

ANNUAL FINANCIAL REPORT

of the

CITY OF ANGLETON, TEXAS

**For the Year Ended
September 30, 2022**

CITY OF ANGLETON, TEXAS

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INTRODUCTORY SECTION

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CITY OF ANGLETON, TEXAS

PRINCIPAL OFFICIALS

September 30, 2022

GOVERNING BODY

Honorable Jason Perez, Mayor

John Wright, Mayor Pro-Tem

Christiene Daniel, Council Member

Travis Townsend, Council Member

Cecil Booth, Council Member

Mark Gongora, Council Member

OTHER PRINCIPAL OFFICIALS

Chris Whittaker, City Manager

Phillip Conner, Finance Director

Jeffrey Gilbert, Municipal Judge

Mark Jones, Alternate Judge

Judith El Masri-Randle Law, City Attorney

Michelle Perez, City Secretary

Colleen Martin, Human Resource and Risk Management Director

Martha Eighme, Communication and Marketing Director

Guadalupe Valdez, Police Chief

Jeff Sifford, Public Works Director

Megan Mainer, Parks and Recreation Director

Otis Spriggs, 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note I.F.9 to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*, in fiscal year 2022. Our opinion is not modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule 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, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2023 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 solely 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
June 8, 2023

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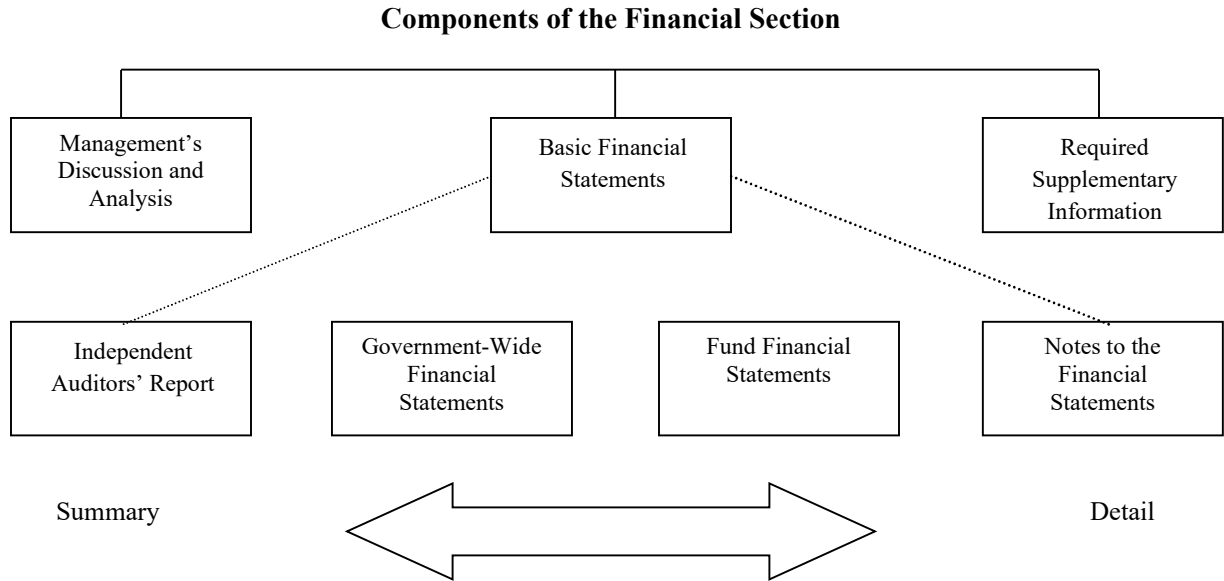
***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Angleton, Texas (the "City") for the year ending September 30, 2022. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other nonfinancial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

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 29 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, C.O. Series 2018 fund, C.O. Series 2022 fund, grants fund, and the Angleton Better Living fund. These funds are considered to be major funds for reporting purposes with the exception of the debt service fund and the Angleton Better Living fund. The debt service fund and the Angleton Better Living fund did not meet the technical criteria for presentation as major funds 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, 2022

The City adopts an annual appropriated budget for its general fund, debt service fund, and select 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 an enterprise fund 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 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 \$39,933,316 as of September 30, 2022. A portion of the City's net position (78%) 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, 2022

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 28,309,471	\$ 21,816,947	\$ 6,074,101	\$ 6,265,748	\$ 34,383,572	\$ 28,082,695
Capital assets, net	29,581,215	25,050,777	25,291,175	24,402,917	54,872,390	49,453,694
Total Assets	57,890,686	46,867,724	31,365,276	30,668,665	89,255,962	77,536,389
Deferred outflows - pensions	715,413	720,703	127,651	128,673	843,064	849,376
Deferred outflows - OPEB	82,312	92,401	15,510	17,379	97,822	109,780
Deferred charge on refunding	19,405	28,226	29,159	42,169	48,564	70,395
Total Deferred Outflows of Resources	817,130	841,330	172,320	188,221	989,450	1,029,551
Long-term liabilities	25,044,596	17,984,384	16,586,749	16,026,302	41,631,345	34,010,686
Other liabilities	5,415,125	3,932,183	1,173,532	970,217	6,588,657	4,902,400
Total Liabilities	30,459,721	21,916,567	17,760,281	16,996,519	48,220,002	38,913,086
Deferred inflows - pensions	1,740,456	755,836	330,311	156,578	2,070,767	912,414
Deferred inflows - OPEB	18,278	15,150	3,049	2,459	21,327	17,609
Total Deferred Inflows of Resources	1,758,734	770,986	333,360	159,037	2,092,094	930,023
Net Position:						
Net investment in capital assets	19,582,340	18,202,275	11,523,759	11,354,144	31,106,099	29,556,419
Restricted	5,778,023	5,941,631	1,022,032	1,002,060	6,800,055	6,943,691
Unrestricted	1,128,998	877,595	898,164	1,345,126	2,027,162	2,222,721
Total Net Position	\$ 26,489,361	\$ 25,021,501	\$ 13,443,955	\$ 13,701,330	\$ 39,933,316	\$ 38,722,831

A portion of the primary government's net position, \$6,800,055 or 17%, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$2,027,162 or 5%, may be used to meet the City's ongoing obligation to citizens and creditors.

Total assets are \$89,255,962, an increase of \$11,719,573 compared to prior year. Total assets increased compared to the prior year primarily due to a current year debt issuance and an increase in construction in progress. Total liabilities are \$48,220,002, an increase of \$9,306,916 compared to prior year. The increase is mostly due to the issuance of certificates of obligations, series 2021 and 2022 and an increase in accounts payable due to the various stages of projects and the timing of invoices. Total deferred outflows of resources are \$989,450, a decrease of \$40,101 compared to the prior year. The decrease in deferred outflows of resources is related to both the pension and other postemployment benefits plans. Total deferred inflows of resources are \$2,092,094, an increase of \$1,162,071 compared to the prior year. The increase in deferred inflows of resources is due mainly to an increase in the net difference between projected and actual investment earnings on pension plan assets.

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

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	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 4,081,331	\$ 3,679,648	\$ 8,301,178	\$ 7,102,162	\$ 12,382,509	\$ 10,781,810
Operating grants and contributions	1,433,522	1,572,027	-	-	1,433,522	1,572,027
Capital grants and contributions	2,256,988	473,506	-	-	2,256,988	473,506
General revenues:						
Property taxes	7,682,906	7,571,262	-	-	7,682,906	7,571,262
Sales taxes	5,544,348	5,124,958	-	-	5,544,348	5,124,958
Franchise fees and local taxes	838,304	756,392	-	-	838,304	756,392
Investment revenue	110,193	21,753	58,427	10,027	168,620	31,780
Other revenues	542,526	318,360	-	-	542,526	318,360
Gain on sale of capital assets	101,165	-	25,400	-	126,565	-
Total Revenues	<u>22,591,283</u>	<u>19,517,906</u>	<u>8,385,005</u>	<u>7,112,189</u>	<u>30,976,288</u>	<u>26,630,095</u>
Expenses						
General administration	6,337,454	5,918,372	-	-	6,337,454	5,918,372
Financial administration	419,906	515,055	-	-	419,906	515,055
Public safety	8,696,282	8,649,434	-	-	8,696,282	8,649,434
Community services	4,768,777	3,938,278	-	-	4,768,777	3,938,278
Economic development	533,274	457,432	-	-	533,274	457,432
Interest and fiscal agent fees	794,568	575,163	435,092	379,795	1,229,660	954,958
Water	-	-	6,134,758	5,340,498	6,134,758	5,340,498
Sewer	-	-	1,645,692	1,214,203	1,645,692	1,214,203
Total Expenses	<u>21,550,261</u>	<u>20,053,734</u>	<u>8,215,542</u>	<u>6,934,496</u>	<u>29,765,803</u>	<u>26,988,230</u>
Increase (Decrease) in Net Position Before Transfers	1,041,022	(535,828)	169,463	177,693	1,210,485	(358,135)
Transfers in (out)	426,838	114,201	(426,838)	(114,201)	-	-
Change in Net Position	1,467,860	(421,627)	(257,375)	63,492	1,210,485	(358,135)
Beginning net position	25,021,501	25,443,128	13,701,330	13,637,838	38,722,831	39,080,966
Ending Net Position	<u>\$ 26,489,361</u>	<u>\$ 25,021,501</u>	<u>\$ 13,443,955</u>	<u>\$ 13,701,330</u>	<u>\$ 39,933,316</u>	<u>\$ 38,722,831</u>

For the year, net revenues from governmental activities increased by \$3,073,377 or 16%. The increase is mainly due to increases in charges for services revenue primarily due to increases in licenses and permits revenue as a result of an increase in development within the City and an increase in solid waste rates and customers, capital grants and contributions from the Coronavirus State and Local Fiscal Recovery funds, property tax revenues from an increase in the assessed values of properties within the City, sales tax revenues from an increase in taxable sales within the City, other revenue mostly due to an reimbursements from Brazoria County for the Courthouse Expansion Project, and gain on sale of capital assets revenue from the auctioning of various City assets. Expenses from governmental activities increased by \$1,496,527 or 7% mainly due to increases in community services related to road and wastewater infrastructure repairs, and hurricane debris removal using Coronavirus State and Local Fiscal Recovery funds, personnel costs, and maintenance costs.

Revenues from business-type activities increased by \$1,272,816 mainly due to an increase in charges for services due to an increase in rates and customer consumption. Total expenses increased \$1,281,046 mostly due to water expenses, personnel costs, and bond issuance costs.

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

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 \$22,941,020, a net increase of \$5,143,381 from the prior year. Of this combined fund balance, \$12,419 is nonspendable for inventory and prepaids, \$430,160 is restricted for debt service, \$466,414 is restricted for economic development, \$180,491 is restricted for special projects, and \$18,441,256 is restricted for capital projects. Unassigned fund balance totaled \$3,410,280 as of September 30, 2022.

Total revenues increased by \$3,441,083 or 18% mostly due to an increase in proceeds from Coronavirus State and Local Fiscal Recovery funds. Compared to the prior year, expenditures increased by \$6,705,506 or 30% due mainly to the increases in expenditures for street repairs and maintenance, building repairs and maintenance, and equipment purchases.

The general fund is the chief operating fund of the City. At the end of the current year, the total fund balance was \$3,486,608, a net decrease of \$465,205 from the prior year. Expenditures increased by \$970,257. Public safety saw a significant increase over the prior year, mainly due to an increase in personnel costs, purchases of equipment and supplies, and repair and maintenance expenditures. Compared to the prior year, revenues increased \$1,393,555 due mainly to increases in property and sales tax revenues, building permits issued, intergovernmental revenues from an interlocal agreement related to a street drainage and sidewalks project, and miscellaneous revenues. 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 19.1% and 19.6%, respectively, of total general fund expenditures.

The debt service fund had a total fund balance of \$430,160, 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 \$32,001.

The C.O. series 2018 fund has a total fund balance of \$3,538,726, a decrease of \$1,434,963 due to various street improvements.

The C.O. series 2022 fund has a total fund balance of \$10,043,153 from the current year bonds issuance.

The grants fund has a fund balance of \$478. The City used \$2,256,988 in grant revenue for various rehabilitation and repair projects.

The Angleton Better Living fund has a total fund balance of \$312,084, a decrease of \$467,139 from prior year as a result of transfers to other funds exceeding sales tax revenue.

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

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's amended budget planned for a decrease in budgeted general fund balance of \$57,465. The City's actual revenues were less than budgeted revenues by \$462,640 primarily due to less solid waste, property and sales taxes, and fines and forfeiture revenues than expected. Actual expenditures were greater than budgeted expenditures by \$387,486. This was mainly due to negative variances for public works, principal payment of debt, administration, and parks and recreation.

CAPITAL ASSETS

At year end, the City's governmental and business-type activities had invested \$54,872,390, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$5,418,696 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 \$22,390,100. Business-type activities had total bonds and certificates of obligation outstanding of \$15,654,900 at year end. Of this total, \$2,070,000 was general obligation bonds and \$35,975,000 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 \$18,391,962 general fund budget for fiscal year 2022-2023, which is an increase of \$1,163,883 compared to the fiscal year 2021-2022 budget.

City Council approved a \$3,629,182 debt service fund budget for fiscal year 2022-2023, which is an increase of \$542,303 or 18% compared to the fiscal year 2021-2022 budget.

City Council approved a \$10,168,530 utility fund budget for fiscal year 2022-2023, which is an increase of \$2,476,783 or 32% compared to the fiscal year 2021-2022 budget.

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 Phillip Conner, Finance Director, City of Angleton, 121 S. Velasco, Angleton, TX, 77515; telephone 979.849.4364; or email at pconner@angleton.tx.us.

