

DRAFT

ANNUAL FINANCIAL REPORT

of the

CITY OF ANGLETON, TEXAS

For the Year Ended
September 30, 2021

DRAFT

CITY OF ANGLETON, TEXAS
TABLE OF CONTENTS
September 30, 2021

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Principal Officials	3
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	7
Management's Discussion and Analysis (Required Supplementary Information)	11
<u>BASIC FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements	
Governmental Funds:	
Balance Sheet – Governmental Funds	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Proprietary Funds:	
Statement of Net Position	31
Statement of Revenues, Expenses, and Changes in Fund Net Position	33
Statement of Cash Flows	34
Notes to Financial Statements	37
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	70
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Angelton Better Living Fund	73
Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System	74
Schedule of the City's Proportionate Share of the Net Pension Liability – Texas Emergency Services Retirement System	76
Schedule of Contributions – Texas Municipal Retirement System	78
Schedule of Contributions – Texas Emergency Services Retirement System	80
Schedule of Changes in the City's Total OPEB Liability – Texas Municipal Retirement System	83

CITY OF ANGLETON, TEXAS

TABLE OF CONTENTS

September 30, 2021

	<u>Page</u>
<u>COMBINING STATEMENTS AND SCHEDULES</u>	
Combining Balance Sheet – Nonmajor Governmental Funds	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	94
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
Nonmajor Special Revenue Funds:	
Hotel/Motel Fund	100
Child Safety Fund	101
Municipal Court Technology Fund	101
Municipal Court Building Security Fund	102
GLO Grant	102
Drug Confiscation Fund	103
Keep Angleton Beautiful Fund	103
Angleton Act Center Fund	104
TIRZ #1 Fund	104
OBJ Police Grant Fund	105
Police Donation Fund	105
Fire Department ESD Fund	106
A/C Donations Fund	107
TxDOT Grant Fund	107
Traffic Enforcement Fund	108
Developer Deposit Fund	108
Generator Grant Fund	109
Debt Service Fund	111
<u>CONSOLIDATED SUB-FUND STATEMENTS</u>	
Consolidated Balance Sheet – General Fund – Sub-Funds	114
Consolidated Statement of Revenues, Expenditures, and Changes in Fund Balance– General Fund – Sub-Funds	116
Consolidated Statement of Net Position – Utility Fund – Sub-Funds	118
Consolidated Statement of Revenues, Expenses, and Changes in Fund Net Position – Utility Fund – Sub-Funds	120

DRAFT

INTRODUCTORY SECTION

DRAFT

GOVERNING BODY

Honorable Jason Perez, Mayor

John Wright, Mayor Pro-Tem

Travis Townsend, Council Member

Mikey Svoboda, Council Member

Cecil Booth, Council Member

Mark Gongora, Council Member

OTHER PRINCIPAL OFFICIALS

Chris Whittaker, City Manager

Chris Hill, Finance Director

Jeffrey Gilbert, Municipal Judge

Mark Jones, Alternate Judge

Judith El Masri-Randle Law, City Attorney

Frances Aguilar, City Secretary

Colleen Martin, Human Resource and Risk Management Director

Martha Eighme, Communication and Marketing Director

Guadalupe Valdez, Police Chief

Jeff Sifford, Public Works Director

Megan Mainer, Parks and Recreation Director

Walter Reeves, Development Services Director

Scott Myers, Volunteer Fire Department Fire Chief

Jason Crews, IT Director

DRAFT

DRAFT

FINANCIAL SECTION

DRAFT

DRAFT

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Angleton, Texas (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total other postemployment benefits liabilities and related ratios, and schedules of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and schedules, and consolidated sub-fund statements are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

 **DRAFT** BELT HARRIS PECHACEK, LLP

Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas
March 17, 2022

DRAFT

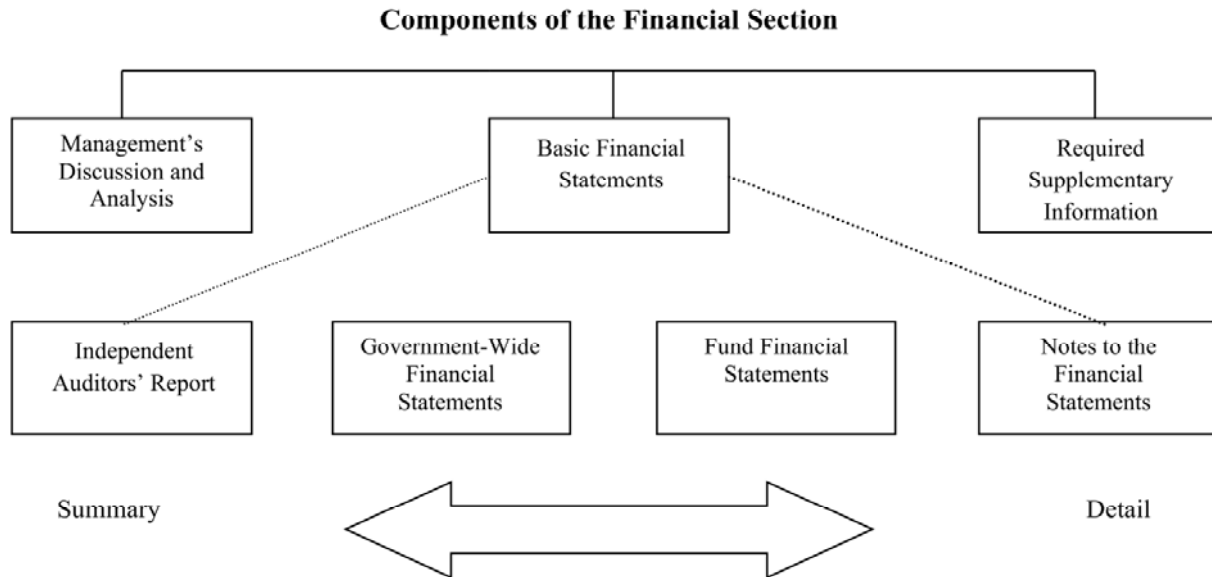
***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

DRAFT

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

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, 2021. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



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

Government-Wide Statements

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

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

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows using the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including general administration, financial administration, public safety (municipal court, police, animal control, fire, and code enforcement), community services (streets, parks and recreation, and sanitation) and economic development. Interest payments on the City's debt are also reported here. Sales tax, property tax, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water distribution and wastewater collection/treatment.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of City funds are governmental and proprietary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term outflows and inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, C.O. Series 2018 fund, C.O. Series 2020 fund, American Rescue Plan fund, and the Angleton Better Living fund. These funds are considered to be major funds for reporting purposes with the exception of the debt service fund. The debt service fund did not meet the technical criteria for presentation as a major fund but the City has elected to present it as major due to its significance.

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

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

Proprietary Funds

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water distribution and wastewater collection/treatment. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

The City also uses an internal service fund to account for unemployment costs. This internal service fund has been included within governmental activities in the government-wide financial statements.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general fund and Angleton Better Living fund, schedules of changes in net pension and total other postemployment benefits liability and related ratios, schedule of the City's proportionate share of the net pension liability, and schedules of contributions for the City's pension plans. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceed liabilities and deferred inflows by \$39,080,966 as of September 30, 2021. 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 (Continued)
For the Year Ended September 30, 2021

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 21,816,947	\$ 19,181,232	\$ 6,265,748	\$ 10,740,303	\$ 28,082,695	\$ 29,921,535
Capital assets, net	24,578,947	23,579,120	24,402,917	21,132,404	48,981,864	44,711,524
Total Assets	46,395,894	42,760,352	30,668,665	31,872,707	77,064,559	74,633,059
Deferred outflows - pensions	720,703	707,757	128,673	130,870	849,376	838,627
Deferred outflows - OPEB	92,401	55,076	17,379	10,551	109,780	65,627
Deferred charge on refunding	28,226	37,047	42,169	55,179	70,395	92,226
Total Deferred Outflows of Resources	841,330	799,880	188,221	196,600	1,029,551	996,480
Long-term liabilities	17,060,062	15,352,606	16,478,794	17,778,127	33,538,856	33,130,733
Other liabilities	3,932,183	1,426,366	970,217	924,270	4,902,400	2,350,636
Total Liabilities	20,992,245	16,778,972	17,449,011	18,702,397	38,441,256	35,481,369
Deferred inflows - pensions	755,836	865,034	156,578	178,104	912,414	1,043,138
Deferred inflows - OPEB	15,150	20,606	2,459	3,460	17,609	24,066
Total Deferred Inflows of Resources	770,986	885,640	159,037	181,564	930,023	1,067,204
Net Position:						
Net investment in capital assets	18,202,275	17,367,337	11,354,144	10,382,142	29,556,419	27,749,479
Restricted	5,941,631	7,258,990	1,002,060	798,211	6,943,691	8,057,201
Unrestricted	1,330,087	1,269,293	892,634	2,004,993	2,222,721	3,274,286
Total Net Position	\$ 25,473,993	\$ 25,895,620	\$ 13,248,838	\$ 13,185,346	\$ 38,722,831	\$ 39,080,966

A portion of the primary government's net position, \$6,943,691 or 18%, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$2,222,721 or 6%, may be used to meet the City's ongoing obligation to citizens and creditors.

There was an increase in total net position of \$358,135 from prior year. This increase in total net position is primarily due to an increase in other liabilities unearned grant revenue of \$2,407,364 net of a decrease in deferred inflows of \$137,181 related to pension/OPEB balances, an increase in deferred outflows of \$33,071 from pension/OPEB balances and refunding differences, and an increase in non-bond proceed funding of capital asset additions of \$1,881,006.

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

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	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 3,679,648	\$ 3,222,406	\$ 7,102,162	\$ 7,072,488	\$ 10,781,810	\$ 10,294,894
Operating grants and contributions	1,572,027	1,629,562	-	-	1,572,027	1,629,562
Capital grants and contributions	473,506	-	-	-	473,506	-
General revenues:						
Property taxes	7,571,262	7,280,581	-	-	7,571,262	7,280,581
Sales taxes	5,124,958	5,041,377	-	-	5,124,958	5,041,377
Franchise fees and local taxes	756,392	730,245	-	-	756,392	730,245
Investment revenue	21,753	129,542	10,027	96,019	31,780	225,561
Other revenues	318,360	696,762	-	-	318,360	696,762
Total Revenues	19,517,906	18,730,475	7,112,189	7,168,507	26,630,095	25,898,982
Expenses						
General administration	5,918,372	4,517,041	-	-	5,918,372	4,517,041
Financial administration	515,055	451,112	-	-	515,055	451,112
Public safety	8,649,434	7,517,808	-	-	8,649,434	7,517,808
Community services	3,938,278	4,506,510	-	-	3,938,278	4,506,510
Economic development	457,432	333,061	-	-	457,432	333,061
Interest and fiscal agent fees	575,163	356,011	379,795	570,972	954,958	926,983
Water	-	-	5,340,498	4,938,383	5,340,498	4,938,383
Sewer	-	-	1,214,203	1,279,096	1,214,203	1,279,096
Total Expenses	20,053,734	17,681,543	6,934,496	6,788,451	26,988,230	24,469,994
Increase (Decrease) in Net Position Before Transfers	(535,828)	1,048,932	177,693	380,056	(358,135)	1,428,988
Transfers in (out)	114,201	227,275	(114,201)	(227,275)	-	-
Change in Net Position	(421,627)	1,276,207	63,492	152,781	(358,135)	1,428,988
Beginning net position	25,895,620	24,619,413	13,185,346	13,032,565	39,080,966	37,651,978
Ending Net Position	\$ 25,473,993	\$ 25,895,620	\$ 13,248,838	\$ 13,185,346	\$ 38,722,831	\$ 39,080,966

For the year, net revenues from governmental activities increased by \$787,431 or 2%. The increase is mainly due to the contributions for City development and fire department capital assets along with increases of property taxes. Expenses from governmental activities increased by \$2,372,191 or 4% mainly due to increases in general administration and public safety related to the equipment and supplies, and emergency management costs.

Revenues from business-type activities decreased by \$56,318 mainly due to a decrease in investment revenues. Total expenses increased \$146,045 mostly due to water expenses to personnel cost.

DRAFT
CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The City's governmental funds reflect a combined fund balance of \$17,797,639, a net decrease of \$140,503 from the prior year. Of this combined fund balance, \$67,273 is nonspendable for inventory and prepaids, \$398,159 is restricted for debt service, \$550,380 is restricted for economic development, \$246,935 is restricted for special projects, and \$12,700,825 is restricted for capital projects. Unassigned fund balance totaled \$3,834,067 as of September 30, 2021.

Total revenues increased by \$289,948 or 4% mostly due to an increase in miscellaneous revenues related to nonmajor governmental funds. Compared to the prior year, expenditures increased by \$982,746 or 7% due mainly to the increases in expenditures for general administration and public safety.

The general fund is the chief operating fund of the City. At the end of the current year, the total fund balance was \$3,951,813, a net decrease of \$2,157,541 from the prior year. Expenditures increased by \$2,290,140. General administration saw a significant increase over the prior year, mainly due to an increase in professional services, purchasing of equipment and supplies, and emergency management expenditures. Compared to the prior year, revenues decreased \$430,733 due mainly to the Coronavirus Relief Fund grant monies received in the prior year. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent 23% and 24%, respectively, of total general fund expenditures.

The debt service fund had a total fund balance of \$398,159, all of which is restricted for the payment of principal and interest on the City's outstanding long-term debt. The net decrease in fund balance was \$25,796.

The C.O. series 2018 fund has a total fund balance of \$4,973,689, a decrease of \$326,255 due to various street improvements.

The C.O. series 2020 fund has a total fund balance of \$3,039,263 from the bonds issuance in fiscal year 2021.

The American Rescue Plan fund has a fund balance of \$478. The City received advanced grant \$2,407,364 which was unearned revenue as of September 30, 2021.

The Angleton Better Living fund has a total fund balance of \$779,223, a decrease of \$108,799 from prior year as a result of transfers to other funds exceeding sales tax revenue.

