

CITY OF ANGLETON, TEXAS
ANNUAL FINANCIAL REPORT
For the year ended September 30, 2024

CITY OF ANGLETON, TEXAS
 ANNUAL FINANCIAL REPORT
 For the year ended September 30, 2024

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INTRODUCTORY SECTION

CITY OF ANGLETON, TEXAS
PRINCIPAL OFFICIALS
September 30, 2024

GOVERNING BODY

Honorable John Wright, Mayor

Travis Townsend, Mayor Pro-Tem

Christiene Daniel, Council Member

Barbara Simmons, Council Member

Blaine Smith, Council Member

Tanner Sartin, Council Member

OTHER PRINCIPAL OFFICIALS

Lupe Valdez, City Manager and Chief of Police

Susie Hernandez, 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

Chris Dahlstrom, Assistant Police Chief

Hector Renteria, Public Works Director

Otis Spriggs, Development Services Director

Neal Morton, Volunteer Fire Department Fire Chief

Jason Crews, IT Director

Jason O'Mara, Parks and Recreation Director

FINANCIAL SECTION

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 (the "City"), as of and for the year ended September 30, 2024, 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, 2024, 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). 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.

(Continued)

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 auditor's 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 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, 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 judgment, 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, schedules of changes in net pension and total other postemployment benefit liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on pages 5 through 12 and 63 to 71 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.

(Continued)

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 combining statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part 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 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 and consolidated sub-fund statements but does not include the basic financial statements and our auditor's 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.



Crowe LLP

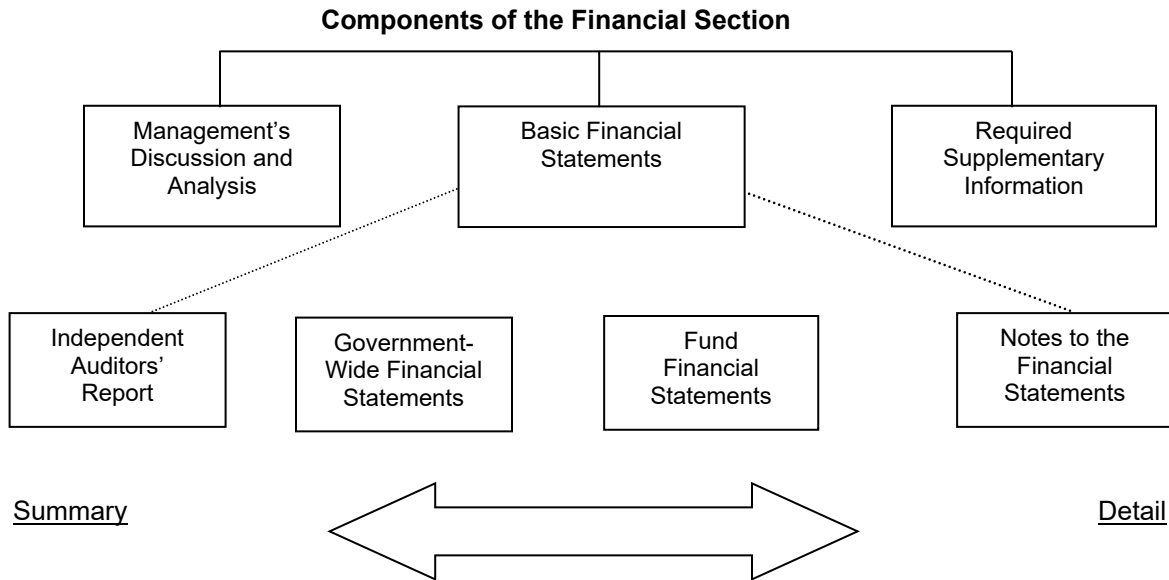
Houston, Texas
August 26, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF ANGLETON, TEXAS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the year ended September 30, 2024

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, 2024. 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 the 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 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 to assess the overall health of the City.

(Continued)

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

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 – 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 inflows and outflows 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 funds balance sheet and the governmental funds 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 32 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, the Angleton Better Living fund, and C.O. Series 2022. These funds are considered to be major funds for reporting purposes.

(Continued)

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The City adopts an annual appropriated budget for its general fund, debt service fund, and select special revenue funds as referenced in the table of contents. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Fund

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water distribution and wastewater collection/treatment services. The 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 its 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. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$41,617,436 as of September 30, 2024. 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.

(Continued)

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
ASSETS						
Current and other assets	\$ 23,754,386	\$ 20,624,901	\$ 2,519,537	\$ 3,373,770	\$ 26,273,923	\$ 23,998,671
Capital assets, net	33,097,169	33,798,363	28,763,737	29,599,084	61,860,906	63,397,447
Total assets	<u>56,851,555</u>	<u>54,423,264</u>	<u>31,283,274</u>	<u>32,972,854</u>	<u>88,134,829</u>	<u>87,396,118</u>
DEFERRED OUTFLOWS ON RESOURCES						
Deferred outflows - pensions	1,959,215	2,970,814	309,813	516,074	2,269,028	3,486,888
Deferred outflows - OPEB	45,572	57,114	8,404	10,739	53,976	67,853
Deferred charge on refunding	2,114	10,584	12,115	16,149	14,229	26,733
Total deferred outflows of resources	<u>2,006,901</u>	<u>3,038,512</u>	<u>330,332</u>	<u>542,962</u>	<u>2,337,233</u>	<u>3,581,474</u>
LIABILITIES						
Long-term liabilities	30,266,352	28,646,071	14,785,665	16,300,347	45,052,017	44,946,418
Other liabilities	1,882,411	2,833,157	1,303,258	1,708,438	3,185,669	4,541,595
Total liabilities	<u>32,148,763</u>	<u>31,479,228</u>	<u>16,088,923</u>	<u>18,008,785</u>	<u>48,237,686</u>	<u>49,488,013</u>
DEFERRED INFLOWS ON RESOURCES						
Deferred inflows - pensions	385,001	55,802	91,198	24,459	476,199	80,261
Deferred inflows - OPEB	119,029	150,913	21,712	28,162	140,741	179,075
Total deferred inflows of resources	<u>504,030</u>	<u>206,715</u>	<u>112,910</u>	<u>52,621</u>	<u>616,940</u>	<u>259,336</u>
NET POSITION						
Net investment in capital assets	19,676,857	19,862,758	14,677,606	14,476,946	34,354,463	34,339,704
Restricted	6,056,119	5,396,291	330,018	685,993	6,386,137	6,082,284
Unrestricted	472,687	516,784	404,149	291,471	876,836	808,255
Total net position	<u>\$ 26,205,663</u>	<u>\$ 25,775,833</u>	<u>\$ 15,411,773</u>	<u>\$ 15,454,410</u>	<u>\$ 41,617,436</u>	<u>\$ 41,230,243</u>

A portion of the primary government's net position, \$6,386,137, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$876,836, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$387,193 which was primarily due to a surplus for governmental activities. Total assets are \$88,134,829, a net increase of \$738,711 compared to prior year. The total asset increase compared to the prior year includes an increase in current assets primarily from an increase in cash and cash equivalents related to unspent debt proceeds from debt issuance during the current fiscal year and a decrease in capital assets from current year depreciation of capital assets. Total liabilities are \$48,237,686, a net decrease of \$1,250,327 compared to prior year. The decrease is mostly due to a decrease in other liabilities from a decrease in unearned revenue and payables for construction costs. Total deferred outflows of resources are \$2,337,233, a net decrease of \$1,244,241 compared to the prior year which was primarily the net result of a decrease in deferred outflows for the pension plan with the Texas Municipal Retirement System ("TMRS"). Total deferred inflows of resources are \$616,940, a net increase of \$357,604 compared to the prior year which was primarily the net result of an increase in deferred inflows for the pension plan with TMRS and a decrease in deferred inflows for other post-employment benefits for supplemental death benefits.

(Continued)

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

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	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program revenues:						
Charges for services	\$ 4,505,885	\$ 4,121,444	\$ 11,694,475	\$ 10,690,951	\$ 16,200,360	\$ 14,812,395
Grants and contributions	1,323,657	2,548,738	-	938,000	1,323,657	3,486,738
General revenues:						
Property taxes	9,240,179	8,895,729	-	-	9,240,179	8,895,729
Sales taxes	6,348,891	5,952,317	-	-	6,348,891	5,952,317
Franchise fees and local taxes	1,010,720	918,239	-	-	1,010,720	918,239
Industrial district agreement	59,143	98,918	-	-	59,143	98,918
Investment revenue	918,883	886,832	94,109	135,581	1,012,992	1,022,413
Special assessments	650,788	567,683	-	-	650,788	567,683
Other revenues	483,303	687,921	-	-	483,303	687,921
Total revenues	<u>24,541,449</u>	<u>24,677,821</u>	<u>11,788,584</u>	<u>11,764,532</u>	<u>36,330,033</u>	<u>36,442,353</u>
Expenses						
General administration	7,741,434	7,324,805	-	-	7,741,434	7,324,805
Financial administration	673,655	653,387	-	-	673,655	653,387
Public safety	9,628,811	10,363,864	-	-	9,628,811	10,363,864
Community services	6,087,233	5,344,767	-	-	6,087,233	5,344,767
Economic development	611,831	660,718	-	-	611,831	660,718
Interest and fiscal agent fees	901,414	758,307	-	-	901,414	758,307
Water and sewer	-	-	10,298,462	10,039,578	10,298,462	10,039,578
Total expenses	<u>25,644,378</u>	<u>25,105,848</u>	<u>10,298,462</u>	<u>10,039,578</u>	<u>35,942,840</u>	<u>35,145,426</u>
Increase in net position before transfers	(1,102,929)	(428,027)	1,490,122	1,724,954	387,193	1,296,927
Transfers in (out)	<u>1,532,759</u>	<u>(285,501)</u>	<u>(1,532,759)</u>	<u>285,501</u>	-	-
Change in net position	429,830	(713,528)	(42,637)	2,010,455	387,193	1,296,927
Beginning net position	<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>
Ending net position	<u>\$ 26,205,663</u>	<u>\$ 25,775,833</u>	<u>\$ 15,411,773</u>	<u>\$ 15,454,410</u>	<u>\$ 41,617,436</u>	<u>\$ 41,230,243</u>

For the year, revenues from governmental activities decreased by \$136,372 which was less than 1% from the prior fiscal year. This governmental activities decrease in revenues was primarily due to the net result of a decrease in grants and contributions of \$1,225,081 from less capital grants received in the current fiscal year and an increase of \$1,125,465 from 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, and charges for services from an increase in solid waste service charges. Expenses from governmental activities decreased by \$538,530 which was a 2% decrease from the prior fiscal year. Changes in governmental activities expenses reflect a decrease in expenses for public safety and economic development, offset by increases in spending for general administration, financial administration, community services, and interest and fiscal agent fees. The reductions in public safety and economic development expenses were primarily driven by a decrease in pension liabilities and reduced maintenance costs. Conversely, the increases in general administration, financial administration, community services, and interest and fiscal agent fees were largely attributable to higher cleanup costs following severe storm events and additional debt service expenses related to the issuance of new debt.

(Continued)

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Revenues from business-type activities increased by less than 1% from the prior fiscal year due mainly to an increase in charges for services of \$1,003,524 from an increase in utility rates and a decrease in grants and contributions of \$938,000 from less capital grants received during the fiscal year. Total expenses increased by \$258,884 which was primarily due to water purchase expenses, personnel costs, and repair and maintenance expenses.

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 \$21,662,021, a net increase of \$3,990,349 from the prior year due in large part to the issuance of debt. Of this combined fund balance, \$160,688 is nonspendable for inventory and prepaids, \$464,627 is restricted for debt service, \$719,611 is restricted for economic development, \$1,483,220 is restricted for special projects, and \$16,078,172 is restricted for capital projects. Unassigned fund balance totaled \$2,755,703 as of September 30, 2024.

Total governmental fund revenues increased by \$16,219 which was less than 1% from the prior fiscal year. Total governmental expenditures was \$26,707,492 for the current fiscal year which was a decrease in expenditures of \$4,191,297 from the prior fiscal year as a result of less capital outlay expenditures.

The general fund is the chief operating fund of the City. At the end of the current year, the total fund balance was \$2,971,200 which is approximately 15% or 55 days of current year general fund expenditures of \$19,222,567. The fund balance of the general fund decreased by \$290,406 due primarily to expenditures exceeding revenues of \$17,378,959 and other sources of \$1,553,202. General fund expenditures increased by \$966,422 from the prior fiscal year due to an increase in general administration expenditures of \$903,517, which was mainly due to higher cleanup costs following severe storm events. Compared to the prior year, general fund revenues increased \$1,027,286 which was primarily due to increases in property tax revenues from an increase in assessed values of properties within the City, sales tax revenues from an increase in taxable sales within the City, and charges for services from an increase in solid waste service charges. There was a decrease in general fund other sources of \$126,268 from the prior fiscal due to a decrease in proceeds from leases. As a measure of the general fund's liquidity and reserves for general operations, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 14%, respectively, of total general fund expenditures.

The Angleton Better Living fund has a total fund balance of \$4,660,322, an increase of \$3,952,094 from prior year as a result of the issuance of debt at a premium. The Angleton Better Living fund revenue increased by \$276,882 due to an increase in sales tax revenue. Compared to the prior year, the Angleton Better Living fund expenditures decreased by \$571,597 due to an increase in capital outlay and general administration costs for better living initiatives.

The C.O. series 2022 fund has a total fund balance of \$7,831,894, an increase of \$258,346 from prior year with revenues of \$432,289 and expenditures of \$173,943. There was an increase in revenues of \$43,871 due primarily to an increase in investment income from deposits held with financial institutions and a decrease in expenditures of \$2,684,080 due to less capital outlay during the fiscal year.

(Continued)

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's amended budget planned for a decrease in budgeted general fund balance of \$506,616 due to higher cleanup costs following severe storm events, however, the City realized a decrease in fund balance of \$290,406. The City's actual revenues were greater than budgeted revenues by \$40,407. Actual expenditures were less than budgeted expenditures by \$175,803.

CAPITAL ASSETS

At the end of fiscal year 2024, the City's governmental and business-type activities had invested \$61,860,906 in a variety of capital assets which includes land, construction in progress, infrastructure, equipment, and right-to-use-assets from leases (net of accumulated depreciation/amortization). This represents a net decrease of \$1,536,541 from the prior year which includes depreciation/amortization of capital assets of \$3,460,733.

Major capital asset events during the year included the following:

- Construction for street improvements for \$805,754
- Purchase of park and recreational equipment for \$176,000
- Purchase of police department equipment for \$336,643
- Right-to-use assets for vehicles from leases entered during the fiscal year for \$184,907
- Construction for sewer system improvements for \$178,268
- Construction for waterline improvements for \$139,197

More detailed information about the City's capital assets is presented in note 3. to the financial statements.

LONG-TERM DEBT

At the end of the current year, the City's governmental activities total debt was \$24,985,197 and business-type activities was \$13,515,249. This debt consisted of total general obligation bonds of \$1,000,000, certificates of obligation of \$36,590,000, loans for equipment of \$265,122, and leases of \$645,324.

More detailed information about the City's long-term liabilities is presented in note 3. to the financial statements.

(Continued)

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

City Council approved a \$20,277,895 general fund expenditure budget for fiscal year 2024-2025, which is an increase of 5% compared to the fiscal year 2023-2024 budget.

City Council approved budgeted debt service payments for the debt service fund and the principal and interest payments within the utility fund for \$3,654,234 for fiscal year 2024-2025, which is an increase of 5% compared to the fiscal year payments in 2023-2024.