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BASIC FINANCIAL STATEMENTS

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CITY OF ANGLETON, TEXAS

STATEMENT OF NET POSITION

September 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 25,765,350	\$ 297,564	\$ 26,062,914
Investments	702,378	351,189	1,053,567
Receivables, net	1,753,184	1,257,578	3,010,762
Due from other governments	6,631	-	6,631
Inventory	7,106	60,232	67,338
Prepays	5,313	-	5,313
Restricted assets:			
Cash and cash equivalents	69,509	4,107,538	4,177,047
Total Current Assets	28,309,471	6,074,101	34,383,572
Capital assets:			
Nondepreciable capital assets	7,107,092	4,511,252	11,618,344
Net depreciable capital assets	22,474,123	20,779,923	43,254,046
Total Noncurrent Assets	29,581,215	25,291,175	54,872,390
Total Assets	57,890,686	31,365,276	89,255,962
<u>Deferred Outflows of Resources</u>			
Deferred outflows - pensions (TMRS)	664,728	127,651	792,379
Deferred outflows - pensions (TESRS)	50,685	-	50,685
Deferred outflows - OPEB	82,312	15,510	97,822
Deferred charge on refunding	19,405	29,159	48,564
Total Deferred Outflows of Resources	817,130	172,320	989,450
<u>Liabilities</u>			
Accounts payable and accrued liabilities	2,180,722	756,953	2,937,675
Unearned revenue	3,057,048	-	3,057,048
Accrued interest payable	177,355	54,914	232,269
Customer deposits	-	361,665	361,665
Total Current Liabilities	5,415,125	1,173,532	6,588,657
Noncurrent liabilities:			
Long-term liabilities due within one year	1,512,443	1,069,760	2,582,203
Long-term liabilities due in more than one year	23,532,153	15,516,989	39,049,142
Total Noncurrent Liabilities	25,044,596	16,586,749	41,631,345
Total Liabilities	30,459,721	17,760,281	48,220,002
<u>Deferred Inflows of Resources</u>			
Deferred inflows - pensions (TMRS)	1,668,622	330,311	1,998,933
Deferred inflows - pensions (TESRS)	71,834	-	71,834
Deferred inflows - OPEB	18,278	3,049	21,327
Total Deferred Inflows of Resources	1,758,734	333,360	2,092,094
<u>Net Position</u>			
Net investment in capital assets	19,582,340	11,523,759	31,106,099
Restricted for:			
Capital projects	4,700,958	1,022,032	5,722,990
Debt service	430,160	-	430,160
Economic development	466,414	-	466,414
Special projects	180,491	-	180,491
Unrestricted	1,128,998	898,164	2,027,162
Total Net Position	\$ 26,489,361	\$ 13,443,955	\$ 39,933,316

See Notes to Financial Statements.

CITY OF ANGLETON, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General administration	\$ 6,337,454	\$ -	\$ 568,406	\$ -
Financial administration	419,906	-	-	-
Public safety	8,696,282	1,412,442	430,057	-
Community services	4,768,777	2,668,889	-	2,256,988
Economic development	533,274	-	435,059	-
Interest and fiscal agent fees	794,568	-	-	-
Total Governmental Activities	21,550,261	4,081,331	1,433,522	2,256,988
Business-Type Activities:				
Water	6,134,758	5,126,759	-	-
Sewer	1,645,692	3,174,419	-	-
Interest and fiscal agent fees	435,092	-	-	-
Total Business-Type Activities	8,215,542	8,301,178	-	-
Total Primary Government	\$ 29,765,803	\$ 12,382,509	\$ 1,433,522	\$ 2,256,988

General Revenues:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

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

Governmental Activities	Business-Type Activities	Total
\$ (5,769,048)	\$ -	\$ (5,769,048)
(419,906)	-	(419,906)
(6,853,783)	-	(6,853,783)
157,100	-	157,100
(98,215)	-	(98,215)
(794,568)	-	(794,568)
<u>(13,778,420)</u>	<u>-</u>	<u>(13,778,420)</u>
-	(1,007,999)	(1,007,999)
-	1,528,727	1,528,727
-	(435,092)	(435,092)
<u>-</u>	<u>85,636</u>	<u>85,636</u>
<u>(13,778,420)</u>	<u>85,636</u>	<u>(13,692,784)</u>
7,682,906	-	7,682,906
5,544,348	-	5,544,348
838,304	-	838,304
82,416	-	82,416
110,193	58,427	168,620
460,110	-	460,110
101,165	25,400	126,565
426,838	(426,838)	-
<u>15,246,280</u>	<u>(343,011)</u>	<u>14,903,269</u>
1,467,860	(257,375)	1,210,485
25,021,501	13,701,330	38,722,831
<u>\$ 26,489,361</u>	<u>\$ 13,443,955</u>	<u>\$ 39,933,316</u>

CITY OF ANGLETON, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2022

	General	Debt Service	C. O. Series 2018	C.O. Series 2022
<u>Assets</u>				
Cash and cash equivalents	\$ 3,165,912	\$ 430,160	\$ 3,900,041	\$ 10,043,153
Investments	351,189	-	-	-
Receivables, net	1,294,353	12,248	-	-
Inventory	1,506	-	-	-
Prepays	5,313	-	-	-
Restricted cash and cash equivalents	69,509	-	-	-
Due from other governments	3,850	-	-	-
Due from other funds	184,326	-	-	-
Total Assets	\$ 5,075,958	\$ 442,408	\$ 3,900,041	\$ 10,043,153
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 987,688	\$ -	\$ 361,315	\$ -
Unearned revenue	494,550	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	1,482,238	-	361,315	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	107,112	12,248	-	-
Total Deferred Inflows of Resources	107,112	12,248	-	-
<u>Fund Balances</u>				
Nonspendable:				
Inventory and prepaids	6,819	-	-	-
Restricted for:				
Debt service	-	430,160	-	-
Economic development	-	-	-	-
Special projects	-	-	-	-
Capital projects	69,509	-	3,538,726	10,043,153
Unassigned	3,410,280	-	-	-
Total Fund Balances	3,486,608	430,160	3,538,726	10,043,153
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,075,958	\$ 442,408	\$ 3,900,041	\$ 10,043,153

See Notes to Financial Statements.

Grants	Angleton Better Living	Nonmajor Governmental	Total Governmental Funds
\$ 2,729,856	\$ 117,426	\$ 5,367,481	\$ 25,754,029
-	-	351,189	702,378
-	343,619	102,964	1,753,184
-	-	5,600	7,106
-	-	-	5,313
-	-	-	69,509
-	-	2,781	6,631
-	-	-	184,326
<u>\$ 2,729,856</u>	<u>\$ 461,045</u>	<u>\$ 5,830,015</u>	<u>\$ 28,482,476</u>
\$ 166,880	\$ 8,405	\$ 656,434	\$ 2,180,722
2,562,498	-	-	3,057,048
-	140,556	43,770	184,326
<u>2,729,378</u>	<u>148,961</u>	<u>700,204</u>	<u>5,422,096</u>
-	-	-	119,360
-	-	-	<u>119,360</u>
-	-	5,600	12,419
-	-	-	430,160
-	-	466,414	466,414
-	-	180,491	180,491
478	312,084	4,477,306	18,441,256
-	-	-	3,410,280
<u>478</u>	<u>312,084</u>	<u>5,129,811</u>	<u>22,941,020</u>
<u>\$ 2,729,856</u>	<u>\$ 461,045</u>	<u>\$ 5,830,015</u>	<u>\$ 28,482,476</u>

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CITY OF ANGLETON, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
For the Year Ended September 30, 2022

Total fund balances - total governmental funds	\$ 22,941,020
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	7,107,092
Capital assets, net depreciable	22,474,123
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	119,360
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.	11,321
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(177,355)
Noncurrent liabilities due in one year	(1,512,443)
Noncurrent liabilities due in more than one year	(22,672,947)
Net pension liability (TMRS)	(357,702)
Net pension liability (TESRS)	(73,499)
Total OPEB liability	(428,005)
Deferred outflows - pensions (TMRS)	664,728
Deferred outflows - pensions (TESRS)	50,685
Deferred outflows - OPEB	82,312
Deferred inflows - pensions (TMRS)	(1,668,622)
Deferred inflows - pensions (TESRS)	(71,834)
Deferred inflows - OPEB	(18,278)
Deferred charge on refunding	19,405
Net Position of Governmental Activities	\$ <u>26,489,361</u>

See Notes to Financial Statements.

CITY OF ANGLETON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

	<u>General</u>	<u>Debt Service</u>	<u>C. O. Series 2018</u>	<u>C. O. Series 2022</u>
Revenues				
Property taxes	\$ 6,800,964	\$ 882,787	\$ -	\$ -
Franchise fees and local taxes	668,673	-	-	-
Sales taxes	3,696,232	-	-	-
Industrial district agreement	82,416	-	-	-
Permits, licenses, and fees	858,711	-	-	-
Fines and forfeitures	527,343	-	-	-
Charges for services	2,265,389	-	-	-
Intergovernmental	403,967	-	-	-
Investment revenue	23,504	1,148	-	52,309
Miscellaneous revenue	264,372	9,858	-	-
Total Revenues	<u>15,591,571</u>	<u>893,793</u>	<u>-</u>	<u>52,309</u>
Expenditures				
Current:				
General administration	4,077,152	-	-	-
Financial administration	472,509	-	-	-
Public safety	8,342,209	-	-	-
Community services	4,064,181	-	-	-
Economic development	230,225	-	-	-
Capital outlay	229,697	-	1,434,963	9,156
Debt service:				
Principal	367,398	1,177,432	-	-
Interest and fiscal agent fees	26,982	404,590	-	-
Issuance costs	-	-	-	269,876
Total Expenditures	<u>17,810,353</u>	<u>1,582,022</u>	<u>1,434,963</u>	<u>279,032</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,218,782)</u>	<u>(688,229)</u>	<u>(1,434,963)</u>	<u>(226,723)</u>
Other Financing Sources (Uses)				
Transfers in	1,441,712	720,230	-	-
Transfers (out)	(18,997)	-	-	-
Bonds issued	-	-	-	9,995,000
Bonds premium	-	-	-	274,876
Sale of capital assets	101,165	-	-	-
Lease proceeds	229,697	-	-	-
Total Other Financing Sources (Uses)	<u>1,753,577</u>	<u>720,230</u>	<u>-</u>	<u>10,269,876</u>
Net Change in Fund Balances	(465,205)	32,001	(1,434,963)	10,043,153
Beginning fund balances	3,951,813	398,159	4,973,689	-
Ending Fund Balances	<u>\$ 3,486,608</u>	<u>\$ 430,160</u>	<u>\$ 3,538,726</u>	<u>\$ 10,043,153</u>

See Notes to Financial Statements.

<u>Grants</u>	<u>Angleton Better Living</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 7,683,751
-	-	169,631	838,304
-	1,848,116	-	5,544,348
-	-	-	82,416
-	-	-	858,711
-	-	26,388	553,731
-	-	403,500	2,668,889
2,256,988	-	452,031	3,112,986
-	1,364	31,791	110,116
-	10,000	713,969	998,199
<u>2,256,988</u>	<u>1,859,480</u>	<u>1,797,310</u>	<u>22,451,451</u>
-	447,585	1,396,998	5,921,735
-	-	-	472,509
-	-	358,660	8,700,869
2,256,988	-	-	6,321,169
-	-	331,951	562,176
-	-	2,951,885	4,625,701
-	-	-	1,544,830
-	-	-	431,572
-	-	-	269,876
<u>2,256,988</u>	<u>447,585</u>	<u>5,039,494</u>	<u>28,850,437</u>
-	1,411,895	(3,242,184)	(6,398,986)
-	-	918,853	3,080,795
-	(1,879,034)	(241,135)	(2,139,166)
-	-	-	9,995,000
-	-	-	274,876
-	-	-	101,165
-	-	-	229,697
-	(1,879,034)	677,718	11,542,367
-	(467,139)	(2,564,466)	5,143,381
478	779,223	7,694,277	17,797,639
<u>\$ 478</u>	<u>\$ 312,084</u>	<u>\$ 5,129,811</u>	<u>\$ 22,941,020</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, 2022

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

Net changes in fund balances - total governmental funds \$ 5,143,381

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 additions	6,100,984
Depreciation	(1,570,546)

Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds. (845)

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 payment on debt and capital leases	1,544,830
Bonds issued	(9,995,000)
Leases	(229,697)
Bond premium, net	(233,787)
Refunding loss	(8,821)
Accrued interest	(125,388)

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	78,863
Net pension liability (TESRS)	93,649
Net pension liability (TMRS)	1,708,773
Total OPEB liability	(27,843)
Deferred outflows - pensions (TMRS)	(21,973)
Deferred outflows - pensions (TESRS)	16,683
Deferred outflows - OPEB	(10,089)
Deferred inflows - pensions (TMRS)	(921,020)
Deferred inflows - pensions (TESRS)	(63,600)
Deferred inflows - OPEB	(3,128)
On behalf revenue (TESRS)	9,118
Pension expense (TESRS)	(9,118)

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. (7,566)

Change in Net Position of Governmental Activities	\$ 1,467,860
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See Notes to Financial Statements.