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

CITY OF ANGLETON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's amended budget planned for a decrease in budgeted general fund balance of \$958,983. The City's actual revenues were less than budgeted revenues by \$473,962 primarily due to less taxes and fines and forfeiture revenues than expected. Actual expenditures and other sources and uses remained consistent with budgeted amounts and experienced a positive budget variance of \$111,590 and \$68,469. The net result of the planned decrease in budgeted general fund balance and budgeted versus actual variances was \$1,253,886. Overall, the general fund decreased by \$2,157,541 after non budgeted capital outlay from prior year unspent certificates of obligations meant for capital outlay.

CAPITAL ASSETS

At year end, the City's governmental and business-type activities had invested \$48,981,864, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$4,270,340 from the prior year.

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

LONG-TERM DEBT

At the end of the current year, the City's governmental activities had total bonds and certificates of obligation outstanding of \$13,572,532. Business-type activities had total bonds and certificates of obligation outstanding of \$14,937,468 at year end. Of this total, \$3,360,000 was general obligation bonds and \$25,150,000 accounted for certificates of obligation.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

City Council approved a \$17,228,079 general fund budget for fiscal year 2021-2022, which is an increase of \$2,375,083 compared to the fiscal year 2020-2021 budget. While the tax rate will not increase, the total tax levy will increase by \$124,461 or 2% compared to the prior year's tax levy due to higher property values and new property added.

City Council approved a \$3,086,879 debt service fund budget for fiscal year 2021-2022, which is an increase of \$67,033 or 2% compared to the fiscal year 2020-2021 budget.

City Council approved a \$7,691,748 utility fund budget for fiscal year 2021-2022, which is an increase of \$296,574 or 4% compared to the fiscal year 2020-2021 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 Chris Hill, Finance Director, City of Angleton, 121 S. Velasco, Angleton, TX, 77515; telephone 979.849.4364; or email at chill@angleton.tx.us.

DRAFT

DRAFT

BASIC FINANCIAL STATEMENTS

DRAFT

CITY OF ANGLETON, TEXAS

STATEMENT OF NET POSITION

September 30, 2021

Primary Government

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 19,116,635	\$ 1,255,342	\$ 20,371,977
Investments	699,484	349,742	1,049,226
Receivables, net	1,751,383	1,118,796	2,870,179
Due from other governments	82,914	-	82,914
Inventory	19,178	60,232	79,410
Prepays	48,095	-	48,095
Restricted assets:			
Cash and cash equivalents	99,258	3,481,636	3,580,894
Total Current Assets	21,816,947	6,265,748	28,082,695
Capital assets:			
Nondepreciable capital assets	2,361,720	5,836,089	8,197,809
Net depreciable capital assets	22,217,227	18,566,828	40,784,055
Total Noncurrent Assets	24,578,947	24,402,917	48,981,864
Total Assets	46,395,894	30,668,665	77,064,559
Deferred outflows - pensions (TMRS)	686,701	128,673	815,374
Deferred outflows - pensions (TESRS)	34,002	-	34,002
Deferred outflows - OPEB	92,401	17,379	109,780
Deferred charge on refunding	28,226	42,169	70,395
Total Deferred Outflows of Resources	841,330	188,221	1,029,551
<u>Liabilities</u>			
Accounts payable and accrued liabilities	1,272,852	575,828	1,848,680
Unearned revenue	2,607,364	-	2,607,364
Accrued interest payable	51,967	54,914	106,881
Customer deposits	-	339,475	339,475
Total Current Liabilities	3,932,183	970,217	4,902,400
Noncurrent liabilities:			
Long-term liabilities due within one year	1,578,774	1,389,267	2,968,041
Long-term liabilities due in more than one year	15,481,288	15,089,527	30,570,815
Total Noncurrent Liabilities	17,060,062	16,478,794	33,538,856
Total Liabilities	20,992,245	17,449,011	38,441,256
<u>Deferred Inflows of Resources</u>			
Deferred inflows - pensions (TMRS)	747,602	156,578	904,180
Deferred inflows - pensions (TESRS)	8,234	-	8,234
Deferred inflows - OPEB	15,150	2,459	17,609
Total Deferred Inflows of Resources	770,986	159,037	930,023
<u>Net Position</u>			
Net investment in capital assets	18,202,275	11,354,144	29,556,419
Restricted for:			
Capital projects	4,751,665	1,002,060	5,753,725
Debt service	392,651	-	392,651
Economic development	550,380	-	550,380
Special projects	246,935	-	246,935
Unrestricted	1,330,087	892,634	2,222,721
Total Net Position	\$ 25,473,993	\$ 13,248,838	\$ 38,722,831

See Notes to Financial Statements.

DRAFT

CITY OF ANGLETON, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General administration	\$ 5,918,372	\$ -	\$ 767,858	\$ -
Financial administration	515,055	-	-	-
Public safety	8,649,434	1,183,396	804,169	473,506
Community services	3,938,278	2,496,252	-	-
Economic development	457,432	-	-	-
Interest and fiscal agent fees	575,163	-	-	-
Total Governmental Activities	20,053,734	3,679,648	1,572,027	473,506
Business-Type Activities:				
Water	5,340,498	4,404,820	-	-
Sewer	1,214,203	2,697,342	-	-
Interest and fiscal agent fees	379,795	-	-	-
Total Business-Type Activities	6,934,496	7,102,162	-	-
Total Primary Government	\$ 26,988,230	\$ 10,781,810	\$ 1,572,027	\$ 473,506

General Revenues:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

DRAFT

Net Revenue (Expense) and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (5,150,514)	\$ -	\$ (5,150,514)
(515,055)	-	(515,055)
(6,188,363)	-	(6,188,363)
(1,442,026)	-	(1,442,026)
(457,432)	-	(457,432)
(575,163)	-	(575,163)
(14,328,553)	-	(14,328,553)
-	(935,678)	(935,678)
-	1,483,139	1,483,139
-	(379,795)	(379,795)
-	167,666	167,666
(14,328,553)	167,666	(14,160,887)
7,571,262	-	7,571,262
5,124,958	-	5,124,958
756,392	-	756,392
104,170	-	104,170
21,753	10,027	31,780
214,190	-	214,190
114,201	(114,201)	-
13,906,926	(104,174)	13,802,752
(421,627)	63,492	(358,135)
25,895,620	13,185,346	39,080,966
\$ 25,473,993	\$ 13,248,838	\$ 38,722,831

DRAFT

CITY OF ANGLETON, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2021

	General	Debt Service	C. O. Series 2018	C.O. Series 2020
Assets				
Cash and cash equivalents	\$ 2,702,424	\$ 420,047	\$ 4,988,525	\$ 3,039,263
Investments	349,742	-	-	-
Receivables, net	1,298,955	15,923	-	-
Inventory	142	-	-	-
Prepays	48,095	-	-	-
Restricted cash and cash equivalents	99,258	-	-	-
Due from other governments	52,507	-	-	-
Due from other funds	620,248	-	-	-
Total Assets	\$ 5,171,371	\$ 435,970	\$ 4,988,525	\$ 3,039,263
Liabilities				
Accounts payable and accrued liabilities	\$ 915,276	\$ 21,888	\$ 14,836	\$ -
Unearned revenue	200,000	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	1,115,276	21,888	14,836	-
Deferred Inflows of Resources				
Unavailable revenue - property taxes	104,282	15,923	-	-
	104,282	15,923	-	-
Fund Balances				
Nonspendable:				
Inventory and prepaids	48,237	-	-	-
Restricted for:				
Debt service	-	398,159	-	-
Economic development	-	-	-	-
Special projects	-	-	-	-
Capital projects	69,509	-	4,973,689	3,039,263
Unassigned	3,834,067	-	-	-
Total Fund Balances	3,951,813	398,159	4,973,689	3,039,263
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,171,371	\$ 435,970	\$ 4,988,525	3,039,263

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, nondepreciable

Capital assets, net depreciable

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

An internal service fund is used by management to charge the costs of unemployment expenses to individual funds. The assets

and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest payable

Noncurrent liabilities due in one year

Noncurrent liabilities due in more than one year

Net pension liability (TMRS)

Net pension liability (TESRS)

Total OPEB liability

Deferred outflows - pensions (TMRS)

Deferred outflows - pensions (TESRS)

Deferred outflows - OPEB

Deferred inflows - pensions (TMRS)

Deferred inflows - pensions (TESRS)

Deferred inflows - OPEB

Deferred charge on refunding

See Notes to Financial Statements.

Net Position of Governmental Activities

DRAFT

American Rescue Plan	Angleton Better Living	Nonmajor Governmental	Total Governmental Funds
\$ 2,416,169	\$ 1,102,402	\$ 4,428,918	\$ 19,097,748
-	-	349,742	699,484
-	309,508	126,997	1,751,383
-	-	19,036	19,178
-	-	-	48,095
-	-	-	99,258
-	-	30,407	82,914
-	-	-	620,248
<u>\$ 2,416,169</u>	<u>1,411,910</u>	<u>\$ 4,955,100</u>	<u>\$ 22,418,308</u>
\$ 8,327	\$ 12,439	\$ 300,086	\$ 1,272,852
2,407,364	-	-	2,607,364
-	620,248	-	620,248
<u>2,415,691</u>	<u>632,687</u>	<u>300,086</u>	<u>4,500,464</u>
-	-	-	120,205
-	-	-	120,205
-	-	19,036	67,273
-	-	-	398,159
-	-	550,380	550,380
-	-	246,935	246,935
478	779,223	3,838,663	12,700,825
-	-	-	3,834,067
<u>478</u>	<u>779,223</u>	<u>4,655,014</u>	<u>17,797,639</u>
<u>\$ 2,416,169</u>	<u>\$ 1,411,910</u>	<u>\$ 4,955,100</u>	
			2,361,720
			22,217,227
			120,205
			18,887
			(51,967)
			(1,578,774)
			(13,299,995)
			(1,613,983)
			(167,148)
			(400,162)
			686,701
			34,002
			92,401
			(747,602)
			(8,234)
			(15,150)
			28,226
			<u>\$ 25,473,993</u>

DRAFT

CITY OF ANGLETON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	General	Debt Service	C. O. Series 2018	C. O. Series 2020
<u>Revenues</u>				
Property taxes	\$ 6,590,804	\$ 939,015	\$ -	\$ -
Franchise fees and local taxes	594,063	-	-	-
Sales taxes	3,416,639	-	-	-
Industrial district agreement	104,170	-	-	-
Permits, licenses, and fees	685,324	-	-	-
Fines and forfeitures	478,290	-	-	-
Charges for services	2,160,449	-	-	-
Intergovernmental	49,048	-	-	-
Investment revenue	9,592	814	-	1,047
Miscellaneous revenue	109,637	-	-	35,660
Total Revenues	14,198,016	939,829	-	36,707
<u>Expenditures</u>				
Current:				
General administration	3,996,292	-	-	-
Financial administration	534,962	-	-	-
Public safety	7,580,723	-	-	-
Community services	3,565,174	-	-	-
Economic development	187,050	-	-	-
Capital outlay	903,655	-	326,255	-
Debt service:				
Principal	64,000	1,129,983	-	-
Interest and fiscal agent fees	8,240	471,431	-	-
Issuance costs	-	-	-	122,252
Total Expenditures	16,840,096	1,601,414	326,255	122,252
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,642,080)	(661,585)	(326,255)	(85,545)
<u>Other Financing Sources (Uses)</u>				
Transfers in	498,516	635,789	-	-
Transfers (out)	(50,034)	-	-	-
Bonds issued	-	-	-	2,925,000
Bonds premium	-	-	-	199,808
Sale of capital assets	36,057	-	-	-
Total Other Financing Sources (Uses)	484,539	635,789	-	3,124,808
Net Change in Fund Balances	(2,157,541)	(25,796)	(326,255)	3,039,263
Beginning fund balances	6,109,354	423,955	5,299,944	-
Ending Fund Balances	\$ 3,951,813	\$ 398,159	\$ 4,973,689	\$ 3,039,263

See Notes to Financial Statements.

DRAFT

American Rescue Plan	Angleton Better Living	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ -	\$ 21,394	\$ 7,551,213
-	-	162,329	756,392
-	1,708,319	-	5,124,958
-	-	-	104,170
-	-	-	685,324
-	-	19,782	498,072
-	-	335,803	2,496,252
-	-	746,308	795,356
-	2,470	7,789	21,712
478	-	831,144	976,919
478	1,710,789	2,124,549	19,010,368
-	37,232	1,650,210	5,683,734
-	-	-	534,962
-	-	415,213	7,995,936
-	-	-	3,565,174
-	-	276,803	463,853
-	-	875,456	2,105,366
-	-	-	1,193,983
-	-	-	479,671
-	-	-	122,252
-	37,232	3,217,682	22,144,931
478	1,673,557	(1,093,133)	(3,134,563)
-	-	922,188	2,056,493
-	(1,782,356)	(109,902)	(1,942,292)
-	-	-	2,925,000
-	-	-	199,808
-	-	-	36,057
-	(1,782,356)	812,286	3,275,066
478	(108,799)	(280,847)	140,503
-	888,022	4,935,861	17,657,136
\$ 478	\$ 779,223	\$ 4,655,014	\$ 17,797,639

DRAFT

DRAFT

CITY OF ANGLETON, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

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

Net changes in fund balances - total governmental funds	\$ 140,503
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital additions	1,866,524
Contribution of capital assets	473,506
Net effect of disposals	(5,303)
Depreciation	(1,334,900)
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds.	20,049
The issuance of long-term debt (e.g., bonds, certificates of obligation, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.	
Principal repayments	1,193,983
Bonds issued	(2,925,000)
Bond premium, net	(158,719)
Refunding loss	(8,821)
Accrued interest	(5,508)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	(3,846)
Net pension liability (TESRS)	(57,451)
Net pension liability (TMRS)	328,507
Total OPEB liability	(84,930)
Deferred outflows - pensions (TMRS)	24,388
Deferred outflows - pensions (TESRS)	(11,442)
Deferred outflows - OPEB	37,325
Deferred inflows - pensions (TMRS)	117,299
Deferred inflows - pensions (TESRS)	(8,101)
Deferred inflows - OPEB	5,456
On behalf revenue - (TESRS)	5,144
Pension expense - (TESRS)	(5,144)
An internal service fund is used by management to charge the costs of unemployment costs to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	
	(25,146)
Change in Net Position of Governmental Activities	\$ (421,627)

See Notes to Financial Statements.

