-	-	-
-	-	-	-	-	2,309
-	340,859	-	-	-	-
-	<u>340,859</u>	<u>88,610</u>	<u>8,580</u>	-	<u>2,309</u>
-	20,534	-	44,479	-	-
-	-	88,610	-	-	-
40,049	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	84,505	-
<u>40,049</u>	<u>20,534</u>	<u>88,610</u>	<u>44,479</u>	<u>84,505</u>	<u>-</u>
<u>(40,049)</u>	<u>320,325</u>	<u>-</u>	<u>(35,899)</u>	<u>(84,505)</u>	<u>2,309</u>
85	-	-	35,899	-	60,000
-	-	-	-	-	-
<u>85</u>	<u>-</u>	<u>-</u>	<u>35,899</u>	<u>-</u>	<u>60,000</u>
(39,964)	320,325	-	-	(84,505)	62,309
<u>39,964</u>	<u>22,651</u>	<u>-</u>	<u>-</u>	<u>432,213</u>	<u>344,786</u>
<u>\$ -</u>	<u>\$ 342,976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347,708</u>	<u>407,095</u>

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CITY OF ANGLETON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Page 3 of 3)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	Total Nonmajor Governmental Funds
<u>Revenues</u>	
Property taxes	\$ 27,237
Franchise fees and local taxes	101,745
Fines and forfeitures	20,277
Intergovernmental	461,252
Charges for services	224,357
Investment revenue	7,708
Miscellaneous revenue	449,193
Total Revenues	1,291,769
<u>Expenditures</u>	
Current:	
General administration	1,227,386
Public safety	461,311
Community services	40,049
Economic development	245,888
Capital outlay	156,401
Total Expenditures	2,131,035
Excess (Deficiency of Revenues Over (Under) Expenditures	(839,266)
<u>Other Financing Sources (Uses)</u>	
Transfers in	1,135,300
Transfers (out)	(112,073)
Total Other Financing Sources (Uses)	1,023,227
Net Change in Fund Balances	183,961
Beginning fund balances	2,068,675
Ending Fund Balances	\$ 2,252,636

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, 2020

Hotel / Motel				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Franchise fees and local taxes	\$ 280,000	\$ 174,150	\$ 101,745	\$ (72,405)
Investment revenue	2,200	2,200	3,673	1,473
Total Revenues	282,200	176,350	105,418	(70,932)
Expenditures				
Current:				
Economic development	186,463	200,860	192,572	8,288
Total Expenditures	186,463	200,860	192,572	8,288
Excess (Deficiency) of Revenues Over (Under) Expenditures	95,737	(24,510)	(87,154)	(62,644)
Other Financing Sources (Uses)				
Transfers in	-	106,557	707	(105,850)
Transfers (out)	(95,737)	(82,047)	(19,400)	62,647
Total Other Financing Sources (Uses)	(95,737)	24,510	(18,693)	(43,203)
Net Change in Fund Balance	\$ -	\$ -	(105,847)	\$ (105,847)
Beginning fund balance			658,477	
Ending Fund Balance			\$ 552,630	

Child Safety				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 7,000	\$ 4,300	\$ 2,259	\$ (2,041)
Investment revenue	25	25	49	24
Total Revenues	7,025	4,325	2,308	(2,017)
Excess of Revenues Over Expenditures	7,025	4,325	2,308	(2,017)
Other Financing Sources (Uses)				
Transfers in	-	2,700	-	(2,700)
Transfers (out)	(7,025)	(7,025)	(5,000)	2,025
Total Other Financing (Uses)	(7,025)	(4,325)	(5,000)	(675)
Net Change in Fund Balance	\$ -	\$ -	(2,692)	\$ (2,692)
Beginning fund balance			7,030	
Ending Fund Balance			\$ 4,338	

Notes to Supplementary Information:

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

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, 2020

Municipal Court Technology				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 16,000	\$ 9,374	\$ 9,327	\$ (47)
Investment revenue	40	40	71	31
Total Revenues	16,040	9,414	9,398	(16)
Expenditures				
Current:				
Public safety	29,800	35,400	35,383	17
Total Expenditures	29,800	35,400	35,383	17
(Deficiency) of Revenues (Under) expenditures	(13,760)	(25,986)	(25,985)	(33)
Other Financing Sources				
Transfers in	13,760	25,986	11,100	(14,886)
Total Other Financing Sources	13,760	25,986	11,100	(14,886)
Net Change in Fund Balance	\$ -	\$ -	(14,885)	\$ (14,885)
Beginning fund balance			14,993	
Ending Fund Balance			\$ 108	
Municipal Court Building Security				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 8,691	\$ (1,309)
Investment revenue	160	160	137	(23)
Total Revenues	10,160	10,160	8,828	(1,332)
Expenditures				
Current:				
Public safety	7,405	7,405	182	7,223
Total Expenditures	7,405	7,405	182	7,223
Excess of Revenues Over Expenditures	2,755	2,755	8,646	5,891
Other Financing Sources (Uses)				
Transfers in	2,245	2,245	-	(2,245)
Transfers (out)	(5,000)	(5,000)	(5,000)	-
Total Other Financing (Uses)	(2,755)	(2,755)	(5,000)	(2,245)
Net Change in Fund Balance	\$ -	\$ -	3,646	\$ 3,646
Beginning fund balance			20,193	
Ending Fund Balance			\$ 23,839	

Notes to Supplementary Information:

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

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, 2020

		FEMA Grant		
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 246,518	\$ 20,237	\$ (226,281)
Total Revenues	-	246,518	20,237	(226,281)
Expenditures				
Current:				
Public safety	-	46,066	45,947	119
Total Expenditures	-	46,066	45,947	119
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	200,452	(25,710)	(226,162)
Other Financing Sources (Uses)				
Transfers in	-	-	29,021	29,021
Transfers (out)	-	(200,452)	(10,400)	190,052
Total Other Financing Sources (Uses)	-	(200,452)	18,621	219,073
Net Change in Fund Balance	\$ -	\$ -	(7,089)	\$ (7,089)
Beginning fund balance			7,089	
Ending Fund Balance			\$ -	
Drug Confiscation				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment revenue	\$ 100	\$ 100	\$ 112	\$ 12
Miscellaneous revenue	-	26,700	26,644	(56)
Total Revenues	100	26,800	26,756	(44)
Expenditures				
Current:				
Public safety	6,000	7,350	7,359	(9) *
Total Expenditures	6,000	7,350	7,359	(9)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,900)	19,450	19,397	(53)
Other Financing Sources (Uses)				
Transfers in	5,900	-	-	-
Transfers (out)	-	(19,450)	-	19,450
Total Other Financing Sources (Uses)	5,900	(19,450)	-	19,450
Net Change in Fund Balance	\$ -	\$ -	19,397	\$ 19,397
Beginning fund balance			8,821	
Ending Fund Balance			\$ 28,218	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. * Expenditures exceeded appropriations at the legal level of control.

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, 2020

Keep Angleton Beautiful				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment revenue	\$ 500	\$ 500	\$ 369	\$ (131)
Miscellaneous revenue	26,500	26,500	31,841	5,341
Total Revenues	27,000	27,000	32,210	5,210
Expenditures				
Current:				
Economic development	108,650	108,650	53,316	55,334
Total Expenditures	108,650	108,650	53,316	55,334
(Deficiency) of Revenues (Under) Expenditures	(81,650)	(81,650)	(21,106)	(50,124)
Other Financing Sources (Uses)				
Transfers in	81,650	81,650	31,650	(50,000)
Total Other Financing Sources	81,650	81,650	31,650	(50,000)
Net Change in Fund Balance	\$ -	\$ -	10,544	\$ 10,544
Beginning fund balance			57,875	
Ending Fund Balance			\$ 68,419	
Angleton Act Center				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 511,092	\$ 409,592	\$ 224,357	\$ (185,235)
Investment revenue	50	50	790	740
Total Revenues	511,142	409,642	225,147	(184,495)
Expenditures				
Current:				
General administration	1,287,743	1,293,057	1,121,644	171,413
Capital outlay	150,000	153,000	71,896	81,104
Total Expenditures	1,437,743	1,446,057	1,193,540	171,413
(Deficiency) of Revenues (Under) Expenditures	(926,601)	(1,036,415)	(968,393)	13,082
Other Financing Sources (Uses)				
Transfers in	926,601	1,036,415	936,415	(100,000)
Total Other Financing Sources	926,601	1,036,415	936,415	(100,000)
Net Change in Fund Balance	\$ -	\$ -	(31,978)	\$ (31,978)
Beginning fund balance			299,535	
Ending Fund Balance			\$ 267,557	