City Council approved a \$12,234,506 utility fund expense budget for fiscal year 2024-2025, which is an increase of 5% compared to the fiscal year 2023-2024 budget.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

CITY OF ANGLETON, TEXAS
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 19,843,313	\$ 27,262	\$ 19,870,575
Investments	740,322	369,896	1,110,218
Receivables, net	2,101,707	1,672,004	3,773,711
Due from other governments	21,081	-	21,081
Internal balances	831,466	(831,466)	-
Inventory	16,698	488,504	505,202
Prepays	143,990	24,931	168,921
Restricted assets			
Cash and cash equivalents	55,809	768,406	824,215
Total current assets	<u>23,754,386</u>	<u>2,519,537</u>	<u>26,273,923</u>
Capital assets:			
Nondepreciable capital assets	2,332,306	790,951	3,123,257
Depreciable capital assets, net	<u>30,764,863</u>	<u>27,972,786</u>	<u>58,737,649</u>
Total capital assets	<u>33,097,169</u>	<u>28,763,737</u>	<u>61,860,906</u>
Total assets	<u>56,851,555</u>	<u>31,283,274</u>	<u>88,134,829</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pensions (TMRS)	1,696,026	309,813	2,005,839
Deferred outflows - pensions (TESRS)	263,189	-	263,189
Deferred outflows - OPEB	45,572	8,404	53,976
Deferred charge on refunding	<u>2,114</u>	<u>12,115</u>	<u>14,229</u>
Total deferred outflows of resources	<u>2,006,901</u>	<u>330,332</u>	<u>2,337,233</u>

(Continued)

CITY OF ANGLETON, TEXAS
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable and accrued liabilities	1,501,816	833,584	2,335,400
Unearned revenue	274,109	-	274,109
Due to other governments	56,349	-	56,349
Accrued interest payable	50,137	48,071	98,208
Customer depositis	-	421,603	421,603
Total current liabilities	<u>1,882,411</u>	<u>1,303,258</u>	<u>3,185,669</u>
Noncurrent liabilities:			
Long-term liabilities due within one year	1,949,076	1,320,231	3,269,307
Long-term liabilities due in more than one year	28,317,276	13,465,434	41,782,710
	<u>30,266,352</u>	<u>14,785,665</u>	<u>45,052,017</u>
Total liabilities	<u>32,148,763</u>	<u>16,088,923</u>	<u>48,237,686</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pensions (TMRS)	\$ 383,578	\$ 91,198	\$ 474,776
Deferred inflows - pensions (TESRS)	1,423	-	1,423
Deferred inflows - OPEB	119,029	21,712	140,741
Total deferred inflows of resources	<u>504,030</u>	<u>112,910</u>	<u>616,940</u>
NET POSITION			
Net investment in capital assets	19,676,857	14,677,606	34,354,463
Restricted for:			
Debt service	438,695	-	438,695
Economic development	719,611	-	719,611
Special projects	1,483,220	-	1,483,220
Capital projects	3,414,593	330,018	3,744,611
Unrestricted	472,687	404,149	876,836
Total net position	<u>\$ 26,205,663</u>	<u>\$ 15,411,773</u>	<u>\$ 41,617,436</u>

See notes to financial statements.

CITY OF ANGLETON, TEXAS
STATEMENT OF ACTIVITIES
For the year ended September 30, 2024

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Government Activities	Business-Type Activities	Total
Primary Government							
Governmental activities							
General administration	\$ 7,741,434	\$ -	\$ 249,643	\$ -	\$ (7,491,791)	\$ -	\$ (7,491,791)
Financial administration	673,655	-	-	-	(673,655)	-	(673,655)
Public safety	9,628,811	1,269,318	569,174	-	(7,790,319)	-	(7,790,319)
Community services	6,087,233	3,236,567	-	504,840	(2,345,826)	-	(2,345,826)
Economic development	611,831	-	-	-	(611,831)	-	(611,831)
Interest and fiscal agent fees	901,414	-	-	-	(901,414)	-	(901,414)
Total governmental activities	<u>25,644,378</u>	<u>4,505,885</u>	<u>818,817</u>	<u>504,840</u>	<u>(19,814,836)</u>	<u>-</u>	<u>(19,814,836)</u>
Business-type activities							
Water	8,104,072	7,705,030	-	-	-	(399,042)	(399,042)
Sewer	2,194,390	3,989,445	-	-	-	1,795,055	1,795,055
Total business-type activities	<u>10,298,462</u>	<u>11,694,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,396,013</u>	<u>1,396,013</u>
Total primary government	<u>\$ 35,942,840</u>	<u>\$ 16,200,360</u>	<u>\$ 818,817</u>	<u>\$ 504,840</u>	<u>(19,814,836)</u>	<u>1,396,013</u>	<u>(18,418,823)</u>
General revenues							
Property taxes					9,240,179	-	9,240,179
Sales taxes					6,348,891	-	6,348,891
Franchise fees and local taxes					1,010,720	-	1,010,720
Industrial district agreement					59,143	-	59,143
Investment revenue					918,883	94,109	1,012,992
Special assessments					650,788	-	650,788
Other revenues					483,303	-	483,303
Transfers					<u>1,532,759</u>	<u>(1,532,759)</u>	<u>-</u>
Total general revenues and transfers					<u>20,244,666</u>	<u>(1,438,650)</u>	<u>18,806,016</u>
Change in net position					429,830	(42,637)	387,193
Beginning net position					<u>25,775,833</u>	<u>15,454,410</u>	<u>41,230,243</u>
Ending net position					<u>\$ 26,205,663</u>	<u>\$ 15,411,773</u>	<u>\$ 41,617,436</u>

See notes to financial statements.

CITY OF ANGLETON, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

	<u>General</u>	<u>Angleton Better Living</u>	<u>C.O. Series 2022</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,493,453	\$ 4,433,143	\$ 7,832,570	\$ 5,998,695	\$ 19,757,861
Investments	370,161	-	-	370,161	740,322
Receivables, net	1,611,181	373,822	-	116,704	2,101,707
Inventory	16,698	-	-	-	16,698
Prepays	142,990	1,000	-	-	143,990
Restricted cash and cash equivalents	55,809	-	-	-	55,809
Due from other governments	-	-	-	21,081	21,081
Due from other funds	831,466	-	-	-	831,466
Total assets	<u>\$ 4,521,758</u>	<u>\$ 4,807,965</u>	<u>\$ 7,832,570</u>	<u>\$ 6,506,641</u>	<u>\$ 23,668,934</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,231,353	\$ 147,643	\$ 676	\$ 122,144	\$ 1,501,816
Unearned revenue	112,422	-	-	161,687	274,109
Due to other governments	56,349	-	-	-	56,349
Total liabilities	<u>1,400,124</u>	<u>147,643</u>	<u>676</u>	<u>283,831</u>	<u>1,832,274</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	<u>150,434</u>	<u>-</u>	<u>-</u>	<u>24,205</u>	<u>174,639</u>
Total deferred inflows of resources	<u>150,434</u>	<u>-</u>	<u>-</u>	<u>24,205</u>	<u>174,639</u>
FUND BALANCES					
Nonspendable					
Inventory and prepaids	159,688	1,000	-	-	160,688
Restricted					
Debt service	-	-	-	464,627	464,627
Economic development	-	-	-	719,611	719,611
Special projects	-	-	-	1,483,220	1,483,220
Capital projects	55,809	4,659,322	7,831,894	3,531,147	16,078,172
Unassigned	<u>2,755,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,755,703</u>
Total fund balances	<u>2,971,200</u>	<u>4,660,322</u>	<u>7,831,894</u>	<u>6,198,605</u>	<u>21,662,021</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,521,758</u>	<u>\$ 4,807,965</u>	<u>\$ 7,832,570</u>	<u>\$ 6,506,641</u>	<u>\$ 23,668,934</u>

See notes to financial statements.

CITY OF ANGLETON, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2024

Total fund balances for governmental funds	\$ 21,662,021
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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, not reported in the governmental funds.

Capital assets - nondepreciable/nonamortizable	2,332,306
Capital assets - depreciable/amortizable	30,764,863

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	174,639
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As internal service fund is used by management to charge the costs of unemployment expense to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.	85,452
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Long-term liabilities related to debt, leases, and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds	
Accrued interest payable	(50,137)
Noncurrent liabilities due in one year	(1,949,076)
Noncurrent liabilities due in more than one year	(24,560,282)
Deferred charge on refunding	2,114

Long-term liabilities and deferred outflows and deferred inflows related to the net pension and total other postretirement benefits (OPEB) liability are not recognized in the governmental funds.	
Net pension liability (TMRS)	(2,714,515)
Net pension liability (TESRS)	(737,612)
Total OPEB liability	(304,867)
Deferred outflows - pensions (TMRS)	1,696,026
Deferred outflows - pensions (TESRS)	263,189
Deferred outflows - OPEB	45,572
Deferred inflows - pensions (TMRS)	(383,578)
Deferred inflows - pensions (TESRS)	(1,423)
Deferred inflows - OPEB	(119,029)

Net position of governmental activities	\$ 26,205,663
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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, 2024

	General	(Formerly Major) Debt Service	Angleton Better Living	C.O. Series 2022	(Formally Major) Grants	Nonmajor Governmental	Total Governmental Funds
Revenues							
Property taxes	\$ 7,935,342	\$ -	\$ -	\$ -	\$ -	\$ 1,286,443	\$ 9,221,785
Franchise fees and local taxes	771,116	-	-	-	-	239,604	1,010,720
Sales tax	4,232,594	-	2,116,297	-	-	-	6,348,891
Industrial district agreement	59,143	-	-	-	-	-	59,143
Permits, licenses, and fees	645,948	-	-	-	-	-	645,948
Fines and forfeitures	591,895	-	-	-	-	31,475	623,370
Charges for services	2,688,904	-	-	-	-	547,663	3,236,567
Intergovernmental	45,306	-	41,489	-	-	987,219	1,074,014
Investment revenue	73,935	-	118,900	432,289	-	291,949	917,073
Special assessments	-	-	-	-	-	650,788	650,788
Miscellaneous revenue	334,776	-	5,016	-	-	393,154	732,946
Total revenues	<u>17,378,959</u>	<u>-</u>	<u>2,281,702</u>	<u>432,289</u>	<u>-</u>	<u>4,428,295</u>	<u>24,521,245</u>
Expenditures							
Current							
General administration	5,211,422	-	730,970	-	-	1,455,341	7,397,733
Financial administration	687,508	-	-	-	-	-	687,508
Public safety	8,634,660	-	-	-	-	327,692	8,962,352
Community services	3,771,598	-	-	-	-	1,177,560	4,949,158
Economic development	248,816	-	-	-	-	370,958	619,774
Capital outlay	184,907	-	177,778	173,943	-	978,327	1,514,955
Debt service							
Principal	450,438	-	-	-	-	1,134,034	1,584,472
Interest and fiscal agent fees	33,218	-	-	-	-	836,669	869,887
Debt issuance costs	-	-	121,653	-	-	-	121,653
Total expenditures	<u>19,222,567</u>	<u>-</u>	<u>1,030,401</u>	<u>173,943</u>	<u>-</u>	<u>6,280,581</u>	<u>26,707,492</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,843,608)</u>	<u>-</u>	<u>1,251,301</u>	<u>258,346</u>	<u>-</u>	<u>(1,852,286)</u>	<u>(2,186,247)</u>

(Continued)

CITY OF ANGLETON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
For the year ended September 30, 2024

	General	(Formerly Major) Debt Service	Angleton Better Living	C.O. Series 2022	(Formally Major) Grants	Nonmajor Governmental	Total Governmental Funds
Other Financing Sources (Uses)							
Issuance of debt	-	-	3,750,000	-	-	336,643	4,086,643
Premium from issuance of debt	-	-	372,287	-	-	-	372,287
Transfers in	1,368,295	-	-	-	-	2,043,144	3,411,439
Transfers (out)	-	-	(1,421,494)	-	-	(457,186)	(1,878,680)
Lease proceeds	184,907	-	-	-	-	-	184,907
Total other financing sources (uses)	<u>1,553,202</u>	<u>-</u>	<u>2,700,793</u>	<u>-</u>	<u>-</u>	<u>1,922,601</u>	<u>6,176,596</u>
Net change in fund balances	(290,406)	-	3,952,094	258,346	-	70,315	3,990,349
Beginning fund balances	<u>3,261,606</u>	<u>452,470</u>	<u>708,228</u>	<u>7,573,548</u>	<u>478</u>	<u>5,675,342</u>	<u>17,671,672</u>
Change to or within financial reporting entity	-	(452,470)	-	-	(478)	452,948	-
Beginning fund balances, as adjusted	<u>3,261,606</u>	<u>-</u>	<u>708,228</u>	<u>7,573,548</u>	<u>-</u>	<u>6,128,290</u>	<u>17,671,672</u>
Ending fund balances	<u>\$ 2,971,200</u>	<u>\$ -</u>	<u>\$ 4,660,322</u>	<u>\$ 7,831,894</u>	<u>\$ -</u>	<u>\$ 6,198,605</u>	<u>\$ 21,662,021</u>

See notes to financial statements.

CITY OF ANGLETON, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Net changes in fund balances - total governmental funds	\$ 3,990,349
Amounts reported for governmental activities in the Statement of Activities are different because:	
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 outlay	1,514,955
Depreciation/amortization	(2,216,149)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	18,394
The issuance of long-term debt (e.g., bonds, leases, loans, certificates of obligation) 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 it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities. Pension and other postemployment benefits (OPEB) expenses and the amortization of deferred items are recognized at the government-wide level.	
Issuance of debt	(4,086,643)
Premium on debt issuance	(372,287)
Lease proceeds	(184,907)
Principal payment on debt and leases payable	1,584,472
Amortization of bond premiums	50,525
Amortization of refunding loss	(8,470)
Change in accrued interest on long-term debt	48,071
Change in compensated absences	117,306
Net pension liability (TMRS)	1,608,968
Net pension liability (TESRS)	(310,079)
Total OPEB liability	(27,636)
Change in deferred outflows - pensions (TMRS)	(1,019,663)
Change in deferred outflows - pensions (TESRS)	8,064
Change in deferred outflows - OPEB	(11,542)
Change in deferred inflows - pensions (TMRS)	(329,926)
Change in deferred inflows - pensions (TESRS)	727
Change in deferred inflows - OPEB	31,884
An internal service fund is used by management to charge the cost of unemployment costs to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	23,417
Change in net position of governmental activities	<u>\$ 429,830</u>

See notes to financial statements.

CITY OF ANGLETON, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	Business-Type Activities	Governmental Activities
	<u>Utility</u>	<u>Internal Service</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 27,262	\$ 85,452
Investments	369,896	-
Receivables, net	1,672,004	-
Prepaid expenses	24,931	-
Inventory	488,504	-
Restricted cash and cash equivalents	768,406	-
	<u>3,351,003</u>	<u>85,452</u>
Capital assets:		
Nondepreciable	790,951	-
Depreciable, net	27,972,786	-
	<u>28,763,737</u>	<u>-</u>
Total assets	<u>32,114,740</u>	<u>85,452</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pensions	309,813	-
Deferred outflows - OPEB	8,404	-
Deferred charge on refunding	12,115	-
Total deferred outflows of resources	<u>330,332</u>	<u>-</u>

(Continued)

CITY OF ANGLETON, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	Business-Type Activities	Governmental Activities
	<u>Utility</u>	<u>Internal Service</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	833,584	-
Accrued interest payable	48,071	-
Customer deposits	421,603	-
Due to other funds	831,466	-
Noncurrent liabilities		
Long-term liabilities due within one year	1,320,231	-
Long-term liabilities due in more than one year	13,465,434	-
Total liabilities	16,920,389	-
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pensions	\$ 91,198	\$ -
Deferred inflows - OPEB	21,712	-
Total deferred inflows of resources	112,910	-
NET POSITION		
Net investment in capital assets	14,677,606	-
Restricted for capital projects	330,018	-
Unrestricted	404,149	85,452
Total net position	\$ 15,411,773	\$ 85,452

See notes to financial statements.