DRAFT

CITY OF ANGLETON, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2021

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 1,255,342	\$ 18,887
Investments	349,742	-
Receivables, net	1,118,796	-
Inventory	60,232	-
Restricted cash and cash equivalents	3,481,636	-
Total Current Assets	6,265,748	18,887
Capital assets:		
Nondepreciable	5,836,089	-
Depreciable, net	18,566,828	-
Total Capital Assets (Net of Accumulated Depreciation)	24,402,917	-
Total Noncurrent Assets	24,402,917	-
Total Assets	30,668,665	18,887
<u>Deferred Outflows of Resources</u>		
Deferred outflows - pensions	128,673	-
Deferred outflows - OPEB	17,379	-
Deferred charge on refunding	42,169	-
Total Deferred Outflows of Resources	188,221	-
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued liabilities	575,828	-
Accrued interest payable	54,914	-
Customer deposits	339,475	-
Total Current Liabilities	970,217	-
Noncurrent liabilities:		
Long-term debt due within one year	1,389,267	-
Long-term debt due in more than one year	15,089,527	-
Total Noncurrent Liabilities	16,478,794	-
Total Liabilities	17,449,011	-
<u>Deferred Inflows of Resources</u>		
Deferred inflows - pensions	156,578	-
Deferred inflows - OPEB	2,459	-
Total Deferred Inflows of Resources	159,037	-
<u>Net Position</u>		
Net investment in capital assets	11,354,144	-
Restricted for capital projects	1,002,060	-
Unrestricted	892,634	18,887
Total Net Position	\$ 13,248,838	\$ 18,887

See Notes to Financial Statements.

DRAFT

CITY OF ANGLETON, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2021

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
<u>Operating Revenues</u>		
Water sales	\$ 4,161,916	\$ -
Sanitary sewer services	2,548,597	-
Other service fees	391,649	5,129
Total Operating Revenues	7,102,162	5,129
<u>Operating Expenses</u>		
Water distribution	431,588	-
Water plant operations	923,696	-
Water purchases	2,154,960	-
Sewer	269,297	-
Collection administration	1,745,153	-
Personnel services	-	30,316
Depreciation	1,038,614	-
Total Operating Expenses	6,563,308	30,316
Operating Income (Loss)	538,854	(25,187)
<u>Nonoperating Revenues (Expenses)</u>		
Investment revenue	10,027	41
Interest expense	(379,795)	-
Gain (loss) on sale of capital assets	8,607	-
Total Nonoperating Revenues (Expenses)	(361,161)	41
Income (Loss) Before Transfers	177,693	(25,146)
<u>Transfers</u>		
Transfers (out)	(114,201)	-
Total Transfers	(114,201)	-
Change in Net Position	63,492	(25,146)
Beginning net position	13,185,346	44,033
Ending Net Position	\$ 13,248,838	\$ 18,887

See Notes to Financial Statements.

DRAFT

CITY OF ANGLETON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 1 of 2)
For the Year Ended September 30, 2021

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Utility</u>	<u>Internal Service</u>
<u>Cash Flows from Operating Activities</u>		
Receipts from customers and users	\$ 6,972,961	\$ (25,187)
Payments to suppliers	(3,849,551)	-
Payments to employees	(1,738,422)	-
Net Cash Provided (Used) by Operating Activities	<u>1,384,988</u>	<u>(25,187)</u>
<u>Cash Flows from Noncapital Financing Activities</u>		
Transfers to other funds	(114,201)	-
Net Cash (Used) by Noncapital Financing Activities	<u>(114,201)</u>	<u>-</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Acquisition and construction of capital assets	(4,309,127)	-
Gain (loss) on sale of capital assets	8,607	-
Principal paid on capital debt	(1,215,017)	-
Interest paid on capital debt	(379,795)	-
Net Cash (Used) by Capital and Related Financing Activities	<u>(5,895,332)</u>	<u>-</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of investment	(2,220)	-
Interest received	10,027	41
Net Cash Provided by Investing Activities	<u>7,807</u>	<u>41</u>
Net (Decrease) in Cash and Cash Equivalents	(4,616,738)	(25,146)
Beginning cash and cash equivalents	<u>9,353,716</u>	<u>44,033</u>
Ending Cash and Cash Equivalents	<u><u>\$ 4,736,978</u></u>	<u><u>\$ 18,887</u></u>
<u>Ending Cash and Cash Equivalents</u>		
Unrestricted cash and cash equivalents	\$ 1,255,342	\$ 18,887
Restricted cash and cash equivalents	3,481,636	-
	<u><u>\$ 4,736,978</u></u>	<u><u>\$ 18,887</u></u>

CITY OF ANGLETON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (Page 2 of 2)
For the Year Ended September 30, 2021

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Utility</u>	<u>Internal Service</u>
Reconciliation of Operating Income (Loss)		
to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ 538,854	\$ (25,187)
Adjustments to reconcile operating income (loss)		
to net cash provided (used) by operating activities:		
Depreciation	1,038,614	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Current Assets:		
Accounts receivable	(143,561)	-
Inventory	3,598	-
Deferred outflows - pensions	2,197	-
Deferred outflows - OPEB	(6,828)	-
Deferred charge on refunding	13,010	-
Increase (Decrease) in Current Liabilities:		
Accounts payable and accrued liabilities	31,587	-
Compensated absences	(1,895)	-
Deferred inflows - pensions	(21,526)	-
Deferred inflows - OPEB	(1,001)	-
Premium	(37,723)	-
Net pension liability	(60,284)	-
Total OPEB liability	15,586	-
Customer deposits	14,360	-
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 1,384,988</u></u>	<u><u>\$ (25,187)</u></u>

See Notes to Financial Statements.

DRAFT

CITY OF ANGLETON, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Angleton, Texas (the “City”) was incorporated in 1912. The City has operated under a “Home Rule Charter” which provides for a Mayor-Council-Administrator form of government.

The City Council is the principal legislative body of the City. The City Manager is appointed by the City Council and is responsible to the Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: general administration, financial administration, public safety (municipal court, police, animal control, fire, and code enforcement), community services (streets, parks and recreation, swimming pool, and sanitation), economic development, water distribution, and wastewater collection/treatment.

The City is an independent political subdivision of the State of Texas (the “State”) governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. The component units listed below, although legally separate, are considered part of the reporting entity. No other entities have been included in the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Blended Component Units

Angleton Better Living Corporation

Angleton Better Living Corporation, Inc. (the “Corporation”) has been included in the reporting entity as a blended component unit. The Corporation is a governmental entity that promotes economic and community development in the City. The Corporation’s Board of Directors is appointed by and serves at the discretion of City Council. The Corporation is primarily funded through a one-half cent sales tax approved by general election in 2001. City Council approval is required for the annual budget and the issuance of any debt. In the event of dissolution, any assets of the Corporation will be transferred to the City. Separate financial statements of the Corporation may be obtained from the Finance Department of the City.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Tax Increment Reinvestment Zone No. One

During fiscal year 2005, the City passed an ordinance creating a Tax Increment Reinvestment Zone No. One (TIRZ #1), in accordance with Section 311.005 of the Texas Tax Code, for the purpose of providing for the design and construction of water, wastewater, and roadway infrastructure improvements, in order to facilitate the development of new commercial properties. The TIRZ #1 includes participation by a developer and another governmental entity, the Angleton Drainage District. Under this arrangement, increases in property taxes will be utilized to pay for certain infrastructure costs. Such taxes are controlled by a board of directors managing the TIRZ #1 and accounted for as a special revenue fund with the City's financial oversight. This fund is holding monies to be remitted to the developer for payment of related debt when the related improvements are accepted by the City.

Tax Increment Reinvestment Zone No. Two

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

B. Government-Wide Financial Statements

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

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds, including its blended component units. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds,

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following governmental funds:

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

The *debt service fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for debt service is local property taxes. The City has elected to present the debt service fund as a major fund for reporting purposes.

The *special revenue funds* are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue funds are considered nonmajor funds for reporting purposes except for the American Rescue Plan fund for pandemic assistant activity and Angleton Better Living fund for activity related to restricted sources for community capital projects, which are considered major funds for reporting purposes.

The *capital projects funds* are used to account for the expenditures of resources accumulated from sales tax revenues and the sale of bonds and related interest earnings for capital improvement projects. The capital projects funds are considered nonmajor funds for reporting purposes, except for the C.O. series 2018 fund and C.O. series 2020 fund, which are considered major funds for reporting purposes.

The City reports the following enterprise fund:

The *enterprise fund* is used to account for the operations that provide water and wastewater collection and wastewater treatment operations. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The utility fund is considered a major fund for reporting purposes.

Additionally, the City reports the following fund type:

Internal service funds account for services provided to other departments of the City, or to other governments, on a cost reimbursement basis. The internal service fund is used to account for unemployment costs.

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

E. Measurement Focus and Basis of Accounting

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

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

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

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

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

1. Cash and Cash Equivalents

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

2. Investments

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

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

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

3. Inventories and Prepaid Items

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

4. Restricted Assets

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

5. Capital Assets

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

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

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	10 to 40 years
Vehicles, equipment, and furnishings	5 to 15 years
Infrastructure	30 to 50 years
Water and sewer system	30 to 50 years

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

7. Compensated Employee Absences

The City records a liability for the amount of unused vacation and other benefit time that has vested for each employee at year end. Time accumulated for sick leave is not included in this accrual as such time is only used for cause and is subject to forfeiture.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund. Although a portion of the general obligation debt was directly related to the purchase of water and sewer infrastructure, the debt service expenditures are included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of water system revenues.

Assets acquired under the terms of a capital lease are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

9. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

10. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

11. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

12. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

13. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and the Texas Emergency Services Retirement System (TESRS) and additions to/deductions from TMRS's and TESRS's fiduciary net position have been determined on the same basis as they are reported by TMRS and TESRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Other Postemployment Benefits

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied during October of each year, are due upon receipt of the City's tax bill, and become delinquent if unpaid on February 1, with late fees assessed monthly. After June 30, any taxes still uncollected are subject to lawsuit for collection and additional charges to offset legal costs.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted for governmental funds on a basis consistent with generally accepted accounting principles except for the capital projects funds, which adopt project length budgets. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the charter is the object and purpose stated in the approved budget. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended September 30, 2021.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2021, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Investment pools		
TexPool	\$ 4,604,280	0.10
TexStar	3,935,315	0.12
Lone Star	6,954,230	0.13
Certificates of deposit	1,049,227	0.67
Total Fair Value	\$ 16,543,052	
Portfolio weighted average maturity		0.14

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

Credit risk. The City's investment policy limits investments in public fund investment pools rated as to investment quality not less than 'AAA' or 'AAA-m', or at an equivalent rating by at least one nationally recognized rating service. As of September 30, 2021, the City's investments in investment pools were rated 'AAAm' by Standard & Poor's.

TexPool

TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool 'AAAm'. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

TexSTAR

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

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

Lone Star

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

B. Receivables

The following comprise receivable balances as of September 30, 2021:

	General	Debt Service	Angleton Better Living	Nonmajor Governmental	Utility	Total
Property taxes	\$ 166,455	\$ 25,668	\$ -	\$ -	\$ -	\$ 192,123
Other taxes	785,137	-	309,508	-	-	1,094,645
Intergovernmental	15,000	-	-	123,668	-	138,668
Accounts	397,018	-	-	3,329	1,616,764	2,017,111
Less allowance	(64,655)	(9,745)	-	-	(497,968)	(572,368)
Totals	\$ 1,298,955	\$ 15,923	309,508	\$ 126,997	\$ 1,118,796	\$ 2,870,179

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

C. Capital Assets

A summary of changes in capital assets for governmental activities for the fiscal year ended September 30, 2021 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,495,840	\$ -	\$ -	\$ 1,495,840
Construction in progress	527,211	1,496,419	(1,157,750)	865,880
Total capital assets not being depreciated	<u>2,023,051</u>	<u>1,496,419</u>	<u>(1,157,750)</u>	<u>2,361,720</u>
Other capital assets:				
Buildings and improvements	12,395,860	-	-	12,395,860
Equipment	11,665,581	2,001,361	(53,027)	13,613,915
Infrastructure	27,824,039	-	-	27,824,039
Total other capital assets	<u>51,885,480</u>	<u>2,001,361</u>	<u>(53,027)</u>	<u>53,833,814</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,787,643)	(272,144)	-	(5,059,787)
Equipment	(9,154,922)	(637,343)	47,724	(9,744,541)
Infrastructure	(16,386,846)	(425,413)	-	(16,812,259)
Total accumulated depreciation	<u>(30,329,411)</u>	<u>(1,334,900)</u>	<u>47,724</u>	<u>(31,616,587)</u>
Other capital assets, net	<u>21,556,069</u>	<u>666,461</u>	<u>(5,303)</u>	<u>22,217,227</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,579,120</u>	<u>\$ 2,162,880</u>	<u>\$ (1,163,053)</u>	<u>24,578,947</u>
			Less associated debt	(14,373,094)
			Plus unspent bond proceeds	7,968,196
			Plus deferred charge on refunding	<u>28,226</u>
			Net Investment in Capital Assets	<u>\$ 18,202,275</u>

Depreciation was charged to governmental functions as follows:

General administration	\$ 272,144
Public safety	637,343
Community services	<u>425,413</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,334,900</u>

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

The following is a summary of changes in capital assets for business-type activities for the fiscal year ended September 30, 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 2,092,217	\$ 3,743,872	\$ -	\$ 5,836,089
Total capital assets not being depreciated	<u>2,092,217</u>	<u>3,743,872</u>	<u>-</u>	<u>5,836,089</u>
Other capital assets:				
Buildings and other improvements	319,665	-	-	319,665
Equipment	2,680,105	178,186	-	2,858,291
Infrastructure	<u>47,329,104</u>	<u>387,069</u>	<u>-</u>	<u>47,716,173</u>
Total other capital assets	<u>50,328,874</u>	<u>565,255</u>	<u>-</u>	<u>50,894,129</u>
Less accumulated depreciation for:				
Buildings and other improvements	(268,485)	(4,025)	-	(272,510)
Equipment	(1,757,963)	(185,628)	-	(1,943,591)
Infrastructure	<u>(29,262,239)</u>	<u>(848,961)</u>	<u>-</u>	<u>(30,111,200)</u>
Total accumulated depreciation	<u>(31,288,687)</u>	<u>(1,038,614)</u>	<u>-</u>	<u>(32,327,301)</u>
Other capital assets, net	<u>19,040,187</u>	<u>(473,359)</u>	<u>-</u>	<u>18,566,828</u>
Business-Type Activities Capital Assets, Net	<u>\$ 21,132,404</u>	<u>\$ 3,270,513</u>	<u>\$ -</u>	<u>24,402,917</u>
				Less associated debt (15,443,105)
				Plus unspent bond proceeds 2,352,163
				Plus deferred charge on refunding <u>42,169</u>
				Net Investment in Capital Assets <u>\$ 11,354,144</u>

Depreciation was charged to business-type functions as follows:

Water	\$ 218,052
Sewer	<u>820,562</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 1,038,614</u>

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

D. Long-Term Debt

The City issues general obligation bonds and certificates of obligation for the acquisition of assets and construction of major capital facilities. These debt issues have been used for both governmental and business-type activities. Each debt issue is serviced by a specific City fund.

