

CITY OF ANNA, TEXAS

RESOLUTION NO. 2019-03-556

A RESOLUTION ACCEPTING THE FISCAL YEAR 2018 FINANCIAL AUDIT OF THE CITY OF ANNA.

WHEREAS, the City of Anna, Texas (“the City”) is committed to principles and practices of open and fair government that honor the public trust; and

WHEREAS, Article 7 Section 7.18 of the City’s Home-Rule Charter (“the Charter”) requires an annual independent audit of all accounts of the City by a certified public accountant

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS, THAT:

Section 1. Recitals Incorporated.

The above-referenced recitals are incorporated herein as if set forth in full for all purposes.

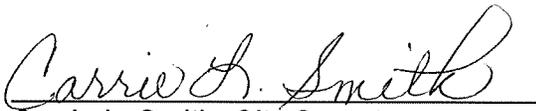
Section 2. Audit Accepted

The City Council has hereby accepted the FY 2018 audit attached hereto as Exhibit 1.

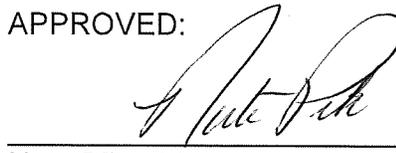
PASSED AND APPROVED by the City Council of the City of Anna, Texas, on this the 26th day of March 2019.

ATTEST:

APPROVED:



Carrie L. Smith, City Secretary



Nate Pike, Mayor



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended September 30, 2018



The City of Anna

111 N. Powell Parkway, Anna, TX 75409

972-924-3325 www.annatexas.gov

THE CITY OF
Anna

***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

of the

City of Anna, Texas

**For the Year Ended
September 30, 2018**

Prepared by

Dana Thornhill
Finance Director

Sheila Alexander
Accountant II

City of Anna, Texas

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INTRODUCTORY SECTION



March 26, 2019

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

The Comprehensive Annual Financial Report (CAFR) of the City of Anna, Texas, for the fiscal year ended September 30, 2018 including the independent auditor's report, is hereby submitted in accordance with the provisions of Section 10.3 of the City Charter. Also, 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, 2018.

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 LaFollett and Abbott PLLC., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2018, 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 compliment 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 13,690 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. The City employs 79.5 full time equivalent positions.

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 would maintain current services and new requests for appropriations separately to the City Manager. The City Manager and Finance Director then use these requests as the starting point for developing a proposed budget. The City Manager and Finance Director then presents a proposed budget to Council for review no later than August 15th. The Council is required to hold public hearings on the proposed budget and to adopt the final budget no later than September 20th.

The appropriated budget is prepared by fund and department (e.g., police). The City Manager may authorize transfers of appropriations within a department and between departments within a fund and within major line item categories. Increases or decreases of appropriations to a fund; however, require special approval of the City Council in the form of an Ordinance formally amending the adopted budget.

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.

Factors Affecting Financial Condition

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.

Local Economy

The City of Anna's economic outlook continues to improve due to the overall improvement in the economy and continued residential and commercial growth. This is evidenced by local economic indicators such as a significant increase in tax appraisal values, the increase in residential building permits, and continued sales tax growth. Residential construction activity remains strong in the City of Anna. In FY 2018, the City received 342 single family building permit applications. The City currently has 945 vacant lots available and 2,284 new residential lots under development or in the planning or design phase. There will also be a hotel built in the City in the near future.

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 recruiting Brookshires Grocery Company, CVS pharmacy, McDonalds, and Walmart. The EDC owns and operates Inc-Cube, a small business incubator located in our downtown. The corporations cooperatively purchased an 85-acre tract of land at the northeast corner of State Highway 5 and the Collin County Outer Loop with the intent of developing a business park.

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.

Long –Term Financial Planning

The City's fund balance/operating position concept continues to be an important factor in policy decisions. The City's Financial Policy states that the City's target unassigned fund balance is an amount equal or greater than 25% of annual General Fund operating expenditures. The City's ending unassigned fund balance for fiscal year 2018 reflected a fund balance of 66.4% of total expenditures, well above the stated goal. These resources allow the City to avoid disruptions in

services during economic downturns and to ensure that there will be adequate liquid resources to serve as a financial cushion against the potential shock of unanticipated events.

Major Initiatives

At the end of the 2017-18 fiscal year, the City of Anna had a number of major projects in progress. 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. US 75 is currently still under construction which is a TxDOT project; however, it is getting closer to completion. The three main lanes north and south bound are now open, while the services roads and ramps are still under construction. During 2017-2018, the City met with governmental partners including Collin County, 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/agreements to improve other critical roadways within the City.

In addition, in FY 2018, the City issued \$30.9 million in certificate of obligation bonds to construct new City facilities, as well as to complete approximately \$4.2 million in roadway projects. Additional City facilities are needed in order to continue to expand, provide quality services to the citizens, and provide a more central location for staff to be located. The new municipal complex will include a City Hall with a Police Department and a stand-alone fire station. This was accomplished without an increase to the overall tax rate. The debt service portion of the tax rate was increased from .122418 up to .163166 and in turn the operations and maintenance portion of the tax rates was reduced from .478870 down to .428122. This shift in the property tax rate was accomplished through planning and a sound financial plan. To offset the impact in the shift of the property tax rate, sales tax from the opening of Walmart was used to offset the reduction of the operations and maintenance portion of the tax rate. The municipal complex is expected to be completed within the next two years.

Additional information related to the capital improvement projects and funding for those improvements is located in the Five-Year Capital Improvements Plan located in the City's annual budget book.

Other Information

Fund Accounting: The City's accounting system is organized and operated on a "fund basis." Each fund is a distinct, self-balancing entity. A description of the various major funds and fund types is contained in the Notes of the financial statements. A description of each individual non-major fund is contained at the beginning of its related combined financial statement.

Basis of Accounting: 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.

Internal Control: Management of the City 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.

Budgetary Control: Each year, on or before September 20th, the City Council adopts an annual operating budget for the ensuing fiscal year. The operating budget includes anticipated revenues and expenditures for the General Fund, Special Revenue Funds, the Debt Service Fund, and Proprietary Funds. The budget is a planning device that defines the type, quality, and quantity of City goods and services that will be provided to our citizens. The budget is also a control device that serves as a system of "checks and balances" between levels of City government. The budgetary system ensures that individual departments contain their expenditures within limitations set by the City management, and that City management contains expenditures for the entire City within limitations set by the City Council. After adoption, the City Manager may authorize transfers of appropriations within a department and between departments within a fund and within major line item categories. Increases or decreases of appropriations to a fund; however, require special approval of the City Council in the form of an Ordinance formally amending the adopted budget.

Acknowledgements

The presentation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and all department head directors. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of 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 financial operations.

Furthermore, the work of the independent auditors from LaFollett and Abbott, PLLC, is greatly appreciated.

Respectfully submitted,



Dana Thornhill
Finance Director

City Organization Chart



City of Anna, Texas

ELECTED OFFICIALS AND MANAGEMENT

September 30, 2018

City Council

Nate Pike	Mayor
Kevin Toten	Place 1
Alonzo Tutson	Place 2
John Beazley	Place 3
Chris Reeves	Place 4
Nathan Bryan	Place 5 – Deputy Mayor Pro Tem
Lee Miller	Place 6 - Mayor Pro Tem

Management

Jim Proce	City Manager
Dana Thornhill	Finance Director
Jeff Caponera	Police Chief
Tim Gothard	Fire Chief
Carrie Smith	City Secretary
Joseph Johnson	Public Works Director
Maurice Schwanke	Director of Planning and Development
Jessica Perkins	Assistant to the City Manager/ Economic Development Officer

FINANCIAL SECTION



Susan LaFollett, CPA – Partner
Rod Abbott, CPA – Partner

INDEPENDENT AUDITOR'S REPORT

To the City Council of the
City of Anna, Texas

Report on the Financial Statements

We have audited the accompanying 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Anna, Texas, as of September 30, 2018, and the respective changes in financial position, and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 4-13 and the required supplementary information as listed on the table of contents on pages 64-68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules on pages 69-83 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 individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section on pages i-vii and statistical section on pages 84-108 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion on them or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2019, 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 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 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 of Anna, Texas internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "LaFollett and Abbott PLLC". The signature is written in a cursive, slightly slanted style.

Tom Bean, Texas
March 26, 2019

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

City of Anna, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2018

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, 2018. 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 \$70,836,821 at September 30, 2018. Of this, \$8,649,016 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$40,009,083, an increase of \$34,045,447. This increase is largely due to revenue from the sale of certificate of obligation bonds.
- As of the end of the year, the unassigned fund balance of the General Fund was \$4,484,943 or 63% of total General Fund expenditures.
- The City had an overall increase in net position of \$18,447,186. The increase is primarily a result of \$14,686,685 of capital grants and contributions.
- On a government-wide basis, the City's total liabilities increased by \$31,554,649. The increase in liabilities is a result of the increase in the debt for the sales of 30.91 million of certificates of obligation bonds.

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

City of Anna, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A), *Continued*

September 30, 2018

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 two categories: governmental funds and proprietary funds.

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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

City of Anna, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A), *Continued*

September 30, 2018

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. 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.

Proprietary Funds

The City's proprietary funds are all 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 an enterprise fund to account for its water, sewer, and sanitation operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user 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 Funds, all of which are considered to be major funds of the City.

Component Units

The City maintains the accounting and financial statements for two component units. The Anna Economic Development Corporation and Anna Community Development Corporation, which are discreetly presented component units.

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

City of Anna, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A), *Continued*

September 30, 2018

asset and related ratios and schedule of employer contributions for the Texas Municipal Retirement System. 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 is \$70,836,821 as of September 30, 2018, in the primary government.

The largest portion of the City's net position, \$54,956,207, 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 are 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:

	2018			2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 9,620,107	\$ 5,945,268	\$ 15,565,375	\$ 6,830,809	\$ 5,770,692	\$ 12,601,501
Restricted assets	31,742,013	6,761,991	38,504,004	13,251	6,407,402	6,420,653
Capital assets, net	32,204,043	49,927,178	82,131,221	23,588,968	43,412,757	67,001,725
Total Assets	73,566,163	62,634,437	136,200,600	30,433,028	55,590,851	86,023,879
Deferred Outflows of Resources	353,030	245,901	598,931	401,599	280,733	682,332
Other liabilities	1,679,462	3,626,857	5,306,319	1,273,090	3,686,574	4,959,664
Long-term liabilities	35,821,329	24,487,309	60,308,638	3,665,840	25,434,805	29,100,645
Total Liabilities	37,500,791	28,114,166	65,614,957	4,938,930	29,121,379	34,060,309
Deferred Inflows of Resources	262,844	84,909	347,753	163,387	56,194	219,581
Net Position:						
Net investment						
in capital assets	29,892,142	25,064,065	54,956,207	20,398,968	17,356,378	37,755,346
Restricted	469,607	6,761,991	7,231,598	1,489,057	6,407,402	7,896,459
Unrestricted	5,793,809	2,855,207	8,649,016	3,844,285	2,930,232	6,774,517
Total Net Position	\$ 36,155,558	\$ 34,681,263	\$ 70,836,821	\$ 25,732,310	\$ 26,694,012	\$ 52,426,322

City of Anna, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A), Continued
September 30, 2018

Statement of Activities:

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

	For the Year Ended September 30, 2018			For the Year Ended September 30, 2017		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 2,015,583	\$ 11,416,192	\$ 13,431,775	\$ 2,295,832	\$ 9,805,662	\$ 12,101,494
Operating grants and contributions	4,225	-	4,225	351,482	-	351,482
Capital grants and contributions	9,338,204	5,348,481	14,686,685	6,489,958	3,298,737	9,788,695
General revenues:						
Property taxes	5,579,490	-	5,579,490	4,619,461	-	4,619,461
Sales taxes	1,502,079	-	1,502,079	1,203,749	-	1,203,749
Franchise and local taxes	573,517	-	573,517	505,571	-	505,571
Investment income	327,200	136,261	463,461	26,199	63,607	89,806
Other revenue	314,750	148,148	462,898	56,327	69,610	125,937
Intergovernmental	142,273	-	142,273	185,392	-	185,392
Gain on sold assets	276,970	-	276,970	-	-	-
Total Revenues	20,074,291	17,049,082	37,123,373	15,733,971	13,237,617	28,971,588
Expenses						
General government	1,758,159	-	1,758,159	1,405,085	-	1,405,085
Public safety	3,730,871	-	3,730,871	3,062,333	-	3,062,333
Culture and recreation	799,378	-	799,378	665,430	-	665,430
Public works	2,013,096	-	2,013,096	1,502,775	-	1,502,775
Community services	810,369	-	810,369	904,227	-	904,227
Interest and fiscal charges	670,788	-	670,788	132,434	-	132,434
Water, sewer, & sanitation	-	8,893,526	8,893,526	-	7,443,593	7,443,593
Total Expenses	9,782,661	8,893,526	18,676,187	7,672,284	7,443,593	15,115,877
Change in Net Position Before Transfers	10,291,630	8,155,556	18,447,186	8,061,687	5,794,024	13,855,711
Transfers	159,500	(159,500)	-	-	-	-
Total Transfers	159,500	(159,500)	-	-	-	-
Change in Net Position	10,451,130	7,996,056	18,447,186	8,061,687	5,794,024	13,855,711
Beginning Net Position	25,732,310	26,694,012	52,426,322	18,069,264	20,899,988	38,969,252
Cumulative effect of change in accounting	(27,882)	(8,805)	(36,687)	-	-	-
Prior Period Adjustment	-	-	-	(398,641)	-	(398,641)
Ending Net Position	\$ 36,155,558	\$ 34,681,263	\$ 70,836,821	\$ 25,732,310	\$ 26,694,012	\$ 52,426,322

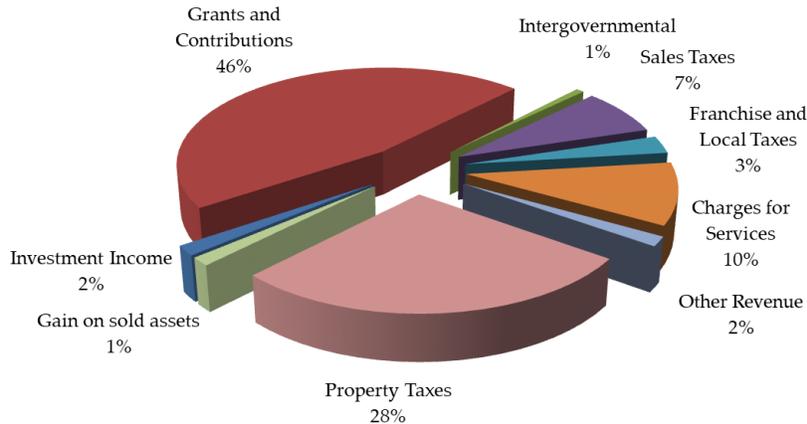
City of Anna, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A), Continued

September 30, 2018

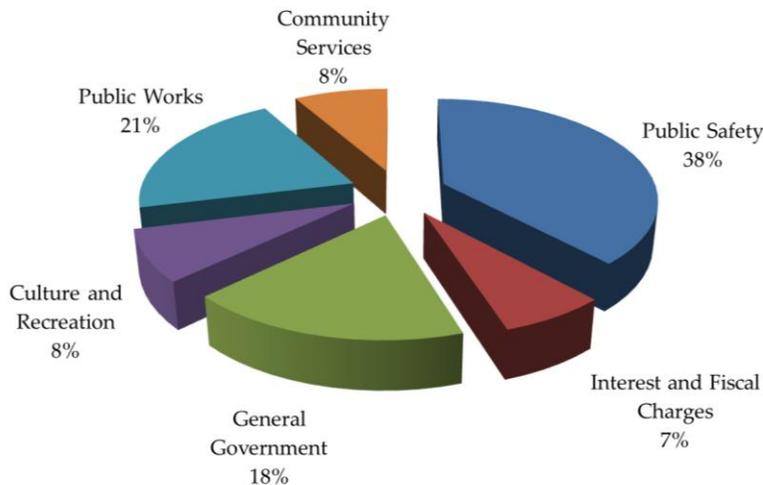
Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

Governmental Activities - Revenues



For the year ended September 30, 2018, revenues from governmental activities totaled \$20,074,291. Grants and contributions, property taxes, and charges for services are the City's largest revenue sources. Property tax increased by \$960,029 or 21% when compared to 2017 due to an increase in overall assessed property values. Grants and contributions increased from \$6,489,958 in 2017 to \$9,338,204 all due to contributed capital relating to streets and drainage. This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses



For the year ended September 30, 2018, expenses for governmental activities totaled \$9,782,661. This represents an increase of \$2,110,377 or 28% from the prior year. The City's largest functional expense is public safety of \$3,730,871 which increased by \$668,538.