CITY OF ANGLETON, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Business-Type Activities	Governmental Activities
	<u>Utility</u>	<u>Internal Service</u>
Operating revenues		
Water sales	\$ 7,421,733	\$ -
Sanitary sewer services	3,842,762	-
Other service fees	429,980	29,167
Total operating revenues	<u>11,694,475</u>	<u>29,167</u>
Operating expenses		
Water distribution	967,609	-
Water plant operations	837,230	-
Water purchases	3,426,126	-
Sewer	620,479	-
Collection administration	2,844,518	-
Unemployment	-	7,560
Depreciation	1,244,584	-
Total operating expenses	<u>9,940,546</u>	<u>7,560</u>
Operating income (loss)	<u>1,753,929</u>	<u>21,607</u>
Nonoperating revenues (expenses)		
Investment revenue	94,109	1,810
Interest expense	(357,916)	-
Total nonoperating revenues (expenses)	<u>(263,807)</u>	<u>1,810</u>
Income (loss) before transfers	1,490,122	23,417
Transfers		
Transfers (out)	(1,532,759)	-
Total transfers	<u>(1,532,759)</u>	<u>-</u>
Change in net position	(42,637)	23,417
Beginning net position	<u>15,454,410</u>	<u>62,035</u>
Ending Net Position	<u>\$ 15,411,773</u>	<u>\$ 85,452</u>

See notes to financial statements.

CITY OF ANGLETON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
Cash flows from operating activities		
Receipts from customers and users	\$ 11,752,673	\$ 29,167
Payments to suppliers	(6,898,770)	-
Payments to employees	(2,355,593)	(7,560)
Net cash provided by operating activities	<u>2,498,310</u>	<u>21,607</u>
Cash flows from noncapital financing activities		
Transfer to other funds	(1,532,759)	-
Net cash (used) by noncapital financing activities	<u>(1,532,759)</u>	<u>-</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(409,237)	-
Principal paid on capital debt	(1,164,897)	-
Interest paid on capital debt	(409,654)	-
Net cash provided (used) by capital and related financing activities	<u>(1,983,788)</u>	<u>-</u>
Cash flows from investing activities		
(Purchase) of investment	(14,638)	-
Interest on investments	94,109	1,810
Net cash provided by investing activities	<u>79,471</u>	<u>1,810</u>
Net increase (decrease) in cash and cash equivalents	(938,766)	23,417
Beginning cash and cash equivalents	1,734,434	62,035
Ending cash and cash equivalents	<u>\$ 795,668</u>	<u>\$ 85,452</u>
Ending cash and cash equivalents		
Unrestricted cash and cash equivalents	\$ 27,262	\$ 85,452
Restricted cash and cash equivalents	768,406	-
	<u>\$ 795,668</u>	<u>\$ 85,452</u>

(Continued)

CITY OF ANGLETON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income	\$ 1,753,929	\$ 21,607
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	1,244,584	-
Changes in operating assets and liabilities		
(Increase) decrease in assets:		
Accounts receivable	34,423	-
Prepaid expenses	3,264	-
Inventory	(107,582)	-
Deferred outflows - pensions	206,261	-
Deferred outflows - OPEB	2,335	-
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(422,112)	-
Compensated absences	19,022	-
Deferred inflows - pensions	66,739	-
Deferred inflows - OPEB	(6,450)	-
Net pension liability	(325,468)	-
Total OPEB liability	5,590	-
Customer deposits	23,775	-
Net cash provided (used) by operating activities	\$ 2,498,310	\$ 21,607

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Increment Reinvestment Zone No. 1 - 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. 2 - 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.

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. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

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.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following governmental funds:

General Fund: The *general fund* is used to account for and report all financial resources not accounted for and reported in another fund. 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.

Debt Service Fund: 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's debt service fund is considered a nonmajor fund reporting purposes.

Special Revenue Funds: 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 Angleton Better Living fund for activity related to restricted sources for community capital projects.

Capital Projects Funds: 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 funds:

Enterprise Funds: 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: *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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, proprietary fund, and fiduciary 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 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.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance:

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 repurchase agreements that meet certain criteria
- Money market mutual funds that meet certain criteria
- Bankers’ acceptances
- Statewide investment pools

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.

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.

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.

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

<u>Assets Depreciation</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

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net assets that applies to future periods 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 two types of items, which arises only under a modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, these items, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and from leases in which the government is the lessor. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Compensated 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 weeks.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. 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.

Leases

Lessee - The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible, right-to-use lease 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 judgments 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 noncancellable 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 remeasurement 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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 a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) 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.

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, and 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 additions to/deductions from TMRS' fiduciary net position have been determined on the same basis as they are reported by TMRS. 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.

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.

Revenues and Expenditures/Expenses:

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.

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.

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 and internal service funds are charges to customers for sales and services. The enterprise funds also recognize 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 funds 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.

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 2 - 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, 2024. The Angleton Better Living major special revenue fund and the nonmajor Debt Service fund adopted a budget. The Hotel/Motel, Child Safety, Municipal Court Technology, Municipal Court Building Security, TxDOT, Keep Angleton Beautiful, Angleton Act Center, TIRZ #1, OBJ Police Grant, Police Grant, Police Donation, Fire Department ESD, A/C Donations, Drug Confiscation, Traffic Enforcement, and Emergency Response nonmajor special revenue funds have adopted budgets.

Expenditures in Excess of Appropriations: As of September 30, 2024, expenditures exceeded appropriations at the legal level of control as follows:

General Fund		
General Administration	\$	453,502
Tax collection	\$	2,911
Finance and accounting	\$	68,626
Information technology	\$	18,489
Maintenance	\$	28,172
Angleton Better Living Fund		
General Administration	\$	83,003
Hotel/Motel		
Economic development	\$	14,642
Drug confiscation		
Public safety	\$	20,385

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS

Deposits and Investments: The City's deposits and investments include bank deposits, investment pools, and certificates of deposit held at the City's depository bank. The carrying amount of the City's bank deposits was \$4,357,481 as of September 30, 2024 with \$824,215 being restricted for specific purposes. The City's bank deposits 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, 2024, the City had the following investment pools and certificates of deposits:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Investment pools		
TexPool	\$ 650,849	0.08
TexStar	10,251,487	0.07
LoneStar	5,434,973	0.04
Certificates of deposit	1,110,218	0.66
Total	\$ 17,447,527	
Portfolio weighted average maturity		0.10

As of September 30, 2024, the City reported the bank deposits and investments pools as cash and cash equivalents. As of September 30, 2024, the City's certificates of deposits are reported as investments held by the City. The City's investments in certificates of deposit are held at a local financial institution for diversification. All of the City's investments are insured, registered, or the City's agent holds the securities in the City's name; therefore, the City is not exposed to custodial credit risk.

Interest rate risk – In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

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. Investments in Securities Exchange Commission (SEC) registered and regulated money market mutual funds must have an investment quality not less than "AAA-", or at an equivalent rating by at least one nationally recognized rating service. As of September 30, 2024, the City's investments in investment pools were rated "AAAm" by Standard & Poor's.

Custodial credit risk - deposits. In the case of deposits, this is the risk that the City's deposits may not be returned in the event of a bank failure. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2024, fair values of pledged securities and FDIC coverage exceeded bank balances.

(Continued)

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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 must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority 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.

TexasSTAR - 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.

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Receivables: The following comprise receivable balances as of September 30, 2024:

	General	Angleton Better Living	Nonmajor Governmental	Utility	Total
Property taxes	\$ 224,525	\$ -	\$ 35,536	\$ -	\$ 260,061
Other taxes	1,063,203	373,822	-	-	1,437,025
Accounts	521,039	-	89,773	2,237,222	2,848,034
Grants	-	-	2,726	-	2,726
Less allowances	(197,586)	-	(11,331)	(565,218)	(774,135)
Total	\$ 1,611,181	\$ 373,822	\$ 116,704	\$ 1,672,004	\$ 3,773,711

Capital Assets: A summary of changes in capital assets at year end is as follows:

	Beginning Balance	Increases	(Decreases)/ Reclassifications	Ending Balance
<u>Governmental activities</u>				
Capital assets not being depreciated/ amortized				
Land	\$ 1,698,331	\$ -	\$ -	\$ 1,698,331
Construction in progress	2,108,396	817,405	(2,291,826)	633,975
Total capital assets not being depreciated/amortized	<u>3,806,727</u>	<u>817,405</u>	<u>(2,291,826)</u>	<u>2,332,306</u>
Other capital assets				
Buildings and improvements	19,163,676	-	-	19,163,676
Equipment	13,479,255	718,733	(177,771)	14,020,217
Infrastructure	30,733,311	2,085,736	-	32,819,047
Right-to-use assets - equipment	1,274,772	184,907	(105,136)	1,354,543
Total other capital assets	<u>64,651,014</u>	<u>2,989,376</u>	<u>(282,907)</u>	<u>67,357,483</u>
Less accumulated depreciation/ amortization for				
Buildings and improvements	(5,778,712)	(434,128)	-	(6,212,840)
Equipment	(10,608,140)	(691,430)	177,771	(11,121,799)
Infrastructure	(17,837,327)	(722,359)	-	(18,559,686)
Right-to-use assets - equipment	(435,199)	(368,232)	105,136	(698,295)
Total accumulated depreciation	<u>(34,659,378)</u>	<u>(2,216,149)</u>	<u>282,907</u>	<u>(36,592,620)</u>
Other capital assets, net	<u>29,991,636</u>	<u>773,227</u>	<u>-</u>	<u>30,764,863</u>
Governmental activities capital assets, net	<u>\$ 33,798,363</u>	<u>\$ 1,590,632</u>	<u>\$ (2,291,826)</u>	<u>33,097,169</u>
				Less associated debt (26,087,005)
				Plus unspent bond proceeds 12,664,579
				Plus deferred charge on refunding 2,114
				<u>Net investment in capital assets \$ 19,676,857</u>

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation was charged to governmental functions as follows:

General administration	\$ 439,923
Public safety	595,708
Community services	<u>1,180,518</u>
 Total governmental activities depreciation expense	 <u>\$ 2,216,149</u>

The following is a summary of changes in capital assets for business-type activities for the fiscal year ended September 30, 2024:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
<u>Business-type activities</u>				
<u>Capital assets not being depreciated</u>				
Construction in progress	\$ 5,678,726	\$ 409,237	\$ (5,297,012)	\$ 790,951
Total capital assets not being depreciated	<u>5,678,726</u>	<u>409,237</u>	<u>(5,297,012)</u>	<u>790,951</u>
<u>Other capital assets</u>				
Building and other improvements	764,756	-	-	764,756
Equipment	3,465,750	-	(81,775)	3,383,975
Infrastructure	54,456,459	5,297,012	(19,694)	59,733,777
Total other capital assets	<u>58,686,965</u>	<u>5,297,012</u>	<u>(101,469)</u>	<u>63,882,508</u>
<u>Less accumulated depreciation for</u>				
Building and other improvements	(287,237)	(10,701)	-	(297,938)
Equipment	(2,426,864)	(167,106)	81,775	(2,512,195)
Infrastructure	(32,052,506)	(1,066,777)	19,694	(33,099,589)
Total accumulated depreciation	<u>(34,766,607)</u>	<u>(1,244,584)</u>	<u>101,469</u>	<u>(35,909,722)</u>
Other capital assets, net	<u>23,920,358</u>	<u>4,052,428</u>	<u>-</u>	<u>27,972,786</u>
<u>Business-type activities capital assets, net</u>	<u>\$ 29,599,084</u>	<u>\$ 4,461,665</u>	<u>\$ (5,297,012)</u>	<u>28,763,737</u>
				Less associated debt \$ (14,098,246)
				Plus deferred charge on refunding <u>12,115</u>
				Net investment in capital assets <u>\$ 14,677,606</u>

(Continued)

CITY OF ANGLETON, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation was charged to business-type functions as follows:

Water		\$	393,249
Sewer			<u>851,335</u>
Total business-type activities depreciation expense		\$	<u><u>1,244,584</u></u>

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

Project Description	Total in Progress	Remaining Commitment
Governmental activities		
Street improvements	\$ 633,975	\$ 430,719
	<u>\$ 633,975</u>	<u>\$ 430,719</u>
Business-type activities		
Sanitary sewer improvements	\$ 272,554	\$ 563,130
Waterline Improvements	518,397	315,000
	<u>\$ 790,951</u>	<u>\$ 878,130</u>

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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, 2024.

	<u>Beginning</u>		<u>(Reductions)</u>	<u>Ending</u>	<u>Amounts</u>
	<u>Balances</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balances</u>	<u>Due Within</u>
					<u>One Year</u>
<u>Governmental activities</u>					
General obligation refunding bonds	\$ 785,000	\$ -	\$ (250,000)	\$ 535,000	\$ 220,000
Certificates of obligation	20,669,854	3,750,000	(880,103)	23,539,751	970,185
Equipment loan	-	336,643	(71,521)	265,122	59,010
Leases payable	843,265	184,907	(382,848)	645,324	319,763
Plus deferred amounts					
For premiums	780,046	372,287	(50,525)	1,101,808	-
	<u>23,078,165</u>	<u>4,643,837</u>	<u>(1,634,997)</u>	<u>26,087,005</u>	<u>1,568,958</u>
<u>Other liabilities</u>					
Net pension liability - TMRS	4,323,483	-	(1,608,968)	2,714,515	-
Net pension liability - TESRS	427,533	310,079	-	737,612	-
Total OPEB liability	277,231	27,636	-	304,867	-
Compensated absences	539,659	368,387	(485,693)	422,353	380,118
Total governmental activities	<u>\$ 28,646,071</u>	<u>\$ 5,349,939</u>	<u>\$ (3,729,658)</u>	<u>\$ 30,266,352</u>	<u>\$ 1,949,076</u>
				<u>Long-term debt due in more than one year</u>	<u>\$ 28,317,276</u>
				<u>*Debt associated with governmental capital assets</u>	<u>\$ 26,087,005</u>
	<u>Beginning</u>		<u>Reductions</u>	<u>Ending</u>	<u>Amounts</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due Within</u>
					<u>One Year</u>
<u>Business-type activities</u>					
General obligation refunding bonds	\$ 710,000	\$ -	\$ (245,000)	\$ 465,000	\$ 235,000
Certificates of obligation	12,475,146		(604,897)	11,870,249	649,815
Direct borrowing/private placement					
Certificates of obligation	1,495,000	-	(315,000)	1,180,000	310,000
Plus deferred amounts					
For premiums	631,926	-	(48,929)	582,997	-
	<u>15,312,072</u>	<u>-</u>	<u>(1,213,826)</u>	<u>14,098,246</u>	<u>1,194,815</u>
<u>Other liabilities</u>					
Net pension liability - TMRS	818,537	-	(325,468)	493,069	-
Total OPEB liability	49,409	5,590	-	54,999	-
Compensated absences	120,329	127,318	(108,296)	139,351	125,416
Total business-type activities	<u>\$ 16,300,347</u>	<u>\$ 132,908</u>	<u>\$ (1,647,590)</u>	<u>\$ 14,785,665</u>	<u>\$ 1,320,231</u>
				<u>Long-term debt due in more than one year</u>	<u>\$ 13,465,434</u>
				<u>*Debt associated with business-type capital assets</u>	<u>\$ 14,098,246</u>

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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, net pension liability, and total OPEB liabilities 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.

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

Description	Interest Rate	Balance
<u>Governmental activities</u>		
General obligation refunding bonds		
Series 2016	2.00-4.00%	\$ 535,000
		<u>535,000</u>
Certificates of obligation		
Series 2018	3.00-4.00%	6,670,000
Series 2019	2.00-4.00%	1,029,751
Series 2020	2.00-3.00%	2,345,000
Series 2022	4.00-6.00%	9,745,000
Series 2024	4.00-5.00%	3,750,000
		<u>23,539,751</u>
Other debt liabilities		
Equipment loan	7.80%	265,122
Leases payable	4.00-7.80%	645,324
		<u>910,446</u>
Total governmental activities long-term debt		<u>\$ 24,985,197</u>
<u>Business-type activities</u>		
General obligation refunding bonds		
Series 2016	2.00-4.00%	\$ 465,000
		<u>465,000</u>
Certificates of obligation		
Water and sewer, series 2015	3.00-4.00%	2,785,000
Series 2019	2.00-4.00%	7,075,249
Series 2021	3.00-4.00%	2,010,000
		<u>11,870,249</u>
Direct borrowing/private placement certificates of obligation		
Water and sewer, series 2013	2.28%	1,180,000
		<u>1,180,000</u>
Total business-type activities long-term debt		<u>\$ 13,515,249</u>

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Bonds and Certificate of Obligation: 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.

