

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended September 30, 2016



The City of Anna
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*COMPREHENSIVE
ANNUAL FINANCIAL REPORT*

of the

City of Anna, Texas

**For the Year Ended
September 30, 2016**

Prepared by

Philip Sanders
City Manager

Dana Thornhill
Finance Director

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City of Anna, Texas

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INTRODUCTORY SECTION

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April 7, 2017

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, 2016, 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, 2016.

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 BrooksCardiel, 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, 2016, 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 13,000 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 employees 63 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 in July. The Council is required to hold public hearings on the proposed budget and to adopt the final budget no later than September 15th.

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 an 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 2016, the City received 324 single family building permit applications. The City currently has 589 new residential lots under development and another 3,300 residential lots in the planning or design phase. A 180-unit multi-family apartment complex is also currently under design.

The Anna Economic Development Corporation actively recruits companies that add to the diversity of the City's local industry while providing residents with good employment. A new Walmart Super Center is under construction and is expected to open in April of this year. This will have a significant impact on the City's sales tax revenue. The Walmart store is the primary anchor of a 30-acre retail site that we anticipate will fill quickly after the new Walmart opens.

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 2016 reflected a fund balance of 56% 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 adequate liquid resources to serve as a financial cushion against the potential shock of unanticipated events.

Major Initiatives

At the end of the 2015-16 fiscal year, the City of Anna had a number of major projects. 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 and FM 455, which are both TxDOT projects, are currently under construction. Last Fall, 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, for the past several years, the City of Anna has been studying alternatives for the construction of a new buildings and facilities as we continue to grow. In 2016, an architectural firm hired by the City prepared a Needs Assessment, Site Assessment, and Conceptual Design of a new City Hall. The City also purchased a 4.1-acre tract of land located at the southeast corner of Fifth Street and Powell Parkway (SH 5). The property's size and proximity to existing City buildings make it an ideal location for the long-term expansion and construction of a City Hall. The City continues to plan for the construction of a new city hall within the next two to three years.

Additional information related to the capital improvement projects and funding for those improvements is located in the Five-Year Capital Improvements Plan.

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 15th, 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. Any changes to the budget outside of an individual department such as increases or decreases of appropriations to a fund 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.

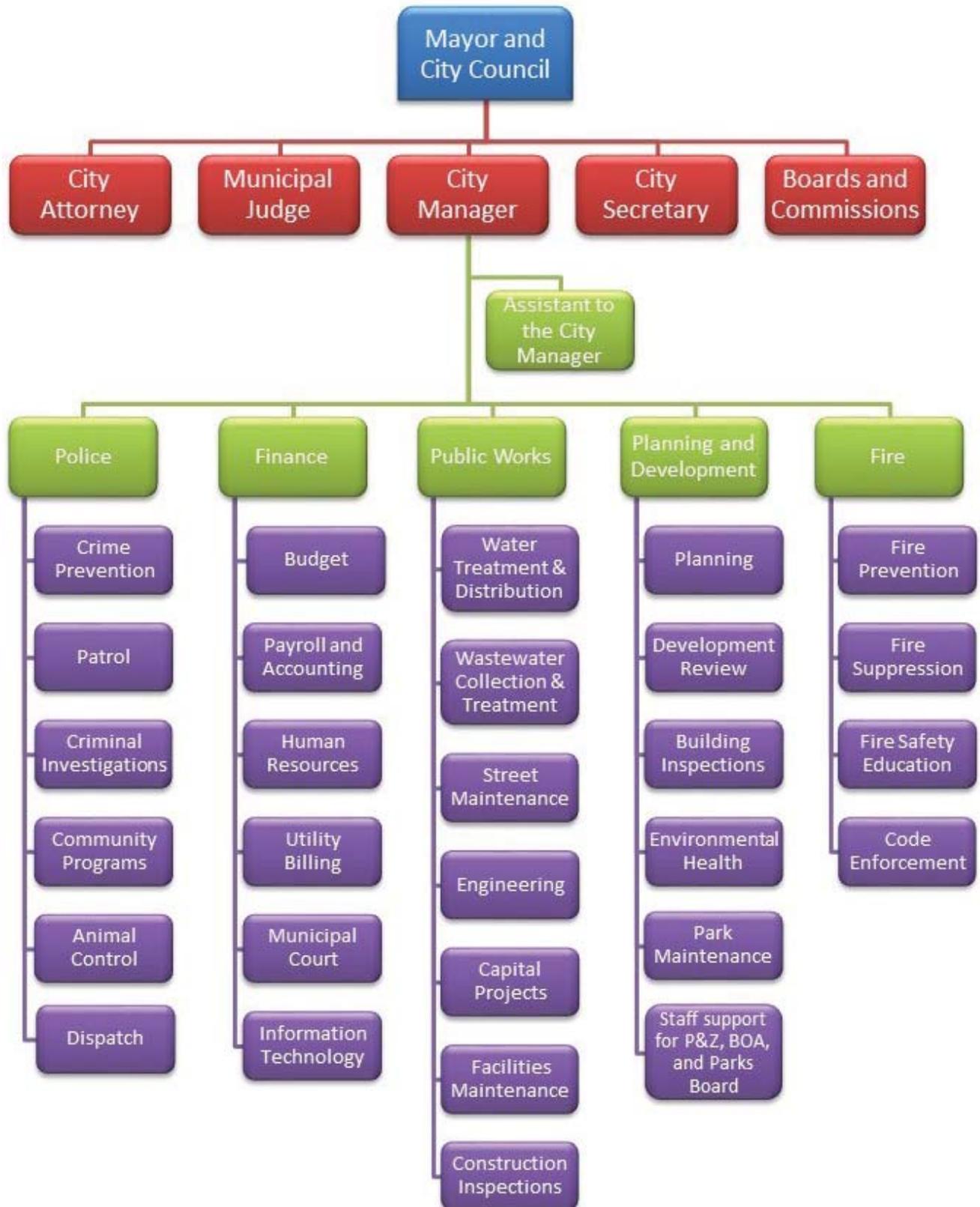
Furthermore, the work of the independent auditors from BrooksCardiel, PLLC, is greatly appreciated.