General obligation debt pledges the full faith and credit of the City. The bonds and certificates of obligation are further supported by specific annual tax levies, which are legally restricted to servicing these debt issues. The collection and remittance of such levies are controlled and reported in the debt service fund. Some issues are also secured by a pledge of the City's utility fund net revenues and, in previous years, the utility fund was making annual transfers into the debt service fund to pay for a portion of the debt service. Beginning in fiscal year 2003, all long-term debt originating for the purpose of constructing proprietary fund assets is carried within and directly serviced by the utility fund. The following is a summary of changes in the City's total governmental long-term liabilities for the fiscal year ended September 30, 2021. In general, the City uses the debt service fund and general fund to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
General obligation refunding bonds	\$ 1,350,000	\$ -	\$ 210,000	\$ 1,140,000 *	\$ 170,000
Direct borrowings/private placement: Refunding bonds	568,725	-	228,773	339,952 *	179,597
Certificates of obligation	9,858,790	2,925,000	691,210	12,092,580 *	667,480
Capital leases	268,051	-	64,000	204,051 *	65,500
Plus deferred amounts: For premiums	437,792	199,808	41,089	596,511 *	41,089
	<u>12,483,358</u>	<u>3,124,808</u>	<u>1,235,072</u>	<u>14,373,094</u>	<u>1,123,666</u>
Other liabilities:					
Net pension liability - TMRS	1,942,490	-	328,507	1,613,983	-
Net pension liability - TESRS	109,697	57,451	-	167,148	-
Total OPEB liability	315,232	84,930	-	400,162	-
Compensated absences	501,829	454,030	450,184	505,675	455,108
	<u>2,869,248</u>	<u>596,411</u>	<u>778,691</u>	<u>2,686,968</u>	<u>455,108</u>
Total Governmental Activities	<u>\$ 15,352,606</u>	<u>\$ 3,721,219</u>	<u>\$ 2,013,763</u>	<u>\$ 17,060,062</u>	<u>\$ 1,578,774</u>
Long-Term Debt Due In More Than One Year				<u>\$ 15,481,288</u>	
* Debt Associated With Capital Assets				<u>\$ 14,373,094</u>	

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities					
General obligation refunding bonds	\$ 1,620,000	\$ -	\$ 195,000	\$ 1,425,000 *	\$ 325,000
Direct borrowings/private placement:					
Refunding bonds	761,275	-	306,227	455,048 *	240,403
Certificates of obligation	2,195,000	-	275,000	1,920,000 *	225,000
Certificates of obligation	11,576,210	-	438,790	11,137,420 *	452,520
Plus deferred amounts:					
For premiums	543,360	-	37,723	505,637 *	37,723
	<u>16,695,845</u>	<u>-</u>	<u>1,252,740</u>	<u>15,443,105</u>	<u>1,280,646</u>
Other liabilities:					
Net pension liability	902,578	-	60,284	842,294	-
Total OPEB liability	57,119	15,586	-	72,705	-
Compensated absences	122,585	115,346	117,241	120,690	108,621
	<u>1,082,282</u>	<u>130,932</u>	<u>177,525</u>	<u>1,035,689</u>	<u>108,621</u>
Total Business-Type Activities	<u>\$ 17,778,127</u>	<u>\$ 130,932</u>	<u>\$ 1,430,265</u>	<u>\$ 16,478,794</u>	<u>\$ 1,389,267</u>
Long-Term Debt Due In More Than One Year				<u>\$ 15,089,527</u>	
* Debt Associated With Capital Assets				<u>\$ 15,443,105</u>	

In November 2020, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2020 (the "Certificates") in the amount of \$2,925,000. Proceeds from the sale of the Certificates will be used for all or any part of the costs associated with the construction, acquisition, renovation, and equipment of improvements to (i) the Lakeside Park project and any/all other City parks, (ii) the Municipal Pool, (iii) the B.G. Peck Soccer Complex, and (iv) the Angleton Recreation Center within the City, and the cost of professional services incurred in connection therewith. The Certificates will mature on February 15, 2040. The Certificates bear an interest rate ranging between 2.00% and 3.00%.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

Description	Interest Rates	Balance
<u>Governmental Activities</u>		
General Obligation Refunding Bonds		
Series 2013	1.75%	\$ 339,952
Series 2016	2.00-4.00%	1,140,000
		<u>1,479,952</u>
Certificates of Obligation		
Series 2018	3.00-4.00%	8,170,000
Series 2019	2.00-4.00%	1,127,580
Series 2020	2.00-3.00%	2,795,000
		<u>12,092,580</u>
Capital Leases		
Fire truck	3.25%	204,051
		<u>204,051</u>
Total Governmental Activities Long-Term Debt		\$ 13,776,583
<u>Business-Type Activities</u>		
General Obligation Refunding Bonds		
Series 2013	1.75%	\$ 455,048
Series 2016	2.00-4.00%	1,425,000
		<u>1,880,048</u>
Certificates of Obligation		
Water and sewer, series 2013	2.28%	1,920,000
Water and sewer, series 2015	3.00-4.00%	3,390,000
Series 2019	2.00-4.00%	7,747,420
		<u>13,057,420</u>
Total Business-Type Activities Long-Term Debt		\$ 14,937,468

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

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

Governmental Activities						
Fiscal Year Ending Sep 30	General Obligation Refunding Bonds		Certificates of Obligation		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 170,000	\$ 36,150	\$ 667,480	\$ 355,876	\$ 65,500	\$ 6,144
2023	185,000	31,675	665,246	330,721	68,000	3,991
2024	250,000	25,150	715,103	304,924	70,551	2,382
2025	220,000	17,000	685,185	281,561	-	-
2026	220,000	8,200	667,398	261,531	-	-
2027-2031	95,000	3,900	3,528,695	989,836	-	-
2032-2036	-	-	3,455,580	490,612	-	-
2037-2040	-	-	1,707,893	61,158	-	-
Total	\$ 1,140,000	\$ 122,075	\$ 12,092,580	\$ 3,076,219	\$ 204,051	\$ 12,517

Governmental Activities - Direct Borrowings/Private Placement		
Fiscal Year Ending Sep 30	General Obligation Refunding Bonds	
	Principal	Interest
2022	\$ 179,597	\$ 5,949
2023	160,355	2,806
Total	\$ 339,952	\$ 8,755

Business-Type Activities					
Fiscal Year Ending Sep 30	General Obligation Refunding Bonds		Certificates of Obligation		
	Principal	Interest	Principal	Interest	
2022	\$ 325,000	\$ 40,900	\$ 452,520	\$ 307,510	
2023	390,000	31,800	304,754	294,340	
2024	245,000	22,275	519,897	280,977	
2025	235,000	13,900	559,815	264,315	
2026	230,000	4,600	447,602	249,901	
2027-2031	-	-	3,856,305	907,759	
2032-2036	-	-	3,499,420	386,317	
2037-2039	-	-	1,497,107	54,061	
Total	\$ 1,425,000	\$ 113,475	\$ 11,137,420	\$ 2,745,180	

Business-Type Activities - Direct Borrowings/Private Placement					
Fiscal Year Ending Sep 30	General Obligation Refunding Bonds		Certificates of Obligation		
	Principal	Interest	Principal	Interest	
2022	\$ 240,403	\$ 7,963	\$ 225,000	\$ 41,211	
2023	214,645	3,756	200,000	36,366	
2024	-	-	315,000	30,495	
2025	-	-	310,000	23,370	
2026	-	-	305,000	16,359	
2037-2039	-	-	565,000	12,825	
Total	\$ 455,048	\$ 11,719	\$ 1,920,000	\$ 160,626	

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

The City is not obligated in any manner for special assessment debt. Capital assets acquired under current capital lease obligations totaled \$2,402,992, less accumulated depreciation of \$1,951,374, net \$451,618.

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, it could result in a substantial liability to the City. The City engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

E. Interfund Transactions

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

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amounts</u>
General	Nonmajor	\$ 109,902
General	Utility	10,200
General	Angleton Better Living	378,414
Debt service	Angleton Better Living	625,478
Debt service	Utility	10,311
Nonmajor	General	50,034
Nonmajor	Utility	93,690
Nonmajor	Angleton Better Living	778,464
		<u>\$ 2,056,493</u>

Transfers to the general fund were subsidies for administrative expenditures and reimbursements for capital lease payments. Other amounts transferred between funds related to amounts collected by the nonmajor governmental funds for various governmental expenditures. Transfer made to the debt service fund were to satisfy debt allocated to each of corresponding funds.

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

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General	Angleton Better Living	<u>\$ 620,248</u>

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

F. Fund Equity

Funds restricted by enabling legislation are \$517,254 related to hotel/motel tax, child safety, and municipal court security and technology.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

G. Restricted Assets

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

General Fund	
Restricted for capital projects	\$ 99,258
Utility Fund	
Restricted for capital projects	3,481,636
Total	<u>\$ 3,580,894</u>

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

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

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

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

TIRZ #1 Due to Developer

The TIRZ #1 Board approved a developer reimbursement audit in fiscal year 2012 for improvements made within the TIRZ #1. The Board approved a total due to developer in the amount of \$2,189,414 which consisted of \$1,758,250 in costs and accrued interest of \$431,164. Total payments to date have been made in the amount of \$371,933, leaving a balance due to the developer of \$1,817,481 as of September 30, 2021. Payments due to the developer are contingent upon future tax increments paid within the TIRZ #1.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

C. Pension Plans

1. Texas Municipal Retirement System

Plan Description

The City participates as one of 895 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 TMRS Act, Subtitle G, Title 8, Texas Government Code (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; 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.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75 percent of the member's deposits 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:

	<u>2021</u>	<u>2020</u>
Employee deposit rate	6.00%	6.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100%	100%
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	78
Inactive employees entitled to, but not yet receiving, benefits	83
Active employees	136
Total	<u>297</u>

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Contributions

The contribution rates for employees in TMRS are either five percent, six percent, or seven percent of employee gross earnings, and the City-matching percentages are either 100 percent, 150 percent, or 200 percent, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary using the Entry Age Normal (EAN) actuarial cost method. The 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 six percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.21% and 12.05% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2021 were \$975,403 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-Distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a four-year set-forward for males and a three-year set-forward for females. In addition, a 3.5 percent and 3.0 percent minimum mortality rate is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

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

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of</u>
Global Equities	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.0%	

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the TMRS 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.

Changes in the NPL

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (A) - (B)</u>
Changes for the year:			
Service cost	\$ 1,065,898	\$ -	\$ 1,065,898
Interest	1,913,148	-	1,913,148
Change in current period benefits	-	-	-
Difference between expected and actual experience	(75,064)	-	(75,064)
Changes of assumptions	-	-	-
Contributions - employer	-	904,937	(904,937)
Contributions - employee	-	445,051	(445,051)
Net investment income	-	1,955,933	(1,955,933)
Benefit payments, including refunds of employee contributions	(1,598,568)	(1,598,568)	-
Administrative expense	-	(12,655)	12,655
Other changes	-	(493)	493
Net Changes	1,305,414	1,694,205	(388,791)
Balance at December 31, 2019	29,609,271	25,764,203	2,845,068
Balance at December 31, 2020	\$ 30,914,685	\$ 27,458,408	\$ 2,456,277

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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 1% lower (5.75%) or 1% higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability/(Asset)	\$ 6,637,170	\$ 2,456,277	\$ (948,540)

Pension Plan Fiduciary Net Position

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

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

For the fiscal year ended September 30, 2021, the City recognized pension expense of \$419,452.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 29,851	\$ 172,317
Changes in actuarial assumptions	64,098	-
Net difference between projected and actual investment earnings	-	731,863
Contributions subsequent to the measurement date	721,425	-
Total	\$ 815,374	\$ 904,180

\$721,425 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense
2022	\$ (347,494)
2023	20,462
2024	(439,829)
2025	(43,370)
2026	-
Thereafter	-
Total	\$ (810,231)

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

2. Texas Emergency Services Retirement System

Plan Description

The City participates in a cost-sharing multiple employer pension plan that has a special funding situation. The plan is administered by the TESRS and established and administered by the State to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. At August 31, 2020, there were 238 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, 2020, the TESRS membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	3,837
Terminated Members Entitled to Benefits but Not Yet Receiving Them	1,787
Active Participants (Vested and Nonvested)	3,634

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

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

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

Funding Policy

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

contribution, which is the legacy portion of the TESRS contribution that directly impacts future retiree annuities.

