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## Memorandum

**Memorandum No: 24-125**

**Date:** July 12, 2024  
**To:** Honorable Mayor and City Council  
**From:** Ryan Henderson, City Manager  
**Re:** FY2023 Annual Comprehensive Financial Report

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Sara Dempsey of the independent audit firm Weaver and Tidwell, LLC, presented the City's FY2023 audit to the City Council at the June 25, 2024, City Council meeting. Weaver and Tidwell have completed the final ACFR document. Additionally, the 2023 will be made available on the City of Anna website which helps to maintain our Texas Comptroller's Transparency Star for traditional finances.

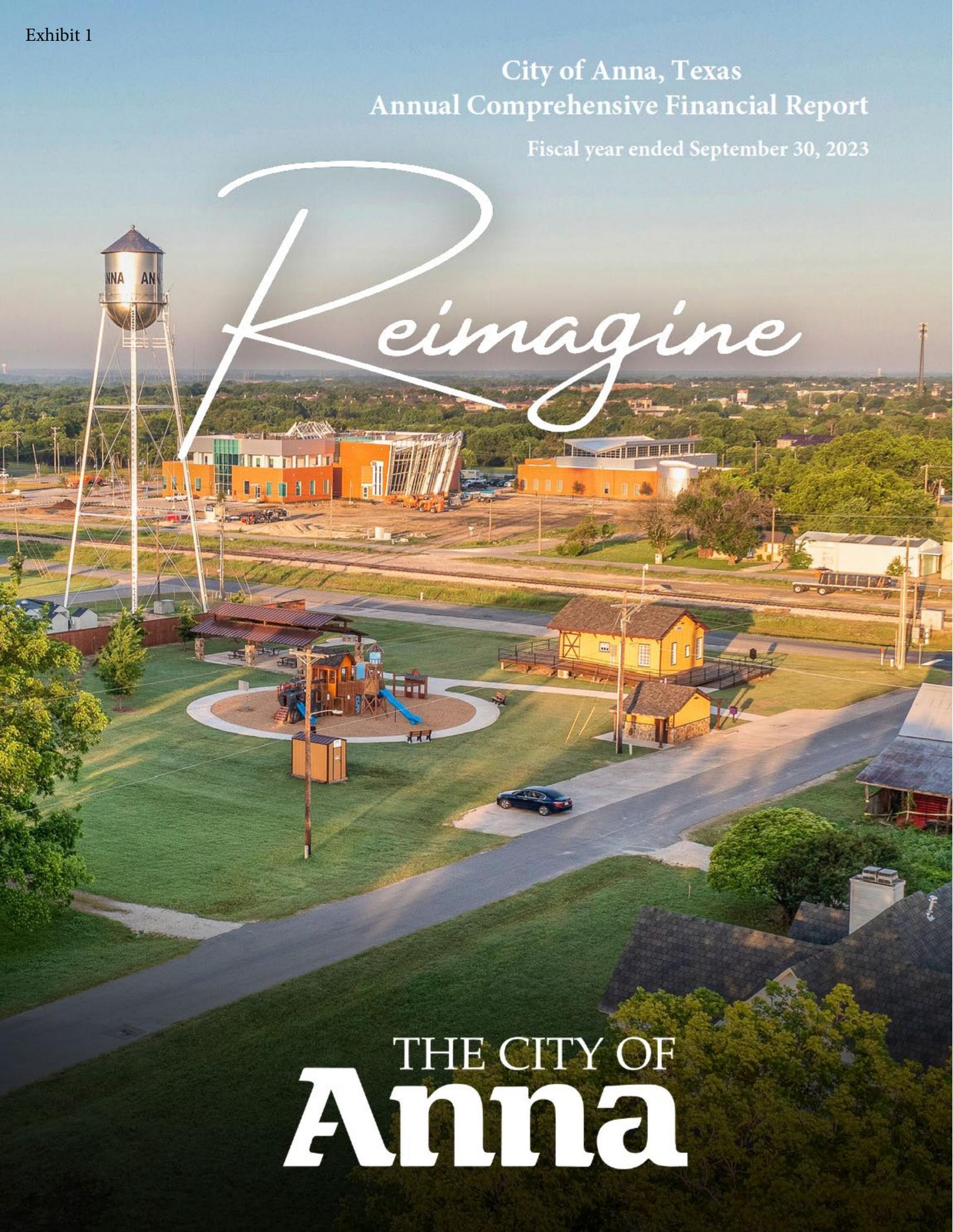
Attachments:

**Exhibit 1 – 2023 Annual Comprehensive Financial Report**

c: Aimee Rae Ferguson, Director of Finance  
Taylor Lough, Assistant City Manager  
Greg Peters, Assistant City Manager  
Management Team

City of Anna, Texas  
Annual Comprehensive Financial Report  
Fiscal year ended September 30, 2023

*Reimagine*



THE CITY OF  
**Anna**

THE CITY OF  
**Anna**

# **City of Anna, Texas**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended September 30, 2023

**Prepared by**

The Finance Department

THE CITY OF  
**Anna**

**City of Anna, Texas**  
 Annual Comprehensive Financial Report  
 For the Fiscal Year Ended September 30, 2023  
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# Introductory Section

THE CITY OF  
**Anna**



July 10, 2024

To the Honorable Mayor and City Council, City Manager,  
Citizens of the City of Anna:

The Annual Comprehensive Financial Report (ACFR) of the City of Anna, Texas, for the fiscal year ended September 30, 2023, including the independent auditor's report, is hereby submitted in accordance with the provisions of Section 7.18, Independent Audit of the City Charter. State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with the generally accepted accounting principles (GAAP) and audited in accordance with generally accepted audited standards by an independent firm of licensed public accountants. This report is published to fulfill those requirements for the fiscal year ended September 30, 2023.

This report is published to provide the Mayor and City Council, city staff, our citizens, representatives of financial institutions, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. Because the cost of internal controls should not outweigh their benefits, the City of Anna's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement.

The City of Anna's financial statements have been audited by Weaver and Tidwell, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## **Profile of the Government**

The City of Anna, incorporated in 1913, is located in north central Collin County on U.S. 75, State Highway 5, and State Highway 121, about 40 miles north of Dallas, and is one of the fastest growing cities in the Dallas/Fort Worth Metroplex. The city currently occupies a land area of approximately 15.6 square miles and services approximately 23,960 residents. The City of Anna is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Anna operates under a home rule charter adopted in 2005, with a Council-Manager form of government. Policy-making and legislative authority are vested in the City Council consisting of the Mayor and six Council members. The City Council is responsible for, among other things, passing ordinances, resolutions, and regulations governing the City as well as adopting the budget which serves as the foundation for financial planning and control. The City Council appoints the City Manager, who has full responsibility for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government and appointing the heads of the various departments. The City Council also appoints the City Attorney, City Secretary, and Municipal Judge. The Council is elected on a non-partisan basis. Council members serve three-year staggered terms.

The City of Anna provides a full range of services, including police and fire protection; municipal court; parks and recreation; water and sewer services; solid waste collection/disposal; and the construction and maintenance of streets and other infrastructure. In addition, the City of Anna is also financially accountable for a legally separate economic development corporation and community development corporation, which are reported separately with the City of Anna's financial statements. Additional information on these legally separate entities can be found in the Notes to the Financial Statements. For the fiscal year ended September 30, 2023, the city had 175.5 budgeted full-time equivalent positions.

## **Financial Information**

City Management is responsible for establishing and maintaining an internal control structure. This structure is designed to provide reasonable, but not absolute, assurance that: (1) City assets are protected from loss, theft or misuse; and (2) City financial records and data are accurate and reliable. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it, and that the evaluation of cost and benefits requires estimates and judgments by management.

The City's accounting records for all governmental funds are maintained on the modified accrual basis of accounting. This method recognizes revenue when it is measurable and available and expenditures when goods or services are received. All proprietary funds are accounted for using the accrual basis of accounting; revenue is recognized when it is earned, and expenses are recognized when they are incurred.

City Council is required to adopt an annual operating budget for the ensuing fiscal year. The annual budget serves as the foundation for the City of Anna's financial planning and control. All departments of the City of Anna are required to submit a budget that maintains current service levels and new requests separately to the City Manager. The City Manager and Budget Manager then use these requests as the starting point for developing a proposed budget. The City Manager and Budget Manager then present a proposed budget to the Council for review no later than August 15. The Council is required to hold a public hearing on the proposed budget and to adopt the final budget no later than September 20.

The appropriated budget is prepared by fund and department (e.g., police). Transfers between funds must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council. Expenditures within each fund will remain within each department's original appropriation unless a budget adjustment is approved by the City Manager. Transfers between expenditure accounts in one department may occur with the approval of the Budget Manager. Transfers between operating departments may occur with the approval of the City Manager.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statement for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of the report.

### **Long-Term Financial Planning**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Anna operates. As part of the annual budget, the City of Anna publishes a 5-year financial plan for the General and Utility Funds that provides the basis for our future forecasting, the need for debt issuance, and for the future maintenance and operations of the city.

### **Local Economy**

The City of Anna's economic outlook remains strong. This is demonstrated with local economic indicators such as a significant increase in tax appraisal values and continued sales tax growth. Residential and commercial growth remains strong in the City of Anna. In FY2023, the city issued 859 single family building permits and 30 commercial building permits.

The Anna Economic Development Corporation (EDC) works in cooperation with the Community Development Corporation to coordinate efforts that expand the city's business tax base with a focus on creating primary jobs within the City of Anna. The corporations have provided incentives that resulted in much of the retail development that has occurred in Anna since 2008. The EDC was instrumental in the recruitment of Walmart, Home Depot, Chick-fil-A, and Walgreens as local retail shopping options for the city.

Anticipated growth is expected to continue for the north Collin County region. This has improved the overall connectivity and mobility to and within Anna, but also will bring continued growth and new development.

**Major Initiatives**

The City Council and City staff continue to work to ensure completion of ongoing projects that will provide infrastructure improvements to the City of Anna. The city meets regularly with governmental partners including Collin County, Texas Department of Transportation (TxDOT) and the North Central Texas Council of Governments (NCTCOG) to review the City’s transportation priorities and to discuss opportunities to partner on future projects. The city also continues to use developer incentives and agreements to improve other critical roadways within the city.

On May 1, 2021, Anna voters approved \$58 million in a general obligation bond program to construct new city facilities to continue to provide quality services to the citizens. To minimize the effect of the tax burden, the city chose to complete the bond issuances over several years beginning in 2021. In 2022, the city issued \$34 million in bonds with the final \$15 million bond issuance took place in 2023. The proceeds from these bond issuances are being used to fund the design and construction of a new fire station, library, and park projects.

Construction began in 2023 on Fire Station No. 2 and is expected to open in Summer 2024. Fire Station No. 2 is being built on the west side of US-75 to serve new residential and commercial growth in the area. Spring 2024 saw construction begin on the library/community center that will be part of the municipal campus adjacent to the Municipal Complex and the Central Fire Station and help to anchor the new downtown. Bond issuance proceeds are also being used for multiple park projects. Slayter Creek Park is one such project. Park improvements at Slayter Creek include an updated splash pad, skatepark, lighting, fitness courts, updated sports courts for pickleball and basketball and parking lot improvements.

In 2022, the city also issued \$65 million in Certificates of Obligation to construct a new wastewater treatment plant, which will significantly expand the city’s ability to collect and treat wastewater as required for new development west of US 75.

The plant is currently under construction, and a 0.5 million gallon per day temporary treatment plant is planned to be in use at the site in 2025. The city will utilize the new plant to treat wastewater for its own residents, as well as provide regional wholesale treatment services for the cities of Van Alstyne, Weston and for various water districts in the area.

Overall, the City of Anna’s Capital Improvement Program (CIP) is a comprehensive multi-year road map for the planning, development, and construction of important assets for the betterment of the community. Additional information related to capital improvement program and funding for those improvements, can be found in the City of Anna’s annual budget book.

## Acknowledgements

The presentation of this report could not have been accomplished without the expertise, commitment, and tenacity of the entire staff of the Finance Department. We would like to thank all the departments for their assistance in providing the information necessary to prepare this report. We would also like to thank the Mayor and the City Council for their continued interest and support for maintaining the highest standards of professionalism in the management of the City of Anna's financial operations.

Respectfully submitted,



Aimee Rae Ferguson  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Anna  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

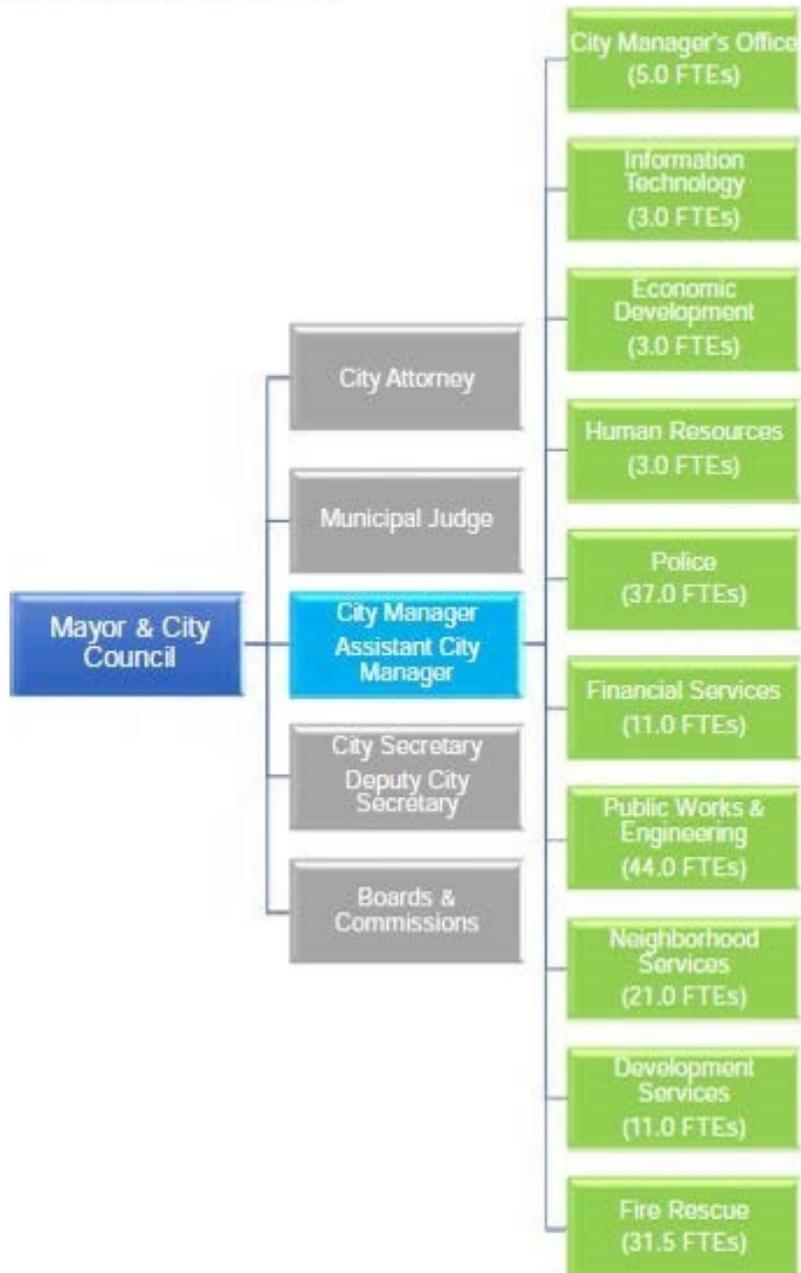
*Christopher P. Morill*

Executive Director/CEO

CITY OF ANNA  
ORGANIZATION CHART

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City of Anna, Texas  
City Officials Organization Chart



**City of Anna, Texas**  
Elected Officials and Management  
September 30, 2023

City Council

Nate Pike	Mayor
Kevin Toten	Place 1
Pete Cain	Place 2
Stan Carver II	Place 3
Randy Atchley	Place 4 – Deputy Mayor Pro-Tem
Elden Baker	Place 5
Lee Miller	Place 6 – Mayor Pro-Tem

City Management

Ryan Henderson	City Manager
Taylor Lough	Assistant City Manager
Greg Peters, PE	Assistant City Manager
Clark McCoy	City Attorney
Carrie Land	City Secretary
Ross Altobelli	Director of Development Services
Stephanie Beitelschies	Director of Human Resources
Terri Doby	Budget Manager
Aimee Rae Ferguson	Director of Finance
Joey Grisham	Economic Development Director
Dean Habel	Chief of Police
Ray Isom	Fire Chief
Frances La Rue	Public Affairs Manager
Marc Marchand	Director of Recreation & Library Services
Kevin Martin	Community Enhancement & Compliance Manager
Steven Smith	Public Works Director
Chris Talbot	IT Manager

# **Financial Section**

THE CITY OF  
**Anna**

## Independent Auditor's Report

The Honorable Mayor  
and Members of the City Council of the  
City of Anna, Texas

### Report on the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Anna, Texas (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter

As discussed in Note 15 to the basic financial statements, the City restated beginning net position. Our opinions are not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

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

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

The Honorable Mayor  
and Members of the City Council of the  
City of Anna, Texas

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Mayor  
and Members of the City Council of the  
City of Anna, Texas

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules 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 accompanying combining and individual fund financial statements and schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

**Other Information Included in the Annual Comprehensive Financial Report (ACFR)**

Management is responsible for the other information included in the ACFR. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

Weaver and Tidwell, L.L.P.

Dallas, Texas  
July 10, 2024

THE CITY OF  
**Anna**

## Management's Discussion and Analysis

As management of the City of Anna, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information contained in this report.

### **Financial Highlights**

- The City's total combined net position was \$265,306,516 at September 30, 2023. Of this, \$19,936,562 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City had an overall increase in net position of \$61,498,257. The increase is primarily a result of an increase of capital grants and contributions of \$37,543,640, investment income of \$7,315,835 and property taxes of \$3,314,082.
- On a government-wide basis, the City's total liabilities increased by \$112,189,552. The increase in liabilities is primarily a result of the issuance of governmental activities general obligation bonds totaling \$47,395,000 and the issuance of business-type activities certificates of obligation totaling \$64,845,000.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$82,683,088, an increase of \$44,342,841. This increase is largely due to the bond proceeds of the general obligation bonds totaling \$47,395,000.
- As of the end of the year, the unassigned fund balance of the General Fund was \$13,766,350 or 70% of total General Fund expenditures.

### **Overview of the Financial Statements**

The discussion and analysis provided here is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to 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 financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred inflows of resources, deferred outflows of resources, liabilities, and 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 non-financial 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.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal 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. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, and economic development. The business-type activities of the City include water, sewer, and sanitation operations.

## **FUND FINANCIAL STATEMENTS**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and a fiduciary fund.

### **Governmental Funds**

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

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

The City maintains seventeen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Debt Service Fund, and PID Capital Projects Fund, which are all considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its General Fund and Debt Service Fund. General Fund budget amendments increased revenue by \$163,100 and decreased expenditures by \$433,638. The increase in revenues was related to re-estimates for sales taxes due to greater than expected performance. The decrease in expenditures was primarily due to decreased culture and recreation costs due to a decrease in payroll costs.

## **Proprietary Funds**

The City's proprietary funds are enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm water, solid waste collection services, wastewater treatment operations, and Public Facility Corporation. All activities associated with providing water, sewer, storm water, solid waste collection services, and wastewater treatment services are accounted for in the utility fund, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that the costs of providing the services to the general public on a continuing basis is financed through charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility Fund, which is considered a major fund of the City, and the Public Facility Corporation.

## **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is like that used for proprietary funds. The City has one fiduciary fund, the PID Custodial Fund.

## **Component Units**

The City maintains the accounting and financial statements for its component units. The Anna Community Development Corporation, Anna Economic Development Corporation and Anna Housing Finance Corporation are discretely presented component units. The Anna Public Facility Corporation is a blended component unit.

## **Notes to Financial Statements**

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

## **Other Information**

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the General Fund, schedule of changes in the net pension liability and related ratios, schedule of employer contributions for the Texas Municipal Retirement System (TMRS), schedule of changes in the Total OPEB liability and related ratios, and schedule of OPEB contributions for TMRS. RSI can be found after the basic financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Anna, net position was \$265,306,516 as of September 30, 2023, in the primary government.

The largest portion of the City's net position, \$203,545,363, reflects its investments in capital assets (e.g., land, park improvements, buildings, furniture and fixtures, streets, drainage, machinery and equipment, etc.), 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.

