

*ANNUAL FINANCIAL REPORT*

of the

**CITY OF ANGLETON, TEXAS**

For the Year Ended  
September 30, 2023



# CITY OF ANGLETON, TEXAS

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## ***INTRODUCTORY SECTION***

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# **CITY OF ANGLETON, TEXAS**

## ***PRINCIPAL OFFICIALS***

September 30, 2023

### **GOVERNING BODY**

Honorable John Wright, Mayor

Travis Townsend, Mayor Pro-Tem

Christiene Daniel, Council Member

Terry Roberts, Council Member

Cecil Booth, Council Member

Tanner Sartin, 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

Hector Renteria, Public Works Director

Megan Mainer, Parks and Recreation Director

Otis Spriggs, Development Services Director

Neal Morton, Volunteer Fire Department Fire Chief

Jason Crews, IT Director

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***FINANCIAL SECTION***

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## INDEPENDENT AUDITOR'S REPORT

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

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the 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, 2023, 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 accompanying 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, 2023, 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 (GAAS) 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 Auditor's 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.

***Responsibilities 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.

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## ***Auditor's Responsibilities 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 GAAS 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 GAAS 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.

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### **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 July 31, 2024 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.



Crowe LLP

Houston, Texas  
July 31, 2024

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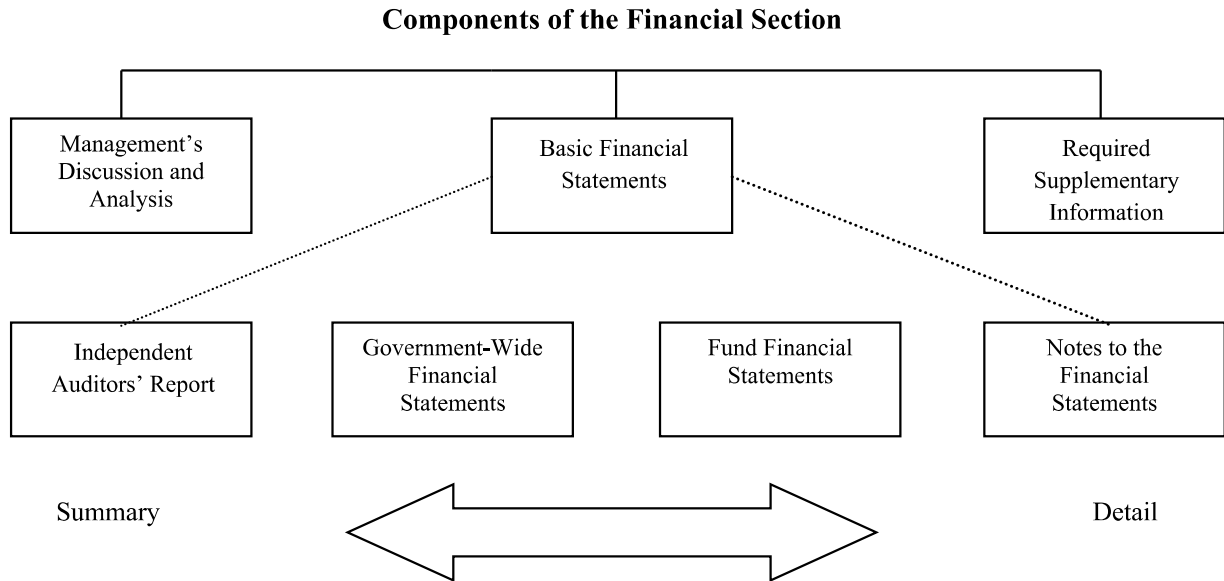
***MANAGEMENT'S DISCUSSION  
AND ANALYSIS***

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**CITY OF ANGLETON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended September 30, 2023**

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, 2023. 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, 2023**

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 34 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 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, grants fund, and the Angleton Better Living fund. The debt service fund, grants 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, 2023**

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 \$41,230,243 as of September 30, 2023. A portion of the City's net position (83%) 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, 2023

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 20,624,901	\$ 28,309,471	\$ 3,373,770	\$ 6,074,101	\$ 23,998,671	\$ 34,383,572
Capital assets, net	33,798,363	29,581,215	29,599,084	25,291,175	63,397,447	54,872,390
<b>Total Assets</b>	<b>54,423,264</b>	<b>57,890,686</b>	<b>32,972,854</b>	<b>31,365,276</b>	<b>87,396,118</b>	<b>89,255,962</b>
Deferred outflows - pensions	2,970,814	715,413	516,074	127,651	3,486,888	843,064
Deferred outflows - OPEB	57,114	82,312	10,739	15,510	67,853	97,822
Deferred charge on refunding	10,584	19,405	16,149	29,159	26,733	48,564
<b>Total Deferred Outflows of Resources</b>	<b>3,038,512</b>	<b>817,130</b>	<b>542,962</b>	<b>172,320</b>	<b>3,581,474</b>	<b>989,450</b>
Long-term liabilities	28,646,071	25,044,596	16,300,347	16,586,749	44,946,418	41,631,345
Other liabilities	2,833,157	5,415,125	1,708,438	1,173,532	4,541,595	6,588,657
<b>Total Liabilities</b>	<b>31,479,228</b>	<b>30,459,721</b>	<b>18,008,785</b>	<b>17,760,281</b>	<b>49,488,013</b>	<b>48,220,002</b>
Deferred inflows - pensions	55,802	1,740,456	24,459	330,311	80,261	2,070,767
Deferred inflows - OPEB	150,913	18,278	28,162	3,049	179,075	21,327
<b>Total Deferred Inflows of Resources</b>	<b>206,715</b>	<b>1,758,734</b>	<b>52,621</b>	<b>333,360</b>	<b>259,336</b>	<b>2,092,094</b>
<b>Net Position:</b>						
Net investment in capital assets	19,862,758	19,582,340	14,476,946	11,523,759	34,339,704	31,106,099
Restricted	5,396,291	5,778,023	685,993	1,022,032	6,082,284	6,800,055
Unrestricted	516,784	1,128,998	291,471	898,164	808,255	2,027,162
<b>Total Net Position</b>	<b>\$ 25,775,833</b>	<b>\$ 26,489,361</b>	<b>\$ 15,454,410</b>	<b>\$ 13,443,955</b>	<b>\$ 41,230,243</b>	<b>\$ 39,933,316</b>

A portion of the primary government's net position, \$6,082,284 or 15%, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$808,255 or 2%, may be used to meet the City's ongoing obligation to citizens and creditors.

Total assets are \$87,396,118, a net decrease of \$1,859,844 compared to prior year. Total assets decreased compared to the prior year primarily from a decrease in cash and cash equivalents related to an operating deficit and the use of grant awards unspent in the prior fiscal year. Total liabilities are \$49,488,013, a net increase of \$1,268,011 compared to prior year. The increase is mostly due to an increase in the net pension liabilities and leases payable in the current year. Total deferred outflows of resources are \$3,581,474, a net increase of \$2,592,024 compared to the prior year. Total deferred inflows of resources are \$259,336, a net decrease of \$1,832,758 compared to the prior year. The increase in deferred outflows and decrease in deferred inflows of resources is due mainly to the change in the net difference between the projected and actual investment earnings related to the pension plans, which was a deferred inflow of resources in the prior year but was a deferred outflow of resources in the current year.

**CITY OF ANGLETON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2023**

**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	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 4,121,444	\$ 4,081,331	\$ 10,690,951	\$ 8,301,178	\$ 14,812,395	\$ 12,382,509
Operating grants and contributions	653,343	1,433,522	-	-	653,343	1,433,522
Capital grants and contributions	1,895,395	2,256,988	938,000	-	2,833,395	2,256,988
General revenues:						
Property taxes	8,895,729	7,682,906	-	-	8,895,729	7,682,906
Sales taxes	5,952,317	5,544,348	-	-	5,952,317	5,544,348
Franchise fees and local taxes	918,239	838,304	-	-	918,239	838,304
Industrial district agreement	98,918	82,416	-	-	98,918	82,416
Investment revenue	886,832	110,193	135,581	58,427	1,022,413	168,620
Special assessments	567,683	-	-	-	567,683	-
Other revenues	565,883	460,110	-	-	565,883	460,110
Gain on sale of capital assets	122,038	101,165	-	25,400	122,038	126,565
<b>Total Revenues</b>	<u>24,677,821</u>	<u>22,591,283</u>	<u>11,764,532</u>	<u>8,385,005</u>	<u>36,442,353</u>	<u>30,976,288</u>
<b>Expenses</b>						
General administration	7,324,805	6,337,454	-	-	7,324,805	6,337,454
Financial administration	653,387	419,906	-	-	653,387	419,906
Public safety	10,363,864	8,696,282	-	-	10,363,864	8,696,282
Community services	5,344,767	4,768,777	-	-	5,344,767	4,768,777
Economic development	660,718	533,274	-	-	660,718	533,274
Interest and fiscal agent fees	758,307	794,568	403,492	435,092	1,161,799	1,229,660
Water	-	-	7,860,003	6,134,758	7,860,003	6,134,758
Sewer	-	-	1,776,083	1,645,692	1,776,083	1,645,692
<b>Total Expenses</b>	<u>25,105,848</u>	<u>21,550,261</u>	<u>10,039,578</u>	<u>8,215,542</u>	<u>35,145,426</u>	<u>29,765,803</u>
<b>Increase (Decrease) in Net Position Before Transfers</b>	(428,027)	1,041,022	1,724,954	169,463	1,296,927	1,210,485
Transfers in (out)	(285,501)	426,838	285,501	(426,838)	-	-
<b>Change in Net Position</b>	(713,528)	1,467,860	2,010,455	(257,375)	1,296,927	1,210,485
Beginning net position	26,489,361	25,021,501	13,443,955	13,701,330	39,933,316	38,722,831
<b>Ending Net Position</b>	<u>\$ 25,775,833</u>	<u>\$ 26,489,361</u>	<u>\$ 15,454,410</u>	<u>\$ 13,443,955</u>	<u>\$ 41,230,243</u>	<u>\$ 39,933,316</u>

For the year, net revenues from governmental activities increased by \$2,086,538 or 9%. The increase is mainly due to increases in 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, investment revenue from an increase in interest earned, special assessments from public improvement district collections, and other revenue mostly due to increases in developer deposit revenue and market days revenue. Expenses from governmental activities increased by \$3,555,587 or 16% mostly due to increases in general administration and public safety due to increases in personnel costs, professional fees, and repair and maintenance expenses.

Revenues from business-type activities increased by \$3,379,527 mainly due to an increase in charges for services due to an increase in rates and customer consumption. Total expenses increased \$1,824,036 mostly due to water purchase expenses, personnel costs, and repair and maintenance expenses.

**CITY OF ANGLETON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2023**

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

**Governmental Funds** – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

The City's governmental funds reflect a combined fund balance of \$17,671,672, a net decrease of \$5,269,348 from the prior year. Of this combined fund balance, \$135,969 is nonspendable for inventory and prepaids, \$452,470 is restricted for debt service, \$465,500 is restricted for economic development, \$369,857 is restricted for special projects, and \$13,316,748 is restricted for capital projects. Unassigned fund balance totaled \$2,931,128 as of September 30, 2023.

Total revenues increased by \$2,053,575 or 9% mostly due to increases in property tax revenue resulting from increased property values, sales tax revenues due to an increase in taxable sales within the City, investment revenue from an increase in interest rates, special assessments, and market days revenues. Compared to the prior year, expenditures increased by \$2,048,352 or 7% due mainly to the increases in expenditures for building repairs and maintenance, equipment purchases, and personnel costs.

The general fund is the chief operating fund of the City. At the end of the current year, the total fund balance was \$3,261,606, a net decrease of \$225,002 from the prior year. Expenditures increased by \$445,792. General administration and public safety saw significant increases over the prior year, mainly due to increases in personnel costs, professional fees, and repair and maintenance expenditures. Compared to the prior year, revenues increased \$760,102 due mainly to increases in property and sales tax revenues and market days 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 16.7% and 17.9%, respectively, of total general fund expenditures.

The debt service fund has a total fund balance of \$452,470, 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 \$22,310.

The C.O. series 2022 fund has a total fund balance of \$7,573,548, a decrease of \$2,469,605 from prior year as a result of building repairs and maintenance and equipment purchases.

The grants fund has a fund balance of \$478. The City used \$1,895,395 in grant revenue for various rehabilitation and repair projects.

The Angleton Better Living fund has a total fund balance of \$708,228, an increase of \$396,144 from prior year as a result of sales tax revenues exceeding expenditures and transfers to other funds.

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

**CITY OF ANGLETON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2023**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The City's amended budget planned for an increase in budgeted general fund balance of \$361,500, however, the City realized a decrease in fund balance of \$225,002. The City's actual revenues were greater than budgeted revenues by \$101,911 primarily due to more permit, franchise fee, and investment revenues than expected. Actual expenditures were greater than budgeted expenditures by \$755,680. This was mainly due to negative variances for capital outlay and administrative.

**CAPITAL ASSETS**

At year end, the City's governmental and business-type activities had invested \$63,397,447, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$8,525,057 from the prior year.

Major capital asset events during the year included the following:

- Construction in progress for Chenango water plant for \$2,486,575
- Construction in progress for street projects for \$1,332,430
- Construction in progress for Freedom Park well for \$1,053,625
- Completion of Lakeside Park project for \$3,946,159
- Completion of the electronic water meters project for \$2,446,209
- Completion of street projects for \$2,024,311
- Completion of Henderson Rd. culverts project for \$278,467
- City Annex Building for \$2,540,166
- Courthouse utility project for \$1,145,246
- Oyster Creek WWTP lab redesign for \$445,091

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 \$21,454,854. Business-type activities had total bonds and certificates of obligation outstanding of \$14,680,146 at year end. Of this total, \$1,495,000 was general obligation bonds and \$34,640,000 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 \$23,819,043 general fund expenditure budget for fiscal year 2023-2024, which is an increase of 29.51% compared to the fiscal year 2022-2023 budget.

City Council approved a \$3,472,433 debt service fund expenditure budget for fiscal year 2023-2024, which is a decrease of 4.32% compared to the fiscal year 2022-2023 budget.

City Council approved a \$11,656,832 utility fund expense budget for fiscal year 2023-2024, which is an increase of 7% compared to the fiscal year 2022-2023 budget.