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

The Board rule defining contributions was amended effective July 27, 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the State are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percentage of the Part One portion (not to exceed 15%), is to be actuarially adjusted near the end of each even-numbered calendar year based on the most recent actuarial valuation. Based on the August 31, 2018 and 2020 actuarial valuation, the Part Two contributions are not required for an adequate contribution arrangement.

Additional contributions may be made by governing bodies within two years of joining TESRS to grant up to 15 years of credit for service per member. Prior service purchased must have occurred before the department began participation in TESRS.

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

Contributions

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions were set by Board rule, and there is no maximum contribution rate. For the fiscal year ending August 31, 2020, total contributions (dues, prior service, and interest on prior service financing) of \$33,095 were paid by the City. The State appropriated \$1,329,224 for the fiscal year ending August 31, 2020 to TESRS as a whole.

Actuarial Assumptions

The TPL in the August 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	8/31/2020
Actuarial Cost Method	Entry age
Amortization Method	Level dollar, open
Amortization Period	30 years
Asset Valuation Method	Market value smoothed by a 5-year deferred recognition method with a 80%/120% corridor on market value
Actuarial Assumptions:	
Investment Rate of Return*	7.5%
Projected Salary Increases	N/A
*Includes Inflation at	3.0%
Cost-of-Living Adjustments	None

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Mortality rates were based on the RP-2000 Combined Healthy Lives Mortality Tables for males and for females projected to 2024 by scale AA. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (currently 5.01%) and by adding expected inflation (3.0%). In addition, the final 7.5% assumption reflected a reduction of 0.26 percent for adverse deviation. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

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

Discount Rate

The discount rate used to measure the TPL was 7.5%. No projection of cash flows was used to determine the discount rate because the August 31, 2020 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method and with a lower value of assets, the TESRS fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Discount Rate Sensitivity Analysis

The following presents the NPL of the City, calculated using the discount rate of 7.5%, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's proportionate share of the net pension liability	\$ 334,018	\$ 167,148	\$ 90,143

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

At August 31, 2020, the City reported a liability of \$167,148 for its proportionate share of TESRS's NPL. The amount recognized by the City as its proportionate share of the NPL, the related State support, and the total portion of the NPL that was associated with the City were as follows:

City's proportionate share of the collective net pension liability	\$ 167,148
State's proportionate share that is associated with the City*	47,469
Total	\$ 214,797

**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, 2020. GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* (GASB 68), requires the NPL to be measured as of a date no earlier than the end of the employer's prior fiscal year. TESRS did not roll forward (nor did they provide the necessary information for the participants to roll forward) the NPL to be measured as of a date no earlier than the end of the City's prior fiscal year. While the City acknowledges that the measurement date does not fall within this 12-month period, the City elected to honor the conservatism principle and report an NPL measured as of August 31, 2020. The City used the assumption that any differences in the NPL measured as of August 31, 2020 versus September 30, 2021 would be immaterial. The employer's proportion of the NPL was based on the employer's contributions to TESRS relative to the contributions of all employers to TESRS for the period September 1, 2019 through August 31, 2020.

At August 31, 2020, the City's proportion of the collective NPL was 0.663%, which was an increase 0.276% of from its proportion measured as of August 31, 2019.

The assumptions reflect a change in investment rate of return on pension plan investments and discount rate used to measure the total pension liability from 7.75% to 7.50% based on the August 31, 2020, actuarial valuation. There were no other changes in assumptions or other inputs that affected measurement of the TPL during the measurement period.

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

For the year ended September 30, 2021, the City recognized pension expense of \$44,228. The City recognized on-behalf revenues of \$8,813 calculated by taking the State's total contributions to TESRS multiplied by the City's proportionate share.

At September 30, 2021, the City reported its proportionate share of the TESRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual investment earnings	\$ 907	\$ -
Changes in assumptions	-	273
Difference between expected and actual economic experience	-	7,961
Contributions paid to TESRS subsequent to the measurement date	33,095	-
Total	\$ 34,002	\$ 8,234

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

Fiscal Year Ended September 30	Pension Expense
2022	\$ (7,112)
2023	(1,461)
2024	5,747
2025	(4,501)
Total	\$ (7,327)

D. Other Postemployment Benefits

TMRS - Supplemental Death Benefit

Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The TMRS Act requires the PTF to allocate a 5% interest credit from investment income to the SDBF on an annual basis each December 31 based on the mean balance in the SDBF during the year.

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Participation in the SDBF as of December 31, 2020 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to, but not yet receiving, benefits	25
Active employees	136
Total	<u>214</u>

Total OPEB Liability

The City's total OPEB liability of \$472,868 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	2.00%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 21,511
Interest	10,495
Changes of benefit terms	-
Difference between expected and actual experience	4,511
Changes of assumptions	66,967
Benefit payments*	(2,967)
Net Changes	100,517
Balance at December 31, 2019	372,351
Balance at December 31, 2020	\$ 472,868

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

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

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (1.00%)	Discount Rate (2.00%)	1% Increase (3.00%)
City's total OPEB liability	\$ 589,050	\$ 472,868	\$ 386,629

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$54,872. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,632	\$ 7,801
Changes in actuarial assumptions	101,997	9,808
Contributions subsequent to the measurement date	7,783	-
Total	\$ 109,780	\$ 17,609

\$7,783 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2022.

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

Fiscal Year Ended September 30	OPEB Expense
2022	\$ 22,866
2023	21,516
2024	20,788
2025	21,037
2026	1,813
Thereafter	-
Total	\$ 88,020

E. Deferred Compensation Plan

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

F. Chapter 380 Economic Development Agreements/Tax Abatements

Chapter 380, *Miscellaneous Provisions Relating to Municipal Planning and Development*, of the Texas Local Government Code provides the authority to the governing body of a municipality to establish and provide for the administration of one or more programs, including programs to promote state or local economic development and to stimulate business and commercial activity in the municipality.

Dees Properties, LLC 380 Agreement

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

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

CITY OF ANGLETON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

The Business agreed to the following:

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

\$2,065 taxes were refunded during fiscal year 2021.

G. Subsequent Event

In November 2021, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2021 (the "Certificates") in the amount of \$2,275,000. Proceeds from the sale of the Certificates will be used for all or any part of the costs associated with the construction, acquisition, renovation, and equipment of improvements to (i) the City's utility and water distribution system including the Chenango Water Plant site and (ii) and the cost of professional services incurred in connection therewith.

DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 1 of 2)
For the Year Ended September 30, 2021

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property taxes	\$ 6,650,255	\$ 6,650,255	\$ 6,590,804	\$ (59,451)
Franchise fees and local taxes	704,000	704,000	594,063	(109,937)
Sales taxes	3,484,843	3,484,843	3,416,639	(68,204)
Industrial district agreement	123,063	123,063	104,170	(18,893)
Permits, licenses, and fees	325,160	697,410	685,324	(12,086)
Fines and forfeitures	688,261	688,261	478,290	(209,971)
Charges for services	2,209,696	2,209,696	2,160,449	(49,247)
Intergovernmental	36,450	36,450	49,048	12,598
Investment revenue	48,000	48,000	9,592	(38,408)
Miscellaneous revenue	299,024	30,000	109,637	79,637
Total Revenues	14,568,752	14,671,978	14,198,016	(473,962)
<u>Expenditures</u>				
General administration				
Administrative	3,746,344	3,870,482	3,870,482	-
Buildings	189,314	127,088	125,810	1,278
Total general administration	<u>3,935,658</u>	<u>3,997,570</u>	<u>3,996,292</u>	<u>1,278</u>
Financial administration				
Tax collection	48,000	48,000	47,990	10
Finance and accounting	442,371	495,371	486,972	8,399
Total financial administration	<u>490,371</u>	<u>543,371</u>	<u>534,962</u>	<u>8,409</u>
Public safety				
Municipal court	556,285	556,285	543,490	12,795
Police department	5,114,363	5,111,258	5,111,258	-
Animal control	305,087	305,587	284,873	20,714
Fire department	725,603	783,363	783,363	-
Emergency management	92,486	98,720	91,681	7,039
Code enforcement	754,360	784,413	766,058	18,355
Total public safety	<u>7,548,184</u>	<u>7,639,626</u>	<u>7,580,723</u>	<u>58,903</u>
Community services				
Information technology	485,822	657,884	657,884	-
Parks and recreation	1,465,442	1,618,796	1,618,796	-
Public works	1,251,511	1,288,494	1,288,494	-
Total community services	<u>3,202,775</u>	<u>3,565,174</u>	<u>3,565,174</u>	<u>-</u>

DRAFT

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 2 of 2)
For the Year Ended September 30, 2021

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Expenditures (continued)</u>				
Economic development	\$ 209,518	\$ 215,252	\$ 187,050	\$ 28,202
Debt service				
Principal	64,000	64,000	64,000	-
Interest expense	-	23,038	8,240	14,798
Total debt service	64,000	87,038	72,240	14,798
Total Expenditures	15,450,506	16,048,031	15,936,441	111,590
 (Deficiency) of Revenues (Under) Expenditures	 (881,754)	 (1,376,053)	 (1,738,425)	 (362,372)
<u>Other Financing Sources (Uses)</u>				
Transfers in	415,662	415,662	498,516	82,854
Transfers (out)	(69,555)	(106,092)	(50,034)	56,058
Sale of capital assets	107,500	107,500	36,057	(71,443)
Total Other Financing Sources	453,607	417,070	484,539	67,469
Net Change in Budgeted Fund Balance	\$ (428,147)	\$ (958,983)	(1,253,886)	\$ (294,903)
Reconciliation to Net Change in Fund Balance (GAAP Basis):				
Capital outlay from unspent certificates of obligation proceeds			(903,655)	
Net Change in Fund Balance			(2,157,541)	
Beginning fund balance			6,109,354	
Ending Fund Balance			\$ 3,951,813	

Notes to Required Supplementary Information:

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

DRAFT

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, 2021

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Sales taxes	\$ 1,742,421	\$ 1,742,421	\$ 1,708,319	\$ (34,102)
Investment revenue	3,900	3,900	2,470	(1,430)
Total Revenues	<u>1,746,321</u>	<u>1,746,321</u>	<u>1,710,789</u>	<u>(35,532)</u>
<u>Expenditures</u>				
Current:				
General administration	91,893	91,893	37,232	54,661
Total Expenditures	<u>91,893</u>	<u>91,893</u>	<u>37,232</u>	<u>54,661</u>
Excess of Revenue Over Expenditures	<u>1,654,428</u>	<u>1,654,428</u>	<u>1,673,557</u>	<u>19,129</u>
<u>Other Financing Sources (Uses)</u>				
Transfer (out)	(1,838,214)	(1,838,214)	(1,782,356)	55,858
Total Other Financing (Uses)	<u>(1,838,214)</u>	<u>(1,838,214)</u>	<u>(1,782,356)</u>	<u>55,858</u>
Net Change in Fund Balance	<u>\$ (183,786)</u>	<u>\$ (183,786)</u>	<u>(108,799)</u>	<u>\$ 74,987</u>
Beginning fund balance			888,022	
Ending Fund Balance			<u>\$ 779,223</u>	

Notes to Required Supplementary Information:

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

DRAFT

CITY OF ANGLETON, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the Year Ended September 30, 2021

	Measurement Year*			
	2020	2019	2018	2017
Total Pension Liability				
Service cost	\$ 1,065,898	\$ 967,612	\$ 875,925	\$ 842,374
Interest (on the total pension liability)	1,913,148	1,810,253	1,741,013	1,651,811
Changes of benefit terms	-	-	-	(42,824)
Difference between expected and actual experience	(75,064)	56,625	(372,360)	(85,751)
Changes of assumptions	-	121,586	-	-
Benefit payments, including refunds of employee contributions	(1,598,568)	(1,363,110)	(1,166,182)	(1,041,573)
Net Change in Total Pension Liability		1,592,966	1,078,396	1,324,217
Beginning total pension liability	28,609,271	27,016,305	25,937,909	24,613,692
Ending Total Pension Liability	\$ 29,914,685	\$ 28,609,271	\$ 27,016,305	\$ 25,937,909
Plan Fiduciary Net Position				
Contributions - employer	\$ 904,937	\$ 822,437	\$ 754,235	\$ 729,850
Contributions - employee	445,051	399,564	361,455	368,923
Net investment income	1,955,933	3,472,078	(695,480)	2,820,968
Benefit payments, including refunds of employee contributions	(1,598,568)	(1,363,110)	(1,166,182)	(1,041,573)
Administrative expense	(12,655)	(19,614)	(13,439)	(14,617)
Other	(493)	(589)	(702)	(742)
Net Change in Plan Fiduciary Net Position	1,694,205	3,310,766	(760,113)	2,862,809
Beginning plan fiduciary net position	25,764,203	22,453,437	23,213,550	20,350,741
Ending Plan Fiduciary Net Position	\$ 27,458,408	\$ 25,764,203	\$ 22,453,437	\$ 23,213,550
Net Pension Liability	\$ 2,456,277	\$ 2,845,068	\$ 4,562,868	\$ 2,724,359
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.79%	90.06%	83.11%	89.50%
Covered Payroll	\$ 7,417,525	\$ 6,659,408	\$ 6,024,244	\$ 6,148,715
Net Pension Liability as a Percentage of Covered Payroll	33.11%	42.72%	75.74%	44.31%

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

DRAFT

Measurement Year*		
2016	2015	2014
\$ 785,512	\$ 791,844	\$ 698,595
1,584,707	1,562,646	1,507,813
-	-	-
(252,182)	(165,121)	(436,428)
-	137,392	-
(1,177,455)	(1,163,080)	(903,465)
940,582	1,163,981	866,515
23,673,110	22,509,129	21,642,614
<u>\$ 24,613,692</u>	<u>\$ 23,673,110</u>	<u>\$ 22,509,129</u>
\$ 687,899	\$ 730,615	\$ 660,722
346,549	353,239	323,355
1,298,516	28,450	1,039,581
(1,177,455)	(1,163,080)	(903,465)
(14,663)	(17,328)	(10,853)
(790)	(856)	(892)
1,140,056	68,960	1,108,448
19,210,685	19,279,645	18,171,197
<u>\$ 20,350,741</u>	<u>\$ 19,210,685</u>	<u>\$ 19,279,645</u>
<u>\$ 4,262,951</u>	<u>\$ 4,462,425</u>	<u>\$ 3,229,484</u>
82.68%	81.15%	85.65%
\$ 5,775,821	\$ 5,887,320	\$ 5,389,248
73.81%	75.80%	59.92%

DRAFT

CITY OF ANGLETON, TEXAS
SCHEDULE OF THE CITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM (TESRS)
For the Year Ended September 30, 2021

	Measurement Year*			
	2020	2019	2018	2017
City's proportion of the net pension liability	0.663%	0.387%	0.319%	0.354%
City's proportionate share of the net pension liability	\$ 167,148	\$ 109,697	\$ 69,065	\$ 84,966
State's proportionate share of the net pension liability	47,649	32,539	19,168	27,824
Total	<u>\$ 214,797</u>	<u>\$ 142,236</u>	<u>\$ 88,233</u>	<u>\$ 112,790</u>
Number of Active Members**	28	27	37	40
City's net pension liability per active member	\$ 5,970	\$ 4,063	\$ 1,846	\$ 2,102
Plan fiduciary net position as a percentage of the total pension liability	83.2%	80.2%	84.3%	81.4%

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

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

Notes to Required Supplementary Information:

1. Changes in benefit terms

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

2. Changes in assumptions

Changes in assumptions reflect a change in investment rate of return on pension plan investments and discount rate used to measure the TPL from 7.75% to 7.50% based on August 31, 2020 actuarial valuation.