The following table reflects the condensed Statement of Net Position:

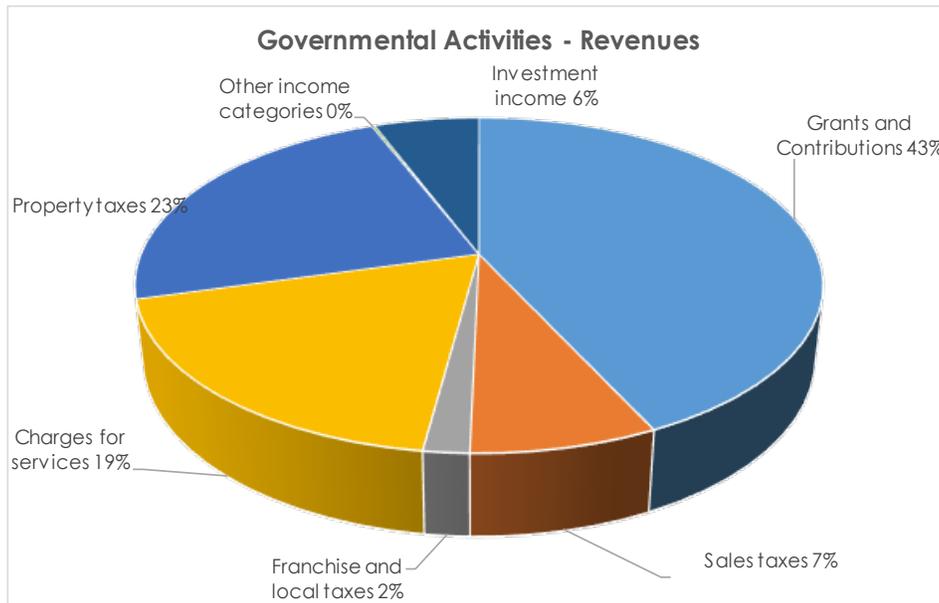
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 50,130,798	\$ 31,387,255	\$ 16,684,327	\$ 12,367,800	\$ 66,815,125	\$ 43,755,055
Restricted assets	42,567,695	18,648,412	82,551,710	31,677,216	125,119,405	50,325,628
Capital assets, net	152,797,393	117,492,023	113,985,482	71,764,395	266,782,875	189,256,418
<b>Total assets</b>	<b>245,495,886</b>	<b>167,527,690</b>	<b>213,221,519</b>	<b>115,809,411</b>	<b>458,717,405</b>	<b>283,337,101</b>
Deferred outflows of resources	2,568,680	1,252,567	551,473	317,366	3,120,153	1,569,933
Current liabilities	9,920,742	10,892,477	8,001,158	6,470,969	17,921,900	17,363,446
Noncurrent liabilities	96,066,717	44,741,231	80,410,648	20,105,036	176,477,365	64,846,267
<b>Total liabilities</b>	<b>105,987,459</b>	<b>55,633,708</b>	<b>88,411,806</b>	<b>26,576,005</b>	<b>194,399,265</b>	<b>82,209,713</b>
Deferred inflows of resources	519,124	1,062,108	1,612,653	1,728,941	2,131,777	2,791,049
Net position:						
Net investment in capital assets	111,235,486	81,252,418	92,309,877	50,471,921	203,545,363	131,724,339
Restricted	17,188,894	19,668,553	24,635,697	31,677,216	41,824,591	51,345,769
Unrestricted	13,133,603	11,163,470	6,802,959	5,672,694	19,936,562	16,836,164
<b>Total net position</b>	<b>\$ 141,557,983</b>	<b>\$ 112,084,441</b>	<b>\$ 123,748,533</b>	<b>\$ 87,821,831</b>	<b>\$ 265,306,516</b>	<b>\$ 199,906,272</b>

**Statement of Activities:**

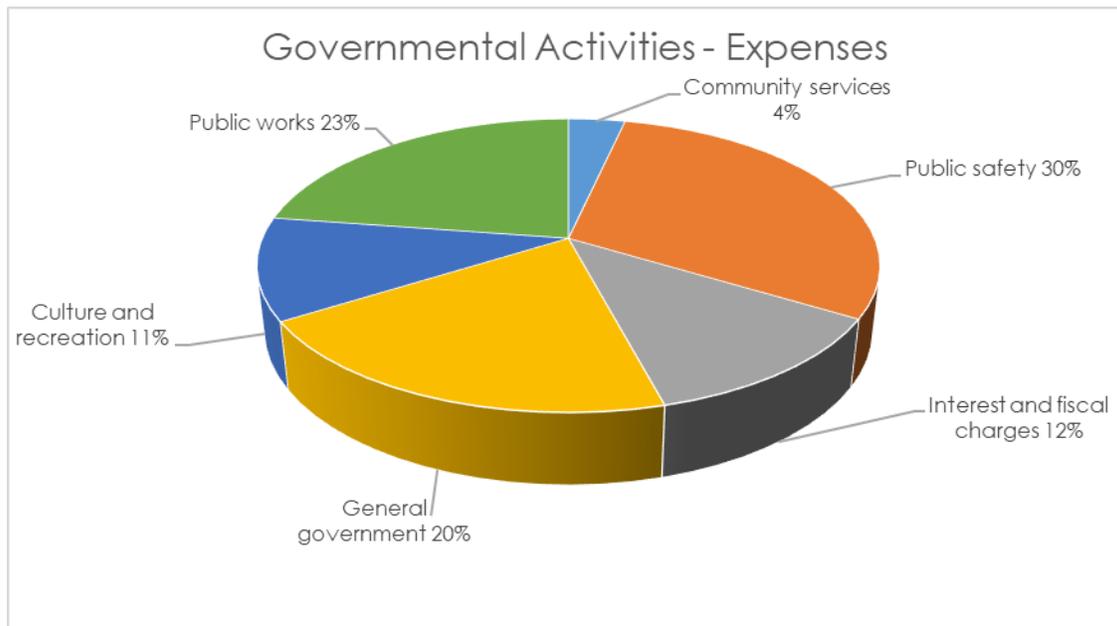
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 10,851,685	\$ 13,506,981	\$ 31,388,605	\$ 28,539,413	\$ 42,240,290	\$ 42,046,394
Operating grants and contributions	437,051	75,963	-	-	437,051	75,963
Capital grants and contributions	24,639,756	8,977,439	26,007,213	4,125,890	50,646,969	13,103,329
General revenues:						
Property taxes	13,553,404	10,239,322	-	-	13,553,404	10,239,322
Sales taxes	4,345,553	3,847,911	-	-	4,345,553	3,847,911
Franchise and local taxes	1,063,275	888,723	-	-	1,063,275	888,723
Investment income	3,444,880	244,855	4,352,474	236,664	7,797,354	481,519
Other revenue	98,315	189,079	173,910	-	272,225	189,079
Total revenues	58,433,919	37,970,273	61,922,202	32,901,967	120,356,121	70,872,240
Expenses:						
General government	6,641,449	5,226,176	-	-	6,641,449	5,226,176
Public safety	9,893,153	9,915,219	-	-	9,893,153	9,915,219
Culture and recreation	3,699,579	2,550,873	-	-	3,699,579	2,550,873
Public works	7,110,793	3,303,741	-	-	7,110,793	3,303,741
Community services	1,150,424	1,211,897	-	-	1,150,424	1,211,897
Interest and fiscal charges	4,008,129	1,483,176	-	-	4,008,129	1,483,176
Water, sewer, & sanitation	-	-	26,319,170	16,353,389	26,319,170	16,353,389
Public Facility Corporation	-	-	35,167	-	35,167	-
Total expenses	32,503,527	23,691,082	26,354,337	16,353,389	58,857,864	40,044,471
Change in net position before transfers	25,930,392	14,279,191	35,567,865	16,548,578	61,498,257	30,827,769
Transfers	3,920,200	-	(3,920,200)	-	-	-
Total transfers	3,920,200	-	(3,920,200)	-	-	-
Change in net position	29,850,592	14,279,191	31,647,665	16,548,578	61,498,257	30,827,769
Net position, beginning, as restated	111,707,391	97,805,250	92,100,868	71,273,253	203,808,259	169,078,503
<b>Net position, ending</b>	<b>\$ 141,557,983</b>	<b>\$ 112,084,441</b>	<b>\$ 123,748,533</b>	<b>\$ 87,821,831</b>	<b>\$ 265,306,516</b>	<b>\$ 199,906,272</b>

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

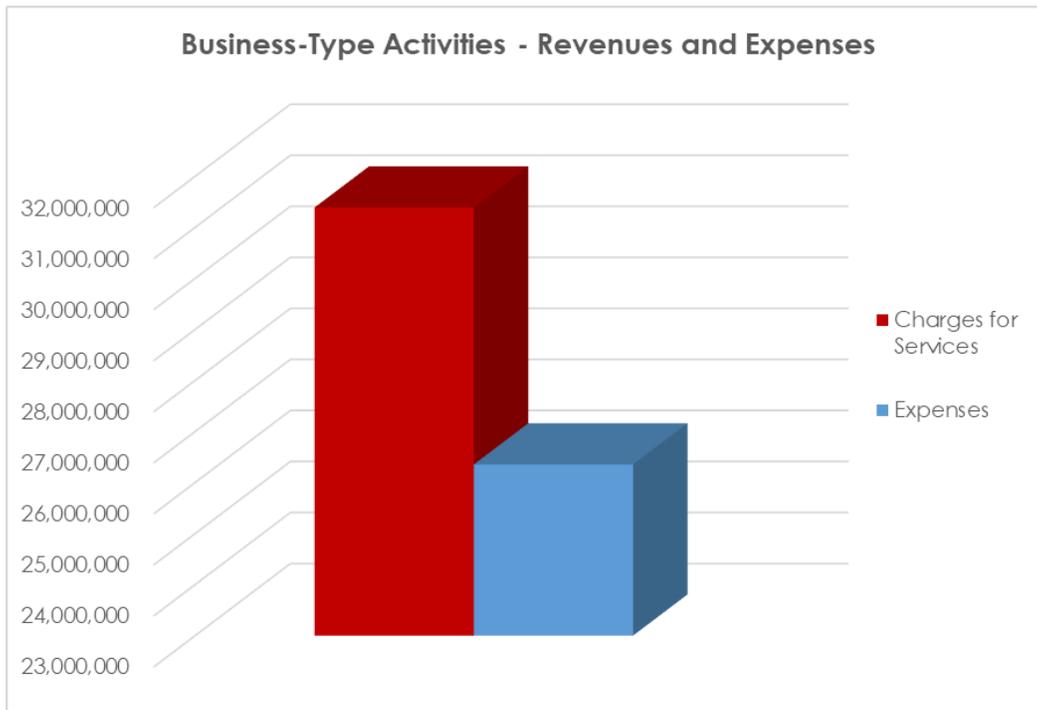


For the year ended September 30, 2023, revenues from governmental activities totaled \$58,433,919. Capital grants and contributions, property taxes, and charges for services are the City's largest revenue sources. Capital grants and contributions increased by \$15,662,317 or 174% when compared to prior year mainly due to an increase in contributed capital relating to streets. Property taxes increased by \$3,314,082 or 32% due to an increase in overall assessed property values. Charges for services decreased by \$2,655,296 or 20% mainly due to a decrease in park development activity. The following graph shows the governmental function expenses of the City:



For the year ended September 30, 2023, expenses for governmental activities totaled \$32,503,527. This represents an increase of \$8,812,445 or 37% from the prior year. The City's largest increases were in public works of \$3,807,052 or 115%, due to costs associated with increased developer incentive payments and in interest and fiscal charges of \$2,524,953 or 170%, due to interest and issuance costs associated with new bond issuances during the year.

Business-type activities are shown comparing operating costs to revenues generated by related services.



For the year ended September 30, 2023, charges for services by business-type activities totaled \$31,388,605. This is an increase of \$2,849,192 or 10% from the previous year. This increase in revenues is related to an increase in water and sewer rates and an increase of new customers due to population growth within the City. Expenses totaled \$26,354,337, which was an increase of \$10,000,948, or 61% due to an increase in purchases of sewer services from North Texas Municipal Water District (NTMWD) and water purchases from Greater Texoma Utility Authority (GTUA).

### 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 of 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.

As of September 30, 2023, the General Fund reflected a total fund balance of \$13,853,231. Of this, \$13,832 is considered restricted for parks and \$73,049 is nonspendable prepaids. Unassigned fund balance totaled \$13,766,350 as of year-end. The General Fund saw a significant increase in property taxes when compared to the prior year. This directly relates to the addition of new properties to the tax roll, as well as an increase in property values.

The Capital Projects Fund had an ending fund balance of \$46,667,861 at year-end, or an increase of \$37,651,010, due to bond proceeds of \$47,395,000 and related premiums of \$2,475,096 offset by capital outlay of \$12,661,898.

The Debt Service Fund had an ending fund balance of \$334,539 at year-end, or an increase of \$252,245, due primarily to an increase in property values.

The PID Capital Projects Fund had an ending fund balance of \$6,621,738 at year-end, or a decrease of \$1,350,044, due to expenditures for capital improvements in the current year.

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

## **CAPITAL ASSETS**

As of the end of the year, the City's governmental activities had invested \$152,797,393 in a variety of capital assets and infrastructure, net of accumulated depreciation and amortization. The City's business-type activities had invested \$113,985,482 in a variety of capital assets and infrastructure, net of accumulated depreciation and amortization. More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

## **LONG-TERM DEBT**

At September 30, 2023, the City had total bonds and certificates, right-to-use lease and subscription liabilities, and financed purchases outstanding of \$166,205,255. During the year, the City made payments on long-term debt totaling \$2,032,724. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

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

The economy remains strong for the City of Anna and the North Texas region. Collin County is the 3<sup>rd</sup> fastest growing county in the United States and Anna has become one of the fastest growing communities in the county. The City continues to focus on economic development and working toward providing a balanced community. The City is taking a more proactive and aggressive approach to economic development with its business recruitment efforts, as well as continued development of residential housing options. Over the past several years, Anna has added more than 80 new businesses and has completed agreements for both commercial and residential projects that have invested over \$3 billion in the community. In addition, the City continues to conservatively manage its budget.

The fiscal year 2022-2023 budget reflects the commitment of the City Council and staff to focus on enhancing the quality of existing services to our neighbors and respond to our city's continuing growth and development, while maintaining a strong financial position.

The City has continued to see healthy growth in the value of existing properties as well as increases in new value. For the tax year 2022, the City saw existing property values increase just over 43% and \$291,646,044 in new value was added to the tax roll. For the 2023 tax year, the City saw existing property values increase just over 31% and \$435,188,525 in value was added to the tax roll. The City should continue to see appreciation in the value of existing properties and additional value will continue to be added to the tax roll, because of new residential and commercial construction in the near term. There are currently eight multifamily developments under construction in Anna representing over 2,000 units and over \$400 million in capital investment, and a new 30,000 square foot medical office building housing over ten medical specialists was completed in the summer of 2023. Megatel is also constructing a 2.3-acre crystal lagoon project that will include over 2,000 single-family homes, 600 multifamily units, and over 50,000 square feet of entertainment/commercial space.

The City Council decreased the FY 2023 tax rate from the FY 2022 rate of \$0.569500 per \$100 in valuation to \$0.539750 per \$100 in valuation, above the "no-new-revenue-rate" (\$0.464098) as well as the "voter-approval-rate" (\$0.533333), but below the "de minimis rate" (\$0.540967). The Texas Property Tax Reform and Transparency Act of 2019, also known as Senate Bill 2, compresses the capability of a local government to generate revenue and provide services by lowering the tax rate a city can adopt without a mandatory election. SB 2 also changed the way property tax rates are calculated, made changes to the appraisal process, and reduced the previously called "rollback rate" of 8% to 3.5% and renamed it the "voter-approval rate". This change capped the amount of increase in property tax revenue that a city can collect from year to year without voter approval at an election. This Bill will continue to impact growing cities such as Anna into the future.

As the City begins to see the impact of the reduction of the amount of property tax a city can levy, sales tax will become increasingly important for growing communities. Sales tax was up approximately 13% in FY 2023 due to the continued growth of retail commercial establishment and population growth in the city. Sales tax is budgeted at \$6.75 million for FY2023-2024. FY2022-2023, saw the addition of retail establishments Salad-n-Go, 3 Nations Brewery, Texas Roadhouse, and Dairy Queen to name a few, come to the city. Several medical offices opened in Anna as well including Baylor Scott & White Outpatient Physical Therapy and Dallas Pain Institute.

The growth in both sales tax and taxable value of real property corresponds to a significant increase in residential growth and population over the last several years. According to the most recent population estimates published by the North Central Texas Council of Governments, the City of Anna's population as of January 1, 2023 was 23,960. This is an increase of 42% from the 2020 US Census of 16,896.

The City's continued high growth in population will be key to attracting additional commercial and retail businesses the City lacks and needs in order to sustain the City into the future to provide the funding for expenditures needed in a rapidly growing community.

Furthermore, with the growth in population comes a proportional increase in demand for municipal services that are funded primarily by property taxes. As stated previously, to fund the FY 2023 budget, the City adopted a tax rate of \$0.53975 per \$100 valuation which is lower than the tax rate adopted in FY 2022. When compared with other cities in our area, the City of Anna has one of the lowest per-capita property tax levies.

Rapid population growth has also resulted in significant infrastructure investment in the City's water and sewer system. The City works closely with its financial advisor, Hilltop Securities, to develop and manage a thorough debt management plan for the Water and Sewer Fund.

The City of Anna, along with the cities of Melissa, Van Alstyne, and Howe, belongs to a strategic alliance called the Collin Grayson Municipal Alliance (CGMA). The alliance (CGMA) purchases treated surface water from the North Texas Municipal Water District (NTMWD) through a contract with the Greater Texoma Utility Authority (GTUA). The CGMA purchases a minimum take or pay (MT/P) allocation of water through GTUA from NTMWD. Currently, each city is responsible for the percentage of the total MT/P amount that corresponds to the total amount of water each city uses.

This treated surface water supplements the City's water supply especially during the summer months when water consumption is highest. As our population has grown and water demand has increased, we have been required to increasingly supplement our well water with treated surface water. As we have forecasted consumption and production of our wells, it appears that the CGMA as a group will likely exceed the MT/P allocation in FY 2023. When this happens, MT/P amount will reset at the new consumption level, and the City of Anna will be responsible for the cost of all the water we consume above the current MT/P amount.

Due to this continued increase in water costs, treatment and transportation costs, the growing needs for infrastructure improvements and additions, as well as staffing needs, the City utilized NewGen Strategies & Solutions, a water rate consultant in FY 2020. As a result, the City Council has adopted a rate model and approved a rate increase for FY 2021, FY 2022, and FY 2023 as well as a long-range rate plan and capital improvement model. Actual increases will have to be approved each year by City Council as part of the annual budget process.

The City of Anna's budget continues to be impacted by both moderately strong growth and conservative fiscal management. The 2023-2024 budget reflects the efforts of the governing body and city staff to address the need to provide services to support our growing community.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City of Anna's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the Director of Finance, 120 W. 7<sup>th</sup> Street, Anna, Texas 75409.

# **Basic Financial Statements**

THE CITY OF  
**Anna**

**City of Anna, Texas**  
**Statement of Net Position**  
**September 30, 2023**

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Community Development Corporation	Economic Development Corporation	Housing Finance Corporation
<b>ASSETS</b>						
Cash and cash equivalents	\$ 32,897,888	\$ 13,110,214	\$ 46,008,102	\$ 8,673,476	\$ 882,310	\$ 645,618
Investments	15,102,323	-	15,102,323	-	4,583,000	-
Receivables, net	1,765,602	3,270,236	5,035,838	516,437	-	-
Due from other governments	244,529	-	244,529	-	-	-
Inventories	-	300,517	300,517	-	-	-
Prepays	120,456	3,360	123,816	-	-	-
Restricted assets:						
Restricted cash and cash equivalents	40,402,872	82,551,710	122,954,582	-	-	-
Restricted investments	2,164,823	-	2,164,823	-	-	-
Capital assets:						
Non-depreciable	48,390,249	31,146,199	79,536,448	-	40,346	1,443,404
Net depreciable capital assets	104,407,144	82,839,283	187,246,427	-	375,550	-
Total assets	245,495,886	213,221,519	458,717,405	9,189,913	5,881,206	2,089,022
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred loss on bond refunding	-	62,397	62,397	-	-	-
Deferred outflows - pension	2,535,846	482,824	3,018,670	72,837	-	-
Deferred outflows - OPEB	32,834	6,252	39,086	943	-	-
Total deferred outflows of resources	2,568,680	551,473	3,120,153	73,780	-	-
<b>LIABILITIES</b>						
Accounts payable and other liabilities	5,727,661	5,039,794	10,767,455	16,643	4,095	18,050
Accrued salaries	350,242	81,692	431,934	15,501	-	-
Customer deposits	-	1,606,082	1,606,082	-	-	-
Unearned revenue	3,373,552	839,909	4,213,461	-	-	3,750
Due to other governments	-	17,309	17,309	-	-	-
Accrued interest payable	469,287	416,372	885,659	11,527	-	-
Noncurrent liabilities:						
Due within one year	1,378,317	2,210,257	3,588,574	115,000	-	-
Due in more than one year	94,688,400	78,200,391	172,888,791	2,368,803	-	-
Total liabilities	105,987,459	88,411,806	194,399,265	2,527,474	4,095	21,800
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows - leases	445,747	-	445,747	-	-	-
Deferred inflows - land agreements	-	1,598,682	1,598,682	-	-	1,419,104
Deferred inflows - pension	1,780	339	2,119	51	-	-
Deferred inflows - OPEB	71,597	13,632	85,229	2,056	-	-
Total deferred inflows of resources	519,124	1,612,653	2,131,777	2,107	-	1,419,104
<b>NET POSITION</b>						
Net investment in capital assets	111,235,486	92,309,877	203,545,363	-	415,896	1,443,404
Restricted for:						
Water and sewer improvements	-	24,635,697	24,635,697	-	-	-
Capital projects	16,541,969	-	16,541,969	-	-	-
Culture and recreation	13,832	-	13,832	-	-	-
Public safety	456,019	-	456,019	-	-	-
Federal grants	177,074	-	177,074	-	-	-
Community and economic development	-	-	-	6,734,112	5,461,215	-
Unrestricted	13,133,603	6,802,959	19,936,562	-	-	(795,286)
<b>TOTAL NET POSITION</b>	<b>\$ 141,557,983</b>	<b>\$ 123,748,533</b>	<b>\$ 265,306,516</b>	<b>\$ 6,734,112</b>	<b>\$ 5,877,111</b>	<b>\$ 648,118</b>

The Notes to Financial Statements are an integral part of this statement.

**City of Anna, Texas**  
Statement of Activities  
For the Fiscal Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental activities:				
General government	\$ 6,641,449	\$ 6,888,879	\$ -	\$ 11,987,545
Culture and recreation	3,699,579	1,327,100	-	-
Community services	1,150,424	154,691	-	-
Public safety	9,893,153	48,220	437,051	-
Public works	7,110,793	2,432,795	-	12,652,211
Interest and fiscal charges	4,008,129	-	-	-
Total governmental activities	32,503,527	10,851,685	437,051	24,639,756
Business-type activities:				
Water and sewer	26,319,170	30,692,985	-	21,782,213
Public Facility Corporation	35,167	695,620	-	4,225,000
Total business-type activities	26,354,337	31,388,605	-	26,007,213
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 58,857,864</b>	<b>\$ 42,240,290</b>	<b>\$ 437,051</b>	<b>\$ 50,646,969</b>
Component units				
Governmental activities:				
Community Development Corporation	\$ 1,586,558	\$ -	\$ -	\$ -
Economic Development Corporation	786,498	-	302,010	-
	2,373,056	-	302,010	-
Business-type activities:				
Housing Finance Corporation	18,383	109,580	-	-
Total component units	\$ 2,391,439	\$ 109,580	\$ 302,010	\$ -
General revenues:				
Property taxes				
Sales taxes				
Franchise and local taxes				
Investment income				
Miscellaneous revenue				
Transfers				
Total general revenues				
Change in net position				
Net position, beginning, as restated				
<b>NET POSITION, ENDING</b>				

The Notes to Financial Statements are an integral part of this statement.