Notes to Supplementary Information:

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

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, 2020

TIRZ #1 Property Tax				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 24,909	\$ 24,909	\$ 27,237	\$ 2,328
Investment revenue	100	100	71	(29)
Other revenue	9,042	9,042	-	(9,042)
Total Revenues	34,051	34,051	27,308	(6,743)
Expenditures				
Current:				
General administration	33,951	33,951	27,237	6,714
Total Expenditures	33,951	33,951	27,237	6,714
Excess (Deficiency) of Revenues Over (Under) Expenditures	100	100	71	(29)
Other Financing Sources (Uses)				
Transfers (out)	(100)	(100)	-	100
Total Other Financing (Uses)	(100)	(100)	-	100
Net Change in Fund Balance	\$ -	\$ -	71	\$ 71
Beginning fund balance			44	
Ending Fund Balance			\$ 115	

OBJ Police Grant				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 58,228	\$ 58,228	\$ 54,610	\$ (3,618)
Total Revenues	58,228	58,228	54,610	(3,618)
Expenditures				
Current:				
Public safety	72,786	72,786	60,601	12,185
Total Expenditures	72,786	72,786	60,601	12,185
(Deficiency) of Revenues (Under) expenditures	(14,558)	(14,558)	(5,991)	8,567
Other Financing Sources (Uses)				
Transfers in	14,558	14,558	30,423	15,865
Total Other Financing Sources	14,558	14,558	30,423	15,865
Net Change in Fund Balance	\$ -	\$ -	24,432	\$ 24,432
Beginning fund balance			4,300	
Ending Fund Balance			\$ 28,732	

Notes to Supplementary Information:

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

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, 2020

Police Donation				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment revenue	\$ 50	\$ 50	\$ 50	\$ -
Miscellaneous revenue	10,000	37,250	37,274	24
Total Revenues	10,050	37,300	37,324	24
Expenditures				
Current:				
Public safety	13,053	13,053	13,870	(817) *
Total Expenditures	13,053	13,053	13,870	(817)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,003)	24,247	23,454	841
Other Financing Sources (Uses)				
Transfers in	3,003	3,003	-	(3,003)
Transfers (out)	-	(27,250)	-	27,250
Total Other Financing Sources (Uses)	3,003	(24,247)	-	24,247
Net Change in Fund Balance	\$ -	\$ -	23,454	\$ 23,454
Beginning fund balance			5,815	
Ending Fund Balance			\$ 29,269	

Fire Department ESD				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 280,000	\$ 290,286	\$ 289,215	\$ (1,071)
Other revenue	1,000	1,000	1,225	225
Total Revenues	281,000	291,286	290,440	(846)
Expenditures				
Current:				
Public safety	208,286	218,572	198,147	20,425
Total Expenditures	208,286	218,572	198,147	20,425
Excess of Revenues Over Expenditures	72,714	72,714	92,293	19,579
Other Financing Sources (Uses)				
Transfers (out)	(72,714)	(72,714)	(72,273)	441
Total Other Financing (Uses)	(72,714)	(72,714)	(72,273)	441
Net Change in Fund Balance	\$ -	\$ -	20,020	\$ 20,020
Beginning fund balance			123,725	
Ending Fund Balance			\$ 143,745	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. * Expenditures exceeded appropriations at the legal level of control.

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, 2020

	A/C Donations			Variance with Final Budget Positive (Negative)
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	
Revenues				
Miscellaneous revenue	\$ 3,000	\$ 8,813	\$ 8,813	\$ -
Investment revenue	50	77	77	-
Total Revenues	<u>3,050</u>	<u>8,890</u>	<u>8,890</u>	<u>-</u>
Expenditures				
Current:				
General administration	10,000	13,585	13,492	93
Total Expenditures	<u>10,000</u>	<u>13,585</u>	<u>13,492</u>	<u>93</u>
(Deficiency) of Revenue (Under) Expenditures	<u>(6,950)</u>	<u>(4,695)</u>	<u>(4,602)</u>	<u>(93)</u>
Other Financing Sources (Uses)				
Transfers in	6,950	4,695	-	(4,695)
Total Other Financing Sources	<u>6,950</u>	<u>4,695</u>	<u>-</u>	<u>(4,695)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(4,602)</u>	<u>\$ (4,602)</u>
Beginning fund balance			12,489	
Ending Fund Balance			<u>\$ 7,887</u>	