**CITY OF ANGLETON, TEXAS**  
***MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)***  
**For the Year Ended September 30, 2023**

**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](mailto:pconner@angleton.tx.us).

***BASIC FINANCIAL STATEMENTS***

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# CITY OF ANGLETON, TEXAS

## STATEMENT OF NET POSITION

September 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 17,054,256	\$ 27,155	\$ 17,081,411
Investments	711,046	355,258	1,066,304
Receivables, net	1,814,359	1,706,427	3,520,786
Due from other governments	8,296	-	8,296
Internal balances	831,466	(831,466)	-
Inventory	16,541	380,922	397,463
Prepays	119,428	28,195	147,623
Restricted assets:			
Cash and cash equivalents	69,509	1,707,279	1,776,788
<b>Total Current Assets</b>	<b>20,624,901</b>	<b>3,373,770</b>	<b>23,998,671</b>
Capital assets:			
Nondepreciable capital assets	3,806,727	5,678,726	9,485,453
Net depreciable capital assets	29,991,636	23,920,358	53,911,994
<b>Total Noncurrent Assets</b>	<b>33,798,363</b>	<b>29,599,084</b>	<b>63,397,447</b>
<b>Total Assets</b>	<b>54,423,264</b>	<b>32,972,854</b>	<b>87,396,118</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows - pensions (TMRS)	2,715,689	516,074	3,231,763
Deferred outflows - pensions (TESRS)	255,125	-	255,125
Deferred outflows - OPEB	57,114	10,739	67,853
Deferred charge on refunding	10,584	16,149	26,733
<b>Total Deferred Outflows of Resources</b>	<b>3,038,512</b>	<b>542,962</b>	<b>3,581,474</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	1,837,258	1,255,696	3,092,954
Unearned revenue	897,691	-	897,691
Accrued interest payable	98,208	54,914	153,122
Customer deposits	-	397,828	397,828
<b>Total Current Liabilities</b>	<b>2,833,157</b>	<b>1,708,438</b>	<b>4,541,595</b>
Noncurrent liabilities:			
Long-term liabilities due within one year	1,979,247	1,273,193	3,252,440
Long-term liabilities due in more than one year	26,666,824	15,027,154	41,693,978
<b>Total Noncurrent Liabilities</b>	<b>28,646,071</b>	<b>16,300,347</b>	<b>44,946,418</b>
<b>Total Liabilities</b>	<b>31,479,228</b>	<b>18,008,785</b>	<b>49,488,013</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows - pensions (TMRS)	53,652	24,459	78,111
Deferred inflows - pensions (TESRS)	2,150	-	2,150
Deferred inflows - OPEB	150,913	28,162	179,075
<b>Total Deferred Inflows of Resources</b>	<b>206,715</b>	<b>52,621</b>	<b>259,336</b>
<b>Net Position</b>			
Net investment in capital assets	19,862,758	14,476,946	34,339,704
Restricted for:			
Capital projects	4,184,772	685,993	4,870,765
Debt service	376,162	-	376,162
Economic development	465,500	-	465,500
Special projects	369,857	-	369,857
Unrestricted	516,784	291,471	808,255
<b>Total Net Position</b>	<b>\$ 25,775,833</b>	<b>\$ 15,454,410</b>	<b>\$ 41,230,243</b>

See Notes to Financial Statements.

# CITY OF ANGLETON, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
General administration	\$ 7,324,805	\$ -	\$ 123,505	\$ -
Financial administration	653,387	-	-	-
Public safety	10,363,864	1,225,939	529,838	-
Community services	5,344,767	2,895,505	-	1,895,395
Economic development	660,718	-	-	-
Interest and fiscal agent fees	758,307	-	-	-
<b>Total Governmental Activities</b>	<b>25,105,848</b>	<b>4,121,444</b>	<b>653,343</b>	<b>1,895,395</b>
<b>Business-Type Activities:</b>				
Water	7,860,003	7,135,971	-	938,000
Sewer	1,776,083	3,554,980	-	-
Interest and fiscal agent fees	403,492	-	-	-
<b>Total Business-Type Activities</b>	<b>10,039,578</b>	<b>10,690,951</b>	<b>-</b>	<b>938,000</b>
<b>Total Primary Government</b>	<b>\$ 35,145,426</b>	<b>\$ 14,812,395</b>	<b>\$ 653,343</b>	<b>\$ 2,833,395</b>

**General Revenues:**

- Property taxes
- Sales taxes
- Franchise fees and local taxes
- Industrial district agreement
- Investment revenue
- Special assessments
- 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.

<b>Net Revenue (Expense) and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (7,201,300)	\$ -	\$ (7,201,300)
(653,387)	-	(653,387)
(8,608,087)	-	(8,608,087)
(553,867)	-	(553,867)
(660,718)	-	(660,718)
(758,307)	-	(758,307)
<u>(18,435,666)</u>	<u>-</u>	<u>(18,435,666)</u>
-	213,968	213,968
-	1,778,897	1,778,897
-	(403,492)	(403,492)
<u>-</u>	<u>1,589,373</u>	<u>1,589,373</u>
<u>(18,435,666)</u>	<u>1,589,373</u>	<u>(16,846,293)</u>
8,895,729	-	8,895,729
5,952,317	-	5,952,317
918,239	-	918,239
98,918	-	98,918
886,832	135,581	1,022,413
567,683	-	567,683
565,883	-	565,883
122,038	-	122,038
(285,501)	285,501	-
<u>17,722,138</u>	<u>421,082</u>	<u>18,143,220</u>
(713,528)	2,010,455	1,296,927
26,489,361	13,443,955	39,933,316
<u>\$ 25,775,833</u>	<u>\$ 15,454,410</u>	<u>\$ 41,230,243</u>

# CITY OF ANGLETON, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

September 30, 2023

	General	Debt Service	C.O. Series 2022	Grants
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 1,916,066	\$ 451,869	\$ 7,580,624	\$ 816,541
Investments	355,523	-	-	-
Receivables, net	1,382,285	22,501	-	-
Inventory	16,541	-	-	-
Prepays	119,428	-	-	-
Restricted cash and cash equivalents	69,509	-	-	-
Due from other governments	3,850	-	-	-
Due from other funds	956,466	-	-	-
<b>Total Assets</b>	<b>\$ 4,819,668</b>	<b>\$ 474,370</b>	<b>\$ 7,580,624</b>	<b>\$ 816,541</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 1,193,130	\$ -	\$ 7,076	\$ 148,959
Unearned revenue	230,587	-	-	667,104
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>1,423,717</b>	<b>-</b>	<b>7,076</b>	<b>816,063</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	134,345	21,900	-	-
<b>Total Deferred Inflows of Resources</b>	<b>134,345</b>	<b>21,900</b>	<b>-</b>	<b>-</b>
<b><u>Fund Balances</u></b>				
Nonspendable:				
Inventory and prepaids	135,969	-	-	-
Restricted for:				
Debt service	-	452,470	-	-
Economic development	-	-	-	-
Special projects	-	-	-	-
Capital projects	69,509	-	7,573,548	478
Unassigned	3,056,128	-	-	-
<b>Total Fund Balances</b>	<b>3,261,606</b>	<b>452,470</b>	<b>7,573,548</b>	<b>478</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 4,819,668</b>	<b>\$ 474,370</b>	<b>\$ 7,580,624</b>	<b>\$ 816,541</b>

See Notes to Financial Statements.

<b>Angleton Better Living</b>	<b>Nonmajor Governmental</b>	<b>Total Governmental Funds</b>
\$ 360,402	\$ 5,866,719	\$ 16,992,221
-	355,523	711,046
356,962	52,611	1,814,359
-	-	16,541
-	-	119,428
-	-	69,509
-	4,446	8,296
-	-	956,466
<u>\$ 717,364</u>	<u>\$ 6,279,299</u>	<u>\$ 20,687,866</u>
\$ 9,136	\$ 478,957	\$ 1,837,258
-	-	897,691
-	125,000	125,000
<u>9,136</u>	<u>603,957</u>	<u>2,859,949</u>
-	-	156,245
-	-	156,245
-	-	135,969
-	-	452,470
-	465,500	465,500
-	369,857	369,857
708,228	4,964,985	13,316,748
-	(125,000)	2,931,128
<u>708,228</u>	<u>5,675,342</u>	<u>17,671,672</u>
<u>\$ 717,364</u>	<u>\$ 6,279,299</u>	<u>\$ 20,687,866</u>

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**CITY OF ANGLETON, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**September 30, 2023**

Total fund balances - total governmental funds	\$ 17,671,672
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	3,806,727
Capital assets, net depreciable	29,991,636
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
	156,245
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.	
	62,035
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(98,208)
Noncurrent liabilities due in one year	(1,979,247)
Noncurrent liabilities due in more than one year	(21,638,577)
Net pension liability (TMRS)	(4,323,483)
Net pension liability (TESRS)	(427,533)
Total OPEB liability	(277,231)
Deferred outflows - pensions (TMRS)	2,715,689
Deferred outflows - pensions (TESRS)	255,125
Deferred outflows - OPEB	57,114
Deferred inflows - pensions (TMRS)	(53,652)
Deferred inflows - pensions (TESRS)	(2,150)
Deferred inflows - OPEB	(150,913)
Deferred charge on refunding	10,584
<b>Net Position of Governmental Activities</b>	<b>\$ 25,775,833</b>

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, 2023**

	<u>General</u>	<u>Debt Service</u>	<u>C. O. Series 2022</u>	<u>Grants</u>
<b>Revenues</b>				
Property taxes	\$ 7,354,972	\$ 1,456,521	\$ -	\$ -
Franchise fees and local taxes	691,389	-	-	-
Sales taxes	3,970,080	-	-	-
Industrial district agreement	98,918	-	-	-
Permits, licenses, and fees	619,878	-	-	-
Fines and forfeitures	577,586	-	-	-
Charges for services	2,378,562	-	-	-
Intergovernmental	108,866	-	-	1,895,395
Investment revenue	118,259	15,243	388,418	-
Special assessments	-	-	-	-
Miscellaneous revenue	433,163	-	-	-
<b>Total Revenues</b>	<u>16,351,673</u>	<u>1,471,764</u>	<u>388,418</u>	<u>1,895,395</u>
<b>Expenditures</b>				
<b>Current:</b>				
General administration	4,307,905	-	-	-
Financial administration	620,283	-	-	-
Public safety	8,662,335	-	-	-
Community services	3,525,522	-	-	1,895,395
Economic development	228,291	-	-	-
<b>Capital outlay</b>	614,867	-	2,858,023	-
<b>Debt service:</b>				
Principal	277,996	935,246	-	-
Interest and fiscal agent fees	18,946	887,630	-	-
<b>Total Expenditures</b>	<u>18,256,145</u>	<u>1,822,876</u>	<u>2,858,023</u>	<u>1,895,395</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,904,472)</u>	<u>(351,112)</u>	<u>(2,469,605)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,283,367	373,422	-	-
Transfers (out)	(340,802)	-	-	-
Sale of capital assets	122,038	-	-	-
Lease proceeds	614,867	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,679,470</u>	<u>373,422</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(225,002)	22,310	(2,469,605)	-
Beginning fund balances	3,486,608	430,160	10,043,153	478
<b>Ending Fund Balances</b>	<u>\$ 3,261,606</u>	<u>\$ 452,470</u>	<u>\$ 7,573,548</u>	<u>\$ 478</u>

See Notes to Financial Statements.

<u>Angleton Better Living</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 47,351	\$ 8,858,844
-	226,850	918,239
1,982,237	-	5,952,317
-	-	98,918
-	-	619,878
-	28,475	606,061
-	516,943	2,895,505
19,758	388,056	2,412,075
2,825	361,373	886,118
-	567,683	567,683
-	256,225	689,388
<u>2,004,820</u>	<u>2,392,956</u>	<u>24,505,026</u>
458,804	1,509,277	6,275,986
-	-	620,283
-	508,969	9,171,304
-	-	5,420,917
-	404,209	632,500
-	3,180,996	6,653,886
-	3,967	1,217,209
-	128	906,704
<u>458,804</u>	<u>5,607,546</u>	<u>30,898,789</u>
<u>1,546,016</u>	<u>(3,214,590)</u>	<u>(6,393,763)</u>
-	892,033	2,548,822
(1,149,872)	(670,638)	(2,161,312)
-	-	122,038
-	-	614,867
<u>(1,149,872)</u>	<u>221,395</u>	<u>1,124,415</u>
396,144	(2,993,195)	(5,269,348)
312,084	8,668,537	22,941,020
<u>\$ 708,228</u>	<u>\$ 5,675,342</u>	<u>\$ 17,671,672</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, 2023**

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

Net changes in fund balances - total governmental funds \$ (5,269,348)

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/amortization expense.

Capital additions, net of disposals	5,689,393
Depreciation/amortization, net of disposals	(1,472,245)

Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds.	36,885
---	--------

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 leases	1,245,028
Leases proceeds	(614,867)
Amortization of bond premium, net	50,252
Amortization of refunding loss	(8,821)
Accrued interest	79,147

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	(112,847)
Net pension liability (TESRS)	(354,034)
Net pension liability (TMRS)	(3,965,781)
Total OPEB liability	150,774
Deferred outflows - pensions (TMRS)	2,050,961
Deferred outflows - pensions (TESRS)	204,440
Deferred outflows - OPEB	(25,198)
Deferred inflows - pensions (TMRS)	1,614,970
Deferred inflows - pensions (TESRS)	69,684
Deferred inflows - OPEB	(132,635)
On behalf revenue (TESRS)	13,158
Pension expense (TESRS)	(13,158)

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.

50,714	
<b>Change in Net Position of Governmental Activities</b>	<b>\$ (713,528)</b>

See Notes to Financial Statements.

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# CITY OF ANGLETON, TEXAS

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

September 30, 2023

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
<b><u>Assets</u></b>		
Current assets:		
Cash and cash equivalents	\$ 27,155	\$ 62,035
Investments	355,258	-
Receivables, net	1,706,427	-
Prepaid expenses	28,195	-
Inventory	380,922	-
Restricted cash and cash equivalents	1,707,279	-
<b>Total Current Assets</b>	<b>4,205,236</b>	<b>62,035</b>
Capital assets:		
Nondepreciable	5,678,726	-
Depreciable, net	23,920,358	-
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<b>29,599,084</b>	<b>-</b>
<b>Total Noncurrent Assets</b>	<b>29,599,084</b>	<b>-</b>
<b>Total Assets</b>	<b>33,804,320</b>	<b>62,035</b>
<b><u>Deferred Outflows of Resources</u></b>		
Deferred outflows - pensions	516,074	-
Deferred outflows - OPEB	10,739	-
Deferred charge on refunding	16,149	-
<b>Total Deferred Outflows of Resources</b>	<b>542,962</b>	<b>-</b>
<b><u>Liabilities</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	1,255,696	-
Accrued interest payable	54,914	-
Customer deposits	397,828	-
Due to other funds	831,466	-
<b>Total Current Liabilities</b>	<b>2,539,904</b>	<b>-</b>
Noncurrent liabilities:		
Long-term debt due within one year	1,273,193	-
Long-term debt due in more than one year	15,027,154	-
<b>Total Noncurrent Liabilities</b>	<b>16,300,347</b>	<b>-</b>
<b>Total Liabilities</b>	<b>18,840,251</b>	<b>-</b>
<b><u>Deferred Inflows of Resources</u></b>		
Deferred inflows - pensions	24,459	-
Deferred inflows - OPEB	28,162	-
<b>Total Deferred Inflows of Resources</b>	<b>52,621</b>	<b>-</b>
<b><u>Net Position</u></b>		
Net investment in capital assets	14,476,946	-
Restricted for capital projects	685,993	-
Unrestricted	291,471	62,035
<b>Total Net Position</b>	<b>\$ 15,454,410</b>	<b>\$ 62,035</b>

See Notes to Financial Statements.