<b>Net (Expense) Revenue and Changes in Net Position</b>					
<b>Primary Government</b>			<b>Component Units</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Community Development Corporation</b>	<b>Economic Development Corporation</b>	<b>Housing Finance Corporation</b>
\$ 12,234,975	\$ -	\$ 12,234,975			
(2,372,479)	-	(2,372,479)			
(995,733)	-	(995,733)			
(9,407,882)	-	(9,407,882)			
7,974,213	-	7,974,213			
(4,008,129)	-	(4,008,129)			
3,424,965	-	3,424,965			
-	26,156,028	26,156,028			
-	4,885,453	4,885,453			
-	31,041,481	31,041,481			
3,424,965	31,041,481	34,466,446			
			\$ (1,586,558)	\$ -	\$ -
			-	(484,488)	-
			(1,586,558)	(484,488)	-
			-	-	91,197
			(1,586,558)	(484,488)	91,197
13,553,404	-	13,553,404	-	-	-
4,345,553	-	4,345,553	2,607,332	-	-
1,063,275	-	1,063,275	-	-	-
3,444,880	4,352,474	7,797,354	55,029	140,168	6,404
98,315	173,910	272,225	-	1,476	-
3,920,200	(3,920,200)	-	-	-	-
26,425,627	606,184	27,031,811	2,662,361	141,644	6,404
29,850,592	31,647,665	61,498,257	1,075,803	(342,844)	97,601
111,707,391	92,100,868	203,808,259	5,658,309	6,219,955	550,517
\$ 141,557,983	\$ 123,748,533	\$ 265,306,516	\$ 6,734,112	\$ 5,877,111	\$ 648,118

# City of Anna, Texas

## Balance Sheet - Governmental Funds

September 30, 2023

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>PID Capital Projects</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,769,339	\$ 376,682	\$ 334,539	\$ -
Investments	-	15,102,323	-	-
Receivables, net	1,725,240	-	31,364	-
Due from other governments	-	244,529	-	-
Prepays	73,049	-	-	-
Restricted cash	537,413	33,036,193	-	6,561,576
Restricted investments	-	-	-	2,164,823
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u>\$ 15,105,041</u>	<u>\$ 48,759,727</u>	<u>\$ 365,903</u>	<u>\$ 8,726,399</u>
<b>LIABILITIES</b>				
Accounts payable and other liabilities	\$ 368,982	\$ 2,091,866	\$ -	\$ 2,104,661
Accrued salaries	350,242	-	-	-
Unearned revenue	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	719,224	2,091,866	-	2,104,661
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	86,839	-	31,364	-
Deferred inflows - leases	445,747	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total deferred inflows of resources	532,586	-	31,364	-
<b>FUND BALANCES</b>				
Nonspendable				
Prepays	73,049	-	-	-
Restricted for:				
Culture and recreation	13,832	-	-	-
Debt service	-	-	334,539	-
Public safety	-	-	-	-
Federal grants	-	-	-	-
Capital projects	-	46,481,456	-	6,621,738
Assigned for:				
Capital projects	-	186,405	-	-
Unassigned	13,766,350	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	13,853,231	46,667,861	334,539	6,621,738
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<u>\$ 15,105,041</u>	<u>\$ 48,759,727</u>	<u>\$ 365,903</u>	<u>\$ 8,726,399</u>

The Notes to Financial Statements are an integral part of this statement.

<b>Nonmajor Governmental</b>	<b>Total Governmental Funds</b>
\$ 19,417,328	\$ 32,897,888
-	15,102,323
8,998	1,765,602
-	244,529
47,407	120,456
267,690	40,402,872
-	2,164,823
<hr/>	<hr/>
<b>\$ 19,741,423</b>	<b>\$ 92,698,493</b>
\$ 1,162,152	\$ 5,727,661
-	350,242
3,373,552	3,373,552
<hr/>	<hr/>
4,535,704	9,451,455
-	118,203
-	445,747
<hr/>	<hr/>
-	563,950
<hr/>	<hr/>
47,407	120,456
-	13,832
-	334,539
456,019	456,019
177,074	177,074
14,525,219	67,628,413
-	186,405
-	13,766,350
<hr/>	<hr/>
15,205,719	82,683,088
<hr/>	<hr/>
<b>\$ 19,741,423</b>	<b>\$ 92,698,493</b>

## City of Anna, Texas

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2023

**FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 82,683,088

Amounts reported for governmental activities in the statement of net position are different because:

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

Capital assets - non-depreciable	48,390,249
Capital assets - net depreciable	104,407,144

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. 118,203

Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until that time.

Deferred outflows - pension	2,535,846
Deferred outflows - OPEB	32,834

Deferred inflows of resources, represent an acquisition of net position that applies to a future period(s) and is not recognized as an inflow of resources (revenue) until that time.

Deferred inflows - pension	(1,780)
Deferred inflows - OPEB	(71,597)

Some liabilities, including bonds payable and accrued interest, are not reported as liabilities in the governmental funds.

Accrued interest payable	(469,287)
General obligation bonds	(56,366,000)
Certificates of Obligation	(29,995,000)
Combination tax and revenue refunding bonds	(300,000)
Unamortized premiums	(4,243,848)
Financed purchases	(256,359)
Right-to-use lease liability	(1,058,207)
Right-to-use SBITA liability	(51,752)
Net pension liability	(2,589,129)
Total OPEB liability	(87,080)
Compensated absences	(1,119,342)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 141,557,983

THE CITY OF  
**Anna**

# City of Anna, Texas

## Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended September 30, 2023

	General	Capital Projects	Debt Service Fund	PID Capital Projects
<b>REVENUES</b>				
Property taxes	\$ 9,747,479	\$ -	\$ 3,579,086	\$ -
Sales taxes	4,345,553	-	-	-
Charges for services	1,149,590	-	-	-
License and permits	5,417,291	-	-	-
Fines and forfeitures	431,589	-	-	-
Franchise and local taxes	1,063,275	-	-	-
Investment income	772,328	1,575,514	43,714	413,684
Other revenues	46,207	649,203	-	-
Intergovernmental	71,767	-	-	-
Contributions and donations	575	-	-	12,004,647
Total revenues	23,045,654	2,224,717	3,622,800	12,418,331
<b>EXPENDITURES</b>				
Current:				
General government	5,666,331	523,973	-	-
Culture and recreation	1,630,378	366,990	-	-
Community services	1,132,073	-	-	-
Public safety	9,170,604	-	-	-
Public works	1,026,759	460,846	-	-
Debt service:				
Principal	356,037	-	522,000	-
Interest and fiscal charges	17,143	-	2,848,555	-
Debt issuance costs	-	430,097	-	648,860
Capital outlay	712,235	12,661,897	-	13,119,515
Total expenditures	19,711,560	14,443,803	3,370,555	13,768,375
Excess (deficiency) of revenues over (under) expenditures	3,334,094	(12,219,086)	252,245	(1,350,044)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	25,000	-	-	-
Transfers out	-	-	-	-
Right-to-use SBITA inception	78,947	-	-	-
Right-to-use lease inception	446,087	-	-	-
Bond proceeds	-	47,395,000	-	-
Bond premiums	-	2,475,096	-	-
Proceeds from sale of capital assets	6,070	-	-	-
Total other financing sources (uses)	556,104	49,870,096	-	-
Net change in fund balances	3,890,198	37,651,010	252,245	(1,350,044)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	9,963,033	9,016,851	82,294	7,971,782
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 13,853,231</u>	<u>\$ 46,667,861</u>	<u>\$ 334,539</u>	<u>\$ 6,621,738</u>

The Notes to Financial Statements are an integral part of this statement.

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 216,835	\$ 13,543,400
-	4,345,553
3,839,447	4,989,037
364,709	5,782,000
13,768	445,357
-	1,063,275
639,640	3,444,880
52,108	747,518
-	71,767
-	12,005,222
5,126,507	46,438,009
312	6,190,616
1,138,102	3,135,470
-	1,132,073
38,209	9,208,813
1,411,924	2,899,529
-	878,037
-	2,865,698
-	1,078,957
2,548,728	29,042,375
5,137,275	56,431,568
(10,768)	(9,993,559)
3,920,200	3,945,200
(25,000)	(25,000)
-	78,947
-	446,087
-	47,395,000
-	2,475,096
15,000	21,070
3,910,200	54,336,400
3,899,432	44,342,841
11,306,287	38,340,247
\$ 15,205,719	\$ 82,683,088

## City of Anna, Texas

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities September 30, 2023

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 44,342,841

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. Capital contributions are only recognized on the statement of activities.

Capital outlay	29,042,375
Depreciation and amortization expense	(5,407,240)
Capital contributions	11,987,545
Capital assets contributed to discretely presented component unit	(242,010)
Net effect of proceeds from the sale of capital assets and loss on disposal	(75,300)

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.

Increase in compensated absences	(44,611)
Increase in accrued interest	(275,702)

Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(156,016)

Changes to other post employment benefits liability and related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(22,339)

Various other reclassification and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This includes the change in unavailable revenues from the prior year.

5,915

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Right-to-use lease proceeds	(446,087)
Right-to-use SBITA proceeds	(78,947)
Issuance of general obligation bonds	(47,395,000)
Premium on issuance of bonds	(2,475,096)
Amortization of debt premium	212,227
General, certificate of obligation, and revenue bond principal payments	522,000
Lease principal payments	283,142
SBITA principal payments	27,195
Financed purchase payments	45,700

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 29,850,592

The Notes to Financial Statements are an integral part of this statement.

**City of Anna, Texas**

Statement of Net Position

Proprietary Funds

September 30, 2023

	<u>Utility Fund</u>	<u>Nonmajor Public Facility Corporation</u>	<u>Total Proprietary Funds</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 11,212,983	\$ 1,897,231	\$ 13,110,214
Receivables, net	3,270,236	-	3,270,236
Inventories	300,517	-	300,517
	<hr/>	<hr/>	<hr/>
Total current assets	14,783,736	1,897,231	16,680,967
Noncurrent assets			
Restricted cash and pooled investments	82,551,710	-	82,551,710
Prepaid	3,360	-	3,360
Capital assets			
Non-depreciable	25,302,074	5,844,125	31,146,199
Net depreciable capital assets	82,839,283	-	82,839,283
	<hr/>	<hr/>	<hr/>
Total noncurrent assets	190,696,427	5,844,125	196,540,552
	<hr/>	<hr/>	<hr/>
Total assets	205,480,163	7,741,356	213,221,519
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on bond refunding	62,397	-	62,397
Deferred outflows - pension	482,824	-	482,824
Deferred outflows - OPEB	6,252	-	6,252
	<hr/>	<hr/>	<hr/>
Total deferred outflows of resources	551,473	-	551,473
	<hr/>	<hr/>	<hr/>

The Notes to Financial Statements are an integral part of this statement.

**City of Anna, Texas**

Statement of Net Position – Continued

Proprietary Funds

September 30, 2023

	<u>Utility Fund</u>	<u>Nonmajor Public Facility Corporation</u>	<u>Total Proprietary Funds</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 4,958,097	\$ -	\$ 4,958,097
Salaries payable	81,692	-	81,692
Other liabilities	59,346	22,351	81,697
Bond interest payable	416,372		416,372
Due to other governments	17,309	-	17,309
Customer deposits	1,606,082	-	1,606,082
Unearned revenue	-	839,909	839,909
Right-to-use lease liability	112,864	-	112,864
Right-to-use SBITA liability	25,446	-	25,446
Revenue bonds payable - current	1,894,000	-	1,894,000
Financed purchases - current	177,947	-	177,947
	<hr/>	<hr/>	<hr/>
Total current liabilities	9,349,155	862,260	10,211,415
Noncurrent liabilities			
Revenue bonds payable	76,475,546	-	76,475,546
Financed purchases	704,902	-	704,902
Compensated absences	249,616	-	249,616
Right-to-use lease liability	234,472	-	234,472
Right-to-use SBITA liability	26,306	-	26,306
Net pension liability	492,969	-	492,969
Total OPEB liability	16,580	-	16,580
	<hr/>	<hr/>	<hr/>
Total noncurrent liabilities	78,200,391	-	78,200,391
	<hr/>	<hr/>	<hr/>
Total liabilities	87,549,546	862,260	88,411,806
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - pension	339	-	339
Deferred inflows - OPEB	13,632	-	13,632
Deferred inflows - land agreement	-	1,598,682	1,598,682
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	13,971	1,598,682	1,612,653
<b>NET POSITION</b>			
Net investment in capital assets	86,465,752	5,844,125	92,309,877
Restricted for:			
Water and sewer improvements	24,635,697	-	24,635,697
Unrestricted	7,366,670	(563,711)	6,802,959
	<hr/>	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<u>\$ 118,468,119</u>	<u>\$ 5,280,414</u>	<u>\$ 123,748,533</u>

## City of Anna, Texas

### Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds For the Fiscal Year Ended September 30, 2023

	<u>Utility Fund</u>	<u>Nonmajor Public Facility Corporation</u>	<u>Total Proprietary Funds</u>
<b>OPERATING REVENUES</b>			
Water	\$ 9,443,133	\$ -	\$ 9,443,133
Sewer	6,274,107	-	6,274,107
Sanitation	2,579,629	-	2,579,629
Stormwater	361,569	-	361,569
Service charges	1,689,484	-	1,689,484
Connection fees	536,215	-	536,215
Developer fees	9,808,848	-	9,808,848
Miscellaneous	173,910	695,620	869,530
	<hr/>	<hr/>	<hr/>
Total operating revenues	30,866,895	695,620	31,562,515
<b>OPERATING EXPENSES</b>			
Personnel services	2,788,080	-	2,788,080
Contracted services	12,165,646	35,167	12,200,813
Repairs and maintenance	1,281,472	-	1,281,472
Supplies	238,656	-	238,656
Utilities	406,067	-	406,067
Depreciation	3,374,943	-	3,374,943
Other expenses	2,590,314	-	2,590,314
	<hr/>	<hr/>	<hr/>
Total operating expenses	22,845,178	35,167	22,880,345
Operating income	8,021,717	660,453	8,682,170
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	4,334,563	17,911	4,352,474
Interest expense	(3,473,992)	-	(3,473,992)
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues (expenses)	860,571	17,911	878,482
Income before transfers and capital contributions	8,882,288	678,364	9,560,652
Transfers out	(3,920,200)	-	(3,920,200)
Contributed capital	21,782,213	4,225,000	26,007,213
	<hr/>	<hr/>	<hr/>
Change in net position	26,744,301	4,903,364	31,647,665
Net position, beginning of year, as restated	91,723,818	377,050	92,100,868
	<hr/>	<hr/>	<hr/>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 118,468,119</u>	<u>\$ 5,280,414</u>	<u>\$ 123,748,533</u>

The Notes to Financial Statements are an integral part of this statement.

# City of Anna, Texas

## Statement of Cash Flows - Proprietary Funds For the Fiscal Year Ended September 30, 2023

	Utility Fund	Nonmajor Public Facility Corporation	Total Proprietary Funds
<b>OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 30,179,397	\$ 1,012,083	\$ 31,191,480
Payments to suppliers	(16,678,470)	(12,816)	(16,691,286)
Payments to employees	(2,717,721)	-	(2,717,721)
Net cash provided by operating activities	10,783,206	999,267	11,782,473
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(19,588,817)	-	(19,588,817)
Interest and fees paid on long-term debt	(824,276)	-	(824,276)
Proceeds from bond issuance	65,463,758	-	65,463,758
Principal payments on debt, financed purchases, and right-to-use liabilities	(1,154,687)	-	(1,154,687)
Net cash provided by capital and related financing activities	43,895,978	-	43,895,978
<b>NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Transfers to other funds	(3,920,200)	-	(3,920,200)
Net cash used in noncapital financing activities	(3,920,200)	-	(3,920,200)
<b>INVESTING ACTIVITIES</b>			
Interest received	4,334,563	17,911	4,352,474
Net cash provided by investing activities	4,334,563	17,911	4,352,474
Net increase in cash and cash equivalents	55,093,547	1,017,178	56,110,725
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	38,671,146	880,053	39,551,199
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 93,764,693</u>	<u>\$ 1,897,231</u>	<u>\$ 95,661,924</u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION</b>			
Cash and cash equivalents	\$ 11,212,983	\$ 1,897,231	\$ 13,110,214
Restricted cash and cash equivalents	82,551,710	-	82,551,710
	<u>\$ 93,764,693</u>	<u>\$ 1,897,231</u>	<u>\$ 95,661,924</u>

The Notes to Financial Statements are an integral part of this statement.

**City of Anna, Texas**

Statement of Cash Flows - Proprietary Funds – Continued  
 For the Fiscal Year Ended September 30, 2023

	<u>Utility Fund</u>	<u>Nonmajor Public Facility Corporation</u>	<u>Total Proprietary Funds</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income	\$ 8,021,717	\$ 660,453	\$ 8,682,170
Adjustments to reconcile operating income to cash provided by operating activities:			
Depreciation expense	3,374,943	-	3,374,943
Changes in assets and liabilities			
Accounts receivable	(843,294)	-	(843,294)
Inventories	(179,102)	-	(179,102)
Prepays	(3,360)	-	(3,360)
Deferred outflows - pension and OPEB	(241,198)	-	(241,198)
Deferred inflows - pension and OPEB	(95,845)	-	(95,845)
Deferred inflows - land lease	-	(20,443)	(20,443)
Net pension and total OPEB liability	370,982	-	370,982
Accounts payable	186,147	22,351	208,498
Salaries payable	13,324	-	13,324
Unearned revenue	-	336,906	336,906
Customer deposits	155,796	-	155,796
Accrued compensated absences	23,096	-	23,096
	<u>\$ 10,783,206</u>	<u>\$ 999,267</u>	<u>\$ 11,782,473</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
<b>NON-CASH CAPITAL ACTIVITIES</b>			
Issuance of right to use leases	<u>\$ 417,404</u>	<u>\$ -</u>	<u>\$ 417,404</u>
Issuance of right to use SBITA	<u>\$ 78,947</u>	<u>\$ -</u>	<u>\$ 78,947</u>
Contributions of capital assets	<u>\$ 21,782,213</u>	<u>\$ 4,225,000</u>	<u>\$ 26,007,213</u>

The Notes to Financial Statements are an integral part of this statement.

**City of Anna, Texas**

Statement of Fiduciary Net Position

Custodial Fund

September 30, 2023

	<b>PID Custodial Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents - restricted	\$ 3,638,060
Receivables, net	19,030
<b>TOTAL ASSETS</b>	<u>3,657,090</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	<u>179,605</u>
<b>TOTAL LIABILITIES</b>	<u>179,605</u>
<b>NET POSITION</b>	
Restricted for PID debt service	<u>3,477,485</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 3,477,485</u></u>

The Notes to Financial Statements are an integral part of this statement.

**City of Anna, Texas**Statement of Changes in Fiduciary Net Position - Custodial Fund  
For the Fiscal Year Ended September 30, 2023

	<b>PID Custodial Fund</b>
<b>ADDITIONS</b>	
Special assessments	\$ 2,033,997
Bond proceeds	1,235,881
Investment earnings	171,665
Other income	10,997
	<hr/>
Total additions	3,452,540
	<hr/>
<b>DEDUCTIONS</b>	
Contract services	149,321
Principal	354,000
Interest and fiscal charges	1,651,542
	<hr/>
Total deductions	2,154,863
	<hr/>
<b>CHANGE IN NET POSITION</b>	1,297,677
	<hr/>
<b>NET POSITION - beginning</b>	2,179,808
	<hr/>
<b>NET POSITION - ending</b>	<u><u>\$ 3,477,485</u></u>

The Notes to Financial Statements are an integral part of this statement.

THE CITY OF  
**Anna**

## **City of Anna, Texas**

### Notes to Financial Statements

#### **Note 1. Summary of Significant Accounting Policies**

##### **A. Reporting Entity**

The City of Anna, Texas (the "City") is a home rule charter city that operates under a Council-Manager form of government.

The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of 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: public safety, ambulance, streets, sanitation, planning and zoning, and general administrative services. Other services include water, sewer, and sanitation operations.

The City is an independent political subdivision of the State of Texas 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**

The Anna Public Facility Corporation (PFC) is a blended component unit presented as a nonmajor enterprise fund of the City. The members of the PFC's board of seven directors is comprised of members of the City Council. The purpose of the PFC is to provide for the acquisition, construction, rehabilitation, renovation, repair, and furnishings of public facilities in the City.

##### **Discretely Presented Component Units**

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without the approval by the primary government. The following entities were found to be component units of the City and are included in the basic financial statements:

## City of Anna, Texas

### Notes to Financial Statements

#### Anna Economic Development Corporation

The Anna Economic Development Corporation (EDC) fund was incorporated in the state of Texas as a nonprofit industrial development corporation under Section 4B of the Development Corporation Act of 1979. The purpose of the EDC is to promote economic development within the City of Anna.

#### Anna Community Development Corporation

The Anna Community Development Corporation (CDC) fund was incorporated in the state of Texas as a nonprofit industrial development corporation under Section 4A of the Development Corporation Act of 1979. The purpose of the CDC is to promote community development within the City of Anna.

#### Anna Housing Finance Corporation

The Anna Housing Finance Corporation (HFC) fund was created in 2021 pursuant to Chapter 394, Local Government Code, as amended, and is a business-type discretely presented component unit. The purpose of the HFC is to issue single-family and multi-family bonds for the financing of reasonably priced housing.

The members of both the EDC and CDC's board of seven directors are appointed by the City Council. Both the EDC and CDC are fiscally dependent upon the City as the City Council approves their budgets and must approve any debt issuance. The HFC is managed by a board of seven directors comprised of members of the City Council. The EDC, CDC, and HFC resources assist the City with community development and financing development projects beneficial to the City. All of the EDC and CDC funding can be used for direct assistance to prospects and continued development of infrastructure. The nature and significance of the relationship between the primary government and the organizations are such that exclusion would cause the City's financial statements to be misleading or incomplete. Separate financial statements are not issued for the discretely presented component units.

### **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 nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

### **C. Basis of Presentation – Government-wide Financial Statements**

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, 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. Separate statements for each fund category - governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

## City of Anna, Texas

### Notes to Financial Statements

The City reports the following major governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, and culture and recreation. The general fund is always considered a major fund for reporting purposes.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital projects fund is considered a major fund for reporting purposes.

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *PID capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets relating to various PID agreements.

Additionally, the City reports the following nonmajor governmental funds:

The City accounts for resources restricted to, or designated for, specific purposes in *Special Revenue Funds*. These funds consist of the roadway impact fee service area one and two, state police seizure fund, federal police seizure fund, fire department capital improvement fund, park development fund, grant fund, roadway capital development agreement fund, Tax Increment Zone Number's 2, 3, 6, PID fee fund and other special revenue fund.

The City reports the following major enterprise fund:

The *Utility Fund* is used to account for the provision of water, sewer, storm water, solid waste collection services and wastewater treatment operations. Activities of the fund include administration, operations and maintenance of the water system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

Additionally, the City reports the Public Facility Corporation, a blended component unit, as a nonmajor enterprise fund.

The City reports the following fiduciary fund:

The *Public Improvement District (PID) Custodial Fund* accounts for bond proceeds, assessments, and related debt associated with the issuance of bonds issued by the City as an agent for the Public Improvement District.

## City of Anna, Texas

### Notes to Financial Statements

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

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

#### **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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures 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 financed purchases and right-to-use lease liabilities are reported as other financing sources.

The City considers revenues available if they are collected within 60 days of the end of the current period. Property taxes, sales taxes, franchise taxes, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time. Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

## **City of Anna, Texas**

### Notes to Financial Statements

#### **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 local government investment pools, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

The City maintains pooled cash and investment accounts. Each fund whose monies are deposited in the pooled cash and investment accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end.