	Police Communication Grant			Variance with Final Budget Positive (Negative)
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	
Revenues				
Miscellaneous revenue	\$ -	\$ 91,148	\$ 2,537	\$ (88,611)
Total Revenues	<u>-</u>	<u>91,148</u>	<u>2,537</u>	<u>(88,611)</u>
Expenditures				
Current:				
Public safety	-	11,213	11,212	1
Total Expenditures	<u>-</u>	<u>11,213</u>	<u>11,212</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>79,935</u>	<u>(8,675)</u>	<u>88,610</u>
Other Financing Sources (Uses)				
Transfers in	-	8,675	-	(8,675)
Total Other Financing Sources (Uses)	<u>-</u>	<u>8,675</u>	<u>-</u>	<u>(8,675)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 88,610</u>	<u>(8,675)</u>	<u>\$ (97,285)</u>
Beginning fund balance			8,675	
Ending Fund Balance			<u>\$ -</u>	

Notes to Supplementary Information:

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

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, 2020

		Livable Center Study Grant			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
	Intergovernmental	\$ 160,000	\$ 160,000	\$ -	\$ (160,000)
	Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>-</u>	<u>(160,000)</u>
Expenditures					
Current:					
	Community services	199,964	199,964	40,049	159,915
	Total Expenditures	<u>199,964</u>	<u>199,964</u>	<u>40,049</u>	<u>159,915</u>
	(Deficiency) of Revenues (Under) Expenditures	<u>(39,964)</u>	<u>(39,964)</u>	<u>(40,049)</u>	<u>85</u>
Other Financing Sources (Uses)					
	Transfers in	39,964	39,964	85	(39,879)
	Total Other Financing Sources	<u>39,964</u>	<u>39,964</u>	<u>85</u>	<u>(39,879)</u>
	Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(39,964)</u>	<u>\$ (39,964)</u>
	Beginning fund balance			39,964	
	Ending Fund Balance			<u>\$ -</u>	
		Developer Deposit			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
	Miscellaneous revenue	\$ -	\$ -	\$ 340,859	\$ 340,859
	Total Revenues	<u>-</u>	<u>-</u>	<u>340,859</u>	<u>340,859</u>
Expenditures					
Current:					
	General administration	-	-	20,534	(20,534) *
	Total Expenditures	<u>-</u>	<u>-</u>	<u>20,534</u>	<u>(20,534)</u>
	Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>320,325</u>	<u>\$ 320,325</u>
	Beginning fund balance			22,651	
	Ending Fund Balance			<u>\$ 342,976</u>	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. * Expenditures exceeded appropriations at the legal level of control.

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, 2020

		IDM Incentive			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
	Intergovernmental	\$ -	\$ 88,610	\$ 88,610	\$ -
	Total Revenues	<u>-</u>	<u>88,610</u>	<u>88,610</u>	<u>-</u>
Expenditures					
Current:					
	Public safety	-	88,610	88,610	-
	Total Expenditures	<u>-</u>	<u>88,610</u>	<u>88,610</u>	<u>-</u>
	Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
	Beginning fund balance			<u>-</u>	
	Ending Fund Balance			<u>\$ -</u>	
		GLO Grant			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
	Intergovernmental	\$ -	\$ 8,580	\$ 8,580	\$ -
	Total Revenues	<u>-</u>	<u>8,580</u>	<u>8,580</u>	<u>-</u>
Expenditures					
Current:					
	General administration	-	8,580	44,479	(35,899) *
	Total Expenditures	<u>-</u>	<u>8,580</u>	<u>44,479</u>	<u>(35,899)</u>
	(Deficiency) of Revenues (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(35,899)</u>	<u>35,899</u>
Other Financing Sources (Uses)					
	Transfers in	-	35,898	35,899	1
	Total Other Financing Sources	<u>-</u>	<u>35,898</u>	<u>35,899</u>	<u>1</u>
	Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 35,898</u>	<u>-</u>	<u>\$ (35,898)</u>
	Beginning fund balance			<u>-</u>	
	Ending Fund Balance			<u>\$ -</u>	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. * Expenditures exceeded appropriations at the legal level of control.

