

**CITY OF ANGLETON, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
For the year ended September 30, 2025

ANNUAL FINANCIAL REPORT  
For the year ended September 30, 2025

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## INTRODUCTORY SECTION

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, 2025, 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, 2025, 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.

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## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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, schedule of the City's proportionate share of the net pension liability, and schedule of contributions, identified as Required Supplementary Information on pages 5 through 12 and 59 to 67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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.



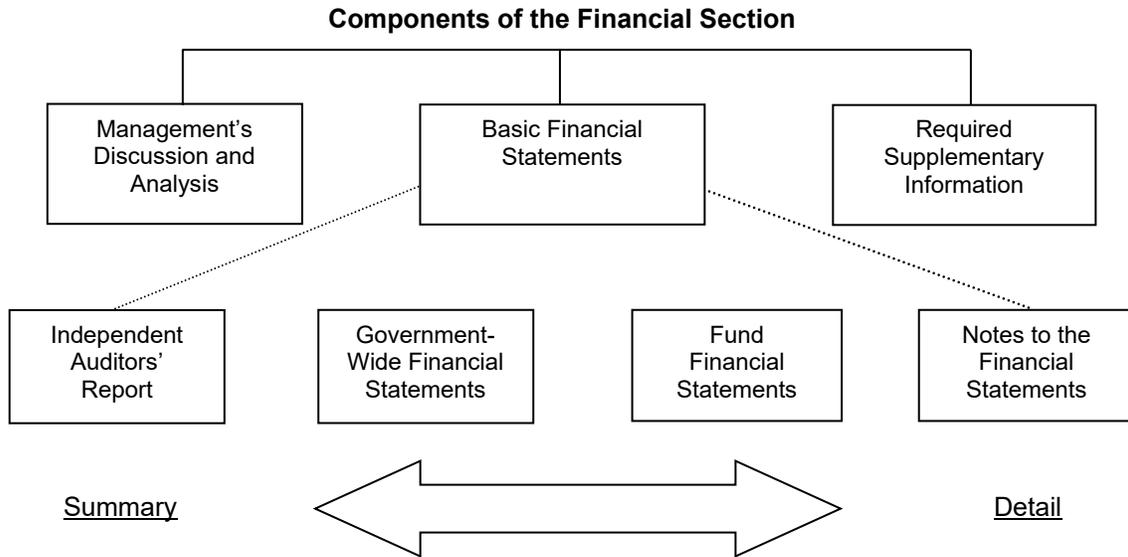
Houston, Texas

**DATE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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, 2025. 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's 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.

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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 38 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, C.O. Series 2022, and Emergency Projects fund. These funds are considered to be major funds for reporting purposes.

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.

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### **Proprietary Funds**

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water distribution and wastewater collection/treatment services. The proprietary funds 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, emergency projects 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 \$41,148,722 as of September 30, 2025. A portion of the City's net position (76%) reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

CITY OF ANGLETON, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended September 30, 2025

Draft 2.24.26

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
<b>ASSETS</b>						
Current and other assets	\$ 20,841,332	\$ 23,754,386	\$ 7,351,274	\$ 2,519,537	\$ 28,192,606	\$ 26,273,923
Capital assets, net	32,187,226	33,097,169	29,104,270	28,763,737	61,291,496	61,860,906
Total assets	<u>53,028,558</u>	<u>56,851,555</u>	<u>36,455,544</u>	<u>31,283,274</u>	<u>89,484,102</u>	<u>88,134,829</u>
<b>DEFERRED OUTFLOWS</b>						
<b>ON RESOURCES</b>						
Deferred outflow s - pensions	1,503,908	1,959,215	117,781	309,813	1,621,689	2,269,028
Deferred outflow s - OPEB	20,672	45,572	2,991	8,404	23,663	53,976
Deferred charge on refunding	2,114	2,114	8,078	12,115	10,192	14,229
Total deferred outflow s of resources	<u>1,526,694</u>	<u>2,006,901</u>	<u>128,850</u>	<u>330,332</u>	<u>1,655,544</u>	<u>2,337,233</u>
<b>LIABILITIES</b>						
Long-term liabilities	27,948,254	30,266,352	18,232,111	14,785,665	46,180,365	45,052,017
Other liabilities	1,516,724	1,882,411	1,543,495	1,303,258	3,060,219	3,185,669
Total liabilities	<u>29,464,978</u>	<u>32,148,763</u>	<u>19,775,606</u>	<u>16,088,923</u>	<u>49,240,584</u>	<u>48,237,686</u>
<b>DEFERRED INFLOWS</b>						
<b>ON RESOURCES</b>						
Deferred inflow s - pensions	510,163	385,001	118,721	91,198	628,884	476,199
Deferred inflow s - OPEB	103,188	119,029	18,268	21,712	121,456	140,741
Total deferred inflow s of resources	<u>613,351</u>	<u>504,030</u>	<u>136,989</u>	<u>112,910</u>	<u>750,340</u>	<u>616,940</u>
<b>NET POSITION</b>						
Net investment in capital assets	15,939,848	19,676,857	15,243,970	14,677,606	31,183,818	34,354,463
Restricted	7,380,403	6,056,119	438,695	330,018	7,819,098	6,386,137
Unrestricted	1,156,672	472,687	989,134	404,149	2,145,806	876,836
Total net position	<u>\$ 24,476,923</u>	<u>\$ 26,205,663</u>	<u>\$ 16,671,799</u>	<u>\$ 15,411,773</u>	<u>\$ 41,148,722</u>	<u>\$ 41,617,436</u>

A portion of the primary government's net position, \$7,819,098, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$2,145,806 may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position decreased by \$468,714 which was primarily due to expenses exceeding revenues for governmental activities. Total assets are \$89,484,102, a net increase of \$1,349,273 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 issued during the current fiscal year and a decrease in capital assets from current year depreciation expense. Total liabilities are \$49,240,584, a net increase of \$1,002,898 compared to prior year. The increase is due to an increase in long-term liabilities resulting from the issuance of an Emergency Note during the year. Total deferred outflows of resources are \$1,655,544, a decrease of \$681,689 compared to the prior year which was primarily the net result of a decrease in deferred outflows due to assumption changes and amortization of deferred charges for the pension plan with the Texas Municipal Retirement System (TMRS). Total deferred inflows of resources are \$750,340, a net increase of \$133,400 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.

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CITY OF ANGLETON, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended September 30, 2025

Draft 2.24.26

**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	
	2025	2024	2025	2024	2025	2024
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 4,953,082	\$ 4,505,885	\$ 12,782,894	\$ 11,694,475	\$ 17,735,976	\$ 16,200,360
Grants and contributions	2,037,054	1,323,657	-	-	2,037,054	1,323,657
General revenues						
Property taxes	9,170,524	9,240,179	-	-	9,170,524	9,240,179
Sales taxes	6,587,170	6,348,891	-	-	6,587,170	6,348,891
Franchise fees and local taxes	746,136	1,010,720	-	-	746,136	1,010,720
Industrial district agreement	16,465	59,143	-	-	16,465	59,143
Investment revenue	829,796	918,883	39,278	94,109	869,074	1,012,992
Special assessments	1,075,013	650,788	-	-	1,075,013	650,788
Other revenues	369,567	483,303	-	-	369,567	483,303
Total revenues	<u>25,784,807</u>	<u>24,541,449</u>	<u>12,822,172</u>	<u>11,788,584</u>	<u>38,606,979</u>	<u>36,330,033</u>
<b>Expenses</b>						
General administration	8,024,514	7,741,434	-	-	8,024,514	7,741,434
Financial administration	619,596	673,655	-	-	619,596	673,655
Public safety	9,881,847	9,628,811	-	-	9,881,847	9,628,811
Community services	7,289,309	6,087,233	-	-	7,289,309	6,087,233
Economic development	483,563	611,831	-	-	483,563	611,831
Interest and fiscal agent fees	965,343	901,414	-	-	965,343	901,414
Water and sewer	-	-	11,811,521	10,298,462	11,811,521	10,298,462
Total expenses	<u>27,264,172</u>	<u>25,644,378</u>	<u>11,811,521</u>	<u>10,298,462</u>	<u>39,075,693</u>	<u>35,942,840</u>
Increase in net position before transfers	(1,479,365)	(1,102,929)	1,010,651	1,490,122	(468,714)	387,193
Transfers in (out)	(249,375)	1,532,759	249,375	(1,532,759)	-	-
<b>Change in net position</b>	(1,728,740)	429,830	1,260,026	(42,637)	(468,714)	387,193
Beginning 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>
<b>Ending net position</b>	<u>\$ 24,476,923</u>	<u>\$ 26,205,663</u>	<u>\$ 16,671,799</u>	<u>\$ 15,411,773</u>	<u>\$ 41,148,722</u>	<u>\$ 41,617,436</u>

For the year, revenues from governmental activities increased by \$1,243,358, or 5 percent. The governmental activities increase in revenues was primarily due to an increase in charges for services resulting from an increase in solid waste service charges, an increase in grants and contributions resulting from an increase in contributions from City subdivisions to be used for development and an increase in special assessments from the Riverwood Ranch North Public Improvement District. Expenses from governmental activities increased by \$1,619,794 which was a 6% increase from the prior fiscal year. Changes in governmental activities expenses reflect an increase in expenses for general administration, public safety, community services, and interest and fiscal agent fees, offset by decreases in spending for financial administration and economic development. The increases in general administration, public safety, community services, and interest and fiscal agent fees were primarily driven by an increase in distributions made to developers, depreciation on capital assets, debris cleanup costs following severe storm events, and additional debt service costs related to the issuance of new debt. Conversely, the decreases in financial administration and economic development were largely attributable to a reduction in professional expenses and expenses for community events.

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Revenues from business-type activities increased by 8.77% from the prior fiscal year due mainly to an increase in charges for services of \$1,088,419 from an increase in utility rates. Total expenses increased by \$1,513,059 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 \$19,016,898, a net decrease of \$2,645,123 from the prior year which was primarily due to debris cleanup costs. Of this combined fund balance, \$159,932 is nonspendable for inventory and prepaids, \$380,461 is restricted for debt service, \$154,039 is restricted for enabling legislation, \$2,394,227 is restricted for special projects, and \$11,946,310 is restricted for capital projects. Unassigned fund balance totaled \$3,981,929 as of September 30, 2025.

Total governmental fund revenues increased by \$1,115,426 which was approximately 5% from the prior fiscal year due primarily to revenues from contributions for development and special assessments. Total governmental expenditures was \$28,029,162 for the current fiscal year which was an increase in expenditures of 5% from the prior fiscal year as a result of an increase in expenditures for emergency projects.

The general fund is the chief operating fund of the City. At the end of the current year, the total fund balance was \$4,196,670 which is approximately 23% or 84 days of current year general fund expenditures of \$17,982,399. The fund balance of the general fund increased by \$1,225,470 due primarily to transfers in from other funds. General fund expenditures decreased by \$1,240,168 from the prior fiscal year due to a decrease in general administration expenditures of \$758,575 and decrease in community services expenditures of \$514,297. The decrease in general administration and community services expenditure was primarily due to a decrease in personnel costs within these functions. Compared to the prior year, general fund revenues decreased \$62,663. Total revenue for the general fund for the year was \$17,316,296. There was an increase in general fund other sources of \$338,371 from the prior fiscal due primarily to an increase in proceeds from an equipment loan. 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 22%, respectively, of total general fund expenditures.

The Angleton Better Living fund has a total fund balance of \$4,617,716, a decrease of \$42,606 from prior year as a result of transfers out to other funds. The Angleton Better Living fund revenue increased by \$175,969 due to an increase in sales tax revenue and investment income. Compared to the prior year, the Angleton Better Living fund expenditures decreased by \$55,355 due primarily to a decrease in professional services related to ongoing projects.

The C.O. series 2022 fund has a total fund balance of \$3,102,659, a decrease of \$4,729,235 from prior year with revenues of \$369,998 and expenditures of \$99,233. There was a decrease in revenues of \$62,291 due primarily to a decrease in investment income from deposits held with financial institutions and a decrease in expenditures of \$74,710 due to less capital outlay during the fiscal year.

The Emergency projects fund began and ended the year with zero fund balance. Expenditures related to debris clean up were ultimately covered by a transfer from other funds, resulting in no change to fund balance.

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**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 an increase in budgeted general fund balance of \$134,427 due to reduced severe storm event related costs. The City realized an increase in fund balance of \$1,225,470. The City's actual revenues were lower than budgeted revenues by \$279,197 due primarily to less sales tax revenue than expected. Actual expenditures were less than budgeted expenditures by \$1,370,240 due primarily to less general administration, public safety, and community services expenditures than expected.

### **CAPITAL ASSETS**

At the end of fiscal year 2025, the City's governmental and business-type activities had invested \$61,291,496 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 \$569,410 from the prior year which includes depreciation/amortization of capital assets of \$3,459,636.

Major capital asset events during the year included the following:

- Construction for street improvements for \$503,360
- Purchase of park and recreational equipment for \$260,301
- Construction on the King Municipal Operations Center for \$1,096,363
- Construction for lift station improvements for \$220,679
- Construction for sewer system and waterline improvements for \$330,038

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 \$22,906,007 and business-type activities was \$17,107,934. This debt consisted of total general obligation bonds of \$545,000, certificates of obligation of \$34,660,000, loans for equipment of \$820,380, leases of \$325,561 and notes payable of \$3,663,000.

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

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

City Council approved a \$21,243,434 general fund expenditure budget for fiscal year 2025-2026, which is an increase of 5% compared to the fiscal year 2024-2025 budget.

City Council approved budgeted debt service payments for the debt service fund and the principal and interest payments within the utility fund for \$4,664,112 for fiscal year 2025-2026, which is an increase of 28% compared to the fiscal year payments in 2024-2025.

City Council approved a \$13,553,184 utility fund expense budget for fiscal year 2025-2026, which is an increase of 11% compared to the fiscal year 2024-2025 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](mailto:shernandez@angleton.tx.us).

## **BASIC FINANCIAL STATEMENTS**

CITY OF ANGLETON, TEXAS  
STATEMENT OF NET POSITION  
September 30, 2025

Draft 2.24.26

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,935,013	\$ 4,900,171	\$ 21,835,184
Investments	771,034	385,252	1,156,286
Receivables, net	1,952,719	1,964,406	3,917,125
Due from other governments	169,355	-	169,355
Internal balances	853,279	(853,279)	-
Inventory	42,507	485,232	527,739
Prepays	117,425	15,759	133,184
Restricted assets			
Cash and cash equivalents for customer deposits	-	453,733	453,733
Total current assets	<u>20,841,332</u>	<u>7,351,274</u>	<u>28,192,606</u>
Capital assets			
Nondepreciable capital assets	2,523,193	2,279,908	4,803,101
Depreciable capital assets, net	29,320,886	26,824,362	56,145,248
Right to use assets, net	<u>343,147</u>	<u>-</u>	<u>343,147</u>
Total capital assets	<u>32,187,226</u>	<u>29,104,270</u>	<u>61,291,496</u>
Total assets	<u>53,028,558</u>	<u>36,455,544</u>	<u>89,484,102</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - pensions (TMRS)	812,830	117,781	930,611
Deferred outflows - pensions (TESRS)	691,078	-	691,078
Deferred outflows - OPEB	20,672	2,991	23,663
Deferred charge on refunding	<u>2,114</u>	<u>8,078</u>	<u>10,192</u>
Total deferred outflows of resources	<u>1,526,694</u>	<u>128,850</u>	<u>1,655,544</u>

(Continued)

CITY OF ANGLETON, TEXAS  
STATEMENT OF NET POSITION  
September 30, 2025

Draft 2.24.26

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 1,304,984	\$ 1,020,016	\$ 2,325,000
Unearned revenue	111,115	-	111,115
Due to other governments	108	-	108
Accrued interest payable	100,517	69,746	170,263
Customer deposits	-	453,733	453,733
Total current liabilities	<u>1,516,724</u>	<u>1,543,495</u>	<u>3,060,219</u>
Noncurrent liabilities			
Long-term liabilities due within one year	2,555,377	1,284,872	3,840,249
Long-term liabilities due in more than one year	25,392,877	16,947,239	42,340,116
	<u>27,948,254</u>	<u>18,232,111</u>	<u>46,180,365</u>
Total liabilities	<u>29,464,978</u>	<u>19,775,606</u>	<u>49,240,584</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - pensions (TMRS)	\$ 510,163	\$ 118,721	\$ 628,884
Deferred inflows - OPEB	103,188	18,268	121,456
Total deferred inflows of resources	<u>613,351</u>	<u>136,989</u>	<u>750,340</u>
<b>NET POSITION</b>			
Net investment in capital assets	15,939,848	15,243,970	31,183,818
Restricted for			
Debt service	309,187	-	309,187
Enabling legislation	154,039	-	154,039
Special projects	2,536,904	-	2,536,904
Capital projects	4,380,273	438,695	4,818,968
Unrestricted	<u>1,156,672</u>	<u>989,134</u>	<u>2,145,806</u>
Total net position	<u>\$ 24,476,923</u>	<u>\$ 16,671,799</u>	<u>\$ 41,148,722</u>

See notes to financial statements.