##### **2. Investments**

Investments, with certain exceptions, are reported at fair value. The exceptions are investments in external investment pools and nonparticipating interest earning contracts, such as certificates of deposit, which are reported at amortized cost and a cost-based measure, respectively.

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, its agencies and instrumentalities
- Certificates of deposit that meet certain criteria
- Money market mutual funds that meet certain criteria
- Local government investment pools

##### **3. Receivables and Interfund Transactions**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

##### **4. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of such inventories is recorded as expenditures/expenses when the related liability is incurred, (i.e., the purchase method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

##### **5. Capital Assets**

Capital assets, which include land and improvements, construction in progress, buildings and improvements, machinery and equipment, infrastructure (e.g., roads, bridges, sidewalks, and similar items), and water and sewer systems are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. 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 one year. 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 Anna, Texas

### Notes to Financial Statements

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.

Interest costs incurred during the construction phase of capital assets of business-type activities acquired with tax-exempt debt is included as part of the capitalized value of the assets constructed.

Land and improvements and construction in progress are not depreciated. Buildings and improvements, machinery and equipment, infrastructure, and water and sewer systems of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset Description	Estimated Useful Life
Buildings	20 years
Water and sewer system	35 years
Equipment	3-20 years
Streets	20 years

#### 6. **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

*In the government-wide and proprietary fund statements of net position:*

- A deferred charge on refunding bonds 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.
- Deferred outflows related to net pension and other postemployment benefit liabilities result from differences in projected and actual earnings on plan investments, expected and actual economic experience, changes in actuarial assumptions and other inputs, and contributions made subsequent to the measurement date of each plan. These activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension and OPEB plan, except for projected and actual earnings differences on investments, which are amortized on a closed basis over a 5-year period, and contributions made subsequent to the measurement date of each plan, which are recognized in the subsequent fiscal year.

In addition to liabilities, the statement of financial position (or balance sheet) 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 assets (or fund balance) that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

*In the governmental funds balance sheet:*

- Unavailable revenues from property taxes and grants are deferred and recognized as an inflow of resources in the period that the amounts become available.

## City of Anna, Texas

### Notes to Financial Statements

#### In the government-wide and proprietary fund statements of net position:

- Deferred inflows related to net pension and other postemployment benefit liabilities results from differences in projected and actual earnings on plan investments, expected and actual economic experience, changes in actuarial assumptions and other inputs. These activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan, except for projected and actual earnings differences on investments, which are amortized on a closed basis over a 5-year period.
- Related to lessor arrangements, lease revenue is deferred and recognized as revenue over the life of the lease term.

#### **7. Compensated Absences**

The City maintains formal programs for vacation and sick leave. Eligible employees are granted vacation pay benefits in varying amounts to specified maximums depending on tenure with the City. The City's personnel policy permits its eligible employees to accumulate earned but unused vacation pay benefits.

Compensation for accrued sick leave is paid upon separation up to maximum benefits in varying amounts, depending on tenure with the City.

The estimated amount of accrued vacation and sick pay benefits that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it upon maturity. Amounts of accrued vacation pay benefits that are not expected to be liquidated with expendable available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

#### **8. Leases**

##### Lessee

The City is a lessee for noncancellable leases of property and equipment. The City recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide and proprietary fund financial statements.

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

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the City is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors

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

## City of Anna, Texas

### Notes to Financial Statements

#### Lessor

The City is a lessor for noncancellable leases of property and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### **9. Subscription-Based Information Technology Arrangements (SBITAs)**

The City has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes subscription liabilities with an initial, individual value of \$50,000 or more.

At the commencement of an SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

## **City of Anna, Texas**

### Notes to Financial Statements

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

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

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

#### **10. Long-Term Obligations**

The government-wide financial statements and proprietary fund type fund financial statements report long-term debt and other long-term liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premiums or discounts.

The fund financial statements report bond premiums and discounts 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.

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be paid from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be paid from proprietary fund operations are accounted for in those funds.

Assets acquired under the terms of a finance purchase or lease obligation 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, finance purchase and lease obligation 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.

#### **11. Pensions**

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

## **City of Anna, Texas**

### Notes to Financial Statements

#### **12. Other Postemployment Benefits (OPEB)**

The City offers one OPEB plan, a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF") administered by TMRS. Total OPEB liability, deferred outflows of resources and deferred inflows of resources related to total OPEB liability, and total OPEB expense have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **13. Net Position Flow Assumptions**

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.

#### **14. 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.

#### **15. Fund Balance Policies**

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

Nonspendable fund balance – includes amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted fund balance – includes amounts that have external constraints imposed upon the use of the resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - includes amounts that can be used only for the specific purposes pursuant to constraints imposed 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 approval of a resolution prior to the end of the fiscal year, commit fund balance. Once approved, the limitation imposed by the resolution remains in place until a similar action is taken (the approval of another resolution) to remove or revise the limitation.

## City of Anna, Texas

### Notes to Financial Statements

Assigned fund balance – includes amounts that 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 has, by resolution, authorized the City's Finance Director to assign fund balance to a specific purpose as approved by the City's fund balance policy. 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.

Unassigned fund balance – the residual classification for the government's General Fund and includes all spendable amounts not contained in the other classifications, and other funds that have total negative fund balances.

#### **16. 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 and liabilities and deferred outflows and inflows of resources, and the 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.

### **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 by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

#### **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 utility fund is charges to customers for sales and services. The utility 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 utility fund includes the operating 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.

# City of Anna, Texas

## Notes to Financial Statements

### Note 2. Stewardship, Compliance and Accountability

#### Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General, Debt Service, Grant and Utility Funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control is defined at the fund level. No funds can be transferred or added to a budgeted fund without Council approval. Appropriations lapse at the end of the year.

### Note 3. Deposits and Investments

**Deposits** – State statutes require that all deposits be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The City's demand deposits and certificates of deposit were fully insured or collateralized at September 30, 2023, with collateral required by state statutes. At year-end, the carrying amount of the City's deposits (including component units and fiduciary funds) was \$120,984,887 and the bank balance was \$122,168,071. Of the bank balance, federal depository insurance covered \$250,000 and the remainder was covered by collateral held by the pledging financial institution's agent in the City's name.

Cash, cash equivalents, and investments as of September 30, 2023 consist of and are classified in the accompanying financial statements as follows:

Statement of net position:

Primary government:

Cash and cash equivalents	\$ 46,008,102
Investments	15,102,323
Restricted cash and cash equivalents	122,954,582
Restricted investments	<u>2,164,823</u>

Total primary government 186,229,830

Fiduciary Fund:

Cash and cash equivalents	3,638,060
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Component units:

Cash and cash equivalents	10,201,404
Investments	<u>4,583,000</u>

Total component unit 14,784,404

**Total cash, cash equivalents, and investments** \$ 204,652,294

Cash on hand	\$ 2,100
Deposits with financial institution	120,984,887
Investment pools / money market	<u>83,665,307</u>

**Total cash, cash equivalents, and investments** \$ 204,652,294

**City of Anna, Texas**  
 Notes to Financial Statements

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

	Value	Weighted Average Maturity (Days)
Texas CLASS	\$ 3,563,285	29
TexPool	56,990,930	28
Certificates of deposit	21,850,147	
Money market accounts	1,260,945	
<b>Total</b>	<b>\$ 83,665,307</b>	

**Interest rate risk**

Interest rate risk is the risk that changes in interest rates may adversely affect the value of an investment. The City structures its investment portfolio so that securities mature to meet cash requirements for ongoing operations, and monitors interest rate risk using weighted average maturity analysis. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio as a whole to no more than 365 days.

**Credit risk**

The City's policy requires that investments are limited to only certain instruments that are authorized by the Public Funds Investment Act. Further specifications are that external investment pools must be rated no lower than "AAA" or an equivalent rating by at least one nationally recognized rating service, United States Treasury and agency investments are guaranteed (either express or implied) and backed by the full faith and credit of the United States or its respective agencies, and certificates of deposit are guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or fully collateralized under an approved pledge agreement.

As of September 30, 2023, the City's investment in TexPool was rated "AAAm" by Standard & Poor's. The certificates of deposit are unrated but were fully collateralized.

**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. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities, to the extent the deposits exceed FDIC coverage. As of September 30, 2023, the combined values of pledged securities and FDIC coverage exceeded bank balances for the City.

**Custodial credit risk – investments**

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that custody of securities is maintained at financial institutions, avoiding physical possession, and that securities owned by the City shall be held in the City's account.

## City of Anna, Texas

### Notes to Financial Statements

#### **Concentration of credit risk**

The risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's investment policy specifies undue concentrations of assets in a specific maturity sector shall be avoided.

The City's investments are stated at fair value, with certain exceptions described below. The City categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*, which provides a framework for measuring fair value and establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Certain investments are not required to be measured at fair value; these include its investment in the TexPool external investment pool, which is measured at amortized cost and is included in cash equivalents, and its investments in certificates of deposit, which are measured based on cost. These instruments are exempt from categorization within the fair value hierarchy.

TexPool is a local government investment pool, duly chartered and overseen by the State Comptroller's Office, and administered and managed by Federated Investors, Inc. State Street Bank serves as the custodial bank. TexPool's investment portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA-rated money market mutual funds. The pool's investments are highly rated by nationally recognized statistical rating organizations, have no more than five percent concentrated in one issuer (excluding U.S. government securities), and are sufficiently liquid to meet reasonably foreseeable redemptions.

TexPool transacts at a net asset value of \$1.00 per share, and maintains a weighted average maturity of 60 days or less and a weighted average life of 120 days or less. TexPool has a redemption notice period of one day and investors may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

Texas CLASS Government is an external investment pool measured at fair value, i.e. net asset value. The investment pool's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short term marketable securities. There are no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. The Texas CLASS Government portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA rated money market mutual funds.

**City of Anna, Texas**  
Notes to Financial Statements

**Note 4. Receivables**

Amounts recorded as receivable for the primary government as of September 30, 2023 are as follows:

	General	Capital Projects	Debt Service Fund	Nonmajor Governmental	Utility Fund	Total
Property taxes	\$ 86,839	\$ -	\$ 31,364	\$ -	\$ -	\$ 118,203
Sales taxes	852,394	-	-	-	-	852,394
Accounts	333,667	-	-	8,998	3,716,359	4,059,024
Interest	-	-	-	-	14,379	14,379
Due from other governments	-	244,529	-	-	-	244,529
Lease receivable	452,340	-	-	-	-	452,340
Less: Allowance	-	-	-	-	(460,502)	(460,502)
<b>Totals</b>	<b>\$ 1,725,240</b>	<b>\$ 244,529</b>	<b>\$ 31,364</b>	<b>\$ 8,998</b>	<b>\$ 3,270,236</b>	<b>\$ 5,280,367</b>

The utility fund accounts receivable include unbilled charges for services rendered at September 30, 2023.

**Note 5. Capital Assets**

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

	Beginning Balance	Additions	Dispositions	Adjustments / Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated/amortized:					
Land	\$ 3,978,343	\$ 1,206,746	\$ -	\$ -	\$ 5,185,089
Construction in progress	51,877,449	24,323,866	-	(32,996,155)	43,205,160
Total capital assets, not being depreciated/amortized	55,855,792	25,530,612	-	(32,996,155)	48,390,249
Capital assets, being depreciated/amortized:					
Park improvements	6,185,471	2,615,005	(173,109)	612,658	9,240,025
Buildings	1,542,758	-	(171,221)	28,777,932	30,149,469
Furniture and fixtures	33,911	-	(33,911)	1,142,410	1,142,410
Streets and drainage	76,336,250	12,001,271	-	181,359	88,518,880
Machinery and equipment	4,808,940	357,998	(1,142,982)	1,619,968	5,643,924
Right-to-use lease assets - vehicles	1,541,966	446,087	-	-	1,988,053
Right-to-use SBITA assets - software subscriptions	-	78,947	-	-	78,947
Total capital assets being depreciated/amortized	90,449,296	15,499,308	(1,521,223)	32,334,327	136,761,708
Less accumulated depreciation/amortization for:					
Park improvements	3,265,729	363,317	(130,768)	-	3,498,278
Buildings	820,841	156,584	(214,619)	(419,818)	342,988
Furniture and fixtures	29,214	9,520	(29,213)	-	9,521
Streets and drainage	20,647,007	4,079,094	-	-	24,726,101
Machinery and equipment	3,379,256	480,817	(1,071,323)	-	2,788,750
Right-to-use lease assets - vehicles	671,018	291,592	-	-	962,610
Right-to-use SBITA assets - software subscriptions	-	26,316	-	-	26,316
Total accumulated depreciation/amortization	28,813,065	5,407,240	(1,445,923)	(419,818)	32,354,564
Total capital assets being depreciated/amortized, net	61,636,231	10,092,068	(75,300)	32,754,145	104,407,144
<b>Governmental activities capital assets, net</b>	<b>\$ 117,492,023</b>	<b>\$ 35,622,680</b>	<b>\$ (75,300)</b>	<b>\$ (242,010)</b>	<b>\$ 152,797,393</b>

**City of Anna, Texas**  
Notes to Financial Statements

Depreciation and amortization expense was charged to governmental functions as follows:

Governmental activities:	
General government	\$ 55,325
Culture and recreation	551,344
Community services	11,883
Public safety	584,002
Public works	4,204,686
	<u>4,204,686</u>
<b>Total depreciation and amortization expense - governmental activities</b>	<b><u><u>\$ 5,407,240</u></u></b>

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

	Beginning Balance	Additions	Dispositions	Adjustments / Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated/amortized:					
Land	\$ 2,979,268	\$ 7,217,504	\$ -	\$ -	\$ 10,196,772
Construction in progress	6,613,052	16,031,488	(93,000)	(1,602,113)	20,949,427
	<u>9,592,320</u>	<u>23,248,992</u>	<u>(93,000)</u>	<u>(1,602,113)</u>	<u>31,146,199</u>
Total capital assets, not being depreciated/amortized					
Capital assets, being depreciated/amortized:					
Furniture and fixtures	5,620	-	-	-	5,620
Buildings and improvements	486,244	-	(14,897)	179,250	650,597
Machinery and equipment	2,732,432	366,065	(1,034,604)	-	2,063,893
Right-to-use lease assets - v vehicles	305,573	417,404	-	-	722,977
Right-to-use SBITA assets - software subscriptions	-	78,947	-	-	78,947
Water treatment system	25,096,399	6,493,457	(970,580)	-	30,619,276
Stormwater drainage system	-	9,650,093	-	-	9,650,093
GTUA water improvements	17,189,179	-	-	-	17,189,179
GTUA sewer improvements	939,796	-	-	-	939,796
Water and sewer system	40,645,451	5,638,662	(794,027)	1,422,863	46,912,949
	<u>87,400,694</u>	<u>22,644,628</u>	<u>(2,814,108)</u>	<u>1,602,113</u>	<u>108,833,327</u>
Total capital assets being depreciated/amortized					
Less accumulated depreciation/amortization for:					
Furniture and fixtures	5,620	-	-	-	5,620
Buildings and improvements	292,956	288,167	(14,897)	-	566,226
Machinery and equipment	1,956,546	74,330	(1,022,491)	-	1,008,385
Right-to-use lease assets - v vehicles	180,587	202,964	-	-	383,551
Right-to-use SBITA assets - software subscriptions	-	26,316	-	-	26,316
Water treatment system	5,734,038	1,524,614	(883,745)	-	6,374,907
Stormwater drainage system	-	171,970	-	-	171,970
GTUA water improvements	6,120,585	249,500	-	-	6,370,085
GTUA sewer improvements	828,752	25,728	-	-	854,480
Water and sewer system	10,109,535	815,603	(692,634)	-	10,232,504
	<u>25,228,619</u>	<u>3,379,192</u>	<u>(2,613,767)</u>	<u>-</u>	<u>25,994,044</u>
Total accumulated depreciation/amortization					
Total capital assets being depreciated/amortized, net					
	<u>62,172,075</u>	<u>19,265,436</u>	<u>(200,341)</u>	<u>1,602,113</u>	<u>82,839,283</u>
<b>Business-type activities capital assets, net</b>	<b><u><u>\$ 71,764,395</u></u></b>	<b><u><u>\$ 42,514,428</u></u></b>	<b><u><u>\$ (293,341)</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ 113,985,482</u></u></b>

**City of Anna, Texas**  
Notes to Financial Statements

Depreciation and amortization expense was charged to business-type functions as follows:

Water and sewer	\$ 3,379,192
<b>Total depreciation and amortization expense - business-type activities</b>	<b>\$ 3,379,192</b>

The following is a summary of changes in capital assets for the discretely presented component units for the year ended September 30, 2023:

	Beginning Balance	Additions	Dispositions	Adjustments/ ransfers	Ending Balance
Economic Development Corporation:					
Capital assets, not being depreciated:					
Land	\$ 40,346		\$ -	\$ -	\$ 40,346
Total capital assets, not being depreciated	40,346	-	-	-	40,346
Depreciable assets:					
Buildings and improvements	366,589	-	-	661,828	1,028,417
Furniture and fixtures	13,871	-	-	-	13,871
Total depreciable assets	380,460	-	-	661,828	1,042,288
Less accumulated depreciation for:					
Buildings and improvements	185,081	52,491	-	419,818	657,390
Furniture and fixtures	7,957	1,391	-	-	9,348
Total accumulated depreciation	193,038	53,882	-	419,818	666,738
Total depreciable assets, net	187,422	(53,882)	-	242,010	375,550
<b>Economic Development Corporation capital assets, net</b>	<b>\$ 227,768</b>	<b>\$(53,882)</b>	<b>\$ -</b>	<b>\$ 242,010</b>	<b>\$ 415,896</b>
	Beginning Balance	Additions	Dispositions	Adjustments/ Dispositions	Ending Balance
Housing Finance Corporation:					
Capital assets, not being depreciated:					
Land	\$ 1,443,304	\$ -	\$ -	\$ -	\$ 1,443,304
Total capital assets, not being depreciated	1,443,304	-	-	-	1,443,304
<b>Housing Finance Corporation capital assets, net</b>	<b>\$ 1,443,304</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,443,304</b>

**City of Anna, Texas**  
Notes to Financial Statements

Remaining commitments under related construction contracts for general government and utility construction projects at year end were as follows:

Projects	Activity Type	Approved Construction Budget	Stored and Completed To Date	Remaining Commitment
Downtown Utility Rehab - SLFRF ARPA	General Government	\$ 5,971,000	\$ 563,190	\$ 5,407,810
CP - Ferguson Parkway	General Government	2,092,188	1,022,627	1,069,561
Fire Station #2	General Government	11,000,000	3,651,308	7,348,692
Community Library	General Government	22,000,000	1,524,528	20,475,472
Municipal Complex Plaza	General Government	3,800,000	146,386	3,653,614
Johnson Park	General Government	845,000	378,453	466,547
Bryant Park Improvements	General Government	928,000	180,326	747,674
Slayter Creek Park - Skatepark	General Government	16,680,000	1,361,270	15,318,730
Yank Park	General Government	489,500	175,786	313,714
Slayter Creek Park - Plaza, Lighting & Electrical	General Government	934,500	239,790	694,710
Slayter Creek Park - Irrigation	General Government	500,000	-	500,000
Slayter Creek Park - Fitness Court	General Government	175,000	166,689	8,311
Slayter Creek Park - Sports Court	General Government	2,316,500	336,289	1,980,211
Slayter Creek Park - Practice Field Lighting	General Government	700,000	498,668	201,332
Slayter Creek Park - Parking	General Government	650,000	627,624	22,376
Natural Springs Park Improvements	General Government	1,031,000	256,361	774,639
Trails - Pecan Grove Trail	General Government	1,385,000	75,165	1,309,835
Hurricane Creek S.S. Line B	Utility	5,199,735	4,962,307	237,428
Hurricane Creek Wastewater Treatment Plant	Utility	65,000,000	9,848,198	55,151,802
Hurricane Creek Line Interceptor North	Utility	12,450,000	704,413	11,745,587
Downtown Street Expansion	General Government	2,255,000	20,338	2,234,662
Hackberry Drive	General Government	2,546,279	1,238,432	1,307,847
Leonard Avenue	General Government	3,891,000	-	3,891,000
Finley Blvd. Expansion	General Government	990,000	35,282	954,718
US 75 Utility Relocations	Utility	1,625,000	1,600,709	24,291
SH 5 Utility Relocation - Project A	Utility	3,174,061	630,458	2,543,603
Collin Pump Station - Pumps and Wells	Utility	4,984,565	4,184,392	800,173
FM455 Water Line	Utility	3,800,000	1,152	3,798,848
<b>Total</b>		<b>\$ 177,413,328</b>	<b>\$ 34,430,141</b>	<b>\$ 142,983,187</b>

The remaining commitments above will be primarily financed through completion of construction with the resources of the capital projects funds, supplemented by the general fund and issuance of debt, as needed.