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, 2020

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Property taxes	\$ 1,042,849	\$ 1,042,849	\$ 1,028,679	\$ (14,170)
Investment revenue	1,000	1,000	2,908	1,908
Total Revenues	<u>1,043,849</u>	<u>1,043,849</u>	<u>1,031,587</u>	<u>(12,262)</u>
Expenditures				
Debt service:				
Principal	2,255,000	2,255,000	1,069,983	1,185,017
Interest and fiscal agent fees	845,849	845,849	382,968	462,881
Total Expenditures	<u>3,100,849</u>	<u>3,100,849</u>	<u>1,452,951</u>	<u>1,647,898</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(2,057,000)</u>	<u>(2,057,000)</u>	<u>(421,364)</u>	<u>1,635,636</u>
Other Financing Sources (Uses)				
Transfers in	2,070,998	2,070,998	476,880	(1,594,118)
Transfers (out)	(13,998)	(13,998)	-	-
Total Other Financing Sources	<u>2,057,000</u>	<u>2,057,000</u>	<u>476,880</u>	<u>(1,594,118)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>55,516</u>	<u>\$ 55,516</u>
Beginning fund balance			<u>368,439</u>	
Ending Fund Balance			<u>\$ 423,955</u>	

Notes to Supplementary Information:

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

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***CONSOLIDATED SUB-FUND
STATEMENTS***

CITY OF ANGLETON, TEXAS

CONSOLIDATED BALANCE SHEET

GENERAL FUND - SUB-FUNDS

September 30, 2020

	General	Community Events	Capital Lease Purchase	Downtown Revitalization
<u>Assets</u>				
Cash and cash equivalents	\$ 3,850,763	\$ 21,562	\$ 4,081	\$ 11,890
Investments	347,522	-	-	-
Receivables, net	1,126,747	-	-	-
Inventory	153	-	-	-
Prepays	14,152	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Due from other governments	925,681	-	-	-
Due from other funds	82,234	-	-	-
Total Assets	\$ 6,347,252	\$ 21,562	\$ 4,081	\$ 11,890
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 1,197,179	\$ 5,175	\$ -	\$ -
Total Liabilities	1,197,179	5,175	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	85,763	-	-	-
<u>Fund Balances</u>				
Nonspendable:				
Inventory and prepaids	14,305	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Unassigned	5,050,005	16,387	4,081	11,890
Total Fund Balances	5,064,310	16,387	4,081	11,890
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,347,252	\$ 21,562	\$ 4,081	\$ 11,890

Citywide Repairs	2019 C.O. Bonds	City Employee	Total General Fund
\$ 29,316	\$ -	\$ 10,576	\$ 3,928,188
-	-	-	347,522
-	-	-	1,126,747
-	-	-	153
-	-	-	14,152
-	973,164	-	973,164
-	-	-	925,681
-	-	-	82,234
<u>\$ 29,316</u>	<u>\$ 973,164</u>	<u>\$ 10,576</u>	<u>\$ 7,397,841</u>
\$ 370	\$ -	\$ -	\$ 1,202,724
<u>370</u>	<u>-</u>	<u>-</u>	<u>1,202,724</u>
-	-	-	85,763
-	-	-	14,305
-	973,164	-	973,164
28,946	-	10,576	5,121,885
<u>28,946</u>	<u>973,164</u>	<u>10,576</u>	<u>6,109,354</u>
\$ 29,316	\$ 973,164	\$ 10,576	\$ 7,397,841

CITY OF ANGLETON, TEXAS
CONSOLIDATED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND - SUB-FUNDS
For the Year Ended September 30, 2020