CITY OF ANGLETON, TEXAS  
STATEMENT OF ACTIVITIES  
For the year ended September 30, 2025

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Government Activities	Business-Type Activities	
<b>Primary government</b>							
Governmental activities							
General administration	\$ 8,024,514	\$ -	\$ 567,785	\$ -	\$ (7,456,729)	\$ -	\$ (7,456,729)
Financial administration	619,596	-	-	-	(619,596)	-	(619,596)
Public safety	9,881,847	1,476,589	654,989	-	(7,750,269)	-	(7,750,269)
Community services	7,289,309	3,476,493	-	814,280	(2,998,536)	-	(2,998,536)
Economic development	483,563	-	-	-	(483,563)	-	(483,563)
Interest and fiscal agent fees	965,343	-	-	-	(965,343)	-	(965,343)
Total governmental activities	<u>27,264,172</u>	<u>4,953,082</u>	<u>1,222,774</u>	<u>814,280</u>	<u>(20,274,036)</u>	<u>-</u>	<u>(20,274,036)</u>
Business-type activities							
Water	9,351,566	8,701,125	-	-	-	(650,441)	(650,441)
Sewer	2,459,955	4,081,769	-	-	-	1,621,814	1,621,814
Total business-type activities	<u>11,811,521</u>	<u>12,782,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>971,373</u>	<u>971,373</u>
Total primary government	<u>\$ 39,075,693</u>	<u>\$ 17,735,976</u>	<u>\$ 1,222,774</u>	<u>\$ 814,280</u>	<u>(20,274,036)</u>	<u>971,373</u>	<u>(19,302,663)</u>
General revenues							
Property taxes					9,170,524	-	9,170,524
Sales taxes					6,587,170	-	6,587,170
Franchise fees and local taxes					746,136	-	746,136
Industrial district agreement					16,465	-	16,465
Investment revenue					829,796	39,278	869,074
Special assessments					1,075,013	-	1,075,013
Other revenues					369,567	-	369,567
Transfers					(249,375)	249,375	-
Total general revenues and transfers					<u>18,545,296</u>	<u>288,653</u>	<u>18,833,949</u>
Change in net position					(1,728,740)	1,260,026	(468,714)
Beginning net position					26,205,663	15,411,773	41,617,436
Ending net position					<u>\$ 24,476,923</u>	<u>\$ 16,671,799</u>	<u>\$ 41,148,722</u>

See notes to financial statements.

CITY OF ANGLETON, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2025

Draft 2.24.26

	General	Angleton Better Living	C.O. Series 2022	Emergency Projects	Nonmajor Governmental	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,562,613	\$ 4,317,107	\$ 3,120,289	\$ 12,506	\$ 6,836,272	\$ 16,848,787
Investments	385,517	-	-	-	385,517	771,034
Receivables, net	1,482,579	373,483	-	-	96,657	1,952,719
Inventory	42,507	-	-	-	-	42,507
Prepays	116,425	1,000	-	-	-	117,425
Due from other governments	1,811	-	-	-	167,544	169,355
Due from other funds	831,466	-	-	-	59,627	891,093
Total assets	<u>\$ 5,422,918</u>	<u>\$ 4,691,590</u>	<u>\$ 3,120,289</u>	<u>\$ 12,506</u>	<u>\$ 7,545,617</u>	<u>\$ 20,792,920</u>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 964,944	\$ 73,874	\$ 17,630	\$ 12,506	\$ 236,030	\$ 1,304,984
Unearned revenue	111,115	-	-	-	-	111,115
Due to other funds	-	-	-	-	37,814	37,814
Due to other governments	108	-	-	-	-	108
Total liabilities	<u>1,076,167</u>	<u>73,874</u>	<u>17,630</u>	<u>12,506</u>	<u>273,844</u>	<u>1,454,021</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	150,081	-	-	-	29,243	179,324
Unavailable revenue - grants	-	-	-	-	142,677	142,677
Total deferred inflow s of resources	<u>150,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,920</u>	<u>322,001</u>
<b>FUND BALANCES</b>						
Nonspendable						
Inventory and prepaids	158,932	1,000	-	-	-	159,932
Restricted						
Debt service	-	-	-	-	380,461	380,461
Enabling legislation	-	-	-	-	154,039	154,039
Special projects	-	-	-	-	2,394,227	2,394,227
Capital projects	55,809	4,616,716	3,102,659	-	4,171,126	11,946,310
Unassigned	3,981,929	-	-	-	-	3,981,929
Total fund balances	<u>4,196,670</u>	<u>4,617,716</u>	<u>3,102,659</u>	<u>-</u>	<u>7,099,853</u>	<u>19,016,898</u>
Total liabilities, deferred inflow s of resources, and fund balances	<u>\$ 5,422,918</u>	<u>\$ 4,691,590</u>	<u>\$ 3,120,289</u>	<u>\$ 12,506</u>	<u>\$ 7,545,617</u>	<u>\$ 20,792,920</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, 2025

Draft 2.24.26

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Total fund balances for governmental funds	\$	19,016,898
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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		2,523,193
Capital and right to use assets - depreciable/amortizable		29,664,033

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.

Property taxes		179,324
Grants		142,677

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.

86,226

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		(100,517)
Noncurrent liabilities due in one year		(2,546,542)
Noncurrent liabilities due in more than one year		(22,034,049)
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)		(1,742,961)
Net pension liability (TESRS)		(1,326,079)
Total OPEB liability		(298,623)
Deferred outflows - pensions (TMRS)		812,830
Deferred outflows - pensions (TESRS)		691,078
Deferred outflows - OPEB		20,672
Deferred inflows - pensions (TMRS)		(510,163)
Deferred inflows - OPEB		(103,188)

Net position of governmental activities	\$	<u>24,476,923</u>
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See notes to financial statements.

Draft 2.24.26

CITY OF ANGLETON, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
For the year ended September 30, 2025

	General	Angleton Better Living	C.O. Series 2022	Emergency Projects	Nonmajor Governmental	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 7,546,475	\$ -	\$ -	\$ -	\$ 1,619,364	\$ 9,165,839
Franchise fees and local taxes	524,627	-	-	-	221,509	746,136
Sales tax	4,391,459	2,195,711	-	-	-	6,587,170
Industrial district agreement	16,465	-	-	-	-	16,465
Permits, licenses, and fees	796,019	-	-	-	-	796,019
Fines and forfeitures	643,203	-	-	-	37,367	680,570
Charges for services	2,877,559	-	-	-	598,934	3,476,493
Intergovernmental	119,265	72,157	-	-	888,675	1,080,097
Investment revenue	132,403	189,703	369,998	-	136,918	829,022
Special assessments	-	-	-	-	1,075,013	1,075,013
Miscellaneous revenue	268,821	100	-	2	914,924	1,183,847
Total revenues	<u>17,316,296</u>	<u>2,457,671</u>	<u>369,998</u>	<u>2</u>	<u>5,492,704</u>	<u>25,636,671</u>
<b>Expenditures</b>						
<b>Current</b>						
General administration	4,452,847	491,641	99,233	-	2,466,297	7,510,018
Financial administration	604,731	-	-	-	-	604,731
Public safety	8,546,513	-	-	5,483	217,343	8,769,339
Community services	3,257,301	-	-	2,982,878	72,208	6,312,387
Economic development	181,774	-	-	-	293,126	474,900
Capital outlay	494,297	483,405	-	58,351	458,802	1,494,855
<b>Debt service</b>						
Principal	374,728	-	-	-	1,509,230	1,883,958
Interest and fiscal agent fees	70,208	-	-	-	837,408	907,616
Debt issuance costs	-	-	-	-	71,358	71,358
Total expenditures	<u>17,982,399</u>	<u>975,046</u>	<u>99,233</u>	<u>3,046,712</u>	<u>5,925,772</u>	<u>28,029,162</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(666,103)</u>	<u>1,482,625</u>	<u>270,765</u>	<u>(3,046,710)</u>	<u>(433,068)</u>	<u>(2,392,491)</u>
<b>Other financing sources (uses)</b>						
Note payable	-	-	-	-	4,063,000	4,063,000
Equipment loan	614,268	-	-	-	-	614,268
Transfers in	1,277,305	-	-	3,046,710	952,352	5,276,367
Transfers (out)	-	(1,525,231)	(5,000,000)	-	(3,681,036)	(10,206,267)
Total other financing sources (uses)	<u>1,891,573</u>	<u>(1,525,231)</u>	<u>(5,000,000)</u>	<u>3,046,710</u>	<u>1,334,316</u>	<u>(252,632)</u>
Net change in fund balances	1,225,470	(42,606)	(4,729,235)	-	901,248	(2,645,123)
Beginning fund balances	2,971,200	4,660,322	7,831,894	-	6,198,605	21,662,021
Ending fund balances	<u>\$ 4,196,670</u>	<u>\$ 4,617,716</u>	<u>\$ 3,102,659</u>	<u>\$ -</u>	<u>\$ 7,099,853</u>	<u>\$ 19,016,898</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 FUNDS TO THE  
STATEMENT OF ACTIVITIES  
For the year ended September 30, 2025

Draft 2.24.26

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Net changes in fund balances - total governmental funds \$ (2,645,123)

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	1,494,855
Disposal of capital assets	(22,126)
Depreciation/amortization	(2,062,422)
Contributions of capital assets	(320,250)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	147,362
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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.

Note payable	(4,063,000)
Equipment loan	(614,268)
Principal payment on debt and leases payable	1,883,958
Transfer of debt	5,000,775
Amortization of bond premiums	64,011
Change in accrued interest on long-term debt	(50,380)
Change in compensated absences	(342,709)
Net pension liability (TMRS)	971,554
Net pension liability (TESRS)	(588,467)
Total OPEB liability	6,244
Change in deferred outflows - pensions (TMRS)	(883,196)
Change in deferred outflows - pensions (TESRS)	427,889
Change in deferred outflows - OPEB	(24,900)
Change in deferred inflows - pensions (TMRS)	(126,585)
Change in deferred inflows - pensions (TESRS)	1,423
Change in deferred inflows - OPEB	15,841

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.

Change in net position of governmental activities	\$ (1,728,740)
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See notes to financial statements.

CITY OF ANGLETON, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2025

Draft 2.24.26

	<u>Business-Type Activities Utility</u>	<u>Governmental Activities Internal Service</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 4,900,171	\$ 86,226
Investments	385,252	-
Receivables, net	1,964,406	-
Prepaid expenses	15,759	-
Inventory	485,232	-
Restricted cash and cash equivalents for customer deposits	453,733	-
	8,204,553	86,226
Capital assets		
Nondepreciable	2,279,908	-
Depreciable, net	26,824,362	-
Total capital assets	29,104,270	-
Total assets	37,308,823	86,226
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows - pensions	117,781	-
Deferred outflows - OPEB	2,991	-
Deferred charge on refunding	8,078	-
Total deferred outflows of resources	128,850	-
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	1,020,016	-
Accrued interest payable	69,746	-
Customer deposits	453,733	-
Due to other funds	853,279	-
Noncurrent liabilities		
Long-term liabilities due within one year	1,284,872	-
Long-term liabilities due in more than one year	16,947,239	-
Total liabilities	20,628,885	-
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - pensions	118,721	-
Deferred inflows - OPEB	18,268	-
Total deferred inflows of resources	136,989	-
<b>NET POSITION</b>		
Net investment in capital assets	15,243,970	-
Restricted for capital projects	438,695	-
Unrestricted	989,134	86,226
Total net position	\$ 16,671,799	\$ 86,226

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, 2025

Draft 2.24.26

	<u>Business-Type Activities Utility</u>	<u>Governmental Activities Internal Service</u>
<b>Operating revenues</b>		
Water sales	\$ 8,317,386	\$ -
Sanitary sewer services	3,901,754	-
Other service fees	563,754	-
Total operating revenues	12,782,894	-
<b>Operating expenses</b>		
Water distribution	1,063,217	-
Water plant operations	1,324,364	-
Water purchases	3,861,700	-
Sewer	880,387	-
Collection administration	2,678,301	-
Depreciation	1,397,214	-
Total operating expenses	11,205,183	-
Operating income	1,577,711	-
<b>Nonoperating revenues (expenses)</b>		
Investment revenue	39,278	774
Disposal of capital assets	(49,947)	-
Interest expense	(556,391)	-
Total nonoperating revenues (expenses)	(567,060)	774
Income before transfers	1,010,651	774
<b>Debt transfers, contributions, and transfers in</b>		
Debt transfers	(5,000,775)	-
Contributions	320,250	-
Transfers in	4,929,900	-
Total debt transfers, contributions, and transfers in	249,375	-
Change in net position	1,260,026	774
Beginning net position	15,411,773	85,452
Ending net position	\$ 16,671,799	\$ 86,226

See notes to financial statements.

CITY OF ANGLETON, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the year ended September 30, 2025

Draft 2.24.26

	<u>Business-Type Activities Utility</u>	<u>Governmental Activities Internal Service</u>
<b>Cash flows from operating activities</b>		
Receipts from customers and users	\$ 12,522,622	\$ -
Payments to suppliers	(7,491,234)	-
Payments to employees	(2,095,531)	-
Net cash provided by operating activities	2,935,857	-
<b>Cash flows from noncapital financing activities</b>		
Transfer from other funds	4,929,900	-
Net cash provided by noncapital financing activities	4,929,900	-
<b>Cash flows from capital and related financing activities</b>		
Acquisition and construction of capital assets	(1,467,444)	-
Principal paid on capital debt	(1,279,815)	-
Interest paid on capital debt	(584,184)	-
Net cash (used in) capital and related financing activities	(3,331,443)	-
<b>Cash flows from investing activities</b>		
(Purchase) of investment	(15,356)	-
Interest on investments	39,278	774
Net cash provided by investing activities	23,922	774
Net increase in cash and cash equivalents	4,558,236	774
Beginning cash and cash equivalents	795,668	85,452
Ending cash and cash equivalents	\$ 5,353,904	\$ 86,226
<b>Ending cash and cash equivalents</b>		
Unrestricted cash and cash equivalents	\$ 4,900,171	\$ 86,226
Restricted cash and cash equivalents	453,733	-
	\$ 5,353,904	\$ 86,226
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>		
Operating income	\$ 1,577,711	\$ -
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation	1,397,214	-
Changes in operating assets and liabilities		
(Increase) decrease in assets		
Accounts receivable	(292,402)	-
Prepaid expenses	9,172	-
Inventory	3,272	-
Deferred outflow s - pensions	192,032	-
Deferred outflow s - OPEB	5,413	-
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	186,432	-
Due to other funds	21,813	-
Compensated absences	(8,408)	-
Deferred inflow s - pensions	27,523	-
Deferred inflow s - OPEB	(3,444)	-
Net pension liability	(211,244)	-
Total OPEB liability	(1,357)	-
Customer deposits	32,130	-
Net cash provided (used) by operating activities	\$ 2,935,857	\$ -
<b>Noncash capital and debt activities</b>		
Debt transfers	\$ (5,000,775)	\$ -
Contributions of capital assets	320,250	-
Total noncash capital and debt activities	\$ (4,680,525)	\$ -

See notes to financial statements.

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**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.

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**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.

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**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 assigned by the City or legally restricted to expenditures for specified purposes and projects. The special revenue funds are considered nonmajor funds for reporting purposes except for the Angleton Better Living fund and the emergency projects fund, which are considered major funds for reporting purposes. The Angleton Better Living fund and the emergency projects fund are used to account for activity related to restricted and assigned resources supporting community services and storm recovery efforts.

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.

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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 cash equivalents for customer deposits.