In March 2024, the City issued Certificates of Obligation, Series 2024, in the amount of \$3,750,000 with interest rates at 4.00% to 5.00%. The proceeds from the issuance is being used to finance capital improvement projects for the City's parks and recreational facilities. The certificates of obligation mature in fiscal year 2044 and are payable from ad valorem taxes levied by the City.

The annual requirements to amortize general obligation bonds and certificates of obligation at year end were as follows:

Fiscal Year Ended September 30,	General Obligation Bonds					
	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 220,000	\$ 17,000	\$ 235,000	\$ 13,900	\$ 455,000	\$ 30,900
2026	220,000	8,200	230,000	4,600	450,000	12,800
2027	45,000	2,900	-	-	45,000	2,900
2028	50,000	1,000	-	-	50,000	1,000
	<u>\$ 535,000</u>	<u>\$ 29,100</u>	<u>\$ 465,000</u>	<u>\$ 18,500</u>	<u>\$ 1,000,000</u>	<u>\$ 47,600</u>

Fiscal Year Ended September 30,	Certificates of Obligation					
	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 970,185	\$ 885,549	\$ 649,815	\$ 329,415	\$ 1,620,000	\$ 1,214,964
2026	972,398	849,443	537,602	311,401	1,510,000	1,160,844
2027	1,021,067	811,462	778,933	289,254	1,800,000	1,100,716
2028	1,034,879	773,643	815,121	259,798	1,850,000	1,033,441
2029-2033	5,448,777	3,287,694	4,531,223	896,588	9,980,000	4,184,282
2034-2038	5,892,485	2,305,866	3,607,515	346,031	9,500,000	2,651,897
2039-2043	3,469,960	1,342,728	950,040	32,517	4,420,000	1,375,245
2044-2048	2,550,000	743,356	-	-	2,550,000	743,356
2049-2052	2,180,000	229,556	-	-	2,180,000	229,556
	<u>\$ 23,539,751</u>	<u>\$ 11,229,297</u>	<u>\$ 11,870,249</u>	<u>\$ 2,465,004</u>	<u>\$ 35,410,000</u>	<u>\$ 13,694,301</u>

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Fiscal Year Ended September 30,	Business-Type Activities - Direct Borrowings/Private Placement	
	<u>Certificates of Obligation</u>	
	<u>Principal</u>	<u>Interest</u>
2025	310,000	23,370
2026	305,000	16,359
2027	285,000	9,633
2028	280,000	3,192
	<u>\$ 1,180,000</u>	<u>\$ 52,554</u>

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, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

Equipment Loan: The City obtained a loan for law enforcement equipment in May 2024 for \$336,643 with payments due annually at an interest rate of 7.80%. The first interest and principal payment was paid by the general fund on May 21, 2024 for \$79,690. The final payment for the loan is due on May 21, 2028. The remaining annual requirements to amortize this loan at year end were as follows:

Fiscal Year Ended September 30,	Governmental Activities Equipment Loan	
	<u>Principal</u>	<u>Interest</u>
2025	59,010	20,680
2026	63,613	16,077
2027	68,575	11,115
2028	73,924	5,766
	<u>\$ 265,122</u>	<u>\$ 53,638</u>

(Continued)

CITY OF ANGLETON, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Leases Payable: The City is a lessee for the acquisition and use of vehicles, copiers, and a building. As of September 30, 2024, the value of the lease liability was \$645,324. The City made principal and interest payments on the leases in fiscal year 2024 for \$408,170. The City will continue to make principal and interest payments on leases through the fiscal year 2029. 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 2024 was \$1,354,543 and had accumulated amortization of \$698,295.

The future principal and interest lease payments as of September 30, 2024 were as follows:

Fiscal Year Ended September 30,	<u>Governmental Activities</u>	
	<u>Leases Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 319,763	\$ 29,712
2026	184,896	28,042
2027	103,523	29,908
2028	34,335	12,142
2029	2,807	1,254
	<u>\$ 645,324</u>	<u>\$ 101,058</u>

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

<u>Transfer in</u>	<u>Transfer out</u>	<u>Amount</u>
General	Utility	\$ 1,368,295
Nonmajor governmental	Utility	164,464
Nonmajor governmental	Angleton Better Living	1,421,494
Nonmajor governmental	Nonmajor governmental	457,186
		<u>\$ 3,411,439</u>

Transfers to the general fund were subsidies for administrative expenditures and reimbursements for various payments by the utility fund. Transfers to and from the nonmajor governmental funds were related to amounts collected for restricted governmental expenditures. The transfers to the nonmajor governmental funds from the Angleton Better Living fund and utility fund were for projects related to restricted funds and debt service payments.

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

<u>Due to</u>	<u>Due from</u>	<u>Amount</u>
General	Utility	831,466
		<u>\$ 831,466</u>

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

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Funds Equity: Funds restricted by enabling legislation are \$188,740 related to hotel/motel tax, child safety, and municipal court security and technology.

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

General fund		
Restricted for capital projects	\$	55,809
Utility fund		
Restricted for capital projects		346,803
Deposits payable		421,603
	\$	<u>824,215</u>

NOTE 4 - OTHER INFORMATION

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.

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.

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Pension Plan:

Texas Municipal Retirement System

Plan Description: The City participates as one of 934 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 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 is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at tmrs.com.

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

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

At retirement, the member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total 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:

	2024	2023
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% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees Covered by Benefit Terms: At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	83
Inactive employees entitled to, but not yet receiving, benefits	139
Active employees	148
Total	370

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Contributions: Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City-matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal 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 11.06% and 11.83% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2024 were \$1,227,707 and were more than the required contributions.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2023, 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, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payment 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 110% of the Public Safety table used for males and 100% of 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 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 the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The postretirement 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage.

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global public equity	35%	6.7%
Core fixed income	6%	4.7%
Non-core fixed income	20%	8.0%
Other public and private markets	12%	8.0%
Real estate	12%	7.6%
Hedge funds	5%	6.4%
Private equity	<u>10%</u>	11.6%
Total	<u>100%</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	\$ 1,342,325	\$ -	\$ 1,342,325
Interest	2,258,218	-	2,258,218
Changes in current period benefits	-	-	-
Difference between expected and actual experience	(374,885)	-	(374,885)
Changes in assumption	(270,468)	-	(270,468)
Contributions - employer	-	1,064,803	(1,064,803)
Contributions - employee	-	554,847	(554,847)
Net investment income	-	3,291,061	(3,291,061)
Benefit payments, including refunds of employee contributions	(1,591,344)	(1,591,344)	-
Administrative expense	-	(20,939)	20,939
Other changes	-	(146)	146
Net Changes	<u>1,363,846</u>	<u>3,298,282</u>	<u>(1,934,436)</u>
Balance at December 31, 2022	<u>33,579,594</u>	<u>28,437,574</u>	<u>5,142,020</u>
Balance at December 31, 2023	<u>\$ 34,943,440</u>	<u>\$ 31,735,856</u>	<u>\$ 3,207,584</u>

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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:

	<u>1% Decrease in Discount Rate (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase in Discount Rate (7.75%)</u>
City's Net Pension Liability/(Asset)	\$ 8,115,639	\$ 3,207,584	\$ (789,275)

Pension Plan Fiduciary Net Position: Detailed information about the TMRS fiduciary net position is available in the schedule of changes in fiduciary net position, by participating City. That report may be obtained at www.tmrs.com.

Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions: For the fiscal year ended September 30, 2024, the City recognized pension expense of \$914,491.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Primary Government</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 284,002	\$ 285,530
Changes in actuarial assumptions	-	189,246
Difference between projected and actual investment earnings	750,339	-
Contributions subsequent to the measurement date	971,498	-
Total	\$ 2,005,839	\$ 474,776

\$971,498 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, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year ended September 30,</u>	<u>Pension Expense</u>
2025	\$ 180,524
2026	131,115
2027	522,234
2028	(274,308)
Total	\$ 559,565

(Continued)

NOTE 4 - OTHER INFORMATION (Continued)

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 TERSRS and established and administered by the State to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. At August 31, 2023, there were 241 contributing fire and/or emergency services department members participating in TERSRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department.

On August 31, 2023, the TERSRS membership consisted of:

Retirees and beneficiaries currently receiving benefits	3,929
Terminated members entitled to benefits but not yet receiving them	1,689
Active participants (vested and nonvested)	3,343

Pension Plan Fiduciary Net Position: Detailed information about TERSRS's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and Required Supplementary Information. TERSRS issues a publicly available Annual Financial Report, which includes financial statements, notes, and Required Supplementary Information, and can be obtained at www.tesrs.org. The separately issued actuarial valuations that may be of interest are also available at the same link.

Benefits Provided: Senate Bill 411, 65th Legislature, Regular Session (1977), created TERSRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TERSRS Board of Trustees (the "Board") authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by Board rule. The benefit provisions include retirement benefits, as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percentage increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

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

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

Funding Policy: Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of TERSRS, 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 TERSRS contribution that directly impacts future retiree annuities.

(Continued)

NOTE 4 - OTHER INFORMATION (Continued)

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.

Ultimately, the contribution policy also depends upon the total return of the System’s assets, which varies from year to year. Investment policy decisions are established and maintained by the board of trustees. For the year ending August 31, 2023, the money-weighted rate of return on pension plan investments was 5.68%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

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, 2023, total contributions (dues, prior service, and interest on prior service financing) of \$81,182 were paid by the City. The State appropriated \$1,262,763 for the fiscal year ending August 31, 2023 to TESRS as a whole.

Actuarial Assumptions: The TPL in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

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

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</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%
Mutual asset income	5%	3.86%
Fixed income	<u>30%</u>	1.95%
Total	<u>100.00%</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, 2023 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.

Sensitivity of the NPL to Changes in the Discount Rate: The following presents the NPL of the City, calculated using the discount rate of 6.50%, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	<u>1% Decrease in Discount Rate (5.50%)</u>	<u>Current Discount Rate Rate (6.50%)</u>	<u>1% Increase in Discount Rate (7.50%)</u>
City's proportionate share of the net pensions liability	<u>\$ 1,142,135</u>	<u>\$ 737,612</u>	<u>\$ 409,501</u>

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions: At September 30, 2024, the City reported a liability of \$737,612 for its proportionate share of TESRS 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 net pensions liability/(asset)	\$	737,612
State's proportionate share that is associated with the City*		195,495
	\$	933,107

*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, which was rolled forward to a measurement date of August 31, 2023. 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 a NPL measured as of August 31, 2023. The City used the assumption that any differences in the NPL measured as of August 31, 2023 versus September 30, 2023 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, 2022 through August 31, 2023.

At August 31, 2024, the City's proportion of the collective NPL was 1.704%, which was an increase of 0.662% from its proportion measured as of August 31, 2023. 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, 2023, the City recognized pension expense of \$174,531. On-behalf revenues and expenses were immaterial and not recognized by the City.

At August 31, 2023, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual investment earnings	\$ 220,683	\$ -
Changes in assumptions	-	1,423
Difference between expected and actual economic experience	10,772	-
Contributions paid to TESRS subsequent to the measurement date	31,734	-
Total	\$ 263,189	\$ 1,423

(Continued)

CITY OF ANGLETON, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

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

Fiscal Year ended September 30,	Pension Expense
2025	\$ 57,860
2026	60,081
2027	104,551
2028	7,540
Total	\$ 230,032

Aggregate Pension: The aggregate amounts of pension expense, NPL, deferred outflows, and deferred inflows for the TMRS and TESRS pension plans were \$1,089,022, \$3,945,196, \$2,269,028, and \$476,199.

Other Postemployment Benefits:

TMRS Supplemental Death Benefit

Plan Description: The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the 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).

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Participation in the SDBF as of December 31, 2023 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	56
Inactive employees entitled to, but not yet receiving benefits	27
Active employees	148
Total	231

Total OPEB Liability: The City's total OPEB liability of \$359,866 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the December 31, 2023 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% per year
Salary increases	3.60% to 11.85% including inflation
Discount rate*	3.77%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent scale MP-2021 (with intermediate convergence).
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 MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

*The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period December 31, 2022.

(Continued)

CITY OF ANGLETON, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Changes for the year:	
Service cost	\$ 24,943
Interest	13,491
Difference between expected and actual experience	(11,751)
Changes of assumptions	18,553
Benefit payments *	<u>(12,010)</u>
Net changes	33,226
Beginning balance	<u>326,640</u>
Ending balance	<u><u>\$ 359,866</u></u>

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

The discount rate decreased from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
City's total OPEB liability	<u>\$ 434,281</u>	<u>\$ 359,866</u>	<u>\$ 302,804</u>

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the fiscal year ended September 30, 2024, the City recognized TMRS OPEB expense of \$20,711.

(Continued)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 995	\$ 31,635
Changes in assumptions	43,923	109,106
Contributions subsequent to the measurement date	<u>9,058</u>	<u>-</u>
Total	<u>\$ 53,976</u>	<u>\$ 140,741</u>

\$9,058 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, 2025.

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

<u>Fiscal Year ended September 30,</u>	<u>OPEB Expense Amount</u>
2025	\$ (17,474)
2026	(36,729)
2027	(39,448)
2028	(2,335)
2029	<u>163</u>
Total	<u>\$ (95,823)</u>

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.

(Continued)

NOTE 4 - OTHER INFORMATION (Continued)

Tax Abatements:

Chapter 380 Economic Development Agreement

Chapter 380 of the Texas Local Government Code, *Miscellaneous Provisions Relating to Municipal Planning and Development*, provides the authority to the governing body of a municipality to establish and provide for the administration of one or more 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:

Each Agreement provides for recapture in the event of material breach. The following summarizes the current Agreement:

- Provide a 5-year refund equal to 50% of the property and sales taxes or until the property and sales taxes rebate imposed and received by the City reaches a combined total of \$300,000, whichever comes first.
- This Agreement shall remain in effect until the expiration of the 5-year period and may be extended for an additional period on terms mutually accepted by both parties.
- In the event this Agreement is terminated, or 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 2024.

(Continued)

NOTE 4 - OTHER INFORMATION (Continued)

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.

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 2024, the City collected assessments of \$80,540 and made distributions to the developer of \$67,349.

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 to 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 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 2024, the City collected assessments of \$328,708 and made distributions to the developer of \$303,468.

(Continued)

NOTE 4 - OTHER INFORMATION (Continued)

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 was due on January 31, 2023. 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 2024, the City collected assessments of \$124,094 and made distributions to the developer of \$103,469.

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 2024, the City collected assessments of \$117,446 and made distributions to the developer of \$95,010.

(Continued)

NOTE 4 - OTHER INFORMATION (Continued)

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, 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.