Respectfully submitted,



Dana Thornhill
Finance Director

Organization Chart



City of Anna, Texas
ELECTED OFFICIALS AND MANAGEMENT
September 30, 2016

City Council

Mike Crist	Mayor
Justin Burr	Council Member Place 1
Rene Martinez	Council Member Place 2
John Beazley, Mayor Pro Tem	Council Member Place 3
Kenneth Pelham	Council Member Place 4
Nathan Bryan	Council Member Place 5/Deputy Mayor Pro Tem
Lee Miller	Council Member Place 6

Management

Philip Sanders	City Manager
Dana Thornhill	Finance Director
Kenny Jenks	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

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Anna, Texas (the "City"), as of and for the year ended September 30, 2016, 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

The City's 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. 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 entity'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2016 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.

Emphasis of Matter

As discussed in Note V.F. the City restated net position within the utility fund. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employee contributions to pension plan, and budgetary comparison information 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 City of Anna, Texas's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 or provide any assurance on it.

A handwritten signature in cursive script that reads "Brooks Cardiel, PLLC".

BrooksCardiel, PLLC
Certified Public Accountants
The Woodlands, Texas
April 7, 2017

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*MANAGEMENT'S DISCUSSION
AND ANALYSIS*

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City of Anna, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2016

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, 2016. 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 \$38,969,252 at September 30, 2016. Of this, \$3,814,520 (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 \$5,029,270, an increase of \$833,168.
- As of the end of the year, the unassigned fund balance of the general fund was \$3,114,627 or 58% of total general fund expenditures.
- The City had an overall increase in net position of \$1,844,537. The increase is primarily a result of an increase in revenues for property tax, sales tax, and charges for services due to continued population growth.
- On a government-wide basis, the City's total liabilities decreased by \$1,010,206.

Overview of the Financial Statements

The discussion and analysis provided here are 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 and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

City of Anna, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2016

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

FUND FINANCIAL STATEMENTS

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

The City maintains fifteen 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 nonmajor governmental funds is provided in a separate section of the report.

City of Anna, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2016

The City adopts an annual appropriated budget for its general, debt service, economic development, and community development corporation funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with their respective budget.

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 blended component units, are presented as special revenue funds within the governmental fund financial statements.

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 asset and related ratios and schedule of employer contributions for the Texas Municipal Retirement System. RSI can be found after the basic financial statements.

City of Anna, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2016

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, assets exceed liabilities by \$38,969,252 as of September 30, 2016, in the primary government.

The largest portion of the City's net position, \$26,254,724, 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:

	2016			2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 6,588,249	\$ 3,242,149	\$ 9,830,398	\$ 5,618,149	\$ 4,905,922	\$ 10,524,071
Restricted assets	19,580	7,349,941	7,369,521	-	8,000,466	8,000,466
Capital assets, net	18,671,866	38,116,329	56,788,195	19,388,284	35,400,713	54,788,997
Total Assets	25,279,695	48,708,419	73,988,114	25,006,433	48,307,101	73,313,534
Deferred Outflows of Resources	402,311	302,507	704,818	204,805	264,325	469,130
Other liabilities	1,812,477	3,074,569	4,887,046	1,800,083	2,080,658	3,880,741
Long-term liabilities	5,648,586	24,983,872	30,632,458	6,178,660	26,470,309	32,648,969
Total Liabilities	7,461,063	28,058,441	35,519,504	7,978,743	28,550,967	36,529,710
Deferred Inflows of Resources	151,679	52,497	204,176	89,266	38,973	128,239
Net Position:						
Net investment in capital assets	13,466,866	12,787,858	26,254,724	13,288,789	9,150,846	22,439,635
Restricted	1,550,067	7,349,941	8,900,008	1,781,301	10,029,856	11,811,157
Unrestricted	3,052,331	762,189	3,814,520	2,073,139	800,784	2,873,923
Total Net Position	\$ 18,069,264	\$ 20,899,988	\$ 38,969,252	\$ 17,143,229	\$ 19,981,486	\$ 37,124,715