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CITY OF ANGLETON, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2022

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 297,564	\$ 11,321
Investments	351,189	-
Receivables, net	1,257,578	-
Inventory	60,232	-
Restricted cash and cash equivalents	4,107,538	-
Total Current Assets	6,074,101	11,321
Capital assets:		
Nondepreciable	4,511,252	-
Depreciable, net	20,779,923	-
Total Capital Assets (Net of Accumulated Depreciation)	25,291,175	-
Total Noncurrent Assets	25,291,175	-
Total Assets	31,365,276	11,321
<u>Deferred Outflows of Resources</u>		
Deferred outflows - pensions	127,651	-
Deferred outflows - OPEB	15,510	-
Deferred charge on refunding	29,159	-
Total Deferred Outflows of Resources	172,320	-
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued liabilities	756,953	-
Accrued interest payable	54,914	-
Customer deposits	361,665	-
Total Current Liabilities	1,173,532	-
Noncurrent liabilities:		
Long-term debt due within one year	1,069,760	-
Long-term debt due in more than one year	15,516,989	-
Total Noncurrent Liabilities	16,586,749	-
Total Liabilities	17,760,281	-
<u>Deferred Inflows of Resources</u>		
Deferred inflows - pensions	330,311	-
Deferred inflows - OPEB	3,049	-
Total Deferred Inflows of Resources	333,360	-
<u>Net Position</u>		
Net investment in capital assets	11,523,759	-
Restricted for capital projects	1,022,032	-
Unrestricted	898,164	11,321
Total Net Position	\$ 13,443,955	\$ 11,321

See Notes to Financial Statements.

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CITY OF ANGLETON, TEXAS

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

For the Year Ended September 30, 2022

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
<u>Operating Revenues</u>		
Water sales	\$ 4,870,530	\$ -
Sanitary sewer services	3,015,766	-
Other service fees	414,882	30,317
Total Operating Revenues	8,301,178	30,317
<u>Operating Expenses</u>		
Water distribution	636,425	-
Water plant operations	1,072,903	-
Water purchases	2,207,590	-
Sewer	496,232	-
Collection administration	2,145,425	-
Personnel services	-	37,960
Depreciation	1,221,875	-
Total Operating Expenses	7,780,450	37,960
Operating Income (Loss)	520,728	(7,643)
<u>Nonoperating Revenues (Expenses)</u>		
Investment revenue	58,427	77
Interest expense	(435,092)	-
Gain on sale of capital assets	25,400	-
Total Nonoperating Revenues (Expenses)	(351,265)	77
Income (Loss) Before Transfers and Capital Contributions	169,463	(7,566)
<u>Transfers</u>		
Transfers (out)	(941,629)	-
Capital contributions	514,791	-
Total Transfers	(426,838)	-
Change in Net Position	(257,375)	(7,566)
Beginning net position	13,701,330	18,887
Ending Net Position	\$ 13,443,955	\$ 11,321

See Notes to Financial Statements.

CITY OF ANGLETON, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2022

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
<u>Cash Flows from Operating Activities</u>		
Receipts from customers and users	\$ 8,184,586	\$ (7,643)
Payments to suppliers	(4,489,178)	-
Payments to employees	(1,855,033)	-
Net Cash Provided (Used) by Operating Activities	1,840,375	(7,643)
<u>Cash Flows from Noncapital Financing Activities</u>		
Transfers to other funds	(941,629)	-
Net Cash (Used) by Noncapital Financing Activities	(941,629)	-
<u>Cash Flows from Capital and Related Financing Activities</u>		
Acquisition and construction of capital assets	(1,595,342)	-
Proceeds on sale of capital assets	25,400	-
Proceeds from capital debt	2,275,000	-
Principal paid on capital debt	(1,557,568)	-
Interest paid on capital debt	(435,092)	-
Net Cash (Used) by Capital and Related Financing Activities	(1,287,602)	-
<u>Cash Flows from Investing Activities</u>		
(Purchase) of investment	(1,447)	-
Interest received	58,427	77
Net Cash Provided by Investing Activities	56,980	77
Net (Decrease) in Cash and Cash Equivalents	(331,876)	(7,566)
Beginning cash and cash equivalents	4,736,978	18,887
Ending Cash and Cash Equivalents	\$ 4,405,102	\$ 11,321
<u>Ending Cash and Cash Equivalents</u>		
Unrestricted cash and cash equivalents	\$ 297,564	\$ 11,321
Restricted cash and cash equivalents	4,107,538	-
	\$ 4,405,102	\$ 11,321

CITY OF ANGLETON, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 2 of 2) For the Year Ended September 30, 2022

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
Reconciliation of Operating Income (Loss)		
to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ 520,728	\$ (7,643)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	1,221,875	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Current Assets:		
Accounts receivable	(138,782)	-
Deferred outflows - pensions	1,022	-
Deferred outflows - OPEB	1,869	-
Deferred charge on refunding	13,010	-
Increase (Decrease) in Current Liabilities:		
Accounts payable and accrued liabilities	181,125	-
Compensated absences	(15,131)	-
Deferred inflows - pensions	173,733	-
Deferred inflows - OPEB	593	-
Premium	175,219	-
Net pension liability	(322,328)	-
Total OPEB liability	5,252	-
Customer deposits	22,190	-
Net Cash Provided (Used) by Operating Activities	\$ 1,840,375	\$ (7,643)
 Noncash, Capital and Related Financing Activities:		
Contributions of capital assets	\$ 514,791	\$ -

See Notes to Financial Statements.

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CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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 City 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, 2022

Tax Increment Reinvestment Zone No. One

During fiscal year 2005, the City passed an ordinance creating a Tax Increment Reinvestment Zone No. One (TIRZ #1), 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 #1 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 #1 and accounted for as a special revenue fund with the City's financial oversight. The developer defaulted under the development agreement. During fiscal year 2022, the TIRZ #1 did not collect property taxes or make payments to the developer. The TIRZ #1 will terminate on December 31, 2035, unless the Angleton Drainage District approves an earlier termination date.

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 #2 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 2022.

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following governmental funds:

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

The *debt service fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for debt 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 the grants fund for pandemic assistant activity, which is considered a major fund for reporting purposes, and the Angleton Better Living fund for activity related to restricted sources for community capital projects, which the City has elected to present as a major fund for reporting purposes.

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 C.O. series 2018 fund and C.O. series 2022 fund, which are considered major funds for reporting purposes.

The City reports the following enterprise fund:

The *enterprise funds* are 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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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

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

E. Measurement Focus and Basis of Accounting

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

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

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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 paid time off or PTO, that has vested for each employee at year end. Employees may use PTO as needed for sick leave, vacation or other reasons. Upon

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

separation from the City, employees are eligible to be paid their accumulated PTO as long as they have provided a two week notice and work the remaining two week.

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.

9. Leases

The City is a lessee for noncancellable leases of vehicles, copiers, and a building. The City recognizes a lease liability and an intangible, right-to-use asset (the “lease asset”) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis either over the term of the lease or the useful life of the asset (if the City is reasonably certain a purchase option will be recognized).

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

10. 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.

11. 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.

12. Fund Balance Policies

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

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

13. 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.

14. 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.

15. Other Postemployment Benefits

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

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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 for governmental funds on a basis consistent with generally accepted accounting principles except for 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, 2022.

A. Expenditures in Excess of Appropriations

As of September 30, 2022, expenditures exceeded appropriations at the legal level of control as follows:

General Fund		
Buildings	\$	32,100
Finance and Accounting	\$	9,200
Code Enforcement	\$	31,783
Parks and Recreation	\$	66,769
Public Works	\$	459,050
Capital Outlay	\$	229,697
Debt Service - Principal	\$	246,319
Debt Service - Interest and Fiscal Agent Fees	\$	20,837
Angleton Better Living Fund		
Transfers Out	\$	163,159
Hotel/Motel		
Economic Development	\$	52,038
Child Safety		
Transfers Out	\$	975
Municipal Court Building Security		
Transfers Out	\$	2,500
Fire Department ESD		
Transfers Out	\$	136,437

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2022, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Investment pools		
TexPool	\$ 3,269,098	0.07
TexStar	14,983,532	0.04
Lone Star	6,490,117	0.04
Certificates of deposit	1,053,567	0.67
Total Fair Value	\$ 25,796,314	
Portfolio weighted average maturity		0.07

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, 2022, 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 & Poor’s rates TexPool ‘AAAm’. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for review.

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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 review.

B. Receivables

The following comprise receivable balances as of September 30, 2022:

	<u>General</u>	<u>Debt Service</u>	<u>Angleton Better Living</u>	<u>Nonmajor Governmental</u>	<u>Utility</u>	<u>Total</u>
Property taxes	\$ 174,117	\$ 25,625	\$ -	\$ -	\$ -	\$ 199,742
Other taxes	874,181	-	343,619	-	-	1,217,800
Intergovernmental	-	-	-	100,604	-	100,604
Accounts	449,842	-	-	2,360	1,767,924	2,220,126
Less allowance	(203,787)	(13,377)	-	-	(510,346)	(727,510)
Totals	<u>\$ 1,294,353</u>	<u>\$ 12,248</u>	<u>\$ 343,619</u>	<u>\$ 102,964</u>	<u>\$ 1,257,578</u>	<u>\$ 3,010,762</u>

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

C. Capital Assets

A summary of changes in capital assets for governmental activities for the fiscal year ended September 30, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,495,840	\$ 202,491	\$ -	\$ 1,698,331
Construction in progress	865,880	4,542,881	-	5,408,761
Total capital assets not being depreciated	2,361,720	4,745,372	-	7,107,092
Other capital assets:				
Buildings and improvements	12,395,860	281,492	-	12,677,352
Equipment	13,613,915	237,929	-	13,851,844
Infrastructure	27,824,039	606,494	-	28,430,533
Right-to-use assets	471,830	229,697	-	701,527
Total other capital assets	54,305,644	1,355,612	-	55,661,256
Less accumulated depreciation for:				
Buildings and improvements	(5,059,787)	(280,004)	-	(5,339,791)
Equipment	(9,744,541)	(638,393)	-	(10,382,934)
Infrastructure	(16,812,259)	(476,565)	-	(17,288,824)
Right-to-use assets	-	(175,584)	-	(175,584)
Total accumulated depreciation	(31,616,587)	(1,570,546)	-	(33,187,133)
Other capital assets, net	22,689,057	(214,934)	-	22,474,123
Governmental Activities Capital Assets, Net	\$ 25,050,777	\$ 4,530,438	\$ -	29,581,215
			Less associated debt	(23,758,578)
			Plus unspent bond proceeds	13,740,298
			Plus deferred charge on refunding	19,405
			Net Investment in Capital Assets	\$ 19,582,340

Depreciation was charged to governmental functions as follows:

General administration	\$ 455,588
Public safety	638,393
Community services	476,565
Total Governmental Activities Depreciation Expense	\$ 1,570,546

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

The following is a summary of changes in capital assets for business-type activities for the fiscal year ended September 30, 2022:

	<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	\$ 5,836,089	\$ 1,863,830	\$ (3,188,667)	\$ 4,511,252
Total capital assets not being depreciated	<u>5,836,089</u>	<u>1,863,830</u>	<u>(3,188,667)</u>	<u>4,511,252</u>
Other capital assets:				
Buildings and other improvements	319,665	-	-	319,665
Equipment	3,144,430	-	-	3,144,430
Infrastructure	47,430,034	3,434,970	-	50,865,004
Total other capital assets	<u>50,894,129</u>	<u>3,434,970</u>	<u>-</u>	<u>54,329,099</u>
Less accumulated depreciation for:				
Buildings and other improvements	(272,510)	(4,025)	-	(276,535)
Equipment	(1,943,591)	(260,251)	-	(2,203,842)
Infrastructure	(30,111,200)	(957,599)	-	(31,068,799)
Total accumulated depreciation	<u>(32,327,301)</u>	<u>(1,221,875)</u>	<u>-</u>	<u>(33,549,176)</u>
Other capital assets, net	<u>18,566,828</u>	<u>2,213,095</u>	<u>-</u>	<u>20,779,923</u>
Business-Type Activities Capital Assets, Net	<u>\$ 24,402,917</u>	<u>\$ 4,076,925</u>	<u>\$ (3,188,667)</u>	<u>25,291,175</u>

*Amounts reclassified from prior year.

Less associated debt	(16,335,756)
Plus unspent bond proceeds	2,539,181
Plus deferred charge on refunding	29,159
Net Investment in Capital Assets	<u>\$ 11,523,759</u>

Depreciation was charged to business-type functions as follows:

Water	\$ 313,655
Sewer	908,220
Total Business-Type Activities Depreciation Expense	<u>\$ 1,221,875</u>

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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 activities long-term liabilities for the fiscal year ended September 30, 2022. In general, the City uses the debt service fund and general fund to liquidate governmental activities long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
General obligation					
refunding bonds	\$ 1,140,000	\$ -	\$ 170,000	\$ 970,000	* \$ 185,000
Direct borrowings/private placement:					
Refunding bonds	339,952	-	339,952	-	-
Certificates of obligation	12,092,580	9,995,000	667,480	21,420,100	*
Notes payable	204,051	-	204,051	-	-
Leases payable	471,830	229,697	163,347	538,180	*
Plus deferred amounts:					
For premiums	596,511	274,876	41,089	830,298	*
	<u>14,844,924</u>	<u>10,499,573</u>	<u>1,585,919</u>	<u>23,758,578</u>	<u>1,128,312</u>
Other liabilities:					
Net pension liability - TMRS	2,066,475	-	1,708,773	357,702	-
Net pension liability - TESRS	167,148	-	93,649	73,499	-
Total OPEB liability	400,162	27,843	-	428,005	-
Compensated absences	505,675	544,890	623,753	426,812	384,131
	<u>3,139,460</u>	<u>572,733</u>	<u>2,426,175</u>	<u>1,286,018</u>	<u>384,131</u>
Total Governmental Activities	<u>\$ 17,984,384</u>	<u>\$ 11,072,306</u>	<u>\$ 4,012,094</u>	<u>\$ 25,044,596</u>	<u>\$ 1,512,443</u>
				<u>\$ 23,532,153</u>	
				<u>\$ 23,758,578</u>	

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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. The following is a summary of changes in the City’s total business-type activities long-term liabilities for the fiscal year ended September 30, 2022.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities					
General obligation refunding bonds	\$ 1,425,000	\$ -	\$ 325,000	\$ 1,100,000 *	\$ 390,000
Direct borrowings/private placement:					
Refunding bonds	455,048	-	455,048	-	-
Certificates of obligation	1,920,000	-	225,000	1,695,000 *	200,000
Certificates of obligation	11,137,420	2,275,000	552,520	12,859,900 *	384,754
Plus deferred amounts:					
For premiums	505,637	224,149	48,930	680,856 *	-
	15,443,105	2,499,149	1,606,498	16,335,756	974,754
Other liabilities:					
Net pension liability	389,802	-	322,328	67,474	-
Total OPEB liability	72,705	5,252	-	77,957	-
Compensated absences	120,690	140,526	155,654	105,562	95,006
	583,197	145,778	477,982	250,993	95,006
Total Business-Type Activities	\$ 16,026,302	\$ 2,644,927	\$ 2,084,480	\$ 16,586,749	\$ 1,069,760
			Long-Term Debt Due In More Than One Year	\$ 15,516,989	
			* Debt Associated With Capital Assets	\$ 16,335,756	

In October 2021, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2021 (the “Certificates”) in the amount of \$2,275,000. 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 City’s utility and water distribution system, including the Chenango Water Plant site, and (ii) the cost of professional services incurred in connection therewith. The Certificates will mature on August 15, 2041. The Certificates bear an interest rate ranging between 3% and 4%.