City of Anna, Texas

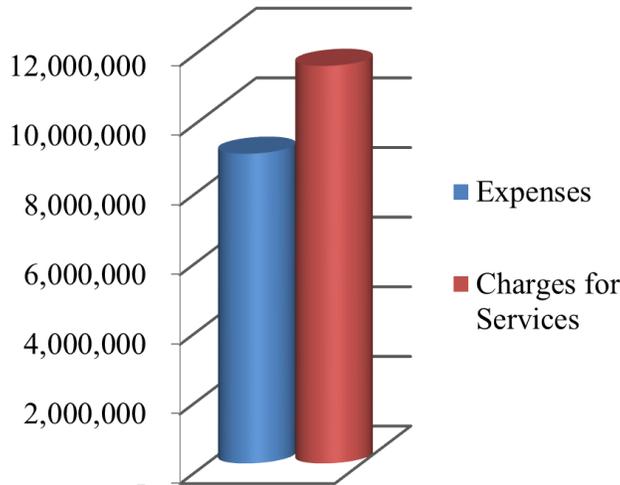
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A), *Continued*

September 30, 2018

Public works totaled \$2,013,096 as of year-end for an increase of \$510,321 or 34% due to street rehabilitation projects and advanced paving. Community services decreased by \$93,858 or 10% due to a reduction in fees paid to Bureau Veritas for inspections.

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

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2018, charges for services by business-type activities totaled \$11,416,192. This is an increase of \$1,610,530, or 16%, from the previous year. This increase directly relates to an increase in the usage/service counts and growth within the City. Expenses totaled \$8,893,526, which was an increase of only \$1,449,933, or 19%.

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 the end of 2018, the General Fund reflected a total fund balance of \$4,713,766. Of this, \$12,891 is considered restricted for parks and \$215,932 is committed for capital projects. Unassigned fund balance totaled \$4,484,943 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 just over \$116 million of new value being added to the tax roll, as well as an increase in property values.

City of Anna, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A), *Continued*

September 30, 2018

The Debt Service Fund had an ending fund balance of \$281,807 at year-end for an increase of \$266,224. Total principal and interest expenditures incurred during the year were \$342,000 and \$71,273, respectively.

There was an overall increase in governmental fund balances from \$ 10,423,248 in the prior year to \$34,045,447 in the current year. The increase was primarily related to the issuance of certificate of obligation bonds in the amount of \$31,795,000 for City facilities and an increase in revenue.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a total positive revenue variance of \$125,780 and a positive expenditure variance of \$542,682 for the year. Other financing sources (uses) had an overall positive budget variance of \$95,972. This positive revenue variance was primarily the result of an increase in delinquent property taxes and franchise fees received. This fund had an overall positive budget versus actual variance of \$764,434. Several supplemental budget amendments were made during the year.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$32,204,043 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$49,927,178 in a variety of capital assets and infrastructure, net of accumulated depreciation.

Major capital asset events during the current year include the following:

- Street contributions of \$9,338,204 relating to paving and drainage.
- Water & Sewer improvements totaling \$5,364,554.
- Construction in progress for various water and sewer projects totaling \$2,512,531.

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

LONG-TERM DEBT

At the end of the current year, the City had total bonds, contractual obligations, and capital leases outstanding of \$57,390,131. During the year, the City made payments on long-term debt totaling \$1,339,628. More detailed information about the City's long-term liabilities is presented in note IV. D to the financial statements.

City of Anna, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A), *Continued*

September 30, 2018

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The economy continues to be strong for the City of Anna and the North Central area. 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. In addition, the City continues to conservatively manage its budget. The fiscal year 2017-18 budget reflects the commitment of the City Council and staff to focus on enhancing the quality of existing services to our citizens and respond to our city's continuing growth and development, while maintaining a strong financial position.

Since property values stabilized in 2013 following the 2008-2011 housing recession, the City has continued to see healthy increases in the value of existing properties. In 2017, the City saw existing property values increase just over 14% and just under \$62,000,000 in new value was added to the tax roll. Again, in 2018, the City saw existing property values increase just over 12% and \$116,176,921 in new value was added to the tax roll. The overall valuation from all categories increased by 25.12%. However, due to the increase in the portion of the tax rate dedicated to the general obligation debt service, coupled with the City lowering the tax rate by one cent, the General Fund operations and maintenance portion of the tax rate was only increased by 11.84%. We remain cautiously optimistic that we will experience modest, but slowing, appreciation in the value of existing properties and additional value will be added to the tax roll as a result of new residential and commercial construction in the near term.

Sales tax was up approximately 25% in FY 2018 largely due to a full year of Walmart being open. A conservative 5% increase was budgeted for sales tax for FY 2019. As new retail development occurs in the near future, the City expects to once again see sizable increases in sales tax. The growth in both sales tax and taxable value of real property corresponds to a significant increase in residential growth and population over the past 36 months. According to the most recent population estimates published by the North Central Texas Council of Governments, the City of Anna population as of January 1, 2018 was 13,690.

The City continues to see an upward trend with residential development. There are currently 945 vacant lots available as well as several residential developments either in design or under construction that will add 2,284 single family lots to our inventory over the next 12 to 36 months. However, the City used a conservative forecast of construction of approximately 330 new single-family homes during the 2019 fiscal year for revenue projections.

Of course, with the growth in population comes a proportional increase in demand for municipal services that are funded primarily by property taxes. In order to fund the FY 2019 budget, the City adopted a tax rate of \$0.591288 per \$100 valuation which is a decrease from the tax rate adopted in FY 2018. This marks the 5th year in row that the City Council has been able to decrease the City property tax rate. In addition, this reduction in the tax rate was completed along-side the City issuing \$30.9 million in bonds to fund a new municipal complex including a

City of Anna, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A), *Continued*

September 30, 2018

city hall and police station, a stand along fire station, and approximately \$4 million for street projects. When compared with other cities in our area, the City of Anna still has one of lowest per-capita property tax levies.

Rapid population growth has also resulted in significant investment over the past 10 to 15 years in the City's water and sewer system. Currently the Water and Sewer Fund holds just under \$22.5 million in outstanding debt. The City has worked closely with our financial advisors, Hilltop Securities, to develop a sound debt management plan for the Water and Sewer Fund.

Over the past several years, in order to appropriately manage this debt, the City and Hilltop Securities developed a plan to take advantage of call dates and pursue advance refunding of the City's outstanding debt. Every effort has been made to minimize the present value costs to the City.

The City of Anna along with the cities of Melissa, Van Alstyne, and Howe belong 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 CMGA 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 2019. 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.

The City of Anna's budget continues to be impacted by moderately strong growth and by conservative fiscal management. The 2018-2019 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 City Finance Director, 111 N. Powell Parkway, Anna, Texas 75409.

FINANCIAL STATEMENTS

City of Anna, Texas
STATEMENT OF NET POSITION
September 30, 2018

	Primary Government			Component Units	
	Governmental	Business-Type	Total	CDC	EDC
	Activities	Activities			
Assets					
Current assets:					
Cash and cash equivalents	\$ 9,117,166	\$ 3,719,021	\$ 12,836,187	\$ 544,970	\$ 211,125
Investments	375,000	375,000	750,000	-	-
Receivables, net	573,376	1,368,877	1,942,253	246,302	92,875
Internal balances	(445,435)	445,435	-	-	-
Inventories	-	36,935	36,935	-	-
Total Current Assets	9,620,107	5,945,268	15,565,375	791,272	304,000
Restricted assets:					
Restricted cash and pooled investments	31,742,013	5,847,943	37,589,956	-	-
GTUA prepaid reserves	-	914,048	914,048	-	-
Capital assets:					
Non-depreciable	3,286,381	3,557,628	6,844,009	2,757,904	96,914
Net depreciable capital assets	28,917,662	46,369,550	75,287,212	-	266,555
	<u>63,946,056</u>	<u>56,689,169</u>	<u>120,635,225</u>	<u>2,757,904</u>	<u>363,469</u>
Total Assets	73,566,163	62,634,437	136,200,600	3,549,176	667,469
Deferred Outflows of Resources					
Deferred loss on bond refunding	-	134,418	134,418	-	-
Deferred outflows - OPEB	6,226	1,966	8,192	-	-
Deferred outflows - pension	346,804	109,517	456,321	-	-
Total Deferred Outflows of Resources	353,030	245,901	598,931	-	-
Liabilities					
Current liabilities:					
Accounts payable and other liabilities	1,164,877	1,657,976	2,822,853	11,111	518
Accrued salaries	64,054	22,587	86,641	-	-
Customer deposits	-	870,148	870,148	-	-
Due to other governments	-	7,840	7,840	-	-
Accrued compensated absences	198,132	38,588	236,720	2,114	-
Accrued interest payable	251,744	1,029,718	1,281,462	14,968	-
Current portion of long-term debt	371,000	1,133,576	1,504,576	210,000	-
Unclaimed property	655	-	655	-	-
	<u>2,050,462</u>	<u>4,760,433</u>	<u>6,810,895</u>	<u>238,193</u>	<u>518</u>
Noncurrent liabilities:					
Due in more than one year	34,874,551	23,171,909	58,046,460	3,085,000	-
Net pension and total OPEB liability	575,778	181,824	757,602	-	-
	<u>35,450,329</u>	<u>23,353,733</u>	<u>58,804,062</u>	<u>3,085,000</u>	<u>-</u>
Total Liabilities	37,500,791	28,114,166	65,614,957	3,323,193	518
Deferred Inflows of Resources					
Deferred inflows - pension	262,844	84,909	347,753	-	-
Total Deferred Inflows of Resources	262,844	84,909	347,753	-	-
Net Position					
Net investment in capital assets	29,892,142	25,064,065	54,956,207	(537,096)	363,469
Restricted for:					
Water and sewer improvements	-	5,847,943	5,847,943	-	-
Capital projects and other	469,607	-	469,607	-	-
GTUA deposits	-	914,048	914,048	-	-
Community and economic development	-	-	-	763,079	303,482
Unrestricted	5,793,809	2,855,207	8,649,016	-	-
Total Net Position	\$ 36,155,558	\$ 34,681,263	\$ 70,836,821	\$ 225,983	\$ 666,951

See Notes to Financial Statements.

City of Anna, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2018

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						Component Units	
	Program Revenues			Primary Government			Community Development Corporation	Economic Development Corporation
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 1,758,159	\$ 90,890	\$ -	\$ -	\$ (1,667,269)	\$ -	\$ (1,667,269)	
Culture and recreation	799,378	315,933	-	-	(483,445)	-	(483,445)	
Community services	810,369	873,397	-	-	63,028	-	63,028	
Public safety	3,730,871	94,244	4,225	-	(3,632,402)	-	(3,632,402)	
Public works	2,013,096	641,119	-	9,338,204	7,966,227	-	7,966,227	
Interest and fiscal charges	670,789	-	-	-	(670,789)	-	(670,789)	
Total governmental activities	9,782,661	2,015,583	4,225	9,338,204	1,575,351	-	1,575,351	
Business-type activities:								
Water and Sewer - operating	8,893,526	11,416,192	-	5,348,481	-	7,871,147	7,871,147	
Total business-type activities	8,893,526	11,416,192	-	5,348,481	-	7,871,147	7,871,147	
Total primary government	18,676,187	13,431,775	4,225	14,686,685	1,575,351	7,871,147	9,446,498	
Component Units:								
Community Development Corporation	633,603	-	-	-	-	-	-	-
Economic Development Corporation	215,473	21,687	-	-	-	-	-	(193,786)
Total Component Units	849,076	21,687	-	-	-	-	-	(193,786)
General revenues:								
Property taxes					5,579,490	-	5,579,490	
Sales taxes					1,502,079	-	1,502,079	
Franchise and local taxes					573,517	-	573,517	
Investment interest					327,200	136,261	463,461	
Other Revenue					314,750	148,148	462,898	2,088
Intergovernmental					142,273	-	142,273	
Gain on sold assets					276,970	-	276,970	
Transfers in (out)					159,500	(159,500)	-	
Total General Revenues					8,875,779	124,909	9,000,688	2,088
Change in Net Position					10,451,130	7,996,056	18,447,186	(191,698)
Beginning Net Position					25,732,310	26,694,012	52,426,322	858,649
Cumulative effect of change in accounting principle					(27,882)	(8,805)	(36,687)	-
Ending Net Position					\$ 36,155,558	\$ 34,681,263	\$ 70,836,821	\$ 666,951

See Notes to Financial Statements.

City of Anna, Texas

BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2018

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 4,058,931	\$ 2,215,234	\$ 2,843,001	\$ 9,117,166
Investments	375,000	-	-	375,000
Receivables, net	490,929	2,712	79,735	573,376
Due from other funds	634,581	-	-	634,581
Restricted cash	12,891	27,729,122	-	27,742,013
Restricted investments	-	4,000,000	-	4,000,000
Total Assets	\$ 5,572,332	\$ 33,947,068	\$ 2,922,736	\$ 42,442,136
<u>Liabilities</u>				
Accounts payable	\$ 475,292	\$ 407,561	\$ 52,673	\$ 935,526
Accrued liabilities	220,248	-	9,103	229,351
Accrued salaries	64,054	-	-	64,054
Unclaimed property	655	-	-	655
Due to other funds	-	605,859	474,157	1,080,016
Total Liabilities	760,249	1,013,420	535,933	2,309,602
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property tax	98,317	-	25,134	123,451
Total Deferred Inflows of Resources	98,317	-	25,134	123,451
<u>Fund Balances</u>				
Committed for:				
Capital projects	215,932	-	-	215,932
Restricted for:				
Parks	12,891	-	-	12,891
Debt service	-	-	281,807	281,807
Public safety	-	-	154,665	154,665
Municipal court	-	-	20,244	20,244
Capital projects	-	32,933,648	1,904,953	34,838,601
Unassigned	4,484,943	-	-	4,484,943
Total Fund Balances	4,713,766	32,933,648	2,361,669	40,009,083
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 5,572,332	\$ 33,947,068	\$ 2,922,736	\$ 42,442,136

See Notes to Financial Statements.

City of Anna, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2018

Fund Balances - Total Governmental Funds \$ 40,009,083

Adjustments for the Statement of Net Position:

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

Capital assets - non-depreciable	3,286,381
Capital assets - net depreciable	28,917,662

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. 123,451

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

Deferred outflows - OPEB	6,226
Deferred outflows - pension	346,804

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

Deferred inflows - pension	(262,844)
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Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.