City of Anna, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2016

Statement of Activities:

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

	For the Year Ended September 30, 2016			For the Year Ended September 30, 2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
			Primary Government			Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 1,301,767	\$ 7,523,193	\$ 8,824,960	\$ 1,060,450	\$ 6,194,327	\$ 7,254,777
Operating grants and contributions	333,948	-	333,948	15,053	-	15,053
Capital grants and contributions	-	776,416	776,416	1,417,514	755,508	2,173,022
General revenues:						
Property taxes	3,973,028	-	3,973,028	3,322,054	-	3,322,054
Sales taxes	1,542,309	-	1,542,309	1,473,097	-	1,473,097
Franchise and local taxes	447,498	-	447,498	450,799	-	450,799
Investment income	31,816	69,608	101,424	23,685	77,064	100,749
Other revenue	166,773	29,193	195,966	355,848	-	355,848
Total Revenues	7,797,139	8,398,410	16,195,549	8,118,500	7,026,899	15,145,399
Expenses						
General government	1,393,256	-	1,393,256	1,058,719	-	1,058,719
Public safety	2,727,997	-	2,727,997	2,511,931	-	2,511,931
Culture and recreation	584,676	-	584,676	573,249	-	573,249
Public works	1,261,514	-	1,261,514	1,053,123	-	1,053,123
Community services	690,842	-	690,842	558,541	-	558,541
Economic and Community developm	146,929	-	146,929	355,165	-	355,165
Interest and fiscal charges	174,446	1,173,240	1,347,686	316,079	1,111,836	1,427,915
Water, sewer, & sanitation	-	6,198,112	6,198,112	-	5,375,263	5,375,263
Total Expenses	6,979,660	7,371,352	14,351,012	6,426,807	6,487,099	12,913,906
Change in Net Position						
Before Transfers	817,479	1,027,058	1,844,537	1,691,693	539,800	2,231,493
Transfers	108,556	(108,556)	-	(649)	649	-
Total	108,556	(108,556)	-	(649)	649	-
Change in Net Position	926,035	918,502	1,844,537	1,691,044	540,449	2,231,493
Beginning Net Position	17,143,229	19,981,486	37,124,715	15,452,185	19,441,037	34,893,222
Ending Net Position	\$ 18,069,264	\$ 20,899,988	\$ 38,969,252	\$ 17,143,229	\$ 19,981,486	\$ 37,124,715

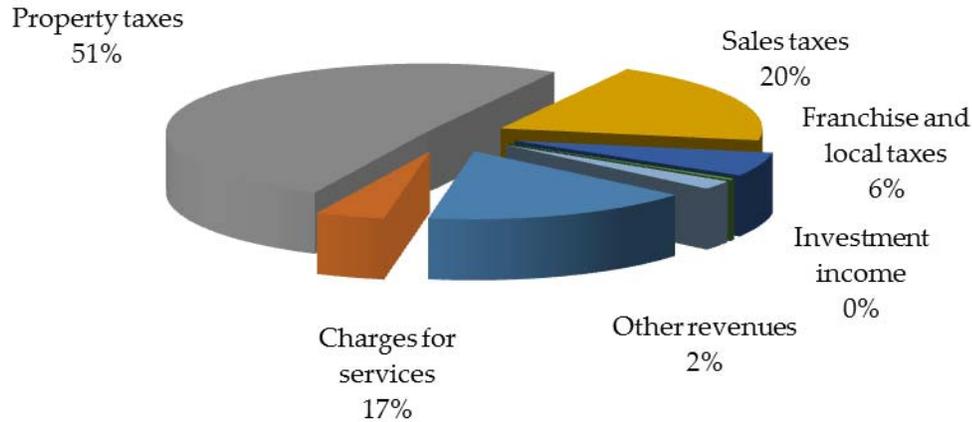
City of Anna, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2016