**City of Anna, Texas**  
Notes to Financial Statements

**Note 6. Long-term Liabilities**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
Bonds, notes and other payables:					
General obligation bonds	\$ 9,243,000	\$ 47,395,000	\$ (272,000)	\$ 56,366,000	\$ 698,000
Certificates of obligation	30,210,000	-	(215,000)	29,995,000	235,000
Combination tax and revenue refunding bonds	335,000	-	(35,000)	300,000	35,000
Financed purchases	302,059	-	(45,700)	256,359	47,464
Right-to-use lease liability	895,262	446,087	(283,142)	1,058,207	337,407
Right-to-use SBITA liability	-	78,947	(27,195)	51,752	25,446
Unamortized premiums	1,980,979	2,475,096	(212,227)	4,243,848	-
<b>Total bonds, notes and other payables, net</b>	<b>42,966,300</b>	<b>50,395,130</b>	<b>(1,090,264)</b>	<b>92,271,166</b>	<b>1,378,317</b>
Other liabilities:					
Compensated absences	1,074,731	330,633	(286,022)	1,119,342	-
Net pension liability	569,758	2,019,371	-	2,589,129	-
Total other postemployment benefit liability	130,442	-	(43,362)	87,080	-
<b>Total governmental activities</b>	<b>\$ 44,741,231</b>	<b>\$ 52,745,134</b>	<b>\$ (1,419,648)</b>	<b>\$ 96,066,717</b>	<b>\$ 1,378,317</b>
<b>Business-type activities:</b>					
Bonds, notes and other payables:					
Combination tax and revenue certificates of obligation	\$ 6,515,000	\$ 64,845,000	\$ (100,000)	\$ 71,260,000	\$ 1,245,000
Combination tax and revenue refunding bonds	6,290,000	-	(654,000)	5,636,000	649,000
Financed purchases	1,056,631	-	(173,782)	882,849	177,947
Right-to-use lease liability	129,642	417,404	(199,710)	347,336	112,864
Right-to-use SBITA liability	-	78,947	(27,195)	51,752	25,446
Unamortized premiums	1,021,176	618,758	(166,388)	1,473,546	-
<b>Total bonds, notes and other payables, net</b>	<b>15,012,449</b>	<b>65,960,109</b>	<b>(1,321,075)</b>	<b>79,651,483</b>	<b>2,210,257</b>
Other liabilities:					
Compensated absences	226,520	76,453	(53,357)	249,616	-
Net pension liability	112,753	380,216	-	492,969	-
Total other postemployment benefit liability	25,814	-	(9,234)	16,580	-
<b>Total business-type activities</b>	<b>\$ 15,377,536</b>	<b>\$ 66,416,778</b>	<b>\$ (1,383,666)</b>	<b>\$ 80,410,648</b>	<b>\$ 2,210,257</b>
<b>Component Units - CDC:</b>					
Bonds, notes and other payables:					
Sales tax revenue bonds	\$ 2,485,000	\$ -	\$ (100,000)	\$ 2,385,000	\$ 115,000
Other liabilities:					
Compensated absences	22,979	13,206	(14,249)	21,936	-
Net pension liability	20,602	53,764	-	74,366	-
Total other postemployment benefit liability	4,717	-	(2,216)	2,501	-
<b>Total component units</b>	<b>\$ 2,533,298</b>	<b>\$ 66,970</b>	<b>\$ (116,465)</b>	<b>\$ 2,483,803</b>	<b>\$ 115,000</b>

## City of Anna, Texas

### Notes to Financial Statements

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, OPEB liability, and net pension liability are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

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

Description	Interest Rates	Balance
Governmental activities:		
General obligation refunding bonds		
Series 2014B	0.30 - 2.40 %	\$ 631,000
Series 2021	2.00-5.00 %	8,340,000
Series 2022	4.00-5.00%	32,465,000
Series 2023	4.00-5.00%	<u>14,930,000</u>
Total general obligation bonds		56,366,000
Certificates of obligation		
Series 2018	3.00 - 4.00 %	<u>29,995,000</u>
Total certificates of obligation		29,995,000
Combination tax and revenue refunding bonds		
Series 2017	2.00 - 4.00 %	<u>300,000</u>
Total certificates of obligation		<u>300,000</u>
Financed purchases		
2018 Pierce Enforcer	3.86%	<u>256,359</u>
Total financed purchases		<u>256,359</u>
<b>Total governmental activities long-term debt</b>		<b><u><u>\$ 86,917,359</u></u></b>

**City of Anna, Texas**  
Notes to Financial Statements

Description	Interest Rates	Balance
Business-type activities:		
Combination tax & revenue certificates of obligation		
Series 2014	2.00 - 2.65 %	\$ 3,575,000
Series 2021	4.00-5.00 %	2,840,000
Series 2022	4.00-5.00 %	<u>64,845,000</u>
Total combination tax & revenue certificates of obligation		71,260,000
Combination tax and revenue refunding bonds		
Series 2014A	2.11%	961,000
Series 2017	2.00 - 4.00 %	<u>4,675,000</u>
Total combination tax and revenue refunding bonds		5,636,000
Financed purchases		
2017 AMI Meters	2.00%	568,032
2021 Sewer Cleaner Truck	3.73%	<u>314,817</u>
Total financed purchases		<u>882,849</u>
<b>Total business-type activities long-term debt</b>		<u><u>\$ 77,778,849</u></u>
Component units:		
Sales Tax Revenue Bonds		
CDC - Sales Tax Revenue Bonds - Series 2012B	3.30%	\$ 1,085,000
CDC - Sales Tax Revenue Bonds - Series 2016	1.9% - 4.5%	<u>1,300,000</u>
<b>Total CDC long-term debt</b>		<u><u>\$ 2,385,000</u></u>

**City of Anna, Texas**  
Notes to Financial Statements

The annual requirements to amortize general obligation bonds, certificates of obligation outstanding, and sales tax revenue bonds at year end were as follows:

Year Ending September 30,	Governmental Activities					
	GO Bonds		CO Bonds		Combination Tax and Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 698,000	\$ 2,451,984	\$ 235,000	\$ 1,233,950	\$ 35,000	\$ 11,300
2025	1,309,000	2,374,261	240,000	1,224,450	25,000	10,100
2026	1,789,000	2,306,263	250,000	1,214,650	25,000	9,100
2027	2,035,000	2,219,925	435,000	1,198,775	75,000	7,100
2028	2,025,000	2,131,650	565,000	1,173,775	140,000	5,400
2029-2033	11,775,000	9,027,450	5,365,000	5,222,925	-	-
2034-2038	14,950,000	5,843,050	7,155,000	3,887,900	-	-
2039-2043	15,695,000	2,454,563	7,090,000	2,464,000	-	-
2044-2048	6,090,000	536,606	8,660,000	894,000	-	-
<b>Totals</b>	<b>\$ 56,366,000</b>	<b>\$ 29,345,752</b>	<b>\$ 29,995,000</b>	<b>\$ 18,514,425</b>	<b>\$ 300,000</b>	<b>\$ 43,000</b>

Year Ending September 30,	Business-type Activities			
	Combination Tax and Revenue Certificates of Obligation		Combination Tax and Revenue Refunding Certificates of Obligation	
	Principal	Interest	Principal	Interest
2024	\$ 1,245,000	\$ 3,080,500	\$ 649,000	\$ 208,528
2025	1,330,000	3,024,550	645,000	184,452
2026	1,555,000	2,962,063	492,000	163,176
2027	1,930,000	2,886,125	370,000	146,600
2028	2,015,000	2,805,475	380,000	131,600
2029-2033	11,690,000	12,486,125	3,100,000	318,600
2034-2038	14,225,000	9,437,469	-	-
2039-2043	18,745,000	6,000,206	-	-
2044-2048	18,525,000	1,616,381	-	-
<b>Totals</b>	<b>\$ 71,260,000</b>	<b>\$ 44,298,894</b>	<b>\$ 5,636,000</b>	<b>\$ 1,152,956</b>

Year Ending September 30,	CDC	
	Combination Tax and Revenue Principal	Interest
2024	\$ 115,000	\$ 90,278
2025	135,000	86,013
2026	150,000	81,050
2027	170,000	75,390
2028	190,000	68,950
2029-2033	1,105,000	219,545
2034-2038	520,000	48,374
<b>Totals</b>	<b>\$ 2,385,000</b>	<b>\$ 669,600</b>

## City of Anna, Texas

### Notes to Financial Statements

Total matured and unmatured bonds outstanding related to special assessment and special tax districts are \$33,132,000 at September 30, 2023. The City acts as an agent for the property owners in collecting special assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, when appropriate. The City is not liable for repayment of the special district bonds, and accordingly, they are not reflected in accompanying basic financial statements. Cash held on deposit and corresponding amounts payable for the districts are reported in the Public Improvement District Custodial Fund.

#### Financed Purchases

On October 9, 2018, the City entered into a lease agreement as lessee for financing the acquisition of a fire apparatus which is payable from the general fund. This lease agreement qualifies as a financed purchase for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

On November 28, 2016, the City entered into a financed purchase to finance the acquisition of water meters which is payable from the utility fund.

The assets acquired through financed purchases as of September 30, 2023 are as follows:

	Governmental Activities	Business-type Activities
Assets:		
Fire apparatus	\$ 485,068	\$ -
Water meters	-	1,340,010
Sewer cleaner truck	-	441,360
Less: Accumulated depreciation	(233,174)	(865,377)
<b>Total</b>	<b>\$ 251,894</b>	<b>\$ 915,993</b>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2023 are as follows:

Year Ending September 30,	Governmental Activities	Business-type Activities
2024	\$ 57,349	\$ 201,214
2025	57,349	201,214
2026	57,349	201,214
2027	57,349	201,214
2028	57,349	52,395
2029-2032	-	102,305
Total minimum future lease payments	286,745	959,556
Less: amount representing interest	(30,386)	(76,707)
<b>Present value of minimum lease payments</b>	<b>\$ 256,359</b>	<b>\$ 882,849</b>

## City of Anna, Texas

### Notes to Financial Statements

#### Right-to-Use Lease Liability

The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use vehicles over the term of the lease. The City is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the leases.

The lease rate, term and ending lease liability are as follows:

	Interest Rate	Lease Term in Years	Ending Balance
Governmental activities Vehicles	Various	5	\$ 1,058,207
Total governmental activities			<u>\$ 1,058,207</u>
Business-type activities Vehicles	Various	5	\$ 347,336
<b>Total business-type activities</b>			<u>\$ 347,336</u>

The future principal and interest lease payments as of fiscal year end are as follows:

Fiscal Year Ending	Governmental Activities	Business-Type Activities
2024	\$ 382,220	\$ 130,672
2025	308,616	85,946
2026	254,735	75,633
2027	186,268	69,731
2028	66,914	40,156
Total minimum lease payments	1,198,753	402,138
Less: amount representing interest	<u>(140,546)</u>	<u>(54,802)</u>
<b>Present value of minimum lease payments</b>	<u>\$ 1,058,207</u>	<u>\$ 347,336</u>

The value of the right-to-use lease assets as of the end of the current fiscal year was \$1,988,053 with accumulated amortization of \$962,610 for the governmental activities, and \$722,977 with accumulated amortization of \$383,551 for the business-type activities.

# City of Anna, Texas

## Notes to Financial Statements

### Subscription Based Information Technology Arrangements (SBITA)

The City has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The City is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

	Interest Rate(s)	Liability at Commencement	SBITA Term in Years	Ending Balance
Governmental activities				
Software subscription	3.38%	\$ 78,947	3	\$ 51,752
<b>Total governmental activities</b>				<u>\$ 51,752</u>
Business-type activities				
Software subscription	3.38%	\$ 78,947	3	\$ 51,752
<b>Total business-type activities</b>				<u>\$ 51,752</u>

The future principal and interest SBITA payments as of fiscal year end are as follows:

Fiscal Year Ending	Principal	Interest	Total
2024	\$ 25,446	\$ 1,749	\$ 27,195
2025	26,306	889	27,195
<b>Total governmental activities</b>	<u>\$ 51,752</u>	<u>\$ 2,638</u>	<u>\$ 54,390</u>
Fiscal Year Ending	Principal	Interest	Total
2024	\$ 25,446	\$ 1,749	\$ 27,195
2025	26,306	889	27,195
<b>Total business-type activities</b>	<u>\$ 51,752</u>	<u>\$ 2,638</u>	<u>\$ 54,390</u>

The value of the subscription assets as of the end of the current fiscal year was \$78,947 with accumulated amortization of \$26,316 for both governmental and business-type activities.

## City of Anna, Texas

### Notes to Financial Statements

#### Note 7. Interfund Balances and Activity

Transfers between funds during the year were as follows:

Transfers Out	Transfers In	Amounts	Reason
Nonmajor Governmental Funds	General Fund	\$ 25,000	Contribute to operating costs
Utility Fund	Nonmajor Governmental Funds	<u>3,920,200</u>	Contribute to capital and operating costs
<b>Totals</b>		<u>\$ 3,945,200</u>	

#### Note 8. Commitments

The City has entered into various contracts with the Greater Texoma Utility Authority (GTUA), whereby the City recognizes that GTUA has an undivided ownership interest in the City's water system and sewer collection and treatment facility equivalent to the percentage of the total cost of the facility provided by GTUA through the issuance of GTUA bonds. As part of the contractual agreements, GTUA issues debt for the benefit of the City, the proceeds of which are used to finance construction of water and sewer facilities and infrastructure within the City. In 2004, the City, along with the cities of Van Alstyne, Howe, and Melissa, formed a group called the Collin Grayson Municipal Alliance ("CGMA"). CGMA entered into contracts with GTUA for the purpose of providing funds for the construction of a transmission water pipeline that will provide water to CGMA cities. The cost of the pipeline is being funded in four phases, and as part of the contractual agreement, GTUA issued debt for the benefit of the CGMA.

Although the debt is not that of the City, the City has a contractual obligation to repay the principal and interest on the debt through a pledging of water and sewer revenue. During the year ended September 30, 2023, the City paid \$909,677 to GTUA in accordance with these contracts. Future payments under these contracts average approximately \$321,000 per year for the next 30 years. A summary of the remaining debt service as of September 30, 2023, is as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 370,000	\$ 302,255	\$ 672,255
2025	383,750	287,545	671,295
2026	512,500	271,799	784,299
2027	377,500	249,335	626,835
2028	392,500	231,607	624,107
2029-2033	1,256,250	939,986	2,196,236
2034-2038	1,483,750	577,106	2,060,856
2039-2043	725,000	243,185	968,185
2044-2048	382,500	136,047	518,547
2049-2053	<u>460,000</u>	<u>49,362</u>	<u>509,362</u>
<b>Totals</b>	<u>\$ 6,343,750</u>	<u>\$ 3,288,227</u>	<u>\$ 9,631,977</u>

#### Grant Programs

The City participates in federal and state assisted grant programs. Under the terms of these grants, the City is subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. If future program compliance audits result in questioned or disallowed costs, reimbursements would be made to the grantor agencies. The amounts of expenditures which might be disallowed by the grantor agencies cannot be determined at this time; however, management believes such amounts, if any, would be immaterial.

# City of Anna, Texas

## Notes to Financial Statements

### Note 9. Defined Benefit Pension Plan

#### Plan Description

The City and three of its component units participate as one of 919 plans in the nontraditional, joint contributory, hybrid defined benefit agent multiple-employer pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS, an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (TMRS Act) is an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tMrs.com](http://www.tMrs.com).

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

#### Benefits Provided

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

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

The plan provisions are adopted by City were as follows:

	2022	2021
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	75% Repeating, Transfers	75% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

#### Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	20
Inactive employees entitled to but not yet receiving benefits	73
Active employees	154
<b>Total</b>	<b>247</b>

## City of Anna, Texas

### Notes to Financial Statements

#### Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the member's total compensation, and the city matching ratios are either 1:1 (1 to 1), 1.5:1 (1 ½ to 1) or 2:1 (2 to 1), both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (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 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.07% and 14.09% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$1,772,903, and were equal to the required contributions.

#### Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

#### Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, 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 is used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2019 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.

## City of Anna, Texas

### Notes to Financial Statements

In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS 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 in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other public and private markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge funds	5.0%	6.90%
Private Equity	10.0%	11.80%
<b>Total</b>	100.0%	

#### Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employee contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

## City of Anna, Texas

### Notes to Financial Statements

#### Changes in Net Pension Liability

At September 30, 2023, the City reported the following changes in net pension liability.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2021	\$ 13,086,531	\$ 12,404,019	\$ 682,512
Changes for the year:			
Service cost	2,131,763	-	2,131,763
Interest	950,215	-	950,215
Difference between expected and actual experience	618,840	-	618,840
Changes of assumptions	-	-	-
Contributions - employer	-	1,461,926	(1,461,926)
Contributions - employee	-	754,131	(754,131)
Net investment income (loss)	-	(916,349)	916,349
Benefit payments, including refunds of employee contributions	(301,083)	(301,083)	-
Administrative expense	-	(7,882)	7,882
Other changes	-	9,406	(9,406)
Net changes	<u>3,399,735</u>	<u>1,000,149</u>	<u>2,399,586</u>
Balance at December 31, 2022	<u>\$ 16,486,266</u>	<u>\$ 13,404,168</u>	<u>\$ 3,082,098</u>

At September 30, 2023, the component unit reported the following changes in net pension liability.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2021	\$ 395,025	\$ 374,423	\$ 20,602
Changes for the year:			
Service cost	47,302	-	47,302
Interest	22,927	-	22,927
Difference between expected and actual experience	14,932	-	14,932
Changes of assumptions	-	-	-
Contributions - employer	-	35,274	(35,274)
Contributions - employee	-	18,196	(18,196)
Net investment income (loss)	-	(22,110)	22,110
Benefit payments, including refunds of employee contributions	(7,265)	(7,265)	-
Administrative expense	-	(190)	190
Other changes	-	227	(227)
Net changes	<u>77,896</u>	<u>24,132</u>	<u>53,764</u>
Balance at December 31, 2022	<u>\$ 472,921</u>	<u>\$ 398,555</u>	<u>\$ 74,366</u>

Of the ending net pension liability balance, \$3,082,098 and \$74,366 was allocated to the primary government and discretely presented component units, respectively.

## City of Anna, Texas

### Notes to Financial Statements

#### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City and its component units, calculated using the discount rate of 6.75%, as well as what the City and its component unit's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 6,176,443	\$ 3,082,098	\$ 627,298
Component unit's net pension liability	149,028	74,366	15,136
<b>Total</b>	<b>\$ 6,325,471</b>	<b>\$ 3,156,464</b>	<b>\$ 642,434</b>

#### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmr.com](http://www.tmr.com).

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

For the year ended September 30, 2023, the City recognized pension expense of \$1,900,865 and the component unit recognized pension expense of \$45,865.

At September 30, 2023, 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	\$ 825,689	\$ 2,119
Changes in actuarial assumptions	15,976	-
Difference between projected and actual investment earnings	899,865	-
Contributions subsequent to the measurement date	1,277,140	-
<b>Totals</b>	<b>\$ 3,018,670</b>	<b>\$ 2,119</b>

## City of Anna, Texas

### Notes to Financial Statements

At September 30, 2023, the component unit 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	\$ 19,923	\$ 51
Changes in actuarial assumptions	385	-
Difference between projected and actual investment earnings	21,712	-
Contributions subsequent to the measurement date	30,817	-
<b>Totals</b>	<b>\$ 72,837</b>	<b>\$ 51</b>

\$1,307,957 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 net pension liability for the year ending September 30, 2024. Of the deferred outflows of resources total, \$3,018,670 and \$72,837 was allocated to the primary government and discretely presented component units, respectively. Of the deferred inflows of resources total, \$2,119 and \$51 was allocated to the primary government and discretely presented component units, respectively. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	City	Component Unit
2023	\$ 316,812	\$ 7,644
2024	426,288	10,286
2025	389,082	9,388
2026	486,651	11,742
2027	99,653	2,404
Thereafter	20,925	505
<b>Totals</b>	<b>\$ 1,739,411</b>	<b>\$ 41,969</b>

## Note 10. Other Postemployment Benefits Plan

### Plan Description

The City contributes to a single-employer defined benefit OPEB plan, the group-term life insurance plan known as the SDBF. This is a voluntary program administered by the Texas Municipal Retirement System (TMRS) in which the City elected, by ordinance, to provide group term life insurance coverage to active and retired members. The City 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.

### Benefits Provided

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 another postemployment benefit (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 Anna, Texas

### Notes to Financial Statements

#### Contributions

The member city contributes to the SDBF at a contractually required rate 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.

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	14
Inactive employees entitled to but not yet receiving benefits	10
Active employees	<u>154</u>
<b>Total</b>	<u><u>178</u></u>

#### Accounting Policy

An irrevocable trust has not been established that meets the criteria in paragraph 4 of GASB Statement No. 75. Therefore, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

#### Actuarial Assumptions

Significant methods and assumptions used in the December 31, 2022 actuarial valuation are as follows:

Inflation	2.5% per year
Salary increases	3.5% to 11.5% including inflation
Discount rate	4.05% as of December 31, 2022
Retirees' share of benefit related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% 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.

Note: The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

## City of Anna, Texas

### Notes to Financial Statements

#### Total OPEB Liability

The City and component unit's total OPEB liability of \$106,161 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date. The total OPEB liability and related information are as follows for the City at September 30, 2023:

	Total OPEB Liability - City	Total OPEB Liability - Component Unit	Total
Balance at December 31, 2021	\$ 156,255	\$ 4,717	\$ 160,972
Changes for the year:			
Service cost	28,010	676	28,686
Interest on Total OPEB Liability	3,129	76	3,205
Difference between expected and actual experience	(15,485)	(374)	(15,859)
Changes of assumptions or other inputs	(66,094)	(2,542)	(68,636)
Benefit payments	(2,155)	(52)	(2,207)
Net changes	<u>(52,595)</u>	<u>(2,216)</u>	<u>(54,811)</u>
Balance at December 31, 2022	<u>\$ 103,660</u>	<u>\$ 2,501</u>	<u>\$ 106,161</u>

Of the ending total OPEB liability, \$103,660 and \$2,501 was allocated to the primary government and discretely presented component units, respectively.

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$26,638 and the component unit recognized OPEB expense of \$643.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,056	\$ 23,693
Changes in actuarial assumptions and other inputs	31,119	61,536
Contributions made subsequent to the measurement date	<u>911</u>	<u>-</u>
<b>Totals</b>	<u>\$ 39,086</u>	<u>\$ 85,229</u>

## City of Anna, Texas

### Notes to Financial Statements

At September 30, 2023, the component unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 170	\$ 572
Changes in actuarial assumptions and other inputs	751	1,484
Contributions made subsequent to the measurement date	22	-
<b>Totals</b>	<u>\$ 943</u>	<u>\$ 2,056</u>

Benefit payments subsequent to the measurement date and before fiscal year-end of \$933 will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2024. Of the deferred outflows of resources total, \$39,086 and \$943 was allocated to the primary government and discretely presented component units, respectively. Of the deferred inflows of resources total, \$85,229 and \$2,056 was allocated to the primary government and discretely presented component units, respectively.

Other amounts reported as deferred outflows related to OPEB will be recognized in OPEB expense as follows:

Year ending September 30	City	Component Unit
2024	\$ (4,501)	\$ (109)
2025	(4,501)	(109)
2026	(4,627)	(112)
2027	(4,882)	(118)
2028	(4,482)	(108)
Thereafter	<u>(24,061)</u>	<u>(579)</u>
<b>Totals</b>	<u>\$ (47,054)</u>	<u>\$ (1,135)</u>

## City of Anna, Texas

### Notes to Financial Statements

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current discount rate:

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
City	\$ 129,141	\$ 103,660	\$ 84,440
Component unit	3,116	2,501	2,037
	<u>\$ 132,257</u>	<u>\$ 106,161</u>	<u>\$ 86,477</u>

#### Note 11. Villages of Hurricane Creek Public Improvement District

On November 13, 2018, the City of Anna City Council approved Ordinance No. 2018-01-506 authorizing the creation of a Public Improvement District. The Hurricane Creek Public Improvement District consists of approximately 368.20 acres within the jurisdictions of the City. This district was created in accordance with Chapter 372.003 of the Texas Local Government Code, as amended.

On March 28, 2019 the City of Anna City Council approved the issuance and sale of two Special Assessment Revenue Bonds in the amounts of \$7,735,000 and \$3,535,000 known as Hurricane Creek Public Improvement District Improvement Area #1 Project and Hurricane Creeks Public Improvement District Improvement Major Improvement Area Project, respectively. These bonds were authorized in order to finance the projects benefiting the entire Hurricane Creek Public Improvement District including certain roadway, water, sewer, and drainage improvements.

On December 13, 2022, the City issued \$10,550,000 of Special Assessment Revenue Bonds, Series 2022 known as Hurricane Creek Public Improvement District Improvement Area #2 Project. Proceeds of these bonds will be used to finance the projects benefiting Improvement Area #2 of the Hurricane Creek Public Improvement District.