Accrued interest payable	(251,744)
Non-current liabilities due in one year	(371,000)
Non-current liabilities due in more than one year	(34,874,551)
Net pension and total OPEB liability	(575,778)
Compensated Absences	(198,132)

Net Position of Governmental Activities \$ 36,155,558

City of Anna, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2018

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property tax	\$ 4,400,596	\$ -	\$ 1,116,516	\$ 5,517,112
Sales tax	1,502,079	-	-	1,502,079
Charges for services	150,154	-	963,702	1,113,856
License and permits	824,186	-	-	824,186
Franchise and local taxes	573,517	-	-	573,517
Investment income	64,810	241,077	21,313	327,200
Other revenue	11,523	-	303,227	314,750
Intergovernmental	142,273	-	-	142,273
Fines and forfeitures	77,541	-	-	77,541
Contributions and donations	4,225	-	-	4,225
Total Revenues	7,750,904	241,077	2,404,758	10,396,739
Expenditures				
Current:				
Police department	1,843,470	-	210,410	2,053,880
General government	1,520,219	32,883	-	1,553,102
Fire department	1,153,685	-	175,352	1,329,037
Development and animal control	809,682	-	-	809,682
Streets	541,968	-	-	541,968
Park	433,477	-	40,000	473,477
Ambulance	142,269	-	-	142,269
Municipal court	121,293	-	2,570	123,863
Debt Service:				
Debt issuance costs	-	443,009	-	443,009
Principal	-	-	342,000	342,000
Interest and fiscal charges	-	-	71,273	71,273
Capital outlay	530,543	585,781	654,721	1,771,045
Total Expenditures	7,096,606	1,061,673	1,496,326	9,654,605
Excess (Deficiency) of Revenues Over (Under) Expenditures	654,298	(820,596)	908,432	742,134
Other Financing Sources (Uses)				
Transfers in	-	1,387,706	68,007	1,455,713
Transfers (out)	(781,278)	(69,500)	(445,435)	(1,296,213)
Payment to escrow	-	(953,160)	-	(953,160)
Bond proceeds	-	31,795,000	-	31,795,000
Bond premiums	-	1,601,891	-	1,601,891
Proceeds from sold assets	345,706	-	354,376	700,082
Total	(435,572)	33,761,937	(23,052)	33,303,313
Net Change in Fund Balances	218,726	32,941,341	885,380	34,045,447
Beginning fund balances	4,495,040	(7,693)	1,476,289	5,963,636
Ending Fund Balances	\$ 4,713,766	\$ 32,933,648	\$ 2,361,669	\$ 40,009,083

See Notes to Financial Statements.

City of Anna, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended September 30, 2018

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

Net change in fund balances - total governmental funds	\$ 34,045,447
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital contributions are only recognized on the Statement of Activities.

Capital outlay	1,771,045
Depreciation expense	(2,071,062)
Capital contributions	9,338,204
Net effect of capital sale proceeds versus gains	(423,112)

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.

(Increases) in compensated absences	(52,290)
(Increases) in accrued interest	(240,847)
Pension expense	76,918

Various other reclassification and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This includes the realization of changes in deferred revenues from the prior year and other items.

	62,378
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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 premiums, discounts, and similar items when they are first issued; whereas, the amounts are deferred and amortized in the Statement of Activities. The following amounts are the net effect of these differences in the treatment of long-term debt

Bond proceeds	(31,795,000)
Net changes in debt premium	(1,517,551)

The principal payments on long-term debt (e.g., bonds, leases, certificates of obligation) are current financial (uses) for the governmental funds. These payments are recognized as a reduction of long-term debt for the Statement of Activities:

Principal payments	342,000
Refunding bond payments	915,000

Change in Net Position of Governmental Activities	\$ 10,451,130
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See Notes to Financial Statements.

City of Anna, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (Page 1 of 2)
September 30, 2018

	Utility Fund
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 3,719,021
Certificates of deposit	375,000
Receivables, net	1,368,877
Due from other funds	445,435
Inventories	36,935
Total Current Assets	5,945,268
<u>Noncurrent Assets</u>	
Restricted cash and pooled investments	5,847,943
GTUA prepaid reserves	914,048
Capital assets:	
Non-depreciable	3,557,628
Net depreciable capital assets	46,369,550
Total Noncurrent Assets	56,689,169
Total Assets	62,634,437
<u>Deferred Outflows of Resources</u>	
Deferred loss on bond refunding	134,418
Deferred outflows - OPEB	1,966
Deferred outflows - pension	109,517
Total Deferred Outflows of Resources	245,901

City of Anna, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (Page 2 of 2)
September 30, 2018

<u>Liabilities</u>	<u>Utility Fund</u>
<u>Current Liabilities</u>	
Accounts payable	1,439,124
Salaries payable	22,587
Retainage payable	169,931
Other liabilities	48,921
Bond interest payable	1,029,718
Due to other governments	7,840
Customer deposits	870,148
Accrued compensated absences	38,588
Current portion of long-term debt	1,133,576
Total Current Liabilities	4,760,433
 <u>Noncurrent Liabilities</u>	
Due in more than one year	23,171,909
Net pension and total OPEB liability	181,824
Total Noncurrent Liabilities	23,353,733
Total Liabilities	28,114,166
 <u>Deferred Inflows of Resources</u>	
Deferred inflows - pension	84,909
Total Deferred Inflows of Resources	84,909
 <u>Net Position</u>	
Net investment in capital assets	25,064,065
Restricted for:	
GTUA deposits	914,048
Water and sewer improvements	5,847,943
Unrestricted	2,855,207
Total Net Position	\$ 34,681,263

See Notes to Financial Statements.

City of Anna, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2018

	Utility Fund
<u>Operating Revenues</u>	
Water	\$ 4,396,458
Sewer	2,586,266
Sanitation	971,291
Inspection fees	431,832
Installation and tap fees	231,253
Groundwater production fees	67,073
Total Operating Revenues	8,684,173
<u>Operating Expenses</u>	
Depreciation	1,780,155
Personnel services	1,362,330
North Texas M.W.D. and GTUA water costs	1,231,732
Contracted services	1,191,393
Sanitation contract	814,081
Supplies	663,789
Utilities	379,002
Other expenses	298,178
Reimbursed developer fees	206,000
Total Operating Expenses	7,926,660
Operating Income (Loss)	757,513
<u>Nonoperating Revenues (Expenses)</u>	
Investment income	136,261
Intergovernmental	1,503,769
Debt issuance cost	(126,925)
Interest expense	(839,941)
Other revenue	148,148
Developer and impact fees	1,228,250
Total Nonoperating Revenues (Expenses)	2,049,562
Income (Loss) Before Transfers and Capital Contributions	2,807,075
Transfers in	514,935
Transfers (out)	(674,435)
Contributed capital	5,348,481
Change in Net Position	7,996,056
Beginning net position	26,694,012
Cumulative effect of change in accounting principle	(8,805)
Ending Net Position	\$ 34,681,263

See Notes to Financial Statements.

City of Anna, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 1 of 2)
For the Year Ended September 30, 2018

	<u>Utility Fund</u>
Operating Activities:	
Receipts from customers and users	\$ 8,028,420
Payments to suppliers	(4,042,096)
Payments to employees	(1,365,556)
Net cash provided (used) by operating activities	<u>2,620,768</u>
 Capital and Related Financing Activities:	
Proceeds from bond	6,745,000
Cash paid to escrow agent for debt refunding principal	(8,055,000)
Cash to GTUA reserve accounts	(983,237)
Developer contributions	1,228,250
Cash from restricted capital improvements accounts	(1,337,826)
Cash paid for acquisition and construction of capital assets	(2,946,093)
Interest and fees paid on long-term debt	(985,572)
Principal payments on debt	(1,015,628)
Net cash provided (used) by capital and related financing activities	<u>(7,350,106)</u>
 Non-capital and Related Financing Activities	
Transfers in from other funds	514,935
Transfers (out) to other funds	(674,435)
Net cash provided (used) by non-capital and related financing activities	<u>(159,500)</u>
 Investing Activities:	
Interest received	136,261
Net cash provided (used) by investing activities	<u>136,261</u>
 Net increase (decrease) in cash and cash equivalents	(4,752,577)
Cash and cash equivalents, October 1	<u>4,538,396</u>
Cash and cash equivalents, September 30	<u>\$ (214,181)</u>

See Notes to Financial Statements.

City of Anna, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 2 of 2)
For the Year Ended September 30, 2018

Reconciliation of Operating Income to Net Cash Provided

(Used) by Operating Activities:

Operating income (loss)	\$	757,513
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		1,780,155
Decrease (increase) in accounts receivable		(279,843)
Decrease (increase) in inventories		(17,557)
Decrease (increase) in due from other funds		(445,435)
Decrease (increase) on bond refunding		16,802
Decrease (increase) in deferred outflows - pension and OPEB		18,030
Increase (decrease) in deferred inflows - pension and OPEB		28,715
Increase (decrease) in net pension and total OPEB liability		(62,231)
Increase (decrease) in due to other governments		1,878
Increase (decrease) in accounts payable		758,712
Increase (decrease) in retainage payable		(32,608)
Increase (decrease) in other liabilities		14,851
Increase (decrease) in customer deposits		69,525
Increase (decrease) in accrued compensated absences		12,260
Net cash provided by operating activities	<u>\$</u>	<u>2,620,768</u>

Non-cash capital activities:

Contributions of capital assets	<u>\$</u>	<u>5,348,481</u>
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See Notes to Financial Statements.

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Anna, Texas (the “City”) is a home rule charter city that operates under a council manager form of government. 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 accounting policies of the City conform to generally accepted accounting principles (GAAP) applicable to government units. The following is a summary of the more significant accounting policies.

A. Description of 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 non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

The City is an independent political subdivision of the State of Texas governed by an elected council and is considered a primary government for financial reporting purposes as its activities are not considered a part of any other governmental or other type of reporting entity. 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 Anna Economic Development Corporation (“EDC”) and Anna Community Development Corporation (“CDC”), although legally separate, are considered part of the reporting entity. No other entities have been included in the City's 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 is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

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.

Discretely Presented Component Units

Anna Economic Development Corporation

The Anna Economic Development Corporation (EDC) is governed by a board of seven directors, all of whom are appointed by the City Council at its will. The 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. The EDC is presented discretely because the criteria for blended presentation was not met. Separately audited financial statements are not issued.

Anna Community Development Corporation

The Anna Community Development Corporation (CDC) is governed by a board of seven directors, all of whom are appointed by the City Council at its will. The 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. The CDC is presented discretely because the criteria for blended presentation was not met. Separately audited financial statements are not issued.

C. Basis of Presentation – Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the 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 government's water and transit functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

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.

The City reports the following major governmental funds:

General Fund

The General Fund is the main operating fund of the City and is used to account for all financial transactions not properly includable 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.

Capital Projects Fund

Accounts for the acquisition and construction of governmental-type assets from expenditures of debt proceeds, capital grants, or other sources restricted for governmental type asset acquisition.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the City's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB. The government reports the following major enterprise fund:

Utility Fund

The Utility Fund is used to account for the provision of water, sewer, and 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.

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

Additionally, the government reports the following non-major fund types:

Debt Service Fund

The City accounts for the accumulation of financial resources for the payments of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted exclusively for debt service expenditures.

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a Special Revenue Fund. These funds consist of the roadway impact fee service area one and two, and road capital developer agreements fund, police seizure fund, park construction fund, fire department capital improvement fund, grant fund, and other special revenue fund.

The City created the other special revenue fund during the year ending September 30, 2018 by combining the child safety fund, court security fund, court technology fund, and PEG capital fund balances. The grant fund was created in the same way by combining the police training fund balance with grants awarded in the current year.

During the course of operations the government 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.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Measurement focus refers to what is being measured and basis of

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

accounting refers to when transactions are recorded in the financial records and reported on the financial statements and relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses in the accounting period in which they are incurred and become measurable. Proprietary fund equity consists of net position. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

All governmental funds are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, 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.

E. 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 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.

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

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits 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

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for “money market investments” and “2a7-like pools.” Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940, such as TexSTAR, are reported using the pools’ share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code.

In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Fair Value

The City has applied Governmental Accounting Standards Board (“GASB”) Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

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.”

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

Advances between funds are offset by a fund balance reserve account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. 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.

5. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories are valued at the lower of cost or fair using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, 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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Category	Depreciable Life in Years
Buildings	20 years
Water & Sewer System infrastructure	35 years
Equipment	3-20 years
Streets	20 years

7. 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 position 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 as deferred outflows:

Deferred Loss on Refunding – these deferred outflows result from the difference in the carrying value of refunded debt and its acquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Pensions/OPEB – these deferred outflows result from pension/OPEB contributions after the measurement date (deferred and recognized in the following fiscal year) and/or the differences between expected and actual economic experience and assumption changes.

The City has the following items that qualify for reporting as deferred inflows:

Pensions – at the government-wide level these deferred inflows result from differences due to pension assumption changes.

Unavailable Revenues – at the fund level these deferred inflows result from property taxes that have not been received in the current period and are unavailable until collected.

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

8. Net Position Flow Assumption

Sometimes the government 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 statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

9. Fund Balance Flow Assumptions

Sometimes the government 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 government'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.

10. 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 government itself can establish limitations on the use of resources through non-spendable (non-spendable fund balance), restricted (restricted fund balance), commitment (committed fund balance), assignment (assigned fund balance), and unassigned (unassigned fund balance).

The non-spendable fund balance classification includes inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).

The restricted fund balance classification includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance.

Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

Unassigned fund balance is 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.

11. 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.

There is no liability for unpaid accumulated sick leave as the City will not pay any unused amounts when employees separate from service 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.

12. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums discounts and issuance costs are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

13. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability (asset), 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.

Information regarding the City's Total Pension Liability and Total OPEB Liability is obtained from the TMRS through reports prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68. Accounting and Financial Reporting for Pensions and GASB No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

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

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Proprietary Funds Operating and Non-operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating 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 are 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds. Reconciling items have been presented on the balance sheet of governmental funds in the basic financial statements.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. A reconciliation has been presented in the basic financial statements.

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General, Debt Service, 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.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2018, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Maturity (Years)</u>
Certificates of deposit	\$ 4,753,305	0.73
External investment pools	40,115,680	0.0027
Total fair value	<u>\$ 44,868,985</u>	
Portfolio weighted average maturity		0.3664

Interest rate risk In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service.

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of the deposits. The City's investment policy requires funds on bank deposit at the depository bank to be collateralized by securities with a collective fair value (fair value of

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

the principal and accrued interest) of at least 102%. As of September 30, 2018, the fair value of pledged securities and FDIC exceeded bank balances.

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 it will seek to safekeeping securities at financial institutions, avoiding physical possession.

Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

B. Receivables

The following comprise receivable balances of the primary government at year end:

	General	Capital Projects	Nonmajor	Utility	Total
Property taxes	\$ 98,317	\$ -	\$ 25,134	\$ -	\$ 123,451
Sales tax	258,320	-	-	8,151	266,471
Accounts	133,996	-	54,601	1,568,584	1,757,181
Interest	296	2,712	-	-	3,008
Allowance	-	-	-	(207,858)	(207,858)
	<u>\$ 490,929</u>	<u>\$ 2,712</u>	<u>\$ 79,735</u>	<u>\$ 1,368,877</u>	<u>\$ 1,942,253</u>

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclasses</u>	<u>Ending Balances</u>
Capital assets, not being depreciated				
Land	\$ 2,369,951	\$ 439,984	\$ (198,984)	\$ 2,610,951
Construction in progress	180,205	766,740	(271,515)	675,430
Total capital assets not being depreciated	<u>2,550,156</u>	<u>1,206,724</u>	<u>(470,499)</u>	<u>3,286,381</u>
Capital assets, being depreciated				
Park improvements	5,660,831	51,695	-	5,712,526
Buildings	1,646,775	-	(104,017)	1,542,758
Furniture and fixtures	69,897	-	(43,356)	26,541
Streets and drainage	23,878,779	9,480,966	-	33,359,745
Machinery and equipment	3,157,960	369,861	(281,578)	3,246,243
Total capital assets being depreciated	<u>34,414,242</u>	<u>9,902,522</u>	<u>(428,951)</u>	<u>43,887,813</u>
Less accumulated depreciation				
Park improvements	1,759,189	284,304	-	2,043,493
Buildings	584,292	87,700	(178,008)	493,984
Furniture and fixtures	69,898	-	(43,057)	26,841
Streets and drainage	8,924,644	1,413,042	(255,250)	10,082,436
Machinery and equipment	2,037,407	285,990	-	2,323,397
Total accumulated depreciation	<u>13,375,430</u>	<u>2,071,036</u>	<u>(476,315)</u>	<u>14,970,151</u>
Net capital assets being depreciated	<u>21,038,812</u>	<u>7,831,486</u>	<u>47,364</u>	<u>28,917,662</u>
Total Capital Assets	<u><u>\$23,588,968</u></u>	<u><u>\$ 9,038,210</u></u>	<u><u>\$ (423,135)</u></u>	<u><u>\$32,204,043</u></u>

Depreciation was charged to governmental functions as follows:

Streets	\$ 1,472,849
Parks	327,296
Police department	152,515
Fire department	68,845
General government	46,925
Development and animal control	2,607
Total Governmental Activities Depreciation Expense	<u><u>\$ 2,071,036</u></u>

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

A summary of changes in business-type activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclasses</u>	<u>Ending Balances</u>
Capital assets, not being depreciated				
Land	\$ 906,646	\$ 138,451	\$ -	\$ 1,045,097
Construction in progress	5,004,468	2,499,877	(4,991,814)	2,512,531
Total capital assets not being depreciated	<u>5,911,114</u>	<u>2,638,328</u>	<u>(4,991,814)</u>	<u>3,557,628</u>
Capital assets, being depreciated				
Furniture and fixtures	5,620	-	-	5,620
Buildings and improvements	486,244	-	-	486,244
Equipment	1,774,456	224,600	(175,007)	1,824,049
Water treatment system	9,432,822	2,472,250	1,446,457	13,351,529
GTUA water improvements	17,118,710	67,094	-	17,185,804
GTUA sewer improvements	939,796	-	-	939,796
Water and sewer system	21,404,320	2,892,304	3,545,357	27,841,981
Total capital assets being depreciated	<u>51,161,968</u>	<u>5,656,248</u>	<u>4,816,807</u>	<u>61,635,023</u>
Less accumulated depreciation				
Furniture and fixtures	5,620	-	-	5,620
Buildings and improvements	171,189	23,567	-	194,756
Equipment	1,153,844	234,045	(175,007)	1,212,882
Water and sewer system	12,329,672	1,522,543	-	13,852,215
Total accumulated depreciation	<u>13,660,325</u>	<u>1,780,155</u>	<u>(175,007)</u>	<u>15,265,473</u>
Net capital assets being depreciated	<u>37,501,643</u>	<u>3,876,093</u>	<u>4,991,814</u>	<u>46,369,550</u>
Total Capital Assets	<u><u>\$ 43,412,757</u></u>	<u><u>\$ 6,514,421</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 49,927,178</u></u>

Depreciation was charged to business-type functions as follows:

Water and sewer	\$ 1,780,155
Total Business-type Activities Depreciation Expense	<u><u>\$ 1,780,155</u></u>

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

D. Long-term Debt

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. In general, the City uses the Debt Service Fund to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions & Refunds</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds, notes, and other payables:					
General obligation bonds	\$ 2,145,000	\$ -	\$ (127,000)	\$ 2,018,000	\$ 96,000
Certificates of obligation	1,045,000	30,910,000	(1,045,000)	30,910,000	90,000
Combination tax & revenue refunding bonds	-	885,000	(85,000)	800,000	185,000
Premiums	-	1,601,891	(84,340)	1,517,551	-
	<u>3,190,000</u>	<u>33,396,891</u>	<u>(1,341,340)</u>	<u>35,245,551</u>	<u>371,000</u>
Other liabilities:					
Compensated absences	145,842	84,460	(32,170)	198,132	198,132
Net pension and total OPEB liability	772,840	-	197,062	575,778	-
Total Governmental Activities	<u>\$ 4,108,682</u>	<u>\$ 33,481,351</u>	<u>\$ (1,176,448)</u>	<u>\$ 36,019,461</u>	<u>\$ 569,132</u>
Long-term liabilities due in more than one year				<u>\$ 35,450,329</u>	
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions & Refunds</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Business-type Activities:					
Bonds, notes, and other payables:					
Contract revenue bonds	\$ 8,540,000	\$ -	\$ (4,816,250)	\$ 3,723,750	273,750
Contract revenue refunding bonds	1,795,000	-	(1,795,000)	-	-
TWDB state participation agreemen	2,168,750	-	-	2,168,750	-
Combination tax & revenue certificates of obligation	8,010,000	-	(155,000)	7,855,000	160,000
Combination tax & revenue refunding bonds	4,134,000	6,745,000	(2,182,000)	8,697,000	575,000
Capital leases	1,340,010	-	(122,379)	1,217,631	124,826
Premium	68,619	647,066	(72,331)	643,354	-
	<u>26,056,379</u>	<u>7,392,066</u>	<u>(9,142,960)</u>	<u>24,305,485</u>	<u>1,133,576</u>
Other liabilities:					
Compensated absences	26,328	18,056	(5,796)	38,588	38,588
Net pension and total OPEB liability	244,055	-	(62,231)	181,824	-
Total Business-type Activities	<u>\$ 26,326,762</u>	<u>\$ 7,410,122</u>	<u>\$ (9,210,987)</u>	<u>\$ 24,525,897</u>	<u>\$ 1,172,164</u>
Long-term liabilities due in more than one year				<u>\$ 23,353,733</u>	

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

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Primary government long-term debt at year end was comprised of the following debt issues:

Governmental Activities:	Interest Rates	Orig. Balance	Current Balance
General Obligation Bonds			
Series 2014B General Obligation Refunding Bond	0.3% to 2.395%	\$ 1,462,000	\$ 1,328,000
Series 2016 General Obligation Refunding Bond	1.9% to 4.5%	850,000	690,000
Total General Obligation Bonds		<u>2,312,000</u>	<u>2,018,000</u>
Certificates of Obligation			
2018 Combination Tax and Revenue Certificates of Obligation	3.0% to 4.0%	30,910,000	30,910,000
Total Certificates of Obligation		<u>30,910,000</u>	<u>30,910,000</u>
Combination Tax & Revenue Refunding Bonds			
Series 2017 Combination Tax and Refunding Bond	2.0% to 4.0%	885,000	800,000
Total Combination Tax & Revenue Refunding Bonds		<u>885,000</u>	<u>800,000</u>
Total Governmental-Type Activities Debt		<u>\$ 34,107,000</u>	<u>\$ 33,728,000</u>
Business-type Activities:	Interest Rates	Orig. Balance	Current Balance
Contract Revenue Bonds			
Series 2006 GTUA Contract Revenue Bonds (12 &15)	2.95% to 3.75%	\$ 2,125,000	\$ 1,040,000
2007 GTUA Contract	2.95% to 4.10%	2,325,000	1,390,000
CGMA Pipeline Project Phase I	2.29% to 5.74%	700,000	405,000
CGMA Pipeline Project Phase III	2.67% to 5.62%	1,250,000	888,750
Total Contract Revenue & Revenue Refunding Bonds		<u>6,400,000</u>	<u>3,723,750</u>
Capital Leases			
2017 AMI Meter Leases	2.00%	1,340,010	1,217,631
Total Capital Leases		<u>1,340,010</u>	<u>1,217,631</u>
TWDB State Participation Agreement			
CGMA Pipeline Project Phase II	5.68% to 5.83%	2,168,750	2,168,750
Total TWDB State Participation Agreement		<u>2,168,750</u>	<u>2,168,750</u>
Combination Tax & Revenue Certificates of Obligation			
2012 Combination Tax & Revenue Certificates of Obligation	1.5% to 2.5%	4,210,000	3,890,000
2014 Combination Tax & Revenue Certificates of Obligation	2.0% to 2.65%	4,180,000	3,965,000
Total Combination Tax & Revenue Certificates of Obligation		<u>8,390,000</u>	<u>7,855,000</u>
Combination Tax & Revenue Refunding Bonds			
2014A Refunding Bonds	2.11%	2,598,000	2,377,000
Series 2017 Combination Tax and Refunding Bond	2.0% to 4.0%	6,745,000	6,320,000
Total Combination Tax & Revenue Refunding Bonds		<u>9,343,000</u>	<u>8,697,000</u>
Total Business-type Activities Debt		<u>\$ 27,641,760</u>	<u>\$ 23,662,131</u>

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

The annual requirements to amortize the primary government debt issues outstanding at year ending were as follows:

Governmental-type Activities:

	General Obligation Bonds		Certificates of Obligation		Combination Tax & Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 96,000	\$ 40,512	\$ 90,000	\$ 1,604,105	\$ 185,000	\$ 28,300
2020	107,000	38,782	200,000	1,263,550	190,000	20,800
2021	259,000	35,538	195,000	1,256,625	50,000	16,000
2022	265,000	30,689	215,000	1,250,475	40,000	14,200
2023	285,000	25,189	215,000	1,242,950	35,000	12,700
2024	286,000	19,112	235,000	1,233,950	35,000	11,300
2025	306,000	12,556	240,000	1,224,450	25,000	10,100
2026	313,000	5,573	250,000	1,214,650	25,000	9,100
2027	101,000	1,010	435,000	1,198,775	75,000	7,100
2028	-	-	565,000	1,173,775	75,000	4,100
2029	-	-	610,000	1,144,400	65,000	1,300
2030	-	-	1,110,000	1,101,400	-	-
2031	-	-	1,165,000	1,044,525	-	-
2032	-	-	1,215,000	991,100	-	-
2033	-	-	1,265,000	941,500	-	-
2034	-	-	1,320,000	889,800	-	-
2035	-	-	1,375,000	835,900	-	-
2036	-	-	1,430,000	779,800	-	-
2037	-	-	1,485,000	721,500	-	-
2038	-	-	1,545,000	660,900	-	-
2039	-	-	1,305,000	603,900	-	-
2040	-	-	1,360,000	550,600	-	-
2041	-	-	1,415,000	495,100	-	-
2042	-	-	1,475,000	437,300	-	-
2043	-	-	1,535,000	377,100	-	-
2044	-	-	1,595,000	314,500	-	-
2045	-	-	1,660,000	249,400	-	-
2046	-	-	1,730,000	181,600	-	-
2047	-	-	1,800,000	111,000	-	-
2048	-	-	1,875,000	37,500	-	-
Total	\$ 2,018,000	\$ 208,960	\$ 30,910,000	\$ 25,132,130	\$ 800,000	\$ 135,000

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds are from taxes levied on all taxable property located within the City. The City is not obligated in any manner for special assessment debt.

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

Business-type Activities:

	Contract Revenue Bonds		TWDB State Participation Agreement		Combination Tax & Revenue Certificates of Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 273,750	\$ 163,292	\$ -	\$ 125,206	\$ 160,000	\$ 230,088
2020	286,250	152,647	-	125,206	160,000	226,888
2021	298,750	141,401	-	125,206	170,000	223,388
2022	306,250	129,434	-	125,206	170,000	219,588
2023	320,000	117,005	-	125,206	175,000	215,300
2024	332,500	103,924	-	125,206	210,000	210,000
2025	355,000	89,873	-	125,206	245,000	203,663
2026	378,750	74,803	95,000	125,206	420,000	193,413
2027	237,500	58,718	100,000	119,810	735,000	175,750
2028	247,500	47,709	106,250	114,080	765,000	153,650
2029	70,000	36,653	112,500	107,992	790,000	130,738
2030	75,000	32,596	118,750	101,545	815,000	106,801
2031	78,750	28,275	125,000	94,741	840,000	81,830
2032	82,500	23,744	133,750	87,578	870,000	55,999
2033	87,500	18,967	140,000	79,915	905,000	29,183
2034	92,500	13,909	148,750	71,823	425,000	7,756
2035	97,500	8,570	156,250	63,225	-	-
2036	103,750	2,915	166,250	54,194	-	-
2037	-	-	176,250	44,584	-	-
2038	-	-	185,000	34,397	-	-
2039	-	-	197,500	23,612	-	-
2040	-	-	207,500	12,097	-	-
Total	\$ 3,723,750	\$ 1,244,435	\$ 2,168,750	\$ 2,011,236	\$ 7,855,000	\$ 2,464,031

	Combination Tax & Revenue		Water Meter Capital Lease	
	Principal	Interest	Principal	Interest
2019	\$ 575,000	\$ 314,813	\$ 124,826	\$ 24,353
2020	590,000	296,481	127,323	21,856
2021	607,000	276,714	129,869	19,310
2022	635,000	255,300	132,466	16,713
2023	654,000	232,313	135,116	14,063
2024	649,000	208,528	137,818	11,361
2025	645,000	184,452	140,574	8,605
2026	492,000	163,176	143,386	5,793
2027	370,000	146,600	146,253	2,926
2028	380,000	131,600	-	-
2029	565,000	112,700	-	-
2030	605,000	89,300	-	-
2031	630,000	64,600	-	-
2032	650,000	39,000	-	-
2033	650,000	13,000	-	-
Total	\$ 8,697,000	\$ 2,528,575	\$ 1,217,631	\$ 124,980

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

In December of 2017, the City issued \$7,630,000 in Series 2017 Combination Tax and Refunding Bonds, with interest ranging from 2.0% to 4.0%. The debt that represents refunded bonds were 2005, 2007-A, 2007-B, 2007-C, and 2008 Series GTUA Contract Revenue Bonds totaling \$8,970,000 and carried interest rates ranging from 4% to 5.62% with maturity dates in 2020 through 2032. Other bonds refunded during the year ended September 30, 2018 were Series 2006 and 2009 Certificate of Obligation bonds totaling \$915,000 and Combination Tax and Revenue Bond Series 2009 for \$1,705,000. These carried interest rates ranging from 3.5% to 15% and maturity dates from 2026 to 2029. As a result of the refunding, the City obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$2,186,991. The aggregate difference in debt service between the refunding debt and refunded debt is \$1,724,961.

CONTRACTUAL OBLIGATIONS WITH GREATER TEXOMA UTILITY AUTHORITY

Under the terms of long term water supply and sewer service contracts between the City and Greater Texoma Utility Authority (GTUA), 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.

The City has a contractual obligation to make payments specified by the contract to GTUA to pay the principal and interest on the bonds, maintain a Reserve Fund for the security and payment of bonds similarly secured, pay the administrative and overhead expenses of GTUA directly attributable to the bonds, and pay any extraordinary expenses incurred by GTUA in connection with the bonds. Under terms of the contracts the City's obligation to make payments to GTUA, as well as GTUA's ownership interest in the facilities terminates, when all of GTUA's bonds issued in connection with construction of the facilities have been paid in full, are retired, and are no longer outstanding.

Collin Grayson Municipal Alliance Transmission Water Pipeline

In 2004, the City, along with the City of Van Alstyne, Howe, and Melissa, formed a group called the Collin Grayson Municipal Alliance ("CGMA"). CGMA entered into a long-term contractual obligation 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.

Each CMGA city was required to make payments to GTUA in an amount equivalent to 25% of the total obligation to cover their portion of the cost of the obligation until the pipeline project was completed. As water continues to flow to each CGMA city, the City shall be charged it's percentage or fraction share of debt service on the obligation based upon the amount of water to be paid by the City under its water contract (i.e. the greater of its minimum take-or-pay amount or the actual amount of water taken) divided by the total amount of water to be paid by all CGMA cities. The sum of the four (4) fractional

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

amounts shall always equal 100% of the debt service on the contractual obligation with GTUA. The billing rates for each City will be calculated to provide funds necessary to cover the contractual obligation, interest, repairs, maintenance, and production costs.

At the end of the contractual obligation with GTUA, the City will own an undivided interest in the transmission water pipeline based on the percentage of water it utilized and paid for during the contract term. The contract will expire and the transfer of ownership will occur during the fiscal year ended September 30, 2040, as long as no new debt is issued.

E. Deferred Charges on Refunding

Deferred charges resulting from the issuance of series 2014 tax and revenue refunding bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding bonds. The current year balance for business-type activities totaled \$134,418. Current year amortization expense for business-type activities totaled \$16,802.

F. Customer Deposits

The City had customer deposits of \$870,148 in the Utility Fund as of year-end. The City requires a refundable deposit for all new utility customers. This amount will be returned to the customer when utility service is discontinued and all outstanding utility expenses are paid.

G. Fund Balances and Restricted Net Position

Governmental-Type Fund Balances

The City authorized the City Administrator to designate certain fund balances as assigned.

Excluding unassigned fund balances, the following describes the City's fund balance classifications at September 30, 2018:

Restricted Fund Balances

All fund balances in spendable form for the Capital Projects, Debt Service, and Special Revenue funds are restricted for the intended purpose of these funds. Restricted Fund Balances of \$34,838,601 for the Capital Projects represents assets restricted by law or by agreements with third parties.