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

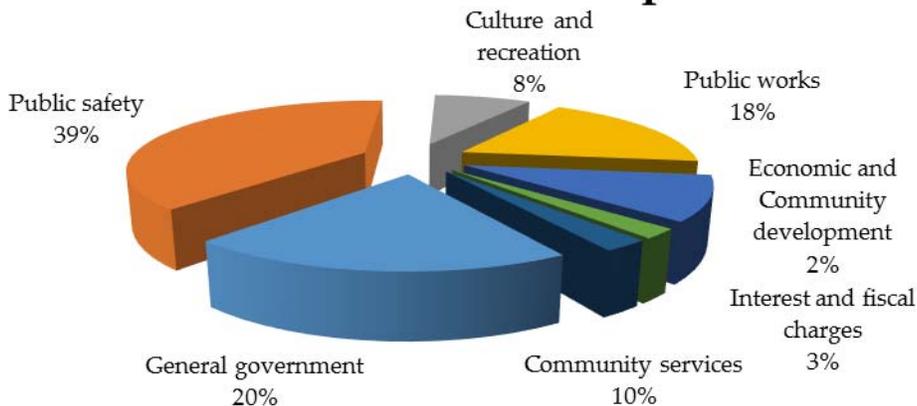
Governmental Activities - Revenues



For the year ended September 30, 2016, revenues from governmental activities totaled \$7,797,139. Property tax, sales tax and franchise tax are the City's largest revenue sources. Sales tax increased \$69,212 or 5% due to an overall recovery in the economy. Property tax increased by \$650,974 or 20% when compared to 2015 due to an increase in overall assessed property values. Other revenues decreased by \$189,075 due to nonrecurring revenues received in the prior year. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses



For the year ended September 30, 2016, expenses for governmental activities totaled \$6,979,660. This represents an increase of \$552,853 or 9% from the prior year. The City's largest functional expense is public safety of \$2,727,997 which increased by \$216,066 due to additional salaries and capital outlay.

City of Anna, Texas

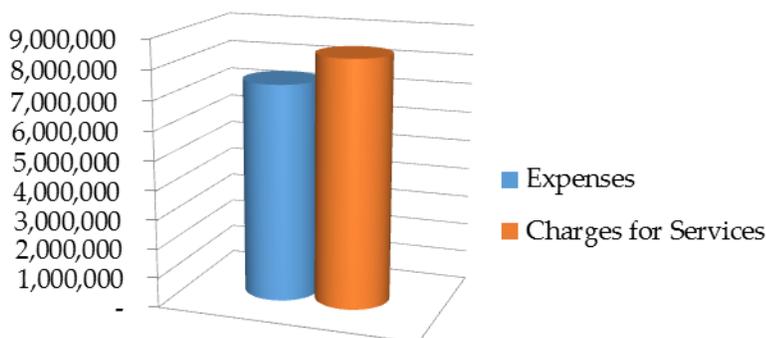
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2016

Public works totaled \$1,261,514 as of yearend for an increase of \$208,391 or 20% due to an additional position, street rehabilitation projects, and advanced paving. Community services increased by \$132,301 or 24% due to an increase in permit fees for Bureau Veritas.

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, 2016, charges for services by business-type activities totaled \$7,523,193. This is an increase of \$1,328,866, or 21%, from the previous year. This increase directly relates to an increase in the water and sewer rates which occurred on October 1, 2015 and growth within the City. Expenses totaled \$7,371,352, which was an increase of \$844,253, or 14%. A significant portion of this increase was due to the cost of water in addition to ongoing utility repairs and improvement projects.

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, unreserved 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 the year the general fund reflected a total fund balance of \$3,319,995. Of this, \$19,580 is considered restricted for debt service, parks, and public safety & \$185,788 is committed for revenue stabilization. Unassigned fund balance totaled \$3,114,627 as of year end. The general fund saw a significant increase in property taxes when compared to the prior year. This directly relates to an increase in property values and a growing economy.

City of Anna, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2016

The economic development fund had an ending fund balance of \$917,371. This was an increase of \$374,983. The reason for this increase was due to the sale of land for \$500,000.

The debt service fund had an ending fund balance of \$2,848 at yearend for an increase of \$47,013. Total principal and interest payments made during the year were \$307,000 and \$121,948, respectively.

There was an overall increase in governmental fund balance of \$833,168 from the prior year. The increase was primarily related to an increase in revenues and the gain on sale of EDC land in the amount of \$500,000.