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**CITY OF ANGLETON, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended September 30, 2023

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Utility</b>	<b>Internal Service</b>
<b><u>Operating Revenues</u></b>		
Water sales	\$ 6,828,677	\$ -
Sanitary sewer services	3,401,893	-
Other service fees	460,381	-
<b>Total Operating Revenues</b>	<b>10,690,951</b>	<b>-</b>
<b><u>Operating Expenses</u></b>		
Water distribution	974,714	-
Water plant operations	1,019,239	-
Water purchases	3,175,043	-
Sewer	628,979	-
Collection administration	2,620,680	-
Depreciation	1,217,431	-
<b>Total Operating Expenses</b>	<b>9,636,086</b>	<b>-</b>
<b>Operating Income (Loss)</b>	<b>1,054,865</b>	<b>-</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>		
Investment revenue	135,581	714
Interest expense	(403,492)	-
Intergovernmental revenue	938,000	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>670,089</b>	<b>714</b>
<b>Income (Loss) Before Transfers and Capital Contributions</b>	<b>1,724,954</b>	<b>714</b>
<b><u>Transfers</u></b>		
Transfers in	515,835	50,000
Transfers (out)	(953,345)	-
Capital contributions	723,011	-
<b>Total Transfers</b>	<b>285,501</b>	<b>50,000</b>
<b>Change in Net Position</b>	<b>2,010,455</b>	<b>50,714</b>
Beginning net position	13,443,955	11,321
<b>Ending Net Position</b>	<b>\$ 15,454,410</b>	<b>\$ 62,035</b>

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, 2023

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
<b><u>Cash Flows from Operating Activities</u></b>		
Receipts from customers and users	\$ 10,278,265	\$ -
Payments to suppliers	(4,965,610)	-
Payments to employees	(2,434,750)	-
<b>Net Cash Provided by Operating Activities</b>	<b>2,877,905</b>	<b>-</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>		
Transfers from other funds	515,835	50,000
Transfers to other funds	(953,345)	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(437,510)</b>	<b>50,000</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>		
Acquisition and construction of capital assets	(4,802,329)	-
Proceeds from intergovernmental revenue	938,000	-
Principal paid on capital debt	(974,754)	-
Interest paid on capital debt	(403,492)	-
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(5,242,575)</b>	<b>-</b>
<b><u>Cash Flows from Investing Activities</u></b>		
(Purchase) of investment	(4,069)	-
Interest on investments	135,581	714
<b>Net Cash Provided by Investing Activities</b>	<b>131,512</b>	<b>714</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(2,670,668)</b>	<b>50,714</b>
Beginning cash and cash equivalents	4,405,102	11,321
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 1,734,434</b>	<b>\$ 62,035</b>
<b><u>Ending Cash and Cash Equivalents</u></b>		
Unrestricted cash and cash equivalents	\$ 27,155	\$ 62,035
Restricted cash and cash equivalents	1,707,279	-
	<b>\$ 1,734,434</b>	<b>\$ 62,035</b>

# CITY OF ANGLETON, TEXAS

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUND (Page 2 of 2)

For the Year Ended September 30, 2023

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
<b>Reconciliation of Operating Income</b>		
<b>to Net Cash Provided by Operating Activities</b>		
Operating income	\$ 1,054,865	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,217,431	-
<b>Changes in Operating Assets and Liabilities:</b>		
<b>(Increase) Decrease in Assets:</b>		
Accounts receivable	(448,849)	-
Prepaid expenses	(28,195)	-
Inventory	(320,690)	-
Deferred outflows - pensions	(388,423)	-
Deferred outflows - OPEB	4,771	-
Deferred charge on refunding	13,010	-
<b>Increase (Decrease) in Liabilities:</b>		
Accounts payable and accrued liabilities	498,743	-
Compensated absences	14,767	-
Deferred inflows - pensions	(305,852)	-
Deferred inflows - OPEB	25,113	-
Premium	(48,930)	-
Net pension liability	751,063	-
Total OPEB liability	(28,548)	-
Customer deposits	36,163	-
Due to other funds	831,466	-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 2,877,905</b>	<b>\$ -</b>
 <b>Noncash, Capital and Related Financing Activities:</b>		
Contributions of capital assets	\$ 723,011	\$ -

See Notes to Financial Statements.

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**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**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. The Corporation does not issue separate financial statements.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

**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 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. The TIRZ #2 will terminate 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.

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

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

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

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

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

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

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

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 and the Angleton Better Living fund for activity related to restricted sources for community capital projects, which the City has elected to present as major funds 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 2022 fund, which is considered a major fund 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 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

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

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

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

**1. Cash and Cash Equivalents**

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

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

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

other investments are displayed on the combined balance sheet as “cash and cash equivalents”. For cash management purposes, the City has a sweep arrangement with the bank to transfer cash balances to a money market mutual fund account each day. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the City’s investments.

**2. Investments**

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

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

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

**3. Inventories and Prepaid Items**

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

**4. Restricted Assets**

Restricted assets are either limited for use for specified purposes or are otherwise not available for payment of current operating expenses. The City’s restricted assets consist of cash and investments resulting from the issuance of debt restricted to the purchase and/or construction of governmental and business-type activity capital assets.

**5. Capital Assets**

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

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

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

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 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.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

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.

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

**10. Subscription-Based Information Technology Arrangements**

The City has noncancellable subscription-based information technology arrangements (SBITAs) to finance the use of information technology software. The City would recognize a liability (the “subscription liability”) and an intangible, right-to-use subscription asset (the “subscription asset”) in

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

the financial statements. The City's SBITAs to report are immaterial to the financial statements as a whole and are not recognized as a subscription liability or a subscription asset.

**11. 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.

**12. 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.

**13. 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, 2023**

**14. 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.

**15. 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.

**16. 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.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

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

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

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

Annual budgets are adopted 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, 2023.

**A. Expenditures in Excess of Appropriations**

As of September 30, 2023, expenditures exceeded appropriations at the legal level of control as follows:

General Fund		
Administrative	\$	141,968
Municipal Court	\$	3,195
Animal Control	\$	128
Parks and Recreation	\$	74
Economic Development	\$	5,000
Transfers Out	\$	265,602
Capital Outlay	\$	614,867
Angleton Better Living Fund		
General Administration	\$	22,742
Hotel/Motel		
Economic Development	\$	10,791
OBJ Police Grant		
Public Safety	\$	256
A/C Donations		
General Administration	\$	20,016
Drug Confiscation		
Public Safety	\$	8,072

**B. Deficit Fund Balance**

As of September 30, 2023, the Law Enforcement Loan fund had a deficit fund balance of \$125,000.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The City’s bank balances include bank deposits, investment pools, and certificates of deposit held at the City’s depository bank. The bank balances were \$20,548,260 at year end. The City’s bank balances were collateralized by pledged securities of the depository bank for amounts in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limits. As of September 30, 2023, the carrying amount of the City’s bank deposits was \$1,800,260, the carrying amount of the City’s investment pools was \$17,057,939, and the carrying amount of the City’s certificates of deposit was \$1,066,304. The City’s bank deposits and investment pools were reported with cash and cash equivalents and the City’s certificates of deposit were reported with investments.

As of September 30, 2023, the City had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
Investment pools		
TexPool	\$ 2,572,073	0.07
TexStar	9,722,215	0.03
Lone Star	4,763,651	0.06
Certificates of deposit	1,066,304	0.67
<b>Total Value</b>	<b>\$ 18,124,243</b>	
Portfolio weighted average maturity		0.08

*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, 2023, 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

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool’s liquidity.

**TexSTAR**

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

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

**Lone Star**

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

**B. Receivables**

The following comprise receivable balances as of September 30, 2023:

	<u>General</u>	<u>Debt Service</u>	<u>Angleton Better Living</u>	<u>Nonmajor Governmental</u>	<u>Utility</u>	<u>Total</u>
Property taxes	\$ 207,126	\$ 35,823	\$ -	\$ -	\$ -	\$ 242,949
Other taxes	928,132	-	356,962	-	-	1,285,094
Accounts	453,215	-	-	52,611	2,217,666	2,723,492
Less allowance	(206,188)	(13,322)	-	-	(511,239)	(730,749)
<b>Totals</b>	<u>\$ 1,382,285</u>	<u>\$ 22,501</u>	<u>\$ 356,962</u>	<u>\$ 52,611</u>	<u>\$ 1,706,427</u>	<u>\$ 3,520,786</u>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**C. Capital Assets**

A summary of changes in capital assets for governmental activities for the fiscal year ended September 30, 2023 is as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 1,698,331	\$ -	\$ -	\$ 1,698,331
Construction in progress	5,408,761	2,948,571	(6,248,936)	2,108,396
Total capital assets not being depreciated/amortized	7,107,092	2,948,571	(6,248,936)	3,806,727
Other capital assets:				
Buildings and improvements	12,677,352	6,486,324	-	19,163,676
Equipment	13,851,844	42,460	(415,049)	13,479,255
Infrastructure	28,430,533	2,302,778	-	30,733,311
Right-to-use assets - equipment	701,527	614,867	(41,622)	1,274,772
Total other capital assets	55,661,256	9,446,429	(456,671)	64,651,014
Less accumulated depreciation/amortization for:				
Buildings and improvements	(5,339,791)	(438,921)	-	(5,778,712)
Equipment	(10,382,934)	(598,750)	373,544	(10,608,140)
Infrastructure	(17,288,824)	(548,503)	-	(17,837,327)
Right-to-use assets - equipment	(175,584)	(275,223)	15,608	(435,199)
Total accumulated depreciation/amortization	(33,187,133)	(1,861,397)	389,152	(34,659,378)
Other capital assets, net	22,474,123	7,585,032	(67,519)	29,991,636
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 29,581,215</b>	<b>\$ 10,533,603</b>	<b>\$ (6,316,455)</b>	<b>33,798,363</b>
			Less associated debt	(23,078,165)
			Plus unspent bond proceeds	9,131,976
			Plus deferred charge on refunding	10,584
			<b>Net Investment in Capital Assets</b>	<b>\$ 19,862,758</b>

Depreciation/amortization was charged to governmental functions as follows:

General administration	\$ 347,976
Public safety	494,579
Community services	1,018,842
<b>Total Governmental Activities Depreciation/ Amortization Expense</b>	<b>\$ 1,861,397</b>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

The following is a summary of changes in capital assets for business-type activities for the fiscal year ended September 30, 2023:

	<b>Beginning Balance*</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 4,511,252	\$ 4,989,872	\$ (3,822,398)	\$ 5,678,726
Total capital assets not being depreciated	4,511,252	4,989,872	(3,822,398)	5,678,726
Other capital assets:				
Buildings and other improvements	319,665	445,091	-	764,756
Equipment	3,144,430	321,320	-	3,465,750
Infrastructure	50,865,004	3,591,455	-	54,456,459
Total other capital assets	54,329,099	4,357,866	-	58,686,965
Less accumulated depreciation for:				
Buildings and other improvements	(276,535)	(10,702)	-	(287,237)
Equipment	(2,203,842)	(223,022)	-	(2,426,864)
Infrastructure	(31,068,799)	(983,707)	-	(32,052,506)
Total accumulated depreciation	(33,549,176)	(1,217,431)	-	(34,766,607)
Other capital assets, net	20,779,923	3,140,435	-	23,920,358
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 25,291,175</b>	<b>\$ 8,130,307</b>	<b>\$ (3,822,398)</b>	<b>29,599,084</b>

\*Amounts reclassified from prior year.

	Less associated debt	(15,312,072)
	Plus unspent bond proceeds	173,785
	Plus deferred charge on refunding	16,149
	<b>Net Investment in Capital Assets</b>	<b>\$ 14,476,946</b>

Depreciation was charged to business-type functions as follows:

Water	\$ 354,625
Sewer	862,806
<b>Total Business-Type Activities Depreciation Expense</b>	<b>\$ 1,217,431</b>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

Significant commitments related to construction in progress at year end are as follows:

Project Description	Total in Progress	Remaining Commitment
<b>Governmental activities:</b>		
2021 Street Bond Project	\$ 1,332,430	\$ 186,756
<b>Total Governmental Activities</b>	<u>\$ 1,332,430</u>	<u>\$ 186,756</u>
<b>Business-type activities:</b>		
SCADA System Fiber	\$ 143,865	\$ 35,122
Freedom Park Well	1,090,065	26,935
Chenango Water Plant	2,358,725	61,328
<b>Total Business-Type Activities</b>	<u>\$ 3,592,655</u>	<u>\$ 123,385</u>

**D. Long-Term Debt**

The following is a summary of changes in the City's total long-term liabilities for the fiscal year ended September 30, 2023. In general, the City uses the debt service fund and general fund to liquidate governmental activities long-term liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
General obligation					
refunding bonds	\$ 970,000	\$ -	\$ 185,000	\$ 785,000	* \$ 250,000
Certificates of obligation	21,420,100	-	750,246	20,669,854	* 880,103
Leases payable	538,180	614,867	309,782	843,265	* 363,451
Plus deferred amounts:					
For premiums	830,298	-	50,252	780,046	* -
	<u>23,758,578</u>	<u>614,867</u>	<u>1,295,280</u>	<u>23,078,165</u>	<u>1,493,554</u>
<b>Other liabilities:</b>					
Net pension liability - TMRS	357,702	3,965,781	-	4,323,483	-
Net pension liability - TESRS	73,499	354,034	-	427,533	-
Total OPEB liability	428,005	-	150,774	277,231	-
Compensated absences	426,812	514,279	401,432	539,659	485,693
	<u>1,286,018</u>	<u>4,834,094</u>	<u>552,206</u>	<u>5,567,906</u>	<u>485,693</u>
<b>Total Governmental Activities</b>	<u>\$ 25,044,596</u>	<u>\$ 5,448,961</u>	<u>\$ 1,847,486</u>	<u>\$ 28,646,071</u>	<u>\$ 1,979,247</u>
				<u>\$ 26,666,824</u>	
				<u>\$ 23,078,165</u>	

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
<b>Business-Type Activities</b>					
General obligation					
refunding bonds	\$ 1,100,000	\$ -	\$ 390,000	\$ 710,000	* \$ 245,000
Direct borrowing/private placement:					
Certificates of obligation	1,695,000	-	200,000	1,495,000	* 315,000
Certificates of obligation	12,859,900	-	384,754	12,475,146	* 604,897
Plus deferred amounts:					
For premiums	680,856	-	48,930	631,926	* -
	16,335,756	-	1,023,684	15,312,072	1,164,897
Other liabilities:					
Net pension liability - TMRS	67,474	751,063	-	818,537	-
Total OPEB liability	77,957	-	28,548	49,409	-
Compensated absences	105,562	111,658	96,891	120,329	108,296
	250,993	862,721	125,439	988,275	108,296
<b>Total Business-Type Activities</b>	<b>\$ 16,586,749</b>	<b>\$ 862,721</b>	<b>\$ 1,149,123</b>	<b>\$ 16,300,347</b>	<b>\$ 1,273,193</b>
				<b>\$ 15,027,154</b>	
				<b>\$ 15,312,072</b>	