In May 2022, the City also issued Combination Tax and Revenue Certificates of Obligation, Series 2022 (the “Certificates”) in the amount of \$9,995,000. Proceeds from the sale of the Certificates will be used for the purposes of evidencing the indebtedness of the City for all or any part of the costs associated with the (i) acquisition, construction, and equipment of a facility for parks and recreation, public works, and information technology; (ii) acquisition, construction, and equipment of firefighting facilities; (iii) acquisition, of waterworks and sewer system equipment; (iv) acquisition, construction, and equipment of City streets and related infrastructure; and (v) costs of professional services related thereto. The Certificates will mature on August 15, 2052. The Certificates bear an interest rate ranging between 4% and 6%.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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

<u>Description</u>	<u>Interest Rates</u>	<u>Balance</u>
<u>Governmental Activities</u>		
General Obligation Refunding Bonds		
Series 2016	2.00-4.00%	\$ 970,000
		<u>970,000</u>
Certificates of Obligation		
Series 2018	3.00-4.00%	7,690,000
Series 2019	2.00-4.00%	1,090,100
Series 2020	2.00-3.00%	2,645,000
Series 2022	4.00-6.00%	9,995,000
		<u>21,420,100</u>
Total Governmental Activities Long-Term Debt		\$ 22,390,100
 <u>Business-Type Activities</u>		
General Obligation Refunding Bonds		
Series 2016	2.00-4.00%	\$ 1,100,000
		<u>1,100,000</u>
Certificates of Obligation		
Water and sewer, series 2013	2.28%	1,695,000
Water and sewer, series 2015	3.00-4.00%	3,195,000
Series 2019	2.00-4.00%	7,489,900
Series 2021	3.00-4.00%	2,175,000
		<u>14,554,900</u>
Total Business-Type Activities Long-Term Debt		\$ 15,654,900

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:

Governmental Activities				
Fiscal Year Ending Sep 30	General Obligation Refunding Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
	2023	\$ 185,000	\$ 31,675	\$ 750,246
2024	250,000	25,150	880,103	744,787
2025	220,000	17,000	855,185	711,524
2026	220,000	8,200	852,398	681,293
2027	45,000	2,900	896,067	649,437
2028-2032	50,000	1,000	4,643,142	2,773,526
2033-2037	-	-	4,890,580	2,023,289
2038-2042	-	-	2,802,379	1,241,903
2043-2047	-	-	2,180,000	827,181
2048-2052	-	-	2,670,000	339,694
Total	\$ 970,000	\$ 85,925	\$ 21,420,100	\$ 10,842,478

Business-Type Activities				
Fiscal Year Ending Sep 30	General Obligation Refunding Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
	2023	\$ 390,000	\$ 31,800	\$ 384,754
2024	245,000	22,275	604,897	349,477
2025	235,000	13,900	649,815	329,415
2026	230,000	4,600	537,602	311,401
2027	-	-	778,933	289,254
2028-2032	-	-	4,466,858	1,023,743
2033-2037	-	-	3,854,420	443,432
2038-2041	-	-	1,582,621	67,758
Total	\$ 1,100,000	\$ 72,575	\$ 12,859,900	\$ 3,180,520

Business-Type Activities - Direct Borrowings/Private Placement		
Fiscal Year Ending Sep 30	Certificates of Obligation	
	Principal	Interest
	2023	\$ 200,000
2024	315,000	30,495
2025	310,000	23,370
2026	305,000	16,359
2027	285,000	9,633
2028-2032	280,000	3,192
Total	\$ 1,695,000	\$ 119,415

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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. Lease Liability

The City was a lessee for the acquisition and use of vehicles, copiers, and a building. As of September 30, 2022, the value of the lease liability was \$538,180. The City made principal and interest payments on the leases in fiscal year 2022 for \$186,298. The City will continue to make principal and interest payments on leases through the fiscal year 2027. The estimated incremental borrowing rate is 4%. The leases are amortized based on the term of the lease agreements which ranges from 36 months to 60 months and had remaining terms ranging from 21 to 60 months as of the beginning of the fiscal year. The value of the right-to-use assets for fiscal year 2022 was \$701,527 and had accumulated amortization of \$175,584.

The future principal and interest lease payments as of September 30, 2022 were as follows:

Fiscal Year Ending Sept. 30	Principal	Interest	Total
2023	\$ 193,066	\$ 18,026	\$ 211,092
2024	155,336	10,830	166,166
2025	130,770	5,053	135,823
2026	57,424	900	58,324
2027	1,584	24	1,608
	<u>\$ 538,180</u>	<u>\$ 34,833</u>	<u>\$ 573,013</u>

F. Interfund Transactions

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

Transfer In	Transfer Out	Amounts
General	Nonmajor	\$ 241,135
General	Utility	862,278
General	Angleton Better Living	338,299
Debt service	Angleton Better Living	720,230
Nonmajor	General	18,997
Nonmajor	Utility	79,351
Nonmajor	Angleton Better Living	820,505
		<u>\$ 3,080,795</u>

Transfers to the general fund were subsidies for administrative expenditures and reimbursements for capital lease payments. Other amounts transferred to nonmajor governmental funds related to amounts

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

collected for various governmental expenditures. Transfers made to the debt service fund were to satisfy debt allocated to each of the corresponding funds.

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

Due To	Due From	Amount
General	Angleton Better Living	\$ 140,556
General	Nonmajor	43,770
		\$ 184,326

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

G. Fund Equity

Funds restricted by enabling legislation are \$372,534 related to hotel/motel tax, child safety, and municipal court security and technology.

H. 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	\$	69,509
Utility Fund		
Restricted for capital projects		3,745,873
Deposits payable		361,665
Total	\$	4,177,047

I. Restatement

Beginning net position for the utility fund, business-type activities, and governmental activities were restated for a change in allocation of the net pension liability. Beginning assets and long-term liabilities for governmental activities were restated for the recognition of a lease liability and right-to-use assets related to implementation of GASB 87 which has no impact on net position.

	Governmental Activities	Utility Fund	Business-Type Activities
Prior year ending net position as reported	\$ 25,473,993	\$ 13,248,838	\$ 13,248,838
Change in allocation of net pension liability	(452,492)	452,492	452,492
GASB 87 adjustment for righ-to-use assets	471,830	-	-
GASB 87 adjustment for lease liability	(471,830)	-	-
Restated beginning net position	\$ 25,021,501	\$ 13,701,330	\$ 13,701,330

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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.

C. Pension Plans

1. Texas Municipal Retirement System

Plan Description

The City participates as one of 901 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the “TMRS Act”) as an agent multiple-employer retirement system for municipal employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees (the “Board”); however, TMRS does not receive any funding from the State. TMRS issues a publicly available annual comprehensive 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 member’s benefit is calculated based on the sum of the member’s contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member contributions and interest.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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:

	2022	2021
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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	82
Inactive employees entitled to, but not yet receiving, benefits	107
Active employees	134
Total	323

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City-matching ratios are either 1:1 (1 to 1), 1.5:1 (1½ to 1), or 2:1 (2 to 1), 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 actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

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 12.05% and 11.66% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2022 were \$963,669 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021 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, 2021 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 are 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 table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global public equity	35.00%	7.55%
Core fixed income	6.00%	2.00%
Non-core fixed income	20.00%	5.68%
Other public and private markets	12.00%	7.22%
Real estate	12.00%	6.85%
Hedge funds	5.00%	5.35%
Private equity	10.00%	10.00%
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 member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS's fiduciary net position was projected 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.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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	\$ 1,123,767	\$ -	\$ 1,123,767
Interest	1,995,111	-	1,995,111
Change in current period benefits	-	-	-
Difference between expected and actual experience	(143,337)	-	(143,337)
Changes of assumptions	-	-	-
Contributions - employer	-	963,477	(963,477)
Contributions - employee	-	479,819	(479,819)
Net investment income	-	3,579,795	(3,579,795)
Benefit payments, including refunds of employee contributions	(1,838,738)	(1,838,738)	-
Administrative expense	-	(16,563)	16,563
Other changes	-	114	(114)
Net Changes	1,136,803	3,167,904	(2,031,101)
Balance at December 31, 2020	29,914,685	27,458,408	2,456,277
Balance at December 31, 2021	\$ 31,051,488	\$ 30,626,312	\$ 425,176

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point 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)	\$ 4,875,387	\$ 425,176	\$ (3,183,205)

Pension Plan Fiduciary Net Position

Detailed information about TMRS's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at www.tmrs.com.

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

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$69,262.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

At September 30, 2022, 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	\$ 16,464	\$ 157,632
Changes in actuarial assumptions	35,354	-
Net difference between projected and actual investment earnings	-	1,841,301
Contributions subsequent to the measurement date	740,561	-
Total	\$ 792,379	\$ 1,998,933

\$740,561 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, 2023. 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
2023	\$ (364,848)
2024	(825,139)
2025	(411,861)
2026	(345,267)
Thereafter	-
Total	\$ (1,947,115)

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, 2021, there were 239 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, 2021, the TESRS membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	3,843
Terminated Members Entitled to Benefits but Not Yet Receiving Them	1,706
Active Participants (Vested and Nonvested)	3,571

Pension Plan Fiduciary Net Position

Detailed information about TESRS's fiduciary net position is available in a separately-issued Annual Comprehensive 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 www.tesrs.org. The separately issued actuarial valuations that may be of interest are also available at the same link.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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 August 31, 2020 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.

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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, 2021, total contributions (dues, prior service, and interest on prior service financing) of \$32,950 were paid by the City. The State appropriated \$1,329,224 for the fiscal year ending August 31, 2021 to TESRS as a whole.

Actuarial Assumptions

The TPL in the August 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	August 31, 2021
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*	7.5%
Projected Salary Increases	N/A
*Includes Inflation at	3.0%
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 (3.0%). In addition, the final 7.5% 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, 2022

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

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long -Term Expected Net Real Rate of Return</u>
Equities		
Large cap domestic	20%	5.83%
Samll/mid cap domestic	10%	5.94%
Developed international	15%	6.15%
Emerging markets	5%	7.25%
Global infrastructure	5%	6.41%
Real estate	10%	4.48%
Multi asset income	5%	3.84%
Fixed income	30%	1.99%
Total	<u>100%</u>	
Weighted average		4.60%

Discount Rate

The discount rate used to measure the TPL was 7.5%. No projection of cash flows was used to determine the discount rate because the August 31, 2021 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability 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 TESRS 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 7.5%, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	<u>1% Decrease in Discount Rate (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase in Discount Rate (8.50%)</u>
City's proportionate share of the net pension liability/(asset)	\$ 345,606	\$ 73,499	\$ (93,270)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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

At August 31, 2021, the City reported a liability of \$73,499 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	\$ 73,499	
State's proportionate share that is associated with the City*	20,348	
Total	\$ 93,847	

**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, 2021. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (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 an NPL measured as of August 31, 2021. The City used the assumption that any differences in the NPL measured as of August 31, 2021 versus September 30, 2021 would be immaterial. The employer's proportion of the NPL was based on the employer's contributions to TESRS relative to the contributions of all employers to TESRS for the period September 1, 2020 through August 31, 2021.

At August 31, 2021, the City's proportion of the collective NPL was 0.686%, which was an increase of 0.023% from its proportion measured as of August 31, 2020.

There were no changes in 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, 2022, the City recognized pension expense of \$86. The City recognized on-behalf revenues of \$9,118 calculated by taking the State's total contributions to TESRS multiplied by the City's proportionate share.