Subsequent Events: In October 2024, the City issued its Emergency Note, Series 2024 (the "Emergency Note"), in the principal amount of \$4,063,000. Proceeds from the issuance are designated to fund emergency debris removal and related recovery efforts. The Emergency Note is secured by a pledge of ad valorem taxes and a limited pledge of net revenues from the City's water and sewer system. The Note is subject to optional redemption prior to maturity. Annual principal payments of \$400,000 begin on August 15, 2025, with the remaining principal due on August 15, 2029.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 8,027,728	\$ 8,027,728	\$ 7,935,342	\$ (92,386)
Franchise fees and local taxes	735,000	735,000	771,116	36,116
Sales taxes	4,457,731	4,457,731	4,232,594	(225,137)
Industrial district agreement	104,000	104,000	59,143	(44,857)
Permits, licenses, and fees	786,300	645,300	645,948	648
Fines and forfeitures	705,700	705,700	591,895	(113,805)
Charges for services	2,396,592	2,396,592	2,688,904	292,312
Intergovernmental	42,000	42,000	45,306	3,306
Investment revenue	35,001	35,001	73,935	38,934
Miscellaneous revenue	189,500	189,500	334,776	145,276
Total revenues	<u>17,479,552</u>	<u>17,338,552</u>	<u>17,378,959</u>	<u>40,407</u>
Expenditures				
General administration:				
Administrative	5,057,367	4,657,665	5,111,167	(453,502) *
Buildings	257,522	216,039	100,255	115,784
Total general administration	<u>5,314,889</u>	<u>4,873,704</u>	<u>5,211,422</u>	<u>(337,718)</u>
Financial administration:				
Tax collection	57,037	57,037	59,948	(2,911) *
Finance and accounting	523,934	558,934	627,560	(68,626) *
Total financial administration	<u>580,971</u>	<u>615,971</u>	<u>687,508</u>	<u>(71,537)</u>
Public safety:				
Municipal court	530,078	530,078	502,887	27,191
Police department	5,543,486	5,628,176	5,580,705	47,471
Animal control	405,179	405,179	385,084	20,095
Fire department	1,042,936	1,040,047	925,623	114,424
Emergency management	136,869	314,641	303,749	10,892
Code enforcement	1,023,958	1,023,958	936,612	87,346
Total public safety	<u>8,682,506</u>	<u>8,942,079</u>	<u>8,634,660</u>	<u>307,419</u>
Community services:				
Information technology	498,502	498,502	516,991	(18,489) *
Parks and recreation	1,637,482	1,695,285	1,636,268	59,017
Public works	1,784,010	1,761,573	1,523,667	237,906
Maintenance	-	66,500	94,672	(28,172) *
Total community services	<u>3,919,994</u>	<u>4,021,860</u>	<u>3,771,598</u>	<u>250,262</u>

(Continued)

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Economic development	\$ 276,193	\$ 276,193	\$ 248,816	\$ 27,377
Capital outlay	184,907	184,907	184,907	-
Debt Service:				
Principal	450,438	450,438	450,438	-
Interest	33,218	33,218	33,218	-
Total debt service	<u>483,656</u>	<u>483,656</u>	<u>483,656</u>	<u>-</u>
Total expenditures	<u>19,443,116</u>	<u>19,398,370</u>	<u>19,222,567</u>	<u>175,803</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,963,564)</u>	<u>(2,059,818)</u>	<u>(1,843,608)</u>	<u>216,210</u>
Other financing sources (uses)				
Transfers in	1,654,421	1,368,295	1,368,295	-
Lease proceeds	184,907	184,907	184,907	-
Total other financing sources	<u>1,839,328</u>	<u>1,553,202</u>	<u>1,553,202</u>	<u>-</u>
Net change in fund balance	<u>\$ (124,236)</u>	<u>\$ (506,616)</u>	<u>(290,406)</u>	<u>\$ 216,210</u>
Beginning fund balance			<u>3,261,606</u>	
Ending fund balance			<u>\$ 2,971,200</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 REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ANGLETON BETTER LIVING FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax	\$ 2,014,446	\$ 2,014,446	\$ 2,116,297	\$ 101,851
Intergovernmental	45,426	45,426	41,489	(3,937)
Investment revenue	2,538	2,538	118,900	116,362
Miscellaneous revenue	-	-	5,016	5,016
Total revenues	<u>2,062,410</u>	<u>2,062,410</u>	<u>2,281,702</u>	<u>219,292</u>
Expenditures				
Current:				
General administration	757,516	647,967	730,970	(83,003) *
Capital outlay	177,778	177,778	177,778	-
Debt Service:				
Debt issuance costs	121,653	121,653	121,653	-
Total expenditures	<u>1,056,947</u>	<u>947,398</u>	<u>1,030,401</u>	<u>(83,003)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,005,463</u>	<u>1,115,012</u>	<u>1,251,301</u>	<u>136,289</u>
Other financing sources (uses)				
Issuance of debt	3,750,000	3,750,000	3,750,000	-
Premium from issuance of debt	372,287	372,287	372,287	-
Transfers (out)	<u>(1,350,160)</u>	<u>(1,421,494)</u>	<u>(1,421,494)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,772,127</u>	<u>2,700,793</u>	<u>2,700,793</u>	<u>-</u>
Net change in fund balance	<u>\$ 3,777,590</u>	<u>\$ 3,815,805</u>	3,952,094	<u>\$ 136,289</u>
Beginning fund balance			<u>708,228</u>	
Ending fund balance			<u>\$ 4,660,322</u>	

Notes to Required Supplementary Information:

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

CITY OF ANGLETON, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the year ended

	Measurement Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 1,342,325	\$ 1,218,013	\$ 1,123,767	\$ 1,065,898	\$ 967,612	\$ 875,925	\$ 842,374	\$ 785,512	\$ 791,844	\$ 698,595
Interest (on the total pension liability)	2,258,218	2,087,752	1,995,111	1,913,148	1,810,253	1,741,013	1,651,811	1,584,707	1,562,646	1,507,813
Changes of benefit terms		-	-	-	-	-	(42,824)	-	-	-
Difference between expected and actual experience	(374,885)	684,002	(143,337)	(75,064)	56,625	(372,360)	(85,571)	(252,182)	(165,121)	(436,428)
Change of assumptions	(270,468)	-	-	-	121,586	-	-	-	137,692	-
Benefit payments, including refunds of employee contributions	(1,591,344)	(1,461,661)	(1,838,738)	(1,598,568)	(1,363,110)	(1,166,182)	(1,041,573)	(1,177,455)	(1,163,080)	(903,465)
Net change in total pension liability	<u>1,363,846</u>	<u>2,528,106</u>	<u>1,136,803</u>	<u>1,305,414</u>	<u>1,592,966</u>	<u>1,078,396</u>	<u>1,324,217</u>	<u>940,582</u>	<u>1,163,981</u>	<u>866,515</u>
Beginning total pension liability	<u>33,579,594</u>	<u>31,051,488</u>	<u>29,914,685</u>	<u>28,609,271</u>	<u>27,016,305</u>	<u>25,937,909</u>	<u>24,613,692</u>	<u>23,673,110</u>	<u>22,509,129</u>	<u>21,642,614</u>
Ending total pension liability	<u>\$ 34,943,440</u>	<u>\$ 33,579,594</u>	<u>\$ 31,051,488</u>	<u>\$ 29,914,685</u>	<u>\$ 28,609,271</u>	<u>\$ 27,016,305</u>	<u>\$ 25,937,909</u>	<u>\$ 24,613,692</u>	<u>\$ 23,673,110</u>	<u>\$ 22,509,129</u>
Plan fiduciary net position										
Contributions - employer	\$ 1,064,803	\$ 993,207	\$ 963,477	\$ 904,937	\$ 822,437	\$ 754,235	\$ 729,850	\$ 687,899	\$ 730,615	\$ 660,722
Contributions - employee	554,847	511,150	479,819	445,051	399,564	361,455	368,923	346,549	353,239	323,355
Net investment income	3,291,061	(2,235,173)	3,579,795	1,955,933	3,472,078	(695,480)	2,820,968	1,298,516	28,450	1,039,581
Benefit payments, including refunds of employee contributions	(1,591,344)	(1,461,661)	(1,838,738)	(1,598,568)	(1,363,110)	(1,166,182)	(1,041,573)	(1,177,455)	(1,163,080)	(903,465)
Administrative expense	(20,939)	(19,346)	(16,563)	(12,655)	(19,614)	(13,439)	(14,617)	(14,663)	(17,328)	(10,853)
Other	(146)	23,085	114	(493)	(589)	(702)	(742)	(790)	(856)	(892)
Net change in plan fiduciary net position	<u>3,298,282</u>	<u>(2,188,738)</u>	<u>3,167,904</u>	<u>1,694,205</u>	<u>3,310,766</u>	<u>(760,113)</u>	<u>2,862,809</u>	<u>1,140,056</u>	<u>(68,960)</u>	<u>1,108,448</u>
Beginning plan fiduciary net position	<u>28,437,574</u>	<u>30,626,312</u>	<u>27,458,408</u>	<u>25,764,203</u>	<u>22,453,437</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>
Ending Plan Fiduciary Net Position	<u>\$ 31,735,856</u>	<u>\$ 28,437,574</u>	<u>\$ 30,626,312</u>	<u>\$ 27,458,408</u>	<u>\$ 25,764,203</u>	<u>\$ 22,453,437</u>	<u>\$ 23,213,550</u>	<u>\$ 20,350,741</u>	<u>\$ 19,210,685</u>	<u>\$ 19,279,645</u>
Net Pension Liability	<u>\$ 3,207,584</u>	<u>\$ 5,142,020</u>	<u>\$ 425,176</u>	<u>\$ 2,456,277</u>	<u>\$ 2,845,068</u>	<u>\$ 4,562,868</u>	<u>\$ 2,724,359</u>	<u>\$ 4,262,951</u>	<u>\$ 4,462,425</u>	<u>\$ 3,229,484</u>
Plan fiduciary net position as a percentage of total pension liability	90.82%	84.69%	98.63%	91.79%	90.06%	83.11%	89.50%	82.68%	81.15%	85.65%
Covered Payroll	\$ 9,238,302	\$ 8,517,573	\$ 7,831,130	\$ 7,417,525	\$ 6,659,408	\$ 6,024,244	\$ 6,148,715	\$ 5,775,821	\$ 5,887,320	\$ 5,389,248
Net pension liability as a percentage of covered payroll	34.72%	60.37%	5.43%	33.11%	42.72%	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 (TESRS)
For the year ended

	Measurement Year*									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	1.70%	1.04%	0.69%	0.66%	0.39%	0.32%	0.35%	0.41%	0.43%	0.45%
City's proportionate share of the net pension liability	\$ 737,612	\$ 427,533	\$ 73,499	\$ 167,148	\$ 109,697	\$ 69,065	\$ 84,966	\$ 120,165	\$ 114,150	\$ 82,146
State's proportionate share of the net pension liability	<u>195,495</u>	<u>110,979</u>	<u>20,348</u>	<u>47,649</u>	<u>32,539</u>	<u>19,168</u>	<u>27,824</u>	<u>41,542</u>	<u>39,568</u>	<u>27,613</u>
Total	<u><u>\$ 933,107</u></u>	<u><u>\$ 538,512</u></u>	<u><u>\$ 93,847</u></u>	<u><u>\$ 214,797</u></u>	<u><u>\$ 142,236</u></u>	<u><u>\$ 88,233</u></u>	<u><u>\$ 112,790</u></u>	<u><u>\$ 161,707</u></u>	<u><u>\$ 153,718</u></u>	<u><u>\$ 109,759</u></u>
Number of active members*	35	31	26	28	27	37	40	32	34	34
City's net pension liability per active member	\$ 21,075	\$ 13,791	\$ 2,827	\$ 5,970	\$ 4,063	\$ 1,846	\$ 2,102	\$ 3,815	\$ 3,391	\$ 2,416
Plan fiduciary net position as a percentage of the total pension liability	74.60%	75.20%	93.10%	83.20%	80.20%	84.26%	81.40%	76.30%	76.90%	83.50%

**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.

CITY OF ANGLETON, TEXAS
SCHEDULE OF CONTRIBUTIONS –
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the year ended

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,219,501	\$ 1,029,949	\$ 963,669	\$ 975,404	\$ 887,773	\$ 808,099	\$ 735,614	\$ 727,148	\$ 693,433	\$ 687,403
Contributions in relation to the actuarially determined contribution	<u>1,227,707</u>	<u>1,063,493</u>	<u>963,669</u>	<u>975,404</u>	<u>887,773</u>	<u>808,099</u>	<u>735,614</u>	<u>727,148</u>	<u>693,433</u>	<u>687,403</u>
Contribution deficiency (excess)	<u>\$ (8,206)</u>	<u>\$ (33,544)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,452,930	\$ 9,194,416	\$ 8,203,999	\$ 8,067,011	\$ 7,249,082	\$ 6,519,525	\$ 5,961,986	\$ 6,120,417	\$ 5,754,427	\$ 5,554,619
Contributions as a percentage of covered payroll	11.75%	11.57%	11.75%	12.09%	12.25%	12.40%	12.34%	11.88%	12.05%	12.38%

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.

3. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22 years
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

3. Other Information: There were no benefit changes during this year.

CITY OF ANGLETON, TEXAS
SCHEDULE OF CONTRIBUTIONS –
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM (TESRS)
For the year ended

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 31,734	\$ 81,182	\$ 50,685	\$ 33,095	\$ 31,318	\$ 24,996	\$ 22,453	\$ 24,255	\$ 18,900	\$ 20,200
Contributions in relation to the contractually required contribution	<u>31,734</u>	<u>81,182</u>	<u>50,685</u>	<u>33,095</u>	<u>31,318</u>	<u>24,996</u>	<u>22,453</u>	<u>24,255</u>	<u>18,900</u>	<u>20,200</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Number of active members*	30	41	26	28	26	42	37	40	36	34
Contributions per active member	\$ 1,058	\$ 1,958	\$ 1,949	\$ 1,182	\$ 1,205	\$ 595	\$ 607	\$ 606	\$ 525	\$ 594

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

CITY OF ANGLETON, TEXAS
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS –
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the year ended

	Measurement Year*						
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability							
Service cost	\$ 24,943	\$ 28,960	\$ 28,975	\$ 21,511	\$ 15,983	\$ 16,265	\$ 14,142
Interest (on the total pension liability)	13,491	9,482	9,645	10,495	10,873	10,069	9,793
Difference between expected and actual experience	(11,751)	(27,817)	(12,738)	4,511	(2,124)	(13,650)	-
Changes of assumptions	18,553	(179,726)	17,392	66,967	63,878	(20,830)	23,154
Benefit payments **	<u>(12,010)</u>	<u>(10,221)</u>	<u>(10,180)</u>	<u>(2,967)</u>	<u>(2,664)</u>	<u>(3,012)</u>	<u>(3,074)</u>
Net change in total OPEB liability	<u>33,226</u>	<u>(179,322)</u>	<u>33,094</u>	<u>100,517</u>	<u>85,946</u>	<u>(11,158)</u>	<u>44,015</u>
Beginning total OPEB liability	<u>326,640</u>	<u>505,962</u>	<u>472,868</u>	<u>372,351</u>	<u>286,405</u>	<u>297,563</u>	<u>253,548</u>
Ending total OPEB liability	<u>\$ 359,866</u>	<u>\$ 326,640</u>	<u>\$ 505,962</u>	<u>\$ 472,868</u>	<u>\$ 372,351</u>	<u>\$ 286,405</u>	<u>\$ 297,563</u>
Covered-employee payroll	\$ 9,238,302	\$ 8,517,573	\$ 7,831,130	\$ 7,417,525	\$ 6,659,408	\$ 6,024,244	\$ 6,148,715
Total OPEB liability as a percentage of covered-employee payroll	3.90%	3.83%	6.46%	6.38%	5.59%	4.75%	4.84%

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

(Continued)

CITY OF ANGLETON, TEXAS
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS –
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the year ended

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	3.60% to 11.85% including inflation
Discount rate	3.77%
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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
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 the most recent Scale MP 2021 with immediate convergence) to account for future mortality improvements subject to the floor.

1. Other Information:

No assets are accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

There were no benefit changes during the year.

COMBINING STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Fund

Debt Service Fund – To account for the payment of interest and principal on general obligation bonds and other long-term debt of the City with the primary source of revenue from levied property taxes.

Special Revenue Funds

America Rescue Program Act (ARPA) Grants Fund – Grant funding and expenditures for the ARPA Grant.

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.

Riverwood PID - To account for public improvement district activities.

Emergency Berly Grant Fund - Revenue and expenses for disaster recovery from the Beryl storm.

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.

Capital Projects Funds

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

Street Fund - Capital improvements for City streets.

C.O. Series 2018 - Capital improvements for City streets.