#### Note 12. Sherley Tract Public Improvement District

On December 8, 2020, the City of Anna City Council approved Ordinance No. 2020-12-839 authorizing the creation of a Public Improvement District. The Sherley Tract Public Improvement District consists of approximately 289.751 acres located in the extraterritorial jurisdiction of the City. This district was created in accordance with Chapter 372.003 of the Texas Local Government Code, as amended.

On July 13, 2022, the City of Anna City Council approved the issuance and sale of two Special Assessment Revenue Bonds in the amounts of \$9,400,000 and \$2,896,000 known as Sherley Tract Public Improvement District No. 2 Improvement Area #1 Project and Sherley Tract Public Improvement District No. 2 Major Improvement Area Project, respectively. These bonds were authorized in order to finance the projects benefiting the entire Sherley Tract Public Improvement District No. 2 including certain roadway, water, sewer, and drainage improvements.

## City of Anna, Texas

### Notes to Financial Statements

#### Note 13. AnaCapri Public Improvement District

On April 12, 2022, the City of Anna City Council approved Resolution No. 2022-04-1140 authorizing the creation of a Public Improvement District. The AnaCapri Public Improvement District consists of approximately 279.554 acres located within the corporate city limits of the City. This district was created in accordance with Chapter 372.003 of the Texas Local Government Code, as amended.

#### Note 14. 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 approximately 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

#### Note 15. Restatement of Beginning Net Position

The City's beginning net position balances in the City's governmental activities and business-type activities were restated due to the Anna Public Facility Corporation being classified from a nonmajor special revenue fund to a nonmajor enterprise fund.

The beginning net position of the City's utility fund and business-type activities was restated. The City has several commitments with Greater Texoma Utility Authority that were recorded as long-term liabilities. Upon evaluation of the commitments during the implementation of GASB 91, *Conduit Debt Obligations*, the long-term liabilities were removed. The future commitments required by the City are disclosed in Note 8. The impact of the changes is noted below:

	Governmental Activities	Business-Type Activities	Utility Fund
Beginning net position, as previously reported	\$ 112,084,441	\$ 87,821,831	\$ 87,821,831
Reclassification of Public Facility Corporation Fund	(377,050)	377,050	-
Change in accounting principle	-	3,901,987	3,901,987
<b>Beginning net position, restated</b>	<b>\$ 111,707,391</b>	<b>\$ 92,100,868</b>	<b>\$ 91,723,818</b>

#### Note 16. Subsequent Events

On October 10, 2023, the City issued \$7,419,000 of Special Assessment Revenue Bonds, Series 2023 known as The Woods at Lindsey Place Public Improvement District Improvement Area #1 Project. Proceeds of these bonds will be used to finance the projects benefiting Improvement Area #1 of The Woods at Lindsey Place Public Improvement District.

On October 31, 2023, the City issued \$20,343,000 of Special Assessment Revenue Bonds, Series 2023 known as AnaCapri Public Improvement District Improvement Area #1 Project. Proceeds of these bonds will be used to finance the projects benefiting Improvement Area #1 of the AnaCapri Public Improvement District.

THE CITY OF  
**Anna**

## **Required Supplementary Information**

# City of Anna, Texas

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 9,418,264	\$ 9,418,264	\$ 9,747,479	\$ 329,215
Sales taxes	4,130,000	4,293,100	4,345,553	52,453
Charges for services	295,000	295,000	1,149,590	854,590
License and permits	4,283,000	4,283,000	5,417,291	1,134,291
Franchise and local taxes	825,000	825,000	1,063,275	238,275
Investment income	50,000	50,000	772,328	722,328
Other revenues	16,300	16,300	46,207	29,907
Intergovernmental	-	-	71,767	71,767
Fines and forfeitures	300,000	300,000	431,589	131,589
Contributions and donations	-	-	575	575
Total revenues	19,317,564	19,480,664	23,045,654	3,564,990
<b>EXPENDITURES</b>				
Current:				
General government	5,502,408	5,780,881	5,666,331	114,550
Culture and recreation	2,385,445	1,673,334	1,630,378	42,956
Community services	1,200,399	1,200,399	1,132,073	68,326
Public safety	9,676,213	9,676,213	9,170,604	505,609
Public works	1,050,193	1,050,193	1,026,759	23,434
Debt service				
Principal	45,700	45,700	356,037	(310,337)
Interest and fiscal charges	11,659	11,659	17,143	(5,484)
Capital outlay	-	-	712,235	(712,235)
Total expenditures	19,872,017	19,438,379	19,711,560	(273,181)
Excess (deficiency) of revenues over (under) expenditures	(554,453)	42,285	3,334,094	3,291,809
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	6,070	6,070
Transfers in	-	-	25,000	25,000
Transfers out	(400,000)	(768,000)	-	768,000
Right-to-use SBITA inception	-	-	78,947	78,947
Right-to-use lease inception	-	-	446,087	446,087
Total other financing sources (uses)	(400,000)	(768,000)	556,104	1,324,104
Net change in fund balance	(954,453)	(725,715)	3,890,198	4,615,913
Beginning fund balance	9,963,033	9,963,033	9,963,033	-
<b>ENDING FUND BALANCE</b>	<b>\$ 9,008,580</b>	<b>\$ 9,237,318</b>	<b>\$ 13,853,231</b>	<b>\$ 4,615,913</b>

### Notes to Schedule

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

## City of Anna, Texas

### Schedule of Changes in the Net Pension Liability and Related Ratios – TMRS Last Nine Measurement Periods

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>									
Service cost	\$ 2,179,066	\$ 1,689,215	\$ 1,282,488	\$ 1,008,055	\$ 860,365	\$ 698,771	\$ 608,067	\$ 527,867	\$ 429,268
Interest	973,142	789,622	665,239	546,834	464,692	398,225	343,924	309,015	277,884
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	633,772	301,846	31,578	294,521	13,331	(9,109)	(60,518)	(110,141)	(173,824)
Change of assumptions	-	-	-	47,825	-	-	-	19,349	-
Benefit payments, including refunds of employee contributions	(308,348)	(305,245)	(374,666)	(185,961)	(204,657)	(163,326)	(101,394)	(109,637)	(166,160)
Net change in total pension liability	3,477,632	2,475,438	1,604,639	1,711,274	1,133,731	924,561	790,079	636,453	367,168
Total pension liability - beginning	13,481,555	11,006,117	9,401,478	7,690,204	6,556,473	5,631,912	4,841,833	4,205,380	3,838,212
<b>TOTAL PENSION LIABILITY - ENDING (a)</b>	<b>\$ 16,959,187</b>	<b>\$ 13,481,555</b>	<b>\$ 11,006,117</b>	<b>\$ 9,401,478</b>	<b>\$ 7,690,204</b>	<b>\$ 6,556,473</b>	<b>\$ 5,631,912</b>	<b>\$ 4,841,833</b>	<b>\$ 4,205,380</b>
<b>PLAN FIDUCIARY NET POSITION</b>									
Contributions - employer	\$ 1,497,200	\$ 1,240,283	\$ 927,155	\$ 747,632	\$ 618,080	\$ 516,066	\$ 442,230	\$ 386,733	\$ 270,279
Contributions - employee	772,327	616,181	460,616	356,743	298,589	249,306	217,388	194,478	170,293
Net investment income (loss)	(938,459)	1,300,777	631,955	991,697	(175,951)	641,130	257,535	4,915	165,488
Benefit payments, including refunds of employee contributions	(308,348)	(305,245)	(374,666)	(185,961)	(204,657)	(163,326)	(101,394)	(109,637)	(166,160)
Administrative expense	(8,072)	(5,991)	(4,073)	(5,580)	(3,389)	(3,315)	(2,902)	(2,992)	(1,727)
Other	9,632	41	(158)	(168)	(176)	(169)	(156)	(148)	(142)
Net change in plan fiduciary net position	1,024,280	2,846,046	1,640,829	1,904,363	532,496	1,239,692	812,701	473,349	438,031
Plan fiduciary net position - beginning	12,778,443	9,932,397	8,291,568	6,387,205	5,854,709	4,615,017	3,802,316	3,328,967	2,890,936
<b>PLAN FIDUCIARY NET POSITION - ENDING (b)</b>	<b>\$ 13,802,723</b>	<b>\$ 12,778,443</b>	<b>\$ 9,932,397</b>	<b>\$ 8,291,568</b>	<b>\$ 6,387,205</b>	<b>\$ 5,854,709</b>	<b>\$ 4,615,017</b>	<b>\$ 3,802,316</b>	<b>\$ 3,328,967</b>
<b>NET PENSION LIABILITY - ENDING (a)-(b)</b>	<b>\$ 3,156,464</b>	<b>\$ 703,112</b>	<b>\$ 1,073,720</b>	<b>\$ 1,109,910</b>	<b>\$ 1,302,999</b>	<b>\$ 701,764</b>	<b>\$ 1,016,895</b>	<b>\$ 1,039,517</b>	<b>\$ 876,413</b>
Plan fiduciary net position as a percentage of total pension liability	81.39%	94.78%	90.24%	88.19%	83.06%	89.30%	81.94%	78.53%	79.16%
Covered payroll	\$ 11,033,246	\$ 8,802,581	\$ 6,580,234	\$ 5,096,334	\$ 4,265,561	\$ 3,561,515	\$ 1,194,348	\$ 2,778,260	\$ 2,432,756
Net pension liability as a percentage of covered payroll	28.61%	7.99%	16.32%	21.78%	30.55%	19.70%	85.14%	37.42%	36.03%

#### Notes to Schedule

1. This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

## City of Anna, Texas

### Schedule of Employer Contributions to Pension Plan - TMRS Last Nine Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,772,903	\$ 1,434,265	\$ 1,094,001	\$ 906,255	\$ 701,932	\$ 592,188	\$ 490,248	\$ 444,631	\$ 353,170
Contributions in relation to the actuarially determined contribution	<u>1,772,903</u>	<u>1,434,265</u>	<u>1,094,001</u>	<u>906,255</u>	<u>701,932</u>	<u>592,188</u>	<u>490,248</u>	<u>444,631</u>	<u>353,170</u>
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 12,629,182	\$ 10,388,515	\$ 7,764,378	\$ 6,373,692	\$ 4,798,511	\$ 4,086,822	\$ 3,396,686	\$ 3,140,567	\$ 2,881,090
Contributions as a percentage of covered payroll	14.04%	13.81%	14.09%	14.22%	14.63%	14.49%	14.43%	14.16%	12.26%

#### Notes to Schedule

1. This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.
2. GASB 68, paragraph 81.2.b requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

## City of Anna, Texas

### Schedule of Changes in Total OPEB Liability and Related Ratios – TMRS Last Six Measurement Periods

	2022	2021	2020	2019	2018	2017
<b>TOTAL OPEB LIABILITY</b>						
Service cost	\$ 28,686	\$ 24,647	\$ 16,451	\$ 9,173	\$ 8,958	\$ 6,767
Interest (on the Total OPEB Liability)	3,205	3,019	2,584	2,306	1,996	1,716
Change of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(15,859)	(10,814)	11,180	(964)	(3,622)	-
Changes in assumptions or other inputs	(68,636)	6,365	23,878	18,247	(5,341)	5,334
Benefit payments	(2,207)	(1,761)	(658)	(510)	-	-
Net change in total OPEB liability	(54,811)	21,456	53,435	28,252	1,991	13,817
Total OPEB liability - beginning	160,972	139,516	86,081	57,829	55,838	42,021
<b>TOTAL OPEB LIABILITY - ENDING (a)</b>	<b>\$ 106,161</b>	<b>\$ 160,972</b>	<b>\$ 139,516</b>	<b>\$ 86,081</b>	<b>\$ 57,829</b>	<b>\$ 55,838</b>
Covered-employee payroll	\$ 11,033,246	\$ 8,802,581	\$ 6,580,234	\$ 5,096,334	\$ 4,265,563	\$ 3,561,515
Total OPEB liability as a percentage of covered-employee payroll	0.96%	1.83%	2.12%	1.69%	1.36%	1.57%

#### Notes to Schedule

1. This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not reported in accordance with the standards of GASB 74/75 and should not be shown here. Therefore, only years for which the new GASB statements have been implemented have been shown and ultimately ten years will be presented.

2. The TMRS Supplementary Death Benefit Fund (SDBF) is considered to be an unfunded OPEB plan; therefore, no plan fiduciary net position and related ratios are reported in the above schedule.

**City of Anna, Texas**  
**Schedule of OPEB Contributions - TMRS**  
**Last Six Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 1,592	\$ 2,078	\$ 7,636	\$ 8,286	\$ 6,238	\$ 4,496
Contributions in relation to the actuarially determined contribution	<u>1,592</u>	<u>2,078</u>	<u>7,636</u>	<u>8,286</u>	<u>6,238</u>	<u>4,496</u>
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>					
Covered-employee payroll	12,629,182	10,388,515	7,764,378	6,373,692	4,798,511	4,086,822
Contributions as a percentage of covered-employee payroll	0.01%	0.02%	0.10%	0.13%	0.13%	0.11%

**Notes to Schedule**

1. This schedule is presented to illustrate the requirement to show for 10 years. However, recalculations of prior years are not reported in accordance with the standards of GASB 74/75 and should not be shown here. Therefore, only years for which the new GASB statements have been implemented will be shown and ultimately ten years will be presented.

2. GASB 75 paragraph 57 requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

# **Combining and Individual Fund Financial Statements and Schedule**

THE CITY OF  
**Anna**

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

#### **Roadway Impact Fee Service Area 1**

Accounts for revenue and expenditures from developer impact fees for future strategic roadway improvements for service area 1.

#### **Roadway Impact Fee Service Area 2**

Accounts for revenue and expenditures from developer impact fees for future strategic roadway improvements for service area 2.

#### **State Police Seizure Fund**

Accounts for state revenues generated from property seized in connection with illegal activity once the property is forfeited after prosecution that can only be used in accordance with applicable state laws.

#### **Federal Police Seizure Fund**

Accounts for federal revenues generated from property seized in connection with illegal activity once the property is forfeited after prosecution that can only be used in accordance with applicable federal laws.

#### **Fire Department Capital Improvement Fund**

Accounts for fees negotiated with developers in support of the Anna Fire Department for fire capital projects.

#### **Park Development Fund**

Accounts for park development fees from developer agreements or the subdivision ordinance in support of the City's parks master plan.

#### **Grant Fund**

Accounts for the proceeds and expenditures relating to all grants.

#### **Road Capital Development Agreement Fund**

Accounts for negotiated developer agreements for road and street impact fees.

#### **Tax Increment Reinvestment Zone Numbers 2, 3, and 6**

Accounts for financing resources to pay for infrastructure costs to facilitate the mixed-use development projects.

#### **PID Fee Fund**

Accounts for the proceeds and expenditures relating to various PID agreements.

#### **Other Special Revenue Fund**

Accounts for all other miscellaneous restricted funds not described in other special revenue funds.

**City of Anna, Texas**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2023

	<b>Roadway Impact Fee SVC Area 1</b>	<b>Roadway Impact Fee SVC Area 2</b>	<b>State Police Seizure Fund</b>	<b>Federal Police Seizure Fund</b>	<b>Fire Dept. Capital Impr. Fund</b>	<b>Park Development Fund</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 3,944,500	\$ 2,142,078	\$ 9,635	\$ 3,094	\$ 235,916	\$ 4,227,110
Receivables, net	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-
Prepaid	-	-	-	-	-	47,407
<b>Total assets</b>	<b>\$ 3,944,500</b>	<b>\$ 2,142,078</b>	<b>\$ 9,635</b>	<b>\$ 3,094</b>	<b>\$ 235,916</b>	<b>\$ 4,274,517</b>
<b>LIABILITIES</b>						
Accounts payable and other liabilities	\$ 34,002	\$ -	\$ -	\$ -	\$ -	\$ 229,854
Unearned revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<b>34,002</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>229,854</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	47,407
Restricted for:						
Public safety	-	-	9,635	3,094	235,916	-
Federal grants	-	-	-	-	-	-
Capital projects	3,910,498	2,142,078	-	-	-	3,997,256
<b>Total fund balances</b>	<b>3,910,498</b>	<b>2,142,078</b>	<b>9,635</b>	<b>3,094</b>	<b>235,916</b>	<b>4,044,663</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,944,500</b>	<b>\$ 2,142,078</b>	<b>\$ 9,635</b>	<b>\$ 3,094</b>	<b>\$ 235,916</b>	<b>\$ 4,274,517</b>

<u>Grant Fund</u>	<u>Road Capital Development Agreement Fund</u>	<u>TIRZ #2</u>	<u>TIRZ #3</u>	<u>TIRZ #6</u>	<u>PID Fee Fund</u>	<u>Other Special Revenue Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 3,549,014	\$ 1,185,793	\$ -	\$ -	\$ -	\$ 3,920,200	\$ 199,988	\$ 19,417,328
1,612	-	-	-	-	-	7,386	8,998
-	-	216,967	13,208	37,515	-	-	267,690
-	-	-	-	-	-	-	47,407
<u>\$ 3,550,626</u>	<u>\$ 1,185,793</u>	<u>\$ 216,967</u>	<u>\$ 13,208</u>	<u>\$ 37,515</u>	<u>\$ 3,920,200</u>	<u>\$ 207,374</u>	<u>\$ 19,741,423</u>
\$ -	\$ 898,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,162,152
3,373,552	-	-	-	-	-	-	3,373,552
<u>3,373,552</u>	<u>898,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,535,704</u>
-	-	-	-	-	-	-	47,407
-	-	-	-	-	-	207,374	456,019
177,074	-	-	-	-	-	-	177,074
-	287,497	216,967	13,208	37,515	3,920,200	-	14,525,219
<u>177,074</u>	<u>287,497</u>	<u>216,967</u>	<u>13,208</u>	<u>37,515</u>	<u>3,920,200</u>	<u>207,374</u>	<u>15,205,719</u>
<u>\$ 3,550,626</u>	<u>\$ 1,185,793</u>	<u>\$ 216,967</u>	<u>\$ 13,208</u>	<u>\$ 37,515</u>	<u>\$ 3,920,200</u>	<u>\$ 207,374</u>	<u>\$ 19,741,423</u>

# City of Anna, Texas

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended September 30, 2023

	Roadway Impact Fee SVC Area 1	Roadway Impact Fee SVC Area 2	State Police Seizure Fund	Federal Police Seizure Fund	Fire Dept. Capital Impr. Fund	Park Development Fund
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	2,314,681	98,514	-	-	19,600	1,406,652
Intergovernmental	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	132,953	83,518	312	55	10,905	172,073
Other revenue	-	-	-	-	280	3,575
<b>Total revenues</b>	<b>2,447,634</b>	<b>182,032</b>	<b>312</b>	<b>55</b>	<b>30,785</b>	<b>1,582,300</b>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	1,134,279
Public safety	-	-	350	-	25,000	-
Public works	1,376,642	35,282	-	-	-	-
Capital outlay	514,430	-	-	-	38,407	1,638,812
<b>Total expenditures</b>	<b>1,891,072</b>	<b>35,282</b>	<b>350</b>	<b>-</b>	<b>63,407</b>	<b>2,773,091</b>
Excess (deficiency) of revenues over (under) expenditures	556,562	146,750	(38)	55	(32,622)	(1,190,791)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(25,000)
Proceeds from the sale of capital assets	-	-	-	-	-	15,000
<b>Total other financing (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,000)</b>
<b>Net change in fund balances</b>	<b>556,562</b>	<b>146,750</b>	<b>(38)</b>	<b>55</b>	<b>(32,622)</b>	<b>(1,200,791)</b>
Fund balances, beginning of year	3,353,936	1,995,328	9,673	3,039	268,538	5,245,454
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 3,910,498</b>	<b>\$ 2,142,078</b>	<b>\$ 9,635</b>	<b>\$ 3,094</b>	<b>\$ 235,916</b>	<b>\$ 4,044,663</b>

Grant Fund	Local Capital Development Agreement Fund	TIRZ #2	TIRZ #3	TIRZ #6	PID Fee Fund	Other Special Revenue Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 162,289	\$ 13,208	\$ 41,338	\$ -	\$ -	\$ 216,835
-	-	-	-	-	-	-	3,839,447
364,709	-	-	-	-	-	-	364,709
-	-	-	-	-	-	13,768	13,768
162,508	70,404	-	-	-	-	6,912	639,640
-	-	-	-	-	-	48,253	52,108
527,217	70,404	162,289	13,208	41,338	-	68,933	5,126,507
-	-	-	-	-	-	312	312
-	-	-	-	3,823	-	-	1,138,102
12,859	-	-	-	-	-	-	38,209
-	-	-	-	-	-	-	1,411,924
350,583	-	-	-	-	-	6,496	2,548,728
363,442	-	-	-	3,823	-	6,808	5,137,275
163,775	70,404	162,289	13,208	37,515	-	62,125	(10,768)
-	-	-	-	-	3,920,200	-	3,920,200
-	-	-	-	-	-	-	(25,000)
-	-	-	-	-	-	-	15,000
-	-	-	-	-	3,920,200	-	3,910,200
163,775	70,404	162,289	13,208	37,515	3,920,200	62,125	3,899,432
13,299	217,093	54,678	-	-	-	145,249	11,306,287
<u>\$ 177,074</u>	<u>\$ 287,497</u>	<u>\$ 216,967</u>	<u>\$ 13,208</u>	<u>\$ 37,515</u>	<u>\$ 3,920,200</u>	<u>\$ 207,374</u>	<u>\$ 15,205,719</u>

# City of Anna, Texas

## Balance Sheet

Community Development Corporation

September 30, 2023

	<b>Anna Community Development Corporation</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 8,673,476
Receivables, net	<u>516,437</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 9,189,913</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 14,908
Accrued liabilities	1,735
Accrued salaries	<u>15,501</u>
Total liabilities	32,144
<b>FUND BALANCES</b>	
Restricted for:	
Community Development	<u>9,157,769</u>
Total fund balances	<u>9,157,769</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 9,189,913</u></b>

**City of Anna, Texas**

Reconciliation of Governmental Funds Balance Sheet  
to the Statement of Net Position  
Community Development Corporation  
September 30, 2023

**FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 9,157,769

Amounts reported for governmental activities in the statement of net position  
are different because:

The following deferred outflows of resources and deferred inflows of resources  
are not reported in governmental funds:

Deferred outflows of resources - OPEB	943
Deferred outflows of resources - pension	72,837
Deferred inflows of resources - OPEB	(2,056)
Deferred inflows of resources - pension	(51)

Long-term liabilities, including bonds payable, are not due and payable in the  
current period and, therefore, are not reported in the fund financial statements.