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 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 bonds and certificates of obligation are direct obligations of the City for which its full faith and credit are pledged. 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 issuances are also secured by a pledge of the City's utility fund net revenues. Long-term debt originating for the purpose of constructing proprietary fund assets is carried within and directly serviced by the utility fund.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

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

Description	Interest Rates	Balance
<b><u>Governmental Activities</u></b>		
<b>General Obligation Refunding Bonds</b>		
Series 2016	2.00-4.00%	\$ 785,000
		<u>785,000</u>
<b>Certificates of Obligation</b>		
Series 2018	3.00-4.00%	7,190,000
Series 2019	2.00-4.00%	1,074,854
Series 2020	2.00-3.00%	2,495,000
Series 2022	4.00-6.00%	9,910,000
		<u>20,669,854</u>
<b>Total Governmental Activities Long-Term Debt</b>		<b>\$ 21,454,854</b>
<b><u>Business-Type Activities</u></b>		
<b>General Obligation Refunding Bonds</b>		
Series 2016	2.00-4.00%	\$ 710,000
		<u>710,000</u>
<b>Certificates of Obligation</b>		
Water and sewer, series 2013	2.28%	1,495,000
Water and sewer, series 2015	3.00-4.00%	2,995,000
Series 2019	2.00-4.00%	7,385,146
Series 2021	3.00-4.00%	2,095,000
		<u>13,970,146</u>
<b>Total Business-Type Activities Long-Term Debt</b>		<b>\$ 14,680,146</b>

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

Fiscal Year Ending Sep 30	Governmental Activities			
	General Obligation Refunding Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
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	50,000	1,000	904,878	617,993
2029-2033	-	-	4,688,778	2,616,444
2034-2038	-	-	4,917,485	1,850,741
2039-2043	-	-	2,224,960	1,153,103
2044-2048	-	-	2,270,000	737,756
2049-2052	-	-	2,180,000	229,556
<b>Total</b>	<b>\$ 785,000</b>	<b>\$ 54,250</b>	<b>\$ 20,669,854</b>	<b>\$ 9,992,634</b>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

<b>Business-Type Activities</b>				
<b>Fiscal Year Ending Sep 30</b>	<b>General Obligation Refunding Bonds</b>		<b>Certificates of Obligation</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
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	-	-	815,122	259,798
2029-2033	-	-	4,531,222	896,588
2034-2038	-	-	3,607,515	346,031
2039-2043	-	-	950,040	32,517
<b>Total</b>	<b>\$ 710,000</b>	<b>\$ 40,775</b>	<b>\$ 12,475,146</b>	<b>\$ 2,814,481</b>

<b>Business-Type Activities - Direct Borrowings/Private Placement</b>		
<b>Fiscal Year Ending Sep 30</b>	<b>Certificates of Obligation</b>	
	<b>Principal</b>	<b>Interest</b>
2024	\$ 315,000	\$ 30,495
2025	310,000	23,370
2026	305,000	16,359
2027	285,000	9,633
2028	280,000	3,192
<b>Total</b>	<b>\$ 1,495,000</b>	<b>\$ 83,049</b>

**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.

**Leases Payable**

The City was a lessee for the acquisition and use of vehicles, copiers, and a building. As of September 30, 2023, the value of the lease liability was \$843,265. The City made principal and interest payments on the leases in fiscal year 2023 for \$301,038. The City will continue to make principal and interest payments on leases through the fiscal year 2028. The estimated incremental borrowing rates range from 4.00% to 7.80%. 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 9 to 60 months as of the beginning of the fiscal year. The value of the right-to-use assets for fiscal year 2023 was \$1,274,772 and had accumulated amortization of \$435,199.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

The future principal and interest lease payments as of September 30, 2023 were as follows:

<b>Fiscal Year Ending Sept. 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 363,451	\$ 25,078	\$ 388,529
2025	271,393	26,467	297,860
2026	140,145	21,178	161,323
2027	62,121	19,698	81,819
2028	6,155	2,662	8,817
	<u>\$ 843,265</u>	<u>\$ 95,083</u>	<u>\$ 938,348</u>

**E. Interfund Transactions**

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

<b>Transfer In</b>	<b>Transfer Out</b>	<b>Amounts</b>
General	Nonmajor	\$ 64,496
General	Utility	943,144
General	Angleton Better Living	275,727
Debt service	Angleton Better Living	373,422
Internal service	General	50,000
Utility	Nonmajor	515,835
Nonmajor	General	290,802
Nonmajor	Utility	10,201
Nonmajor	Angleton Better Living	500,723
Nonmajor	Nonmajor	90,307
		<u>\$ 3,114,657</u>

Transfers to the general fund were subsidies for administrative expenditures and reimbursements for various payments. Other amounts transferred to nonmajor governmental funds related to amounts collected for various governmental expenditures. Transfers made to the debt service fund were to supplement payments by the Angleton Better Living fund. Transfers made to the internal service fund were related to unemployment benefits. Transfers made to the utility fund were reimbursements for various payments.

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

<b>Due To</b>	<b>Due From</b>	<b>Amount</b>
General	Utility	\$ 831,466
General	Nonmajor	125,000
		<u>\$ 956,466</u>

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

**F. Fund Equity**

Funds restricted by enabling legislation are \$254,521 related to hotel/motel tax, child safety, and municipal court security and technology.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

**G. Restricted Assets**

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

<b>General Fund</b>	
Restricted for capital projects	\$ 69,509
<b>Utility Fund</b>	
Restricted for capital projects	1,309,451
Deposits payable	397,828
<b>Total</b>	<b>\$ 1,776,788</b>

**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 more than 2,824 other entities in the Texas Municipal League’s Intergovernmental Risk Pools (the “Pool”). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

**B. Contingent Liabilities**

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

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

**C. Pension Plans**

**1. Texas Municipal Retirement System**

Plan Description

The City participates as one of 909 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](http://www.tmr.com).

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

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.

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:

	<b>2023</b>	<b>2022</b>
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, 2022 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	127
Active employees	151
<b>Total</b>	<b>360</b>

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 11.66% and 11.06% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2023 were \$1,063,493 and were more than the required contributions.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022 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, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
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-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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, TMRS' actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

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>Expected Real Rate of Return (Arithmetic)</u>
Global public equity	35.00%	7.70%
Core fixed income	6.00%	4.90%
Non-core fixed income	20.00%	8.70%
Other public and private markets	12.00%	8.10%
Real estate	12.00%	5.80%
Hedge funds	5.00%	6.90%
Private equity	10.00%	11.80%
<b>Total</b>	<u>100.0%</u>	

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.

Changes in the NPL

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (A) - (B)</u>
Changes for the year:			
Service cost	\$ 1,218,013	\$ -	\$ 1,218,013
Interest	2,087,752	-	2,087,752
Difference between expected and actual experience	684,002	-	684,002
Contributions - employer	-	993,207	(993,207)
Contributions - employee	-	511,150	(511,150)
Net investment income	-	(2,235,173)	2,235,173
Benefit payments, including refunds of employee contributions	(1,461,661)	(1,461,661)	-
Administrative expense	-	(19,346)	19,346
Other changes	-	23,085	(23,085)
<b>Net Changes</b>	<u>2,528,106</u>	<u>(2,188,738)</u>	<u>4,716,844</u>
Balance at December 31, 2021	31,051,488	30,626,312	425,176
<b>Balance at December 31, 2022</b>	<u>\$ 33,579,594</u>	<u>\$ 28,437,574</u>	<u>\$ 5,142,020</u>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

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:

	<b>1% Decrease in Discount Rate (5.75%)</b>	<b>Discount Rate (6.75%)</b>	<b>1% Increase in Discount Rate (7.75%)</b>
City's Net Pension Liability	\$ 9,949,591	\$ 5,142,020	\$ 1,243,497

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.tmr.com](http://www.tmr.com).

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

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$1,419,243.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 487,078	\$ 78,111
Changes in actuarial assumptions	6,610	-
Net difference between projected and actual investment earnings	1,928,115	-
Contributions subsequent to the measurement date	809,960	-
<b>Total</b>	<b>\$ 3,231,763</b>	<b>\$ 78,111</b>

\$809,960 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ended September 30</b>	<b>Pension Expense</b>
2024	\$ 235,352
2025	648,630
2026	599,221
2027	860,489
<b>Total</b>	<b>\$ 2,343,692</b>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

**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, 2022, 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, 2022, the TESRS membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	3,991
Terminated Members Entitled to Benefits but Not Yet Receiving Them	1,813
Active Participants (Vested and Nonvested)	3,379

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

Benefits Provided

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees (the "Board") authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by Board rule. The benefit provisions include retirement benefits, as well as death and disability benefits. Members are 50% 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.

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.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

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, 2022 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 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, 2022, total contributions (dues, prior service, and interest on prior service financing) of \$50,685 were paid by the City. The State appropriated \$1,262,763 for the fiscal year ending August 31, 2022 to TESRS as a whole.

Actuarial Assumptions

The TPL in the August 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	August 31, 2022
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*	7.50%
Projected Salary Increases	N/A
*Includes Inflation at	3.00%
Cost-of-Living Adjustments	None

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projected scale MP-2019. 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 4.61%) and by adding expected inflation (3.00%). In addition, the final 7.50% assumption was selected by rounding down.

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%
Small/mid cap domestic	10%	5.94%
Developed international	15%	6.17%
Emerging markets	5%	7.36%
Global infrastructure	5%	6.61%
Real estate	10%	4.48%
Multi asset income	5%	3.86%
Fixed income	30%	1.95%
<b>Total</b>	<u>100%</u>	
Weighted average		4.61%

Discount Rate

The discount rate used to measure the TPL was 7.50%. No projection of cash flows was used to determine the discount rate because the August 31, 2022 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 7.50%, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) 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)	\$ 670,684	\$ 427,533	\$ 230,633

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

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

At August 31, 2022, the City reported a liability of \$427,533 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	\$ 427,533	
State's proportionate share that is associated with the City*	110,979	
<b>Total</b>	<u>\$ 538,512</u>	

*\*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, 2022. 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, 2022. The City used the assumption that any differences in the NPL measured as of August 31, 2022 versus September 30, 2022 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, 2021 through August 31, 2022.

At August 31, 2022, the City's proportion of the collective NPL was 1.042%, which was an increase of 0.356% from its proportion measured as of August 31, 2021.

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 measurement year ended August 31, 2022, the City recognized pension expense of \$90,337. The City recognized on-behalf revenues of \$13,158 calculated by taking the State's total contributions to TESRS multiplied by the City's proportionate share.

At August 31, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between projected and actual investment earnings	\$ 157,668	\$ -
Changes in assumptions	-	2,150
Difference between expected and actual economic experience	16,275	-
Contributions paid to TESRS subsequent to the measurement date	81,182	-
<b>Total</b>	<u>\$ 255,125</u>	<u>\$ 2,150</u>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

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

<b>Fiscal Year</b>	
<b>Ended</b>	<b>Pension</b>
<b>September 30</b>	<b>Expense</b>
2024	\$ 49,569
2025	30,772
2026	32,129
2027	59,323
<b>Total</b>	<b>\$ 171,793</b>

**3. Aggregate Pension**

The aggregate amounts of pension expense, NPL, deferred outflows, and deferred inflows for the TMRS and TESRS pension plans were \$1,509,580, \$5,569,553, \$3,486,888, and \$80,261.

**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 Supplemental Death Benefits Fund (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, 2023**

Participation in the SDBF as of December 31, 2022 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	54	
Inactive employees entitled to, but not yet receiving, benefits	29	
Active employees	151	
<b>Total</b>	234	

Total OPEB Liability

The City's total OPEB liability of \$326,640 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 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*	4.05%*	
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.	
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.	
Mortality rates - 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, 2022.

The actuarial assumptions used in the December 31, 2022 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 and 2024 rates as determined in the December 31, 2021 and December 31, 2022 actuarial valuation, respectively.

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Changes for the year:	
Service cost	\$ 28,960
Interest	9,482
Difference between expected and actual experience	(27,817)
Changes of assumptions	(179,726)
Benefit payments*	(10,221)
<b>Net Changes</b>	<b>(179,322)</b>
Balance at December 31, 2021	505,962
<b>Balance at December 31, 2022</b>	<b>\$ 326,640</b>

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

The discount rate increased from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022. 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:

	<b>1% Decrease (3.05%)</b>	<b>Discount Rate (4.05%)</b>	<b>1% Increase (5.05%)</b>
City's total OPEB liability	\$ 394,196	\$ 326,640	\$ 274,878

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$20,119. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 1,874	\$ 32,199
Changes in actuarial assumptions	56,853	146,876
Contributions subsequent to the measurement date	9,126	-
<b>Total</b>	<b>\$ 67,853</b>	<b>\$ 179,075</b>

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

\$9,126 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, 2024.

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

<b>Fiscal Year Ended</b>	<b>OPEB Expense</b>
<b>September 30</b>	<b>OPEB Expense</b>
2024	\$ (19,051)
2025	(18,802)
2026	(38,057)
2027	(40,776)
2028	(3,662)
Thereafter	-
<b>Total</b>	<b>\$ (120,348)</b>

**E. Deferred Compensation Plan**

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

**F. Chapter 380 Economic Development 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, 2023**

- 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.

No taxes were refunded during fiscal year 2023.

**G. Public Improvement Districts**

The City of Angleton (the “City”) is authorized pursuant to Tex. Local Gov’t Code, Ch. 372, as amended (“Chapter 372”) to create public improvement districts and to levy and collect an assessment. The purpose of the districts is to finance the actual costs of authorized improvements that confer a special benefit to property owners within the districts.

1. Green Trails Public Improvement District

The City approved the creation of the Green Trails Public Improvement District (PID) under the provisions of Chapter 372. Effective August 10, 2019, the City entered into a Reimbursement Agreement (the “Agreement”) with Angleton Green Trails, LLC, (the “Developer”) in which the Developer agreed to fund and construct certain infrastructure projects, and the City agrees to reimburse the Developer for those costs paid solely from the revenue collected by the City from levy assessments on all benefitted property located within the PID. On January 26, 2021, the City approved an assignment and sale agreement between Angleton Green Trails, LLC and Texas PID Financing I, LLC. The estimated reimbursable obligation is \$1,049,930, which includes estimated financing costs of \$336,488, is secured by assessments to be paid by the applicable property owners within the PID pursuant to the Agreement. Any unpaid balance shall bear simple interest at the rate of 4.00%. The maturity date is the earlier date of (1) January 1 of the year following the date the last assessment payment has been made in accordance with the PID Service and Assessment Plan and Assessment Roll(s) which is based on 20 years, or (2) until the Developer is paid in full in accordance with the terms of the Agreement. The obligation of the City for the PID Agreement balance is payable solely from the assessments collected. No other City funds, revenue, taxes, income, or property shall be used even if the PID Agreement balance is not paid in full by the maturity date. In fiscal year 2023, the City collected assessments of \$3,630 and made distributions to the developer for the same amount.