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

DRAFT

Measurement Year *		
2016	2015	2014
0.413%	0.428%	0.452%
\$ 120,165	\$ 114,150	\$ 82,146
41,542	39,568	27,613
<u>\$ 161,707</u>	<u>\$ 153,718</u>	<u>\$ 109,759</u>
32	34	34
\$ 3,815	\$ 3,391	\$ 2,416
76.3%	76.9%	83.5%

CITY OF ANGLETON, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the Year Ended September 30, 2021

	Fiscal Year*			
	2021	2020	2019	2018
Actuarially determined contribution	\$ 975,404	\$ 887,773	\$ 808,099	\$ 735,614
Contributions in relation to the actuarially determined contribution	975,404	887,773	808,099	735,614
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 8,067,011	\$ 7,249,082	\$ 6,519,525	\$ 5,961,986
Contributions as a percentage of covered payroll	12.09%	12.25%	12.40%	12.34%

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

Notes to Required Supplementary Information:

1. Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period December 31, 2014-December 31, 2018.
Mortality	Post-retirement 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during this year.

DRAFT

Fiscal Year *			
2017	2016	2015	2014
\$ 727,148	\$ 693,433	\$ 687,403	\$ 658,787
727,148	693,433	687,403	658,787
\$ -	\$ -	\$ -	\$ -
\$ 6,120,417	\$ 5,754,427	\$ 5,554,619	\$ 5,389,248
11.88%	12.05%	12.38%	12.22%

DRAFT

CITY OF ANGLETON, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM (TESRS)
For the Year Ended September 30, 2021

	Fiscal Year*			
	2021	2020	2019	2018
Contractually required contribution	\$ 33,095	\$ 31,318	\$ 24,996	\$ 22,453
Contributions in relation to the contractually required	33,095	31,318	24,996	22,453
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Number of active members**	28	26	42	37
Contributions per active member	\$ 1,182	\$ 1,205	\$ 595	\$ 607

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

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

DRAFT

Fiscal Year *			
2017	2016	2015	2014
\$ 24,255	\$ 18,900	\$ 20,200	\$ 20,580
24,255	18,900	20,200	20,580
\$ -	\$ -	\$ -	\$ -
40	36	34	34
\$ 606	\$ 525	\$ 594	\$ 605

DRAFT

CITY OF ANGLETON, TEXAS

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

For the Year Ended September 30, 2021

	Measurement Year*			
	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 21,511	\$ 15,983	\$ 16,265	\$ 14,142
Interest (on the total OPEB liability)	10,495	10,873	10,069	9,793
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	4,511	(2,124)	(13,650)	-
Change of assumptions	66,967	63,878	(20,830)	22,154
Benefit payments**	(2,967)	(2,664)	(3,012)	(3,074)
Net Change in Total OPEB Liability	100,517	85,946	(11,158)	44,015
Beginning total OPEB liability	372,351	286,405	297,563	253,548
Ending Total OPEB Liability	472,868	372,351	\$ 286,405	\$ 297,563
Covered Payroll	7,417,525	6,659,408	\$ 6,024,244	\$ 6,148,715
Total OPEB Liability as a Percentage of Covered Payroll	6.38%	5.59%	4.75%	4.84%

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.5%
Salary increases	3.5% to 11.5% including inflation
Discount rate	2.0%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

2. Other Information:

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

There were no benefit changes during the year.

DRAFT

DRAFT

***COMBINING STATEMENTS
AND SCHEDULES***

DRAFT

DRAFT

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Hotel/Motel Fund - Hotel tax revenue from local hotels.

Child Safety Fund - Collection and disbursement of money used for child safety programs.

Municipal Court Technology Fund - Collection and disbursement of money used for court technology.

Municipal Court Building Security Fund - Collection and disbursement of money used for court security.

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

Drug Confiscation Fund - Police seizure and buy account.

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

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

TIRZ #1 Fund - Property tax funds that will be utilized for certain infrastructure costs.

OBJ Police Grant Fund - Office of Byrne Memorial Justice assistance program grant designated for body worn cameras.

Police Donation Fund - Money donated to the police department for special purposes.

Fire Department ESD Fund - Contract with the County fire department.

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

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

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

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

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

Capital Project Funds

Street Fund - Capital improvements for city streets.

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

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

CITY OF ANGLETON, TEXAS
COMBINING BALANCE SHEET (Page 1 of 3)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

Special Revenue Funds				
	Hotel/Motel	Child Safety	Municipal Court Technology	Municipal Court Building Security
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 464,883	\$ 4,840	\$ 8,288	\$ 26,887
Investments	-	-	-	-
Receivables, net	40,300	-	-	-
Due from other government	-	-	-	-
Inventory	-	-	-	-
Total Assets	\$ 505,183	\$ 4,840	\$ 8,288	\$ 26,887
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 27,944	\$ -	\$ -	\$ -
Fund balances:				
Nonspendable: Inventory	-	-	-	-
Restricted for:				
Economic development	477,239	-	-	-
Special projects	-	4,840	8,288	26,887
Capital projects	-	-	-	-
Total Fund Balances	477,239	4,840	8,288	26,887
Total Liabilities and Fund Balance	\$ 505,183	\$ 4,840	\$ 8,288	\$ 26,887

DRAFT

Special Revenue Funds

GLO Grant	Drug Confiscation	Keep Angleton Beautiful	Angleton Act Center	TIRZ #1	OBJ Police Grant
\$ -	\$ 22,318	\$ 29,046	\$ 51,738	\$ 6,677	\$ 20,703
-	-	-	-	-	-
-	-	3,329	73,491	-	9,877
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 22,318</u>	<u>\$ 32,375</u>	<u>\$ 125,229</u>	<u>\$ 6,677</u>	<u>\$ 30,580</u>
\$ -	\$ 7,500	\$ -	\$ 52,088	\$ 6,530	\$ 1,113
-	-	-	-	-	-
-	-	-	73,141	-	-
-	14,818	32,375	-	147	29,467
-	-	-	-	-	-
<u>-</u>	<u>14,818</u>	<u>32,375</u>	<u>73,141</u>	<u>147</u>	<u>29,467</u>
<u>\$ -</u>	<u>\$ 22,318</u>	<u>\$ 32,375</u>	<u>\$ 125,229</u>	<u>\$ 6,677</u>	<u>\$ 30,580</u>

CITY OF ANGLETON, TEXAS
COMBINING BALANCE SHEET (Page 2 of 3)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

Special Revenue Funds

	Police Donation	Fire Dept. ESD	A/C Donations	TxDOT Grant
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 18,062	\$ 114,964	\$ 18,543	\$ 3,708
Investments	-	-	-	-
Receivables, net	-	-	-	-
Due from other government	-	-	-	-
Inventory	-	-	-	-
Total Assets	\$ 18,062	\$ 114,964	\$ 18,543	\$ 3,708
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 26,144	\$ -	\$ -
Fund balances:				
Nonspendable: Inventory	-	-	-	-
Restricted for:				
Economic development	-	-	-	-
Special projects	18,062	88,820	18,543	3,708
Capital projects	-	-	-	-
Total Fund Balances	18,062	88,820	18,543	3,708
Total Liabilities and Fund Balance	\$ 18,062	\$ 114,964	\$ 18,543	\$ 3,708

DRAFT

Special Revenue Funds			Capital Projects Funds		
Traffic Enforcement	Developer Deposit	Generator Grant	Street	Local Park Grant	City-Wide Capital Projects
\$ -	\$ 995,424	\$ -	\$ 2,058,862	\$ 176,212	\$ 407,763
-	-	-	349,742	-	-
-	-	-	-	-	-
980	-	29,427	-	-	-
-	-	-	19,036	-	-
<u>\$ 980</u>	<u>\$ 995,424</u>	<u>\$ 29,427</u>	<u>\$ 2,427,640</u>	<u>\$ 176,212</u>	<u>\$ 407,763</u>
\$ -	\$ -	\$ -	\$ 178,767	\$ -	\$ -
-	-	-	19,036	-	-
-	-	-	-	-	-
980	-	-	-	-	-
-	995,424	29,427	2,229,837	176,212	407,763
<u>980</u>	<u>995,424</u>	<u>29,427</u>	<u>2,248,873</u>	<u>176,212</u>	<u>407,763</u>
<u>\$ 980</u>	<u>\$ 995,424</u>	<u>\$ 29,427</u>	<u>\$ 2,427,640</u>	<u>\$ 176,212</u>	<u>\$ 407,763</u>

DRAFT

CITY OF ANGLETON, TEXAS
COMBINING BALANCE SHEET (Page 3 of 3)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

	Total Nonmajor Governmental Funds
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 4,428,918
Investments	349,742
Receivables, net	126,997
Due from other governments	30,407
Inventory	19,036
	<hr/>
Total Assets	\$ 4,955,100
	<hr/>
<u>Liabilities and Fund Balances</u>	
Liabilities:	
Accounts payable and accrued liabilities	\$ 300,086
	<hr/>
Fund balances:	
Nonspendable: Inventory	19,036
Restricted for:	
Economic development	550,380
Special projects	246,935
Capital projects	3,838,663
	<hr/>
Total Fund Balances	4,655,014
	<hr/>
Total Liabilities and Fund Balance	\$ 4,955,100
	<hr/>

DRAFT

CITY OF ANGLETON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Page 1 of 3)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

Special Revenue Funds				
	Hotel/Motel	Child Safety	Municipal Court Technology	Municipal Court Building Security
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	162,329	-	-	-
Fines and forfeitures	-	2,494	8,163	9,125
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment revenue	776	8	17	42
Miscellaneous revenue	-	-	-	-
Total Revenues	163,105	2,502	8,180	9,167
Expenditures				
Current:				
General administration	-	-	-	-
Public safety	-	-	-	1,119
Economic development	207,834	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	207,834	-	-	1,119
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,729)	2,502	8,180	8,048
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	(30,662)	(2,000)	-	(5,000)
Total Other Financing Sources (Uses)	(30,662)	(2,000)	-	(5,000)
Net Change in Fund Balances	(75,391)	502	8,180	3,048
Beginning fund balances	552,630	4,338	108	23,839
Ending Fund Balances	\$ 477,239	\$ 4,840	\$ 8,288	\$ 26,887

DRAFT

Special Revenue Funds

GLO Grant	Drug Confiscation	Keep Angleton Beautiful	Angleton Act Center	TIRZ #1	OBJ Police Grant
\$ -	\$ -	\$ -	\$ -	\$ 21,394	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
105,756	-	-	-	-	55,320
-	-	-	335,803	-	-
-	48	97	140	32	-
-	11,199	32,828	-	-	-
105,756	11,247	32,925	335,943	21,426	55,320
199,446	-	-	1,308,823	21,394	-
-	24,647	-	-	-	69,143
-	-	68,969	-	-	-
-	-	-	-	-	-
199,446	24,647	68,969	1,308,823	21,394	69,143
(93,690)	(13,400)	(36,044)	(972,880)	32	(13,823)
93,690	-	-	778,464	-	14,558
-	-	-	-	-	-
93,690	-	-	778,464	-	14,558
-	(13,400)	(36,044)	(194,416)	32	735
-	28,218	68,419	267,557	115	28,732
\$ -	\$ 14,818	\$ 32,375	\$ 73,141	\$ 147	\$ 29,467

T

DRAFT

CITY OF ANGLETON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Page 2 of 3)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

Special Revenue Funds

	Police Donation	Fire Dept. ESD	A/C Donations	TxDOT Grant
<u>Revenues</u>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees and local taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	290,286	-	2,269
Charges for services	-	-	-	-
Investment revenue	33	-	28	-
Miscellaneous revenue	5,060	243	13,956	-
Total Revenues	5,093	290,529	13,984	2,269
<u>Expenditures</u>				
Current:				
General administration	-	-	3,328	-
Public safety	16,300	273,214	-	1,577
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	16,300	273,214	3,328	1,577
Excess (Deficiency of Revenues Over (Under) Expenditures	(11,207)	17,315	10,656	692
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	3,016
Transfers (out)	-	(72,240)	-	-
otal Other Financing Sources (Uses)	-	(72,240)	-	3,016
Net Change in Fund Balances	(11,207)	(54,925)	10,656	3,708
Beginning fund balances	29,269	143,745	7,887	-
Ending Fund Balances	\$ 18,062	\$ 88,820	\$ 18,543	\$ 3,708