Long-term liabilities consist of:

Sales tax revenue bonds	(2,385,000)
Compensated absences	(21,936)
Accrued interest	(11,527)
Total OPEB liability	(2,501)
Net pension liability	(74,366)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 6,734,112

**City of Anna, Texas**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Community Development Corporation  
For the Year Ended September 30, 2023

	<b>Anna Community Development Corporation</b>
<b>REVENUES</b>	
Sales taxes	\$ 2,607,332
Contributions	5,198
Investment income	48,848
	<hr/>
Total revenues	2,661,378
<b>EXPENDITURES</b>	
Current:	
Community and economic development	1,490,779
Debt service:	
Principal retirement	100,000
Interest and fiscal charges	91,150
	<hr/>
Total expenditures	1,681,929
	<hr/>
Excess of revenues over expenditures	979,449
	<hr/>
Net change in fund balances	979,449
Fund balance, beginning of year	8,178,320
	<hr/>
<b>Fund balance, end of year</b>	<b>\$ 9,157,769</b>
	<hr/> <hr/>

**City of Anna, Texas**

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
Community Development Corporation  
For the Year Ended September 30, 2023

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 979,449

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

Current year long-term debt principal payments on tax notes payable are expenditures  
in the fund financial statements but are shown as reductions in long-term debt in the  
government-wide financial statements. 100,000

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.

Decrease in accrued interest	851
Decrease in accrued compensated absences	1,044
Increase in net pension liability and related deferred inflows and outflows	(5,231)
Increase in total OPEB liability and related deferred inflows and outflows	(310)
	<hr/>

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 1,075,803

**City of Anna, Texas**

Balance Sheet

Economic Development Corporation

September 30, 2023

	<b>Anna Economic Development Corporation</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 882,310
Investments	4,583,000
	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 5,465,310</b>
	<hr/> <hr/>
<b>LIABILITIES</b>	
Accounts payable	\$ 4,095
	<hr/>
Total liabilities	4,095
<b>FUND BALANCES</b>	
Restricted for:	
Economic Development	5,461,215
	<hr/>
Total fund balances	5,461,215
	<hr/>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 5,465,310</b>
	<hr/> <hr/>

**City of Anna, Texas**

Reconciliation of Governmental Fund Balance Sheet  
to the Statement of Net Position  
Economic Development Corporation  
September 30, 2023

**FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 5,461,215

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.

415,896

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 5,877,111

**City of Anna, Texas**

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Economic Development Corporation  
For the Year Ended September 30, 2023

	<b>Anna Economic Development Corporation</b>
<b>REVENUES</b>	
Charges for services	\$ 1,449
Investment income	140,168
Contributions	60,000
Miscellaneous income	27
	<hr/>
Total revenues	201,644
<b>EXPENDITURES</b>	
Current:	
Community and economic development	732,615
	<hr/>
Total expenditures	732,615
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(530,971)
	<hr/>
Net change in fund balances	(530,971)
Fund balance, beginning of year	5,992,186
	<hr/>
<b>FUND BALANCE, end of year</b>	<b>\$ 5,461,215</b>
	<hr/> <hr/>

**City of Anna, Texas**

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balance of the Governmental Fund to the Statement of Activities  
Economic Development Corporation  
For the Year Ended September 30, 2023

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ (530,971)

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

Capital assets contributed from governmental activities to the EDC 242,009

Depreciation is not recognized as an expense in governmental funds since it  
does not require the use of current financial resources (53,882)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ (342,844)

**City of Anna, Texas**  
Statement of Net Position  
Housing Finance Corporation  
September 30, 2023

	<b>Anna Housing Finance Corporation</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 645,618
Capital assets:	
Non-depreciable	<u>1,443,404</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,089,022</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 18,050
Unearned revenue	<u>3,750</u>
Total liabilities	21,800
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows - land lease	<u>1,419,104</u>
Total deferred inflows of resources	1,419,104
<b>NET POSITION</b>	
Net investment in capital assets	1,443,404
Unrestricted	<u>(795,286)</u>
Total net position	<u>648,118</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 2,089,022</u>

**City of Anna, Texas**

Statement of Revenues, Expenses, and Changes in Net Position

Housing Finance Corporation

For the Year Ended September 30, 2023

	<b>Anna Housing Finance Corporation</b>
<b>REVENUES</b>	
Charges for services	\$ 109,580
Investment income	6,404
	<hr/>
Total revenues	115,984
<b>EXPENSES</b>	
Community and economic development	18,383
	<hr/>
Total expenses	18,383
	<hr/>
Operating income	97,601
	<hr/>
Change in net position	97,601
Net position, beginning of year	550,517
	<hr/>
<b>Net position, end of year</b>	<b>\$ 648,118</b>
	<hr/> <hr/>

## City of Anna, Texas

### Schedule of Revenues, Expenditures, and Changes In Fund Balances – Budget and Actual Community Development Corporation For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Sales and use tax	\$ 2,460,000	\$ 2,460,000	\$ 2,607,332	\$ 147,332
Contributions	-	-	5,198	5,198
Investment income	5,000	5,000	48,848	43,848
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	2,465,000	2,465,000	2,661,378	196,378
<b>EXPENDITURES</b>				
Current:				
Community and economic development	2,728,667	2,768,178	1,490,779	1,277,399
Debt Service:				
Principal retirement	100,000	100,000	100,000	-
Interest and fiscal charges	93,865	93,865	91,150	2,715
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	2,922,532	2,962,043	1,681,929	1,280,114
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(457,532)	(497,043)	979,449	1,476,492
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(457,532)	(497,043)	979,449	1,476,492
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	8,178,320	8,178,320	8,178,320	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, end of year</b>	<u>\$ 7,720,788</u>	<u>\$ 7,681,277</u>	<u>\$ 9,157,769</u>	<u>\$ 1,476,492</u>

Notes to Required Supplementary Information

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

**City of Anna, Texas**

Statement of Revenues, Expenditures, and Changes  
 In Fund Balances – Budget and Actual  
 Economic Development Corporation  
 For the Year Ended September 30, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Charges for services - rentals	\$ 10,000	\$ 10,000	\$ 1,449	\$ (8,551)
Investment income	2,000	2,000	140,168	138,168
Contributions	-	-	60,000	60,000
Other income	-	-	27	27
<b>Total revenues</b>	<b>12,000</b>	<b>12,000</b>	<b>201,644</b>	<b>189,644</b>
<b>EXPENDITURES</b>				
Current:				
Community and economic development	36,350	807,497	732,615	74,882
<b>Total expenditures</b>	<b>36,350</b>	<b>807,497</b>	<b>732,615</b>	<b>74,882</b>
Deficiency of revenues under expenditures	(24,350)	(795,497)	(530,971)	264,526
Net change in fund balance	(24,350)	(795,497)	(530,971)	264,526
Fund balances, beginning of year	5,992,186	5,992,186	5,992,186	-
<b>FUND BALANCES, end of year</b>	<b>\$ 5,967,836</b>	<b>\$ 5,196,689</b>	<b>\$ 5,461,215</b>	<b>\$ 264,526</b>

Notes to Required Supplementary Information

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

**City of Anna, Texas**

Statement of Revenues, Expenditures, and Changes  
 In Fund Balances – Budget and Actual  
 Debt Service Fund  
 For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 3,458,686	\$ 3,458,686	\$ 3,579,086	\$ 120,400
Investment income	2,500	2,500	43,714	41,214
Total revenues	3,461,186	3,461,186	3,622,800	161,614
<b>EXPENDITURES</b>				
Principal retirement	522,000	522,000	522,000	-
Interest and fiscal charges	2,942,186	2,942,186	2,848,555	93,631
Total expenditures	3,464,186	3,464,186	3,370,555	93,631
Excess (deficiency) of revenues over (under) expenditures	(3,000)	(3,000)	252,245	255,245
Net change in fund balances	(3,000)	(3,000)	252,245	255,245
Fund balances, beginning of year	82,294	82,294	82,294	-
<b>FUND BALANCES, end of year</b>	<u>\$ 79,294</u>	<u>\$ 79,294</u>	<u>\$ 334,539</u>	<u>\$ 255,245</u>

# Statistical Section

THE CITY OF  
**Anna**

## **Statistical Section (Unaudited)**

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the City's overall financial health.

Tables

### **Financial Trends**

1, 2, 3 & 4

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

### **Revenue Capacity**

5, 6, 7 & 8

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

### **Debt Capacity**

9, 10, 11 & 12

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

### **Demographic and Economic Information**

13 & 14

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### **Operating Information**

15, 16 & 17

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**City of Anna, Texas**  
**Net Position by Component**  
**Last Ten Fiscal Years (Unaudited)**  
**(accrual basis of accounting)**

**Table 1**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 111,235,486	\$ 81,252,418	\$ 65,539,991	\$ 49,605,921	\$ 33,525,898	\$ 29,892,142	\$ 20,398,968	\$ 13,466,866	\$ 13,288,789	\$ 12,463,939
Restricted	17,188,894	19,668,553	18,360,546	7,417,666	10,681,098	469,607	1,489,057	1,550,067	1,781,301	1,265,399
Unrestricted	13,133,603	11,163,470	13,904,713	9,023,802	6,211,056	5,793,809	3,844,285	3,052,331	2,073,139	2,272,911
<b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<u>\$ 141,557,983</u>	<u>\$ 112,084,441</u>	<u>\$ 97,805,250</u>	<u>\$ 66,047,389</u>	<u>\$ 50,418,052</u>	<u>\$ 36,155,558</u>	<u>\$ 25,732,310</u>	<u>\$ 18,069,264</u>	<u>\$ 17,143,229</u>	<u>\$ 16,002,249</u>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 92,309,877	\$ 50,471,921	\$ 41,835,760	\$ 35,210,562	\$ 28,632,597	\$ 25,064,065	\$ 17,356,378	\$ 12,878,858	\$ 9,150,846	\$ 7,161,432
Restricted	24,635,697	31,677,216	23,680,099	13,578,283	9,638,637	6,761,991	6,407,402	7,349,941	10,029,856	11,632,410
Unrestricted	6,802,959	5,672,694	5,757,394	4,764,739	3,364,464	2,855,207	2,930,232	762,189	595,738	642,688
<b>TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b>	<u>\$ 123,748,533</u>	<u>\$ 87,821,831</u>	<u>\$ 71,273,253</u>	<u>\$ 53,553,584</u>	<u>\$ 41,635,698</u>	<u>\$ 34,681,263</u>	<u>\$ 26,694,012</u>	<u>\$ 20,990,988</u>	<u>\$ 19,776,440</u>	<u>\$ 19,436,530</u>
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 203,545,363	\$ 131,724,339	\$ 107,375,751	\$ 84,816,483	\$ 62,158,495	\$ 54,956,207	\$ 37,755,346	\$ 26,345,724	\$ 22,439,635	\$ 19,625,371
Restricted	41,824,591	51,345,769	42,040,645	20,995,949	20,319,735	7,231,598	7,896,459	8,900,008	11,811,157	12,897,809
Unrestricted	19,936,562	16,836,164	19,662,107	13,788,541	9,575,520	8,649,016	6,774,517	3,814,520	2,668,877	2,915,599
<b>TOTAL PRIMARY GOVERNMENT NET POSITION</b>	<u>\$ 265,306,516</u>	<u>\$ 199,906,272</u>	<u>\$ 169,078,503</u>	<u>\$ 119,600,973</u>	<u>\$ 92,053,750</u>	<u>\$ 70,836,821</u>	<u>\$ 52,426,322</u>	<u>\$ 39,060,252</u>	<u>\$ 36,919,669</u>	<u>\$ 35,438,779</u>

Source: Annual Comprehensive Financial Report

**City of Anna, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years (Unaudited)**  
**(accrual basis of accounting)**

**Table 2**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 6,641,449	\$ 5,226,176	\$ 3,538,746	\$ 2,669,302	\$ 1,954,083	\$ 1,758,159	\$ 1,405,085	\$ 1,393,256	\$ 1,058,719	\$ 963,243
Culture and recreation	3,699,579	2,550,873	2,053,933	1,172,862	877,455	799,378	665,430	584,676	573,249	432,133
Community services	1,150,424	1,211,897	1,198,530	1,280,415	1,289,798	810,369	904,227	690,842	558,541	619,465
Public safety	9,893,153	9,915,219	6,221,473	5,074,735	3,972,445	3,730,871	3,062,333	2,727,997	2,511,931	2,272,660
Public works	7,110,793	3,303,741	4,169,132	3,176,361	4,113,592	2,013,096	1,502,775	1,261,514	1,053,123	954,932
Interest on long-term debt	4,008,129	1,483,176	2,212,316	1,258,204	2,420,375	670,789	132,433	174,446	316,079	258,663
Total governmental activities expenses	32,503,527	23,691,082	19,394,130	14,631,879	14,627,748	9,782,662	7,672,283	6,832,731	6,071,642	5,501,096
Business-type activities:										
Water and sewer	26,319,170	16,353,389	13,462,054	11,152,513	11,664,343	8,893,526	7,443,593	7,371,352	6,487,099	5,453,831
Public Facility Corporation	35,167	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	26,354,337	16,353,389	13,462,054	11,152,513	11,664,343	8,893,526	7,443,593	7,371,352	6,487,099	5,453,831
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 58,857,864</b>	<b>\$ 40,044,471</b>	<b>\$ 32,856,184</b>	<b>\$ 25,784,392</b>	<b>\$ 26,292,091</b>	<b>\$ 18,676,188</b>	<b>\$ 15,115,876</b>	<b>\$ 14,204,083</b>	<b>\$ 12,558,741</b>	<b>\$ 10,954,927</b>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
General government	\$ 6,888,879	\$ 6,708,288	\$ 4,281,147	\$ 304,993	\$ 236,673	\$ 90,890	\$ 136,465	\$ 48,181	\$ 30,000	\$ 30,000
Culture and recreation	1,327,100	2,835,400	1,689,000	1,404,600	900,150	315,933	553,511	117,990	63,265	71,905
Community services	154,691	674,627	182,859	2,644,933	1,314,178	873,397	1,173,516	236,694	748,212	772,501
Public safety	48,220	14,473	5,353	21,648	16,995	94,244	49,950	768,988	218,973	183,533
Public works	2,432,795	3,274,193	1,641,273	895,585	666,873	641,119	382,390	129,914	-	-
Operating grants and contributions	437,051	75,963	527,376	616,207	182,943	4,225	351,482	333,948	15,053	11,525
Capital grants and contributions	24,639,756	8,977,439	30,267,739	13,181,867	15,179,885	9,338,204	6,489,958	-	1,417,514	783,182
Total governmental activities program revenues	35,928,492	22,560,383	38,594,747	19,069,833	18,497,697	11,358,012	9,137,272	1,635,715	2,493,017	1,852,646
Business-type activities:										
Charges for services:										
Water and sewer	30,692,985	28,539,413	23,356,512	15,852,302	14,947,376	11,416,192	9,805,662	7,523,193	6,194,327	5,980,176
Public Facility Corporation	695,620	-	-	-	-	-	-	-	-	-
Capital grants and contributions										
Water and sewer	21,782,213	4,125,890	7,732,066	6,716,462	3,346,660	5,348,481	3,298,737	776,416	755,508	486,155
Public Facility Corporation	4,225,000	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	57,395,818	32,665,303	31,088,578	22,568,764	18,294,036	16,764,673	13,104,399	8,299,609	6,949,835	6,466,331

# City of Anna, Texas

## Changes in Net Position – Continued Last Ten Fiscal Years (Unaudited) (accrual basis of accounting)

Table 2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>NET (EXPENSE) REVENUE</b>										
Governmental activities	\$ 3,424,965	\$ (1,130,699)	\$ 19,200,617	\$ 4,437,954	\$ 3,869,949	\$ 1,575,350	\$ 1,464,989	\$ (5,197,016)	\$ (3,578,625)	\$ (3,648,450)
Business-type activities	31,041,481	16,311,914	17,626,524	11,416,251	6,629,693	7,871,147	5,660,806	928,257	462,736	1,012,500
<b>TOTAL PRIMARY GOVERNMENT NET EXPENSE</b>	<b>\$ 34,466,446</b>	<b>\$ 15,181,215</b>	<b>\$ 36,827,141</b>	<b>\$ 15,854,205</b>	<b>\$ 10,499,642</b>	<b>\$ 9,446,497</b>	<b>\$ 7,125,795</b>	<b>\$ (4,268,759)</b>	<b>\$ (3,115,889)</b>	<b>\$ (2,635,950)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 13,553,404	\$ 10,239,322	\$ 8,714,860	\$ 7,929,530	\$ 6,728,848	\$ 5,579,490	\$ 4,619,461	\$ 3,973,028	\$ 3,322,054	\$ 2,807,140
Sales taxes	4,345,553	3,847,911	2,929,876	2,271,318	1,835,421	1,502,079	1,203,749	1,542,309	1,473,097	1,350,896
Franchise taxes	1,063,275	888,723	726,006	657,331	612,332	573,517	505,571	447,498	450,799	416,175
Investment earnings	3,444,880	244,855	123,643	568,920	1,044,444	327,200	26,199	31,816	23,685	22,295
Gain on sale of capital assets	-	-	-	20,111	135,910	276,970	-	-	39,160	11,960
Miscellaneous	98,315	189,079	62,859	70,560	84,132	314,750	241,719	166,773	316,688	140,596
Intergovernmental	-	-	-	-	-	142,273	-	-	-	-
Transfers	3,920,200	-	-	(326,387)	(48,542)	159,500	-	108,556	(649)	279,707
Total governmental activities	26,425,627	15,409,890	12,557,244	11,191,383	10,392,545	8,875,779	6,596,699	6,269,980	5,624,834	5,028,769
Business-type activities:										
Investment earnings	4,352,474	236,664	93,145	175,248	276,200	136,261	63,607	69,608	77,064	73,451
Miscellaneous	173,910	-	-	-	-	148,148	69,610	29,193	-	-
Transfers	(3,920,200)	-	-	326,387	48,542	(159,500)	-	(108,556)	649	(279,707)
Total business-type activities	606,184	236,664	93,145	501,635	324,742	124,909	133,217	(9,755)	77,713	(206,256)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 27,031,811</b>	<b>\$ 15,646,554</b>	<b>\$ 12,650,389</b>	<b>\$ 11,693,018</b>	<b>\$ 10,717,287</b>	<b>\$ 9,000,688</b>	<b>\$ 6,729,916</b>	<b>\$ 6,260,225</b>	<b>\$ 5,702,547</b>	<b>\$ 4,822,513</b>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$ 29,850,592	\$ 14,279,191	\$ 31,757,861	\$ 15,629,337	\$ 14,262,494	\$ 10,451,129	\$ 8,061,688	\$ 1,072,964	\$ 2,046,209	\$ 1,380,319
Business-type activities	31,647,665	16,548,578	17,719,669	11,917,886	6,954,435	7,996,056	5,794,023	918,502	540,449	806,244

**City of Anna, Texas**

Fund Balances of Governmental Funds  
Last Ten Fiscal Years (Unaudited)  
(modified accrual basis of accounting)

**Table 3**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>GENERAL FUND</b>										
Nonspendable	\$ 73,049	\$ -	\$ 12,961	\$ 10,630	\$ 7,242	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	13,832	13,434	13,354	13,279	13,133	12,891	12,768	19,580	523,192	394,002
Committed	-	-	-	-	215,932	215,932	740,768	185,788	157,476	161,510
Assigned	-	-	-	-	-	-	-	-	-	144,175
Unassigned	13,766,350	9,949,599	6,545,930	6,421,607	5,705,117	4,484,943	3,741,504	3,114,627	2,617,940	2,351,029
<b>TOTAL GENERAL FUND</b>	<b>\$ 13,853,231</b>	<b>\$ 9,963,033</b>	<b>\$ 6,572,245</b>	<b>\$ 6,445,516</b>	<b>\$ 5,941,424</b>	<b>\$ 4,713,766</b>	<b>\$ 4,495,040</b>	<b>\$ 3,319,995</b>	<b>\$ 3,298,608</b>	<b>\$ 3,050,716</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Nonspendable	\$ 47,407	\$ -	\$ 559,947	\$ 3,000	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 35,642
Restricted	68,596,045	26,215,542	31,756,237	32,669,975	40,214,505	35,295,317	1,476,290	2,284,212	1,100,633	871,397
Assigned	186,405	2,538,722	5,537,514	-	-	-	-	-	-	-
Unassigned	-	-	-	(3,000)	(112,518)	-	(7,694)	(574,937)	(203,139)	(371,273)
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 68,829,857</b>	<b>\$ 28,754,264</b>	<b>\$ 37,853,698</b>	<b>\$ 32,669,975</b>	<b>\$ 40,102,987</b>	<b>\$ 35,295,317</b>	<b>\$ 1,468,596</b>	<b>\$ 1,709,275</b>	<b>\$ 897,494</b>	<b>\$ 535,766</b>

Source: Annual Comprehensive Financial

# City of Anna, Texas

## Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (Unaudited) (modified accrual basis of accounting)