	<u>General</u>	<u>Community Events</u>	<u>Capital Lease Purchase</u>	<u>Downtown Revitalization</u>
Revenues				
Property taxes	\$ 6,233,993	\$ -	\$ -	\$ -
Franchise fees and local taxes	628,500	-	-	-
Sales taxes	3,360,918	-	-	-
Industrial district agreement	117,302	-	-	-
Permits, licenses, and fees	379,284	-	-	-
Fines and forfeitures	479,471	-	-	-
Charges for services	2,119,017	-	-	-
Intergovernmental	1,163,166	-	-	-
Investment revenue	30,618	204	-	83
Miscellaneous revenue	45,099	65,609	-	-
Total Revenues	<u>14,557,368</u>	<u>65,813</u>	<u>-</u>	<u>83</u>
Expenditures				
Current:				
General administration	1,916,021	-	-	-
Financial administration	466,036	-	-	-
Public safety	6,965,424	-	-	-
Community services	4,650,311	-	-	-
Economic development	41,754	58,742	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	62,000	-
Interest and fiscal agent fees	-	-	10,272	-
Issuance costs	-	-	-	-
Total Expenditures	<u>14,039,546</u>	<u>58,742</u>	<u>72,272</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>517,822</u>	<u>7,071</u>	<u>(72,272)</u>	<u>83</u>
Other Financing Sources (Uses)				
Transfers in	469,613	-	72,273	-
Transfers (out)	(151,994)	(85)	-	-
Bonds issued	-	-	-	-
Bond premium	-	-	-	-
Sale of capital assets	14,451	-	-	-
Total Other Financing Sources (Uses)	<u>332,070</u>	<u>(85)</u>	<u>72,273</u>	<u>-</u>
Net Change in Fund Balances	849,892	6,986	1	83
Beginning fund balances	4,214,418	9,401	4,080	11,807
Ending Fund Balances	<u>\$ 5,064,310</u>	<u>\$ 16,387</u>	<u>\$ 4,081</u>	<u>\$ 11,890</u>

<u>Citywide Repairs</u>	<u>2019 C.O. Bonds</u>	<u>City Employee</u>	<u>Total General Fund</u>
\$ -	\$ -	\$ -	\$ 6,233,993
-	-	-	628,500
-	-	-	3,360,918
-	-	-	117,302
-	-	-	379,284
-	-	-	479,471
-	-	-	2,119,017
-	-	-	1,163,166
352	-	11	31,268
1,520	-	3,602	115,830
<u>1,872</u>	<u>-</u>	<u>3,613</u>	<u>14,628,749</u>
98,826	-	3,437	2,018,284
-	-	-	466,036
-	-	-	6,965,424
-	-	-	4,650,311
-	-	-	100,496
-	254,095	-	254,095
-	-	-	62,000
-	-	-	10,272
-	23,038	-	23,038
<u>98,826</u>	<u>277,133</u>	<u>3,437</u>	<u>14,549,956</u>
<u>(96,954)</u>	<u>(277,133)</u>	<u>176</u>	<u>78,793</u>
40,000	-	10,400	592,286
-	-	-	(152,079)
-	1,200,000	-	1,200,000
-	50,297	-	50,297
-	-	-	14,451
<u>40,000</u>	<u>1,250,297</u>	<u>10,400</u>	<u>1,704,955</u>
(56,954)	973,164	10,576	1,783,748
85,900	-	-	4,325,606
<u>\$ 28,946</u>	<u>\$ 973,164</u>	<u>\$ 10,576</u>	<u>\$ 6,109,354</u>

CITY OF ANGLETON, TEXAS
CONSOLIDATED STATEMENT OF NET POSITION
UTILITY FUND - SUB-FUNDS
September 30, 2020

<u>Assets</u>	<u>Water</u>	<u>Capital Lease Purchase</u>	<u>Infrastructure</u>	<u>2013 C.O. Bonds</u>
Current assets:				
Cash and cash equivalents	\$ 2,279,825	\$ 16	\$ -	\$ -
Investments	347,522	-	-	-
Receivables, net	975,235	-	-	-
Inventory	63,830	-	-	-
Restricted cash and cash equivalents	-	-	798,211	212,703
Total Current Assets	3,666,412	16	798,211	212,703
Capital assets:				
Nondepreciable	12,891	-	-	4,318
Depreciable, net	18,672,265	-	-	367,922
Total Capital Assets	18,685,156	-	-	372,240
(Net of Accumulated Depreciation)	18,685,156	-	-	372,240
Total Noncurrent Assets	18,685,156	-	-	372,240
Total Assets	22,351,568	16	798,211	584,943
Deferred Outflows of Resources				
Deferred outflows - pensions	130,870	-	-	-
Deferred outflows - OPEB	10,551	-	-	-
Deferred charge on refunding	55,179	-	-	-
Total Deferred Outflows of Resources	196,600	-	-	-
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	443,411	-	-	1,560
Customer deposits	325,115	-	-	-
Accrued interest payable	54,914	-	-	-
Total Current Liabilities	823,440	-	-	1,560
Noncurrent liabilities:				
Long-term debt due within one year	1,076,554	-	-	-
Long-term debt due in more than one year	8,377,062	-	-	-
Total Noncurrent Liabilities	9,453,616	-	-	-
Total Liabilities	10,277,056	-	-	1,560
Deferred Inflows of Resources:				
Deferred inflows - pensions	178,104	-	-	-
Deferred inflows - OPEB	3,460	-	-	-
Total Deferred inflows of Resources	181,564	-	-	-
Net Position				
Net investment in capital assets	10,084,571	-	-	583,383
Restricted for capital projects	-	-	798,211	-
Unrestricted	2,004,977	16	-	-
Total Net Position	\$ 12,089,548	\$ 16	\$ 798,211	\$ 583,383