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 \$187,547 and a positive expenditure variance of \$238,295 for the year. Other financing sources (uses) had an overall positive budget variance of \$3,054. This positive revenue variance was primarily the result of more than anticipated licenses and permit fees due to new development within the City. 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 \$18,671,866 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 \$38,116,329 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Purchase of land for a total of \$50,000
- Construction in process for City Hall project totaling \$708,715
- Park improvements totaling \$58,041
- Purchase of vehicles and equipment totaling \$330,729
- Street and drainage improvements totaling \$105,592
- Construction in progress for various water and sewer projects totaling \$3,608,521
- Purchase of vehicles and equipment for water and sewer totaling \$313,365

City of Anna, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2016

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 and outstanding of \$30,701,493. During the year, the City made payments on the long-term debt of \$1,525,592. More detailed information about the City's long-term liabilities is presented in note IV. D to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The economy continues to be strong for the City of Anna and the North Central area. Focused on having a balanced community, the City takes a proactive approach to economic development with its business recruitment efforts, as well as continued development of residential housing options. In addition, the City conservatively manages its' budget. The fiscal year 2016-17 budget reflects the commitment of the City Council and staff to preserve and enhance 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 2015, the City saw existing property values increase just over 10% and over \$43,000,000 in new value was added the tax roll. Again, in 2016, the City saw existing property values increase just over 13% and over \$35,000,000 in new value was added the tax roll. We remain cautiously optimistic that we will experience modest, but slowing, appreciation in the value of existing properties and that additional value will be added to the tax roll as a result of new construction in the near term. New value added to the tax role will continue to be primarily from residential growth, however, a new Wal-Mart store is planned to open in the April of 2017 marking a substantial contribution to the growth of our commercial tax base.

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, 2016 was 11,320.

As the inventory of finished lots has declined, population growth has slowed down; however, we anticipate steady growth over the next few years as the inventory of available lots increases. The City has forecasted the construction of approximately 200 new single family homes during the 2017 fiscal year. There are currently several residential developments either in design or under construction that will add 1,435 single family lots to our inventory over the next 12 to 36 months.

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 2017 budget, the City

City of Anna, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2016

adopted a tax rate of \$0.629 per \$100 valuation which is a decrease from the tax rate adopted in FY 2016. This marks the 3rd year in row that that the City Council has been able to decrease the City property tax rate. 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 over \$25.5 million in outstanding debt. The City has worked closely with our financial advisors, First Southwest, to develop a sound debt management plan for the Water and Sewer Fund. Looking to the future, the City anticipates a spike in debt service obligations in 2020 and again in 2026.

In order to appropriately manage this debt, the City and First Southwest developed a plan to take advantage of call dates and pursue advance refundings of the City's outstanding debt. Every effort has been made to minimize the present value costs to the City. The current plan makes very conservative assumptions regarding interest rates and was reviewed and analyzed in conjunction with a utility rate study to evaluate the current water and sewer rates. Depending on market conditions and the City's growth, refundings are slated for early FY2016-17. These refundings will also free up cash and reduce pressure on utility rates.

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 25% of the total MT/P amount.

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 2017. When this happens, the City of Anna will be responsible for the cost of all of the water we consume above the original MT/P amount. This increased water consumption coupled with a 10.3% increase in the price of water supplied from NTMWD has resulted in a 65.51% increase in the budgeted cost for treated surface water.

In order to ensure that our utility rates will continue to support our operating costs and debt service obligations, staff hires a rate consultant to evaluate our utility system's operation costs and debt payments, and recommend any rate adjustments that would be necessary to fully fund the cost of operating our system while maintaining an adequate financial reserve. Based on preliminary results from the most recent rate study, we do not anticipate the need for any water and sewer rate increase this year. However, average consumption has been trending downward. Should consumption patterns change and result in decreased consumption, the City's water revenues may fall below the

City of Anna, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2016

budget estimate. Staff will monitor revenues throughout FY 16-17 and recommend any action should actual revenue not meet budgeted projections.

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.

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FINANCIAL STATEMENTS

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City of Anna, Texas
STATEMENT OF NET POSITION
September 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 5,730,605	\$ 2,147,367	\$ 7,877,972
Investments	122,775	122,775	245,550
Receivables, net	734,869	962,112	1,696,981
Inventories	-	9,895	9,895
Total Current Assets	6,588,249	3,242,149	9,830,398
Restricted assets:			
Restricted cash and pooled investments	19,580	5,360,969	5,380,549
GTUA prepaid reserves	-	1,988,972	1,988,972
Capital assets:			
Non-depreciable	2,546,468	4,229,228	6,775,696
Net depreciable capital assets	16,125,398	33,887,101	50,012,499
	<u>18,691,446</u>	<u>45,466,270</u>	<u>64,157,716</u>
Total Assets	25,279,695	48,708,419	73,988,114
<u>Deferred Outflows of Resources</u>			
Deferred loss on bond refunding	-	168,022	168,022
Pension contributions	249,134	83,045	332,179
Pension investment earnings	153,177	51,440	204,617
Total Deferred Outflows of Resources	402,311	302,507	704,818
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	1,262,899	574,489	1,837,388
Accrued salaries	52,513	14,917	67,430
Customer deposits	-	719,209	719,209
Accrued interest payable	21,529	974,394	995,923
Current portion of long-term debt	475,536	791,560	1,267,096
	<u>1,812,477</u>	<u>3,074,569</u>	<u>4,887,046</u>
Noncurrent liabilities:			
Due in more than one year	4,868,948	24,723,993	29,592,941
Net pension liability	779,638	259,879	1,039,517
	<u>5,648,586</u>	<u>24,983,872</u>	<u>30,632,458</u>
Total Liabilities	7,461,063	28,058,441	35,519,504
<u>Deferred Inflows of Resources</u>			
Pension (gains) losses	151,679	52,497	204,176
Total Deferred Inflows of Resources	151,679	52,497	204,176
<u>Net Position</u>			
Net investment in capital assets	13,466,866	12,787,858	26,254,724
Restricted for:			
Water and sewer improvements	-	7,349,941	7,349,941
Capital projects and other	1,550,067	-	1,550,067
Unrestricted	3,052,331	762,189	3,814,520
Total Net Position	\$ 18,069,264	\$ 20,899,988	\$ 38,969,252