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.

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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.

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Compensated Absences: The City's policy permits employees to accumulate certain earned but unused compensated absences. 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. Compensated absences are recognized as liabilities to the extent that the leave is attributable to services already rendered, accumulates and may be carried over into subsequent years, and it is more likely than not that the leave will be used or paid.

In governmental fund financial statements, compensated absences are reported as expenditures and fund liabilities to the extent that they are due and payable and are expected to be liquidated with available, expendable financial resources. In the government-wide financial statements, a liability is recorded for compensated absences that meet the recognition criteria, regardless of when the leave is expected to be liquidated. The difference between governmental fund and government-wide reporting of compensated absences represents a reconciling item between the two presentations.

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).

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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.

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

Pensions: For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and the Texas Emergency Services Retirement System (TESRS) and additions to/deductions from TMRS' 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.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**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 was 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, 2025. The Angleton Better Living and emergency projects 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, Community Development nonmajor, Texas Department of Transportation Grant, Keep Angleton Beautiful, Angleton Act Center, TIRZ #1, TIRZ #2, OBJ Police Grant, Police Donation, Fire Department ESD, A/C Donations, Drug Confiscation, and Traffic Enforcement special revenue funds have adopted budgets.

Expenditures in Excess of Appropriations: As of September 30, 2025, expenditures exceeded appropriations at the legal level of control as follows:

Municipal Court Technology Fund		
Public safety	\$	12,675
Angleton Act Center Fund		
General administration	\$	410,540
Drug Confiscation Fund		
Public safety	\$	4,497

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**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 \$12,804,491 as of September 30, 2025 with \$453,733 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, 2025, 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	\$ 229,039	0.11
TexStar	7,894,105	0.07
LoneStar	1,361,282	0.06
Certificates of deposit	1,156,286	0.66
Total	\$ 10,640,712	
Portfolio weighted average maturity		0.14

As of September 30, 2025, the City reported the bank deposits and investments pools as cash and cash equivalents. As of September 30, 2025, 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. 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-m”, or at an equivalent rating by at least one nationally recognized rating service. As of September 30, 2025, 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, 2025, fair values of pledged securities and FDIC coverage exceeded bank balances.

**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.

(Continued)

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

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.

Receivables: The following comprise receivable balances as of September 30, 2025:

	<u>General</u>	Angleton <u>Better Living</u>	Nonmajor <u>Governmental</u>	<u>Utility</u>	<u>Total</u>
Property taxes	\$ 270,420	\$ -	\$ 48,335	\$ -	\$ 318,755
Other taxes	916,166	373,483	62,403	35,461	1,387,513
Accounts	550,312	-	6,413	2,525,886	3,082,611
Grants	-	-	74	-	74
Less allow ances	<u>(254,319)</u>	<u>-</u>	<u>(20,568)</u>	<u>(596,941)</u>	<u>(871,828)</u>
Total	<u>\$ 1,482,579</u>	<u>\$ 373,483</u>	<u>\$ 96,657</u>	<u>\$ 1,964,406</u>	<u>\$ 3,917,125</u>

(Continued)

CITY OF ANGLETON, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
<u>Governmental activities</u>				
Capital assets not being depreciated/amortized				
Land	\$ 1,698,331	\$ -	\$ -	\$ 1,698,331
Construction in progress	<u>633,975</u>	<u>1,000,558</u>	<u>(809,671)</u>	<u>824,862</u>
Total capital assets not being depreciated/amortized	<u>2,332,306</u>	<u>1,000,558</u>	<u>(809,671)</u>	<u>2,523,193</u>
Other capital assets not being depreciated/amortized				
Buildings and improvements	19,163,676	-	-	19,163,676
Equipment	14,020,217	759,462	(218,489)	14,561,190
Infrastructure	32,819,047	224,256	-	33,043,303
Right-to-use assets - equipment	<u>1,354,543</u>	<u>-</u>	<u>(117,215)</u>	<u>1,237,328</u>
Total other capital assets not being depreciated/amortized	<u>67,357,483</u>	<u>983,718</u>	<u>(335,704)</u>	<u>68,005,497</u>
Less accumulated depreciation/amortization for				
Buildings and improvements	(6,212,840)	(533,781)	-	(6,746,621)
Equipment	(11,121,799)	(525,315)	196,363	(11,450,751)
Infrastructure	(18,559,686)	(690,225)	-	(19,249,911)
Right-to-use assets - equipment	<u>(698,295)</u>	<u>(313,101)</u>	<u>117,215</u>	<u>(894,181)</u>
Total accumulated depreciation/amortization	<u>(36,592,620)</u>	<u>(2,062,422)</u>	<u>313,578</u>	<u>(38,341,464)</u>
Other capital assets, net	<u>30,764,863</u>	<u>(1,078,704)</u>	<u>(22,126)</u>	<u>29,664,033</u>
Governmental activities capital assets, net	<u>\$ 33,097,169</u>	<u>\$ (78,146)</u>	<u>\$ (831,797)</u>	<u>32,187,226</u>
			Less associated debt	(23,815,529)
			Plus unspent bond proceeds	7,583,667
			Accounts payable related to construction	(17,630)
			Plus deferred charge on refunding	<u>2,114</u>
			Net investment in capital assets	<u>\$ 15,939,848</u>

Depreciation was charged to governmental functions as follows:

General administration	\$	454,720
Public safety		709,671
Community services		<u>898,031</u>
Total governmental activities depreciation expense	<u>\$</u>	<u>2,062,422</u>

(Continued)

CITY OF ANGLETON, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

The following is a summary of changes in capital assets for business-type activities for the fiscal year ended September 30, 2025:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
<u>Business-type activities</u>				
Capital assets not being depreciated/amortized				
Construction in progress	\$ 790,951	\$ 1,787,694	\$ (298,737)	\$ 2,279,908
Total capital assets not being depreciated/amortized	<u>790,951</u>	<u>1,787,694</u>	<u>(298,737)</u>	<u>2,279,908</u>
Other capital assets not being depreciated/amortized				
Building and other improvements	764,756	-	-	764,756
Equipment	3,383,975	298,737	(63,147)	3,619,565
Infrastructure	59,733,777	-	-	59,733,777
Total other capital assets not being depreciated/amortized	<u>63,882,508</u>	<u>298,737</u>	<u>(63,147)</u>	<u>64,118,098</u>
Less accumulated depreciation/amortization for				
Building and other improvements	(297,938)	(21,953)	-	(319,891)
Equipment	(2,512,195)	(222,751)	13,200	(2,721,746)
Infrastructure	(33,099,589)	(1,152,510)	-	(34,252,099)
Total accumulated depreciation/amortization	<u>(35,909,722)</u>	<u>(1,397,214)</u>	<u>13,200</u>	<u>(37,293,736)</u>
Other capital assets, net	<u>27,972,786</u>	<u>(1,098,477)</u>	<u>(49,947)</u>	<u>26,824,362</u>
Business-type activities capital assets, net	<u>\$ 28,763,737</u>	<u>\$ 689,217</u>	<u>\$ (348,684)</u>	<u>29,104,270</u>
			Less associated debt	(17,765,701)
			Plus unspent bond proceeds	4,204,108
			Accounts payable related to construction	(306,785)
			Plus deferred charge on refunding	8,078
			Net investment in capital assets	<u>\$ 15,243,970</u>

Depreciation was charged to business-type functions as follows:

Water	\$ 544,711
Sewer	<u>852,503</u>
Total business-type activities depreciation expense	<u>\$ 1,397,214</u>

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

<u>Project Description</u>	<u>Total in Progress</u>	<u>Remaining Commitment</u>
<u>Governmental activities</u>		
Park improvements	\$ 362,781	\$ 1,035,219
Street improvements	<u>414,042</u>	<u>1,585,958</u>
	<u>\$ 362,781</u>	<u>\$ 1,035,219</u>
<u>Business-type activities</u>		
KMOCK service building	\$ 1,096,363	\$ 3,909,637
Lift station improvements	602,594	1,817,292
Utility system rehabilitation	<u>273,436</u>	<u>247,700</u>
	<u>\$ 1,972,393</u>	<u>\$ 5,974,629</u>

(Continued)

CITY OF ANGLETON, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2025

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**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, 2025:

	Beginning <u>Balances</u>	<u>Additions</u>	<u>(Reductions)**</u>	Ending <u>Balances</u>	Amounts Due Within <u>One Year</u>
<u>Governmental activities</u>					
General obligation refunding bonds	\$ 535,000	\$ -	\$ (220,000)	\$ 315,000	\$ 220,000
Certificates of obligation	23,539,751	-	(5,757,685)	17,782,066	879,898
Equipment loan	265,122	614,268	(59,010)	820,380	173,192
Leases payable	645,324	-	(319,763)	325,561	184,896
Note payable	-	4,063,000	(400,000)	3,663,000	400,000
Plus deferred amounts for premiums	1,101,808	-	(192,286)	909,522	-
	<u>26,087,005</u>	<u>4,677,268</u>	<u>(6,948,744)</u>	<u>23,815,529</u> *	<u>1,857,986</u>
<u>Other liabilities</u>					
Net pension liability - TMRS	2,714,515	-	(971,554)	1,742,961	-
Net pension liability - TESRS	737,612	588,467	-	1,326,079	-
Total OPEB liability	304,867	-	(6,244)	298,623	8,835
Compensated absences	422,353	342,709	-	765,062	688,556
Total governmental activities	<u>\$ 30,266,352</u>	<u>\$ 5,608,444</u>	<u>\$ (7,926,542)</u>	<u>\$ 27,948,254</u>	<u>\$ 2,555,377</u>
				<u>\$ 25,392,877</u>	
				<u>\$ 23,815,529</u>	

\*Debt associated with governmental capital assets

\*\*Includes reductions in certificate of obligation of \$4,872,500 and the bond premium of \$128,275 to the utility fund and reported with business-type activities.

	Beginning <u>Balance</u>	<u>Additions**</u>	<u>Reductions</u>	Ending <u>Balance</u>	Amounts Due Within <u>One Year</u>
<u>Business-type activities</u>					
General obligation refunding bonds	\$ 465,000	\$ -	\$ (235,000)	\$ 230,000	\$ 230,000
Certificates of obligation	11,870,249	4,872,500	(734,815)	16,007,934	630,102
Direct borrowing/private placement					
Certificates of obligation	1,180,000	-	(310,000)	870,000	305,000
Plus deferred amounts for premiums	582,997	128,275	(53,505)	657,767	-
	<u>14,098,246</u>	<u>5,000,775</u>	<u>(1,333,320)</u>	<u>17,765,701</u> *	<u>1,165,102</u>
<u>Other liabilities</u>					
Net pension liability - TMRS	493,069	-	(211,244)	281,825	-
Total OPEB liability	54,999	-	(1,357)	53,642	1,921
Compensated absences	139,351	-	(8,408)	130,943	117,849
Total business-type activities	<u>\$ 14,785,665</u>	<u>\$ 5,000,775</u>	<u>\$ (1,554,329)</u>	<u>\$ 18,232,111</u>	<u>\$ 1,284,872</u>
				<u>\$ 16,947,239</u>	
				<u>\$ 17,765,701</u>	

\*Debt associated with business-type capital assets

\*\*Includes additions in certificate of obligation of \$4,872,500 and bond issuance premiums of \$128,275 that were transferred from governmental activities.

(Continued)

**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:

<u>Description</u>	<u>Interest Rate</u>	<u>Balance</u>
<u>Governmental activities</u>		
General obligation refunding bonds		
Series 2016	2.00-4.00%	\$ 315,000
		315,000
Certificates of obligation		
Series 2018	3.00-4.00%	6,185,000
Series 2019	2.00-4.00%	979,566
Series 2020	2.00-3.00%	2,195,000
Series 2022	4.00-6.00%	4,787,500
Series 2024	4.00-5.00%	3,635,000
		17,782,066
Other debt liabilities		
Equipment loan	5.72-7.8%	820,380
Note payable	3.84%	3,663,000
Leases payable	4.00-7.80%	325,561
		4,808,941
Total governmental activities long-term debt		\$ 22,906,007
<u>Business-type activities</u>		
General obligation refunding bonds		
Series 2016	2.00-4.00%	\$ 230,000
		230,000
Certificates of obligation		
Water and sewer, series 2015	3.00-4.00%	2,570,000
Series 2019	2.00-4.00%	6,730,434
Series 2021	3.00-4.00%	1,920,000
Series 2022	4.00-6.00%	4,787,500
		16,007,934
Direct borrowing/private placement certificates of obligation		
Water and sewer, series 2013	2.28%	870,000
		870,000
Total business-type activities long-term debt		\$ 17,107,934

(Continued)

CITY OF ANGLETON, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
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**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.

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

Fiscal Year Ended	General Obligation Bonds					
	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
September 30,						
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>\$ 315,000</u>	<u>\$ 12,100</u>	<u>\$ 230,000</u>	<u>\$ 4,600</u>	<u>\$ 545,000</u>	<u>\$ 16,700</u>

Fiscal Year Ended	Certificates of Obligation					
	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
September 30,						
2026	\$ 879,898	\$ 639,562	\$ 630,102	\$ 521,283	\$ 1,510,000	\$ 1,160,845
2027	923,568	607,132	876,432	493,586	1,800,000	1,100,718
2028	932,378	574,187	917,622	459,254	1,850,000	1,033,441
2029	954,448	540,910	1,020,552	424,881	1,975,000	965,791
2030	965,083	507,242	1,039,917	390,924	2,005,000	898,166
2031-2035	4,679,555	2,041,704	4,815,445	1,520,028	9,495,000	3,561,732
2036-2040	4,584,636	1,173,818	3,755,364	881,926	8,340,000	2,055,744
2041-2045	2,065,000	583,844	1,155,000	501,544	3,220,000	1,085,388
2046-2050	1,230,000	273,384	1,230,000	273,384	2,460,000	546,768
2051-2052	567,500	35,372	567,500	35,372	1,135,000	70,744
	<u>\$ 17,782,066</u>	<u>\$ 6,977,155</u>	<u>\$ 16,007,934</u>	<u>\$ 5,502,182</u>	<u>\$ 33,790,000</u>	<u>\$ 12,479,337</u>

(Continued)

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

Fiscal Year Ended <u>September 30,</u>	Business-Type Activities - Direct Borrowings/Private Placement	
	<u>Certificates of Obligation</u>	
	<u>Principal</u>	<u>Interest</u>
2026	305,000	16,359
2027	285,000	9,633
2028	280,000	3,192
	<u>\$ 870,000</u>	<u>\$ 29,184</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 Loans: The City has various loans for law enforcement, public works, and parks equipment. Payments are due annually at interest rates ranging from 5.72% to 7.80%. The final payments for these loans extend through February 20, 2030. The remaining annual requirements to amortize these loans at year end were as follows:

Fiscal Year Ended <u>September 30,</u>	Governmental Activities	
	<u>Equipment Loan</u>	
	<u>Principal</u>	<u>Interest</u>
2026	173,192	51,214
2027	184,422	39,984
2028	196,398	28,008
2029	129,482	15,234
2030	136,886	7,829
	<u>\$ 820,380</u>	<u>\$ 142,269</u>

Leases Payable: The City is a lessee for the acquisition and use of vehicles, copiers, and a building. As of September 30, 2025, the value of the lease liability was \$325,561. The City made principal and interest payments on the leases in fiscal year 2025 for \$349,475. 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 20 to 48 months as of the beginning of the fiscal year. The value of the right-to-use assets for fiscal year 2025 was \$1,237,328 and had accumulated amortization of \$894,181.