Committed Fund Balances

City Council has committed \$215,932 of the General Fund balance for purposes of completing projects and purchases of tools and equipment.

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

H. Interfund Transactions

The compositions of interfund due to/from balances as of the year ended September 30, 2018 were as follows:

	Due From:		
Due to:	General	Water & Sewer	Total
Capital Projects	\$ 605,859	\$ -	\$ 605,859
Nonmajor	28,722	445,435	474,157
Total	\$ 634,581	\$ 445,435	\$ 1,080,016

Interfund balances resulted from the timing difference between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All balances are expected to be paid in the subsequent year.

Transfers between the primary government funds during the 2018 year were as follows:

	Transfer out:				
Transfer in:	General	Water & Sewer	Capital Projects	Nonmajor	Total
Water & Sewer	\$ -	\$ -	\$ 69,500	\$ 445,435	\$ 514,935
Capital Projects	713,271	674,435	-	-	1,387,706
Nonmajor	68,007	-	-	-	68,007
Total	\$ 781,278	\$ 674,435	\$ 69,500	\$ 445,435	\$ 1,970,648

Amounts transferred between funds relate to amounts collected by the governmental and enterprise funds for various capital expenditures and principal and interest payments.

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with more than 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums.

The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

The City uses a number of approaches to decrease risks and protect against losses to the City, including internal practices, employee training, and a code of ethics, which all employees are required to acknowledge.

The City owns and operates motor vehicles and may provide such vehicle to employees for business use during the course and scope of their employment. The City is insured as to its own property losses, and the liability of loss to others.

B. Contingent Liabilities

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City had not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does not anticipate that it will have an arbitrage liability and reviews the estimate for this potential liability annually. The City will also engage an

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations if indicated.

D. Defined Benefit Pension Plans

Texas Municipal Retirement System

1. Plan Description

The City of Anna, Texas participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for 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 comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

2. Benefits Provided

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

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

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

Plan provisions for the City were as follows:

	Plan Year 2017	Plan Year 2018
Employee deposit rate	7%	7%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credits	100% Repeating transfers	100% Repeating transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees covered by benefit terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	38
<u>Active employees</u>	<u>64</u>
Total:	109

3. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees for the City of Anna, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Anna, Texas were 14.43% and 14.49% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018, were \$592,188, and were equal to the required contributions.

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Actuarial assumptions

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2017, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2010 through December 31, 2014, first used in the December 31, 2017 valuation. Healthy postretirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2017 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
Total	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 employee and employer 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 employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) 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 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$1,862,596	\$701,764	(\$221,887)

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

Changes in the Net Pension Liability (Asset)			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2016	\$ 5,631,914	\$ 4,615,019	\$ 1,016,895
Changes for the year:			
Service Cost	698,769	-	698,769
Interest	398,225	-	398,225
Difference between expected and actual experience	(9,109)	-	(9,109)
Changes of assumptions	-	-	-
Contributions - employer	-	516,064	(516,064)
Contributions - employee	-	249,306	(249,306)
Net Investment income	-	641,130	(641,130)
Benefit payments, including refunds of emp. contributions	(163,326)	(163,326)	-
Adminstration expense	-	(3,315)	3,315
Other changes	-	(168)	168
Net Changes	924,559	1,239,690	(315,131)
Balance at 12/31/2017	\$ 6,556,473	\$ 5,854,709	\$ 701,764

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.

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2018, the City recognized pension expense of \$480,020.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows/Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and investment earnings	\$ -	\$ 165,599
Difference between expected and actual economic experience	-	182,154
Contributions subsequent to the measurement date	456,321	-
Total	\$ 456,321	\$ 347,753

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

The City reported \$456,321 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30	
2019	\$ (59,639)
2020	(67,011)
2021	(112,633)
2022	(96,332)
2023	(9,968)
Thereafter	(2,170)
	<hr/>
	\$ (347,753)

E. Other Post-Employment Benefit (OPEB) Plan

1. Plan Description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

2. 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 post-employment benefit ("OPEB") and is a fixed amount of \$7,500.

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	6
<u>Active employees</u>	<u>64</u>
Total	74

3. 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.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city.

There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of contribution rates to the SDBF for the City was 0.0% and 0.0% in calendar years 2017 and 2018, respectively. The City's portion of contribution rates to the SDBF was 0.11% and 0.11% in calendar years 2017 and 2018, respectively. The City's contributions to the SDBF for the year ended September 30, 2018 were \$4,496, and were equal to the required contributions.

4. Total OPEB Liability

The City's Total OPEB Liability (TOL) was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

Actuarial Assumptions:

The Total OPEB Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5% to 10.5%, including inflation
Discount rate	3.31%
Retiree's share of benefit-related costs	0.00%

Salary increases were based on a service-related table. Mortality rates for service retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB. Mortality rates for disabled retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2017, valuation were developed primarily from an actuarial experience study of the four-year period from December 31, 2010 through December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, TMRS adopted the Entry Age Normal Actuarial Cost Method.

The discount rate used to measure the Total OPEB Liability was 3.31% and was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Changes in Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2016	\$ 42,021
Changes for the year:	
Service cost	6,767
Interest on Total OPEB Liability	1,716
Change of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions or other inputs	5,334
Benefit payments	-
Administrative expense	-
Other changes	-
Net changes	\$ 13,817
Balance at 12/31/2017	\$ 55,838

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 3.31%, 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 (2.31%) or 1 percentage-point higher (4.31%) than the current rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate		
1% Decrease 2.31%	Current Discount Rate 3.31%	1% Increase 4.31%
\$69,992	\$55,838	\$45,134

5. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized OPEB expense of \$9,090. At September 30, 2018, 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
Changes of assumptions	\$ 4,727	\$ -
Contributions made subsequent to measurement date	3,465	-
	\$ 8,192	\$ -

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

The \$3,465 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will reduce the Total OPEB liability during the year ending September 30, 2019. The other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net deferred outflows (inflows) of resources
2019	\$ 607
2020	607
2021	607
2022	607
2023	607
Thereafter	1,692
Total	<u>\$ 4,727</u>

F. Cumulative Effects of Change in Accounting Principle

As a result of the implementation of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)" an adjustment has been made to record the City's total OPEB liability as of October 1, 2017. As a result, beginning net position of the governmental activities has been decreased by \$27,882 and the beginning net position of the enterprise fund has been decreased by \$8,805.

G. New Accounting Pronouncements

The City has adopted the following Governmental Accounting Standards Board (GASB) statements as required, if applicable:

1. GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
2. GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
3. GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*
4. GASB Statement No. 82, *Pension Issues – amendment of GASB Statements No. 67, 68, and 73*
5. GASB Statement No. 85, *Omnibus 2017*
6. GASB Statement No. 86, *Certain Debt Extinguishment Issues*

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

GASB has also issued the following statements. The City will be analyzing the effects of these pronouncements and plans to adopt them by their effective date, or as they become applicable to the City:

1. GASB No. 81, *Irrevocable Split-Interest Agreement*, effective for fiscal years that ends December 31, 2017.
2. GASB Statement No. 83, *Certain Asset Retirement Obligations*, effective starting with fiscal year ending June 30, 2019.
3. GASB Statement No. 84, *Fiduciary Activities*, effective starting with fiscal year ending December 31, 2019, if applicable.
4. GASB No. 87, *Leases*, effective starting with fiscal year ending December 31, 2020, if applicable.

H. Subsequent Events

The City has evaluated all events or transactions that occurred after September 30, 2018 up through March 25, 2019, the date the financial statements were available to be issued. During this period, management was unaware of any subsequent events requiring disclosure.

I. Anna Community Development Corporation

In accordance with GASB Statement No. 14, the Financial Reporting Entity, as amended by GASB Statement No. 39, the Anna Community Development Corporation is a discretely presented component unit on the combined financial statements. The Community Development Corporation ("CDC") was incorporated on June 30, 2011. The corporation is governed by a seven member board appointed by and serving at the pleasure of the City Council. The funding for CDC occurs by the City transferring 25% of sales tax revenues collected by the City. The purpose of the CDC is for the purpose of promoting projects to enhance the community. The 4B tax proceeds may be spent on land, building, equipment, facilities, expenditures, targeted infrastructure, and improvements throughout the City.

1. Stewardship, Compliance and Accountability

a. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations.

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

2. Financial Statement Amounts

a. Deposits and Investments

Cash and cash equivalents as of September 30, 2018 consist of and are classified in the accompanying financial statements as follows:

Cash and cash equivalents	\$ 544,970
Total fair value	\$ 544,970

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Public Funds Investment Act and the City's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits. The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a deposit regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

As of September 30, 2018, CDC had the following investment: None

b. Receivables

Receivables as of year-end for the CDC were \$246,302, \$154,992 representing sales tax owed from the State and \$91,310 representing local business loans. No allowances for uncollectible accounts have been recorded at September 30, 2018.

c. Capital Assets

	Beginning Balances	Increases	Decreases/ Reclasses	Ending Balances
Capital assets, not being depreciated				
Land	\$ 2,757,904		\$ -	\$ 2,757,904
Total capital assets not being depreciated	2,757,904	-	-	2,757,904
Total Capital Assets	\$ 2,757,904	\$ -	\$ -	\$ 2,757,904

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

d. Long-Term Obligations

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Sales Tax revenue Bonds	\$ 3,499,000	\$ -	\$ (204,000)	\$ 3,295,000	\$ 210,000

Sales Tax Revenue Bonds	<u>Interest Rates</u>	<u>Orig. Balance</u>	<u>Current Balance</u>
CDC - Sales Tax Revenue Refunding Bonds - Series 2012A	3.25%	396,000	-
CDC - Sales Tax Revenue Bonds - Series 2012B	3.30%	1,655,000	1,560,000
CDC - Sales Tax Revenue Bonds - Series 2016	1.9% to 4.5%	1,850,000	1,735,000
Total Sales Tax Revenue Bonds		<u>\$ 3,901,000</u>	<u>3,295,000</u>

The annual requirements to amortize the primary government debt issues outstanding at year ending were as follows:

	<u>Special Tax Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 210,000	\$ 116,882
2020	215,000	110,876
2021	225,000	104,250
2022	160,000	167,463
2023	100,000	226,660
2024	115,000	211,080
2025	135,000	194,238
2026	150,000	176,405
2027	170,000	157,582
2028	190,000	137,395
2029	210,000	115,843
2030	235,000	92,744
2031	260,000	67,981
2032	285,000	41,888
2033	115,000	25,987
2034	120,000	20,700
2035	125,000	15,187
2036	135,000	9,338
2037	140,000	3,150
Total	<u>\$ 3,295,000</u>	<u>\$ 1,995,649</u>

e. Litigation

Management is not aware of any pending or threatened litigation involving the CDC.

f. Subsequent Events

The CDC has evaluated all events or transactions that occurred after September 30, 2018 up through March 25, 2019, the date the financial statements were available to be

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

issued. During this period, management was unaware of any subsequent events requiring disclosure.

J. Anna Economic Development Corporation

In accordance with GASB Statement No. 14, the Financial Reporting Entity, as amended by GASB Statement No. 39, the Anna Economic Development Corporation is a discretely presented component unit on the combined financial statements. The Economic Development Corporation ("EDC") was incorporated in June 30, 2011. The corporation is governed by a seven member board appointed by and serving at the pleasure of the City Council. Until it ceased in May of 2017, funding for EDC occurred by the City transferring 25% of sales tax revenues collected by the City. The purpose for which the EDC is organized and may issue or incur bonds or other obligations on behalf of the City for the promotion and development of commercial, industrial and manufacturing enterprises, promotion, development and expansion of business enterprises, and to promote and encourage employment and public welfare.

1. Stewardship, Compliance and Accountability

a. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

NONE.

2. Financial Statement Amounts

a. Deposits and Investments

Cash and cash equivalents as of September 30, 2018 consist of and are classified in the accompanying financial statements as follows:

Cash and cash equivalents	<u>\$ 211,125</u>
Total fair value	<u><u>\$ 211,125</u></u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Public Funds Investment Act and the City's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

credit risk for deposits or investments, other than the following provisions for deposits. The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a deposit regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

As of September 30, 2018, EDC had the following investment: None

b. Receivables

Receivables as of year-end for the EDC were \$92,875 representing local business loans. No allowances for uncollectible accounts have been recorded at September 30, 2018.

c. Capital Assets

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclasses</u>	<u>Ending Balances</u>
Capital assets, not being depreciated				
Land	\$ 96,914	\$ -	\$ -	\$ 96,914
Construction in progress	118,723	43,382	(162,105)	-
Total capital assets not being depreciated	<u>215,637</u>	<u>43,382</u>	<u>(162,105)</u>	<u>96,914</u>
Capital assets, being depreciated				
Buildings	366,589	-	-	366,589
Furniture and fixtures	13,871	-	-	13,871
Total capital assets being depreciated	<u>380,460</u>	<u>-</u>	<u>-</u>	<u>380,460</u>
Total accumulated depreciation	<u>94,188</u>	<u>19,717</u>	<u>-</u>	<u>113,905</u>
Net capital assets being depreciated	<u>286,272</u>	<u>(19,717)</u>	<u>-</u>	<u>266,555</u>
Total Capital Assets	<u>\$ 501,909</u>	<u>\$ 23,665</u>	<u>\$ (162,105)</u>	<u>\$ 363,469</u>

d. Subsequent Events

The EDC has evaluated all events or transactions that occurred after September 30, 2018 up through March 25, 2019, the date the financial statements were available to be issued. During this period, management was unaware of any subsequent events requiring disclosure.

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, 2018

	Original Budget	Final Budget	2018 Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 4,269,004	\$ 4,269,004	\$ 4,400,596	\$ 131,592
Sales tax	1,696,354	1,696,354	1,502,079	(194,275)
Charges for services	139,460	139,460	150,154	10,694
License and permits	642,000	789,000	824,186	35,186
Franchise and local taxes	461,200	461,200	573,517	112,317
Investment income	19,500	19,500	64,810	45,310
Other revenue	70,806	70,806	11,523	(59,283)
Intergovernmental	90,800	90,800	142,273	51,473
Fines and forfeitures	89,000	89,000	77,541	(11,459)
Contributions and donations	-	-	4,225	4,225
Total Revenues	7,478,124	7,625,124	7,750,904	125,780
Expenditures				
Current:				
Police department	1,833,526	1,865,115	1,843,470	21,645
General government	1,392,354	1,411,609	1,520,219	(108,610)
Fire department	1,099,039	1,146,987	1,153,685	(6,698)
Development and animal control	684,117	840,366	809,682	30,684
Streets	746,912	956,762	541,968	414,794
Park	485,751	447,951	433,477	14,474
Ambulance	142,270	142,270	142,269	1
Municipal court	133,572	133,572	121,293	12,279
Capital outlays:	498,310	694,656	530,543	164,113
Total Expenditures	7,015,851	7,639,288	7,096,606	542,682
Revenues Over (Under)	462,273	(14,164)	654,298	668,462
Other Financing Sources (Uses)				
Proceeds from sold assets	14,747	308,747	345,706	36,959
Transfers in (out)	(477,020)	(840,291)	(781,278)	59,013
Total Other Financing Sources (Uses)	(462,273)	(531,544)	(435,572)	95,972
Net Change in Fund Balance	-	(545,708)	218,726	\$ 764,434
Beginning fund balance	4,495,040	4,495,040	4,495,040	
Ending Fund Balance	\$ 4,495,040	\$ 3,949,332	\$ 4,713,766	