See Notes to Financial Statements.

City of Anna, Texas
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 1,393,256	\$ 48,181	\$ 193,420	\$ -
Culture and recreation	584,676	117,990	-	-
Community services	690,842	768,988	12,500	-
Public safety	2,727,997	129,914	128,028	-
Public works	1,261,514	236,694	-	-
Economic and Community developm	146,929	-	-	-
Interest and fiscal charges	174,446	-	-	-
Total Governmental Activities	6,979,660	1,301,767	333,948	-
Business-Type Activities				
Utilities	7,371,352	7,523,193	-	776,416
Total Business-Type Activities	7,371,352	7,523,193	-	776,416
Total Primary Government	\$ 14,351,012	\$ 8,824,960	\$ 333,948	776,416

General Revenues:

- Taxes
 - Property taxes
 - Sales taxes
 - Franchise and local taxes
- Investment income
- Other revenue

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (1,151,655)	\$ -	\$ (1,151,655)
(466,686)	-	(466,686)
90,646	-	90,646
(2,470,055)	-	(2,470,055)
(1,024,820)	-	(1,024,820)
(146,929)	-	(146,929)
(174,446)	-	(174,446)
<u>(5,343,945)</u>	<u>-</u>	<u>(5,343,945)</u>
-	928,257	928,257
-	928,257	928,257
<u>(5,343,945)</u>	<u>928,257</u>	<u>(4,415,688)</u>
3,973,028	-	3,973,028
1,542,309	-	1,542,309
447,498	-	447,498
31,816	69,608	101,424
166,773	29,193	195,966
108,556	(108,556)	-
<u>6,269,980</u>	<u>(9,755)</u>	<u>6,260,225</u>
926,035	918,502	1,844,537
17,143,229	19,981,486	37,124,715
<u>\$ 18,069,264</u>	<u>\$ 20,899,988</u>	<u>\$ 38,969,252</u>

City of Anna, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2016

	<u>General</u>	<u>Economic Development Corporation</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 3,415,910	\$ 845,128	\$ 1,469,567	\$ 5,730,605
Investments	122,775	-	-	122,775
Receivables, net	385,866	222,662	126,341	734,869
Due from other funds	619,184	-	103	619,287
Restricted cash	19,580	-	-	19,580
Total Assets	\$ 4,563,315	\$ 1,067,790	\$ 1,596,011	\$ 7,227,116
<u>Liabilities</u>				
Accounts payable	\$ 178,058	\$ 355	\$ -	\$ 178,413
Accrued liabilities	953,407	-	131,079	1,084,486
Accrued salaries	46,175	-	-	46,175
Unclaimed property	6,338	-	-	6,338
Due to other funds	-	-	619,287	619,287
Total Liabilities	1,183,978	355	750,366	1,934,699
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property tax	59,342	-	11,890	71,232
Local business loans	-	150,064	41,851	191,915
Total Deferred Inflows of Resources	59,342	150,064	53,741	263,147
<u>Fund Balances</u>				
Committed for:				
Revenue stabilization	185,788	-	-	185,788
Restricted for:				
Community development	-	917,371	632,696	1,550,067
Debt service	6,386	-	2,848	9,234
Parks	12,713	-	-	12,713
Public safety	481	-	37,754	38,235
Municipal court	-	-	18,310	18,310
Capital projects	-	-	675,233	675,233
Unassigned reported in:				
General fund	3,114,627	-	(574,937)	2,539,690
Total Fund Balances	3,319,995	917,371	791,904	5,029,270
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 4,563,315	\$ 2,251,413	\$ 2,029,623	\$ 6,476,395

See Notes to Financial Statements.