(Continued)

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

The future principal and interest lease payments as of September 30, 2025 were as follows:

Fiscal Year Ended September 30,	Governmental Activities	
	Leases Payable	
	Principal	Interest
2026	\$ 184,896	\$ 28,042
2027	103,523	29,908
2028	34,335	12,142
2029	2,807	1,254
	\$ 325,561	\$ 71,346

Notes Payable: In October 2024, the City obtained an Emergency Note (the "Emergency Note") in the principal amount of \$4,063,000 in response to severe damage and loss of property resulting from Hurricane Beryl. The Note requires annual payments at an interest rate of 3.84%. The final payment for the note is due on August 15, 2029. 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. The remaining annual requirements to amortize this note at year end were as follows:

Fiscal Year Ended September 30,	Governmental Activities	
	Notes Payable	
	Principal	Interest
2026	\$ 400,000	\$ 140,660
2027	400,000	125,299
2028	400,000	109,939
2029	2,463,000	94,579
	\$ 3,663,000	\$ 470,477

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	Angleton Better Living	\$ 810,656
General	Nonmajor governmental	466,649
Emergency projects	Nonmajor governmental	3,046,710
Utility	C.O. Series 2022	4,929,900
Nonmajor governmental	Angleton Better Living	714,575
Nonmajor governmental	C.O. Series 2022	70,100
Nonmajor governmental	Nonmajor governmental	167,677
		\$ 10,206,267

(Continued)

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

Transfers to the general fund were used for restricted projects related to community services and storm debris removal. Transfers to and from the nonmajor governmental funds were related to amounts collected for restricted governmental expenditures. The transfers to the emergency projects and utility fund were for capital projects and storm recovery efforts. The transfers to the nonmajor governmental funds from the Angleton Better Living fund and the C.O. Series 2022 fund were for capital projects 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
Nonmajor governmental	Utility	21,813
Nonmajor governmental	Nonmajor governmental	<u>37,814</u>
		<u>\$ 891,093</u>

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

**Funds Equity:** Funds restricted by enabling legislation are \$154,039 related to hotel/motel tax, child safety, and municipal court security and technology.

**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 2,800 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)

**NOTE 4 - OTHER INFORMATION** (Continued)

Pension Plan:

**Texas Municipal Retirement System**

Plan Description: The City participates as one of 938 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 [www.tmr.com](http://www.tmr.com).

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

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

At retirement, the 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 benefit 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:

	2025	2024
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, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	84
Inactive employees entitled to, but not yet receiving, benefits	147
Active employees	148
Total	379

(Continued)

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**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 11.83% and 11.68% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2025 were \$1,102,186, which were less than the required contributions of \$1,104,839.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2024, 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, 2024 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 actives, 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. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) 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 to satisfy the short-term and long-term funding needs of TMRS.

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(Continued)

**NOTE 4 - OTHER INFORMATION** (Continued)

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. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2025 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 equity	35%	7.1%
Core fixed income	6%	5.0%
Non-core fixed income	6%	6.8%
Hedge funds	5%	6.4%
Private equity	13%	8.5%
Private debt	13%	8.2%
Real estate	12%	6.7%
Infrastructure	6%	6.0%
Other private markets	<u>4%</u>	7.3%
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, the TMRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

(Continued)

**NOTE 4 - OTHER INFORMATION** (Continued)

Changes in the NPL:

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	Changes for the year		
Service cost	\$ 1,472,657	\$ -	\$ 1,472,657
Interest	2,346,370	-	2,346,370
Difference between expected and actual experience	17,131	-	17,131
Contributions - employer	-	1,156,808	(1,156,808)
Contributions - employee	-	586,716	(586,716)
Net investment income	-	3,297,076	(3,297,076)
Benefit payments, including refunds of employee contributions	(1,837,472)	(1,837,472)	-
Administrative expense	-	(21,148)	21,148
Other changes	-	(496)	496
Net Changes	1,998,686	3,181,484	(1,182,798)
Balance at December 31, 2023	34,943,440	31,735,856	3,207,584
Balance at December 31, 2024	\$ 36,942,126	\$ 34,917,340	\$ 2,024,786

Sensitivity of the NPL to Changes in the Discount Rate: The following presents the NPL of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability/(Asset)	\$ 7,216,984	\$ 2,024,786	\$ (2,201,092)

Pension Plan Fiduciary Net Position: Detailed information about the TMRS fiduciary net position is available in a Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at [www.tmr.com](http://www.tmr.com).

(Continued)

**NOTE 4 - OTHER INFORMATION (Continued)**

Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions: For the fiscal year ended September 30, 2025, the City recognized pension expense of \$1,066,748.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 95,710	\$ 149,729
Changes in actuarial assumptions	-	108,025
Difference between projected and actual investment earnings	-	371,130
Contributions subsequent to the measurement date	834,901	-
Total	\$ 930,611	\$ 628,884

\$834,901 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, 2026. 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>
2026	\$ (94,449)
2027	296,674
2028	(504,421)
2029	(230,978)
Total	\$ (533,174)

**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 Texas Emergency Services Retirement System (TESRS) and established and administered by the State to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. At August 31, 2024, there were 244 contributing fire and/or emergency services department members participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department.

On August 31, 2024, the TESRS membership consisted of:

Retirees and beneficiaries currently receiving benefits	4,122
Terminated members entitled to benefits but not yet receiving them	1,806
Active participants (vested and nonvested)	3,394
Total	9,322

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**NOTE 4 - OTHER INFORMATION** (Continued)

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

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

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

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

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

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

The Board rule defining contributions was amended effective July 27, 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the State are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percent of the Part One portion (not to exceed 15%), is to be actuarially adjusted every two years based on the most recent actuarial valuation. Based on the August 31, 2024 actuarial valuation, even the maximum 15% Part Two contributions are not enough to have 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 prior service per member. Prior service purchased must have occurred before the department began participation in TESRS.

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**NOTE 4 - OTHER INFORMATION** (Continued)

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

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, 2024, the money-weighted rate of return on pension plan investments was 11.85%. 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 September 30, 2025, total contributions (dues, prior service, and interest on prior service financing) of \$103,086 were paid by the City. The State appropriated \$1,292,763 for the fiscal year ending August 31, 2024 to TERSRS as a whole.

Actuarial Assumptions: The TPL in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	August 31, 2024
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 an 80%/120% corridor on market value

Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases	N/A
*Includes inflation at	2.75%
Cost-of-living adjustments	None

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 projection 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 4.6%) and by adding expected inflation (2.75%). In addition, the final 7.25% assumption was selected by rounding down.

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(Continued)

**NOTE 4 - OTHER INFORMATION** (Continued)

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%	5.71%
Small/mid cap domestic	10%	5.98%
Developed international	15%	6.19%
Emerging markets	5%	7.38%
Global infrastructure	5%	6.63%
Real estate	10%	4.50%
Mutual asset income	5%	3.75%
Fixed income	30%	1.97%
Cash	<u>0%</u>	0.00%
Total	<u>100.00%</u>	
Weighted average		4.60%

**Discount Rate:** The discount rate used to measure the total pension liability was 5.38%. The projection of cash flows was used to determine the discount rate assumed that contributions of the governing bodies will be made at the contribution rate as of August 31, 2024 actuarial valuation. Based on these assumptions, the TESRS's fiduciary net position was projected to make projected future benefit payments of current active and inactive employees through 2051. Therefore, the discount rate of 5.38% is the single rate of return that results in a present value of all projected benefits equal to the sum of the present value of benefits through 2051 discounted at the long-term expected rate of return of 7.25% and the present value of benefits after 2051 discounted at the 3.87% discount rate based on the Bond Buyer Index of general obligation bonds with 20 years to maturity at/near August 31, 2024.

**Discount Rate Sensitivity Analysis:** The following presents the net pension liability of the City, calculated using the discount rate of 5.38%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.38%) or one percentage point higher (6.38%) than the current rate:

	1% Decrease in Discount <u>Rate (4.38%)</u>	Current Discount <u>Rate (5.38%)</u>	1% Increase in Discount <u>Rate (6.38%)</u>
City's proportionate share of the net pensions liability	<u>\$ 1,830,117</u>	<u>\$ 1,326,079</u>	<u>\$ 928,181</u>

(Continued)

**NOTE 4 - OTHER INFORMATION** (Continued)

Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions: At September 30, 2025, the City reported a liability of \$1,326,079 for its proportionate share of TESRS NPL. This liability reflects a reduction for State pension support provided to the City. 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)	\$	1,326,079
State's proportionate share that is associated with the City*		332,130
	<b>\$</b>	<b>1,658,209</b>

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

The TPL used to calculate the NPL was determined by an actuarial valuation as of August 31, 2024. GASB Statement No. 68 requires the net pension liability 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, 2024. The City used the assumption that any differences in the NPL measured as of August 31, 2024 versus September 30, 2024 would be immaterial. The employer's proportion of the NPL was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 thru September 30, 2024.

At September 30, 2025, the City's proportion of the collective NPL was 1.235%, which was a decrease of 0.46% from its proportion measured as of August 31, 2024.

The discount rate decreased from 7.50% as of December 31, 2023 to 5.38% as of December 31, 2024. There were no other changes of assumptions or other inputs that affected measurement of the net pension liability during the measurement period.

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

For the year ended September 30, 2024 the City recognized pension expense of \$437,704. On-behalf revenues and expenditures were immaterial and not recognized by the City.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual investment earnings	\$ 71,210	\$ -
Changes in assumptions	472,378	-
Difference between expected and actual economic experience	44,404	-
Contributions paid to TESRS subsequent to the measurement date	103,086	-
Total	<b>\$ 691,078</b>	<b>\$ -</b>

(Continued)

**NOTE 4 – OTHER INFORMATION (Continued)**

The contributions paid to TESRS subsequent to the measurement date of the net pension liability but before the end of the City’s reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The net amounts of the City’s balances of 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>
2026	\$ 349,152
2027	260,162
2027	(7,929)
2028	(13,393)
Total	<u>\$ 587,992</u>

Aggregate Pension: The aggregate amounts of pension expense, NPL, deferred outflows, and deferred inflows for the TMRS and TESRS pension plans were \$1,504,452, \$3,350,865, \$1,621,689, and \$628,884.

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)

**NOTE 4 - OTHER INFORMATION** (Continued)

Participation in the SDBF as of December 31, 2024 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	57
Inactive employees entitled to, but not yet receiving benefits	24
Active employees	148
Total	229

Total OPEB Liability: The City's total OPEB liability of \$352,265 was measured as of December 31, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate*	4.08%
Retirees' share of benefit costs	Zero
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% 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.

*\*The discount rate is based on the Bond Buyer "20-Bond GO Index" rate closest to, but not later than December 31, 2024.*

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

(Continued)

**NOTE 4 - OTHER INFORMATION** (Continued)

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Changes for the year	
Service cost	\$ 22,491
Interest	13,788
Difference between expected and actual experience	(13,775)
Changes of assumptions	(19,349)
Benefit payments *	<u>(10,756)</u>
Net changes	(7,601)
Beginning balance	<u>359,866</u>
Ending balance	<u>\$ 352,265</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 increased from 3.77% as of December 31, 2023 to 4.08% as of December 31, 2024. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

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

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

	<u>1% Decrease in Discount Rate (3.08%)</u>	<u>Current Discount Rate (4.08%)</u>	<u>1% Increase in Discount Rate (5.08%)</u>
City's total OPEB liability	<u>\$ 420,520</u>	<u>\$ 352,265</u>	<u>\$ 299,159</u>

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the fiscal year ended September 30, 2025, the City recognized TMRS OPEB expense of \$12,271. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 116	\$ 32,127
Changes in assumptions	16,399	89,329
Contributions subsequent to the measurement date	<u>7,148</u>	<u>-</u>
Total	<u>\$ 23,663</u>	<u>\$ 121,456</u>

(Continued)

**NOTE 4 - OTHER INFORMATION** (Continued)

\$7,148 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, 2026.

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>
2026	\$ (43,264)
2027	(45,982)
2028	(8,869)
2029	(6,372)
2030	<u>(454)</u>
Total	<u>\$ (104,941)</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.

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.

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**NOTE 4 - OTHER INFORMATION** (Continued)

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 2025.

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, including amounts collected in the current and prior fiscal years. 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 available PID assessment revenues collected, and 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 2025, the City collected assessments of \$65,622 and made distributions to the developer of \$78,415.

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(Continued)

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**NOTE 4 - OTHER INFORMATION** (Continued)

Riverwood Ranch Public Improvement District: The City authorized the creation of the Riverwood Ranch Public Improvement District (PID) under the provisions of Chapter 372. The City also passed and approved an ordinance authorizing the creation of the Tax Increment Reinvestment Zone Number 2, Riverwood Ranch TIRZ (“TIRZ”). Effective July 14, 2020, the City entered into a Reimbursement Agreement (the “Agreement”) with Riverway Capital Partners, L.L.C. (the “Developer”) in which the Developer agreed to fund and construct certain infrastructure projects, and the City agrees to reimburse the Developer for those costs. PID Bonds are anticipated to be issued following the completion of 25% of homes within Improvement Area #1 of the PID according to the Agreement. The Improvement Area #1 reimbursement obligation shall not exceed \$5,180,000 payable from Improvement Area #1 levy assessments on all benefitted property located within the PID, excluding any payments from the net proceeds of PID Bonds. It is intended that a portion of the TIRZ increment receipts generated from each assessed property will be used to 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 2025, the City collected assessments of \$338,991 and made distributions to the developer of \$317,214.

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, including amounts collected in the current and prior fiscal years. 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 available PID assessments, and 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 2025, the City collected assessments of \$121,975 and made distributions to the developer of \$158,073.

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, including amounts collected in the current and prior fiscal years. 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 available assessment revenues collected, and 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 2025, the City collected assessments of \$115,929 and made distributions to the developer of \$137,678.

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(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., (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. 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.

Riverwood Ranch North Public Improvement District: The City authorized the creation of the Riverwood Ranch North Public Improvement District (PID) under the provisions of Chapter 372. Effective April 23, 2024, the City entered into a Reimbursement Agreement (the "Agreement") with Riverway Capital Partners, L.L.C. (the "Developer") in which the Developer agreed to fund and construct certain infrastructure projects, and the City agrees to reimburse the Developer for those costs. PID Bonds are anticipated to be issued following the completion of 25% of homes within Improvement Area #1 of the PID according to the Agreement. The Improvement Area #1 reimbursement obligation shall not exceed \$5,139,000 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 6.00%. In fiscal year 2025, the City collected assessments of \$432,496 and made distributions to the developer of \$383,496.

Subsequent Events: In October 2025, the City issued its Combination Tax and Revenue Certificates of Obligation Series 2025 in the aggregate principal amount of \$7,960,000 for the costs associated with the design, construction, acquisition, and equipment of water and sewer system improvements, including wastewater treatment plant improvements. The certificates of obligation mature on February 15, 2050 and are payable from ad valorem taxes levied by the City and net revenues from the City's utility fund.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

Draft 2.24.26

For the year ended September 30, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 7,680,208	\$ 7,680,208	\$ 7,546,475	\$ (133,733)
Franchise fees and local taxes	742,000	742,000	524,627	(217,373)
Sales taxes	4,801,868	4,801,868	4,391,459	(410,409)
Industrial district agreement	104,000	32,000	16,465	(15,535)
Permits, licenses, and fees	628,500	628,500	796,019	167,519
Fines and forfeitures	650,700	650,700	643,203	(7,497)
Charges for services	2,680,419	2,688,419	2,877,559	189,140
Intergovernmental	45,000	45,000	119,265	74,265
Investment revenue	30,000	90,000	132,403	42,403
Miscellaneous revenue	236,798	236,798	268,821	32,023
Total revenues	17,599,493	17,595,493	17,316,296	(279,197)
<b>Expenditures</b>				
General administration				
Administrative	4,575,594	4,382,515	4,181,908	200,607
Buildings	350,407	290,748	270,939	19,809
Total general administration	4,926,001	4,673,263	4,452,847	220,416
Financial administration				
Tax collection	64,053	67,053	67,053	-
Finance and accounting	542,506	572,770	537,678	35,092
Total financial administration	606,559	639,823	604,731	35,092
Public safety				
Municipal court	550,693	465,090	464,937	153
Police department	6,173,034	6,224,034	5,686,940	537,094
Animal control	444,702	444,702	376,652	68,050
Fire department	982,610	1,041,318	1,038,498	2,820
Emergency management	140,578	123,728	112,532	11,196
Code enforcement	1,027,909	926,281	866,954	59,327
Total public safety	9,319,526	9,225,153	8,546,513	678,640
Community services				
Information technology	585,031	528,685	440,477	88,208
Parks and recreation	1,818,663	1,669,391	1,489,372	180,019
Public works	1,589,695	1,227,014	1,215,662	11,352
Maintenance	111,790	111,790	111,790	-
Total community services	4,105,179	3,536,880	3,257,301	279,579