Notes to Required Supplementary Information

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

City of Anna, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - TMRS ¹

Last Ten Measured Years

	2017	2016	2015	2014
Total pension liability				
Service Cost	698,769	\$ 608,067	\$ 527,867	\$ 429,268
Interest	398,225	343,924	309,015	277,884
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(9,109)	(60,518)	(110,141)	(173,824)
Change of assumptions	-	-	19,349	-
Benefit payments, including refunds of participant	(163,326)	(101,394)	(109,637)	(166,160)
Net Change in Total Pension Liability	924,559	790,079	636,453	367,168
Total Pension Liability - Beginning	5,631,914	4,841,835	4,205,380	3,838,212
Total Pension Liability - Ending (a)	\$ 6,556,473	\$ 5,631,914	\$ 4,841,833	\$ 4,205,380
Plan Fiduciary Net Position				
Contributions - Employer	516,064	442,230	386,733	270,279
Contributions - Employee	249,306	217,388	194,478	170,293
Net Investment Income	641,130	257,535	4,915	165,488
Benefit payments, including refunds of employee contributions	(163,326)	(101,394)	(109,637)	(166,160)
Administrative Expense	(3,315)	(2,902)	(2,992)	(1,727)
Other	(169)	(156)	(148)	(142)
Net Change in Plan Fiduciary Net Position	1,239,690	812,701	473,349	438,031
Plan Fiduciary Net Position - Beginning	4,615,019	3,802,318	3,328,967	2,890,936
Plan Fiduciary Net Position - Ending (b)	\$ 5,854,709	\$ 4,615,019	\$ 3,802,316	\$ 3,328,967
Net Pension Liability - Ending (a) - (b)	\$ 701,764	\$ 1,016,895	\$ 1,039,517	\$ 876,413

Plan Fiduciary Net Position as a Percentage

of Total Pension Liability	89%	82%	79%	79%
Covered Payroll	\$ 3,561,515	\$ 1,194,348	\$ 2,778,260	\$ 2,432,756
Net Pension Liability as a Percentage				
of Covered Payroll	20%	85%	37%	36%

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 ¹

Last Ten Fiscal Years

	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 592,188	\$ 490,248	\$ 444,631	\$ 353,170
Contributions in relation to the actuarially determined contribution	\$ 592,188	\$ 490,248	\$ 444,631	\$ 353,170
Covered payroll	4,086,822	\$ 3,396,686	\$ 3,140,567	\$ 2,881,090
Contributions as a percentage of covered payroll	14.49%	14.43%	14.16%	12.26%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes

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. There were no benefit changes during the year

City of Anna, Texas

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - TMRS ¹

Last Ten Measured Years

	2017
Total OPEB liability	
Service Cost	\$ 6,767
Interest (on the Total OPEB Liability)	1,716
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	5,334
Benefit payments	-
Net Change in Total OPEB Liability	13,817
Total OPEB Liability - Beginning	42,021
Total OPEB Liability - Ending (a)	\$ 55,838
 Covered Payroll	 \$ 3,561,515
Total OPEB Liability as a Percentage of Covered Payroll	1.57%

NOTES TO SCHEDULE OF TOTAL OPEB LIABILITY

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 .

City of Anna, Texas

SCHEDULE OF OPEB CONTRIBUTIONS - TMRS ¹

Last Ten Fiscal Years

	2018
Actuarially Determined Contribution	\$ 4,496
Contributions in relation to the actuarially determined contribution	4,496
Contribution deficiency (excess) covered payroll	\$ 4,086,822
Contributions as a percentage of covered payroll	0.11%

NOTES TO SCHEDULE OF OPEB CONTRIBUTIONS

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.

Valuation Timing: Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	3.5% to 10.5% including inflation
Discount Rate	3.31%
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.

Mortality:

Service Retirees RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Disabled Retirees RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

Other Information:

Notes There were no benefit changes during the year.

THE CITY OF
Anna

***COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES***

City of Anna, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

	<u>Roadway Impact Fee SVC Area 1</u>	<u>Roadway Impact Fee SVC Area 2</u>	<u>Road Capital Dev. Agr. Fund</u>	<u>Police Seizure Fund</u>	<u>Park Construction Fund</u>
<u>Assets</u>					
Cash and cash equivalents	\$ 522,494	\$ 236,439	\$ 459,045	\$ 9,793	\$ 720,978
Receivables, net	-	-	-	-	-
Due from other governments					
Due from other funds	-	-	-	-	-
Inventories	-	-	-	-	-
Prepays	-	-	-	-	-
Total Assets	<u>\$ 522,494</u>	<u>\$ 236,439</u>	<u>\$ 459,045</u>	<u>\$ 9,793</u>	<u>\$ 720,978</u>
<u>Liabilities</u>					
Accounts payable	\$ 7,742	\$ -	\$ 8,100	\$ 377	\$ 1,206
Retainage payable	-	-	-	-	16,955
Accrued liabilities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>7,742</u>	<u>-</u>	<u>8,100</u>	<u>377</u>	<u>18,161</u>
<u>Fund Balances</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	9,416	-
Municipal court	-	-	-	-	-
Capital projects	514,752	236,439	450,945	-	702,817
Total Fund Balances	<u>514,752</u>	<u>236,439</u>	<u>450,945</u>	<u>9,416</u>	<u>702,817</u>
Total Liabilities and Fund Balances	<u>\$ 522,494</u>	<u>\$ 236,439</u>	<u>\$ 459,045</u>	<u>\$ 9,793</u>	<u>\$ 720,978</u>

Fire Dept. Capital Impr. Fund	Grant Fund	Other Special Revenue Fund	Total Special Revenue Funds	Debt Service Fund	Grand Total Nonmajor Funds
\$ 62,009	\$ -	\$ 105,001	\$ 2,115,759	\$ 727,242	\$ 2,843,001
-	49,657	4,944	54,601	25,134	79,735
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
<u>\$ 62,009</u>	<u>\$ 49,657</u>	<u>\$ 109,945</u>	<u>\$ 2,170,360</u>	<u>\$ 752,376</u>	<u>\$ 2,922,736</u>
\$ -	\$ 8,986	\$ -	\$ 26,411	\$ -	\$ 26,411
9,307	-	-	26,262	-	26,262
-	9,103	-	9,103	-	9,103
-	-	-	-	25,134	25,134
-	28,722	-	28,722	445,435	474,157
<u>9,307</u>	<u>46,811</u>	<u>-</u>	<u>90,498</u>	<u>470,569</u>	<u>561,067</u>
\$ -	\$ -	\$ -	\$ -	\$ 281,807	\$ 281,807
52,702	2,846	89,701	154,665	-	154,665
-	-	20,244	20,244	-	20,244
-	-	-	1,904,953	-	1,904,953
<u>52,702</u>	<u>2,846</u>	<u>109,945</u>	<u>2,079,862</u>	<u>281,807</u>	<u>2,361,669</u>
<u>\$ 62,009</u>	<u>\$ 49,657</u>	<u>\$ 109,945</u>	<u>\$ 2,170,360</u>	<u>\$ 752,376</u>	<u>\$ 2,922,736</u>

City of Anna, Texas

*COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018*

	Roadway Impact Fee SVC Area 1	Roadway Impact Fee SVC Area 2	Road Capital Dev. Agr. Fund	Police Seizure Fund	Park Construction Fund
Revenues					
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	126,942	177,677	336,500	-	308,833
Other revenue	-	-	-	-	-
Investment income	5,040	1,742	4,909	157	8,797
Total Revenues	131,982	179,419	341,409	157	317,630
Expenditures					
Current:					
Police department	-	-	-	20,625	-
Fire department	-	-	-	-	-
Park	-	-	-	-	40,000
Municipal court	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	647,055
Total Expenditures	-	-	-	20,625	687,055
Revenues Over Expenditures	131,982	179,419	341,409	(20,468)	(369,425)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Proceeds from sold assets	-	-	-	20,985	333,391
Total Other Financing (Uses)	-	-	-	20,985	333,391
Net Change in Fund Balances	131,982	179,419	341,409	517	(36,034)
Beginning fund balances	382,770	57,020	109,536	8,899	738,851
Ending Fund Balances	\$ 514,752	236,439	\$ 450,945	\$ 9,416	\$ 702,817

Fire Dept. Capital Impr. Fund	Grant Fund	Other Special Revenue Fund	Total Special Revenue Funds	Debt Service Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,116,516	\$ 1,116,516
13,750	-	-	963,702	-	963,702
-	270,486	24,325	294,811	8,416	303,227
668	-	-	21,313	-	21,313
<u>14,418</u>	<u>270,486</u>	<u>24,325</u>	<u>1,279,826</u>	<u>1,124,932</u>	<u>2,404,758</u>
-	179,002	10,783	210,410	-	210,410
16,918	158,434	-	175,352	-	175,352
-	-	-	40,000	-	40,000
-	-	2,570	2,570	-	2,570
-	-	-	-	-	-
-	-	-	-	342,000	342,000
-	-	-	-	71,273	71,273
7,666	-	-	654,721	-	654,721
<u>24,584</u>	<u>337,436</u>	<u>13,353</u>	<u>1,083,053</u>	<u>413,273</u>	<u>1,496,326</u>
<u>(10,166)</u>	<u>(66,950)</u>	<u>10,972</u>	<u>196,773</u>	<u>711,659</u>	<u>908,432</u>
-	68,007	-	68,007	-	68,007
-	-	-	-	(445,435)	(445,435)
-	-	-	354,376	-	354,376
-	68,007	-	422,383	(445,435)	(23,052)
(10,166)	1,057	10,972	619,156	266,224	885,380
62,868	1,789	98,973	1,460,706	15,583	1,476,289
<u>\$ 52,702</u>	<u>\$ 2,846</u>	<u>\$ 109,945</u>	<u>\$ 2,079,862</u>	<u>\$ 281,807</u>	<u>\$ 2,361,669</u>

City of Anna, Texas
BALANCE SHEET
COMMUNITY DEVELOPMENT CORPORATION
September 30, 2018

ASSETS

Current assets:

Cash and cash equivalents	\$	544,970
Receivables (net of allowances for uncollectibles)		246,302
Total Assets		791,272

LIABILITIES

Accounts payable		11,111
Total Liabilities		11,111

DEFERRED INFLOWS OF RESOURCES

Local business loans		41,310
Total Deferred Inflows of Resources		41,310

FUND BALANCES

Restricted for:

Community Development		738,851
Total Fund Balances		738,851

Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	791,272
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See Notes to Financial Statements.

City of Anna, Texas
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
COMMUNITY DEVELOPMENT CORPORATION
September 30, 2018

Fund Balances - Total Governmental Funds	\$	738,851
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		2,757,904
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Accrued interest and accrued compensated absences reported in the Statement of Net Position does not require the use of current financial resources and, therefore, is not reported in governmental funds.		(17,082)
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Long-term debt for the fiscal year is included in the Statement of Net Position.		(3,295,000)
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Deferred revenues are removed for the Statement of Net Position.		41,310
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Net Position of Governmental Activities	\$	225,983
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See Notes to Financial Statements.

City of Anna, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES COMMUNITY DEVELOPMENT CORPORATION

For the Year Ended September 30, 2018

REVENUES

Sales and use tax	\$ 901,247
Investment income	5,477
Total Revenues	<u>906,724</u>

EXPENDITURES

Current:

Community and economic development 510,152

Debt service:

Principal retirement 204,000

Interest 121,867

Total Expenditures 836,019

Excess (Deficiency) of Revenues

Over (Under) Expenditures 70,705

Net Change in Fund Balances 70,705

Beginning fund balances 668,146

Ending Fund Balances \$ 738,851

See Notes to Financial Statements.

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, 2018

Net change in Fund Balances - Total Governmental Funds	\$ 70,705
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.	204,000
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:	530
Increase in accrued compensated absences:	(2,114)
Change in Net Position of Governmental Activities	<u><u>\$ 273,121</u></u>

See Notes to Financial Statements.

City of Anna, Texas
BALANCE SHEET
ECONOMIC DEVELOPMENT CORPORATION
September 30, 2018

ASSETS

Cash and cash equivalents	\$	211,125
Receivables (net of allowance for uncollectibles)		92,875
Total Assets		<u>304,000</u>

LIABILITIES

Accounts payable		518
Total Liabilities		<u>518</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue:		
Local business loans		91,927
Total Deferred Inflows of Resources		<u>91,927</u>

FUND BALANCES

Restricted for:		
Economic Development		211,555
Total Fund Balances		<u>211,555</u>

Total Liabilities, Deferred Inflows of Resources, and		
Fund Balances	\$	<u>304,000</u>

See Notes to Financial Statements.

City of Anna, Texas
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
ECONOMIC DEVELOPMENT CORPORATION
September 30, 2018

Fund Balances- Total Governmental Funds	\$	211,555
--	----	---------

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.		477,374
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Accumulated depreciation has not been included in the governmental fund financial statements.		(113,905)
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Deferred revenues are not included in the government-wide financial statements.		91,927
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Net Position of Governmental Activities	\$	666,951
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See Notes to Financial Statements.

City of Anna, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ECONOMIC DEVELOPMENT CORPORATION

For the Year Ended September 30, 2018

REVENUES

Charges for services	\$	21,687
Investment income		2,088
Total Revenues		<u>23,775</u>

EXPENDITURES

Current:

Community and economic development	33,651
Capital Outlay	43,382
Total Expenditures	<u>77,033</u>

Excess (Deficiency) of Revenues

Over (Under) Expenditures (53,258)

Other Financing Sources (Uses)

Other revenue	39,090
Total Other Financing Sources (Uses)	<u>39,090</u>

Net Change in Fund Balances (14,168)

Beginning fund balances 225,723

Ending Fund Balances \$ 211,555

See Notes to Financial Statements.

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City of Anna, Texas

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - ECONOMIC DEVELOPMENT CORPORATION
For the Year Ended September 30, 2018**

Net change in Fund Balances - Total Governmental Funds \$ (14,168)

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

Current year capital outlays are expenditures in the fund financial statements, but these are shown as an increase in capital assets in the government-wide financial statements. The effect of removing the current year capital outlays is to increase net position. 43,382

Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. Since the current year's depreciation is zero, there is no effect on net position. (19,717)

The book value of the assets donated are not factored into the fund financial statements. The effect on the government-wide financial statements is there being a donation expense and decreasing net position. (162,105)

Various other reclassification and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This includes the realization of decreases in deferred revenue from the prior year. (39,090)

Change in Net Position of Governmental Activities \$ (191,698)

See Notes to Financial Statements.

City of Anna, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

COMMUNITY DEVELOPMENT CORPORATION

For the Year Ended September 30, 2018

	Original Budget	Final Budget	2018 Actual	Final Budget Positive (Negative)
<u>REVENUES</u>				
Sales and use tax	\$ 822,615	\$ 822,615	901,247	78,632
Investment income	1,800	1,800	5,477	3,677
Total Revenues	824,415	824,415	906,724	82,309
<u>EXPENDITURES</u>				
Current:				
Community and economic development	475,505	519,286	510,152	9,134
Debt service:				
Principal retirement	204,000	204,000	204,000	-
Interest	121,867	121,867	121,867	-
Total Expenditures	801,372	845,153	836,019	9,134
Revenues Over (Under)	23,043	(20,738)	70,705	91,443
Net Change in Fund Balances	23,043	(20,738)	70,705	\$ 91,443
Beginning fund balances	668,146	668,146	668,146	
Ending Fund Balances	\$ 691,189	\$ 647,408	\$ 738,851	

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, 2018

	Original Budget	Final Budget	2018 Actual	Final Budget Positive (Negative)
<u>REVENUES</u>				
Charges for services - rentals	\$ 25,716	\$ 25,716	\$ 21,687	\$ (4,029)
Investment income	650	650	2,088	1,438
Other Income	45,480	45,480	39,090	(6,390)
Total Revenues	71,846	71,846	62,865	(8,981)
<u>EXPENDITURES</u>				
Current:				
Community and economic development	58,656	59,556	33,651	25,905
Capital Outlay	-	100,000	43,382	56,618
Total Expenditures	58,656	159,556	77,033	82,523
Revenues Over (Under)	13,190	(87,710)	(14,168)	73,542
Net Change in Fund Balances	13,190	(87,710)	(14,168)	\$ 73,542
Beginning Balances	225,723	225,723	225,723	
Ending Fund Balances	\$ 238,913	\$ 138,013	\$ 211,555	

Notes to Required Supplementary Information

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

City of Anna, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended September 30, 2018

	Original Budget	Final Budget	2018 Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property tax	\$ 1,091,329	\$ 1,091,329	\$ 1,116,516	\$ 25,187
Other revenue	1,400	1,400	8,416	7,016
Total Revenues	1,092,729	1,092,729	1,124,932	32,203
<u>Expenditures</u>				
Principal retirement	297,000	297,000	342,000	(45,000)
Interest expense	121,294	121,294	71,273	50,021
Total Expenditures	418,294	418,294	413,273	5,021
Revenues Over (Under)	674,435	674,435	711,659	37,224
<u>Other Financing Sources (Uses)</u>				
Transfers in (out)	(674,435)	(674,435)	(445,435)	229,000
Total Other Financing Sources (Uses)	(674,435)	(674,435)	(445,435)	229,000
Net Change in Fund Balances	-	-	266,224	\$ 266,224
Beginning fund balances	15,583	15,583	15,583	
Ending Fund Balances	\$ 15,583	\$ 15,583	\$ 281,807	

Notes to Required Supplementary Information

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

THE CITY OF
Anna

STATISTICAL SECTION

STATISTICAL SECTION

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. This information has not been audited by the independent auditor.