City of Anna, Texas

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

September 30, 2016

Fund Balances - Total Governmental Funds	\$ 5,029,270
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	2,546,468
Capital assets - net depreciable	16,125,398
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
	263,147
Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then.	
Pension contributions	249,134
Pension investment earnings	153,177
Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.	
Pension (gains) losses	(151,679)
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Accrued interest payable	(21,529)
Non-current liabilities due in one year	(475,536)
Non-current liabilities due in more than one year	(4,868,948)
Net pension liability	(779,638)
Net Position of Governmental Activities	\$ 18,069,264

See Notes to Financial Statements.

City of Anna, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended September 30, 2016

	General	Economic Development Corporation	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property tax	\$ 3,314,026	\$ -	\$ 661,891	\$ 3,975,917
Sales tax	771,155	385,577	385,577	1,542,309
Franchise and local taxes	447,498	-	-	447,498
Intergovernmental	193,420	-	-	193,420
Charges for services	110,166	-	378,025	488,191
Grants and contributions	99,456	12,500	28,572	140,528
License and permits	711,462	-	-	711,462
Fines and forfeitures	84,360	-	17,754	102,114
Investment income	19,967	3,986	7,863	31,816
Other revenue	77,116	47,030	21,400	145,546
Total Revenues	5,828,626	449,093	1,501,082	7,778,801
Expenditures				
Current:				
General government	1,116,696	-	137,377	1,254,073
Police department	1,565,068	-	3,471	1,568,539
Municipal court	110,420	-	14,230	124,650
Fire department	708,963	-	96,325	805,288
Ambulance	135,968	-	-	135,968
Park	265,825	-	2,713	268,538
Streets	539,049	-	-	539,049
Development and animal control	689,308	-	-	689,308
Community and economic developm	-	128,601	-	128,601
Debt Service:				
Principal	-	390,842	389,000	779,842
Interest and fiscal charges	-	4,667	178,275	182,942
Capital outlay	203,873	50,000	840,572	1,094,445
Total Expenditures	5,335,170	574,110	1,661,963	7,571,243
Excess (Deficiency) of Revenues Over (Under) Expenditures	493,456	(125,017)	(160,881)	207,558
Other Financing Sources (Uses)				
Transfers in	-	-	298,419	298,419
Transfers (out)	-	-	(189,863)	(189,863)
Gain (loss) on sale of capital assets	17,054	500,000	-	517,054
Total	17,054	500,000	108,556	625,610
Net Change in Fund Balances	510,510	374,983	(52,325)	833,168
Beginning fund balances	2,809,485	542,388	844,229	4,196,102
Ending Fund Balances	\$ 3,319,995	\$ 917,371	\$ 791,904	\$ 5,029,270

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, 2016

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

Net changes in fund balances - total governmental funds	\$ 833,168
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	1,267,976
Depreciation expense	(1,488,567)
Net effect of capital disposals and transfers	(495,827)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	47,289
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	(37,768)
Accrued interest	8,496
Pension expense	11,426
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, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Principal payments	<u>779,842</u>
Change in Net Position of Governmental Activities	\$ <u>926,035</u>

See Notes to Financial Statements.

City of Anna, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUND (Page 1 of 2)
September 30, 2016

	Utility Fund
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 2,147,367
Certificates of deposit	122,775
Receivables, net	962,112
Inventories	9,895
Total Current Assets	3,242,149
<u>Noncurrent Assets</u>	
Restricted cash and pooled investments	5,360,969
GTUA prepaid reserves	1,988,972
Capital assets:	
Non-depreciable	4,229,228
Net depreciable capital assets	33,887,101
Total Noncurrent Assets	45,466,270
Total Assets	48,708,419
<u>Deferred Outflows of Resources</u>	
Deferred loss on bond refunding	168,022
Pension investment earnings	51,440
Pension contributions	83,045
Total Deferred Outflows of Resources	302,507
Total Assets and Deferred Outflows of Resources	\$ 49,010,926

City of Anna, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUND (Page 2 of 2)
September 30, 2016

Liabilities

Current Liabilities

Accounts payable	\$	557,730
Salaries payable		14,917
Other liabilities		16,759
Bond interest payable		974,394
Customer deposits		719,209
Accrued compensated absences		19,060
Current portion of long-term debt		772,500
Total Current Liabilities		3,074,569

Noncurrent Liabilities

Due in more than one year		24,723,993
Net pension liability		259,879
Total Noncurrent Liabilities		24,983,872

Total Liabilities 28,058,441

Deferred Inflows of Resources

Pension (gains) losses		52,497
Total Deferred Inflows of Resources		52,497

Total Liabilities and Deferred Inflows of Resources 28,110,938

Net Position

Net investment in capital assets		12,787,858
Restricted for:		
Water and sewer improvements		7,349,941
Unrestricted		762,189
Total Net Position	\$	20,899,988

See Notes to Financial Statements.