2. Riverwood Ranch Public Improvement District

The City authorized the creation of the Riverwood Ranch Public Improvement District (PID) under the provisions of Chapter 372. The City also passed and approved an ordinance authorizing the creation of the Tax Increment Reinvestment Zone Number 2, Riverwood Ranch TIRZ (TIRZ). Effective July 14, 2020, the City entered into a Reimbursement Agreement (the “Agreement”) with Riverway Capital Partners, L.L.C. (the “Developer”) in which the Developer agreed to fund and construct certain infrastructure projects, and the City agrees to reimburse the Developer for those costs. PID Bonds are anticipated to be issued following the completion of 25% of homes within Improvement Area #1 of the PID according to the Agreement. The Improvement Area #1 reimbursement obligation shall not exceed \$5,180,000 payable from Improvement Area #1 levy assessments on all benefitted property located within the PID, excluding any payments from the net proceeds of PID Bonds. It is intended that a portion of the TIRZ increment receipts generated from each assessed property will be used to

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

offset a portion of the property's assessment amount. Any unpaid balance shall bear simple interest at the rate of 4.00%. In fiscal year 2023, the City collected assessments of \$328,874 and made distributions to the developer of \$302,200.

3. Kiber Reserve Public Improvement District

The City approved the creation of the Kiber Reserve Public Improvement District Number 2 under the provisions of Chapter 372. Effective October 12, 2021, the City entered into a Reimbursement Agreement (the "Agreement") with Waterstone Development Group, LLC, (the "Developer") in which the Developer agreed to fund and construct certain infrastructure projects, and the City agrees to reimburse the Developer for those costs paid solely from the revenue collected by the City from levy assessments on all benefitted property located within the PID. The reimbursable obligation is \$1,780,000 secured by assessments to be paid by the applicable property owners within the PID pursuant to the Agreement. Any unpaid balance shall bear simple interest at the rate of 4.04%. The first annual installment is due on 1/31/23. The maturity date is the earlier date of (1) 35 years from the effective date of the Agreement, or (2) until the Developer is paid in full in accordance with the terms of the Agreement. The obligation of the City for the PID Agreement balance is payable solely from the assessments collected. No other City funds, revenue, taxes, income, or property shall be used even if the PID Agreement balance is not paid in full by the maturity date. In fiscal year 2023, the City collected assessments of \$120,600 and made distributions to the developer of \$103,438.

4. Greystone Public Improvement District

The City approved the creation of the City of Angleton Greystone Public Improvement District (the "PID") under the provisions of Chapter 372. Effective January 25, 2022, the City entered into a Reimbursement Agreement (the "Agreement") with Greystone Angleton, LLC (the "Developer"), in which the Developer agreed to fund and construct certain infrastructure projects, and the City agrees to reimburse the Developer for those costs paid solely from the revenue collected by the City from levy assessments on all benefitted property located within the PID. The reimbursable obligation is \$1,842,530 secured by assessments to be paid by the applicable property owners within the PID pursuant to the Agreement. Any unpaid balance shall bear simple interest at the rate of 3.99%. The First annual installment is due on 1/31/23. The maturity date is the earlier date of (1) 32 years from the effective date of the Agreement, or (2) until the Developer is paid in full in accordance with the terms of the Agreement. The obligation of the City for the PID Agreement balance is payable solely from the assessment revenue collected. No other City funds, revenue, taxes, income, or property shall be used even if the PID Agreement balance is not paid in full by the maturity date. In fiscal year 2023, the City collected assessments of \$114,579 and made distributions to the developer of \$95,838.

5. Austin Colony Public Improvement District

The City approved the creation of the Austin Colony Public Improvement District (PID) under the provisions of Chapter 372. Effective June 14, 2022, the City entered into a Reimbursement Agreement (the "Agreement") with Tejas-Angleton Development, L.L.C., ("Developer") in which the Developer agreed to fund and construct certain infrastructure projects, and the City agrees to reimburse the Developer for those costs. Upon satisfaction of the conditions and in accordance with the terms set forth in the Agreement, the City intends to levy assessments on all benefitted property located within the PID and issue PID bonds for the reimbursement to the Developer. The reimbursement to the Developer shall be solely from the installment payments of assessments and/or proceeds of the PID bonds and the City shall never be responsible for the payment of the public improvements or the PID bonds from its general fund or its ad valorem tax collections, past or future or any other source of City revenue or any assets of the City of whatsoever. Assessments shall be structured to be amortized over 30 years, including interest. The total amount of reimbursement to the Developer from any source,

**CITY OF ANGLETON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

including the proceeds of PID bonds, or assessment revenues shall be no more than \$31,250,000. This Agreement shall terminate upon the earlier of: (i) the expiration of the assessments levied to reimburse the Public Improvements, (ii) (a) the date on which the City and the Developer discharge all of their obligations, and (b) all PID bond proceeds or assessment revenues pursuant to a reimbursement agreement have been expended for reimbursement of all of the public improvements and the Developer has been reimbursed for all completed and accepted public improvements. The Developer has six years to complete the project from the date of issuance of the first building permit in the project.

**H. Subsequent Events**

In March 2024, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2024 (the "Certificates") in the amount of \$3,750,000. Proceeds from the sale of the Certificates will be used for costs related to construction, acquisition, renovation, and improvement of City owned parks and recreational facilities and construction of drainage improvements. The Certificates will mature on February 15, 2044 and have interest rates ranging from 4.00% to 5.00%.

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***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, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 7,409,393	\$ 7,407,726	\$ 7,354,972	\$ (52,754)
Franchise fees and local taxes	730,000	614,807	691,389	76,582
Sales taxes	4,052,483	3,970,080	3,970,080	-
Industrial district agreement	104,170	98,918	98,918	-
Permits, licenses, and fees	946,330	474,019	619,878	145,859
Fines and forfeitures	685,399	801,412	577,586	(223,826)
Charges for services	2,320,157	2,387,518	2,378,562	(8,956)
Intergovernmental	42,810	60,684	108,866	48,182
Investment revenue	5,100	28,829	118,259	89,430
Miscellaneous revenue	145,475	405,769	433,163	27,394
<b>Total Revenues</b>	<b>16,441,317</b>	<b>16,249,762</b>	<b>16,351,673</b>	<b>101,911</b>
<b>Expenditures</b>				
General administration				
Administrative	4,660,660	4,165,915	4,307,883	(141,968) *
Buildings	-	22	22	-
Total general administration	4,660,660	4,165,937	4,307,905	(141,968)
Financial administration				
Tax collection	51,000	56,156	56,156	-
Finance and accounting	550,076	564,127	564,127	-
Total financial administration	601,076	620,283	620,283	-
Public safety				
Municipal court	617,346	564,707	567,902	(3,195) *
Police department	5,500,669	5,561,371	5,561,195	176
Animal control	416,538	406,978	407,106	(128) *
Fire department	997,847	946,430	946,430	-
Emergency management	140,900	179,856	179,856	-
Code enforcement	1,174,898	999,855	999,846	9
Total public safety	8,848,198	8,659,197	8,662,335	(3,138)
Community services				
Information technology	588,597	465,764	465,764	-
Parks and recreation	1,461,011	1,509,427	1,509,501	(74) *
Public works	1,535,156	1,559,624	1,550,257	9,367
Total community services	3,584,764	3,534,815	3,525,522	9,293

# 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, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b><u>Expenditures (continued)</u></b>				
Economic development	\$ 267,845	\$ 223,291	\$ 228,291	\$ (5,000) *
Capital outlay	-	-	614,867	(614,867) *
Debt service				
Principal	-	277,996	277,996	-
Interest and fiscal agent fees	-	18,946	18,946	-
Total debt service	-	296,942	296,942	-
<b>Total Expenditures</b>	17,962,543	17,500,465	18,256,145	(755,680)
<b>(Deficiency) of Revenues</b>				
<b>(Under) Expenditures</b>	(1,521,226)	(1,250,703)	(1,904,472)	(653,769)
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	1,549,661	1,571,932	1,283,367	(288,565)
Transfers (out)	(129,332)	(75,200)	(340,802)	(265,602) *
Sale of capital assets	205,000	115,471	122,038	6,567
Lease proceeds	-	-	614,867	614,867
<b>Total Other Financing Sources</b>	1,625,329	1,612,203	1,679,470	67,267
<b>Net Change in Fund Balance</b>	\$ 104,103	\$ 361,500	(225,002)	\$ (586,502)
Beginning fund balance			3,486,608	
<b>Ending Fund Balance</b>			\$ 3,261,606	

**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, 2023**

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Sales taxes	\$ 1,844,985	\$ 1,982,237	\$ 1,982,237	\$ -
Intergovernmental	45,426	19,758	19,758	-
Investment revenue	4,500	767	2,825	2,058
<b>Total Revenues</b>	<u>1,894,911</u>	<u>2,002,762</u>	<u>2,004,820</u>	<u>2,058</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General administration	581,878	436,062	458,804	(22,742) *
<b>Total Expenditures</b>	<u>581,878</u>	<u>436,062</u>	<u>458,804</u>	<u>(22,742)</u>
<b>Excess of Revenue Over Expenditures</b>	<u>1,313,033</u>	<u>1,566,700</u>	<u>1,546,016</u>	<u>(20,684)</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfer (out)	(1,313,033)	(1,149,872)	(1,149,872)	-
<b>Total Other Financing (Uses)</b>	<u>(1,313,033)</u>	<u>(1,149,872)</u>	<u>(1,149,872)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 416,828</u>	396,144	<u>\$ (20,684)</u>
Beginning fund balance			<u>312,084</u>	
<b>Ending Fund Balance</b>			<u>\$ 708,228</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**  
**For the Year Ended September 30, 2023**

	Measurement Year*			
	2022	2021	2020	2019
<b>Total Pension Liability</b>				
Service cost	\$ 1,218,013	\$ 1,123,767	\$ 1,065,898	\$ 967,612
Interest (on the total pension liability)	2,087,752	1,995,111	1,913,148	1,810,253
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	684,002	(143,337)	(75,064)	56,625
Changes of assumptions	-	-	-	121,586
Benefit payments, including refunds of employee contributions	(1,461,661)	(1,838,738)	(1,598,568)	(1,363,110)
<b>Net Change in Total Pension Liability</b>	<u>2,528,106</u>	<u>1,136,803</u>	<u>1,305,414</u>	<u>1,592,966</u>
Beginning total pension liability	<u>31,051,488</u>	<u>29,914,685</u>	<u>28,609,271</u>	<u>27,016,305</u>
<b>Ending Total Pension Liability</b>	<u><u>\$ 33,579,594</u></u>	<u><u>\$ 31,051,488</u></u>	<u><u>\$ 29,914,685</u></u>	<u><u>\$ 28,609,271</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 993,207	\$ 963,477	\$ 904,937	\$ 822,437
Contributions - employee	511,150	479,819	445,051	399,564
Net investment income	(2,235,173)	3,579,795	1,955,933	3,472,078
Benefit payments, including refunds of employee contributions	(1,461,661)	(1,838,738)	(1,598,568)	(1,363,110)
Administrative expense	(19,346)	(16,563)	(12,655)	(19,614)
Other	23,085	114	(493)	(589)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(2,188,738)</u>	<u>3,167,904</u>	<u>1,694,205</u>	<u>3,310,766</u>
Beginning plan fiduciary net position	<u>30,626,312</u>	<u>27,458,408</u>	<u>25,764,203</u>	<u>22,453,437</u>
<b>Ending Plan Fiduciary Net Position</b>	<u><u>\$ 28,437,574</u></u>	<u><u>\$ 30,626,312</u></u>	<u><u>\$ 27,458,408</u></u>	<u><u>\$ 25,764,203</u></u>
<b>Net Pension Liability</b>	<u><u>\$ 5,142,020</u></u>	<u><u>\$ 425,176</u></u>	<u><u>\$ 2,456,277</u></u>	<u><u>\$ 2,845,068</u></u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	84.69%	98.63%	91.79%	90.06%
<b>Covered Payroll</b>	\$ 8,517,573	\$ 7,831,130	\$ 7,417,525	\$ 6,659,408
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	60.37%	5.43%	33.11%	42.72%

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

**Measurement Year\***

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$	875,925	\$ 842,374	\$ 785,512	\$ 791,844	\$ 698,595
	1,741,013	1,651,811	1,584,707	1,562,646	1,507,813
	-	(42,824)	-	-	-
	(372,360)	(85,751)	(252,182)	(165,121)	(436,428)
	-	-	-	137,392	-
	(1,166,182)	(1,041,573)	(1,177,455)	(1,163,080)	(903,465)
	<u>1,078,396</u>	<u>1,324,217</u>	<u>940,582</u>	<u>1,163,981</u>	<u>866,515</u>
	<u>24,613,692</u>	<u>24,613,692</u>	<u>23,673,110</u>	<u>22,509,129</u>	<u>21,642,614</u>
\$	<u><u>27,016,305</u></u>	<u><u>25,937,909</u></u>	<u><u>24,613,692</u></u>	<u><u>23,673,110</u></u>	<u><u>22,509,129</u></u>
\$	754,235	\$ 729,850	\$ 687,899	\$ 730,615	\$ 660,722
	361,455	368,923	346,549	353,239	323,355
	(695,480)	2,820,968	1,298,516	28,450	1,039,581
	(1,166,182)	(1,041,573)	(1,177,455)	(1,163,080)	(903,465)
	(13,439)	(14,617)	(14,663)	(17,328)	(10,853)
	(702)	(742)	(790)	(856)	(892)
	<u>(760,113)</u>	<u>2,862,809</u>	<u>1,140,056</u>	<u>68,960</u>	<u>1,108,448</u>
	<u>23,213,550</u>	<u>20,350,741</u>	<u>19,210,685</u>	<u>19,279,645</u>	<u>18,171,197</u>
\$	<u><u>22,453,437</u></u>	<u><u>23,213,550</u></u>	<u><u>20,350,741</u></u>	<u><u>19,210,685</u></u>	<u><u>19,279,645</u></u>
\$	<u><u>4,562,868</u></u>	<u><u>2,724,359</u></u>	<u><u>4,262,951</u></u>	<u><u>4,462,425</u></u>	<u><u>3,229,484</u></u>
	83.11%	89.50%	82.68%	81.15%	85.65%
\$	6,024,244	\$ 6,148,715	\$ 5,775,821	\$ 5,887,320	\$ 5,389,248
	75.74%	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**  
**For the Year Ended September 30, 2023**

	Measurement Year*			
	2022	2021	2020	2019
City's proportion of the net pension liability	1.04%	0.69%	0.66%	0.39%
City's proportionate share of the net pension liability	\$ 427,533	\$ 73,499	\$ 167,148	\$ 109,697
State's proportionate share of the net pension liability	110,979	20,348	47,649	32,539
<b>Total</b>	<u>\$ 538,512</u>	<u>\$ 93,848</u>	<u>\$ 214,797</u>	<u>\$ 142,236</u>
Number of Active Members**	31	26	28	27
City's net pension liability per active member	\$ 13,791	\$ 2,827	\$ 5,970	\$ 4,063
Plan fiduciary net position as a percentage of the total pension liability	75.20%	93.10%	83.20%	80.20%

\*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.