Contents

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)

	2018	2017	2016	2015
Governmental activities				
Net investment in capital assets	\$ 29,892,142	\$ 20,398,968	\$ 13,466,866	\$ 13,288,789
Restricted	469,607	1,489,057	1,550,067	1,781,301
Unrestricted	5,793,809	3,844,285	3,052,331	2,073,139
Total governmental activities net position	\$ 36,155,558	\$ 25,732,310	\$ 18,069,264	\$ 17,143,229
Business-type activities				
Net investment in capital assets	\$ 25,064,065	\$ 17,356,378	\$ 12,878,858	\$ 9,150,846
Restricted	6,761,991	6,407,402	\$ 7,349,941	\$ 10,029,856
Unrestricted (Deficit)	2,855,207	2,930,232	762,189	595,738
Total business-type activities net position	\$ 34,681,263	\$ 26,694,012	\$ 20,990,988	\$ 19,776,440
Primary government				
Net investment in capital assets	\$ 54,956,207	37,755,346	\$ 26,254,724	\$ 22,439,635
Restricted	7,231,598	7,896,459	8,900,008	11,811,157
Unrestricted	8,649,016	6,774,517	3,814,520	2,668,877
Total primary government net position	\$ 70,836,821	\$ 52,426,322	\$ 38,969,252	\$ 36,919,669

Source: Comprehensive Annual Financial Report

TABLE 1

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 12,463,939	\$ 11,698,639	\$ 10,749,210	\$ 11,048,398	\$ 10,763,659	\$ 10,579,536
1,265,399	983,464	444,340	156,274	206,256	158,803
<u>2,272,911</u>	<u>2,427,826</u>	<u>2,338,621</u>	<u>2,636,598</u>	<u>2,611,930</u>	<u>2,825,502</u>
<u>\$ 16,002,249</u>	<u>\$ 15,109,929</u>	<u>\$ 13,532,171</u>	<u>\$ 13,841,270</u>	<u>\$ 13,581,845</u>	<u>\$ 13,563,841</u>
\$ 7,161,432	\$ 9,228,796	\$ 11,584,537	\$ 11,657,252	\$ 10,990,672	\$ 9,915,584
\$ 11,632,410	\$ 8,358,837	\$ 3,809,923	\$ 3,260,968	\$ 3,125,129	\$ 3,697,045
<u>642,688</u>	<u>1,470,698</u>	<u>1,233,119</u>	<u>1,352,162</u>	<u>485,641</u>	<u>1,091,949</u>
<u>\$ 19,436,530</u>	<u>\$ 19,058,331</u>	<u>\$ 16,627,579</u>	<u>\$ 16,270,382</u>	<u>\$ 14,601,442</u>	<u>\$ 14,704,578</u>
\$ 19,625,371	\$ 20,927,435	\$ 22,333,747	\$ 22,705,650	\$ 21,754,331	\$ 20,495,120
12,897,809	9,342,301	4,254,263	3,417,242	3,331,385	3,855,848
<u>2,915,599</u>	<u>3,898,524</u>	<u>3,571,740</u>	<u>3,988,760</u>	<u>3,097,571</u>	<u>3,917,451</u>
<u>\$ 35,438,779</u>	<u>\$ 34,168,260</u>	<u>\$ 30,159,750</u>	<u>\$ 30,111,652</u>	<u>\$ 28,183,287</u>	<u>\$ 28,268,419</u>

City of Anna, Texas
CHANGES IN NET POSITION
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	2018	2017	2016	2015
Expenses				
Governmental activities:				
General government	\$ 1,758,159	\$ 1,405,085	\$ 1,393,256	\$ 1,058,719
Culture and recreation	799,378	665,430	584,676	573,249
Community services	810,369	904,227	690,842	558,541
Public safety	3,730,871	3,062,333	2,727,997	2,511,931
Public works	2,013,096	1,502,775	1,261,514	1,053,123
Economic and Community Development	849,076	1,266,748	146,929	355,165
Interest on long-term debt	670,789	132,433	174,446	316,079
Total governmental activities expenses	10,631,738	8,939,031	6,979,660	6,426,807
Business-type activities:				
Water and sewer	8,893,526	7,443,593	7,371,352	6,487,099
Total business-type activities expenses	8,893,526	7,443,593	7,371,352	6,487,099
Total primary government expenses	\$ 19,525,264	\$ 16,382,624	\$ 14,351,012	\$ 12,913,906
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 90,890	\$ 136,465	\$ 48,181	\$ 30,000
Culture and recreation	315,933	553,511	117,990	63,265
Public safety	94,244	49,950	768,988	218,973
Public works	641,119	382,390	129,914	-
Community services	873,397	1,173,516	236,694	748,212
Economic and Community Development	21,687	12,133	-	-
Operating grants and contributions	4,225	351,482	333,948	15,053
Capital grants and contributions	9,338,204	6,489,958	-	1,417,514
Total governmental activities program revenues	11,379,699	9,149,405	1,635,715	2,493,017
Business-type activities:				
Charges for services:				
Water and Sewer	11,416,192	9,805,662	7,523,193	6,194,327
Operating grants and contributions	-	-	-	-
Capital grants and contributions	5,348,481	3,298,737	776,416	755,508
Total business-type activities program revenues	16,764,673	13,104,399	8,299,609	6,949,835
Total primary government program revenues	\$ 28,144,372	\$ 22,253,804	\$ 9,935,324	\$ 9,442,852

TABLE 2

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 963,243	\$ 885,833	\$ 1,047,147	\$ 979,107	\$ 1,091,501	\$ 853,302
432,133	303,607	290,907	264,779	200,431	115,564
619,465	560,983	530,649	412,775	274,589	435,659
2,272,660	2,278,515	1,841,980	1,802,720	1,563,583	1,345,561
954,932	940,941	888,763	853,980	880,894	823,856
400,496	196,384	-			
258,663	270,057	196,169	208,551	220,033	282,865
<u>5,901,592</u>	<u>5,436,320</u>	<u>4,795,615</u>	<u>4,521,912</u>	<u>4,231,031</u>	<u>3,856,807</u>
5,453,831	5,307,272	4,928,084	4,400,065	4,261,246	3,461,306
<u>5,453,831</u>	<u>5,307,272</u>	<u>4,928,084</u>	<u>4,400,065</u>	<u>4,261,246</u>	<u>3,461,306</u>
<u>\$ 11,355,423</u>	<u>\$ 10,743,592</u>	<u>\$ 9,723,699</u>	<u>\$ 8,921,977</u>	<u>\$ 8,492,277</u>	<u>\$ 7,318,113</u>
\$ 30,000	\$ 20,839	\$ 97,951	\$ 99,065	\$ 130,824	\$ 82,604
71,905	63,421	10,295	9,798	5,014	1,680
183,533	194,379	69,200	84,134	4,542	3,340
-	-	-	-	-	-
772,501	839,349	743,906	278,051	126,728	182,559
	30,000				
11,525	10,531	76,729	52,548	182,847	-
783,182	2,665,841	382,003	648,296	889,152	1,342,638
<u>1,852,646</u>	<u>3,824,360</u>	<u>1,380,084</u>	<u>1,171,892</u>	<u>1,339,107</u>	<u>1,612,821</u>
5,980,176	5,573,401	4,880,931	4,329,000	3,653,989	3,505,376
-	-	-	-	-	-
486,155	484,704	-	1,233,559	-	109,028
<u>6,466,331</u>	<u>6,058,105</u>	<u>4,880,931</u>	<u>5,562,559</u>	<u>3,653,989</u>	<u>3,614,404</u>
<u>\$ 8,318,977</u>	<u>\$ 9,882,465</u>	<u>\$ 6,261,015</u>	<u>\$ 6,734,451</u>	<u>\$ 4,993,096</u>	<u>\$ 5,227,225</u>

City of Anna, Texas

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2018	2017	2016	2015
Net (Expenses) Revenue				
Governmental activities	\$ 747,961	\$ 210,374	\$ (5,343,945)	\$ (3,933,790)
Business-type activities	7,871,147	5,660,806	928,257	462,736
Total primary government net expense	\$ 8,619,108	\$ 5,871,180	\$ (4,415,688)	\$ (3,471,054)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 5,579,490	\$ 4,619,461	\$ 3,973,028	\$ 3,322,054
Sales taxes	1,502,079	1,203,749	1,542,309	1,473,097
Franchise taxes	573,517	505,571	447,498	450,799
Investment earnings	327,200	26,199	31,816	23,685
Gain on sale of capital assets	276,970	-	-	39,160
Miscellaneous	314,750	241,719	166,773	316,688
Intergovernmental	142,273	-	-	-
Transfers	159,500	-	108,556	(649)
Total governmental activities	8,875,779	6,596,699	6,269,980	5,624,834
Business-type activities:				
Investment earnings	136,261	63,607	69,608	77,064
Gain on sale of capital assets	-	-	-	-
Miscellaneous	148,148	69,610	29,193	-
Transfers	(159,500)	-	(108,556)	649
Total business-type activities	124,909	133,217	(9,755)	77,713
Total primary government	\$ 9,000,688	\$ 6,729,916	\$ 6,260,225	\$ 5,702,547
Change in Net Position				
Governmental activities	\$ 10,451,130	\$ 8,061,687	\$ 926,035	\$ 1,691,044
Business-type activities	7,996,056	5,794,024	918,502	540,449
Total primary government	\$ 18,447,186	\$ 13,855,711	\$ 1,844,537	\$ 2,231,493

Source: Comprehensive Annual Financial Report

2014	2013	2012	2011	2010	2009
\$ (4,048,946)	\$ (1,611,960)	\$ (3,415,531)	\$ (3,350,020)	\$ (2,891,924)	\$ (2,243,986)
1,012,500	750,833	(47,153)	1,162,494	(607,257)	153,098
<u>\$ (3,036,446)</u>	<u>\$ (861,127)</u>	<u>\$ (3,462,684)</u>	<u>\$ (2,187,526)</u>	<u>\$ (3,499,181)</u>	<u>\$ (2,090,888)</u>
\$ 2,807,140	\$ 2,483,857	\$ 2,392,504	\$ 2,418,445	\$ 2,407,914	\$ 2,247,895
1,350,896	1,149,297	522,840	537,544	438,071	384,964
416,175	353,482	363,970	333,936	358,732	314,720
22,295	39,256	25,939	26,484	15,981	19,409
11,960	-	3,339	-	-	4,326
140,596	39,399	162,422	135,518	56,029	66,239
-	-	-	-	-	-
279,707	(1,489,156)	(364,582)	(59,138)	(366,799)	100,612
<u>5,028,769</u>	<u>2,576,135</u>	<u>3,106,432</u>	<u>3,392,789</u>	<u>2,909,928</u>	<u>3,138,165</u>
73,451	34,636	34,450	51,375	48,480	83,302
-	-	5,318	-	-	-
	156,127	-	185,569	88,842	41,901
(279,707)	1,489,156	364,582	59,138	366,799	(90,616)
<u>(206,256)</u>	<u>1,679,919</u>	<u>404,350</u>	<u>296,082</u>	<u>504,121</u>	<u>34,587</u>
<u>\$ 4,822,513</u>	<u>\$ 4,256,054</u>	<u>\$ 3,510,782</u>	<u>\$ 3,688,871</u>	<u>\$ 3,414,049</u>	<u>\$ 3,172,752</u>
\$ 979,823	\$ 964,175	\$ (309,099)	\$ 42,769	\$ 18,004	\$ 894,179
806,244	2,430,752	357,197	1,458,576	(103,136)	187,685
<u>\$ 1,786,067</u>	<u>\$ 3,394,927</u>	<u>\$ 48,098</u>	<u>\$ 1,501,345</u>	<u>\$ (85,132)</u>	<u>\$ 1,081,864</u>

City of Anna, Texas

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund				
Restricted	\$ 12,891	\$ 12,768	\$ 19,580	\$ 523,192
Committed	215,932	740,768	185,788	157,476
Assigned	-	-	-	-
Unassigned	4,484,943	3,741,504	3,114,627	2,617,940
Total general fund	<u>\$ 4,713,766</u>	<u>\$ 4,495,040</u>	<u>\$ 3,319,995</u>	<u>\$ 3,298,608</u>
All Other Governmental Funds				
Assigned		-	\$ -	\$ -
Unassigned	-	(7,694)	(574,937)	(203,139)
Nonspendable	-	-	-	-
Restricted	35,295,317	1,476,290	2,284,212	1,100,633
Committed	-	-	-	-
Total all other governmental funds	<u>\$ 35,295,317</u>	<u>\$ 1,468,596</u>	<u>\$ 1,709,275</u>	<u>\$ 897,494</u>

Notes: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

Source: Comprehensive Annual Financial Report

TABLE 3

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 394,002	\$ 232,160	\$ 356,686	\$ 156,274	\$ 206,256	\$ 105,464
161,510	558,127	110,894	-	-	-
144,175	-	-	52,383	-	-
2,351,029	1,830,457	2,178,670	2,097,832	2,016,980	1,859,827
<u>\$ 3,050,716</u>	<u>\$ 2,620,744</u>	<u>\$ 2,646,250</u>	<u>\$ 2,306,489</u>	<u>\$ 2,223,236</u>	<u>\$ 1,965,291</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,340
(371,273)	(87,717)	-	-	241,216	824,211
35,642	88,353	-	-	-	-
871,397	662,951	87,654	315,321	-	-
-	-	-	-	-	-
<u>\$ 535,766</u>	<u>\$ 663,587</u>	<u>\$ 87,654</u>	<u>\$ 315,321</u>	<u>\$ 241,216</u>	<u>\$ 877,551</u>

City of Anna, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2018	2017	2016	2015
Revenues				
Taxes	7,592,708	\$ 6,338,940	\$ 5,965,724	\$ 5,241,413
Licenses, permits, and fees	824,186	1,115,294	711,462	748,212
Charges for services	1,113,856	1,106,620	-	158,491
Fines and forfeitures	77,541	73,918	84,360	115,027
Intergovernmental	142,273	185,392	287,614	114,200
Investment earnings	327,200	26,199	31,816	23,685
Other revenues	314,750	117,932	1,164,183	126,393
Contributions	4,225	351,482	-	135,949
Total Revenues	10,396,739	9,315,777	8,245,159	6,663,370
Expenditures				
Current:				
General government	1,553,102	1,339,668	1,507,324	1,181,679
Culture and recreation	473,477	332,249	268,538	246,808
Community development	809,682	902,552	689,308	896,419
Public safety	3,649,049	2,842,470	2,509,795	2,182,617
Public works	541,968	463,780	539,049	200,188
Debt Service:				
Principal retirement	342,000	328,000	779,842	466,776
Interest and fiscal changes	71,273	97,376	182,942	200,331
Bond issuance costs	443,009	-	-	38,350
Capital outlay	1,771,045	565,974	1,094,445	755,535
Total Expenditures	9,654,605	6,872,069	7,571,243	6,168,703
Excess of Revenues Over (Under) Expenditures	742,134	2,443,708	673,916	494,667
Other financing sources (uses)				
Transfers in	1,455,713	585,209	298,419	335,134
Transfers (out)	(1,296,213)	(585,209)	(189,863)	(335,783)
Sale of capital assets	700,082	34,974	17,054	65,000
Debt issuance	31,795,000	(23,350)	-	1,462,000
Premium on debt issuance	1,601,891	850,000	-	-
Lease issuance	-	-	-	-
Payments to escrow agent	(953,160)	(820,899)	-	(1,411,398)
Total Other Financing Sources (Uses)	33,303,313	40,725	125,610	114,953
Net Change in Fund Balances	\$ 34,045,447	\$ 2,484,433	\$ 799,526	\$ 609,620
Debt service as percentage of noncapital expenditures	5.2%	6.7%	14.9%	12.3%