At September 30, 2022, 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	\$ -	\$ 68,826
Changes in assumptions	-	100
Difference between expected and actual economic experience	-	2,908
Contributions paid to TESRS subsequent to the measurement date	50,685	-
Total	\$ 50,685	\$ 71,834

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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 September 30	Pension Expense
2023	\$ (19,414)
2024	(11,956)
2025	(22,560)
2026	(17,904)
Total	\$ (71,834)

D. Other Postemployment Benefits

TMRS - Supplemental Death Benefits

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 SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

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, 2022

Participation in the SDBF as of December 31, 2021 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	55	
Inactive employees entitled to, but not yet receiving, benefits	28	
Active employees	134	
Total	217	

Total OPEB Liability

The City’s total OPEB liability of \$505,962 was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 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*	1.84%	
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, 2021.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. Due to the higher mortality rates associated with the global pandemic, the TMRS Board adopted changes to the assumptions and methodology used for calculating 2023 rates as determined in the December 31, 2021 actuarial valuation.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

Changes in the Total OPEB Liability

		Total OPEB Liability
Changes for the year:		
Service cost	\$	28,975
Interest		9,645
Changes of benefit terms		-
Difference between expected and actual experience		(12,738)
Changes of assumptions		17,392
Benefit payments*		(10,180)
	Net Changes	33,094
Balance at December 31, 2020		472,868
	Balance at December 31, 2021	\$ 505,962

* 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 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021. 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:

	1% Decrease (0.84%)	Discount Rate (1.84%)	1% Increase (2.84%)
City's total OPEB liability	\$ 635,852	\$ 505,962	\$ 410,387

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$62,423. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,753	\$ 15,193
Changes in actuarial assumptions	87,446	6,134
Contributions subsequent to the measurement date	7,623	-
Total	\$ 97,822	\$ 21,327

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

\$7,623 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, 2022.

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
2023	\$ 22,453
2024	21,725
2025	21,974
2026	2,720
Thereafter	-
Total	\$ 68,872

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.

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 North Velasco (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.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

- In the event this Agreement is terminated, or the Building is sold by the Business to another party other than City, before the fifth anniversary of the signing of this Agreement, the Business 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 Building.
- Add taxable improvements to the real property.
- Create employment opportunities.

\$5,182 taxes were refunded during fiscal year 2022.

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, 2022

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 6,993,479	\$ 6,993,479	\$ 6,800,964	\$ (192,515)
Franchise fees and local taxes	729,330	729,330	668,673	(60,657)
Sales taxes	3,881,860	3,881,860	3,696,232	(185,628)
Industrial district agreement	104,170	104,170	82,416	(21,754)
Permits, licenses, and fees	947,000	947,000	858,711	(88,289)
Fines and forfeitures	718,579	718,579	527,343	(191,236)
Charges for services	2,500,873	2,500,873	2,265,389	(235,484)
Intergovernmental	2,810	2,810	403,967	401,157
Investment revenue	5,110	5,110	23,504	18,394
Miscellaneous revenue	171,000	171,000	264,372	93,372
Total Revenues	16,054,211	16,054,211	15,591,571	(462,640)
Expenditures				
General administration				
Administrative	4,065,052	4,045,052	4,045,052	-
Buildings	-	-	32,100	(32,100) *
Total general administration	4,065,052	4,045,052	4,077,152	(32,100)
Financial administration				
Tax collection	51,000	51,000	48,204	2,796
Finance and accounting	415,105	415,105	424,305	(9,200) *
Total financial administration	466,105	466,105	472,509	(6,404)
Public safety				
Municipal court	601,488	601,488	514,617	86,871
Police department	5,809,237	5,798,387	5,348,727	449,660
Animal control	371,907	371,907	319,584	52,323
Fire department	894,215	894,215	836,044	58,171
Emergency management	147,136	147,136	141,396	5,740
Code enforcement	1,124,308	1,150,058	1,181,841	(31,783) *
Total public safety	8,948,291	8,963,191	8,342,209	620,982
Community services				
Information technology	448,173	453,273	417,644	35,629
Parks and recreation	1,605,326	1,605,326	1,672,095	(66,769) *
Public works	1,515,392	1,515,392	1,974,442	(459,050) *
Total community services	3,568,891	3,573,991	4,064,181	(490,190)

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, 2022

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Expenditures (continued)</u>				
Economic development	\$ 247,304	\$ 247,304	\$ 230,225	\$ 17,079
Capital outlay	-	-	229,697	(229,697) *
Debt service				
Principal	121,079	121,079	367,398	(246,319) *
Interest and fiscal agent fees	6,145	6,145	26,982	(20,837) *
Total debt service	127,224	127,224	394,380	(267,156)
Total Expenditures	17,422,867	17,422,867	17,810,353	(387,486)
(Deficiency) of Revenues				
(Under) Expenditures	(1,368,656)	(1,368,656)	(2,218,782)	(850,126)
<u>Other Financing Sources (Uses)</u>				
Transfers in	1,297,023	1,297,023	1,441,712	144,689
Transfers (out)	(65,832)	(65,832)	(18,997)	46,835
Sale of capital assets	80,000	80,000	101,165	21,165
Lease proceeds	-	-	229,697	229,697
	1,311,191	1,311,191	1,753,577	442,386
Net Change in Budgeted Fund Balance	\$ (57,465)	\$ (57,465)	(465,205)	\$ (407,740)
Net Change in Fund Balance			(465,205)	
Beginning fund balance			3,951,813	
Ending Fund Balance			\$ 3,486,608	

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, 2022

	<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	\$ 1,982,765	\$ 1,982,765	\$ 1,848,116	\$ (134,649)
Investment revenue	4,500	4,500	1,364	(3,136)
Miscellaneous revenue	-	-	10,000	10,000
Total Revenues	<u>1,987,265</u>	<u>1,987,265</u>	<u>1,859,480</u>	<u>(127,785)</u>
<u>Expenditures</u>				
Current:				
General administration	671,390	671,390	447,585	223,805
Total Expenditures	<u>671,390</u>	<u>671,390</u>	<u>447,585</u>	<u>223,805</u>
Excess of Revenue Over Expenditures	<u>1,315,875</u>	<u>1,315,875</u>	<u>1,411,895</u>	<u>96,020</u>
<u>Other Financing Sources (Uses)</u>				
Transfer in	400,000	400,000	-	(400,000)
Transfer (out)	(1,715,875)	(1,715,875)	(1,879,034)	(163,159) *
Total Other Financing (Uses)	<u>(1,315,875)</u>	<u>(1,315,875)</u>	<u>(1,879,034)</u>	<u>(563,159)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(467,139)</u>	<u>\$ (467,139)</u>
Beginning fund balance			<u>779,223</u>	
Ending Fund Balance			<u>\$ 312,084</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.

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, 2022

	Measurement Year*			
	2021	2020	2019	2018
Total Pension Liability				
Service cost	\$ 1,123,767	\$ 1,065,898	\$ 967,612	\$ 875,925
Interest (on the total pension liability)	1,995,111	1,913,148	1,810,253	1,741,013
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(143,337)	(75,064)	56,625	(372,360)
Changes of assumptions	-	-	121,586	-
Benefit payments, including refunds of employee contributions	(1,838,738)	(1,598,568)	(1,363,110)	(1,166,182)
Net Change in Total Pension Liability	<u>1,136,803</u>	<u>1,305,414</u>	<u>1,592,966</u>	<u>1,078,396</u>
Beginning total pension liability	<u>29,914,685</u>	<u>28,609,271</u>	<u>27,016,305</u>	<u>25,937,909</u>
Ending Total Pension Liability	<u><u>\$ 31,051,488</u></u>	<u><u>\$ 29,914,685</u></u>	<u><u>\$ 28,609,271</u></u>	<u><u>\$ 27,016,305</u></u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 963,477	\$ 904,937	\$ 822,437	\$ 754,235
Contributions - employee	479,819	445,051	399,564	361,455
Net investment income	3,579,795	1,955,933	3,472,078	(695,480)
Benefit payments, including refunds of employee contributions	(1,838,738)	(1,598,568)	(1,363,110)	(1,166,182)
Administrative expense	(16,563)	(12,655)	(19,614)	(13,439)
Other	114	(493)	(589)	(702)
Net Change in Plan Fiduciary Net Position	<u>3,167,904</u>	<u>1,694,205</u>	<u>3,310,766</u>	<u>(760,113)</u>
Beginning plan fiduciary net position	<u>27,458,408</u>	<u>25,764,203</u>	<u>22,453,437</u>	<u>23,213,550</u>
Ending Plan Fiduciary Net Position	<u><u>\$ 30,626,312</u></u>	<u><u>\$ 27,458,408</u></u>	<u><u>\$ 25,764,203</u></u>	<u><u>\$ 22,453,437</u></u>
Net Pension Liability	<u><u>\$ 425,176</u></u>	<u><u>\$ 2,456,277</u></u>	<u><u>\$ 2,845,068</u></u>	<u><u>\$ 4,562,868</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.63%	91.79%	90.06%	83.11%
Covered Payroll	\$ 7,831,130	\$ 7,417,525	\$ 6,659,408	\$ 6,024,244
Net Pension Liability as a Percentage of Covered Payroll	5.43%	33.11%	42.72%	75.74%

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

Measurement Year*				
	2017	2016	2015	2014
\$	842,374	\$ 785,512	\$ 791,844	\$ 698,595
	1,651,811	1,584,707	1,562,646	1,507,813
	(42,824)	-	-	-
	(85,751)	(252,182)	(165,121)	(436,428)
	-	-	137,392	-
	(1,041,573)	(1,177,455)	(1,163,080)	(903,465)
	<u>1,324,217</u>	<u>940,582</u>	<u>1,163,981</u>	<u>866,515</u>
	<u>24,613,692</u>	<u>23,673,110</u>	<u>22,509,129</u>	<u>21,642,614</u>
\$	<u><u>25,937,909</u></u>	<u><u>24,613,692</u></u>	<u><u>23,673,110</u></u>	<u><u>22,509,129</u></u>
\$	729,850	\$ 687,899	\$ 730,615	\$ 660,722
	368,923	346,549	353,239	323,355
	2,820,968	1,298,516	28,450	1,039,581
	(1,041,573)	(1,177,455)	(1,163,080)	(903,465)
	(14,617)	(14,663)	(17,328)	(10,853)
	(742)	(790)	(856)	(892)
	<u>2,862,809</u>	<u>1,140,056</u>	<u>68,960</u>	<u>1,108,448</u>
	<u>20,350,741</u>	<u>19,210,685</u>	<u>19,279,645</u>	<u>18,171,197</u>
\$	<u><u>23,213,550</u></u>	<u><u>20,350,741</u></u>	<u><u>19,210,685</u></u>	<u><u>19,279,645</u></u>
\$	<u><u>2,724,359</u></u>	<u><u>4,262,951</u></u>	<u><u>4,462,425</u></u>	<u><u>3,229,484</u></u>
	89.50%	82.68%	81.15%	85.65%
\$	6,148,715	\$ 5,775,821	\$ 5,887,320	\$ 5,389,248
	44.31%	73.81%	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, 2022

	Measurement Year*			
	2021	2020	2019	2018
City's proportion of the net pension liability	0.69%	0.66%	0.39%	0.32%
City's proportionate share of the net pension liability	\$ 73,499	\$ 167,148	\$ 109,697	\$ 69,065
State's proportionate share of the net pension liability	20,348	47,649	32,539	19,168
Total	\$ 93,848	\$ 214,797	\$ 142,236	\$ 88,233
Number of Active Members**	26	28	27	37
City's net pension liability per active member	\$ 2,827	\$ 5,970	\$ 4,063	\$ 1,846
Plan fiduciary net position as a percentage of the total pension liability	93.10%	83.20%	80.20%	84.26%

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

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

Notes to Required Supplementary Information:

1. *Changes in benefit terms*

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

2. *Changes in assumptions*

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

Measurement Year *

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.35%	0.41%	0.43%	0.45%
\$ 84,966	\$ 120,165	\$ 114,150	\$ 82,146
27,824	41,542	39,568	27,613
<u>\$ 112,790</u>	<u>\$ 161,707</u>	<u>\$ 153,718</u>	<u>\$ 109,759</u>
40	32	34	34
\$ 2,102	\$ 3,815	\$ 3,391	\$ 2,416
81.40%	76.30%	76.90%	83.50%

CITY OF ANGLETON, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the Year Ended September 30, 2022

	Fiscal Year*			
	2022	2021	2020	2019
Actuarially determined contribution	\$ 963,669	\$ 975,404	\$ 887,773	\$ 808,099
Contributions in relation to the actuarially determined contribution	963,669	975,404	887,773	808,099
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 8,203,999	\$ 8,067,011	\$ 7,249,082	\$ 6,519,525
Contributions as a percentage of covered payroll	11.75%	12.09%	12.25%	12.40%

*Only nine years of information are currently available. The City will build this schedule over the next one-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	24 years
Asset valuation method	10 year smoothed market; 12.00% 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 *

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 735,614	\$ 727,148	\$ 693,433	\$ 687,403	\$ 658,787
<u>735,614</u>	<u>727,148</u>	<u>693,433</u>	<u>687,403</u>	<u>658,787</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,961,986	\$ 6,120,417	\$ 5,754,427	\$ 5,554,619	\$ 5,389,248
12.34%	11.88%	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, 2022

	Fiscal Year*			
	2022	2021	2020	2019
Contractually required contribution	\$ 50,685	\$ 33,095	\$ 31,318	\$ 24,996
Contributions in relation to the contractually required	50,685	33,095	31,318	24,996
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Number of active members**	26	28	26	42
Contributions per active member	\$ 1,949	\$ 1,182	\$ 1,205	\$ 595

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

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

Fiscal Year *

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 22,453	\$ 24,255	\$ 18,900	\$ 20,200	\$ 20,580
<u>22,453</u>	<u>24,255</u>	<u>18,900</u>	<u>20,200</u>	<u>20,580</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
37	40	36	34	34
\$ 607	\$ 606	\$ 525	\$ 594	\$ 605

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, 2022

	Measurement Year*			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 28,975	\$ 21,511	\$ 15,983	\$ 16,265
Interest (on the total OPEB liability)	9,645	10,495	10,873	10,069
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(12,738)	4,511	(2,124)	(13,650)
Change of assumptions	17,392	66,967	63,878	(20,830)
Benefit payments**	(10,180)	(2,967)	(2,664)	(3,012)
Net Change in Total OPEB Liability	<u>33,094</u>	<u>100,517</u>	<u>85,946</u>	<u>(11,158)</u>
Beginning total OPEB liability	472,868	372,351	286,405	297,563
Ending Total OPEB Liability	<u><u>505,962</u></u>	<u><u>472,868</u></u>	<u><u>372,351</u></u>	<u><u>\$ 286,405</u></u>
Covered Payroll	7,831,130	7,417,525	6,659,408	\$ 6,024,244
Total OPEB Liability as a Percentage of Covered Payroll	6.46%	6.38%	5.59%	4.75%

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

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
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	1.84%
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.