**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 \***

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.32%	0.35%	0.41%	0.43%	0.45%
\$ 69,065	\$ 84,966	\$ 120,165	\$ 114,150	\$ 82,146
19,168	27,824	41,542	39,568	27,613
<u>\$ 88,233</u>	<u>\$ 112,790</u>	<u>\$ 161,707</u>	<u>\$ 153,718</u>	<u>\$ 109,759</u>
37	40	32	34	34
\$ 1,846	\$ 2,102	\$ 3,815	\$ 3,391	\$ 2,416
84.26%	81.40%	76.30%	76.90%	83.50%

**CITY OF ANGLETON, TEXAS**  
**SCHEDULE OF CONTRIBUTIONS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2023**

	Fiscal Year			
	2023	2022	2021	2020
Actuarially determined contribution	\$ 1,029,949	\$ 963,669	\$ 975,404	\$ 887,773
Contributions in relation to the actuarially determined contribution	1,063,493	963,669	975,404	887,773
Contribution deficiency (excess)	\$ (33,544)	\$ -	\$ -	\$ -
Covered payroll	\$ 9,194,416	\$ 8,203,999	\$ 8,067,011	\$ 7,249,082
Contributions as a percentage of covered payroll	11.57%	11.75%	12.09%	12.25%

**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	23 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**

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 808,099	\$ 735,614	\$ 727,148	\$ 693,433	\$ 687,403	\$ 658,787
808,099	735,614	727,148	693,433	687,403	658,787
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 6,519,525	\$ 5,961,986	\$ 6,120,417	\$ 5,754,427	\$ 5,554,619	\$ 5,389,248
12.40%	12.34%	11.88%	12.05%	12.38%	12.22%

**CITY OF ANGLETON, TEXAS**  
**SCHEDULE OF CONTRIBUTIONS**  
**TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2023**

	Fiscal Year			
	2023	2022	2021	2020
Contractually required contribution	\$ 81,182	\$ 50,685	\$ 33,095	\$ 31,318
Contributions in relation to the contractually required	<u>81,182</u>	<u>50,685</u>	<u>33,095</u>	<u>31,318</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Number of active members*	41	26	28	26
Contributions per active member	\$ 1,958	\$ 1,949	\$ 1,182	\$ 1,205

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

**Fiscal Year**

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 24,996	\$ 22,453	\$ 24,255	\$ 18,900	\$ 20,200	\$ 20,580
<u>24,996</u>	<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>	<u>\$ -</u>
42	37	40	36	34	34
\$ 595	\$ 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

For the Year Ended September 30, 2023

	Measurement Year*			
	2022	2021	2020	2019
<b>Total OPEB Liability</b>				
Service cost	\$ 28,960	\$ 28,975	\$ 21,511	\$ 15,983
Interest (on the total OPEB liability)	9,482	9,645	10,495	10,873
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(27,817)	(12,738)	4,511	(2,124)
Change of assumptions	(179,726)	17,392	66,967	63,878
Benefit payments**	(10,221)	(10,180)	(2,967)	(2,664)
<b>Net Change in Total OPEB Liability</b>	(179,322)	33,094	100,517	85,946
Beginning total OPEB liability	505,962	472,868	372,351	286,405
<b>Ending Total OPEB Liability</b>	\$ 326,640	\$ 505,962	\$ 472,868	\$ 372,351
<b>Covered Employee Payroll</b>	\$ 8,517,573	\$ 7,831,130	\$ 7,417,525	\$ 6,659,408
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	3.83%	6.46%	6.38%	5.59%

\* Only six years of information is currently available. The City will build this schedule over the next four-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	4.05%
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, 2022.

There were no benefit changes during the year.

<b>Measurement Year*</b>	
<b>2018</b>	<b>2017</b>
\$ 16,265	\$ 14,142
10,069	9,793
-	-
(13,650)	-
(20,830)	22,154
(3,012)	(3,074)
(11,158)	44,015
297,563	253,548
\$ 286,405	\$ 297,563
\$ 6,024,244	\$ 6,148,715
4.75%	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.

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

**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.

**TIRZ #2 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.

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

**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.

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

**Law Enforcement Loan** - To account for loan proceeds related to police department hardware/software.

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

**Green Trails PID** - To account for public improvement district activities.

**Greystone PID** - To account for public improvement district activities.

**Kiber Reserve PID** - To account for public improvement district activities.

**Riverwood PID** - To account for public improvement district activities.

### **Capital Project Funds**

**Street Fund** - Capital improvements for City streets.

**C.O. Series 2018** - 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, 2023

Special Revenue Funds				
	Hotel/Motel	Child Safety	Municipal Court Technology	Municipal Court Building Security
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 145,754	\$ 11,146	\$ 12,759	\$ 39,811
Investments	-	-	-	-
Receivables, net	48,474	-	-	-
Due from other government	-	-	-	-
<b>Total Assets</b>	\$ 194,228	\$ 11,146	\$ 12,759	\$ 39,811
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,423	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	3,423	-	-	-
Fund balances:				
Restricted for:				
Economic development	190,805	-	-	-
Special projects	-	11,146	12,759	39,811
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	190,805	11,146	12,759	39,811
<b>Total Liabilities and Fund Balances</b>	\$ 194,228	\$ 11,146	\$ 12,759	\$ 39,811

**Special Revenue Funds**

<b>GLO Grant</b>	<b>TxDOT Grant</b>	<b>Keep Angleton Beautiful</b>	<b>Angleton Act Center</b>	<b>TIRZ #1</b>	<b>TIRZ #2</b>
\$ 4,165	\$ 4,799	\$ 52,562	\$ 372,521	\$ 43,343	\$ 7,171
-	-	-	-	-	-
-	-	4,085	-	-	-
2,243	-	-	-	-	-
<u>\$ 6,408</u>	<u>\$ 4,799</u>	<u>\$ 56,647</u>	<u>\$ 372,521</u>	<u>\$ 43,343</u>	<u>\$ 7,171</u>
\$ -	\$ -	\$ 813	\$ 97,826	\$ 6,530	\$ -
-	-	-	-	-	-
-	-	813	97,826	6,530	-
-	-	-	274,695	-	-
-	4,799	55,834	-	36,813	7,171
6,408	-	-	-	-	-
-	-	-	-	-	-
<u>6,408</u>	<u>4,799</u>	<u>55,834</u>	<u>274,695</u>	<u>36,813</u>	<u>7,171</u>
<u>\$ 6,408</u>	<u>\$ 4,799</u>	<u>\$ 56,647</u>	<u>\$ 372,521</u>	<u>\$ 43,343</u>	<u>\$ 7,171</u>

# CITY OF ANGLETON, TEXAS

*COMBINING BALANCE SHEET (Page 2 of 3)*

## NONMAJOR GOVERNMENTAL FUNDS

September 30, 2023

### Special Revenue Funds

	OBJ Police Grant	Police Donation	Fire Dept. ESD	A/C Donations
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 15,746	\$ 32,578	\$ 110,051	\$ 29,747
Investments	-	-	-	-
Receivables, net	-	-	-	-
Due from other government	609	-	-	-
<b>Total Assets</b>	\$ 16,355	\$ 32,578	\$ 110,051	\$ 29,747
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,725	\$ -	\$ 20,347	\$ -
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	1,725	-	20,347	-
Fund balances:				
Restricted for:				
Economic development	-	-	-	-
Special projects	14,630	32,578	89,704	29,747
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	14,630	32,578	89,704	29,747
<b>Total Liabilities and Fund Balances</b>	\$ 16,355	\$ 32,578	\$ 110,051	\$ 29,747

**Special Revenue Funds**

<u>Drug Confiscation</u>	<u>Traffic Enforcement</u>	<u>Developer Deposit</u>	<u>911 Recorder Grant</u>	<u>Law Enforcement Loan</u>	<u>Generator Grant</u>
\$ 40,684	\$ 89	\$ 809,683	\$ 2,285	\$ -	\$ 35,312
-	-	-	-	-	-
-	-	-	-	-	-
-	1,017	-	577	-	-
<u>\$ 40,684</u>	<u>\$ 1,106</u>	<u>\$ 809,683</u>	<u>\$ 2,862</u>	<u>\$ -</u>	<u>\$ 35,312</u>
\$ 6,925	\$ -	\$ 20,080	\$ 2,862	\$ -	\$ -
-	-	-	-	125,000	-
-	-	20,080	2,862	125,000	-
-	-	-	-	-	-
33,759	1,106	-	-	-	-
-	-	789,603	-	-	35,312
-	-	-	-	(125,000)	-
<u>33,759</u>	<u>1,106</u>	<u>789,603</u>	<u>-</u>	<u>(125,000)</u>	<u>35,312</u>
<u>\$ 40,684</u>	<u>\$ 1,106</u>	<u>\$ 809,683</u>	<u>\$ 2,862</u>	<u>\$ -</u>	<u>\$ 35,312</u>

# CITY OF ANGLETON, TEXAS

*COMBINING BALANCE SHEET (Page 3 of 3)*

## NONMAJOR GOVERNMENTAL FUNDS

September 30, 2023

### Special Revenue Funds

	Green Trails PID	Greystone PID	Kiber Reserve PID	Riverwood PID
<b><u>Assets</u></b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ 18,920	\$ 17,310	\$ 27,068
Investments	-	-	-	-
Receivables, net	-	-	-	-
Due from other government	-	-	-	-
<b>Total Assets</b>	\$ -	\$ 18,920	\$ 17,310	\$ 27,068
<b><u>Liabilities and Fund Balances</u></b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	-	-	-	-
Fund balances:				
Restricted for:				
Economic development	-	-	-	-
Special projects	-	-	-	-
Capital projects	-	18,920	17,310	27,068
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	-	18,920	17,310	27,068
<b>Total Liabilities and Fund Balances</b>	\$ -	\$ 18,920	\$ 17,310	\$ 27,068

**Capital Projects Funds**

<u>Street</u>	<u>C. O. Series 2018</u>	<u>C. O. Series 2020</u>	<u>Local Park Grant</u>	<u>City-Wide Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 1,794,158	\$ 1,807,347	\$ -	\$ -	\$ 431,710	\$ 5,866,719
355,523	-	-	-	-	355,523
52	-	-	-	-	52,611
-	-	-	-	-	4,446
<u>\$ 2,149,733</u>	<u>\$ 1,807,347</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 431,710</u>	<u>\$ 6,279,299</u>
\$ -	\$ 318,426	\$ -	\$ -	\$ -	\$ 478,957
-	-	-	-	-	125,000
<u>-</u>	<u>318,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>603,957</u>
-	-	-	-	-	465,500
-	-	-	-	-	369,857
2,149,733	1,488,921	-	-	431,710	4,964,985
-	-	-	-	-	(125,000)
<u>2,149,733</u>	<u>1,488,921</u>	<u>-</u>	<u>-</u>	<u>431,710</u>	<u>5,675,342</u>
<u>\$ 2,149,733</u>	<u>\$ 1,807,347</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 431,710</u>	<u>\$ 6,279,299</u>

**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, 2023**

	<u>Special Revenue Funds</u>			
	<u>Hotel/Motel</u>	<u>Child Safety</u>	<u>Municipal Court Technology</u>	<u>Municipal Court Building Security</u>
<b><u>Revenues</u></b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	226,850	-	-	-
Fines and forfeitures	-	4,512	10,508	13,407
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment revenue	5,746	252	245	1,291
Special assessments	-	-	-	-
Miscellaneous revenue	306	-	-	-
<b>Total Revenues</b>	<u>232,902</u>	<u>4,764</u>	<u>10,753</u>	<u>14,698</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General administration	-	-	-	-
Public safety	-	-	9,246	227
Economic development	339,632	-	-	-
<b>Capital outlay</b>	-	-	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and fiscal agent fees	-	-	-	-
<b>Total Expenditures</b>	<u>339,632</u>	<u>-</u>	<u>9,246</u>	<u>227</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(106,730)</u>	<u>4,764</u>	<u>1,507</u>	<u>14,471</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	-	-	-	-
Transfers (out)	(25,000)	(2,025)	-	(5,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(25,000)</u>	<u>(2,025)</u>	<u>-</u>	<u>(5,000)</u>
<b>Net Change in Fund Balances</b>	<u>(131,730)</u>	<u>2,739</u>	<u>1,507</u>	<u>9,471</u>
Beginning fund balances	322,535	8,407	11,252	30,340
<b>Ending Fund Balances</b>	<u>\$ 190,805</u>	<u>\$ 11,146</u>	<u>\$ 12,759</u>	<u>\$ 39,811</u>

**Special Revenue Funds**

<b>GLO Grant</b>	<b>TxDOT Grant</b>	<b>Keep Angleton Beautiful</b>	<b>Angleton Act Center</b>	<b>TIRZ #1</b>	<b>TIRZ #2</b>
\$ -	\$ -	\$ -	\$ -	\$ 35,180	\$ 12,171
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	516,943	-	-
-	-	1,358	4,634	224	-
-	-	-	-	-	-
-	-	51,475	-	-	-
-	-	52,833	521,577	35,404	12,171
-	-	-	808,236	-	5,000
-	-	-	-	-	-
-	-	64,577	-	-	-
-	-	-	40,153	-	-
-	-	-	3,967	-	-
-	-	-	128	-	-
-	-	64,577	852,484	-	5,000
-	-	(11,744)	(330,907)	35,404	7,171
-	-	25,200	461,723	-	-
-	-	-	-	-	-
-	-	25,200	461,723	-	-
-	-	13,456	130,816	35,404	7,171
6,408	4,799	42,378	143,879	1,409	-
<u>\$ 6,408</u>	<u>\$ 4,799</u>	<u>\$ 55,834</u>	<u>\$ 274,695</u>	<u>\$ 36,813</u>	<u>\$ 7,171</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, 2023**

**Special Revenue Funds**

	<b>OBJ Police Grant</b>	<b>Police Donation</b>	<b>Fire Dept. ESD</b>	<b>A/C Donations</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	325,980	-
Charges for services	-	-	-	-
Investment revenue	-	736	-	72
Special assessments	-	-	-	-
Miscellaneous revenue	-	32,878	283	18,483
<b>Total Revenues</b>	<b>-</b>	<b>33,614</b>	<b>326,263</b>	<b>18,555</b>
<b>Expenditures</b>				
<b>Current:</b>				
General administration	-	-	-	20,016
Public safety	80,370	15,268	236,605	-
Economic development	-	-	-	-
<b>Capital outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and fiscal agent fees	-	-	-	-
<b>Total Expenditures</b>	<b>80,370</b>	<b>15,268</b>	<b>236,605</b>	<b>20,016</b>
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	<b>(80,370)</b>	<b>18,346</b>	<b>89,658</b>	<b>(1,461)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	95,000	-	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>95,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>14,630</b>	<b>18,346</b>	<b>89,658</b>	<b>(1,461)</b>
Beginning fund balances	-	14,232	46	31,208
<b>Ending Fund Balances</b>	<b>\$ 14,630</b>	<b>\$ 32,578</b>	<b>\$ 89,704</b>	<b>\$ 29,747</b>