DRAFT

Special Revenue Funds			Capital Projects Funds		
Traffic Enforcement	Developer Deposit	Generator Grant	Street Fund	Local Park Grant	City-Wide Capital Projects
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
5,096	-	137,581	-	150,000	-
-	-	-	-	-	-
-	-	-	5,900	-	668
-	767,858	-	-	-	-
5,096	767,858	137,581	5,900	150,000	668
-	115,410	1,809	-	-	-
7,149	-	22,064	-	-	-
-	-	-	-	-	-
-	-	113,708	440,252	321,496	-
7,149	115,410	137,581	440,252	321,496	-
(2,053)	652,448	-	(434,352)	(171,496)	668
3,033	-	29,427	-	-	-
-	-	-	-	-	-
3,033	-	29,427	-	-	-
980	652,448	29,427	(434,352)	(171,496)	668
-	342,976	-	2,683,225	347,708	407,095
\$ 980	\$ 995,424	\$ 29,427	\$ 2,248,873	\$ 176,212	407,763

DRAFT

DRAFT

CITY OF ANGLETON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Page 3 of 3)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	Total Nonmajor Governmental Funds
<u>Revenues</u>	
Property taxes	\$ 21,394
Franchise fees and local taxes	162,329
Fines and forfeitures	19,782
Intergovernmental	746,308
Charges for services	335,803
Investment revenue	7,789
Miscellaneous revenue	831,144
Total Revenues	2,124,549
<u>Expenditures</u>	
Current:	
General administration	1,650,210
Public safety	415,213
Economic development	276,803
Capital outlay	875,456
Total Expenditures	3,217,682
 Excess (Deficiency of Revenues Over (Under) Expenditures	 (1,093,133)
 <u>Other Financing Sources (Uses)</u>	
Transfers in	922,188
Transfers (out)	(109,902)
Total Other Financing Sources (Uses)	812,286
 Net Change in Fund Balances	 (280,847)
Beginning fund balances	4,935,861
Ending Fund Balances	\$ 4,655,014

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2021

	Hotel / Motel			Variance with
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Final Budget Positive (Negative)
Revenues				
Franchise fees and local taxes	\$ 250,000	\$ 250,000	\$ 162,329	\$ (87,671)
Investment revenue	1,545	1,545	776	(769)
Total Revenues	<u>251,545</u>	<u>251,545</u>	<u>163,105</u>	<u>(88,440)</u>
Expenditures				
Current:				
Economic development	217,948	217,948	207,834	10,114
Total Expenditures	<u>217,948</u>	<u>217,948</u>	<u>207,834</u>	<u>10,114</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>33,597</u>	<u>33,597</u>	<u>(44,729)</u>	<u>(78,326)</u>
Other Financing Sources (Uses)				
Transfers (out)	(33,597)	(33,597)	(30,662)	2,935
Total Other Financing Sources (Uses)	<u>(33,597)</u>	<u>(33,597)</u>	<u>(30,662)</u>	<u>2,935</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(75,391)</u>	<u>\$ (75,391)</u>
Beginning fund balance			552,630	
Ending Fund Balance			<u>\$ 477,239</u>	

Notes to Supplementary Information:

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

DRAFT

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
For the Year Ended September 30, 2021

	Child Safety			
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 2,000	\$ 2,000	\$ 2,494	\$ 494
Investment revenue	25	25	8	(17)
Total Revenues	<u>2,025</u>	<u>2,025</u>	<u>2,502</u>	<u>477</u>
Excess of Revenues Over Expenditures	<u>2,025</u>	<u>2,025</u>	<u>2,502</u>	<u>477</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	<u>(2,025)</u>	<u>(2,025)</u>	<u>(2,000)</u>	<u>25</u>
Total Other Financing (Uses)	<u>(2,025)</u>	<u>(2,025)</u>	<u>(2,000)</u>	<u>25</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>502</u>	<u>\$ 502</u>
Beginning fund balance			<u>4,338</u>	
Ending Fund Balance			<u>\$ 4,840</u>	

Municipal Court Technology				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 8,163	\$ (1,837)
Investment revenue	-	-	17	17
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>8,180</u>	<u>(1,820)</u>
Expenditures				
Current:				
Public safety	10,000	10,000	-	10,000
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	8,180	<u>\$ 8,180</u>
Beginning fund balance			108	
Ending Fund Balance			\$ 8,288	

Notes to Supplementary Information:

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

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
For the Year Ended September 30, 2021

Municipal Court Building Security				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 7,000	\$ 7,000	\$ 9,125	\$ 2,125
Investment revenue	160	160	42	(118)
Total Revenues	<u>7,160</u>	<u>7,160</u>	<u>9,167</u>	<u>2,007</u>
Expenditures				
Current:				
Public safety	7,160	7,160	1,119	6,041
Total Expenditures	<u>7,160</u>	<u>7,160</u>	<u>1,119</u>	<u>6,041</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>8,048</u>	<u>8,048</u>
Other Financing Sources (Uses)				
Transfers (out)	(5,000)	(5,000)	(5,000)	-
Total Other Financing (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	<u>3,048</u>	<u>\$ 8,048</u>
Beginning fund balance			23,839	
Ending Fund Balance			<u>\$ 26,887</u>	

GLO Grant				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 154,439	\$ 154,439	\$ 105,756	\$ (48,683)
Total Revenues	<u>154,439</u>	<u>154,439</u>	<u>105,756</u>	<u>(48,683)</u>
Expenditures				
Current:				
General administration	366,243	366,243	199,446	166,797
Total Expenditures	<u>366,243</u>	<u>366,243</u>	<u>199,446</u>	<u>166,797</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(211,804)</u>	<u>(211,804)</u>	<u>(93,690)</u>	<u>118,114</u>
Other Financing Sources (Uses)				
Transfers in	211,804	211,804	93,690	(118,114)
Total Other Financing Sources	<u>211,804</u>	<u>211,804</u>	<u>93,690</u>	<u>(118,114)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning fund balance			-	
Ending Fund Balance			<u>\$ -</u>	

Notes to Supplementary Information:

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

DRAFT

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
For the Year Ended September 30, 2021

Drug Confiscation			
	Original Budget Amounts	Final Budget Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Investment revenue	\$ 100	\$ 50	\$ (2)
Miscellaneous revenue	-	11,198	1
Total Revenues	<u>100</u>	<u>11,248</u>	<u>(1)</u>
Expenditures			
Current:			
Public safety	6,000	24,648	1
Total Expenditures	<u>6,000</u>	<u>24,648</u>	<u>1</u>
Net Change in Fund Balance	<u>\$ (5,900)</u>	<u>\$ (13,400)</u>	<u>\$ -</u>
Beginning fund balance			28,218
Ending Fund Balance			<u>\$ 14,818</u>

Keep Angleton Beautiful			
	Original Budget Amounts	Final Budget Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Investment revenue	\$ 350	\$ 350	\$ (253)
Miscellaneous revenue	29,275	29,275	3,553
Total Revenues	<u>29,625</u>	<u>29,625</u>	<u>3,300</u>
Expenditures			
Current:			
Economic development	82,700	82,700	13,731
Total Expenditures	<u>82,700</u>	<u>82,700</u>	<u>13,731</u>
Net Change in Fund Balance	<u>\$ (53,075)</u>	<u>\$ (53,075)</u>	<u>\$ 17,031</u>
Beginning fund balance			68,419
Ending Fund Balance			<u>\$ 32,375</u>

Notes to Supplementary Information:

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

DRAFT

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
For the Year Ended September 30, 2021

Angleton Act Center				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive Negative
Revenues				
Charges for services	\$ 385,893	\$ 383,493	\$ 335,803	\$ (47,690)
Investment revenue	75	75	140	65
Total Revenues	<u>385,968</u>	<u>383,568</u>	<u>335,943</u>	<u>(47,625)</u>
Expenditures				
Current:				
General administration	1,309,060	1,309,060	1,308,823	237
Total Expenditures	<u>1,459,060</u>	<u>1,462,060</u>	<u>1,308,823</u>	<u>237</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(1,073,092)</u>	<u>(1,078,492)</u>	<u>(972,880)</u>	<u>47,388</u>
Other Financing Sources (Uses)				
Transfers in	825,342	925,342	778,464	(146,878)
Total Other Financing Sources	<u>825,342</u>	<u>925,342</u>	<u>778,464</u>	<u>(146,878)</u>
Net Change in Fund Balance	<u>\$ (247,750)</u>	<u>\$ (153,150)</u>	<u>(194,416)</u>	<u>\$ (41,266)</u>
Beginning fund balance			267,557	
Ending Fund Balance			<u>\$ 73,141</u>	

TIRZ #1 Property Tax				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive Negative
Revenues				
Property taxes	\$ 25,599	\$ 25,599	\$ 21,394	\$ (4,205)
Investment revenue	100	100	32	(68)
Other revenue	6,530	6,530	-	(6,530)
Total Revenues	<u>32,229</u>	<u>32,229</u>	<u>21,426</u>	<u>(10,803)</u>
Expenditures				
Current:				
General administration	32,129	32,129	21,394	10,735
Total Expenditures	<u>32,129</u>	<u>32,129</u>	<u>21,394</u>	<u>10,735</u>
Net Change in Fund Balance	<u>\$ 100</u>	<u>\$ 100</u>	<u>32</u>	<u>\$ (68)</u>
Beginning fund balance			115	
Ending Fund Balance			<u>\$ 147</u>	

Notes to Supplementary Information:

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

DRAFT

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
For the Year Ended September 30, 2021

OBJ Police Grant				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive Negative
Revenues				
Intergovernmental	\$ 55,319	\$ 55,319	\$ 55,320	\$ 1
Total Revenues	<u>55,319</u>	<u>55,319</u>	<u>55,320</u>	<u>1</u>
Expenditures				
Current:				
Public safety	69,877	69,877	69,143	734
Total Expenditures	<u>69,877</u>	<u>69,877</u>	<u>69,143</u>	<u>734</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(14,558)</u>	<u>(14,558)</u>	<u>(13,823)</u>	<u>735</u>
Other Financing Sources (Uses)				
Transfers in	14,558	14,558	14,558	-
Total Other Financing Sources	<u>14,558</u>	<u>14,558</u>	<u>14,558</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>735</u>	<u>\$ 735</u>
Beginning fund balance			28,732	
Ending Fund Balance			<u>\$ 29,467</u>	

Police Donation				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive Negative
Revenues				
Investment revenue	\$ 50	\$ 50	\$ 33	\$ (17)
Miscellaneous revenue	10,000	5,060	5,060	-
Total Revenues	<u>10,050</u>	<u>5,110</u>	<u>5,093</u>	<u>(17)</u>
Expenditures				
Current:				
Public safety	15,000	16,300	16,300	-
Total Expenditures	<u>15,000</u>	<u>16,300</u>	<u>16,300</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (4,950)</u>	<u>\$ (11,190)</u>	<u>(11,207)</u>	<u>\$ (17)</u>
Beginning fund balance			29,269	
Ending Fund Balance			<u>\$ 18,062</u>	

Notes to Supplementary Information:

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

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
For the Year Ended September 30, 2021

Fire Department ESD				Variance with Final Budget Positive (Negative)
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	
Revenues				
Intergovernmental	\$ 290,286	\$ 290,286	\$ 290,286	\$ -
Other revenue	1,116	1,116	243	(873)
Total Revenues	<u>291,402</u>	<u>291,402</u>	<u>290,529</u>	<u>(873)</u>
Expenditures				
Current:				
Public safety	218,045	341,045	273,214	67,831
Total Expenditures	<u>218,045</u>	<u>341,045</u>	<u>273,214</u>	<u>67,831</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>73,357</u>	<u>(49,643)</u>	<u>17,315</u>	<u>66,958</u>
Other Financing Sources (Uses)				
Transfers (out)	(73,357)	(73,357)	(72,240)	1,117
Total Other Financing (Uses)	<u>(73,357)</u>	<u>(73,357)</u>	<u>(72,240)</u>	<u>1,117</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (123,000)</u>	<u>(54,925)</u>	<u>\$ 68,075</u>
Beginning fund balance			143,745	
Ending Fund Balance			<u>\$ 88,820</u>	

Notes to Supplementary Information:

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

DRAFT

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
For the Year Ended September 30, 2021

A/C Donations				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Miscellaneous revenue	\$ 5,950	\$ 15,950	\$ 13,956	\$ (1,994)
Investment revenue	50	50	28	(22)
Total Revenues	6,000	16,000	13,984	(2,016)
Expenditures				
Current:				
General administration	10,000	20,000	3,328	16,672
Total Expenditures	10,000	20,000	3,328	16,672
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	(4,000)	10,656	(14,656)
Other Financing Sources (Uses)				
Transfers in	4,000	4,000	-	(4,000)
Total Other Financing Sources	4,000	4,000	-	(4,000)
Net Change in Fund Balance	\$ -	\$ -	10,656	\$ 10,656
Beginning fund balance			7,887	
Ending Fund Balance			\$ 18,543	

TxDOT Grant				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 11,999	\$ 2,269	\$ (9,730)
Total Revenues	-	11,999	2,269	(9,730)
Expenditures				
Current:				
Public safety	-	15,015	1,577	13,438
Total Expenditures	-	15,015	1,577	13,438
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,016)	692	(3,708)
Other Financing Sources (Uses)				
Transfers in	-	3,016	3,016	-
Total Other Financing Sources	-	3,016	3,016	-
Net Change in Fund Balance	\$ -	\$ -	3,708	\$ 3,708
Beginning fund balance			-	
Ending Fund Balance			\$ 3,708	

Notes to Supplementary Information:

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

DRAFT

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
For the Year Ended September 30, 2021