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

CITY OF ANGLETON, TEXAS
 COMBINING BALANCE SHEET –
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2024

	Special Revenue Funds				
	(Formerly Major) Debt Service Fund	(Formerly Major) ARPA Grants	Hotel/ Motel	Child Safety	Municipal Court Technology
ASSETS					
Cash and cash equivalents	\$ 464,627	\$ 162,165	\$ 29,126	\$ 16,563	\$ 22,745
Investments	-	-	-	-	-
Receivables, net	24,205	-	85,435	-	-
Due from other governments	-	-	-	-	-
Total assets	<u>\$ 488,832</u>	<u>\$ 162,165</u>	<u>\$ 114,561</u>	<u>\$ 16,563</u>	<u>\$ 22,745</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 14,555	\$ -	\$ -
Unearned revenue	-	161,687	-	-	-
Total liabilities	<u>-</u>	<u>161,687</u>	<u>14,555</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	24,205	-	-	-	-
Total deferred inflows of resources	<u>24,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted for					
Debt service	464,627	-	-	-	-
Economic development	-	-	100,006	-	-
Special projects	-	478	-	16,563	22,745
Capital projects	-	-	-	-	-
Total fund balances	<u>464,627</u>	<u>478</u>	<u>100,006</u>	<u>16,563</u>	<u>22,745</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 488,832</u>	<u>\$ 162,165</u>	<u>\$ 114,561</u>	<u>\$ 16,563</u>	<u>\$ 22,745</u>

(Continued)

CITY OF ANGLETON, TEXAS
 COMBINING BALANCE SHEET –
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2024

Special Revenue Funds

	Municipal Court Building Security	GLO Grant	TxDOT Grant	Keep Angleton Beautiful	Angleton Act Center
ASSETS					
Cash and cash equivalents	\$ 49,426	\$ 4,165	\$ 4,799	\$ 69,697	\$ 672,116
Investments	-	-	-	-	-
Receivables, net	-	-	-	4,287	-
Due from other governments	-	2,243	-	-	-
Total assets	<u>\$ 49,426</u>	<u>\$ 6,408</u>	<u>\$ 4,799</u>	<u>\$ 73,984</u>	<u>\$ 672,116</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 52,511
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,511</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted for					
Debt service	-	-	-	-	-
Economic development	-	-	-	-	619,605
Special projects	49,426	6,408	4,799	73,984	-
Capital projects	-	-	-	-	-
Total fund balances	<u>49,426</u>	<u>6,408</u>	<u>4,799</u>	<u>73,984</u>	<u>619,605</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 49,426</u>	<u>\$ 6,408</u>	<u>\$ 4,799</u>	<u>\$ 73,984</u>	<u>\$ 672,116</u>

(Continued)

CITY OF ANGLETON, TEXAS
 COMBINING BALANCE SHEET –
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2024

Special Revenue Funds

	<u>TIRZ #1</u>	<u>TIRZ #2</u>	<u>OBJ Police Grant</u>	<u>Police Donation</u>	<u>Fire Dept. ESD</u>
ASSETS					
Cash and cash equivalents	\$ 109,631	\$ 38,084	\$ 10,244	\$ 29,816	\$ 204,185
Investments	-	-	-	-	-
Receivables, net	-	-	-	-	-
Due from other governments	-	-	18,638	-	-
Total assets	<u>\$ 109,631</u>	<u>\$ 38,084</u>	<u>\$ 28,882</u>	<u>\$ 29,816</u>	<u>\$ 204,185</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 6,530	\$ -	\$ 1,920	\$ -	\$ 1,415
Unearned revenue	-	-	-	-	-
Total liabilities	<u>6,530</u>	<u>-</u>	<u>1,920</u>	<u>-</u>	<u>1,415</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted for					
Debt service	-	-	-	-	-
Economic development	-	-	-	-	-
Special projects	103,101	38,084	26,962	29,816	202,770
Capital projects	-	-	-	-	-
Total fund balances	<u>103,101</u>	<u>38,084</u>	<u>26,962</u>	<u>29,816</u>	<u>202,770</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 109,631</u>	<u>\$ 38,084</u>	<u>\$ 28,882</u>	<u>\$ 29,816</u>	<u>\$ 204,185</u>

(Continued)

CITY OF ANGLETON, TEXAS
 COMBINING BALANCE SHEET –
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2024

Special Revenue Funds

	A/C Donations	Drug Confiscation	Traffic Enforcement	Developer Deposit	911 Recorder Grant
ASSETS					
Cash and cash equivalents	\$ 41,166	\$ 20,464	\$ 3,117	\$ 703,740	\$ -
Investments	-	-	-	-	-
Receivables, net	-	-	-	-	2,726
Due from other governments	-	-	200	-	-
Total assets	<u>\$ 41,166</u>	<u>\$ 20,464</u>	<u>\$ 3,317</u>	<u>\$ 703,740</u>	<u>\$ 2,726</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ 6,925	\$ -	\$ -	\$ 2,726
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>6,925</u>	<u>-</u>	<u>-</u>	<u>2,726</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted for					
Debt service	-	-	-	-	-
Economic development	-	-	-	-	-
Special projects	41,166	13,539	3,317	703,740	-
Capital projects	-	-	-	-	-
Total fund balances	<u>41,166</u>	<u>13,539</u>	<u>3,317</u>	<u>703,740</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 41,166</u>	<u>\$ 20,464</u>	<u>\$ 3,317</u>	<u>\$ 703,740</u>	<u>\$ 2,726</u>

(Continued)

CITY OF ANGLETON, TEXAS
 COMBINING BALANCE SHEET –
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2024

Special Revenue Funds

	Riverwood PID	Emergency Berly Grant	Green Trails PID	Greystone PID	Kiber Reserve PID
ASSETS					
Cash and cash equivalents	\$ 53,061	\$ 14,004	\$ 13,338	\$ 41,684	\$ 38,239
Investments	-	-	-	-	-
Receivables, net	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	<u>\$ 53,061</u>	<u>\$ 14,004</u>	<u>\$ 13,338</u>	<u>\$ 41,684</u>	<u>\$ 38,239</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ 14,004	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>14,004</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted for					
Debt service	-	-	-	-	-
Economic development	-	-	-	-	-
Special projects	53,061	-	13,338	41,684	38,239
Capital projects	-	-	-	-	-
Total fund balances	<u>53,061</u>	<u>-</u>	<u>13,338</u>	<u>41,684</u>	<u>38,239</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 53,061</u>	<u>\$ 14,004</u>	<u>\$ 13,338</u>	<u>\$ 41,684</u>	<u>\$ 38,239</u>

(Continued)

CITY OF ANGLETON, TEXAS
 COMBINING BALANCE SHEET –
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2024

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Law Enforment Loan	Street	C.O. Series 2018	City-Wide Capital Projects	
ASSETS					
Cash and cash equivalents	\$ -	\$ 1,833,578	\$ 914,345	\$ 434,570	\$ 5,998,695
Investments	-	370,161	-	-	370,161
Receivables, net	-	51	-	-	116,704
Due from other governments	-	-	-	-	21,081
Total assets	<u>\$ -</u>	<u>\$ 2,203,790</u>	<u>\$ 914,345</u>	<u>\$ 434,570</u>	<u>\$ 6,506,641</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 17,707	\$ 3,851	\$ 122,144
Unearned revenue	-	-	-	-	161,687
Total liabilities	<u>-</u>	<u>-</u>	<u>17,707</u>	<u>3,851</u>	<u>283,831</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	24,205
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,205</u>
FUND BALANCES					
Restricted for					
Debt service	-	-	-	-	464,627
Economic development	-	-	-	-	719,611
Special projects	-	-	-	-	1,483,220
Capital projects	-	2,203,790	896,638	430,719	3,531,147
Total fund balances	<u>-</u>	<u>2,203,790</u>	<u>896,638</u>	<u>430,719</u>	<u>6,198,605</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 2,203,790</u>	<u>\$ 914,345</u>	<u>\$ 434,570</u>	<u>\$ 6,506,641</u>

CITY OF ANGLETON, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2024

	Special Revenue Funds				
	(Formerly Major) Debt <u>Service Fund</u>	(Formerly Major) ARPA <u>Grants</u>	Hotel/ <u>Motel</u>	Child <u>Safety</u>	Municipal Court <u>Technology</u>
Revenues					
Property taxes	\$ 1,211,913	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	239,604	-	-
Fines and forfeitures	-	-	-	7,108	10,775
Charges for services	-	-	-	-	-
Intergovernmental	-	504,840	-	-	-
Investment revenue	10,577	-	1,859	334	370
Special assessments	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Total revenues	<u>1,222,490</u>	<u>504,840</u>	<u>241,463</u>	<u>7,442</u>	<u>11,145</u>
Expenditures					
Current					
General administration	-	-	-	-	-
Public safety	-	-	-	-	1,159
Community services	-	393,920	-	-	-
Economic development	-	-	317,679	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	1,130,103	-	-	-	-
Interest expense	836,396	-	-	-	-
Total expenditures	<u>1,966,499</u>	<u>393,920</u>	<u>317,679</u>	<u>-</u>	<u>1,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(744,009)</u>	<u>110,920</u>	<u>(76,216)</u>	<u>7,442</u>	<u>9,986</u>
Other financing sources (uses)					
Issuance of debt	-	-	-	-	-
Transfers in	756,166	-	-	-	-
Transfers (out)	-	(110,920)	(14,583)	(2,025)	-
Total other financing sources (uses)	<u>756,166</u>	<u>(110,920)</u>	<u>(14,583)</u>	<u>(2,025)</u>	<u>-</u>
Net change in fund balance	12,157	-	(90,799)	5,417	9,986
Beginning fund balances	<u>-</u>	<u>-</u>	<u>190,805</u>	<u>11,146</u>	<u>12,759</u>
Change to or within financial reporting entity	452,470	478	-	-	-
Beginning fund balances, as adjusted	<u>452,470</u>	<u>478</u>	<u>190,805</u>	<u>11,146</u>	<u>12,759</u>
Ending fund balance	<u>\$ 464,627</u>	<u>\$ 478</u>	<u>\$ 100,006</u>	<u>\$ 16,563</u>	<u>\$ 22,745</u>

(Continued)

CITY OF ANGLETON, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2024

Special Revenue Funds

	<u>Municipal Court Building Security</u>	<u>GLO Grant</u>	<u>TxDOT Grant</u>	<u>Keep Angleton Beautiful</u>	<u>Angleton Act Center</u>
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-	-
Fines and forfeitures	13,592	-	-	-	-
Charges for services	-	-	-	-	547,663
Intergovernmental	-	-	-	-	-
Investment revenue	1,023	-	-	1,420	12,348
Special assessments	-	-	-	-	-
Miscellaneous revenue	-	-	-	70,009	-
Total revenues	<u>14,615</u>	<u>-</u>	<u>-</u>	<u>71,429</u>	<u>560,011</u>
Expenditures					
Current					
General administration	-	-	-	-	763,097
Public safety	-	-	-	-	-
Community services	-	-	-	-	-
Economic development	-	-	-	53,279	-
Capital outlay	-	-	-	-	29,079
Debt service					
Principal	-	-	-	-	3,931
Interest expense	-	-	-	-	273
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,279</u>	<u>796,380</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,615</u>	<u>-</u>	<u>-</u>	<u>18,150</u>	<u>(236,369)</u>
Other financing sources (uses)					
Issuance of debt	-	-	-	-	-
Transfers in	-	-	-	-	581,279
Transfers (out)	(5,000)	-	-	-	-
Total other financing sources (uses)	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>581,279</u>
Net change in fund balance	9,615	-	-	18,150	344,910
Beginning fund balances	<u>39,811</u>	<u>6,408</u>	<u>4,799</u>	<u>55,834</u>	<u>274,695</u>
Change to or within financial reporting entity	-	-	-	-	-
Beginning fund balances, as adjusted	<u>39,811</u>	<u>6,408</u>	<u>4,799</u>	<u>55,834</u>	<u>274,695</u>
Ending fund balance	<u>\$ 49,426</u>	<u>\$ 6,408</u>	<u>\$ 4,799</u>	<u>\$ 73,984</u>	<u>\$ 619,605</u>

(Continued)

CITY OF ANGLETON, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2024

Special Revenue Funds

	<u>TIRZ #1</u>	<u>TIRZ #2</u>	<u>OBJ Police Grant</u>	<u>Police Donation</u>	<u>Fire Dept. ESD</u>
Revenues					
Property taxes	\$ 36,984	\$ 37,546	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	371,320
Investment revenue	1,801	-	-	711	-
Special assessments	-	-	-	-	-
Miscellaneous revenue	27,503	-	-	11,527	-
Total revenues	<u>66,288</u>	<u>37,546</u>	<u>-</u>	<u>12,238</u>	<u>371,320</u>
Expenditures					
Current					
General administration	-	6,633	-	-	-
Public safety	-	-	3,150	15,000	258,254
Community services	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest expense	-	-	-	-	-
Total expenditures	<u>-</u>	<u>6,633</u>	<u>3,150</u>	<u>15,000</u>	<u>258,254</u>
Excess (deficiency) of revenues over (under) expenditures	<u>66,288</u>	<u>30,913</u>	<u>(3,150)</u>	<u>(2,762)</u>	<u>113,066</u>
Other financing sources (uses)					
Issuance of debt	-	-	-	-	-
Transfers in	-	-	15,482	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>15,482</u>	<u>-</u>	<u>-</u>
Net change in fund balance	66,288	30,913	12,332	(2,762)	113,066
Beginning fund balances	<u>36,813</u>	<u>7,171</u>	<u>14,630</u>	<u>32,578</u>	<u>89,704</u>
Change to or within financial reporting entity	-	-	-	-	-
Beginning fund balances, as adjusted	<u>36,813</u>	<u>7,171</u>	<u>14,630</u>	<u>32,578</u>	<u>89,704</u>
Ending fund balance	<u>\$ 103,101</u>	<u>\$ 38,084</u>	<u>\$ 26,962</u>	<u>\$ 29,816</u>	<u>\$ 202,770</u>

(Continued)

CITY OF ANGLETON, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2024

Special Revenue Funds

	A/C Donations	Drug Confiscation	Traffic Enforcement	Developer Deposit	911 Recorder Grant
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	8,260	-	102,799
Investment revenue	809	415	-	-	-
Special assessments	-	-	-	-	-
Miscellaneous revenue	10,610	23,620	-	249,643	-
Total revenues	<u>11,419</u>	<u>24,035</u>	<u>8,260</u>	<u>249,643</u>	<u>102,799</u>
Expenditures					
Current					
General administration	-	-	-	10,848	105,467
Public safety	-	30,755	9,077	-	-
Community services	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	13,500	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest expense	-	-	-	-	-
Total expenditures	<u>-</u>	<u>44,255</u>	<u>9,077</u>	<u>10,848</u>	<u>105,467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,419</u>	<u>(20,220)</u>	<u>(817)</u>	<u>238,795</u>	<u>(2,668)</u>
Other financing sources (uses)					
Issuance of debt	-	-	-	-	-
Transfers in	-	-	3,028	-	2,668
Transfers (out)	-	-	-	(324,658)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,028</u>	<u>(324,658)</u>	<u>2,668</u>
Net change in fund balance	11,419	(20,220)	2,211	(85,863)	-
Beginning fund balances	<u>29,747</u>	<u>33,759</u>	<u>1,106</u>	<u>789,603</u>	<u>-</u>
Change to or within financial reporting entity	-	-	-	-	-
Beginning fund balances, as adjusted	<u>29,747</u>	<u>33,759</u>	<u>1,106</u>	<u>789,603</u>	<u>-</u>
Ending fund balance	<u>\$ 41,166</u>	<u>\$ 13,539</u>	<u>\$ 3,317</u>	<u>\$ 703,740</u>	<u>\$ -</u>

(Continued)