<u>2019 C.O. Bonds</u>	<u>Total Utility Fund</u>
\$ -	\$ 2,279,841
-	347,522
-	975,235
-	63,830
<u>6,062,961</u>	<u>7,073,875</u>
<u>6,062,961</u>	<u>10,740,303</u>
2,075,008	2,092,217
<u>-</u>	<u>19,040,187</u>
<u>2,075,008</u>	<u>21,132,404</u>
<u>2,075,008</u>	<u>21,132,404</u>
<u>8,137,969</u>	<u>31,872,707</u>
-	130,870
-	10,551
-	55,179
<u>-</u>	<u>196,600</u>
99,270	544,241
-	325,115
-	54,914
<u>99,270</u>	<u>924,270</u>
248,790	1,325,344
<u>8,075,721</u>	<u>16,452,783</u>
<u>8,324,511</u>	<u>17,778,127</u>
<u>8,423,781</u>	<u>18,702,397</u>
-	178,104
-	3,460
<u>-</u>	<u>181,564</u>
(285,812)	10,382,142
-	798,211
-	2,004,993
<u>\$ (285,812)</u>	<u>\$ 13,185,346</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, 2020

	<u>Water</u>	<u>Capital Lease Purchase</u>	<u>Infrastructure</u>	<u>2013 C.O. Bonds</u>
<u>Operating Revenues</u>				
Water sales	\$ 4,075,699	\$ -	\$ 159,566	\$ -
Sanitary sewer services	2,332,777	-	154,899	-
Other service fees	349,547	-	-	-
Total Operating Revenues	6,758,023	-	314,465	-
<u>Operating Expenses</u>				
Water distribution	352,523	-	-	-
Water plant operations	631,043	-	-	-
Water purchases	2,174,040	-	-	-
Sewer	321,564	-	-	-
Collection administration	1,720,341	-	-	-
Depreciation	1,017,968	-	-	-
Total Operating Expenses	6,217,479	-	-	-
Operating Income	540,544	-	314,465	-
<u>Nonoperating Revenues (Expenses)</u>				
Investment revenue	15,915	-	-	12,305
Interest expense	(132,573)	-	(120,687)	-
Issuance costs	-	-	-	-
Total Nonoperating Revenues (Expenses)	(116,658)	-	(120,687)	12,305
Income (Loss) Before Transfers	423,886	-	193,778	12,305
<u>Transfers</u>				
Transfers (out)	(191,376)	-	-	-
Total Transfers	(191,376)	-	-	-
Change in Net Position	232,510	-	193,778	12,305
Beginning net position	11,857,038	16	604,433	571,078
Ending Net Position	\$ 12,089,548	\$ 16	\$ 798,211	\$ 583,383

2019 C.O. Bonds	Total Utility Fund
\$ -	\$ 4,235,265
-	2,487,676
-	349,547
-	<u>7,072,488</u>
-	352,523
-	631,043
-	2,174,040
-	321,564
-	1,720,341
-	1,017,968
-	<u>6,217,479</u>
-	<u>855,009</u>
67,799	96,019
(159,421)	(412,681)
<u>(158,291)</u>	<u>(158,291)</u>
<u>(249,913)</u>	<u>(474,953)</u>
<u>(249,913)</u>	<u>380,056</u>
<u>(35,899)</u>	<u>(227,275)</u>
<u>(35,899)</u>	<u>(227,275)</u>
(285,812)	152,781
-	13,032,565
<u>\$ (285,812)</u>	<u>\$ 13,185,346</u>

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