(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, 2025

Draft 2.24.26

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Economic development	\$ 284,091	\$ 215,705	\$ 181,774	\$ 33,931
Capital outlay	616,879	616,879	494,297	122,582
<b>Debt Service</b>				
Principal	374,728	374,728	374,728	-
Interest	70,208	70,208	70,208	-
Total debt service	<u>444,936</u>	<u>444,936</u>	<u>444,936</u>	<u>-</u>
Total expenditures	<u>20,303,171</u>	<u>19,352,639</u>	<u>17,982,399</u>	<u>1,370,240</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,703,678)</u>	<u>(1,757,146)</u>	<u>(666,103)</u>	<u>1,091,043</u>
<b>Other financing sources (uses)</b>				
Issuance of equipment loan	614,268	614,268	614,268	-
Transfers in	<u>2,294,285</u>	<u>1,277,305</u>	<u>1,277,305</u>	<u>-</u>
Total other financing sources (uses)	<u>2,908,553</u>	<u>1,891,573</u>	<u>1,891,573</u>	<u>-</u>
Net change in fund balance	<u>\$ 204,875</u>	<u>\$ 134,427</u>	1,225,470	<u>\$ 1,091,043</u>
Beginning fund balance			<u>2,971,200</u>	
Ending fund balance			<u>\$ 4,196,670</u>	

**Notes to Required Supplementary Information:**

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

CITY OF ANGLETON, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
ANGLETON BETTER LIVING FUND  
For the year ended September 30, 2025

Draft 2.24.26

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Sales tax	\$ 2,300,109	\$ 2,300,109	\$ 2,195,711	\$ (104,398)
Intergovernmental	61,818	66,741	72,157	5,416
Investment revenue	183,841	183,841	189,703	5,862
Miscellaneous revenue	-	-	100	100
Total revenues	<u>2,545,768</u>	<u>2,550,691</u>	<u>2,457,671</u>	<u>(93,020)</u>
<b>Expenditures</b>				
Current				
General administration	659,095	591,732	491,641	100,091
Capital outlay	483,405	483,405	483,405	-
Total expenditures	<u>1,142,500</u>	<u>1,075,137</u>	<u>975,046</u>	<u>100,091</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,403,268</u>	<u>1,475,554</u>	<u>1,482,625</u>	<u>7,071</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	<u>(1,403,268)</u>	<u>(1,525,231)</u>	<u>(1,525,231)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,403,268)</u>	<u>(1,525,231)</u>	<u>(1,525,231)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (49,677)</u>	<u>(42,606)</u>	<u>\$ 7,071</u>
Beginning fund balance			<u>4,660,322</u>	
Ending fund balance			<u>\$ 4,617,716</u>	

**Notes to Required Supplementary Information:**

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

CITY OF ANGLETON, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
EMERGENCY PROJECTS FUND  
For the year ended September 30, 2025

Draft 2.24.26

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Miscellaneous revenue	\$ -	\$ 2	\$ 2	\$ -
Total revenues	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Public safety	-	5,483	5,483	-
Community services	-	2,982,878	2,982,878	-
Capital outlay	-	58,351	58,351	-
Total expenditures	<u>-</u>	<u>3,046,712</u>	<u>3,046,712</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,046,710)</u>	<u>(3,046,710)</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	3,046,710	3,046,710	-
Total other financing sources (uses)	<u>-</u>	<u>3,046,710</u>	<u>3,046,710</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning fund balance			<u>-</u>	
Ending fund balance			<u>\$ -</u>	

**Notes to Required Supplementary Information:**

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

CITY OF ANGLETON, TEXAS  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
For the year ended September 30, 2025

	Measurement Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service cost	\$ 1,472,657	\$ 1,342,325	\$ 1,218,013	\$ 1,123,767	\$ 1,065,898	\$ 967,612	\$ 875,925	\$ 842,374	\$ 785,512	\$ 791,844
Interest (on the total pension liability)	2,346,370	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
Changes of benefit terms	-	-	-	-	-	-	-	(42,824)	-	-
Difference between expected and actual experience	17,131	(374,885)	684,002	(143,337)	(75,064)	56,625	(372,360)	(85,571)	(252,182)	(165,121)
Change of assumptions		(270,468)	-	-	-	121,586	-	-	-	137,692
Benefit payments, including refunds of employee contributions	(1,837,472)	(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)
Net change in total pension liability	1,998,686	1,363,846	2,528,106	1,136,803	1,305,414	1,592,966	1,078,396	1,324,217	940,582	1,163,981
Beginning total pension liability	34,943,440	33,579,594	31,051,488	29,914,685	28,609,271	27,016,305	25,937,909	24,613,692	23,673,110	22,509,129
Ending total pension liability	<u>\$ 36,942,126</u>	<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>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 1,156,808	\$ 1,064,803	\$ 993,207	\$ 963,477	\$ 904,937	\$ 822,437	\$ 754,235	\$ 729,850	\$ 687,899	\$ 730,615
Contributions - employee	586,716	554,847	511,150	479,819	445,051	399,564	361,455	368,923	346,549	353,239
Net investment income	3,297,076	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
Benefit payments, including refunds of employee contributions	(1,837,472)	(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)
Administrative expense	(21,148)	(20,939)	(19,346)	(16,563)	(12,655)	(19,614)	(13,439)	(14,617)	(14,663)	(17,328)
Other	(496)	(146)	23,085	114	(493)	(589)	(702)	(742)	(790)	(856)
Net change in plan fiduciary net position	3,181,484	3,298,282	(2,188,738)	3,167,904	1,694,205	3,310,766	(760,113)	2,862,809	1,140,056	(68,960)
Beginning plan fiduciary net position	31,735,856	28,437,574	30,626,312	27,458,408	25,764,203	22,453,437	23,213,550	20,350,741	19,210,685	19,279,645
Ending Plan Fiduciary Net Position	<u>\$ 34,917,340</u>	<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>
Net Pension Liability	<u>\$ 2,024,786</u>	<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>
Plan fiduciary net position as a percentage of total pension liability	94.52%	90.82%	84.69%	98.63%	91.79%	90.06%	83.11%	89.50%	82.68%	81.15%
Covered Payroll	\$ 9,778,601	\$ 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
Net pension liability as a percentage of covered payroll	20.71%	34.72%	60.37%	5.43%	33.11%	42.72%	75.74%	44.31%	73.81%	75.80%

CITY OF ANGLETON, TEXAS  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM  
For the year ended September 30, 2025

	Measurement Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	1.24%	1.70%	1.04%	0.69%	0.66%	0.39%	0.32%	0.35%	0.41%	0.43%
City's proportionate share of the net pension liability	\$ 1,326,079	\$ 737,612	\$ 427,533	\$ 73,499	\$ 167,148	\$ 109,697	\$ 69,065	\$ 84,966	\$ 120,165	\$ 114,150
State's proportionate share of the net pension liability	<u>332,120</u>	<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>
Total	<u>\$ 1,658,199</u>	<u>\$ 933,107</u>	<u>\$ 538,512</u>	<u>\$ 93,847</u>	<u>\$ 214,797</u>	<u>\$ 142,236</u>	<u>\$ 88,233</u>	<u>\$ 112,790</u>	<u>\$ 161,707</u>	<u>\$ 153,718</u>
Number of active members**	28	35	31	26	28	27	37	40	32	34
City's net pension liability per active member	\$ 47,360	\$ 21,075	\$ 13,791	\$ 2,827	\$ 5,970	\$ 4,063	\$ 1,846	\$ 2,102	\$ 3,815	\$ 3,391
Plan fiduciary net position as a percentage of the total pension liability	56.30%	74.60%	75.20%	93.10%	83.20%	80.20%	84.26%	81.40%	76.30%	76.90%

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

**Notes to Required Supplementary Information:**

1. The total pension liability was determined by actuarial valuation or, when applicable, by updating the prior year's total pension liability using standard rollforward procedures in accordance with GASB Statement No. 67.

CITY OF ANGLETON, TEXAS  
 SCHEDULE OF CONTRIBUTIONS  
 TEXAS MUNICIPAL RETIREMENT SYSTEM  
 For the year ended September 30, 2025

	Fiscal Year									
	<u>2025</u>	<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>
Actuarially determined contribution	\$ 1,104,839	\$ 1,219,501	\$ 1,029,949	\$ 963,669	\$ 975,404	\$ 887,773	\$ 808,099	\$ 735,614	\$ 727,148	\$ 693,433
Contributions in relation to the actuarially determined contribution	<u>1,102,186</u>	<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>
Contribution deficiency (excess)	<u>\$ 2,653</u>	<u>\$ (8,206)</u>	<u>\$ (33,544)</u>	<u>\$ -</u>						
Covered payroll	\$ 9,429,938	\$ 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
Contributions as a percentage of covered payroll	11.69%	11.75%	11.57%	11.75%	12.09%	12.25%	12.40%	12.34%	11.88%	12.05%

**Notes to Required Supplementary Information:**

1. Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.
2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 years (longest amortization ladder)
Asset valuation method	10 year smoothed market; 12.00% 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 September 30, 2025

	Fiscal Year									
	<u>2025</u>	<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>
Contractually required contribution	\$ 103,086	\$ 31,734	\$ 81,182	\$ 50,685	\$ 33,095	\$ 31,318	\$ 24,996	\$ 22,453	\$ 24,255	\$ 18,900
Contributions in relation to the contractually required contribution	<u>103,086</u>	<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>
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**	28	30	41	26	28	26	42	37	40	36
Contributions per active member	\$ 3,682	\$ 1,058	\$ 1,958	\$ 1,949	\$ 1,182	\$ 1,205	\$ 595	\$ 607	\$ 606	\$ 525

\*\*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 – SUPPLEMENTAL DEATH BENEFITS FUND  
 For the year ended September 30, 2025

	Measurement Year*							
	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB liability</b>								
Service cost	\$ 22,491	\$ 24,943	\$ 28,960	\$ 28,975	\$ 21,511	\$ 15,983	\$ 16,265	\$ 14,142
Interest (on the total pension liability)	13,788	13,491	9,482	9,645	10,495	10,873	10,069	9,793
Difference between expected and actual experience	(13,775)	(11,751)	(27,817)	(12,738)	4,511	(2,124)	(13,650)	-
Changes of assumptions	(19,349)	18,553	(179,726)	17,392	66,967	63,878	(20,830)	23,154
Benefit payments **	(10,756)	(12,010)	(10,221)	(10,180)	(2,967)	(2,664)	(3,012)	(3,074)
Net change in total OPEB liability	(7,601)	33,226	(179,322)	33,094	100,517	85,946	(11,158)	44,015
Beginning total OPEB liability	359,866	326,640	505,962	472,868	372,351	286,405	297,563	253,548
Ending total OPEB liability	\$ 352,265	\$ 359,866	\$ 326,640	\$ 505,962	\$ 472,868	\$ 372,351	\$ 286,405	\$ 297,563
Covered-employee payroll	\$ 9,778,601	\$ 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	3.60%	3.90%	3.83%	6.46%	6.38%	5.59%	4.75%	4.84%

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

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

**Notes to Required Supplementary Information:**

1. Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.
2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate	4.08%
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 3.50% and 3.00% 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.

3. *Other Information:* No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. The discount rate was based on the Bond Buyer "20-Bond GO Index" rate closest to, but not later than December 31, 2024. The actuarial assumptions used in December 31, 2024 valuation were based on the results of an actuarial study for the period ending December 31, 2022. There were no benefit changes during the year.

(Continued)

## **COMBINING STATEMENTS AND SCHEDULES**

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**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 Funds** – Collection and disbursement of money used for court technology and building security.

**Community Development Grant Fund** – Revenue and expenditures for grants related to community development.

**TxDOT Grant Fund** – Revenue and expenditures 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 Funds** – Property tax funds that will be utilized for certain infrastructure costs within TIRZ #1 and TIRZ #2.

**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 expenditures 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 expenditures for related to emergency dispatch grants.

**PID Funds** – To account for public improvement activities within the Riverwood, Riverwood Ranch North, Green Trails, Greystone, and Kiber Reserve districts.

**Strategic Task Force Fund** – Revenue and expenses for collections related to strategic public safety task force.

**GLO Grant Funds** – Revenue and expenditures for General Land Office (GLO) grant related to utility, environmental, and lift station improvements.

**Emergency Note Fund** – Note proceeds for funding used for storm recovery.

**Capital Projects Funds**

**C.O. Series 2020 Fund** - Capital improvements for the City from certificate of obligation series 2020 funding.

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

**C.O. Series 2018 Fund** - Capital improvements for the City from certificate of obligation series 2018 funding.

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

CITY OF ANGLETON, TEXAS  
 COMBINING BALANCE SHEET –  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2025

Draft 2.24.26

	Debt Service Fund	Special Revenue Funds			
		ARPA Grants	Hotel/ Motel	Child Safety	Municipal Court Technology
<b>ASSETS</b>					
Cash and cash equivalents	\$ 382,111	\$ -	\$ 36,146	\$ 23,484	\$ 10,104
Investments	-	-	-	-	-
Receivables, net	29,243	-	62,108	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 411,354</b>	<b>\$ -</b>	<b>\$ 98,254</b>	<b>\$ 23,484</b>	<b>\$ 10,104</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 1,650	\$ -	\$ 34,670	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>1,650</b>	<b>-</b>	<b>34,670</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	29,243	-	-	-	-
Unavailable revenue - grants	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>29,243</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Restricted for					
Debt service	380,461	-	-	-	-
Enabling legislation	-	-	63,584	23,484	10,104
Special projects	-	-	-	-	-
Capital projects	-	-	-	-	-
<b>Total fund balances</b>	<b>380,461</b>	<b>-</b>	<b>63,584</b>	<b>23,484</b>	<b>10,104</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 411,354</b>	<b>\$ -</b>	<b>\$ 98,254</b>	<b>\$ 23,484</b>	<b>\$ 10,104</b>

(Continued)

CITY OF ANGLETON, TEXAS  
 COMBINING BALANCE SHEET –  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2025

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	Special Revenue Funds				
	Municipal Court Building <u>Security</u>	Community Development <u>Grant</u>	TxDOT <u>Grant</u>	Keep Angleton <u>Beautiful</u>	Angleton Act <u>Center</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 56,867	\$ 28,880	\$ 4,799	\$ 92,104	\$ 245,616
Investments	-	-	-	-	-
Receivables, net	-	-	-	4,632	486
Due from other governments	-	-	-	6,836	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<b><u>\$ 56,867</u></b>	<b><u>\$ 28,880</u></b>	<b><u>\$ 4,799</u></b>	<b><u>\$ 103,572</u></b>	<b><u>\$ 246,102</u></b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 3,946	\$ 146,101
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>3,946</u></b>	<b><u>146,101</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - grants	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>					
Restricted for					
Debt service	-	-	-	-	-
Enabling legislation	56,867	-	-	-	-
Special projects	-	28,880	4,799	99,626	100,001
Capital projects	-	-	-	-	-
<b>Total fund balances</b>	<b><u>56,867</u></b>	<b><u>28,880</u></b>	<b><u>4,799</u></b>	<b><u>99,626</u></b>	<b><u>100,001</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 56,867</u></b>	<b><u>\$ 28,880</u></b>	<b><u>\$ 4,799</u></b>	<b><u>\$ 103,572</u></b>	<b><u>\$ 246,102</u></b>

(Continued)

CITY OF ANGLETON, TEXAS  
 COMBINING BALANCE SHEET –  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2025

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	Special Revenue Funds				
	<u>TIRZ #1</u>	<u>TIRZ #2</u>	<u>OBJ Police Grant</u>	<u>Police Donation</u>	<u>Fire Department ESD</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 136,610	\$ 97,505	\$ 18,167	\$ 34,451	\$ 549,158
Investments	-	-	-	-	-
Receivables, net	-	-	62	-	-
Due from other governments	-	-	15,588	-	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<b><u>\$ 136,610</u></b>	<b><u>\$ 97,505</u></b>	<b><u>\$ 33,817</u></b>	<b><u>\$ 34,451</u></b>	<b><u>\$ 549,158</u></b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 6,530	\$ -	\$ 2,472	\$ -	\$ 33,662
Due to other funds	-	37,814	-	-	-
<b>Total liabilities</b>	<b><u>6,530</u></b>	<b><u>37,814</u></b>	<b><u>2,472</u></b>	<b><u>-</u></b>	<b><u>33,662</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - grants	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>					
Restricted for					
Debt service	-	-	-	-	-
Enabling legislation	-	-	-	-	-
Special projects	130,080	59,691	31,345	34,451	515,496
Capital projects	-	-	-	-	-
<b>Total fund balances</b>	<b><u>130,080</u></b>	<b><u>59,691</u></b>	<b><u>31,345</u></b>	<b><u>34,451</u></b>	<b><u>515,496</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 136,610</u></b>	<b><u>\$ 97,505</u></b>	<b><u>\$ 33,817</u></b>	<b><u>\$ 34,451</u></b>	<b><u>\$ 549,158</u></b>