3. Other Information:

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

There were no benefit changes during the year.

**Measurement
Year***
2017

\$	14,142
	9,793
	-
	-
	22,154
	(3,074)
	<u>44,015</u>
	253,548
\$	<u>297,563</u>
\$	<u>6,148,715</u>

4.84%

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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.

GLO Grant Fund - Revenue and expenses for General Land Office (GLO) grant.

Drug Confiscation Fund - Police seizure and buy account.

Keep Angleton Beautiful Fund - Donations to clean up and landscape across the City.

Angleton Act Center Fund - Revenues and expenditures for the recreation center.

TIRZ #1 Fund - 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 - Contract with the County fire department.

A/C Donations Fund - Donations for the animal control.

TxDOT Grant Fund - Revenue and expenses for Texas Department of Transportation (TxDOT) grant.

Traffic Enforcement Fund - Revenue and expenses for Selective Traffic Enforcement Program (STEP) grant.

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

HGAC Grant - Revenue and expenses for Houston-Galveston Area Council (HGAC) grant.

Generator Grant Fund - Revenue and expenses for Texas Department of Emergency Management (TDEM) grant.

911 Recorder Grant - Revenue and expenses for General Land Office (GLO) grant.

Capital Project Funds

Street Fund - Capital improvements for City streets.

C.O. Series 2020 - Capital improvements for Lakeside Park.

Local Park Grant Fund - Capital improvements for the City.

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, 2022

	Special Revenue Funds			
	Hotel/Motel	Child Safety	Municipal Court Technology	Municipal Court Building Security
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 298,044	\$ 8,407	\$ 11,252	\$ 30,340
Investments	-	-	-	-
Receivables, net	45,091	-	-	-
Due from other government	-	-	-	-
Inventory	-	-	-	-
	Total Assets	\$ 8,407	\$ 11,252	\$ 30,340
	\$ 343,135	\$ 8,407	\$ 11,252	\$ 30,340
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 20,600	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
	Total Liabilities	-	-	-
	20,600	-	-	-
Fund balances:				
Nonspendable:				
Inventory	-	-	-	-
Restricted for:				
Economic development	322,535	-	-	-
Special projects	-	8,407	11,252	30,340
Capital projects	-	-	-	-
	Total Fund Balances	8,407	11,252	30,340
	322,535	8,407	11,252	30,340
	Total Liabilities and Fund Balances	\$ 8,407	\$ 11,252	\$ 30,340
	\$ 343,135	\$ 8,407	\$ 11,252	\$ 30,340

Special Revenue Funds

GLO Grant	Drug Confiscation	Keep Angleton Beautiful	Angleton Act Center	TIRZ #1	OBJ Police Grant
\$ 4,165	\$ 43,345	\$ 40,018	\$ 192,976	\$ 7,939	\$ 2,826
-	-	-	-	-	-
2,243	-	2,360	-	-	609
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,408</u>	<u>\$ 43,345</u>	<u>\$ 42,378</u>	<u>\$ 192,976</u>	<u>\$ 7,939</u>	<u>\$ 3,435</u>
\$ -	\$ 6,925	\$ -	\$ 49,097	\$ 6,530	\$ 3,435
-	-	-	-	-	-
-	6,925	-	49,097	6,530	3,435
-	-	-	-	-	-
-	-	-	143,879	-	-
-	36,420	42,378	-	1,409	-
6,408	-	-	-	-	-
<u>6,408</u>	<u>36,420</u>	<u>42,378</u>	<u>143,879</u>	<u>1,409</u>	<u>-</u>
<u>\$ 6,408</u>	<u>\$ 43,345</u>	<u>\$ 42,378</u>	<u>\$ 192,976</u>	<u>\$ 7,939</u>	<u>\$ 3,435</u>

CITY OF ANGLETON, TEXAS

COMBINING BALANCE SHEET (Page 2 of 3)

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2022

Special Revenue Funds

	<u>Police Donation</u>	<u>Fire Dept. ESD</u>	<u>A/C Donations</u>	<u>TxDOT Grant</u>
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 16,232	\$ 23,229	\$ 31,208	\$ 4,799
Investments	-	-	-	-
Receivables, net	-	11,672	-	-
Due from other government	-	-	-	-
Inventory	-	-	-	-
Total Assets	\$ 16,232	\$ 34,901	\$ 31,208	\$ 4,799
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,000	\$ 34,855	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	2,000	34,855	-	-
Fund balances:				
Nonspendable:				
Inventory	-	-	-	-
Restricted for:				
Economic development	-	-	-	-
Special projects	14,232	46	31,208	4,799
Capital projects	-	-	-	-
Total Fund Balances	14,232	46	31,208	4,799
Total Liabilities and Fund Balances	\$ 16,232	\$ 34,901	\$ 31,208	\$ 4,799

Special Revenue Funds					Capital Projects Funds
Traffic Enforcement	Developer Deposit	HGAC Grant	Generator Grant	911 Recorder Grant	Street
\$ -	\$ 1,354,327	\$ -	\$ 29,427	\$ -	\$ 1,891,227
-	-	-	-	-	351,189
-	-	40,989	-	-	-
2,781	-	-	-	-	-
-	-	-	-	-	5,600
<u>\$ 2,781</u>	<u>\$ 1,354,327</u>	<u>\$ 40,989</u>	<u>\$ 29,427</u>	<u>\$ -</u>	<u>\$ 2,248,016</u>
\$ -	\$ 15,400	\$ -	\$ -	\$ -	\$ 56,633
2,781	-	40,989	-	-	-
<u>2,781</u>	<u>15,400</u>	<u>40,989</u>	<u>-</u>	<u>-</u>	<u>56,633</u>
-	-	-	-	-	5,600
-	-	-	-	-	-
-	1,338,927	-	29,427	-	2,185,783
-	1,338,927	-	29,427	-	2,191,383
<u>\$ 2,781</u>	<u>\$ 1,354,327</u>	<u>\$ 40,989</u>	<u>\$ 29,427</u>	<u>\$ -</u>	<u>\$ 2,248,016</u>

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CITY OF ANGLETON, TEXAS
COMBINING BALANCE SHEET (Page 3 of 3)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

	Capital Projects Funds			
	C. O. Series 2020	Local Park Grant	City-Wide Capital Projects	Total Nonmajor Governmental Funds
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 825,973	\$ 141,937	\$ 409,810	\$ 5,367,481
Investments	-	-	-	351,189
Receivables, net	-	-	-	102,964
Due from other government	-	-	-	2,781
Inventory	-	-	-	5,600
	Total Assets	\$ 141,937	\$ 409,810	\$ 5,830,015
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 452,360	\$ 8,599	\$ -	\$ 656,434
Due to other funds	-	-	-	43,770
	Total Liabilities	8,599	-	700,204
Fund balances:				
Nonspendable:				
Inventory	-	-	-	5,600
Restricted for:				
Economic development	-	-	-	466,414
Special projects	-	-	-	180,491
Capital projects	373,613	133,338	409,810	4,477,306
	Total Fund Balances	133,338	409,810	5,129,811
Total Liabilities and Fund Balances	\$ 825,973	\$ 141,937	\$ 409,810	\$ 5,830,015

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, 2022

	<u>Special Revenue Funds</u>			
	<u>Hotel/Motel</u>	<u>Child Safety</u>	<u>Municipal Court Technology</u>	<u>Municipal Court Building Security</u>
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	169,631	-	-	-
Fines and forfeitures	-	6,518	9,099	10,771
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment revenue	2,033	49	70	182
Miscellaneous revenue	-	-	-	-
Total Revenues	<u>171,664</u>	<u>6,567</u>	<u>9,169</u>	<u>10,953</u>
Expenditures				
Current:				
General administration	-	-	-	-
Public safety	-	-	6,205	-
Economic development	303,815	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>303,815</u>	<u>-</u>	<u>6,205</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(132,151)</u>	<u>6,567</u>	<u>2,964</u>	<u>10,953</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	(22,553)	(3,000)	-	(7,500)
Total Other Financing Sources (Uses)	<u>(22,553)</u>	<u>(3,000)</u>	<u>-</u>	<u>(7,500)</u>
Net Change in Fund Balances	(154,704)	3,567	2,964	3,453
Beginning fund balances	477,239	4,840	8,288	26,887
Ending Fund Balances	<u>\$ 322,535</u>	<u>\$ 8,407</u>	<u>\$ 11,252</u>	<u>\$ 30,340</u>

Special Revenue Funds

GLO Grant	Drug Confiscation	Keep Angleton Beautiful	Angleton Act Center	TIRZ #1	OBJ Police Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
40,104	-	-	-	1,217	16,098
-	-	-	403,500	-	-
-	169	214	792	45	-
-	21,433	37,925	-	-	-
<u>40,104</u>	<u>21,602</u>	<u>38,139</u>	<u>404,292</u>	<u>1,262</u>	<u>16,098</u>
113,047	-	-	1,042,150	-	-
-	-	-	-	-	64,562
-	-	28,136	-	-	-
-	-	-	111,909	-	-
<u>113,047</u>	<u>-</u>	<u>28,136</u>	<u>1,154,059</u>	<u>-</u>	<u>64,562</u>
<u>(72,943)</u>	<u>21,602</u>	<u>10,003</u>	<u>(749,767)</u>	<u>1,262</u>	<u>(48,464)</u>
79,351	-	-	820,505	-	18,997
-	-	-	-	-	-
<u>79,351</u>	<u>-</u>	<u>-</u>	<u>820,505</u>	<u>-</u>	<u>18,997</u>
6,408	21,602	10,003	70,738	1,262	(29,467)
-	14,818	32,375	73,141	147	29,467
<u>\$ 6,408</u>	<u>\$ 36,420</u>	<u>\$ 42,378</u>	<u>\$ 143,879</u>	<u>\$ 1,409</u>	<u>\$ -</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, 2022

Special Revenue Funds

	Police Donation	Fire Dept. ESD	A/C Donations	TxDOT Grant
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	326,619	-	1,091
Charges for services	-	-	-	-
Investment revenue	85	-	49	-
Miscellaneous revenue	12,085	162	12,616	-
Total Revenues	12,170	326,781	12,665	1,091
Expenditures				
Current:				
General administration	-	-	-	-
Public safety	16,000	207,473	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	16,000	207,473	-	-
Excess (Deficiency of Revenues Over (Under) Expenditures	(3,830)	119,308	12,665	1,091
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	(208,082)	-	-
Total Other Financing Sources (Uses)	-	(208,082)	-	-
Net Change in Fund Balances	(3,830)	(88,774)	12,665	1,091
Beginning fund balances	18,062	88,820	18,543	3,708
Ending Fund Balances	\$ 14,232	\$ 46	\$ 31,208	\$ 4,799

Special Revenue Funds					Capital Projects Funds
Traffic Enforcement	Developer Deposit	HGAC Grant	Generator Grant	911 Recorder Grant	Street
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
9,201	-	54,239	-	3,462	-
-	-	-	-	-	-
-	-	-	-	-	12,631
-	568,406	-	-	-	-
<u>9,201</u>	<u>568,406</u>	<u>54,239</u>	<u>-</u>	<u>3,462</u>	<u>12,631</u>
-	224,903	-	-	3,462	13,436
10,181	-	54,239	-	-	-
-	-	-	-	-	-
-	-	-	-	-	56,685
<u>10,181</u>	<u>224,903</u>	<u>54,239</u>	<u>-</u>	<u>3,462</u>	<u>70,121</u>
<u>(980)</u>	<u>343,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,490)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(980)	343,503	-	-	-	(57,490)
980	995,424	-	29,427	-	2,248,873
<u>\$ -</u>	<u>\$ 1,338,927</u>	<u>\$ -</u>	<u>\$ 29,427</u>	<u>\$ -</u>	<u>\$ 2,191,383</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, 2022

	Capital Projects Funds			
	C. O. Series 2020	Local Park Grant	City-Wide Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	169,631
Fines and forfeitures	-	-	-	26,388
Intergovernmental	-	-	-	452,031
Charges for services	-	-	-	403,500
Investment revenue	13,425	-	2,047	31,791
Miscellaneous revenue	61,342	-	-	713,969
Total Revenues	74,767	-	2,047	1,797,310
Expenditures				
Current:				
General administration	-	-	-	1,396,998
Public safety	-	-	-	358,660
Economic development	-	-	-	331,951
Capital outlay	2,740,417	42,874	-	2,951,885
Total Expenditures	2,740,417	42,874	-	5,039,494
Excess (Deficiency of Revenues Over (Under) Expenditures	(2,665,650)	(42,874)	2,047	(3,242,184)
Other Financing Sources (Uses)				
Transfers in	-	-	-	918,853
Transfers (out)	-	-	-	(241,135)
Total Other Financing Sources (Uses)	-	-	-	677,718
Net Change in Fund Balances	(2,665,650)	(42,874)	2,047	(2,564,466)
Beginning fund balances	3,039,263	176,212	407,763	7,694,277
Ending Fund Balances	\$ 373,613	\$ 133,338	\$ 409,810	\$ 5,129,811