CITY OF ANGLETON, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2024

Special Revenue Funds

	Riverwood PID	Emergency Berly Grant	Green Trails PID	Greystone PID	Kiber Reserve PID
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment revenue	753	-	147	328	304
Special assessments	328,708	-	80,540	117,446	124,094
Miscellaneous revenue	-	242	-	-	-
Total revenues	<u>329,461</u>	<u>242</u>	<u>80,687</u>	<u>117,774</u>	<u>124,398</u>
Expenditures					
Current					
General administration	303,468	-	67,349	95,010	103,469
Public safety	-	10,297	-	-	-
Community services	-	584,778	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest expense	-	-	-	-	-
Total expenditures	<u>303,468</u>	<u>595,075</u>	<u>67,349</u>	<u>95,010</u>	<u>103,469</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,993</u>	<u>(594,833)</u>	<u>13,338</u>	<u>22,764</u>	<u>20,929</u>
Other financing sources (uses)					
Issuance of debt	-	-	-	-	-
Transfers in	-	559,521	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>559,521</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	25,993	(35,312)	13,338	22,764	20,929
Beginning fund balances	<u>27,068</u>	<u>35,312</u>	<u>-</u>	<u>18,920</u>	<u>17,310</u>
Change to or within financial reporting entity	-	-	-	-	-
Beginning fund balances, as adjusted	<u>27,068</u>	<u>35,312</u>	<u>-</u>	<u>18,920</u>	<u>17,310</u>
Ending fund balance	<u>\$ 53,061</u>	<u>\$ -</u>	<u>\$ 13,338</u>	<u>\$ 41,684</u>	<u>\$ 38,239</u>

(Continued)

CITY OF ANGLETON, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2024

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Law Enforcement <u>Loan</u>	<u>Street</u>	C.O. <u>Series 2018</u>	City-Wide <u>Capital Projects</u>	
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,286,443
Franchise fees and local taxes	-	-	-	-	239,604
Fines and forfeitures	-	-	-	-	31,475
Charges for services	-	-	-	-	547,663
Intergovernmental	-	-	-	-	987,219
Investment revenue	-	56,557	192,184	10,009	291,949
Special assessments	-	-	-	-	650,788
Miscellaneous revenue	-	-	-	-	393,154
Total revenues	<u>-</u>	<u>56,557</u>	<u>192,184</u>	<u>10,009</u>	<u>4,428,295</u>
Expenditures					
Current					
General administration	-	-	-	-	1,455,341
Public safety	-	-	-	-	327,692
Community services	-	-	187,862	11,000	1,177,560
Economic development	-	-	-	-	370,958
Capital outlay	336,643	2,500	596,605	-	978,327
Debt service					
Principal	-	-	-	-	1,134,034
Interest expense	-	-	-	-	836,669
Total expenditures	<u>336,643</u>	<u>2,500</u>	<u>784,467</u>	<u>11,000</u>	<u>6,280,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(336,643)</u>	<u>54,057</u>	<u>(592,283)</u>	<u>(991)</u>	<u>(1,852,286)</u>
Other financing sources (uses)					
Issuance of debt	336,643	-	-	-	336,643
Transfers in	125,000	-	-	-	2,043,144
Transfers (out)	-	-	-	-	(457,186)
Total other financing sources (uses)	<u>461,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,922,601</u>
Net change in fund balance	125,000	54,057	(592,283)	(991)	70,315
Beginning fund balances	<u>(125,000)</u>	<u>2,149,733</u>	<u>1,488,921</u>	<u>431,710</u>	<u>5,675,342</u>
Change to or within financial reporting entity	-	-	-	-	452,948
Beginning fund balances, as adjusted	<u>(125,000)</u>	<u>2,149,733</u>	<u>1,488,921</u>	<u>431,710</u>	<u>6,128,290</u>
Ending fund balance	<u>\$ -</u>	<u>\$ 2,203,790</u>	<u>\$ 896,638</u>	<u>\$ 430,719</u>	<u>\$ 6,198,605</u>

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2024

	Debt Service Fund			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Property taxes	\$ 1,211,331	\$ 1,211,331	\$ 1,211,913	\$ 582
Investment revenue	1,000	1,000	10,577	9,577
Total revenues	<u>1,212,331</u>	<u>1,212,331</u>	<u>1,222,490</u>	<u>10,159</u>
Expenditures				
Debt service:				
Principal	1,130,103	1,130,103	1,130,103	-
Interest and fiscal agent fees	773,531	838,394	836,396	1,998
Total expenditures	<u>1,903,634</u>	<u>1,968,497</u>	<u>1,966,499</u>	<u>1,998</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(691,303)</u>	<u>(756,166)</u>	<u>(744,009)</u>	<u>12,157</u>
Other financing sources				
Transfers in	691,303	756,166	756,166	-
Total other financing sources	<u>691,303</u>	<u>756,166</u>	<u>756,166</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	12,157	<u>\$ 12,157</u>
Beginning fund balance			452,470	
Ending fund balance			<u>\$ 464,627</u>	

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
HOTEL/MOTEL FUNDS
For the Year Ended September 30, 2024

	Hotel/Motel Fund			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Franchise fees and local taxes	\$ 318,320	\$ 318,320	\$ 239,604	\$ (78,716)
Investment revenue	2,000	2,000	1,859	(141)
Total revenues	<u>320,320</u>	<u>320,320</u>	<u>241,463</u>	<u>(78,857)</u>
Expenditures				
Current:				
Economic development	303,037	303,037	317,679	(14,642) *
Total expenditures	<u>303,037</u>	<u>303,037</u>	<u>317,679</u>	<u>(14,642)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,283</u>	<u>17,283</u>	<u>(76,216)</u>	<u>(93,499)</u>
Other financing sources (uses)				
Transfers (out)	(14,583)	(14,583)	(14,583)	-
Total other financing (uses)	<u>(14,583)</u>	<u>(14,583)</u>	<u>(14,583)</u>	<u>-</u>
Net change in fund balance	<u>\$ 2,700</u>	<u>\$ 2,700</u>	(90,799)	<u>\$ (93,499)</u>
Beginning fund balance			<u>190,805</u>	
Ending fund balance			<u>\$ 100,006</u>	

*Expenditures exceeded appropriations at the legal level of control.

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
CHILD SAEFTY FUND
For the Year Ended September 30, 2024

	Child Safety			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 2,025	\$ 2,025	\$ 7,108	\$ 5,083
Investment revenue	-	-	334	334
Total revenues	2,025	2,025	7,442	5,417
Excess of revenues over expenditures	2,025	2,025	7,442	5,417
Other financing sources (uses)				
Transfers (out)	(2,025)	(2,025)	(2,025)	-
Total other financing (uses)	(2,025)	(2,025)	(2,025)	-
Net change in fund balance	\$ -	\$ -	5,417	\$ 5,417
Beginning fund balance			11,146	
Ending fund balance			\$ 16,563	

CITY OF ANGLETON, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES – BUDGET AND ACTUAL
 MUNICIPAL COURT TECHNOLOGY
 For the Year Ended September 30, 2024

	Municipal Court Technology			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 10,775	\$ 775
Investment revenue	-	-	370	370
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>11,145</u>	<u>1,145</u>
Expenditures				
Current:				
Public safety	10,000	10,000	1,159	8,841
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>1,159</u>	<u>8,841</u>
Excess of revenues over expenditures	-	-	9,986	9,986
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	9,986	<u>\$ 9,986</u>
Beginning fund balance			<u>12,759</u>	
Ending fund balance			<u>\$ 22,745</u>	

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
MUNICIPAL COURT BUILDING SECURITY
For the Year Ended September 30, 2024

	Municipal Court Building Security			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Fines and forfeitures	\$ 5,500	\$ 5,500	\$ 13,592	\$ 8,092
Investment revenue	-	-	1,023	1,023
Total revenues	<u>5,500</u>	<u>5,500</u>	<u>14,615</u>	<u>9,115</u>
Expenditures				
Current:				
Public safety	500	500	-	500
Total expenditures	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Excess of revenues over expenditures	<u>5,000</u>	<u>5,000</u>	<u>14,615</u>	<u>9,615</u>
Other financing sources (uses)				
Transfers (out)	(5,000)	(5,000)	(5,000)	-
Total other financing (uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	9,615	<u>\$ 9,615</u>
Beginning fund balance			<u>39,811</u>	
Ending fund balance			<u>\$ 49,426</u>	

CITY OF ANGLETON, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES – BUDGET AND ACTUAL
 TEXAS DEPARTMENT OF TRANSPORTATION GRANT
 For the Year Ended September 30, 2024

	TxDOT Grant			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Intergovernmental	\$ 12,000	\$ 12,000	\$ -	\$ (12,000)
Miscellaneous revenue	3,028	3,028	-	(3,028)
Total revenues	<u>15,028</u>	<u>15,028</u>	<u>-</u>	<u>(15,028)</u>
Expenditures				
Current:				
Public works	15,028	15,028	-	15,028
Total expenditures	<u>15,028</u>	<u>15,028</u>	<u>-</u>	<u>15,028</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning fund balance			<u>4,799</u>	
Ending fund balance			<u>\$ 4,799</u>	

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
KEEP ANGLETON BEAUTIFUL
For the Year Ended September 30, 2024

	Keep Angleton Beautiful			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Investment revenue	\$ 100	\$ 100	\$ 1,420	\$ 1,320
Miscellaneous revenue	49,000	70,221	70,009	(212)
Total revenues	<u>49,100</u>	<u>70,321</u>	<u>71,429</u>	<u>1,108</u>
Expenditures				
Current:				
Economic development	61,765	61,765	53,279	8,486
Total expenditures	<u>61,765</u>	<u>61,765</u>	<u>53,279</u>	<u>8,486</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,665)</u>	<u>8,556</u>	<u>18,150</u>	<u>9,594</u>
Other financing sources				
Transfers in	21,221	-	-	-
Total other financing sources	<u>21,221</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 8,556</u>	<u>\$ 8,556</u>	18,150	<u>\$ 9,594</u>
Beginning fund balance			<u>55,834</u>	
Ending fund balance			<u>\$ 73,984</u>	

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
ANGLETON ACT CENTER
For the Year Ended September 30, 2024

	Angleton Act Center			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Charges for services	\$ 424,935	\$ 424,935	\$ 547,663	\$ 122,728
Investment revenue	814	814	12,348	11,534
Total revenues	<u>425,749</u>	<u>425,749</u>	<u>560,011</u>	<u>134,262</u>
Expenditures				
Current:				
General administration	1,055,666	975,421	763,097	212,324
Capital outlay	30,000	33,075	29,079	3,996
Debt service:				
Principal	3,931	3,931	3,931	-
Interest and fiscal agent fees	273	273	273	-
Total expenditures	<u>1,089,870</u>	<u>1,012,700</u>	<u>796,380</u>	<u>216,320</u>
Excess of revenues over expenditures	<u>(664,121)</u>	<u>(586,951)</u>	<u>(236,369)</u>	<u>350,582</u>
Other financing sources				
Transfers in	581,279	581,279	581,279	-
Total other financing sources	<u>581,279</u>	<u>581,279</u>	<u>581,279</u>	<u>-</u>
Net change in fund balance	<u>\$ (82,842)</u>	<u>\$ (5,672)</u>	344,910	<u>\$ 350,582</u>
Beginning fund balance			<u>274,695</u>	
Ending fund balance			<u>\$ 619,605</u>	

CITY OF ANGLETON, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES – BUDGET AND ACTUAL
 TIRZ #1
 For the Year Ended September 30, 2024

	TIRZ #1			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 18,807	\$ 18,807	\$ 36,984	\$ 18,177
Investment revenue	25	25	1,801	1,776
Miscellaneous revenue	<u>1,633</u>	<u>1,633</u>	<u>27,503</u>	<u>25,870</u>
Total revenues	<u>20,465</u>	<u>20,465</u>	<u>66,288</u>	<u>45,823</u>
Expenditures				
Current:				
General administration	<u>20,465</u>	<u>20,465</u>	-	<u>20,465</u>
Total expenditures	<u>20,465</u>	<u>20,465</u>	-	<u>20,465</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>66,288</u>	<u>66,288</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>66,288</u>	<u>\$ 66,288</u>
Beginning fund balance			<u>36,813</u>	
Ending fund balance			<u>\$ 103,101</u>	

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
OBJ POLICE GRANT
For the Year Ended September 30, 2024

	OBJ Police Grant			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
Public safety	15,482	15,482	3,150	12,332
Total expenditures	<u>15,482</u>	<u>15,482</u>	<u>3,150</u>	<u>12,332</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,482)</u>	<u>(15,482)</u>	<u>(3,150)</u>	<u>12,332</u>
Other financing sources				
Transfers in	15,482	15,482	15,482	-
Total other financing sources	<u>15,482</u>	<u>15,482</u>	<u>15,482</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	12,332	<u>\$ 12,332</u>
Beginning fund balance			<u>14,630</u>	
Ending fund balance			<u>\$ 26,962</u>	

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
POLICE DONATION
For the Year Ended September 30, 2024

	Police Donation			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Investment revenue	\$ 25	\$ 25	\$ 711	\$ 686
Miscellaneous revenue	<u>16,275</u>	<u>16,275</u>	<u>11,527</u>	<u>(4,748)</u>
Total revenues	<u>16,300</u>	<u>16,300</u>	<u>12,238</u>	<u>(4,062)</u>
Expenditures				
Current				
Public safety	<u>16,300</u>	<u>16,300</u>	<u>15,000</u>	<u>1,300</u>
Total expenditures	<u>16,300</u>	<u>16,300</u>	<u>15,000</u>	<u>1,300</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(2,762)</u>	<u>(2,762)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(2,762)</u>	<u>\$ (2,762)</u>
Beginning fund balance			<u>32,578</u>	
Ending fund balance			<u>\$ 29,816</u>	

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
FIRE DEPARTMENT ESD
For the Year Ended September 30, 2024

	Fire Department ESD			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Intergovernmental	\$ 356,721	\$ 356,721	\$ 371,320	\$ 14,599
Total revenues	<u>356,721</u>	<u>356,721</u>	<u>371,320</u>	<u>14,599</u>
Expenditures				
Current:				
Public safety	256,721	265,471	258,254	7,217
Total expenditures	<u>256,721</u>	<u>265,471</u>	<u>258,254</u>	<u>7,217</u>
Excess of revenues over expenditures	<u>100,000</u>	<u>91,250</u>	<u>113,066</u>	<u>21,816</u>
Other financing sources (uses)				
Transfers (out)	(100,000)	-	-	-
Total other financing (uses)	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 91,250</u>	113,066	<u>\$ 21,816</u>
Beginning fund balance			<u>89,704</u>	
Ending fund balance			<u>\$ 202,770</u>	

CITY OF ANGLETON, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES – BUDGET AND ACTUAL
 ANIMAL CONTROL DONATIONS
 For the Year Ended September 30, 2024

	A/C Donations			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Investment revenue	\$ 5,000	\$ 5,000	\$ 809	\$ (4,191)
Miscellaneous revenue	<u>7,000</u>	<u>7,000</u>	<u>10,610</u>	<u>3,610</u>
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>11,419</u>	<u>(581)</u>
Expenditures				
Current:				
General administration	<u>12,000</u>	<u>12,000</u>	-	<u>12,000</u>
Total expenditures	<u>12,000</u>	<u>12,000</u>	-	<u>12,000</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>11,419</u>	<u>11,419</u>
Net change in fund balance	<u>\$ 24,000</u>	<u>\$ 24,000</u>	11,419	<u>\$ 11,419</u>
Beginning fund balance			<u>29,747</u>	
Ending fund balance			<u>\$ 41,166</u>	

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
DRUG CONFISCATION
For the Year Ended September 30, 2024

	Drug Confiscation			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Investment revenue	\$ 250	\$ 250	\$ 415	\$ 165
Miscellaneous revenue	750	23,620	23,620	-
Total revenues	<u>1,000</u>	<u>23,870</u>	<u>24,035</u>	<u>165</u>
Expenditures				
Current:				
Public safety	1,000	10,370	30,755	(20,385) *
Capital outlay	-	13,500	13,500	-
Total expenditures	<u>1,000</u>	<u>23,870</u>	<u>44,255</u>	<u>(20,385)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(20,220)	(20,220)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(20,220)	<u>\$ (20,220)</u>
Beginning fund balance			<u>33,759</u>	
Ending fund balance			<u>\$ 13,539</u>	

*Expenditures exceeded appropriations at the legal level of control.