(Continued)

CITY OF ANGLETON, TEXAS  
 COMBINING BALANCE SHEET –  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2025

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	Special Revenue Funds				
	<u>A/C</u> <u>Donations</u>	<u>Drug</u> <u>Confiscation</u>	<u>Traffic</u> <u>Enforcement</u>	<u>Developer</u> <u>Deposit</u>	911 <u>Recorder</u> <u>Grant</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 43,723	\$ 15,010	\$ 4,632	\$ 1,171,400	\$ -
Investments	-	-	-	-	-
Receivables, net	-	-	-	-	74
Due from other governments	-	-	200	-	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<u>\$ 43,723</u>	<u>\$ 15,010</u>	<u>\$ 4,832</u>	<u>\$ 1,171,400</u>	<u>\$ 74</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ 6,925	\$ -	\$ -	\$ 74
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>6,925</u>	<u>-</u>	<u>-</u>	<u>74</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - grants	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted for					
Debt service	-	-	-	-	-
Enabling legislation	-	-	-	-	-
Special projects	43,723	8,085	4,832	1,171,400	-
Capital projects	-	-	-	-	-
<b>Total fund balances</b>	<u>43,723</u>	<u>8,085</u>	<u>4,832</u>	<u>1,171,400</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 43,723</u>	<u>\$ 15,010</u>	<u>\$ 4,832</u>	<u>\$ 1,171,400</u>	<u>\$ 74</u>

(Continued)

CITY OF ANGLETON, TEXAS  
 COMBINING BALANCE SHEET –  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2025

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	Special Revenue Funds				
	Riverwood PID	Riverwood Ranch North PID	Green Trails PID	Greystone PID	Kiber Reserve PID
<b>ASSETS</b>					
Cash and cash equivalents	\$ 16,233	\$ 49,085	\$ 734	\$ 20,404	\$ 2,596
Investments	-	-	-	-	-
Receivables, net	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	59,627	-	-	-	-
<b>Total assets</b>	<b><u>\$ 75,860</u></b>	<b><u>\$ 49,085</u></b>	<b><u>\$ 734</u></b>	<b><u>\$ 20,404</u></b>	<b><u>\$ 2,596</u></b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - grants	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>					
Restricted for					
Debt service	-	-	-	-	-
Enabling legislation	-	-	-	-	-
Special projects	75,860	49,085	734	20,404	2,596
Capital projects	-	-	-	-	-
<b>Total fund balances</b>	<b><u>75,860</u></b>	<b><u>49,085</u></b>	<b><u>734</u></b>	<b><u>20,404</u></b>	<b><u>2,596</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 75,860</u></b>	<b><u>\$ 49,085</u></b>	<b><u>\$ 734</u></b>	<b><u>\$ 20,404</u></b>	<b><u>\$ 2,596</u></b>

(Continued)

CITY OF ANGLETON, TEXAS  
 COMBINING BALANCE SHEET –  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2025

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	Special Revenue Funds				
	Strategic Task Force	General Land Office (GLO) Utility Grant	GLO Environmental Grant	GLO Lift Station Grant	Emergency Note
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,731	\$ -	\$ 4,165	\$ -	\$ 753,903
Investments	-	-	-	-	-
Receivables, net	-	-	-	-	-
Due from other governments	-	48,039	2,243	94,638	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 6,731</b>	<b>\$ 48,039</b>	<b>\$ 6,408</b>	<b>\$ 94,638</b>	<b>\$ 753,903</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - grants	-	48,039	-	94,638	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>48,039</b>	<b>-</b>	<b>94,638</b>	<b>-</b>
<b>FUND BALANCES</b>					
Restricted for					
Debt service	-	-	-	-	-
Enabling legislation	-	-	-	-	-
Special projects	6,731	-	6,408	-	-
Capital projects	-	-	-	-	753,903
<b>Total fund balances</b>	<b>6,731</b>	<b>-</b>	<b>6,408</b>	<b>-</b>	<b>753,903</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 6,731</b>	<b>\$ 48,039</b>	<b>\$ 6,408</b>	<b>\$ 94,638</b>	<b>\$ 753,903</b>

(Continued)

CITY OF ANGLETON, TEXAS  
 COMBINING BALANCE SHEET –  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2025

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	Capital Projects Funds				Total Nonmajor Gov. Funds
	C.O. Series 2020	Street	C.O. Series 2018	City-Wide Capital Projects	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,970	\$ 1,767,635	\$ 906,128	\$ 347,921	\$ 6,836,272
Investments	-	385,517	-	-	385,517
Receivables, net	-	52	-	-	96,657
Due from other governments	-	-	-	-	167,544
Due from other funds	-	-	-	-	59,627
<b>Total assets</b>	<b>\$ 9,970</b>	<b>\$ 2,153,204</b>	<b>\$ 906,128</b>	<b>\$ 347,921</b>	<b>\$ 7,545,617</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 236,030
Due to other funds	-	-	-	-	37,814
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>273,844</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	29,243
Unavailable revenue - grants	-	-	-	-	142,677
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>171,920</b>
<b>FUND BALANCES</b>					
Restricted for					
Debt service	-	-	-	-	380,461
Enabling legislation	-	-	-	-	154,039
Special projects	-	-	-	-	2,394,227
Capital projects	9,970	2,153,204	906,128	347,921	4,171,126
<b>Total fund balances</b>	<b>9,970</b>	<b>2,153,204</b>	<b>906,128</b>	<b>347,921</b>	<b>7,099,853</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 9,970</b>	<b>\$ 2,153,204</b>	<b>\$ 906,128</b>	<b>\$ 347,921</b>	<b>\$ 7,545,617</b>

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CITY OF ANGLETON, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the year ended September 30, 2025

	Debt Service Fund	Special Revenue Funds			Municipal Court Technology
		ARPA Grants	Hotel/ Motel	Child Safety	
<b>Revenues</b>					
Property taxes	\$ 1,539,422	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	221,509	-	-
Fines and forfeitures	-	-	-	8,765	9,893
Charges for services	-	-	-	-	-
Intergovernmental	-	161,686	-	-	-
Investment revenue	4,271	-	295	181	141
Special assessments	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Total revenues	<u>1,543,693</u>	<u>161,686</u>	<u>221,804</u>	<u>8,946</u>	<u>10,034</u>
<b>Expenditures</b>					
Current					
General administration	-	-	-	-	-
Public safety	-	-	-	-	22,675
Community services	-	69,300	-	-	-
Economic development	-	-	258,226	-	-
Capital outlay	-	92,864	-	-	-
Debt service					
Principal	1,505,185	-	-	-	-
Interest expense	837,249	-	-	-	-
Debt issuance costs	-	-	-	-	-
Total expenditures	<u>2,342,434</u>	<u>162,164</u>	<u>258,226</u>	<u>-</u>	<u>22,675</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(798,741)</u>	<u>(478)</u>	<u>(36,422)</u>	<u>8,946</u>	<u>(12,641)</u>
<b>Other financing sources (uses)</b>					
Issuance of debt	-	-	-	-	-
Transfers in	714,575	-	-	-	-
Transfers (out)	-	-	-	(2,025)	-
Total other financing sources (uses)	<u>714,575</u>	<u>-</u>	<u>-</u>	<u>(2,025)</u>	<u>-</u>
Net change in fund balance	(84,166)	(478)	(36,422)	6,921	(12,641)
Beginning fund balances	<u>464,627</u>	<u>478</u>	<u>100,006</u>	<u>16,563</u>	<u>22,745</u>
Ending fund balance	<u>\$ 380,461</u>	<u>\$ -</u>	<u>\$ 63,584</u>	<u>\$ 23,484</u>	<u>\$ 10,104</u>

(Continued)

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CITY OF ANGLETON, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the year ended September 30, 2025

	Special Revenue Funds				
	Municipal Court Building <u>Security</u>	Community Development <u>Grant</u>	TxDOT <u>Grant</u>	Keep Angleton <u>Beautiful</u>	Angleton Act <u>Center</u>
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-	-
Fines and forfeitures	11,978	-	-	-	-
Charges for services	-	-	-	-	598,934
Intergovernmental	-	-	-	-	-
Investment revenue	500	-	-	734	5,080
Special assessments	-	-	-	-	-
Miscellaneous revenue	-	-	-	72,855	-
Total revenues	<u>12,478</u>	<u>-</u>	<u>-</u>	<u>73,589</u>	<u>604,014</u>
<b>Expenditures</b>					
Current					
General administration	-	-	-	-	1,006,070
Public safety	37	-	-	-	-
Community services	-	-	-	-	-
Economic development	-	-	-	34,900	-
Capital outlay	-	41,220	-	-	-
Debt service					
Principal	-	-	-	-	4,045
Interest expense	-	-	-	-	159
Debt issuance costs	-	-	-	-	-
Total expenditures	<u>37</u>	<u>41,220</u>	<u>-</u>	<u>34,900</u>	<u>1,010,274</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,441</u>	<u>(41,220)</u>	<u>-</u>	<u>38,689</u>	<u>(406,260)</u>
<b>Other financing sources (uses)</b>					
Issuance of debt	-	-	-	-	-
Transfers in	-	70,100	-	-	-
Transfers (out)	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>(13,047)</u>	<u>(113,344)</u>
Total other financing sources (uses)	<u>(5,000)</u>	<u>70,100</u>	<u>-</u>	<u>(13,047)</u>	<u>(113,344)</u>
Net change in fund balance	7,441	28,880	-	25,642	(519,604)
Beginning fund balances	<u>49,426</u>	<u>-</u>	<u>4,799</u>	<u>73,984</u>	<u>619,605</u>
Ending fund balance	<u>\$ 56,867</u>	<u>\$ 28,880</u>	<u>\$ 4,799</u>	<u>\$ 99,626</u>	<u>\$ 100,001</u>

(Continued)

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CITY OF ANGLETON, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the year ended September 30, 2025

	Special Revenue Funds				
	<u>TIRZ #1</u>	<u>TIRZ #2</u>	<u>OBJ Police Grant</u>	<u>Police Donation</u>	<u>Fire Department ESD</u>
<b>Revenues</b>					
Property taxes	\$ 25,875	\$ 54,067	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	462,052
Investment revenue	1,104	-	-	289	4,191
Special assessments	-	-	-	-	-
Miscellaneous revenue	-	-	-	19,346	-
Total revenues	<u>26,979</u>	<u>54,067</u>	<u>-</u>	<u>19,635</u>	<u>466,243</u>
<b>Expenditures</b>					
Current					
General administration	-	32,460	-	-	-
Public safety	-	-	20,617	15,000	153,517
Community services	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest expense	-	-	-	-	-
Debt issuance costs	-	-	-	-	-
Total expenditures	<u>-</u>	<u>32,460</u>	<u>20,617</u>	<u>15,000</u>	<u>153,517</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,979</u>	<u>21,607</u>	<u>(20,617)</u>	<u>4,635</u>	<u>312,726</u>
<b>Other financing sources (uses)</b>					
Issuance of debt	-	-	-	-	-
Transfers in	-	-	25,000	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	26,979	21,607	4,383	4,635	312,726
Beginning fund balances	<u>103,101</u>	<u>38,084</u>	<u>26,962</u>	<u>29,816</u>	<u>202,770</u>
Ending fund balance	<u>\$ 130,080</u>	<u>\$ 59,691</u>	<u>\$ 31,345</u>	<u>\$ 34,451</u>	<u>\$ 515,496</u>

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CITY OF ANGLETON, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the year ended September 30, 2025

	Special Revenue Funds				
	A/C Donations	Drug Confiscation	Traffic Enforcement	Developer Deposit	911 Recorder Grant
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	1,515	-	-
Investment revenue	385	43	-	-	-
Special assessments	-	-	-	-	-
Miscellaneous revenue	<u>7,172</u>	<u>-</u>	<u>-</u>	<u>815,551</u>	<u>-</u>
Total revenues	<u>7,557</u>	<u>43</u>	<u>1,515</u>	<u>815,551</u>	<u>-</u>
<b>Expenditures</b>					
Current					
General administration	5,000	-	-	347,891	-
Public safety	-	5,497	-	-	-
Community services	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest expense	-	-	-	-	-
Debt issuance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,000</u>	<u>5,497</u>	<u>-</u>	<u>347,891</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,557</u>	<u>(5,454)</u>	<u>1,515</u>	<u>467,660</u>	<u>-</u>
<b>Other financing sources (uses)</b>					
Issuance of debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,557	(5,454)	1,515	467,660	-
Beginning fund balances	<u>41,166</u>	<u>13,539</u>	<u>3,317</u>	<u>703,740</u>	<u>-</u>
Ending fund balance	<u>\$ 43,723</u>	<u>\$ 8,085</u>	<u>\$ 4,832</u>	<u>\$ 1,171,400</u>	<u>\$ -</u>

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CITY OF ANGLETON, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the year ended September 30, 2025

	Special Revenue Funds				
	Riverwood PID	Riverwood Ranch North PID	Green Trails PID	Greystone PID	Kiber Reserve PID
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment revenue	1,022	85	189	469	455
Special assessments	338,991	432,496	65,622	115,929	121,975
Miscellaneous revenue	-	-	-	-	-
Total revenues	<u>340,013</u>	<u>432,581</u>	<u>65,811</u>	<u>116,398</u>	<u>122,430</u>
<b>Expenditures</b>					
Current					
General administration	317,214	383,496	78,415	137,678	158,073
Public safety	-	-	-	-	-
Community services	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest expense	-	-	-	-	-
Debt issuance costs	-	-	-	-	-
Total expenditures	<u>317,214</u>	<u>383,496</u>	<u>78,415</u>	<u>137,678</u>	<u>158,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,799</u>	<u>49,085</u>	<u>(12,604)</u>	<u>(21,280)</u>	<u>(35,643)</u>
<b>Other financing sources (uses)</b>					
Issuance of debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	22,799	49,085	(12,604)	(21,280)	(35,643)
Beginning fund balances	<u>53,061</u>	<u>-</u>	<u>13,338</u>	<u>41,684</u>	<u>38,239</u>
Ending fund balance	<u>\$ 75,860</u>	<u>\$ 49,085</u>	<u>\$ 734</u>	<u>\$ 20,404</u>	<u>\$ 2,596</u>

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CITY OF ANGLETON, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the year ended September 30, 2025

	Special Revenue Funds				
	Strategic Task <u>Force</u>	General Land Office (GLO) <u>Utility Grant</u>	GLO Environmental <u>Grant</u>	GLO Lift <u>Station Grant</u>	Emergency <u>Note</u>
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-	-
Fines and forfeitures	6,731	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	126,041	137,381
Investment revenue	-	-	-	-	-
Special assessments	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Total revenues	<u>6,731</u>	<u>-</u>	<u>-</u>	<u>126,041</u>	<u>137,381</u>
<b>Expenditures</b>					
Current					
General administration	-	-	-	-	-
Public safety	-	-	-	-	-
Community services	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	48,039	-	220,679	-
Debt service					
Principal	-	-	-	-	-
Interest expense	-	-	-	-	-
Debt issuance costs	-	-	-	-	71,358
Total expenditures	<u>-</u>	<u>48,039</u>	<u>-</u>	<u>220,679</u>	<u>71,358</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,731</u>	<u>(48,039)</u>	<u>-</u>	<u>(94,638)</u>	<u>66,023</u>
<b>Other financing sources (uses)</b>					
Issuance of debt	-	-	-	-	4,063,000
Transfers in	-	48,039	-	94,638	-
Transfers (out)	-	-	-	-	(3,375,120)
Total other financing sources (uses)	<u>-</u>	<u>48,039</u>	<u>-</u>	<u>94,638</u>	<u>687,880</u>
Net change in fund balance	6,731	-	-	-	753,903
Beginning fund balances	-	-	6,408	-	-
Ending fund balance	<u>\$ 6,731</u>	<u>\$ -</u>	<u>\$ 6,408</u>	<u>\$ -</u>	<u>\$ 753,903</u>

(Continued)

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CITY OF ANGLETON, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the year ended September 30, 2025