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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, 2022

Hotel / Motel				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Franchise fees and local taxes	\$ 273,380	\$ 273,380	\$ 169,631	\$ (103,749)
Investment revenue	950	950	2,033	1,083
Total Revenues	274,330	274,330	171,664	(102,666)
Expenditures				
Current:				
Economic development	251,777	251,777	303,815	(52,038) *
Total Expenditures	251,777	251,777	303,815	(52,038)
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,553	22,553	(132,151)	(154,704)
Other Financing Sources (Uses)				
Transfers (out)	(22,553)	(22,553)	(22,553)	-
Total Other Financing (Uses)	(22,553)	(22,553)	(22,553)	-
Net Change in Fund Balance	\$ -	\$ -	(154,704)	\$ (154,704)
Beginning fund balance			477,239	
Ending Fund Balance			\$ 322,535	

Child Safety				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 2,025	\$ 2,025	\$ 6,518	\$ 4,493
Investment revenue	-	-	49	49
Total Revenues	2,025	2,025	6,567	4,542
Excess of Revenues Over Expenditures	2,025	2,025	6,567	4,542
Other Financing Sources (Uses)				
Transfers (out)	(2,025)	(2,025)	(3,000)	(975) *
Total Other Financing (Uses)	(2,025)	(2,025)	(3,000)	(975)
Net Change in Fund Balance	\$ -	\$ -	3,567	\$ 3,567
Beginning fund balance			4,840	
Ending Fund Balance			\$ 8,407	

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, 2022

Municipal Court Technology				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 9,099	\$ (901)
Investment revenue	-	-	70	70
Total Revenues	10,000	10,000	9,169	(831)
Expenditures				
Current:				
Public safety	10,000	10,000	6,205	3,795
Total Expenditures	10,000	10,000	6,205	3,795
Net Change in Fund Balance	\$ -	\$ -	2,964	\$ 2,964
Beginning fund balance			8,288	
Ending Fund Balance			\$ 11,252	

Municipal Court Building Security				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 5,460	\$ 5,460	\$ 10,771	\$ 5,311
Investment revenue	40	40	182	142
Total Revenues	5,500	5,500	10,953	5,453
Expenditures				
Current:				
Public safety	500	500	-	500
Total Expenditures	500	500	-	500
Excess of Revenues Over Expenditures	5,000	5,000	10,953	5,953
Other Financing Sources (Uses)				
Transfers (out)	(5,000)	(5,000)	(7,500)	(2,500) *
Total Other Financing (Uses)	(5,000)	(5,000)	(7,500)	(2,500)
Net Change in Fund Balance	\$ -	\$ -	3,453	\$ 3,453
Beginning fund balance			26,887	
Ending Fund Balance			\$ 30,340	

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, 2022

GLO Grant				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 40,103	\$ 40,103	\$ 40,104	\$ 1
Total Revenues	<u>40,103</u>	<u>40,103</u>	<u>40,104</u>	<u>1</u>
Expenditures				
Current:				
General administration	119,454	119,454	113,047	6,407
Total Expenditures	<u>119,454</u>	<u>119,454</u>	<u>113,047</u>	<u>6,407</u>
(Deficiency) of Revenues (Under) expenditures	<u>(79,351)</u>	<u>(79,351)</u>	<u>(72,943)</u>	<u>6,408</u>
Other Financing Sources (Uses)				
Transfers in	79,351	79,351	79,351	-
Total Other Financing (Uses)	<u>79,351</u>	<u>79,351</u>	<u>79,351</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>6,408</u>	<u>\$ 6,408</u>
Beginning fund balance			-	
Ending Fund Balance			<u>\$ 6,408</u>	

Drug Confiscation				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment revenue	\$ 50	\$ 50	\$ 169	\$ 119
Miscellaneous revenue	-	-	21,433	21,433
Total Revenues	<u>50</u>	<u>50</u>	<u>21,602</u>	<u>21,552</u>
Expenditures				
Current:				
Public safety	1,000	1,000	-	1,000
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(950)</u>	<u>(950)</u>	<u>21,602</u>	<u>22,552</u>
Other Financing Sources (Uses)				
Transfers in	950	950	-	(950)
Total Other Financing Sources	<u>950</u>	<u>950</u>	<u>-</u>	<u>(950)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>21,602</u>	<u>\$ 21,602</u>
Beginning fund balance			14,818	
Ending Fund Balance			<u>\$ 36,420</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, 2022

Keep Angleton Beautiful				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment revenue	\$ 125	\$ 125	\$ 214	\$ 89
Miscellaneous revenue	34,000	34,000	37,925	3,925
Total Revenues	<u>34,125</u>	<u>34,125</u>	<u>38,139</u>	<u>4,014</u>
Expenditures				
Current:				
Economic development	94,125	94,125	28,136	65,989
Total Expenditures	<u>94,125</u>	<u>94,125</u>	<u>28,136</u>	<u>65,989</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(60,000)</u>	<u>(60,000)</u>	<u>10,003</u>	<u>(61,975)</u>
Other Financing Sources (Uses)				
Transfers in	60,000	60,000	-	(60,000)
Total Other Financing Sources	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>10,003</u>	<u>\$ 10,003</u>
Beginning fund balance			<u>32,375</u>	
Ending Fund Balance			<u>\$ 42,378</u>	
Angleton Act Center				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 355,418	\$ 355,418	\$ 403,500	\$ 48,082
Investment revenue	415	415	792	377
Total Revenues	<u>355,833</u>	<u>355,833</u>	<u>404,292</u>	<u>48,459</u>
Expenditures				
Current:				
General administration	1,164,781	1,164,781	1,042,150	122,631
Capital outlay	116,589	116,589	111,909	4,680
Total Expenditures	<u>1,281,370</u>	<u>1,281,370</u>	<u>1,154,059</u>	<u>122,631</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(925,537)</u>	<u>(925,537)</u>	<u>(749,767)</u>	<u>(171,090)</u>
Other Financing Sources (Uses)				
Transfers in	925,537	925,537	820,505	(105,032)
Total Other Financing Sources	<u>925,537</u>	<u>925,537</u>	<u>820,505</u>	<u>(105,032)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>70,738</u>	<u>\$ 70,738</u>
Beginning fund balance			<u>73,141</u>	
Ending Fund Balance			<u>\$ 143,879</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, 2022

TIRZ #1				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 20,440	\$ 20,440	\$ 1,217	\$ (19,223)
Investment revenue	25	25	45	20
Total Revenues	20,465	20,465	1,262	(19,203)
Expenditures				
Current:				
General administration	20,440	20,440	-	20,440
Total Expenditures	20,440	20,440	-	20,440
Excess of Revenues Over Expenditures	25	25	1,262	1,237
Other Financing Sources (Uses)				
Transfers (out)	(25)	(25)	-	25
Total Other Financing (Uses)	(25)	(25)	-	25
Net Change in Fund Balance	\$ -	\$ -	1,262	\$ 1,262
Beginning fund balance			147	
Ending Fund Balance			\$ 1,409	

OBJ Police Grant				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 57,568	\$ 57,568	\$ 16,098	\$ (41,470)
Total Revenues	57,568	57,568	16,098	(41,470)
Expenditures				
Current:				
Public safety	79,000	79,000	64,562	14,438
Total Expenditures	79,000	79,000	64,562	14,438
(Deficiency) of Revenues (Under) Expenditures	(21,432)	(21,432)	(48,464)	(27,032)
Other Financing Sources (Uses)				
Transfers in	21,432	21,432	18,997	(2,435)
Total Other Financing Sources	21,432	21,432	18,997	(2,435)
Net Change in Fund Balance	\$ -	\$ -	(29,467)	\$ (29,467)
Beginning fund balance			29,467	
Ending Fund Balance			\$ -	

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, 2022

Police Donation				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment revenue	\$ 25	\$ 25	\$ 85	\$ 60
Miscellaneous revenue	5,000	5,000	12,085	7,085
Total Revenues	<u>5,025</u>	<u>5,025</u>	<u>12,170</u>	<u>7,145</u>
Expenditures				
Current:				
Public safety	16,300	16,300	16,000	300
Total Expenditures	<u>16,300</u>	<u>16,300</u>	<u>16,000</u>	<u>300</u>
(Deficiency) of Revenues (Under) expenditures	<u>(11,275)</u>	<u>(11,275)</u>	<u>(3,830)</u>	<u>6,845</u>
Other Financing Sources (Uses)				
Transfers in	11,275	11,275	-	(11,275)
Total Other Financing Sources	<u>11,275</u>	<u>11,275</u>	<u>-</u>	<u>(11,275)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(3,830)</u>	<u>\$ (3,830)</u>
Beginning fund balance			18,062	
Ending Fund Balance			<u>\$ 14,232</u>	

Fire Department ESD				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 324,263	\$ 324,263	\$ 326,619	\$ 2,356
Other revenue	277	277	162	(115)
Total Revenues	<u>324,540</u>	<u>324,540</u>	<u>326,781</u>	<u>2,241</u>
Expenditures				
Current:				
Public safety	252,022	252,022	207,473	44,549
Total Expenditures	<u>252,022</u>	<u>252,022</u>	<u>207,473</u>	<u>44,549</u>
Excess of Revenues Over Expenditures	<u>72,518</u>	<u>72,518</u>	<u>119,308</u>	<u>46,790</u>
Other Financing Sources (Uses)				
Transfers in	25,188	25,188	-	(25,188)
Transfers (out)	(71,645)	(71,645)	(208,082)	(136,437) *
Total Other Financing (Uses)	<u>(46,457)</u>	<u>(46,457)</u>	<u>(208,082)</u>	<u>(161,625)</u>
Net Change in Fund Balance	<u>\$ 26,061</u>	<u>\$ 26,061</u>	<u>(88,774)</u>	<u>\$ (114,835)</u>
Beginning fund balance			88,820	
Ending Fund Balance			<u>\$ 46</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, 2022

A/C Donations				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment revenue	\$ 7,000	\$ 7,000	\$ 49	\$ (6,951)
Miscellaneous revenue	5,000	5,000	12,616	7,616
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>12,665</u>	<u>665</u>
Expenditures				
Current:				
General administration	12,000	12,000	-	12,000
Total Expenditures	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	12,665	<u>\$ 12,665</u>
Beginning fund balance			18,543	
Ending Fund Balance			<u>\$ 31,208</u>	

TxDOT Grant				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 12,000	\$ 12,000	\$ 1,091	\$ (10,909)
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>1,091</u>	<u>(10,909)</u>
Expenditures				
Current:				
Public safety	15,015	15,015	-	15,015
Total Expenditures	<u>15,015</u>	<u>15,015</u>	<u>-</u>	<u>15,015</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,015)</u>	<u>(3,015)</u>	1,091	<u>(4,106)</u>
Other Financing Sources (Uses)				
Transfers in	3,028	3,028	-	(3,028)
Total Other Financing Sources	<u>3,028</u>	<u>3,028</u>	<u>-</u>	<u>(3,028)</u>
Net Change in Fund Balance	<u>\$ 13</u>	<u>\$ 13</u>	1,091	<u>\$ 1,078</u>
Beginning fund balance			3,708	
Ending Fund Balance			<u>\$ 4,799</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, 2022

		Traffic Enforcement			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
	Intergovernmental	\$ 12,000	\$ 12,000	\$ 9,201	\$ (2,799)
	Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>9,201</u>	<u>(2,799)</u>
Expenditures					
Current:					
	Public safety	15,015	15,015	10,181	4,834
	Total Expenditures	<u>15,015</u>	<u>15,015</u>	<u>10,181</u>	<u>4,834</u>
	(Deficiency) of Revenues (Under) Expenditures	<u>(3,015)</u>	<u>(3,015)</u>	<u>(980)</u>	<u>(2,035)</u>
Other Financing Sources (Uses)					
	Transfers in	3,028	3,028	-	(3,028)
	Total Other Financing Sources	<u>3,028</u>	<u>3,028</u>	<u>-</u>	<u>(3,028)</u>
	Net Change in Fund Balance	<u>\$ 13</u>	<u>\$ 13</u>	<u>(980)</u>	<u>\$ (993)</u>
	Beginning fund balance			<u>980</u>	
	Ending Fund Balance			<u>\$ -</u>	

		Developer Deposit			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
	Miscellaneous revenue	\$ 910,384	\$ 910,384	\$ 568,406	\$ (341,978)
	Total Revenues	<u>910,384</u>	<u>910,384</u>	<u>568,406</u>	<u>(341,978)</u>
Expenditures					
Current:					
	General administration	910,384	910,384	224,903	685,481
	Total Expenditures	<u>910,384</u>	<u>910,384</u>	<u>224,903</u>	<u>685,481</u>
	Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>343,503</u>	<u>\$ 343,503</u>
	Beginning fund balance			<u>995,424</u>	
	Ending Fund Balance			<u>\$ 1,338,927</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, 2022

		HGAC Grant			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
	Intergovernmental	\$ 54,239	\$ 54,239	\$ 54,239	\$ -
	Total Revenues	<u>54,239</u>	<u>54,239</u>	<u>54,239</u>	<u>-</u>
Expenditures					
Current:					
	Public safety	54,239	54,239	54,239	-
	Total Expenditures	<u>54,239</u>	<u>54,239</u>	<u>54,239</u>	<u>-</u>
	Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
	Beginning fund balance			-	
	Ending Fund Balance			<u>\$ -</u>	
		911 Recorder Grant			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
	Intergovernmental	\$ 3,462	\$ 3,462	\$ 3,462	\$ -
	Total Revenues	<u>3,462</u>	<u>3,462</u>	<u>3,462</u>	<u>-</u>
Expenditures					
Current:					
	General administration	3,462	3,462	3,462	-
	Total Expenditures	<u>3,462</u>	<u>3,462</u>	<u>3,462</u>	<u>-</u>
	Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
	Beginning fund balance			-	
	Ending Fund Balance			<u>\$ -</u>	