**Special Revenue Funds**

<b>Drug Confiscation</b>	<b>Traffic Enforcement</b>	<b>Developer Deposit</b>	<b>911 Recorder Grant</b>	<b>Law Enforcement Loan</b>	<b>Generator Grant</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
48	-	-	-	-	-
-	9,795	-	46,396	-	5,885
-	-	-	-	-	-
454	1,106	-	-	-	-
-	-	-	-	-	-
29,295	-	123,505	-	-	-
<u>29,797</u>	<u>10,901</u>	<u>123,505</u>	<u>46,396</u>	<u>-</u>	<u>5,885</u>
-	-	124,523	46,396	-	-
32,458	9,795	-	-	125,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>32,458</u>	<u>9,795</u>	<u>124,523</u>	<u>46,396</u>	<u>125,000</u>	<u>-</u>
(2,661)	1,106	(1,018)	-	(125,000)	5,885
-	-	-	-	-	-
-	-	(548,306)	-	-	-
-	-	(548,306)	-	-	-
(2,661)	1,106	(549,324)	-	(125,000)	5,885
36,420	-	1,338,927	-	-	29,427
<u>\$ 33,759</u>	<u>\$ 1,106</u>	<u>\$ 789,603</u>	<u>\$ -</u>	<u>\$ (125,000)</u>	<u>\$ 35,312</u>

**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, 2023**

Special Revenue Funds				
	Green Trails PID	Greystone PID	Kiber Reserve PID	Riverwood PID
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment revenue	-	179	148	394
Special assessments	3,630	114,579	120,600	328,874
Miscellaneous revenue	-	-	-	-
<b>Total Revenues</b>	3,630	114,758	120,748	329,268
<b>Expenditures</b>				
<b>Current:</b>				
General administration	3,630	95,838	103,438	302,200
Public safety	-	-	-	-
Economic development	-	-	-	-
<b>Capital outlay</b>	-	-	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and fiscal agent fees	-	-	-	-
<b>Total Expenditures</b>	3,630	95,838	103,438	302,200
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	-	18,920	17,310	27,068
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-
<b>Net Change in Fund Balances</b>	-	18,920	17,310	27,068
Beginning fund balances	-	-	-	-
<b>Ending Fund Balances</b>	\$ -	\$ 18,920	\$ 17,310	\$ 27,068

**Capital Projects Funds**

<u>Street</u>	<u>C. O. Series 2018</u>	<u>C. O. Series 2020</u>	<u>Local Park Grant</u>	<u>City-Wide Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,351
-	-	-	-	-	226,850
-	-	-	-	-	28,475
-	-	-	-	-	388,056
-	-	-	-	-	516,943
56,369	202,848	73,617	-	11,700	361,373
-	-	-	-	-	567,683
-	-	-	-	-	256,225
<u>56,369</u>	<u>202,848</u>	<u>73,617</u>	<u>-</u>	<u>11,700</u>	<u>2,392,956</u>
-	-	-	-	-	1,509,277
-	-	-	-	-	508,969
-	-	-	-	-	404,209
98,019	2,252,653	747,140	43,031	-	3,180,996
-	-	-	-	-	3,967
-	-	-	-	-	128
<u>98,019</u>	<u>2,252,653</u>	<u>747,140</u>	<u>43,031</u>	<u>-</u>	<u>5,607,546</u>
<u>(41,650)</u>	<u>(2,049,805)</u>	<u>(673,523)</u>	<u>(43,031)</u>	<u>11,700</u>	<u>(3,214,590)</u>
-	-	299,910	-	10,200	892,033
-	-	-	(90,307)	-	(670,638)
-	-	<u>299,910</u>	<u>(90,307)</u>	<u>10,200</u>	<u>221,395</u>
(41,650)	(2,049,805)	(373,613)	(133,338)	21,900	(2,993,195)
2,191,383	3,538,726	373,613	133,338	409,810	8,668,537
<u>\$ 2,149,733</u>	<u>\$ 1,488,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 431,710</u>	<u>\$ 5,675,342</u>

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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, 2023

	Hotel / Motel			Variance with Final Budget Positive (Negative)
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	
<b>Revenues</b>				
Franchise fees and local taxes	\$ 273,380	\$ 229,389	\$ 226,850	\$ (2,539)
Investment revenue	950	2,174	5,746	3,572
Miscellaneous revenue	-	306	306	-
<b>Total Revenues</b>	<u>274,330</u>	<u>231,869</u>	<u>232,902</u>	<u>1,033</u>
<b>Expenditures</b>				
<b>Current:</b>				
Economic development	342,801	328,841	339,632	(10,791) *
<b>Total Expenditures</b>	<u>342,801</u>	<u>328,841</u>	<u>339,632</u>	<u>(10,791)</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(68,471)</u>	<u>(96,972)</u>	<u>(106,730)</u>	<u>(9,758)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	88,471	-	-	-
Transfers (out)	(25,000)	(25,000)	(25,000)	-
<b>Total Other Financing (Uses)</b>	<u>63,471</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (5,000)</u>	<u>\$ (121,972)</u>	<u>(131,730)</u>	<u>\$ (9,758)</u>
Beginning fund balance			<u>322,535</u>	
<b>Ending Fund Balance</b>			<u>\$ 190,805</u>	

	Child Safety			Variance with Final Budget Positive (Negative)
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	
<b>Revenues</b>				
Fines and forfeitures	\$ 2,025	\$ 4,612	\$ 4,512	\$ (100)
Investment revenue	-	86	252	166
<b>Total Revenues</b>	<u>2,025</u>	<u>4,698</u>	<u>4,764</u>	<u>66</u>
<b>Excess of Revenues Over Expenditures</b>	<u>2,025</u>	<u>4,698</u>	<u>4,764</u>	<u>66</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(2,025)	(2,025)	(2,025)	-
<b>Total Other Financing (Uses)</b>	<u>(2,025)</u>	<u>(2,025)</u>	<u>(2,025)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 2,673</u>	<u>2,739</u>	<u>\$ 66</u>
Beginning fund balance			<u>8,407</u>	
<b>Ending Fund Balance</b>			<u>\$ 11,146</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, 2023

Municipal Court Technology				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Fines and forfeitures	\$ 10,000	\$ 1,530	\$ 10,508	\$ 8,978
Investment revenue	-	114	245	131
<b>Total Revenues</b>	10,000	1,644	10,753	9,109
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	-	9,246	9,246	-
<b>Total Expenditures</b>	-	9,246	9,246	-
<b>Excess (Deficiency) of Revenues Over (Under) expenditures</b>	10,000	(7,602)	1,507	9,109
<b>Other Financing Sources</b>				
Transfers (out)	(10,000)	-	-	-
<b>Total Other Financing Sources</b>	(10,000)	-	-	-
<b>Net Change in Fund Balance</b>	\$ -	\$ (7,602)	1,507	\$ 9,109
Beginning fund balance			11,252	
<b>Ending Fund Balance</b>			\$ 12,759	

Municipal Court Building Security				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Fines and forfeitures	\$ 5,460	\$ 13,388	\$ 13,407	\$ 19
Investment revenue	40	309	1,291	982
<b>Total Revenues</b>	5,500	13,697	14,698	1,001
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	500	227	227	-
<b>Total Expenditures</b>	500	227	227	-
<b>Excess of Revenues Over Expenditures</b>	5,000	13,470	14,471	1,001
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(5,000)	(5,000)	(5,000)	-
<b>Total Other Financing (Uses)</b>	(5,000)	(5,000)	(5,000)	-
<b>Net Change in Fund Balance</b>	\$ -	\$ 8,470	9,471	\$ 1,001
Beginning fund balance			30,340	
<b>Ending Fund Balance</b>			\$ 39,811	

**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, 2023

Keep Angleton Beautiful				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Investment revenue	\$ 100	\$ 452	\$ 1,358	\$ 906
Miscellaneous revenue	36,950	51,781	51,475	(306)
<b>Total Revenues</b>	37,050	52,233	52,833	600
<b>Expenditures</b>				
<b>Current:</b>				
Economic development	77,250	69,507	64,577	4,930
<b>Total Expenditures</b>	77,250	69,507	64,577	4,930
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(40,200)	(17,274)	(11,744)	5,530
<b>Other Financing Sources (Uses)</b>				
Transfers in	40,200	25,200	25,200	-
<b>Total Other Financing Sources</b>	40,200	25,200	25,200	-
<b>Net Change in Fund Balance</b>	\$ -	\$ 7,926	13,456	\$ 5,530
Beginning fund balance			42,378	
<b>Ending Fund Balance</b>			\$ 55,834	

Angleton Act Center				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 386,046	\$ 519,014	\$ 516,943	\$ (2,071)
Investment revenue	415	1,425	4,634	3,209
<b>Total Revenues</b>	386,461	520,439	521,577	1,138
<b>Expenditures</b>				
<b>Current:</b>				
General administration	821,184	810,353	808,236	2,117
<b>Capital outlay</b>	27,000	40,153	40,153	-
<b>Debt service:</b>				
Principal	-	3,967	3,967	-
Interest and fiscal agent fees	-	128	128	-
<b>Total Expenditures</b>	848,184	854,601	852,484	2,117
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(461,723)	(334,162)	(330,907)	3,255
<b>Other Financing Sources (Uses)</b>				
Transfers in	461,723	461,723	461,723	-
<b>Total Other Financing Sources</b>	461,723	461,723	461,723	-
<b>Net Change in Fund Balance</b>	\$ -	\$ 127,561	130,816	\$ 3,255
Beginning fund balance			143,879	
<b>Ending Fund Balance</b>			\$ 274,695	

**Notes to Supplementary Information:**

- 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, 2023

TIRZ #1				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property tax	\$ 20,440	\$ -	\$ 35,180	\$ 35,180
Investment revenue	25	78	224	146
<b>Total Revenues</b>	20,465	78	35,404	35,326
<b>Expenditures</b>				
<b>Current:</b>				
General administration	20,440	-	-	-
<b>Total Expenditures</b>	20,440	-	-	-
<b>Excess of Revenues Over Expenditures</b>	25	78	35,404	35,326
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(25)	-	-	-
<b>Total Other Financing (Uses)</b>	(25)	-	-	-
<b>Net Change in Fund Balance</b>	\$ -	\$ 78	35,404	\$ 35,326
Beginning fund balance			1,409	
<b>Ending Fund Balance</b>			\$ 36,813	

OBJ Police Grant				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 58,518	\$ -	\$ -	\$ -
<b>Total Revenues</b>	58,518	-	-	-
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	79,000	80,114	80,370	(256) *
<b>Total Expenditures</b>	79,000	80,114	80,370	(256)
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(20,482)	(80,114)	(80,370)	(256)
<b>Other Financing Sources (Uses)</b>				
Transfers in	20,482	-	95,000	95,000
<b>Total Other Financing Sources</b>	20,482	-	95,000	95,000
<b>Net Change in Fund Balance</b>	\$ -	\$ (80,114)	14,630	\$ 94,744
Beginning fund balance			-	
<b>Ending Fund Balance</b>			\$ 14,630	

**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, 2023

Police Donation				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Investment revenue	\$ 25	\$ 249	\$ 736	\$ 487
Miscellaneous revenue	5,000	35,332	32,878	(2,454)
<b>Total Revenues</b>	5,025	35,581	33,614	(1,967)
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	16,300	15,268	15,268	-
<b>Total Expenditures</b>	16,300	15,268	15,268	-
<b>Excess (Deficiency) of Revenues Over (Under) expenditures</b>	(11,275)	20,313	18,346	(1,967)
<b>Other Financing Sources (Uses)</b>				
Transfers in	11,275	-	-	-
<b>Total Other Financing Sources</b>	11,275	-	-	-
<b>Net Change in Fund Balance</b>	\$ -	\$ 20,313	18,346	\$ (1,967)
Beginning fund balance			14,232	
<b>Ending Fund Balance</b>			\$ 32,578	

Fire Department ESD				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 326,198	\$ 314,308	\$ 325,980	\$ 11,672
Other revenue	277	-	283	283
<b>Total Revenues</b>	326,475	314,308	326,263	11,955
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	253,198	236,605	236,605	-
<b>Total Expenditures</b>	253,198	236,605	236,605	-
<b>Excess of Revenues Over Expenditures</b>	73,277	77,703	89,658	11,955
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(73,277)	-	-	-
<b>Total Other Financing (Uses)</b>	(73,277)	-	-	-
<b>Net Change in Fund Balance</b>	\$ -	\$ 77,703	89,658	\$ 11,955
Beginning fund balance			46	
<b>Ending Fund Balance</b>			\$ 89,704	

**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, 2023

	A/C Donations			
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Investment revenue	\$ 7,000	\$ 323	\$ 72	\$ (251)
Miscellaneous revenue	5,000	-	18,483	18,483
<b>Total Revenues</b>	<b>12,000</b>	<b>323</b>	<b>18,555</b>	<b>18,232</b>
<b>Expenditures</b>				
<b>Current:</b>				
General administration	12,000	-	20,016	(20,016) *
<b>Total Expenditures</b>	<b>12,000</b>	<b>-</b>	<b>20,016</b>	<b>(20,016)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ 323</b>	<b>(1,461)</b>	<b>\$ (1,784)</b>
Beginning fund balance			31,208	
<b>Ending Fund Balance</b>			<b>\$ 29,747</b>	

	Drug Confiscation			
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Fines and forfeitures	\$ -	\$ 48	\$ 48	\$ -
Investment revenue	50	236	454	218
Miscellaneous revenue	-	29,295	29,295	-
<b>Total Revenues</b>	<b>50</b>	<b>29,579</b>	<b>29,797</b>	<b>218</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	1,000	24,386	32,458	(8,072) *
<b>Total Expenditures</b>	<b>1,000</b>	<b>24,386</b>	<b>32,458</b>	<b>(8,072)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(950)</b>	<b>5,193</b>	<b>(2,661)</b>	<b>(7,854)</b>
<b>Other Financing Sources (Uses)</b>				
Transfer (out)	950	-	-	-
<b>Total Other Financing Sources</b>	<b>950</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ 5,193</b>	<b>(2,661)</b>	<b>\$ (7,854)</b>
Beginning fund balance			36,420	
<b>Ending Fund Balance</b>			<b>\$ 33,759</b>	

**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, 2023

	Traffic Enforcement			Variance with Final Budget Positive (Negative)
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	
<b>Revenues</b>				
Intergovernmental	\$ 12,000	\$ 7,777	\$ 9,795	\$ 2,018
Investment revenue	-	1,106	1,106	-
<b>Total Revenues</b>	<u>12,000</u>	<u>8,883</u>	<u>10,901</u>	<u>2,018</u>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	15,028	9,795	9,795	-
<b>Total Expenditures</b>	<u>15,028</u>	<u>9,795</u>	<u>9,795</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,028)</u>	<u>(912)</u>	<u>1,106</u>	<u>2,018</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	3,028	-	-	-
<b>Total Other Financing Sources</b>	<u>3,028</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (912)</u>	<u>1,106</u>	<u>\$ 2,018</u>
Beginning fund balance			-	
<b>Ending Fund Balance</b>			<u>\$ 1,106</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, 2023