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
TRAFFIC ENFORCEMENT
For the Year Ended September 30, 2024

	Traffic Enforcement			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Intergovernmental	\$ 12,000	\$ 12,000	\$ 8,260	\$ (3,740)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>8,260</u>	<u>(3,740)</u>
Expenditures				
Current				
Public safety	15,028	15,028	9,077	5,951
Total expenditures	<u>15,028</u>	<u>15,028</u>	<u>9,077</u>	<u>5,951</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,028)</u>	<u>(3,028)</u>	<u>(817)</u>	<u>2,211</u>
Other financing sources				
Transfers in	3,028	3,028	3,028	-
Total other financing sources	<u>3,028</u>	<u>3,028</u>	<u>3,028</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2,211	<u>\$ 2,211</u>
Beginning fund balance			<u>1,106</u>	
Ending fund balance			<u>\$ 3,317</u>	

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
EMERGENCY BERLY GRANT
For the Year Ended September 30, 2024

	Emergency Berly Grant			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Miscellaneous revenues	\$ -	\$ -	\$ 242	\$ 242
Total revenues	<u>-</u>	<u>-</u>	<u>242</u>	<u>242</u>
Expenditures				
Current:				
Public safety	-	10,297	10,297	-
Community services	-	615,240	584,778	30,462
Total expenditures	<u>-</u>	<u>625,537</u>	<u>595,075</u>	<u>30,462</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(625,537)</u>	<u>(594,833)</u>	<u>30,704</u>
Other financing sources				
Transfers in	-	559,521	559,521	-
Total other financing sources	<u>-</u>	<u>559,521</u>	<u>559,521</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (66,016)</u>	<u>(35,312)</u>	<u>\$ 30,704</u>
Beginning fund balance			<u>35,312</u>	
Ending fund balance			<u>\$ -</u>	

CONSOLIDATED SUB-FUND STATEMENTS

CITY OF ANGLETON, TEXAS
CONSOLIDATED BALANCE SHEET
GENERAL FUND SUB-FUNDS
September 30, 2024

	<u>General</u>	<u>Community Events</u>	<u>Capital Lease Purchase</u>	<u>Downtown Revitalization</u>
ASSETS				
Cash and cash equivalents	\$ 1,332,173	\$ 29,448	\$ 114,081	\$ 9,899
Investments	370,161	-	-	-
Receivables, net	1,611,181	-	-	-
Inventory	16,698	-	-	-
Prepays	142,990	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Due from other funds	831,466	-	-	-
Total assets	<u>\$ 4,304,669</u>	<u>\$ 29,448</u>	<u>\$ 114,081</u>	<u>\$ 9,899</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,223,863	\$ 7,490	\$ -	\$ -
Unearned revenue	112,422	-	-	-
Due to other governments	56,349	-	-	-
Total liabilities	<u>1,392,634</u>	<u>7,490</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	150,434	-	-	-
Total deferred - inflows of resources	<u>150,434</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Inventory and prepaids	159,688	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Unassigned	2,601,913	21,958	114,081	9,899
Total fund balances	<u>2,761,601</u>	<u>21,958</u>	<u>114,081</u>	<u>9,899</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,304,669</u>	<u>\$ 29,448</u>	<u>\$ 114,081</u>	<u>\$ 9,899</u>

(Continued)

CITY OF ANGLETON, TEXAS
CONSOLIDATED BALANCE SHEET
GENERAL FUND SUB-FUNDS
September 30, 2024

	<u>Citywide Repairs</u>	<u>2019 C.O. Bonds</u>	<u>City Employee</u>	<u>Total General Fund</u>
ASSETS				
Cash and cash equivalents	\$ 926	\$ -	\$ 6,926	\$ 1,493,453
Investments	-	-	-	370,161
Receivables, net	-	-	-	1,611,181
Inventory	-	-	-	16,698
Prepays	-	-	-	142,990
Restricted cash and cash equivalents	-	55,809	-	55,809
Due from other funds	-	-	-	831,466
	<u>926</u>	<u>55,809</u>	<u>6,926</u>	<u>4,521,758</u>
Total assets	<u>\$ 926</u>	<u>\$ 55,809</u>	<u>\$ 6,926</u>	<u>\$ 4,521,758</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 1,231,353
Unearned revenue	-	-	-	112,422
Due to other governments	-	-	-	56,349
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,400,124</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	150,434
Total deferred - inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,434</u>
FUND BALANCES				
Nonspendable:				
Inventory and prepaids	-	-	-	159,688
Restricted for:				
Capital projects	-	55,809	-	55,809
Unassigned	926	-	6,926	2,755,703
Total fund balances	<u>926</u>	<u>55,809</u>	<u>6,926</u>	<u>2,971,200</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 926</u>	<u>\$ 55,809</u>	<u>\$ 6,926</u>	<u>\$ 4,521,758</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, 2024

	<u>General</u>	<u>Community Events</u>	<u>Capital Lease Purchase</u>	<u>Downtown Revitalization</u>
Revenues				
Property taxes	\$ 7,935,342	\$ -	\$ -	\$ -
Franchise fees and local taxes	771,116	-	-	-
Sales taxes	4,232,594	-	-	-
Industrial district agreement	59,143	-	-	-
Permits, licenss, and fees	645,948	-	-	-
Fines and forfeitures	591,895	-	-	-
Charges for services	2,688,904	-	-	-
Intergovernmental	45,306	-	-	-
Investment revenue	72,327	1,202	-	226
Miscellaneous revenue	164,956	119,820	50,000	-
Total revenues	<u>17,207,531</u>	<u>121,022</u>	<u>50,000</u>	<u>226</u>
Expenditures				
Current				
General administration	5,211,422	-	-	-
Financial administration	687,508	-	-	-
Public safety	8,634,660	-	-	-
Community services	3,757,898	-	-	-
Economic development	124,012	124,804	-	-
Capital outlay	184,907	-	-	-
Debt service				
Principal	450,438	-	-	-
Interest and fiscal agent fees	33,218	-	-	-
Total expenditures	<u>19,084,063</u>	<u>124,804</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,876,532)</u>	<u>(3,782)</u>	<u>50,000</u>	<u>226</u>
Other financing sources (uses)				
Transfers in	1,368,295	-	-	-
Lease proceeds	184,907	-	-	-
Total other financing sources (uses)	<u>1,553,202</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(323,330)	(3,782)	50,000	226
Beginning fund balance	<u>3,084,931</u>	<u>25,740</u>	<u>64,081</u>	<u>9,673</u>
Ending fund balance	<u>\$ 2,761,601</u>	<u>\$ 21,958</u>	<u>\$ 114,081</u>	<u>\$ 9,899</u>

(Continued)

CITY OF ANGLETON, TEXAS
CONSOLIDATED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND SUB-FUNDS
For the Year Ended September 30, 2024

	<u>Citywide Repairs</u>	<u>2019 C.O. Bonds</u>	<u>City Employee</u>	<u>Total General Fund</u>
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 7,935,342
Franchise fees and local taxes	-	-	-	771,116
Sales taxes	-	-	-	4,232,594
Industrial district agreement	-	-	-	59,143
Permits, licenss, and fees	-	-	-	645,948
Fines and forfeitures	-	-	-	591,895
Charges for services	-	-	-	2,688,904
Intergovernmental	-	-	-	45,306
Investment revenue	21	-	159	73,935
Miscellaneous revenue	-	-	-	334,776
Total revenues	<u>21</u>	<u>-</u>	<u>159</u>	<u>17,378,959</u>
Expenditures				
Current				
General administration	-	-	-	5,211,422
Financial administration	-	-	-	687,508
Public safety	-	-	-	8,634,660
Community services	-	13,700	-	3,771,598
Economic development	-	-	-	248,816
Capital outlay	-	-	-	184,907
Debt service				
Principal	-	-	-	450,438
Interest and fiscal agent fees	-	-	-	33,218
Total expenditures	<u>-</u>	<u>13,700</u>	<u>-</u>	<u>19,222,567</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21</u>	<u>(13,700)</u>	<u>159</u>	<u>(1,843,608)</u>
Other financing sources (uses)				
Transfers in	-	-	-	1,368,295
Lease proceeds	-	-	-	184,907
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,553,202</u>
Net change in fund balance	21	(13,700)	159	(290,406)
Beginning fund balance	<u>905</u>	<u>69,509</u>	<u>6,767</u>	<u>3,261,606</u>
Ending fund balance	<u>\$ 926</u>	<u>\$ 55,809</u>	<u>\$ 6,926</u>	<u>\$ 2,971,200</u>

CITY OF ANGLETON, TEXAS
CONSOLIDATED STATEMENT OF NET POSITION
UTILITY FUND – SUB-FUNDS
September 30, 2024

	<u>Water</u>	<u>Impact Fees</u>	<u>Capital Purchase</u>	<u>Infrastructure</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ 4,646	\$ 22,616	\$ -
Investments	369,896	-	-	-
Receivables, net	1,672,004	-	-	-
Inventory	488,504	-	-	-
Prepays	24,931	-	-	-
Restricted cash and cash equivalents	421,603	-	-	342,748
Total current assets	<u>2,976,938</u>	<u>4,646</u>	<u>22,616</u>	<u>342,748</u>
Noncurrent assets				
Capital assets				
Nondepreciable	590,014	-	-	200,937
Depreciable, net	27,972,786	-	-	-
Total capital assets (net of accumulated depreciation)	<u>28,562,800</u>	<u>-</u>	<u>-</u>	<u>200,937</u>
Total noncurrent assets	<u>28,562,800</u>	<u>-</u>	<u>-</u>	<u>200,937</u>
Total assets	<u>31,539,738</u>	<u>4,646</u>	<u>22,616</u>	<u>543,685</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pensions	309,813	-	-	-
Deferred outflows - OPEB	8,404	-	-	-
Deferred charge on refunding	12,115	-	-	-
Total deferred outflows of resources	<u>330,332</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	812,153	-	-	17,376
Accrued interest payable	48,071	-	-	-
Customer deposits	421,603	-	-	-
Due to other funds	831,466	-	-	-
Total liabilities	<u>2,113,293</u>	<u>-</u>	<u>-</u>	<u>17,376</u>
Noncurrent liabilities				
Long-term debt due within one year	1,320,231	-	-	-
Long-term debt due in more than one year	13,465,434	-	-	-
Total noncurrent liabilities	<u>14,785,665</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>16,898,958</u>	<u>-</u>	<u>-</u>	<u>17,376</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pensions	91,198	-	-	-
Deferred inflows - OPEB	21,712	-	-	-
Total deferred inflows of resources	<u>112,910</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	14,476,669	-	-	200,937
Restricted for capital projects	-	4,646	-	325,372
Unrestricted	381,533	-	22,616	-
Total net position	<u>\$ 14,858,202</u>	<u>\$ 4,646</u>	<u>\$ 22,616</u>	<u>\$ 526,309</u>

(Continued)

CITY OF ANGLETON, TEXAS
CONSOLIDATED STATEMENT OF NET POSITION
UTILITY FUND – SUB-FUNDS
September 30, 2024

	2013 C.O. Bonds	2019 C.O. Bonds	2021 C.O. Bonds	Total Utility Fund
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 27,262
Investments	-	-	-	369,896
Receivables, net	-	-	-	1,672,004
Inventory	-	-	-	488,504
Prepays	-	-	-	24,931
Restricted cash and cash equivalents	-	-	4,055	768,406
Total current assets	<u>-</u>	<u>-</u>	<u>4,055</u>	<u>3,351,003</u>
Noncurrent assets				
Capital assets				
Nondepreciable	-	-	-	790,951
Depreciable, net	-	-	-	27,972,786
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,763,737</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,763,737</u>
Total assets	<u>-</u>	<u>-</u>	<u>4,055</u>	<u>32,114,740</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pensions	-	-	-	309,813
Deferred outflows - OPEB	-	-	-	8,404
Deferred charge on refunding	-	-	-	12,115
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>330,332</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	-	-	4,055	833,584
Accrued interest payable	-	-	-	48,071
Customer deposits	-	-	-	421,603
Due to other funds	-	-	-	831,466
Total liabilities	<u>-</u>	<u>-</u>	<u>4,055</u>	<u>2,134,724</u>
Noncurrent liabilities				
Long-term debt due within one year	-	-	-	1,320,231
Long-term debt due in more than one year	-	-	-	13,465,434
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,785,665</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>4,055</u>	<u>16,920,389</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pensions	-	-	-	91,198
Deferred inflows - OPEB	-	-	-	21,712
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,910</u>
NET POSITION				
Net investment in capital assets	-	-	-	14,677,606
Restricted for capital projects	-	-	-	330,018
Unrestricted	-	-	-	404,149
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,411,773</u>

CITY OF ANGLETON, TEXAS
CONSOLIDATED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION
UTILITY FUND – SUB-FUNDS
For the Year Ended September 30, 2024

	<u>Water</u>	<u>Impact Fees</u>	<u>Capital Purchase</u>	<u>Infrastructure</u>
Operating revenues				
Water sales	\$ 7,245,462	\$ -	\$ -	\$ 176,271
Sanitary sewer services	3,674,286	-	-	168,476
Other service fees	429,980	-	-	-
Total operating revenues	11,349,728	-	-	344,747
Operating expenses				
Water distribution	967,609	-	-	-
Water plant operations	821,737	-	-	15,493
Water purchases	3,426,126	-	-	-
Sewer	620,479	-	-	-
Collection administration	2,844,518	-	-	-
Depreciation	1,244,584	-	-	-
Total operating expenses	9,925,053	-	-	15,493
Operating income (loss)	1,424,675	-	-	329,254
Nonoperating revenues (expenses)				
Investment revenue	5,015	107	-	-
Interest expense	(357,916)	-	-	-
Total nonoperating revenues (expenses)	(352,901)	107	-	-
Income Before Transfers	1,071,774	107	-	329,254
Transfers				
Transfers in*	6,047,504	-	-	-
Transfers (out)*	(1,532,759)	-	-	(634,983)
Total transfers	4,514,745	-	-	(634,983)
Change in net position	5,586,519	107	-	(305,729)
Beginning net position	9,271,683	4,539	22,616	832,038
Ending net position	\$ 14,858,202	\$ 4,646	\$ 22,616	\$ 526,309

(Continued)

CITY OF ANGLETON, TEXAS
CONSOLIDATED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION
UTILITY FUND – SUB-FUNDS
For the Year Ended September 30, 2024

	2013 <u>C.O. Bonds</u>	2019 <u>C.O. Bonds</u>	2021 <u>C.O. Bonds</u>	Total Utility <u>Fund</u>
Operating revenues				
Water sales	\$ -	\$ -	\$ -	\$ 7,421,733
Sanitary sewer services	-	-	-	3,842,762
Other service fees	-	-	-	429,980
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,694,475</u>
Operating expenses				
Water distribution	-	-	-	967,609
Water plant operations	-	-	-	837,230
Water purchases	-	-	-	3,426,126
Sewer	-	-	-	620,479
Collection administration	-	-	-	2,844,518
Depreciation	-	-	-	1,244,584
Total operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,940,546</u>
Operating income (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,753,929</u>
Nonoperating revenues (expenses)				
Investment revenue	-	40,876	48,111	94,109
Interest expense	-	-	-	(357,916)
Total nonoperating revenues (expenses)	<u>-</u>	<u>40,876</u>	<u>48,111</u>	<u>(263,807)</u>
Income Before Transfers	<u>-</u>	<u>40,876</u>	<u>48,111</u>	<u>1,490,122</u>
Transfers				
Transfers in*	-	-	-	6,047,504
Transfers (out)*	<u>(108,472)</u>	<u>(2,611,384)</u>	<u>(2,692,665)</u>	<u>(7,580,263)</u>
Total transfers	<u>(108,472)</u>	<u>(2,611,384)</u>	<u>(2,692,665)</u>	<u>(1,532,759)</u>
Change in net position	(108,472)	(2,570,508)	(2,644,554)	(42,637)
Beginning net position	<u>108,472</u>	<u>2,570,508</u>	<u>2,644,554</u>	<u>15,454,410</u>
Ending net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,411,773</u>