	Capital Projects Funds				Total Nonmajor Gov. Funds
	C.O. Series 2020	Street	C.O. Series 2018	City-Wide Capital Projects	
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,619,364
Franchise fees and local taxes	-	-	-	-	221,509
Fines and forfeitures	-	-	-	-	37,367
Charges for services	-	-	-	-	598,934
Intergovernmental	-	-	-	-	888,675
Investment revenue	9,970	38,572	65,490	3,452	136,918
Special assessments	-	-	-	-	1,075,013
Miscellaneous revenue	-	-	-	-	914,924
Total revenues	<u>9,970</u>	<u>38,572</u>	<u>65,490</u>	<u>3,452</u>	<u>5,492,704</u>
<b>Expenditures</b>					
Current					
General administration	-	-	-	-	2,466,297
Public safety	-	-	-	-	217,343
Community services	-	2,908	-	-	72,208
Economic development	-	-	-	-	293,126
Capital outlay	-	-	56,000	-	458,802
Debt service					
Principal	-	-	-	-	1,509,230
Interest expense	-	-	-	-	837,408
Debt issuance costs	-	-	-	-	71,358
Total expenditures	<u>-</u>	<u>2,908</u>	<u>56,000</u>	<u>-</u>	<u>5,925,772</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,970</u>	<u>35,664</u>	<u>9,490</u>	<u>3,452</u>	<u>(433,068)</u>
<b>Other financing sources (uses)</b>					
Issuance of debt	-	-	-	-	4,063,000
Transfers in	-	-	-	-	952,352
Transfers (out)	-	(86,250)	-	(86,250)	(3,681,036)
Total other financing sources (uses)	<u>-</u>	<u>(86,250)</u>	<u>-</u>	<u>(86,250)</u>	<u>1,334,316</u>
Net change in fund balance	9,970	(50,586)	9,490	(82,798)	901,248
Beginning fund balances	-	2,203,790	896,638	430,719	6,198,605
Ending fund balance	<u>\$ 9,970</u>	<u>\$ 2,153,204</u>	<u>\$ 906,128</u>	<u>\$ 347,921</u>	<u>\$ 7,099,853</u>

CITY OF ANGLETON, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL  
DEBT SERVICE FUND  
For the year ended September 30, 2025

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	Debt Service Fund			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Property taxes	\$ 1,599,833	\$ 1,599,833	\$ 1,539,422	\$ (60,411)
Investment revenue	28,026	28,026	4,271	(23,755)
Total revenues	<u>1,627,859</u>	<u>1,627,859</u>	<u>1,543,693</u>	<u>(84,166)</u>
<b>Expenditures</b>				
Debt service				
Principal	1,505,185	1,505,185	1,505,185	-
Interest and fiscal agent fees	837,249	837,249	837,249	-
Total expenditures	<u>2,342,434</u>	<u>2,342,434</u>	<u>2,342,434</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(714,575)</u>	<u>(714,575)</u>	<u>(798,741)</u>	<u>(84,166)</u>
<b>Other financing sources (uses)</b>				
Transfers in	714,575	714,575	714,575	-
Total other financing sources (uses)	<u>714,575</u>	<u>714,575</u>	<u>714,575</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(84,166)	<u>\$ (84,166)</u>
Beginning fund balance			<u>464,627</u>	
Ending fund balance			<u>\$ 380,461</u>	

CITY OF ANGLETON, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 HOTEL/MOTEL FUND  
 For the year ended September 30, 2025

Draft 2.24.26

	Hotel/Motel Fund			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Franchise fees and local taxes	\$ 279,638	\$ 279,638	\$ 221,509	\$ (58,129)
Investment revenue	-	-	295	295
Total revenues	<u>279,638</u>	<u>279,638</u>	<u>221,804</u>	<u>(57,834)</u>
<b>Expenditures</b>				
Current				
Economic development	<u>279,638</u>	<u>279,638</u>	<u>258,226</u>	<u>21,412</u>
Total expenditures	<u>279,638</u>	<u>279,638</u>	<u>258,226</u>	<u>21,412</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(36,422)</u>	<u>(36,422)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(36,422)	<u>\$ (36,422)</u>
Beginning fund balance			<u>100,006</u>	
Ending fund balance			<u>\$ 63,584</u>	

CITY OF ANGLETON, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 CHILD SAEFTY FUND  
 For the year ended September 30, 2025

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	Child Safety			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Fines and forfeitures	\$ 2,025	\$ 2,025	\$ 8,765	\$ 6,740
Investment revenue	-	-	181	181
Total revenues	<u>2,025</u>	<u>2,025</u>	<u>8,946</u>	<u>6,921</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,025</u>	<u>2,025</u>	<u>8,946</u>	<u>6,921</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	<u>(2,025)</u>	<u>(2,025)</u>	<u>(2,025)</u>	-
Total other financing sources (uses)	<u>(2,025)</u>	<u>(2,025)</u>	<u>(2,025)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	6,921	<u>\$ 6,921</u>
Beginning fund balance			<u>16,563</u>	
Ending fund balance			<u>\$ 23,484</u>	

CITY OF ANGLETON, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 MUNICIPAL COURT TECHNOLOGY FUND  
 For the year ended September 30, 2025

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	Municipal Court Technology			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 9,893	\$ (107)
Investment revenue	-	-	141	141
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>10,034</u>	<u>34</u>
<b>Expenditures</b>				
Current				
Public safety	10,000	10,000	22,675	(12,675) *
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>22,675</u>	<u>(12,675)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(12,641)	(12,641)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(12,641)	<u>\$ (12,641)</u>
Beginning fund balance			<u>22,745</u>	
Ending fund balance			<u>\$ 10,104</u>	

\*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  
MUNICIPAL COURT BUILDING SECURITY FUND  
For the year ended September 30, 2025

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	Municipal Court Building Security			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Fines and forfeitures	\$ 5,500	\$ 5,500	\$ 11,978	\$ 6,478
Investment revenue	-	-	500	500
Total revenues	<u>5,500</u>	<u>5,500</u>	<u>12,478</u>	<u>6,978</u>
<b>Expenditures</b>				
Current				
Public safety	500	500	37	463
Total expenditures	<u>500</u>	<u>500</u>	<u>37</u>	<u>463</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,000</u>	<u>5,000</u>	<u>12,441</u>	<u>7,441</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	7,441	<u>\$ 7,441</u>
Beginning fund balance			<u>49,426</u>	
Ending fund balance			<u>\$ 56,867</u>	

\*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  
 COMMUNITY DEVELOPMENT GRANT FUND  
 For the year ended September 30, 2025

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	Community Development Grant			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 216,299	\$ -	\$ (216,299)
Total revenues	<u>-</u>	<u>216,299</u>	<u>-</u>	<u>(216,299)</u>
<b>Expenditures</b>				
Capital outlay	-	286,399	41,220	245,179
Total expenditures	<u>-</u>	<u>286,399</u>	<u>41,220</u>	<u>245,179</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(70,100)</u>	<u>(41,220)</u>	<u>28,880</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	70,100	70,100	-
Total other financing sources (uses)	<u>-</u>	<u>70,100</u>	<u>70,100</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	28,880	<u>\$ 28,880</u>
Beginning fund balance			<u>-</u>	
Ending fund balance			<u>\$ 28,880</u>	

CITY OF ANGLETON, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 TEXAS DEPARTMENT OF TRANSPORTATION (TXDOT) GRANT FUND  
 For the year ended September 30, 2025

Draft 2.24.26

	TxDOT Grant			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Intergovernmental	\$ 15,028	\$ -	\$ -	\$ -
Miscellaneous revenue	-	-	-	-
Total revenues	<u>15,028</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Public works	15,028	-	-	-
Total expenditures	<u>15,028</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) 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 BALANCE – BUDGET AND ACTUAL  
KEEP ANGLETON BEAUTIFUL FUND  
For the year ended September 30, 2025

Draft 2.24.26

	Keep Angleton Beautiful			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Investment revenue	\$ 61,300	\$ 69,821	\$ 734	\$ (69,087)
Miscellaneous revenue	100	100	72,855	72,755
Total revenues	<u>61,400</u>	<u>69,921</u>	<u>73,589</u>	<u>3,668</u>
<b>Expenditures</b>				
Current				
Economic development	61,089	56,874	34,900	21,974
Total expenditures	<u>61,089</u>	<u>56,874</u>	<u>34,900</u>	<u>21,974</u>
Excess (deficiency) of revenues over (under) expenditures	<u>311</u>	<u>13,047</u>	<u>38,689</u>	<u>25,642</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	<u>(311)</u>	<u>(13,047)</u>	<u>(13,047)</u>	<u>-</u>
Total other financing sources (uses)	<u>(311)</u>	<u>(13,047)</u>	<u>(13,047)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	25,642	<u>\$ 25,642</u>
Beginning fund balance			<u>73,984</u>	
Ending fund balance			<u>\$ 99,626</u>	

CITY OF ANGLETON, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL  
ANGLETON ACT CENTER FUND  
For the year ended September 30, 2025

Draft 2.24.26

	Angleton Act Center			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Charges for services	\$ 548,640	\$ 598,934	\$ 598,934	\$ -
Investment revenue	800	800	5,080	4,280
Total revenues	<u>549,440</u>	<u>599,734</u>	<u>604,014</u>	<u>4,280</u>
<b>Expenditures</b>				
Current				
General administration	545,236	595,530	1,006,070	(410,540) *
Debt service				
Principal	4,045	4,045	4,045	-
Interest and fiscal agent fees	159	159	159	-
Total expenditures	<u>549,440</u>	<u>599,734</u>	<u>1,010,274</u>	<u>(410,540)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(406,260)</u>	<u>(406,260)</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	-	-	(113,344)	(113,344)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(113,344)</u>	<u>(113,344)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(519,604)</u>	<u>\$ (519,604)</u>
Beginning fund balance			<u>619,605</u>	
Ending fund balance			<u>\$ 100,001</u>	

\*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  
 TAX INCREMENTAL REINVESTMENT ZONE (TIRZ) #1 FUND  
 For the year ended September 30, 2025

Draft 2.24.26

	TIRZ #1			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Property tax	\$ 18,807	\$ 18,807	\$ 25,875	\$ 7,068
Investment revenue	25	25	1,104	1,079
Total revenues	<u>18,832</u>	<u>18,832</u>	<u>26,979</u>	<u>8,147</u>
<b>Expenditures</b>				
Current				
General administration	<u>18,832</u>	<u>18,832</u>	-	<u>18,832</u>
Total expenditures	<u>18,832</u>	<u>18,832</u>	-	<u>18,832</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>26,979</u>	<u>26,979</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	26,979	<u>\$ 26,979</u>
Beginning fund balance			<u>103,101</u>	
Ending fund balance			<u>\$ 130,080</u>	

CITY OF ANGLETON, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 TAX INCREMENTAL REINVESTMENT ZONE (TIRZ) #2 FUND  
 For the year ended September 30, 2025

Draft 2.24.26

	TIRZ #2			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Property tax	\$ 54,067	\$ 54,067	\$ 54,067	\$ -
Total revenues	<u>54,067</u>	<u>54,067</u>	<u>54,067</u>	<u>-</u>
<b>Expenditures</b>				
Current				
General administration	54,067	54,067	32,460	21,607
Total expenditures	<u>54,067</u>	<u>54,067</u>	<u>32,460</u>	<u>21,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>21,607</u>	<u>21,607</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	21,607	<u>\$ 21,607</u>
Beginning fund balance			<u>38,084</u>	
Ending fund balance			<u>\$ 59,691</u>	

CITY OF ANGLETON, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL  
OBJ POLICE GRANT FUND  
For the year ended September 30, 2025

Draft 2.24.26

	OBJ Police Grant			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Intergovernmental	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Total revenues	5,000	5,000	-	(5,000)
<b>Expenditures</b>				
Current				
Public safety	30,000	30,000	20,617	9,383
Total expenditures	30,000	30,000	20,617	9,383
Excess (deficiency) of revenues over (under) expenditures	(25,000)	(25,000)	(20,617)	9,383
<b>Other financing sources (uses)</b>				
Transfers in	25,000	25,000	25,000	-
Total other financing sources (uses)	25,000	25,000	25,000	-
Net change in fund balance	\$ -	\$ -	4,383	\$ 4,383
Beginning fund balance			26,962	
Ending fund balance			\$ 31,345	

CITY OF ANGLETON, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 POLICE DONATION FUND  
 For the year ended September 30, 2025

Draft 2.24.26

	Police Donation			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Investment revenue	\$ -	\$ -	\$ 289	\$ 289
Miscellaneous revenue	<u>16,300</u>	<u>16,300</u>	<u>19,346</u>	<u>3,046</u>
Total revenues	<u>16,300</u>	<u>16,300</u>	<u>19,635</u>	<u>3,335</u>
<b>Expenditures</b>				
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>4,635</u>	<u>4,635</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	4,635	<u>\$ 4,635</u>
Beginning fund balance			<u>29,816</u>	
Ending fund balance			<u>\$ 34,451</u>	

CITY OF ANGLETON, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 FIRE DEPARTMENT EMERGENCY SERVICE DISTRICT (ESD) FUND  
 For the year ended September 30, 2025

Draft 2.24.26

	Fire Department ESD			Variance with Final Budget Positive (Negative)
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	
<b>Revenues</b>				
Intergovernmental	\$ 400,188	\$ 400,188	\$ 462,052	\$ 61,864
Other revenue	-	-	4,191	4,191
Total revenues	400,188	400,188	466,243	66,055
<b>Expenditures</b>				
Current				
Public safety	400,188	400,188	153,517	246,671
Total expenditures	400,188	400,188	153,517	246,671
Excess (deficiency) of revenues over (under) expenditures	-	-	312,726	312,726
Net change in fund balance	\$ -	\$ -	312,726	\$ 312,726
Beginning fund balance			202,770	
Ending fund balance			\$ 515,496	

CITY OF ANGLETON, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 ANIMAL CONTROL (A/C) DONATIONS FUND  
 For the year ended September 30, 2025

Draft 2.24.26

	A/C Donations			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Investment revenue	\$ -	\$ -	\$ 385	\$ 385
Miscellaneous revenue	<u>12,000</u>	<u>12,000</u>	<u>7,172</u>	<u>(4,828)</u>
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>7,557</u>	<u>(4,443)</u>
<b>Expenditures</b>				
Current				
General administration	<u>12,000</u>	<u>12,000</u>	<u>5,000</u>	<u>7,000</u>
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>5,000</u>	<u>7,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>2,557</u>	<u>2,557</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,557</u>	<u>\$ 2,557</u>
Beginning fund balance			<u>41,166</u>	
Ending fund balance			<u>\$ 43,723</u>	

CITY OF ANGLETON, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 DRUG CONFISCATION FUND  
 For the year ended September 30, 2025

Draft 2.24.26

	Drug Confiscation			Variance with Final Budget Positive (Negative)
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	
<b>Revenues</b>				
Investment revenue	\$ 1,000	\$ 1,000	\$ 43	\$ (957)
Total revenues	1,000	1,000	43	(957)
<b>Expenditures</b>				
Current				
Public safety	1,000	1,000	5,497	(4,497) *
Total expenditures	1,000	1,000	5,497	(4,497)
Excess (deficiency) of revenues over (under) expenditures	-	-	(5,454)	(5,454)
Net change in fund balance	\$ -	\$ -	(5,454)	\$ (5,454)
Beginning fund balance			13,539	
Ending fund balance			\$ 8,085	

\*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  
 TRAFFIC ENFORCEMENT FUND  
 For the year ended September 30, 2025

Draft 2.24.26

	Traffic Enforcement			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>Revenues</b>				
Intergovernmental	\$ 1,515	\$ 1,515	\$ 1,515	\$ -
Total revenues	<u>1,515</u>	<u>1,515</u>	<u>1,515</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Public safety	1,515	1,515	-	1,515
Total expenditures	<u>1,515</u>	<u>1,515</u>	<u>-</u>	<u>1,515</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,515</u>	<u>1,515</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,515	<u>\$ 1,515</u>
Beginning fund balance			<u>3,317</u>	
Ending fund balance			<u>\$ 4,832</u>	