Notes to Supplementary Information:

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

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

For the Year Ended September 30, 2022

	<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>				
Property taxes	\$ 926,732	\$ 926,732	\$ 882,787	\$ (43,945)
Investment revenue	500	500	1,148	648
Other revenue	-	-	9,858	9,858
Total Revenues	<u>927,232</u>	<u>927,232</u>	<u>893,793</u>	<u>(33,439)</u>
<u>Expenditures</u>				
Debt service:				
Principal	2,260,000	2,260,000	1,177,432	1,082,568
Interest and fiscal agent fees	826,879	826,879	404,590	422,289
Total Expenditures	<u>3,086,879</u>	<u>3,086,879</u>	<u>1,582,022</u>	<u>1,504,857</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(2,159,647)</u>	<u>(2,159,647)</u>	<u>(688,229)</u>	<u>1,471,418</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	2,159,647	2,159,647	720,230	(1,439,417)
Transfers (out)	13,845	13,845	-	13,845
Total Other Financing Sources	<u>2,173,492</u>	<u>2,173,492</u>	<u>720,230</u>	<u>(1,425,572)</u>
Net Change in Fund Balance	<u>\$ 13,845</u>	<u>\$ 13,845</u>	32,001	<u>\$ 18,156</u>
Beginning fund balance			<u>398,159</u>	
Ending Fund Balance			<u>\$ 430,160</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, 2022

	<u>General</u>	<u>Community Events</u>	<u>Capital Lease Purchase</u>	<u>Downtown Revitalization</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 3,086,833	\$ 1,157	\$ 64,081	\$ 6,383
Investments	351,189	-	-	-
Receivables, net	1,294,353	-	-	-
Inventory	1,506	-	-	-
Prepays	5,313	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Due from other governments	3,850	-	-	-
Due from other funds	184,326	-	-	-
Total Assets	<u>\$ 4,927,370</u>	<u>\$ 1,157</u>	<u>\$ 64,081</u>	<u>\$ 6,383</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 987,627	\$ 61	\$ -	\$ -
Unearned revenue	392,700	101,850	-	-
Total Liabilities	<u>1,380,327</u>	<u>101,911</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	107,112	-	-	-
Unearned revenue - developer reimbursements	-	-	-	-
Total Deferred Inflows of Resources	<u>107,112</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>				
Nonspendable:				
Inventory and prepaids	6,819	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Unassigned	3,433,112	(100,754)	64,081	6,383
Total Fund Balances	<u>3,439,931</u>	<u>(100,754)</u>	<u>64,081</u>	<u>6,383</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,927,370</u>	<u>\$ 1,157</u>	<u>\$ 64,081</u>	<u>\$ 6,383</u>

<u>Citywide Repairs</u>	<u>2019 C.O. Bonds</u>	<u>City Employee</u>	<u>Total General Fund</u>
\$ 877	\$ -	\$ 6,581	\$ 3,165,912
-	-	-	351,189
-	-	-	1,294,353
-	-	-	1,506
-	-	-	5,313
-	69,509	-	69,509
-	-	-	3,850
-	-	-	184,326
<u>\$ 877</u>	<u>\$ 69,509</u>	<u>\$ 6,581</u>	<u>\$ 5,075,958</u>
\$ -	\$ -	\$ -	\$ 987,688
-	-	-	494,550
-	-	-	1,482,238
-	-	-	107,112
-	-	-	-
-	-	-	107,112
-	-	-	6,819
-	69,509	-	69,509
877	-	6,581	3,410,280
<u>877</u>	<u>69,509</u>	<u>6,581</u>	<u>3,486,608</u>
<u>\$ 877</u>	<u>\$ 69,509</u>	<u>\$ 6,581</u>	<u>\$ 5,075,958</u>

CITY OF ANGLETON, TEXAS
CONSOLIDATED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND - SUB-FUNDS
For the Year Ended September 30, 2022

	<u>General</u>	<u>Community Events</u>	<u>Capital Lease Purchase</u>	<u>Downtown Revitalization</u>
Revenues				
Property taxes	\$ 6,800,964	\$ -	\$ -	\$ -
Franchise fees and local taxes	668,673	-	-	-
Sales taxes	3,696,232	-	-	-
Industrial district agreement	82,416	-	-	-
Permits, licenses, and fees	858,711	-	-	-
Fines and forfeitures	527,343	-	-	-
Charges for services	2,265,389	-	-	-
Intergovernmental	403,967	-	-	-
Investment revenue	23,339	85	-	40
Miscellaneous revenue	239,052	25,320	-	-
Total Revenues	<u>15,566,086</u>	<u>25,405</u>	<u>-</u>	<u>40</u>
Expenditures				
Current:				
General administration	4,077,152	-	-	-
Financial administration	472,509	-	-	-
Public safety	8,342,209	-	-	-
Community services	4,064,181	-	-	-
Economic development	97,937	126,721	-	5,567
Capital outlay	229,697	-	-	-
Debt service:				
Principal	163,347	-	204,051	-
Interest and fiscal agent fees	22,951	-	4,031	-
Total Expenditures	<u>17,469,983</u>	<u>126,721</u>	<u>208,082</u>	<u>5,567</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,903,897)</u>	<u>(101,316)</u>	<u>(208,082)</u>	<u>(5,527)</u>
Other Financing Sources (Uses)				
Transfers in	1,173,630	-	268,082	-
Transfers (out)	(18,997)	-	-	-
Sale of capital assets	101,165	-	-	-
Lease proceeds	229,697	-	-	-
Total Other Financing Sources	<u>1,485,495</u>	<u>-</u>	<u>268,082</u>	<u>-</u>
Net Change in Fund Balances	(418,402)	(101,316)	60,000	(5,527)
Beginning fund balances	3,858,333	562	4,081	11,910
Ending Fund Balances	<u>\$ 3,439,931</u>	<u>\$ (100,754)</u>	<u>\$ 64,081</u>	<u>\$ 6,383</u>

<u>Citywide Repairs</u>	<u>2019 C.O. Bonds</u>	<u>City Employee</u>	<u>Total General Fund</u>
\$ -	\$ -	\$ -	\$ 6,800,964
-	-	-	668,673
-	-	-	3,696,232
-	-	-	82,416
-	-	-	858,711
-	-	-	527,343
-	-	-	2,265,389
-	-	-	403,967
1	-	39	23,504
-	-	-	264,372
<u>1</u>	<u>-</u>	<u>39</u>	<u>15,591,571</u>
-	-	-	4,077,152
-	-	-	472,509
-	-	-	8,342,209
-	-	-	4,064,181
-	-	-	230,225
-	-	-	229,697
-	-	-	367,398
-	-	-	26,982
<u>-</u>	<u>-</u>	<u>-</u>	<u>17,810,353</u>
<u>1</u>	<u>-</u>	<u>39</u>	<u>(2,218,782)</u>
-	-	-	1,441,712
-	-	-	(18,997)
-	-	-	101,165
-	-	-	229,697
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,753,577</u>
1	-	39	(465,205)
876	69,509	6,542	3,951,813
<u>\$ 877</u>	<u>\$ 69,509</u>	<u>\$ 6,581</u>	<u>\$ 3,486,608</u>

CITY OF ANGLETON, TEXAS
CONSOLIDATED STATEMENT OF NET POSITION
UTILITY FUND - SUB-FUNDS
September 30, 2022

<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	\$ 274,948	\$ 22,616	\$ -	\$ -
Investments	351,189	-	-	-
Receivables, net	1,257,578	-	-	-
Inventory	60,232	-	-	-
Restricted cash and cash equivalents	361,665	-	927,483	36,688
Total Current Assets	2,305,612	22,616	927,483	36,688
Capital assets:				
Nondepreciable	353,586	-	108,827	71,618
Depreciable, net	17,151,127	-	-	440,129
Total Capital Assets (Net of Accumulated Depreciation)	17,504,713	-	108,827	511,747
Total Noncurrent Assets	17,504,713	-	108,827	511,747
Total Assets	19,810,325	22,616	1,036,310	548,435
Deferred Outflows of Resources				
Deferred outflows - pensions	127,651	-	-	-
Deferred outflows - OPEB	15,510	-	-	-
Deferred charge on refunding	29,159	-	-	-
Total Deferred Outflows of Resources	172,320	-	-	-
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	463,466	-	14,278	123
Customer deposits	361,665	-	-	-
Accrued interest payable	54,914	-	-	-
Total Current Liabilities	880,045	-	14,278	123
Noncurrent liabilities:				
Long-term debt due within one year	712,240	-	-	-
Long-term debt due in more than one year	5,702,925	-	-	-
Total Noncurrent Liabilities	6,415,165	-	-	-
Total Liabilities	7,295,210	-	14,278	123
Deferred Inflows of Resources:				
Deferred inflows - pensions	330,311	-	-	-
Deferred inflows - OPEB	3,049	-	-	-
Total Deferred inflows of Resources	333,360	-	-	-
Net Position				
Net investment in capital assets	11,406,265	-	108,827	511,747
Restricted for capital projects	72,262	-	913,205	36,565
Unrestricted	875,548	22,616	-	-
Total Net Position	\$ 12,354,075	\$ 22,616	\$ 1,022,032	\$ 548,312

2019	2021	Total
C.O. Bonds	C.O. Bonds	Utility
Fund		
\$ -	\$ -	\$ 297,564
-	-	351,189
-	-	1,257,578
-	-	60,232
673,548	2,108,154	4,107,538
<u>673,548</u>	<u>2,108,154</u>	<u>6,074,101</u>
3,819,242	157,979	4,511,252
<u>3,188,667</u>	<u>-</u>	<u>20,779,923</u>
7,007,909	157,979	25,291,175
<u>7,007,909</u>	<u>157,979</u>	<u>25,291,175</u>
<u>7,681,457</u>	<u>2,266,133</u>	<u>31,365,276</u>
-	-	127,651
-	-	15,510
-	-	29,159
<u>-</u>	<u>-</u>	<u>172,320</u>
272,598	6,488	756,953
-	-	361,665
-	-	54,914
<u>272,598</u>	<u>6,488</u>	<u>1,173,532</u>
257,520	100,000	1,069,760
7,526,122	2,287,942	15,516,989
<u>7,783,642</u>	<u>2,387,942</u>	<u>16,586,749</u>
<u>8,056,240</u>	<u>2,394,430</u>	<u>17,760,281</u>
-	-	330,311
-	-	3,049
<u>-</u>	<u>-</u>	<u>333,360</u>
(374,783)	(128,297)	11,523,759
-	-	1,022,032
-	-	898,164
<u>\$ (374,783)</u>	<u>\$ (128,297)</u>	<u>\$ 13,443,955</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, 2022

	Water	Capital Lease Purchase	Infrastructure	2013 C.O. Bonds
<u>Operating Revenues</u>				
Water sales	\$ 4,704,787	\$ -	\$ 165,743	\$ -
Sanitary sewer services	2,857,249	-	158,517	-
Other service fees	414,882	-	-	-
Total Operating Revenues	7,976,918	-	324,260	-
<u>Operating Expenses</u>				
Water distribution	636,425	-	-	-
Water plant operations	953,755	-	-	-
Water purchases	2,207,590	-	-	-
Sewer	427,118	-	-	69,114
Collection administration	2,046,276	-	-	-
Depreciation	1,221,875	-	-	-
Total Operating Expenses	7,493,039	-	-	69,114
Operating Income (Loss)	483,879	-	324,260	(69,114)
<u>Nonoperating Revenues (Expenses)</u>				
Investment revenue	5,119	-	-	31,911
Interest expense	(208,263)	-	-	-
Gain (loss) on sale of capital assets	25,400	-	-	-
Total Nonoperating Revenues (Expenses)	(177,744)	-	-	31,911
Income (Loss) Before Transfers and Capital Contributions	306,135	-	324,260	(37,203)
<u>Transfers and Capital Contributions</u>				
Transfers in/ (out)	(580,590)	22,600	(304,288)	-
Capital contribution	514,791	-	-	-
Total Transfers	(65,799)	22,600	(304,288)	-
Change in Net Position	240,336	22,600	19,972	(37,203)
Beginning net position	12,113,739	16	1,002,060	585,515
Ending Net Position	\$ 12,354,075	\$ 22,616	\$ 1,022,032	\$ 548,312

2019	2021	Total
C.O. Bonds	C.O. Bonds	Utility
Fund		Fund
\$ -	\$ -	\$ 4,870,530
-	-	3,015,766
-	-	414,882
<u>-</u>	<u>-</u>	<u>8,301,178</u>
-	-	636,425
119,148	-	1,072,903
-	-	2,207,590
-	-	496,232
-	99,149	2,145,425
-	-	1,221,875
<u>119,148</u>	<u>99,149</u>	<u>7,780,450</u>
<u>(119,148)</u>	<u>(99,149)</u>	<u>520,728</u>
6,659	14,738	58,427
(182,943)	(43,886)	(435,092)
-	-	25,400
<u>(176,284)</u>	<u>(29,148)</u>	<u>(351,265)</u>
<u>(295,432)</u>	<u>(128,297)</u>	<u>169,463</u>
(79,351)	-	(941,629)
-	-	514,791
<u>(79,351)</u>	<u>-</u>	<u>(426,838)</u>
(374,783)	(128,297)	(257,375)
-	-	13,701,330
<u>\$ (374,783)</u>	<u>\$ (128,297)</u>	<u>\$ 13,443,955</u>

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