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Property taxes	\$ 1,515,694	\$ 1,451,118	\$ 1,456,521	\$ 5,403
Investment revenue	1,000	3,377	15,243	11,866
<b>Total Revenues</b>	<u>1,516,694</u>	<u>1,454,495</u>	<u>1,471,764</u>	<u>17,269</u>
<b><u>Expenditures</u></b>				
<b>Debt service:</b>				
Principal	3,775,905	1,945,765	935,246	1,010,519
Interest and fiscal agent fees	1,429,182	2,866,836	887,630	1,979,206
<b>Total Expenditures</b>	<u>5,205,087</u>	<u>4,812,601</u>	<u>1,822,876</u>	<u>2,989,725</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(3,688,393)</u>	<u>(3,358,106)</u>	<u>(351,112)</u>	<u>3,006,994</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	536,583	373,422	373,422	-
<b>Total Other Financing Sources</b>	<u>536,583</u>	<u>373,422</u>	<u>373,422</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (3,151,810)</u>	<u>\$ (2,984,684)</u>	22,310	<u>\$ 3,006,994</u>
Beginning fund balance			<u>430,160</u>	
<b>Ending Fund Balance</b>			<u>\$ 452,470</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, 2023

	<u>General</u>	<u>Community Events</u>	<u>Capital Lease Purchase</u>	<u>Downtown Revitalization</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 1,807,703	\$ 26,937	\$ 64,081	\$ 9,673
Investments	355,523	-	-	-
Receivables, net	1,382,285	-	-	-
Inventory	16,541	-	-	-
Prepays	119,428	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Due from other governments	3,850	-	-	-
Due from other funds	956,466	-	-	-
<b>Total Assets</b>	<b><u>\$ 4,641,796</u></b>	<b><u>\$ 26,937</u></b>	<b><u>\$ 64,081</u></b>	<b><u>\$ 9,673</u></b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 1,191,933	\$ 1,197	\$ -	\$ -
Unearned revenue	230,587	-	-	-
<b>Total Liabilities</b>	<b><u>1,422,520</u></b>	<b><u>1,197</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	134,345	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>134,345</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><u>Fund Balances</u></b>				
Nonspendable:				
Inventory and prepaids	135,969	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Unassigned	2,948,962	25,740	64,081	9,673
<b>Total Fund Balances</b>	<b><u>3,084,931</u></b>	<b><u>25,740</u></b>	<b><u>64,081</u></b>	<b><u>9,673</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 4,641,796</u></b>	<b><u>\$ 26,937</u></b>	<b><u>\$ 64,081</u></b>	<b><u>\$ 9,673</u></b>

<u>Citywide Repairs</u>	<u>2019 C.O. Bonds</u>	<u>City Employee</u>	<u>Total General Fund</u>
\$ 905	\$ -	\$ 6,767	\$ 1,916,066
-	-	-	355,523
-	-	-	1,382,285
-	-	-	16,541
-	-	-	119,428
-	69,509	-	69,509
-	-	-	3,850
-	-	-	956,466
<u>\$ 905</u>	<u>\$ 69,509</u>	<u>\$ 6,767</u>	<u>\$ 4,819,668</u>
\$ -	\$ -	\$ -	\$ 1,193,130
-	-	-	230,587
-	-	-	1,423,717
-	-	-	134,345
-	-	-	134,345
-	-	-	135,969
-	69,509	-	69,509
905	-	6,767	3,056,128
905	69,509	6,767	3,261,606
<u>\$ 905</u>	<u>\$ 69,509</u>	<u>\$ 6,767</u>	<u>\$ 4,819,668</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, 2023**

	<u>General</u>	<u>Community Events</u>	<u>Capital Lease Purchase</u>	<u>Downtown Revitalization</u>
<b>Revenues</b>				
Property taxes	\$ 7,354,972	\$ -	\$ -	\$ -
Franchise fees and local taxes	691,389	-	-	-
Sales taxes	3,970,080	-	-	-
Industrial district agreement	98,918	-	-	-
Permits, licenses, and fees	619,878	-	-	-
Fines and forfeitures	577,586	-	-	-
Charges for services	2,378,562	-	-	-
Intergovernmental	108,866	-	-	-
Investment revenue	116,484	1,413	-	148
Miscellaneous revenue	200,630	229,391	-	3,142
<b>Total Revenues</b>	<u>16,117,365</u>	<u>230,804</u>	<u>-</u>	<u>3,290</u>
<b>Expenditures</b>				
<b>Current:</b>				
General administration	4,307,905	-	-	-
Financial administration	620,283	-	-	-
Public safety	8,662,335	-	-	-
Community services	3,525,522	-	-	-
Economic development	123,981	104,310	-	-
<b>Capital outlay</b>	614,867	-	-	-
<b>Debt service:</b>				
Principal	277,996	-	-	-
Interest and fiscal agent fees	18,946	-	-	-
<b>Total Expenditures</b>	<u>18,151,835</u>	<u>104,310</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,034,470)</u>	<u>126,494</u>	<u>-</u>	<u>3,290</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,283,367	-	-	-
Transfers (out)	(340,802)	-	-	-
Sale of capital assets	122,038	-	-	-
Lease proceeds	614,867	-	-	-
<b>Total Other Financing Sources</b>	<u>1,679,470</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(355,000)	126,494	-	3,290
Beginning fund balances	3,439,931	(100,754)	64,081	6,383
<b>Ending Fund Balances</b>	<u>\$ 3,084,931</u>	<u>\$ 25,740</u>	<u>\$ 64,081</u>	<u>\$ 9,673</u>

<u>Citywide Repairs</u>	<u>2019 C.O. Bonds</u>	<u>City Employee</u>	<u>Total General Fund</u>
\$ -	\$ -	\$ -	\$ 7,354,972
-	-	-	691,389
-	-	-	3,970,080
-	-	-	98,918
-	-	-	619,878
-	-	-	577,586
-	-	-	2,378,562
-	-	-	108,866
28	-	186	118,259
-	-	-	433,163
<u>28</u>	<u>-</u>	<u>186</u>	<u>16,351,673</u>
-	-	-	4,307,905
-	-	-	620,283
-	-	-	8,662,335
-	-	-	3,525,522
-	-	-	228,291
-	-	-	614,867
-	-	-	277,996
-	-	-	18,946
<u>-</u>	<u>-</u>	<u>-</u>	<u>18,256,145</u>
<u>28</u>	<u>-</u>	<u>186</u>	<u>(1,904,472)</u>
-	-	-	1,283,367
-	-	-	(340,802)
-	-	-	122,038
-	-	-	614,867
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,679,470</u>
28	-	186	(225,002)
877	69,509	6,581	3,486,608
<u>\$ 905</u>	<u>\$ 69,509</u>	<u>\$ 6,767</u>	<u>\$ 3,261,606</u>

**CITY OF ANGLETON, TEXAS**  
**CONSOLIDATED STATEMENT OF NET POSITION**  
**UTILITY FUND - SUB-FUNDS**  
September 30, 2023

	<u>Water</u>	<u>Impact Fees</u>	<u>Capital Lease Purchase</u>	<u>Infrastructure</u>
<b><u>Assets</u></b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ 4,539	\$ 22,616	\$ -
Investments	355,258	-	-	-
Receivables, net	1,706,427	-	-	-
Inventory	380,922	-	-	-
Prepays	28,195	-	-	-
Restricted cash and cash equivalents	397,828	-	-	942,520
<b>Total Current Assets</b>	<u>2,868,630</u>	<u>4,539</u>	<u>22,616</u>	<u>942,520</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	378,393	-	-	150,584
Depreciable, net	23,920,358	-	-	-
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<u>24,298,751</u>	<u>-</u>	<u>-</u>	<u>150,584</u>
<b>Total Noncurrent Assets</b>	<u>24,298,751</u>	<u>-</u>	<u>-</u>	<u>150,584</u>
<b>Total Assets</b>	<u>27,167,381</u>	<u>4,539</u>	<u>22,616</u>	<u>1,093,104</u>
<b><u>Deferred Outflows of Resources</u></b>				
Deferred outflows - pensions	516,074	-	-	-
Deferred outflows - OPEB	10,739	-	-	-
Deferred charge on refunding	16,149	-	-	-
<b>Total Deferred Outflows of Resources</b>	<u>542,962</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Liabilities</u></b>				
Current liabilities:				
Accounts payable and accrued liabilities	801,484	-	-	261,066
Customer deposits	397,828	-	-	-
Accrued interest payable	54,914	-	-	-
Due to other funds	831,466	-	-	-
<b>Total Current Liabilities</b>	<u>2,085,692</u>	<u>-</u>	<u>-</u>	<u>261,066</u>
Noncurrent liabilities:				
Long-term debt due within one year	1,273,193	-	-	-
Long-term debt due in more than one year	15,027,154	-	-	-
<b>Total Noncurrent Liabilities</b>	<u>16,300,347</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>18,386,039</u>	<u>-</u>	<u>-</u>	<u>261,066</u>
<b><u>Deferred Inflows of Resources:</u></b>				
Deferred inflows - pensions	24,459	-	-	-
Deferred inflows - OPEB	28,162	-	-	-
<b>Total Deferred inflows of Resources</b>	<u>52,621</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Net Position</u></b>				
Net investment in capital assets	9,002,828	-	-	150,584
Restricted for capital projects	-	4,539	-	681,454
Unrestricted	268,855	-	22,616	-
<b>Total Net Position</b>	<u>\$ 9,271,683</u>	<u>\$ 4,539</u>	<u>\$ 22,616</u>	<u>\$ 832,038</u>

<b>2013 C.O. Bonds</b>	<b>2019 C.O. Bonds</b>	<b>2021 C.O. Bonds</b>	<b>Total Utility Fund</b>
\$ -	\$ -	\$ -	\$ 27,155
-	-	-	355,258
-	-	-	1,706,427
-	-	-	380,922
-	-	-	28,195
36,854	191,837	138,240	1,707,279
<u>36,854</u>	<u>191,837</u>	<u>138,240</u>	<u>4,205,236</u>
71,618	2,433,577	2,644,554	5,678,726
-	-	-	23,920,358
<u>71,618</u>	<u>2,433,577</u>	<u>2,644,554</u>	<u>29,599,084</u>
<u>71,618</u>	<u>2,433,577</u>	<u>2,644,554</u>	<u>29,599,084</u>
<u>108,472</u>	<u>2,625,414</u>	<u>2,782,794</u>	<u>33,804,320</u>
-	-	-	516,074
-	-	-	10,739
-	-	-	16,149
-	-	-	542,962
-	54,906	138,240	1,255,696
-	-	-	397,828
-	-	-	54,914
-	-	-	831,466
-	54,906	138,240	2,539,904
-	-	-	1,273,193
-	-	-	15,027,154
-	-	-	16,300,347
-	54,906	138,240	18,840,251
-	-	-	24,459
-	-	-	28,162
-	-	-	52,621
108,472	2,570,508	2,644,554	14,476,946
-	-	-	685,993
-	-	-	291,471
<u>\$ 108,472</u>	<u>\$ 2,570,508</u>	<u>\$ 2,644,554</u>	<u>\$ 15,454,410</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, 2023**

	<u>Water</u>	<u>Impact Fees</u>	<u>Capital Lease Purchase</u>	<u>Infrastructure</u>
<b><u>Operating Revenues</u></b>				
Water sales	\$ 6,656,541	\$ -	\$ -	\$ 172,136
Sanitary sewer services	3,238,361	-	-	163,532
Other service fees	455,844	4,537	-	-
<b>Total Operating Revenues</b>	<u>10,350,746</u>	<u>4,537</u>	<u>-</u>	<u>335,668</u>
<b><u>Operating Expenses</u></b>				
Water distribution	974,714	-	-	-
Water plant operations	1,128,194	-	-	10,193
Water purchases	3,175,043	-	-	-
Sewer	627,282	-	-	-
Collection administration	2,620,680	-	-	-
Depreciation	1,217,431	-	-	-
<b>Total Operating Expenses</b>	<u>9,743,344</u>	<u>-</u>	<u>-</u>	<u>10,193</u>
<b>Operating Income (Loss)</b>	<u>607,402</u>	<u>4,537</u>	<u>-</u>	<u>325,475</u>
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Investment revenue	12,162	2	-	-
Interest expense	(403,492)	-	-	-
Intergovernmental revenue	-	-	-	938,000
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(391,330)</u>	<u>2</u>	<u>-</u>	<u>938,000</u>
<b>Income (Loss) Before Transfers and Capital Contributions</b>	<u>216,072</u>	<u>4,539</u>	<u>-</u>	<u>1,263,475</u>
<b><u>Transfers and Capital Contributions</u></b>				
Transfers in*	(4,961,728)	-	-	-
Transfers (out)*	940,253	-	-	(1,453,469)
Capital contribution	723,011	-	-	-
<b>Total Transfers</b>	<u>(3,298,464)</u>	<u>-</u>	<u>-</u>	<u>(1,453,469)</u>
<b>Change in Net Position</b>	<u>(3,082,392)</u>	<u>4,539</u>	<u>-</u>	<u>(189,994)</u>
Beginning net position	12,354,075	-	22,616	1,022,032
<b>Ending Net Position</b>	<u>\$ 9,271,683</u>	<u>\$ 4,539</u>	<u>\$ 22,616</u>	<u>\$ 832,038</u>

\* Includes transfers of depreciable capital assets between utility sub-funds which net and are eliminated for the presentation of the aggregate utility fund activities.

<u>2013</u> <u>C.O. Bonds</u>	<u>2019</u> <u>C.O. Bonds</u>	<u>2021</u> <u>C.O. Bonds</u>	<u>Total</u> <u>Utility</u> <u>Fund</u>
\$ -	\$ -	\$ -	\$ 6,828,677
-	-	-	3,401,893
-	-	-	460,381
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,690,951</u>
-	-	-	974,714
-	(119,148)	-	1,019,239
-	-	-	3,175,043
1,697	-	-	628,979
-	-	-	2,620,680
-	-	-	1,217,431
<u>1,697</u>	<u>(119,148)</u>	<u>-</u>	<u>9,636,086</u>
<u>(1,697)</u>	<u>119,148</u>	<u>-</u>	<u>1,054,865</u>
1,986	25,087	96,344	135,581
-	-	-	(403,492)
-	-	-	938,000
<u>1,986</u>	<u>25,087</u>	<u>96,344</u>	<u>670,089</u>
<u>289</u>	<u>144,235</u>	<u>96,344</u>	<u>1,724,954</u>
-	2,801,056	2,676,507	515,835
(440,129)	-	-	(953,345)
-	-	-	723,011
<u>(440,129)</u>	<u>2,801,056</u>	<u>2,676,507</u>	<u>285,501</u>
(439,840)	2,945,291	2,772,851	2,010,455
548,312	(374,783)	(128,297)	13,443,955
<u>\$ 108,472</u>	<u>\$ 2,570,508</u>	<u>\$ 2,644,554</u>	<u>\$ 15,454,410</u>

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