**CONSOLIDATED SUB-FUND STATEMENTS**

CITY OF ANGLETON, TEXAS  
CONSOLIDATED BALANCE SHEET  
GENERAL FUND – SUB-FUNDS  
September 30, 2025

Draft 2.24.26

	<u>General</u>	<u>Community Events</u>	<u>Capital Lease Purchase</u>	<u>Special Projects</u>	<u>Downtown Revitalization</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,726,978	\$ 78,041	\$ 260,809	\$ 424,000	\$ 9,988
Investments	385,517	-	-	-	-
Receivables, net	1,481,779	800	-	-	-
Inventory	42,507	-	-	-	-
Prepays	116,425	-	-	-	-
Due from other governments	1,811	-	-	-	-
Due from other funds	831,466	-	-	-	-
	<u>4,586,483</u>	<u>78,841</u>	<u>260,809</u>	<u>424,000</u>	<u>9,988</u>
Total assets	<u>\$ 4,586,483</u>	<u>\$ 78,841</u>	<u>\$ 260,809</u>	<u>\$ 424,000</u>	<u>\$ 9,988</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 959,254	\$ 5,690	\$ -	\$ -	\$ -
Unearned revenue	111,115	-	-	-	-
Due to other governments	108	-	-	-	-
Total liabilities	<u>1,070,477</u>	<u>5,690</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	150,081	-	-	-	-
Total deferred - inflows of resources	<u>150,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable					
Inventory and prepaids	158,932	-	-	-	-
Restricted for					
Capital projects	-	-	-	-	-
Unassigned	3,206,993	73,151	260,809	424,000	9,988
Total fund balances	<u>3,365,925</u>	<u>73,151</u>	<u>260,809</u>	<u>424,000</u>	<u>9,988</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,586,483</u>	<u>\$ 78,841</u>	<u>\$ 260,809</u>	<u>\$ 424,000</u>	<u>\$ 9,988</u>

(Continued)

CITY OF ANGLETON, TEXAS  
CONSOLIDATED BALANCE SHEET  
GENERAL FUND – SUB-FUNDS  
September 30, 2025

Draft 2.24.26

	<u>Citywide</u>	<u>2019</u>	<u>City</u>	<u>Total</u>
	<u>Repairs</u>	<u>C.O. Bonds</u>	<u>Employee</u>	<u>General</u>
				<u>Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 55,809	\$ 6,988	\$ 2,562,613
Investments	-	-	-	385,517
Receivables, net	-	-	-	1,482,579
Inventory	-	-	-	42,507
Prepays	-	-	-	116,425
Due from other governments	-	-	-	1,811
Due from other funds	-	-	-	831,466
	<u>-</u>	<u>-</u>	<u>-</u>	<u>831,466</u>
Total assets	<u>\$ -</u>	<u>\$ 55,809</u>	<u>\$ 6,988</u>	<u>\$ 5,422,918</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 964,944
Unearned revenue	-	-	-	111,115
Due to other governments	-	-	-	108
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,076,167</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	150,081
Total deferred - inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,081</u>
<b>FUND BALANCES</b>				
Nonspendable				
Inventory and prepaids	-	-	-	158,932
Restricted for				
Capital projects	-	55,809	-	55,809
Unassigned	-	-	6,988	3,981,929
Total fund balances	<u>-</u>	<u>55,809</u>	<u>6,988</u>	<u>4,196,670</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 55,809</u>	<u>\$ 6,988</u>	<u>\$ 5,422,918</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, 2025

Draft 2.24.26

	<u>General</u>	<u>Community Events</u>	<u>Capital Lease Purchase</u>	<u>Special Projects</u>	<u>Downtown Revitalization</u>
<b>Revenues</b>					
Property taxes	\$ 7,546,475	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	524,627	-	-	-	-
Sales taxes	4,391,459	-	-	-	-
Industrial district agreement	16,465	-	-	-	-
Permits, licenses, and fees	796,019	-	-	-	-
Fines and forfeitures	643,203	-	-	-	-
Charges for services	2,877,559	-	-	-	-
Intergovernmental	119,265	-	-	-	-
Investment revenue	131,557	692	-	-	89
Miscellaneous revenue	106,447	162,374	-	-	-
Total revenues	<u>17,153,076</u>	<u>163,066</u>	<u>-</u>	<u>-</u>	<u>89</u>
<b>Expenditures</b>					
Current					
General administration	4,452,847	-	-	-	-
Financial administration	604,731	-	-	-	-
Public safety	8,546,513	-	-	-	-
Community services	3,256,372	-	-	-	-
Economic development	119,901	61,873	-	-	-
Capital outlay	26,757	-	467,540	-	-
Debt service					
Principal	374,728	-	-	-	-
Interest and fiscal agent fees	70,208	-	-	-	-
Total expenditures	<u>17,452,057</u>	<u>61,873</u>	<u>467,540</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(298,981)</u>	<u>101,193</u>	<u>(467,540)</u>	<u>-</u>	<u>89</u>
<b>Other financing sources (uses)</b>					
Transfers in	853,305	-	-	424,000	-
Sub Interfund transfers in (out)	50,000	(50,000)	-	-	-
Equipment loan	-	-	614,268	-	-
Total other financing sources (uses)	<u>903,305</u>	<u>(50,000)</u>	<u>614,268</u>	<u>424,000</u>	<u>-</u>
Net change in fund balance	604,324	51,193	146,728	424,000	89
Beginning fund balance	<u>2,761,601</u>	<u>21,958</u>	<u>114,081</u>	<u>-</u>	<u>9,899</u>
Ending fund balance	<u>\$ 3,365,925</u>	<u>\$ 73,151</u>	<u>\$ 260,809</u>	<u>\$ 424,000</u>	<u>\$ 9,988</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, 2025

Draft 2.24.26

	Citywide <u>Repairs</u>	2019 <u>C.O. Bonds</u>	City <u>Employee</u>	Total General <u>Fund</u>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 7,546,475
Franchise fees and local taxes	-	-	-	524,627
Sales taxes	-	-	-	4,391,459
Industrial district agreement	-	-	-	16,465
Permits, licenses, and fees	-	-	-	796,019
Fines and forfeitures	-	-	-	643,203
Charges for services	-	-	-	2,877,559
Intergovernmental	-	-	-	119,265
Investment revenue	3	-	62	132,403
Miscellaneous revenue	-	-	-	268,821
Total revenues	<u>3</u>	<u>-</u>	<u>62</u>	<u>17,316,296</u>
<b>Expenditures</b>				
Current				
General administration	-	-	-	4,452,847
Financial administration	-	-	-	604,731
Public safety	-	-	-	8,546,513
Community services	929	-	-	3,257,301
Economic development	-	-	-	181,774
Capital outlay	-	-	-	494,297
Debt service				
Principal	-	-	-	374,728
Interest and fiscal agent fees	-	-	-	70,208
Total expenditures	<u>929</u>	<u>-</u>	<u>-</u>	<u>17,982,399</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(926)</u>	<u>-</u>	<u>62</u>	<u>(666,103)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	1,277,305
Sub Interfund transfers in (out)	-	-	-	-
Equipment loan	-	-	-	614,268
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,891,573</u>
Net change in fund balance	(926)	-	62	1,225,470
Beginning fund balance	<u>926</u>	<u>55,809</u>	<u>6,926</u>	<u>2,971,200</u>
Ending fund balance	<u>\$ -</u>	<u>\$ 55,809</u>	<u>\$ 6,988</u>	<u>\$ 4,196,670</u>

CITY OF ANGLETON, TEXAS  
CONSOLIDATED STATEMENT OF NET POSITION  
UTILITY FUND – SUB-FUNDS  
September 30, 2025

Draft 2.24.26

	<u>Water</u>	<u>Impact Fees</u>	<u>Capital Purchase</u>	<u>Utility Repair Projects</u>	<u>Infrastructure</u>
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 248,056	\$ 83,701	\$ 9,312	\$ -	\$ 354,994
Investments	385,252	-	-	-	-
Receivables, net	1,964,406	-	-	-	-
Inventory	485,232	-	-	-	-
Prepays	15,759	-	-	-	-
Restricted cash and cash equivalents	453,733	-	-	-	-
Total current assets	<u>3,552,438</u>	<u>83,701</u>	<u>9,312</u>	<u>-</u>	<u>354,994</u>
Noncurrent assets					
Capital assets					
Nondepreciable	1,088,363	-	-	-	-
Depreciable, net	26,824,362	-	-	-	-
Total capital assets (net of accumulated depreciation)	<u>27,912,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>27,912,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>31,465,163</u>	<u>83,701</u>	<u>9,312</u>	<u>-</u>	<u>354,994</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflow s - pensions	117,781	-	-	-	-
Deferred outflow s - OPEB	2,991	-	-	-	-
Deferred charge on refunding	8,078	-	-	-	-
Total deferred outflow s of resources	<u>128,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued liabilities	713,231	-	-	-	-
Accrued interest payable	69,746	-	-	-	-
Customer deposits	453,733	-	-	-	-
Due to other funds	853,279	-	-	-	-
Total current liabilities	<u>2,089,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent liabilities					
Long-term debt due within one year	1,284,872	-	-	-	-
Long-term debt due in more than one year	16,947,239	-	-	-	-
Total noncurrent liabilities	<u>18,232,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>20,322,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflow s - pensions	118,721	-	-	-	-
Deferred inflow s - OPEB	18,268	-	-	-	-
Total deferred inflow s of resources	<u>136,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	10,155,102	-	-	-	-
Restricted for capital projects	-	83,701	-	-	354,994
Unrestricted	979,822	-	9,312	-	-
Total net position	<u>\$ 11,134,924</u>	<u>\$ 83,701</u>	<u>\$ 9,312</u>	<u>\$ -</u>	<u>\$ 354,994</u>

(Continued)

CITY OF ANGLETON, TEXAS  
CONSOLIDATED STATEMENT OF NET POSITION  
UTILITY FUND – SUB-FUNDS  
September 30, 2025

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	2019 <u>C.O. Bonds</u>	2021 <u>C.O. Bonds</u>	2022 <u>C.O. Bonds</u>	Total Utility <u>Fund</u>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 806	\$ 24,620	\$ 4,178,682	\$ 4,900,171
Investments	-	-	-	385,252
Receivables, net	-	-	-	1,964,406
Inventory	-	-	-	485,232
Prepays	-	-	-	15,759
Restricted cash and cash equivalents	-	-	-	453,733
Total current assets	<u>806</u>	<u>24,620</u>	<u>4,178,682</u>	<u>8,204,553</u>
Noncurrent assets				
Capital assets				
Nondepreciable	95,182	-	1,096,363	2,279,908
Depreciable, net	-	-	-	26,824,362
Total capital assets (net of accumulated depreciation)	<u>95,182</u>	<u>-</u>	<u>1,096,363</u>	<u>29,104,270</u>
Total noncurrent assets	<u>95,182</u>	<u>-</u>	<u>1,096,363</u>	<u>29,104,270</u>
Total assets	<u>95,988</u>	<u>24,620</u>	<u>5,275,045</u>	<u>37,308,823</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow s - pensions	-	-	-	117,781
Deferred outflow s - OPEB	-	-	-	2,991
Deferred charge on refunding	-	-	-	8,078
Total deferred outflow s of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,850</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued liabilities	-	-	306,785	1,020,016
Accrued interest payable	-	-	-	69,746
Customer deposits	-	-	-	453,733
Due to other funds	-	-	-	853,279
Total current liabilities	<u>-</u>	<u>-</u>	<u>306,785</u>	<u>2,396,774</u>
Noncurrent liabilities				
Long-term debt due within one year	-	-	-	1,284,872
Long-term debt due in more than one year	-	-	-	16,947,239
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,232,111</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>306,785</u>	<u>20,628,885</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow s - pensions	-	-	-	118,721
Deferred inflow s - OPEB	-	-	-	18,268
Total deferred inflow s of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,989</u>
<b>NET POSITION</b>				
Net investment in capital assets	95,988	24,620	4,968,260	15,243,970
Restricted for capital projects	-	-	-	438,695
Unrestricted	-	-	-	989,134
Total net position	<u>\$ 95,988</u>	<u>\$ 24,620</u>	<u>\$ 4,968,260</u>	<u>\$ 16,671,799</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, 2025

Draft 2.24.26

	<u>Water</u>	<u>Impact Fees</u>	<u>Capital Purchase</u>	<u>Utility Repair Projects</u>	<u>Infrastructure</u>
<b>Operating revenues</b>					
Water sales	\$ 8,133,857	\$ -	\$ -	\$ -	\$ 183,529
Sanitary sewer services	3,726,449	-	-	-	175,305
Other service fees	485,167	78,587	-	-	-
Total operating revenues	<u>12,345,473</u>	<u>78,587</u>	<u>-</u>	<u>-</u>	<u>358,834</u>
<b>Operating expenses</b>					
Water distribution	1,063,217	-	-	-	-
Water plant operations	1,245,346	-	13,304	33,920	-
Water purchases	3,861,700	-	-	-	-
Sewer	880,387	-	-	-	-
Collection administration	2,678,301	-	-	-	-
Depreciation	1,397,214	-	-	-	-
Total operating expenses	<u>11,126,165</u>	<u>-</u>	<u>13,304</u>	<u>33,920</u>	<u>-</u>
Operating income (loss)	<u>1,219,308</u>	<u>78,587</u>	<u>(13,304)</u>	<u>(33,920)</u>	<u>358,834</u>
<b>Nonoperating revenues (expenses)</b>					
Investment revenue	13,384	468	-	-	-
Disposal of capital assets	(49,947)	-	-	-	-
Interest expense	(556,391)	-	-	-	-
Total nonoperating revenues (expenses)	<u>(592,954)</u>	<u>468</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	626,354	79,055	(13,304)	(33,920)	358,834
<b>Transfers and contributions</b>					
Debt transfers	(5,000,775)	-	-	-	-
Contributions	154,914	-	-	-	-
Transfers in	-	-	-	-	-
Sub Interfund transfers in (out)	496,229	-	-	33,920	(530,149)
Total transfers	<u>(4,349,632)</u>	<u>-</u>	<u>-</u>	<u>33,920</u>	<u>(530,149)</u>
Change in net position	(3,723,278)	79,055	(13,304)	-	(171,315)
Beginning net position	<u>14,858,202</u>	<u>4,646</u>	<u>22,616</u>	<u>-</u>	<u>526,309</u>
Ending net position	<u>\$ 11,134,924</u>	<u>\$ 83,701</u>	<u>\$ 9,312</u>	<u>\$ -</u>	<u>\$ 354,994</u>

(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, 2025

Draft 2.24.26

	2019 <u>C.O. Bonds</u>	2021 <u>C.O. Bonds</u>	2022 <u>C.O. Bonds</u>	Total Utility <u>Fund</u>
<b>Operating revenues</b>				
Water sales	\$ -	\$ -	\$ -	\$ 8,317,386
Sanitary sewer services	-	-	-	3,901,754
Other service fees	-	-	-	563,754
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,782,894</u>
<b>Operating expenses</b>				
Water distribution	-	-	-	1,063,217
Water plant operations	-	-	31,794	1,324,364
Water purchases	-	-	-	3,861,700
Sewer	-	-	-	880,387
Collection administration	-	-	-	2,678,301
Depreciation	-	-	-	1,397,214
Total operating expenses	<u>-</u>	<u>-</u>	<u>31,794</u>	<u>11,205,183</u>
Operating income (loss)	<u>-</u>	<u>-</u>	<u>(31,794)</u>	<u>1,577,711</u>
<b>Nonoperating revenues (expenses)</b>				
Investment revenue	806	24,620	-	39,278
Disposal of capital assets	-	-	-	(49,947)
Interest expense	-	-	-	(556,391)
Total nonoperating revenues (expenses)	<u>806</u>	<u>24,620</u>	<u>-</u>	<u>(567,060)</u>
Income (loss) before transfers	806	24,620	(31,794)	1,010,651
<b>Transfers and contributions</b>				
Debt transfers	-	-	-	(5,000,775)
Contributions	95,182	-	70,154	320,250
Transfers in	-	-	4,929,900	4,929,900
Sub Interfund transfers in (out)	-	-	-	-
Total transfers	<u>95,182</u>	<u>-</u>	<u>5,000,054</u>	<u>249,375</u>
Change in net position	95,988	24,620	4,968,260	1,260,026
Beginning net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,411,773</u>
Ending net position	<u>\$ 95,988</u>	<u>\$ 24,620</u>	<u>\$ 4,968,260</u>	<u>\$ 16,671,799</u>