		Traffic Enforcement			Variance with Final Budget Positive (Negative)
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	
Revenues					
	Intergovernmental	\$ 23,998	\$ 11,999	\$ 5,096	\$ (6,903)
	Total Revenues	<u>23,998</u>	<u>11,999</u>	<u>5,096</u>	<u>(6,903)</u>
Expenditures					
Current:					
	Public safety	10,006	12,510	7,149	5,361
	Total Expenditures	<u>10,006</u>	<u>12,510</u>	<u>7,149</u>	<u>5,361</u>
	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>13,992</u>	<u>(511)</u>	<u>(2,053)</u>	<u>1,542</u>
Other Financing Sources (Uses)					
	Transfers in	6,032	3,016	3,033	17
	Total Other Financing Sources	<u>6,032</u>	<u>3,016</u>	<u>3,033</u>	<u>17</u>
	Net Change in Fund Balance	<u>\$ 20,024</u>	<u>\$ 2,505</u>	<u>980</u>	<u>\$ (1,525)</u>
	Beginning fund balance			-	
	Ending Fund Balance			<u>\$ 980</u>	

		Developer Deposit			Variance with Final Budget Positive (Negative)
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	
Revenues					
	Miscellaneous revenue	\$ 340,876	\$ 340,876	\$ 767,858	\$ 426,982
	Total Revenues	<u>340,876</u>	<u>340,876</u>	<u>767,858</u>	<u>426,982</u>
Expenditures					
Current:					
	General administration	340,876	340,876	115,410	225,466
	Total Expenditures	<u>340,876</u>	<u>340,876</u>	<u>115,410</u>	<u>225,466</u>
	Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>652,448</u>	<u>\$ 652,448</u>
	Beginning fund balance			342,976	
	Ending Fund Balance			<u>\$ 995,424</u>	

Notes to Supplementary Information:

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

DRAFT

CITY OF ANGLETON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
For the Year Ended September 30, 2021

		Generator Grant			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>					
Intergovernmental		\$ -	\$ 137,581	\$ 137,581	\$ -
	Total Revenues	-	137,581	137,581	-
<u>Expenditures</u>					
Current:					
General administration		-	1,809	1,809	-
Public safety		-	22,064	22,064	-
Capital Outlay			113,708	113,708	-
	Total Expenditures	-	22,064	137,581	-
Net Change in Fund Balance		\$ -	\$ 115,517	-	\$ (115,517)
Beginning fund balance				-	
Ending Fund Balance				\$ -	

Notes to Supplementary Information:

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

DRAFT

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, 2021

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive Negative
Revenues				
Property taxes	\$ 959,706	\$ 947,706	\$ 939,015	\$ (8,691)
Investment revenue	1,000	1,000	814	(186)
Total Revenues	<u>960,706</u>	<u>948,706</u>	<u>939,829</u>	<u>(8,877)</u>
Expenditures				
Debt service:				
Principal	2,215,000	2,215,000	1,129,983	1,085,017
Interest and fiscal agent fees	804,846	804,846	471,431	333,415
Total Expenditures	<u>3,019,846</u>	<u>3,019,846</u>	<u>1,601,414</u>	<u>1,418,432</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(2,059,140)</u>	<u>(2,071,140)</u>	<u>(661,585)</u>	<u>1,409,555</u>
Other Financing Sources (Uses)				
Transfers in	2,045,310	2,045,310	635,789	(1,409,521)
Total Other Financing Sources	<u>2,045,310</u>	<u>2,045,310</u>	<u>635,789</u>	<u>(1,409,521)</u>
Net Change in Fund Balance	<u>\$ (13,830)</u>	<u>\$ (25,830)</u>	<u>(25,796)</u>	<u>\$ 34</u>
Beginning fund balance			<u>423,955</u>	
Ending Fund Balance			<u>\$ 398,159</u>	

Notes to Supplementary Information:

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

DRAFT

DRAFT

***CONSOLIDATED SUB-FUND
STATEMENTS***

CITY OF ANGLETON, TEXAS

CONSOLIDATED BALANCE SHEET

GENERAL FUND - SUB-FUNDS

September 30, 2021

	General	Community Events	Capital Lease Purchase	Downtown Revitalization
<u>Assets</u>				
Cash and cash equivalents	\$ 2,669,723	\$ 9,292	\$ 4,081	\$ 11,910
Investments	349,742	-	-	-
Receivables, net	1,298,955	-	-	-
Inventory	142	-	-	-
Prepays	48,095	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Due from other governments	52,507	-	-	-
Due from other funds	620,248	-	-	-
Total Assets	\$ 5,039,412	\$ 9,292	\$ 4,081	\$ 11,910
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 876,797	\$ 8,730	\$ -	\$ -
Unearned revenue	200,000	-	-	-
Total Liabilities	1,076,797	8,730	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	104,282	-	-	-
<u>Fund Balances</u>				
Nonspendable:				
Inventory and prepaids	48,237	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Unassigned	3,810,096	562	4,081	11,910
Total Fund Balances	3,858,333	562	4,081	11,910
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,039,412	\$ 9,292	\$ 4,081	\$ 11,910

DRAFT

<u>Citywide Repairs</u>	<u>2019 C.O. Bonds</u>	<u>City Employee</u>	<u>Total General Fund</u>
\$ 876	\$ -	\$ 6,542	\$ 2,702,424
-	-	-	349,742
-	-	-	1,298,955
-	-	-	142
-	-	-	48,095
-	99,258	-	99,258
-	-	-	52,507
-	-	-	620,248
<u>\$ 876</u>	<u>\$ 99,258</u>	<u>\$ 6,542</u>	<u>\$ 5,171,371</u>
\$ -	\$ 29,749	\$ -	\$ 915,276
-	-	-	200,000
-	29,749	-	1,115,276
-	-	-	104,282
-	-	-	48,237
-	69,509	-	69,509
876	-	6,542	3,834,067
<u>876</u>	<u>69,509</u>	<u>6,542</u>	<u>3,951,813</u>
<u>\$ 876</u>	<u>\$ 99,258</u>	<u>\$ 6,542</u>	<u>\$ 5,171,371</u>

DRAFT

CITY OF ANGLETON, TEXAS
CONSOLIDATED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND - SUB-FUNDS
For the Year Ended September 30, 2021

	General	Community Events	Capital Lease Purchase	Downtown Revitalization
<u>Revenues</u>				
Property taxes	\$ 6,590,804	\$ -	\$ -	\$ -
Franchise fees and local taxes	594,063	-	-	-
Sales taxes	3,416,639	-	-	-
Industrial district agreement	104,170	-	-	-
Permits, licenses, and fees	685,324	-	-	-
Fines and forfeitures	478,290	-	-	-
Charges for services	2,160,449	-	-	-
Intergovernmental	49,048	-	-	-
Investment revenue	9,505	16	-	20
Miscellaneous revenue	79,917	29,720	-	-
Total Revenues	14,168,209	29,736	-	20
<u>Expenditures</u>				
Current:				
General administration	3,964,137	-	-	-
Financial administration	534,962	-	-	-
Public safety	7,580,723	-	-	-
Community services	3,565,174	-	-	-
Economic development	104,952	82,098	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	64,000	-
Interest and fiscal agent fees	-	-	8,240	-
Total Expenditures	15,749,948	82,098	72,240	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,581,739)	(52,362)	(72,240)	20
<u>Other Financing Sources (Uses)</u>				
Transfers in	389,739	36,537	72,240	-
Transfers (out)	(50,034)	-	-	-
Sale of capital assets	36,057	-	-	-
Total Other Financing Sources	375,762	36,537	72,240	-
Net Change in Fund Balances	(1,205,977)	(15,825)	-	20
Beginning fund balances	5,064,310	16,387	4,081	11,890
Ending Fund Balances	\$ 3,858,333	\$ 562	\$ 4,081	\$ 11,910

DRAFT

Citywide Repairs	2019 C.O. Bonds	City Employee	Total General Fund
\$ -	\$ -	\$ -	\$ 6,590,804
-	-	-	594,063
-	-	-	3,416,639
-	-	-	104,170
-	-	-	685,324
-	-	-	478,290
-	-	-	2,160,449
-	-	-	49,048
36	-	15	9,592
-	-	-	109,637
36	-	15	14,198,016
28,106	-	4,049	3,996,292
-	-	-	534,962
-	-	-	7,580,723
-	-	-	3,565,174
-	-	-	187,050
-	903,655	-	903,655
-	-	-	64,000
-	-	-	8,240
28,106	903,655	4,049	16,840,096
(28,070)	(903,655)	(4,034)	(2,642,080)
-	-	-	498,516
-	-	-	(50,034)
-	-	-	36,057
-	-	-	484,539
(28,070)	(903,655)	(4,034)	(2,157,541)
28,946	973,164	10,576	6,109,354
\$ 876	\$ 69,509	\$ 6,542	\$ 3,951,813

CITY OF ANGLETON, TEXAS
CONSOLIDATED STATEMENT OF NET POSITION
UTILITY FUND - SUB-FUNDS
September 30, 2021

	Water	Capital Lease Purchase	Infrastructure	2013 C.O. Bonds
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 1,255,326	\$ 16	\$ -	\$ -
Investments	349,742	-	-	-
Receivables, net	1,118,796	-	-	-
Inventory	60,232	-	-	-
Restricted cash and cash equivalents	-	-	991,920	152,629
Total Current Assets	2,784,096	16	991,920	152,629
Capital assets:				
Nondepreciable	12,891	-	10,140	71,618
Depreciable, net	18,198,906	-	-	367,922
Total Capital Assets				
(Net of Accumulated Depreciation)	18,211,797	-	10,140	439,540
Total Noncurrent Assets	18,211,797	-	10,140	439,540
Total Assets	20,995,893	16	1,002,060	592,169
<u>Deferred Outflows of Resources</u>				
Deferred outflows - pensions	128,673	-	-	-
Deferred outflows - OPEB	17,379	-	-	-
Deferred charge on refunding	42,169	-	-	-
Total Deferred Outflows of Resources	188,221	-	-	-
<u>Liabilities</u>				
Current liabilities:				
Accounts payable and accrued liabilities	549,088	-	-	6,654
Customer deposits	339,475	-	-	-
Accrued interest payable	54,914	-	-	-
Total Current Liabilities	943,477	-	-	6,654
Noncurrent liabilities:				
Long-term debt due within one year	1,140,477	-	-	-
Long-term debt due in more than one year	7,279,876	-	-	-
Total Noncurrent Liabilities	8,420,353	-	-	-
Total Liabilities	9,363,830	-	-	6,654
<u>Deferred Inflows of Resources:</u>				
Deferred inflows - pensions	156,578	-	-	-
Deferred inflows - OPEB	2,459	-	-	-
Total Deferred inflows of Resources	159,037	-	-	-
<u>Net Position</u>				
Net investment in capital assets	10,768,629	-	-	585,515
Restricted for capital projects	-	-	1,002,060	-
Unrestricted	892,618	16	-	-
Total Net Position	\$ 11,661,247	\$ 16	\$ 1,002,060	\$ 585,515

DRAFT

2019 C.O. Bonds	Total Utility Fund
\$ -	\$ 1,255,342
-	349,742
-	1,118,796
-	60,232
2,337,087	3,481,636
<u>2,337,087</u>	<u>6,265,748</u>
5,741,440	5,836,089
<u>-</u>	<u>18,566,828</u>
5,741,440	24,402,917
<u>5,741,440</u>	<u>24,402,917</u>
<u>8,078,527</u>	<u>30,668,665</u>
-	128,673
-	17,379
-	42,169
<u>-</u>	<u>188,221</u>
20,086	575,828
-	339,475
-	54,914
<u>20,086</u>	<u>970,217</u>
248,790	1,389,267
<u>7,809,651</u>	<u>15,089,527</u>
<u>8,058,441</u>	<u>16,478,794</u>
<u>8,078,527</u>	<u>17,449,011</u>
-	156,578
-	2,459
<u>-</u>	<u>159,037</u>
-	11,354,144
-	1,002,060
-	892,634
<u>\$ -</u>	<u>\$ 13,248,838</u>

CITY OF ANGLETON, TEXAS
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
UTILITY FUND - SUB-FUNDS
For the Year Ended September 30, 2021

	Water	Capital Lease Purchase	Infrastructure	2013 C.O. Bonds
<u>Operating Revenues</u>				
Water sales	\$ 3,999,962	\$ -	\$ 161,954	\$ -
Sanitary sewer services	2,391,640	-	156,957	-
Other service fees	391,649	-	-	-
Total Operating Revenues	6,783,251	-	318,911	-
<u>Operating Expenses</u>				
Water distribution	431,588	-	-	-
Water plant operations	923,696	-	-	-
Water purchases	2,154,960	-	-	-
Sewer	268,981	-	-	316
Collection administration	1,745,153	-	-	-
Depreciation	1,038,614	-	-	-
Total Operating Expenses	6,562,992	-	-	316
Operating Income	220,259	-	318,911	(316)
<u>Nonoperating Revenues (Expenses)</u>				
Investment revenue	4,959	-	1	2,448
Interest expense	(303,202)	(22,600)	(115,063)	-
Gain (loss) on sale of capital assets	8,607	-	-	-
Total Nonoperating Revenues (Expenses)	(289,636)	(22,600)	(115,062)	2,448
Income (Loss) Before Transfers	(69,377)	(22,600)	203,849	2,132
<u>Transfers</u>				
Transfers in/ (out)	(358,924)	22,600	-	-
Total Transfers	(358,924)	22,600	-	-
Change in Net Position	(428,301)	-	203,849	2,132
Beginning net position	12,089,548	16	798,211	583,383
Ending Net Position	\$ 11,661,247	\$ 16	\$ 1,002,060	\$ 585,515

DRAFT

2019 C.O. Bonds	Total Utility Fund
\$ -	\$ 4,161,916
-	2,548,597
-	391,649
-	7,102,162
-	431,588
-	923,696
-	2,154,960
-	269,297
-	1,745,153
-	1,038,614
-	6,563,308
-	538,854
2,619	10,027
61,070	(379,795)
-	8,607
63,689	(361,161)
63,689	177,693
222,123	(114,201)
222,123	(114,201)
285,812	63,492
(285,812)	13,185,346
\$ -	\$ 13,248,838

DRAFT