Source: Comprehensive Annual Financial Report

TABLE 4

2014	2013	2012	2011	2010	2009
\$ 4,571,535	\$ 3,999,758	\$ 3,282,978	\$ 3,276,278	\$ 3,194,899	\$ 2,964,443
772,501	839,349	743,906	278,051	126,728	182,559
166,242	139,646	82,834	93,932	9,556	19,770
100,055	133,018	98,446	87,877	122,947	74,727
106,600	1,463,430	126,900	91,400	51,650	629,000
22,295	39,256	25,939	26,484	15,981	19,409
122,579	74,738	35,522	44,119	56,029	52,990
29,085	674,398	458,732	290,908	747,733	278,304
<u>5,890,892</u>	<u>7,363,593</u>	<u>4,855,257</u>	<u>4,189,049</u>	<u>4,325,523</u>	<u>4,221,202</u>
1,048,004	967,299	985,070	957,021	950,697	831,308
196,502	120,030	116,883	101,444	61,852	33,120
1,001,631	737,119	529,080	411,206	271,639	432,709
1,951,681	1,964,502	1,669,196	1,612,809	1,451,188	1,236,453
170,830	201,294	163,518	155,894	203,484	148,781
415,662	430,877	327,914	323,737	298,576	248,889
259,080	271,485	204,552	200,071	232,044	271,559
-	-	-	-	-	-
837,018	2,917,945	382,368	610,853	938,213	1,653,430
<u>5,880,408</u>	<u>7,610,551</u>	<u>4,378,581</u>	<u>4,373,035</u>	<u>4,407,693</u>	<u>4,856,249</u>
10,484	(246,958)	476,676	(183,986)	(82,170)	(635,047)
316,507	1,755,532	213,753	107,636	186,338	100,612
(36,800)	(3,244,688)	(578,335)	(166,774)	(553,138)	-
11,960	-	-	-	-	4,326
-	-	-	360,000	-	992,988
-	-	-	-	-	-
-	-	-	-	70,578	-
-	-	-	-	-	-
<u>291,667</u>	<u>(1,489,156)</u>	<u>(364,582)</u>	<u>300,862</u>	<u>(296,222)</u>	<u>1,097,926</u>
<u>\$ 302,151</u>	<u>\$ (1,736,114)</u>	<u>\$ 112,094</u>	<u>\$ 116,876</u>	<u>\$ (378,392)</u>	<u>\$ 462,879</u>
13.4%	15.0%	13.3%	13.9%	15.3%	16.2%

City of Anna, Texas

TABLE 5

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years (Unaudited)**

Fiscal year	Estimated Market Value		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2009	461,662,187	11,461,340	86,568,085	386,555,442	0.57500
2010	452,408,378	14,428,711	82,726,997	384,110,092	0.62273
2011	426,150,871	14,570,908	75,476,975	365,244,804	0.65033
2012	446,019,189	14,755,531	95,551,181	365,223,539	0.65033
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	0.60129
2018	1,173,598,307	40,865,863	303,651,595	891,474,571	0.59129

Source: Collin County Appraisal District.

City of Anna, Texas

TABLE 6

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years (Unaudited)

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
2009	0.47946	0.09554	0.575000	1.540050	0.242500	0.086493	1.86904
2010	0.52994	0.09279	0.622733	1.540050	0.242500	0.086300	1.86885
2011	0.55423	0.09611	0.650332	1.540000	0.240000	0.086300	1.86630
2012	0.55938	0.09096	0.650332	1.540000	0.240000	0.086300	1.86630
2013	0.55937	0.09097	0.650332	1.540000	0.240000	0.086299	1.86630
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	0.47887	0.12242	0.601288	1.670000	0.208395	0.081222	1.95962
2018	0.42812	0.16317	0.591288	1.670000	0.180785	0.081222	1.93201

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

	2018		2009		Percentage of Total City Assessed Valuation ^b
	Taxable Assessed Valuation	Percentage of Total City Assessed Valuation ^a	Taxable Assessed Valuation	Percentage of Total City Assessed Valuation ^b	
Wal-Mart Real Estate Business Trust	\$ 20,260,419	1.81%	\$ 5,200,000	1.38%	
Wal-Mart Stores Texas LLC	9,607,216	0.86%	3,499,960	0.93%	
Lennar Homes of Texas Land and Construction LTD	8,853,893	0.79%	3,425,314	0.91%	
Bloomfield Homes LP	7,818,969	0.70%	3,356,389	0.89%	
Burnco Texas LLC	5,163,725	0.46%	3,027,161	0.80%	
RR LI Enterprises LP	4,799,569	0.43%	2,889,905	0.76%	
LGI Homes Texas LLC	4,587,586	0.41%	2,401,861	0.64%	
PTCAA Texas LP	4,568,279	0.41%	2,308,093	0.61%	
Anna Eagle Retail LP	4,500,000	0.40%	2,272,241	0.60%	
Seminole Anna Town Center Lp	4,241,009	0.38%	2,086,997	0.55%	
Total	\$ 74,400,665	6.65%	\$ 30,467,921	8.07%	

Source: Collin County Tax Collector

Notes: ^aTaxpayers are assessed on January 1, 2017 (2017 tax year) for the 2018 fiscal year.

^bTaxpayers are assessed on January 1, 2008 (2008 tax year) for the 2009 fiscal year.

City of Anna, Texas

TABLE 8

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years (Unaudited)

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
2009	2,207,626	2,180,429	98.8%	25,990	2,206,419	99.9%
2010	2,354,888	2,310,499	98.1%	42,833	2,353,332	99.9%
2011	2,377,486	2,330,562	98.0%	44,517	2,375,079	99.9%
2012	2,364,603	2,314,801	97.9%	46,347	2,361,148	99.9%
2013	2,483,060	2,420,674	97.5%	47,033	2,467,707	99.4%
2014	2,842,980	2,771,670	97.5%	53,066	2,824,736	99.4%
2015	3,359,445	3,290,905	98.0%	52,783	3,343,688	99.5%
2016	3,950,506	3,881,905	98.3%	51,494	3,933,398	99.6%
2017	4,591,574	4,541,224	98.9%	29,513	4,570,737	99.5%
2018	5,480,786	5,348,790	97.6%	-	5,348,790	97.6%

Source: Collin County Tax Assessor

City of Anna, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities				Business-type Activities	
	General Obligation Bonds	Certificates of Obligation	Combination Tax & Revenue Bonds & Certificates	Other Obligation	Waterworks & Sewer System Revenue Bonds	Combination Tax & Revenue Bonds & Certificates
2009	330,000	4,465,000	-	265,785	24,000	4,165,000
2010	310,000	4,280,000	-	228,916	19,500	4,140,000
2011	290,000	4,435,000	-	979,759	15,000	4,115,000
2012	270,000	4,215,000	-	2,686,726	10,000	4,090,000
2013	250,000	3,985,000	-	2,513,847	5,000	8,275,000
2014	230,000	3,755,000	-	2,354,618	-	12,430,000
2015	1,615,000	2,525,000	-	2,204,882	-	12,561,000
2016	1,563,000	2,270,000	-	1,732,000	-	12,359,000
2017	2,145,000	1,045,000	-	-	-	12,212,619
2018	2,018,000	32,351,142	876,409	-	-	17,195,354

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

TABLE 9

Business-type Activities (continued)			Total Primary Government	Percentage of Personal Income	Per Capita
Contract Revenue Bonds	General Obligation Bonds	Other Obligation			
16,033,750	33,000	79,532	25,316,535	N/A	3,235
15,746,250	29,000	63,372	24,753,666	N/A	3,056
15,428,750	24,500	46,382	25,288,009	12.98%	3,047
15,086,250	20,000	28,526	26,377,976	13.36%	3,074
14,698,750	15,000	9,747	29,742,597	13.30%	3,178
14,201,250	10,000	-	32,980,868	12.58%	3,187
13,675,000	5,000	-	32,585,882	11.90%	2,968
13,140,000	-	-	31,064,000	10.99%	2,744
12,503,750	-	1,340,010	29,246,379	8.63%	2,360
5,892,500	-	1,217,631	59,551,036	16.54%	4,350

RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Percentage of Actual Taxable Value¹ of Property	Per Capita²
2009	\$ 330,000	\$ 4,465,000	\$ 4,795,000	0.0012%	613
2010	\$ 310,000	\$ 4,280,000	\$ 4,590,000	0.0012%	567
2011	\$ 290,000	\$ 4,435,000	\$ 4,725,000	0.0013%	569
2012	\$ 270,000	\$ 4,215,000	\$ 4,485,000	0.0012%	523
2013	\$ 250,000	\$ 3,985,000	\$ 4,235,000	0.0011%	452
2014	\$ 230,000	\$ 3,755,000	\$ 3,985,000	0.0009%	385
2015	\$ 1,615,000	\$ 2,525,000	\$ 4,140,000	0.0008%	377
2016	\$ 1,563,000	\$ 2,270,000	\$ 3,833,000	0.0006%	339
2017	\$ 2,145,000	\$ 1,045,000	\$ 3,190,000	0.0004%	257
2018	\$ 2,018,000	\$ 32,351,142	\$ 34,369,142	0.0039%	2,511

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

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

²Population data can be found in the Schedule of Demographic and Economic Statistics.

City of Anna, Texas

TABLE 11

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2018 (Unaudited)

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Collin County	\$ 319,710,000	0.72%	\$ 2,301,912
Collin College	246,415,000	0.72%	1,774,188
Anna ISD	144,355,024	91.78%	132,489,041
Subtotal, overlapping debt			<u>136,565,141</u>
City of Anna	34,369,142	100%	<u>34,369,142</u>
Total direct and overlapping debt			<u><u>\$ 170,934,283</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-term 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.

¹ 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

TABLE 12

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Water Revenue Bonds					Times Coverage
	Total Revenues ^a	Less: Operating Expenses ^b	Net Available Revenue	Debt Service		
				Principal	Interest	
2009	3,739,607	2,253,408	1,486,199	525,500	576,725	1.35
2010	3,791,310	2,498,178	1,293,132	336,000	787,293	1.15
2011	4,565,944	2,547,615	2,018,329	365,526	782,174	1.76
2012	4,920,699	2,899,257	2,021,442	416,826	906,240	1.53
2013	5,764,164	3,161,627	2,602,537	446,279	955,154	1.86
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

Note: ^aIncludes both operating and non-operating revenues.

^bIncludes 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

TABLE 13

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population¹	Personal Income	Per Capita⁴ Personal Income	School Enrollment³	Unemployment Rate²
2009	7,827	N/A	N/A	N/A	7.9%
2010	8,100	N/A	N/A	N/A	7.0%
2011	8,300	194,842,500	23,475	2,339	6.9%
2012	8,580	197,374,320	23,004	2,519	5.6%
2013	9,360	223,657,200	23,895	2,579	5.4%
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%

Sources: ¹North Central Texas Council of Governments (NCTCOG)

²State Department of Labor and homefacts.com

³Anna Independent School District

⁴U. 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

TABLE 14

Current and Nine Years Ago (Unaudited)

Employer	2018		2009	
	No. Employees	Percent of Total City Employment	No. Employees ¹	Percent of Total City Employment
Anna ISD	456	25.40%	N/A	N/A
Walmart	270	15.04%	N/A	N/A
Pate Rehab	162	9.03%	N/A	N/A
Brookshire's	85	4.74%	N/A	N/A
Bronco	68	3.79%	N/A	N/A
City of Anna	80	4.43%	N/A	N/A
Hurricane Creek County Club	45	2.51%	N/A	N/A
Loves Travel Stop	45	2.51%	N/A	N/A
McDonalds	40	2.23%	N/A	N/A
Tri-County Vet	31	1.73%	N/A	N/A
Total	1,282		0	

Source: ¹Top ten employers and employee count provided by Anna Economic Deveopment Corporation.

Note: Data not available for 2009 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)

Function / Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government and Administration	15.5	12.5	13.5	13.5	12.5	12.5	13.5	12.5	12.5	12.5
Public Safety	28.0	24.0	22.0	21.0	18.0	18.0	16.0	16.0	16.0	14.0
Public Works	8.0	7.0	7.0	4.0	1.0	1.0	1.0	1.0	1.0	1.0
Culture and Recreation	10.0	4.0	4.0	2.0	3.0	1.0	2.0	2.0	2.0	1.0
Water and Sewer	13.0	11.0	8.0	10.0	12.0	10.0	10.0	9.0	9.0	9.0
Community Development	4.0	4.0	3.0	3.0	3.0	2.0	2.0	3.0	3.0	2.5
Economic Development	1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total all governmental funds	79.5	63.0	58.0	54.0	50.0	45.0	45.0	44.0	44.0	40.5

Source: Finance and Human Resources Department

City of Anna, Texas

OPERATING INDICATORS BY FUNCTIONS/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function/Program	2018	2017	2016	2015
General government				
Building permits issued-residential	342	440	273	216
Building permits issued-commerical	11	11	4	1
Building inspections conducted	14,718	16,046	9,474	7,493
Public Safety				
Police:				
Physical arrests	428	337	311	309
Accidents	336	265	261	231
Traffic violations	3,153	2,404	3,962	4,235
Fire:				
Emergency responses	1,703	1,502	1,234	1,256
Fires extinguished	59	19	79	62
Inspections	284	132	115	107
Highways and streets				
Street resurfacing (miles)	1	0.4	1	-
Potholes repaired	1,250	940	3,900	1,600
Recreation				
Reservations issued	164	92	53	59
Waster and Sewer				
Number of Active Accounts	5,470	5,102	4,935	4,596
Average daily consumption (gallons) wells	1,097,062	1,018,025	1,007,258	1,115,682
Average daily consumption (gallons) NTMWD	811,200	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.

TABLE 16

2014	2013	2012	2011	2010	2009
290	305	351	100	26	30
5	-	13	15	10	7
12,584	10,566	8,604	3,310	1,183	1,086
208	197	187	164	119	165
182	155	139	129	121	137
3,491	2,539	3,694	2,342	2,069	1,942
1,065	1,070	1,021	1,066	855	790
43	41	99	33	59	68
79	77	55	34	37	21
-	-	-	-	-	-
-	-	-	-	-	-
17	-	-	-	-	-
4,423	4,166	3,720	3,104	N/A	N/A
1,061,013	772,487	1,200,000	1,093,365	N/A	N/A

City of Anna, Texas

TABLE 17

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	8	11	9	9	7	7	6	6	6	5
Number of fire stations	1	1	1	1	1	1	1	1	1	1
Streets and Grounds										
Streets (miles)	67.5	65	50	-	-	-	-	-	-	-
Streetlights	800	625	570	-	-	-	-	-	-	-
Traffic signals	4	3	1	-	-	-	-	-	-	-
Recreation										
Acreage	201	197.06	197.06	179.67	177.09	177.09	177.09	177.09	177.09	0
Playgrounds	2	2	2	2	2	2	2	2	2	-
Baseball/softball diamonds	6	6	7	7	7	7	5	5	5	-
Water and Sewer										
Water mains	69	65	55	-	-	-	-	-	-	-
Fire hydrants	804	650	607	-	-	-	-	-	-	-
Sanitary Sewer (miles)	62.4	60	50	-	-	-	-	-	-	-
Storage capacity (millions of gallons)	4	4	3	-	-	-	-	-	-	-
Wastewater										
Treatment capacity	9.1	9.1	9.1	-	-	-	-	-	-	-
Sanitary sewer (miles)	62.4	60	50	-	-	-	-	-	-	-
Storm sewers (miles)	57.4	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.

THE CITY OF
Anna