# Table 4

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>REVENUES</b>										
Taxes	\$ 18,952,228	\$ 14,867,757	\$ 12,363,699	\$ 10,898,111	\$ 9,166,995	\$ 7,592,708	\$ 6,338,940	\$ 5,965,724	\$ 5,241,413	\$ 4,571,535
Licenses, permits, and fees	5,782,000	5,752,179	4,159,517	2,683,906	1,331,173	824,186	1,115,294	711,462	748,212	772,501
Charges for services	4,989,037	7,504,874	3,514,109	2,488,443	1,716,265	1,113,856	1,106,620	-	158,491	166,242
Fines and forfeitures	445,357	249,928	129,265	97,374	87,431	77,541	73,918	84,360	115,027	100,055
Intergovernmental	71,767	72,913	526,766	123,195	93,190	142,273	185,392	287,614	114,200	106,600
Investment earnings	3,444,880	244,855	123,643	568,920	1,044,444	327,200	26,199	31,816	23,685	22,295
Other revenues	747,518	189,079	10,458,492	1,436,755	1,66,460	314,750	117,932	1,164,183	126,393	122,579
Contributions	12,005,222	3,050	4,330,711	475	9,823,637	4,225	351,482	-	135,949	29,085
<b>Total revenues</b>	<b>46,438,009</b>	<b>28,884,635</b>	<b>35,606,202</b>	<b>18,297,179</b>	<b>23,429,595</b>	<b>10,396,739</b>	<b>9,315,777</b>	<b>8,245,159</b>	<b>6,663,370</b>	<b>5,890,892</b>
<b>EXPENDITURES</b>										
Current:										
General government	6,190,616	5,033,727	3,388,774	2,759,964	1,918,254	1,553,102	1,339,668	1,507,324	1,181,679	1,048,004
Culture and recreation	3,135,470	1,984,511	1,677,459	815,030	518,696	473,477	332,249	268,538	246,808	196,502
Community services	1,132,073	1,145,841	1,198,963	1,113,095	1,286,794	809,682	902,552	689,308	896,419	1,001,631
Public safety	9,208,813	7,105,755	5,875,398	4,827,758	3,721,752	3,649,049	2,842,470	2,509,795	2,182,617	1,951,681
Public works	2,899,529	645,027	1,239,676	857,730	2,166,360	541,968	463,780	539,049	200,188	170,830
Debt service:										
Principal retirement	878,037	1,196,705	546,366	537,791	426,851	342,000	328,000	779,842	466,776	415,662
Interest and fiscal changes	2,865,698	1,579,307	1,327,404	1,344,730	2,589,974	71,273	97,376	182,942	200,331	259,080
Bond issuance costs	1,078,957	-	739,177	-	-	443,009	-	-	38,350	-
Capital outlay	29,042,375	19,059,410	22,938,256	12,994,384	5,414,720	1,771,045	565,974	1,094,445	755,535	837,018
<b>Total expenditures</b>	<b>56,431,568</b>	<b>37,750,283</b>	<b>38,931,473</b>	<b>25,250,482</b>	<b>18,043,401</b>	<b>9,654,605</b>	<b>6,872,069</b>	<b>7,571,243</b>	<b>6,168,703</b>	<b>5,880,408</b>
Excess of revenues over (under) expenditures	(9,993,559)	(8,865,648)	(3,325,271)	(6,953,303)	5,386,194	742,134	2,443,708	673,916	494,667	10,484
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	3,945,200	295,428	3,316,912	1,979,606	121,637	1,455,713	585,209	298,419	335,134	316,507
Transfers out	(25,000)	(295,428)	(3,316,912)	(1,976,401)	(170,179)	(1,296,213)	(585,209)	(189,863)	(335,783)	(36,800)
Proceeds from sale of capital assets	21,070	1,615,036	61,619	21,178	212,608	700,082	34,974	17,054	65,000	11,960
Bond proceeds	47,395,000	-	8,460,000	-	-	31,795,000	(23,350)	-	1,462,000	-
Premium on debt issuance	2,475,096	-	834,153	-	-	1,601,891	850,000	-	-	-
SBITA inception	78,947	-	-	-	-	-	-	-	-	-
Lease inception	446,087	1,541,966	-	-	485,068	-	-	-	-	-
Payments to escrow agent	-	-	(720,049)	-	-	(953,160)	(820,899)	-	(1,411,398)	-
<b>Total other financing sources (uses)</b>	<b>54,336,400</b>	<b>3,157,002</b>	<b>8,635,723</b>	<b>24,383</b>	<b>649,134</b>	<b>33,303,313</b>	<b>40,725</b>	<b>125,610</b>	<b>114,953</b>	<b>291,667</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 44,342,841</b>	<b>\$ (5,708,646)</b>	<b>\$ 5,310,452</b>	<b>\$ (6,928,920)</b>	<b>\$ 6,035,328</b>	<b>\$ 34,045,447</b>	<b>\$ 2,484,433</b>	<b>\$ 799,526</b>	<b>\$ 609,620</b>	<b>\$ 302,151</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	13.7%	14.9%	11.7%	15.4%	23.9%	5.2%	6.7%	14.9%	12.3%	13.4%

Source: Annual Comprehensive Financial Report

**City of Anna, Texas**

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years (Unaudited)

**Table 5**

Fiscal Year	Estimated Market Value			Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property				
2013	\$ 457,390,078	\$ 16,753,543		\$ 97,610,313	\$ 376,533,308	0.65033
2014	514,337,648	21,674,172		105,177,246	430,834,574	0.65033
2015	649,209,461	22,743,852		161,376,609	510,576,704	0.64900
2016	817,578,552	27,290,010		236,173,968	608,694,594	0.63900
2017	941,525,839	32,134,958		247,017,901	726,642,896	0.62900
2018	1,173,598,307	40,865,863		303,651,595	910,812,575	0.60129
2019	1,440,753,873	51,949,576		352,310,696	1,140,392,753	0.59129
2020	1,630,573,659	61,071,756		381,187,399	1,310,458,016	0.59129
2021	1,799,674,320	62,835,654		383,180,540	1,479,329,434	0.58300
2022	2,101,621,383	70,991,511		397,019,088	1,775,593,806	0.56950
2023	3,085,141,844	81,446,456		685,309,530	2,481,278,770	0.53975

Source: Collin County Appraisal District

**City of Anna, Texas**

Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years (Unaudited)

**Table 6**

Fiscal Year	City Direct Rates			Overlapping Rates			
	Operating	Debt Service	Total Direct Rate	Anna Independent School District	Collin County	Collin County Community College District	Total Rate
2014	0.55937	0.09097	0.650332	1.540000	0.237500	0.083643	1.86114
2015	0.54583	0.10317	0.649000	1.540000	0.235000	0.081960	1.85696
2016	0.53234	0.10666	0.639000	1.670000	0.225000	0.081960	1.97696
2017	0.50658	0.12242	0.629000	1.670000	0.208395	0.081222	1.95962
2018	0.47887	0.12242	0.601288	1.670000	0.192246	0.079810	1.94206
2019	0.42812	0.16317	0.591288	1.670000	0.180785	0.081222	1.93201
2020	0.45154	0.13975	0.591288	1.568350	0.174951	0.081222	1.82452
2021	0.46705	0.11595	0.583000	1.474600	0.172531	0.081222	1.72835
2022	0.45263	0.11687	0.569500	1.460300	0.168087	0.081222	1.70961
2023	0.39653	0.14322	0.539750	1.442900	0.152443	0.081220	1.67656

Source: Collin County Central Appraisal District

Note: The entire City was located in Collin County and within the Anna Independent School District.

**City of Anna, Texas**

Principal Property Tax Payers

Current and Nine Years Ago (Unaudited)

**Table 7**

Taxpayer	2023		Taxpayer	2014	
	Taxable Assessed Valuation	Percentage of Total City Assessed Valuation		Taxable Assessed Value	Percentage of Total City Assessed Valuation
DR Horton - Texas, LTD	\$ 22,280,503	0.90%	Bloomfield Homes, LP	\$ 5,213,310	1.21%
MM Anna 325, LLC	20,836,780	0.84%	Brookshire Grocery Company	3,726,306	0.86%
Wal-Mart Real Estate Business Trust	18,960,390	0.76%	PTCAA Texas, LP	3,608,278	0.84%
CZ GA I, LLC	17,839,073	0.72%	Anna Eagle Retail, LP	3,547,659	0.82%
Pulte Homes of Texas, LP	14,701,439	0.59%	Hwy 75/Anna Property, LP	2,549,688	0.59%
Brightland Homes, LTD	11,349,450	0.46%	Anna Market Center, LTD	2,307,041	0.53%
Q Seminole Anna Town Center, LP	10,960,548	0.44%	Windmill Self Storage, LP	2,291,069	0.53%
Parmore Anna Holdings, LLC	10,213,074	0.41%	Brookshire Grocery Company	2,213,294	0.51%
North Texas Surgery Real Estate, LLC	8,900,000	0.36%	Pilot Flying J Travel Center	2,016,962	0.47%
HON III, LLC	8,897,809	0.36%	LGI Homes - Oak Hollow Phase 6, LLC	1,994,334	0.46%
<b>Total</b>	<b>\$ 144,939,066</b>	<b>5.84%</b>		<b>\$ 29,467,941</b>	<b>6.83%</b>

Source: Collin County Tax Collector

Notes: <sup>a</sup>Taxpayers are assessed on January 1, 2022 (2022 tax year) for the 2023 fiscal year.

<sup>b</sup>Taxpayers are assessed on January 1, 2013 (2013 tax year) for the 2014 fiscal year.

**City of Anna, Texas**

Property Tax Levies and Collections  
Last Ten Fiscal Years (Unaudited)

**Table 8**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Tax Levy		Amount	Percentage of Tax Levy
2014	\$ 2,851,672	\$ 2,771,670	97.2%	\$ 67,311	\$ 2,838,981	99.6%
2015	3,373,239	3,290,905	97.6%	67,134	3,358,039	99.5%
2016	3,966,064	3,881,905	97.9%	68,059	3,949,964	99.6%
2017	4,606,565	4,541,224	98.6%	45,590	4,586,814	99.6%
2018	5,495,607	5,348,790	97.3%	14,529	5,363,319	97.6%
2019	6,475,495	6,354,521	98.1%	106,414	6,460,935	99.8%
2020	7,543,539	7,452,202	98.8%	48,673	7,500,875	99.4%
2021	8,610,384	8,580,733	99.7%	92,676	8,673,409	100.7%
2022	10,026,841	10,051,645	100.2%	-	10,051,645	100.2%
2023	12,562,831	13,249,390	105.5%	248,986	13,498,375	107.4%

Source: Collin County Tax Assessor

**City of Anna, Texas**

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years (Unaudited)

**Table 9**

Governmental Activities										
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Combination		Right-to-use lease/SBITA liabilities	Unamortized premiums (discounts)				
			Tax & Revenue Bonds & Certificates	Financed Purchases			Total Primary Government	Percentage of Personal Income	Per Capita	
2014	\$ 230,000	\$ 3,755,000	\$ -	\$ 2,354,618	\$ -	\$ -	\$ 32,980,868	12.58%	\$ 3,187	
2015	1,615,000	2,525,000	-	2,204,882	-	-	32,585,882	11.90%	2,968	
2016	1,563,000	2,270,000	-	1,732,000	-	-	31,064,000	10.99%	2,744	
2017	2,145,000	1,045,000	-	-	-	68,619	29,246,379	8.63%	2,360	
2018	2,018,000	30,910,000	800,000	-	-	643,354	59,551,036	16.54%	4,350	
2019	1,922,000	30,820,000	615,000	429,217	-	571,023	58,317,439	14.97%	3,885	
2020	1,815,000	30,620,000	425,000	388,426	-	498,692	56,456,071	11.27%	3,360	
2021	9,494,000	30,425,000	375,000	346,060	-	1,159,439	63,683,388	10.74%	3,462	
2022	9,243,000	30,210,000	335,000	302,059	895,262	1,021,176	62,706,249	10.74%	2,961	
2023	56,366,000	29,995,000	300,000	256,359	1,109,959	1,473,546	171,922,649	27.83%	7,175	

Business-type Activities									
Fiscal Year	Combination Tax & Revenue Bonds & Certificates	Contract Revenue Bonds	General Obligation Bonds	Financed Purchases	Right-to-use lease/SBITA liabilities	Unamortized premiums (discounts)	Total Primary Government	Percentage of Personal Income	Per Capita
2014	\$ 12,430,000	\$ 14,201,250	\$ 10,000	\$ -	\$ -	\$ -	\$ 32,980,868	12.58%	\$ 3,187
2015	12,561,000	13,675,000	5,000	-	-	-	32,585,882	11.90%	2,968
2016	12,359,000	13,140,000	-	-	-	-	31,064,000	10.99%	2,744
2017	14,312,750	10,335,000	-	1,340,010	-	68,619	29,246,379	8.63%	2,360
2018	16,552,000	5,892,500	-	1,217,631	-	643,354	59,551,036	16.54%	4,350
2019	15,817,000	5,615,417	-	1,094,571	-	571,023	58,317,439	14.97%	3,885
2020	15,067,000	5,325,833	-	967,248	-	498,692	56,456,071	11.27%	3,360
2021	13,530,000	5,027,083	-	1,228,121	-	1,159,439	63,683,388	10.74%	3,462
2022	12,805,000	4,727,500	-	1,056,631	129,642	1,021,176	62,706,249	10.74%	2,961
2023	76,896,000	-	-	882,849	399,088	1,473,546	171,922,649	27.83%	7,175

**City of Anna, Texas**

Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years (Unaudited)

**Table 10**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Certificates of Obligation</b>	<b>Combination Tax &amp; Revenue Bonds &amp; Certificates<sup>3</sup></b>	<b>Total</b>	<b>Percentage of Actual Taxable Value<sup>1</sup> of Property</b>	<b>Per Capita<sup>2</sup></b>
2014	\$ 230,000	\$ 3,755,000	\$ 12,359,000	\$ 16,344,000	0.0027%	\$ 1,444
2015	1,615,000	2,525,000	12,212,619	16,352,619	0.0023%	1,320
2016	1,563,000	2,270,000	18,071,763	21,904,763	0.0024%	1,600
2017	2,145,000	1,045,000	17,003,023	20,193,023	0.0018%	1,345
2018	2,018,000	32,351,142	16,432,000	50,801,142	0.0039%	3,038
2019	1,922,000	32,253,311	11,862,000	46,037,311	0.0031%	2,584
2020	1,922,000	30,820,000	16,432,000	49,174,000	0.0028%	2,429
2021	9,753,000	30,620,000	11,862,000	52,235,000	0.0035%	2,932
2022	12,364,000	30,425,000	11,035,000	53,824,000	0.0030%	2,659
2023	56,366,000	29,995,000	77,196,000	163,557,000	0.0066%	6,826

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>See the Schedule of Assessed and Estimated Actual Value of Taxable Property for property value data.

<sup>2</sup>Population data can be found in the Schedule of Demographic and Economic Statistics.

<sup>3</sup>Bonds are payable from levy and collection of a direct and continuing ad valorem tax and from a pledge of surplus revenues from water and sewer.

**City of Anna, Texas**

Direct and Overlapping Governmental Activities Debt  
As of September 30, 2023 (Unaudited)

**Table 11**

<b>GOVERNMENTAL UNIT</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>1</sup></b>	<b>Estimated Share of Overlapping Debt</b>
Debt repaid with property taxes:			
Collin County	\$ 721,825,000	1.23%	\$ 8,878,448
Collin College	480,350,000	1.23%	5,908,305
Anna ISD	270,997,991	96.49%	<u>261,485,962</u>
			276,272,714
Subtotal, overlapping debt			
City of Anna		100%	<u>92,271,166</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<u><u>\$ 368,543,880</u></u>

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping by the residents and businesses of Statistical. This process recognizes that, when considering the City's ability governments that is borne to issue and repay long-teim debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident--and therefore responsible for repaying the debt--of each overlapping government.

<sup>1</sup>For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Source: Net bonded debt and percentage of debt provided by Municipal Advisory of Texas

**City of Anna, Texas**  
Pledged-Revenue Coverage  
Last Ten Fiscal Years (Unaudited)

**Table 12**

Fiscal Year	Water Revenue Bonds						Times Coverage
	Total Revenues <sup>a</sup>	Less: Operating Expenses <sup>b</sup>	Net Available Revenue	Debt Service			
				Principal	Interest		
2014	\$ 6,053,627	\$ 3,151,655	\$ 2,901,972	\$ 542,247	\$ 1,054,947	1.82	
2015	6,271,391	3,987,255	2,284,136	663,250	1,125,983	1.28	
2016	8,371,878	5,137,343	3,234,535	742,000	1,056,647	1.80	
2017	9,938,880	6,490,261	3,448,619	772,500	1,028,814	1.91	
2018	11,700,601	6,146,505	5,554,096	1,015,628	912,272	2.88	
2019	15,822,376	8,582,049	7,240,327	1,131,810	1,903,394	2.39	
2020	16,236,344	8,243,509	7,992,835	1,162,323	929,562	3.82	
2021	21,201,248	13,091,569	8,109,679	1,203,119	759,885	4.13	
2022	27,975,337	15,440,362	12,534,975	1,028,750	783,309	6.92	
2023	32,388,817	20,626,544	11,762,272	1,070,250	3,146,795	2.79	

Note: <sup>a</sup>Includes both operating and non-operating revenues.

<sup>b</sup>Includes operating expenses minus depreciation.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**City of Anna, Texas**

Demographic and Economic Statistics  
Last Ten Fiscal Years (Unaudited)

**Table 13**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income</b>	<b>Per Capita<sup>4</sup> Personal Income</b>	<b>School Enrollment<sup>3</sup></b>	<b>Unemployment Rate<sup>2</sup></b>
2014	10,350	\$ 262,082,700	\$ 25,322	2,855	4.4%
2015	10,980	273,808,260	24,937	3,051	3.6%
2016	11,320	282,705,680	24,974	3,214	3.8%
2017	12,390	338,916,060	27,354	3,438	3.8%
2018	13,690	359,992,240	26,296	3,602	3.0%
2019	15,010	389,614,570	25,957	3,808	2.9%
2020	16,721	498,252,358	29,798	3,837	6.9%
2021	17,814	573,953,192	29,656	4,485	5.6%
2022	20,243	617,736,078	30,516	5,172	3.2%
2023	23,960	870,706,400	36,340	5,193	3.2%

Sources:

<sup>1</sup>North Central Texas Council of Governments (NCTCOG)

<sup>2</sup>State Department of Labor and homefacts.com

<sup>3</sup>Anna Independent School District

<sup>4</sup>U. S. Census Bureau American Fact Finder & North Central Texas Council of Governments (NCTCOG)

Note:

The requirement is for 10 years worth of data. The City will present a full 10 year schedule as the information becomes available. Areas where information could not be obtained are listed as N/A.

**City of Anna, Texas**

Principal Employers

Current and Nine Years Ago (Unaudited)

**Table 14**

Employer	2023		Employer	2014	
	No. Employees	Percentage of Total City Employment		No. Employees	Percentage of Total City Employment
Anna ISD	847	43.30%	Anna ISD	N/A	N/A
Walmart	450	23.01%	Pate Rehab	N/A	N/A
Pate Rehab	170	8.69%	Brookshire's	N/A	N/A
City of Anna	185	9.46%	Bronco	N/A	N/A
Brookshire's	100	5.11%	Hurricane Creek Country Club	N/A	N/A
Bronco Manufacturing	35	1.79%	City of Anna	N/A	N/A
Hurricane Creek Country Club	52	2.66%	KFC/Taco Bell	N/A	N/A
Loves Travel Stop	56	2.86%	Crow's Country Café	N/A	N/A
McDonalds	50	2.56%	Mudpies and Lullabies	N/A	N/A
Tri-County Vet	11	0.56%	Highland Fire Protection	N/A	N/A
Total	<u>1,956</u>			<u>-</u>	

Source: <sup>1</sup>Top ten employers and employee count provided by Anna Economic Development Corporation.

Note: Data not available for 2014 at the time of this publication. The City will present this information for future years as the information becomes available.

**City of Anna, Texas**

**Table 15**

Full-Time Equivalent City Government Employees by Function/Program  
Last Ten Fiscal Years (Unaudited)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>FUNCTION/PROGRAM</b>										
General Government and										
Administration	26.0	23.0	21.0	23.5	23.5	15.5	12.5	13.5	13.5	12.5
Public Safety	68.5	59.0	51.0	37.0	33.0	28.0	24.0	22.0	21.0	18.0
Public Works	15.0	11.0	6.0	6.0	6.0	8.0	7.0	7.0	4.0	1.0
Culture and Recreation	21.0	17.5	17.9	8.4	7.0	10.0	4.0	4.0	2.0	3.0
Water and Sewer	31.0	27.0	24.0	16.0	16.0	13.0	11.0	8.0	10.0	12.0
Community Development	11.0	11.0	10.0	9.0	8.0	4.0	4.0	3.0	3.0	3.0
Economic Development	3.0	3.0	2.5	2.0	2.0	1.0	0.5	0.5	0.5	0.5
<b>TOTAL ALL GOVERNMENT FUNDS</b>	<u>175.5</u>	<u>151.5</u>	<u>132.4</u>	<u>101.9</u>	<u>95.5</u>	<u>79.5</u>	<u>63.0</u>	<u>58.0</u>	<u>54.0</u>	<u>50.0</u>

Source: Finance and Human Resources Department

# City of Anna, Texas

## Operating Indicators by Function/Program Last Ten Fiscal Years (Unaudited)

**Table 16**

<b>FUNCTION/PROGRAM</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
General government										
Building permits issued-residential	859	1,059	1,125	833	579	342	440	273	216	290
Building permits issued-commercial	30	16	12	11	12	11	11	4	1	5
Building inspections conducted (1)	19,044	21,294	16,917	5,020	15,416	14,718	16,046	9,474	7,493	12,584
Public Safety										
Police:										
Physical arrests	364	428	325	253	357	428	337	311	309	208
Accidents	307	305	363	265	323	336	265	261	231	182
Traffic violations	11,173	9,946	4,739	2,824	2,421	3,153	2,404	3,962	4,235	3,491
Fire:										
Emergency responses	2,468	2,284	2,286	1,851	1,783	1,703	1,502	1,234	1,256	1,065
Fires extinguished	84	120	100	74	81	59	19	79	62	43
Inspections	906	158	212	160	186	284	132	115	107	79
Highways and streets										
Street resurfacing (miles)	2.8	8.5	4.2	2.5	2	1.0	0	1	-	-
Potholes repaired	1,233	942	1,947	2,000	1,100	1,250	940	3,900	1,600	-
Recreation										
Reservations issued	112	111	162	376	156	164	92	53	59	17
Water and Sewer										
Number of Active Accounts	10,209	9,274	8,043	7,300	5,979	5,470	5,102	4,935	4,596	4,423
Average daily consumption (gallons) wells	1,179,364	789,054	1,029,423	1,009,523	1,122,943	1,097,062	1,018,025	1,007,258	1,115,682	1,061,013
Average daily consumption (gallons) NTMWD	1,990,603	1,983,782	2,428,800	1,169,030	1,025,503	679,857	679,857	355,970	-	-

Source: City departments

Note: Some data not available for 10 years at the time of this publication. The City will present this information for future years as the information becomes available.

# City of Anna, Texas

## Capital Asset Statistics by Function/Program Last Ten Fiscal Years (Unaudited)

**Table 17**

<b>FUNCTION</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	14	12	12	8	8	8	11	9	9	7
Number of fire stations	1	1	1	1	1	1	1	1	1	1
Streets and Grounds										
Streets (miles)	150.0	130.0	130.0	100.0	74	68	65	50	-	-
Streetlights	2,500	1,200	1,200	1,090	908	800	625	570	-	-
Traffic signals	9	6	6	5	4	4	3	1	-	-
Recreation										
Acreage	206.0	206.0	206.0	201.0	201	201	197	197	180	177
Playgrounds	5	5	5	4	3	2	2	2	2	2
Baseball/softball diamonds	6	6	6	6	6	6	6	7	7	7
Water and Sewer										
Water mains (miles)	188	163	82	82	75	69	55	55	-	-
Fire hydrants	1,476	1,175	925	925	862	804	570	570	-	-
Sanitary Sewer (miles)	126	115	75	75	68	62	50	50	-	-
Storage capacity (millions of gallons)	3	3	3	3	3	3	3	3	-	-
Wastewater										
Treatment capacity	9	9	9	9	9	9	9	9	-	-
Sanitary sewer (miles)	126	115	75	75	68	62	60	50	-	-
Storm sewers (miles)	85	85	65	65	60	57	55	50	-	-

Source: City Departments

Note: Some data not available for 10 years at the time of this publication. The City will present this information for future years' as the information becomes available.