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City of Anna, Texas

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

For the Year Ended September 30, 2016

	Utility Fund
<u>Operating Revenues</u>	
Water	\$ 3,181,932
Sewer	2,083,189
Sanitation	818,317
Inspection fees	313,188
Installation and tap fees	154,730
Groundwater production fees	50,237
Intergovernmental	776,416
Total Operating Revenues	7,378,009
<u>Operating Expenses</u>	
Personal services	992,224
Sanitation contract	693,798
Supplies	409,099
North Texas municipal water district contract	1,366,150
Utilities	417,134
Contracted services	499,685
Reimbursed developer fees	344,000
Other expenses	30,035
Depreciation	1,445,987
Total Operating Expenses	6,198,112
Operating Income (Loss)	1,179,897
<u>Nonoperating Revenues (Expenses)</u>	
Investment income	69,608
Developer and impact fees	921,600
Other revenue	29,193
Interest expense	(1,173,240)
Total Nonoperating Revenues (Expenses)	(152,839)
Income (Loss) Before Transfers	1,027,058
Transfers in	187,000
Transfers (out)	(295,556)
Change in Net Position	918,502
Beginning net position	19,981,486
Ending Net Position	\$ 20,899,988

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, 2016

	Utility Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from customers and users	\$ 6,948,167
Payments to suppliers	(3,956,803)
Payments to employees	(1,008,357)
Net Cash Provided by Operating Activities	1,983,007
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfer in	187,000
Transfer (out)	(295,556)
Net Cash Provided (Used) by Noncapital Financing Activities	(108,556)
<u>Cash Flows from Capital and Related Financing Activities</u>	
Cash paid for acquisition and construction of capital assets	(4,161,603)
Developer and impact fees	921,600
Principal payments on debt	(753,374)
Interest paid on long-term debt	(949,195)
Net Cash (Used) by Capital and Related Financing Activities	(4,942,572)
<u>Cash Flows from Investing Activities</u>	
Interest on investments	69,608
Net Cash Provided by Investing Activities	69,608
Increase (Decrease) in Cash and Cash Equivalents	(2,998,513)
Beginning cash and cash equivalents	10,629,624
Ending Cash and Cash Equivalents	\$ 7,631,111

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, 2016

	Utility Fund
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided by Operating Activities</u>	
Operating Income (Loss)	\$ 1,179,897
Adjustments to reconcile operating income (loss) to net cash provided:	
Depreciation	1,445,987
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	(500,347)
Inventory	16,237
GTUA prepaid reserves	40,418
Increase (Decrease) in:	
Accounts payable	(807)
Salaries payable	(17,318)
Other liabilities	(12,229)
Due to General Fund	(200,195)
Due to Capital Projects Fund	(40,326)
Customer deposits	70,505
Compensated absences	3,208
Net pension liability	39,437
Deferred Outflows of Resources:	
Pension contributions	(63,099)
Investment experience	8,115
Deferred Inflows of Resources:	
Actual experience vs. assumption	13,524
Net Cash Provided by Operating Activities	\$ 1,983,007

See Notes to Financial Statements.

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City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

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 nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. 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. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended Component Units

Anna Economic Development Corporation

The Anna Economic Development Corporation 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. Criteria for blended presentation was met due to the financial benefit/burden relationship. Separately audited financial statements are not issued.

Anna Community Development Corporation

The Anna Community Development Corporation 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. Criteria for blended presentation was met due to the financial benefit/burden relationship. 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 on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government 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.

Economic Development Corporation

The Economic Development Corporation is a special revenue fund that accounts for the accumulation of State of Texas 4B sales tax revenues and related economic development expenditures.

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 government'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

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

fund.

Additionally, the government reports the following 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.

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.

Special Revenue Funds

The Anna CDC is a special revenue fund that accounts for the accumulation of State of Texas 4A sales tax revenues and related community development expenditures. The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. These funds consist of the child safety fund, police seizure fund, police training fund, court security fund, court technology fund, PEG capital fund, park construction fund, fire department capital improvement fund, roadway impact fee service area one, and road capital developer agreements fund.

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

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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 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 assets.

All governmental funds and component units 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

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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 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

As of September 30, 2016, 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 non-current portion of interfund loans). All other outstanding balances between funds are

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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.”

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 market 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 estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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

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 Description	Estimated Useful Life
Buildings	20 years
Water & Sewer System Infrastructure	35 years
Equipment	3 to 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.

An example is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and fines and forfeitures. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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 nonspendable (nonspendable fund balance), restricted (restricted fund balance), commitment (committed fund balance), assignment (assigned fund balance), and unassigned (unassigned fund balance).

The nonspendable 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-making

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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, 2016

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

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.

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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 nonoperating 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.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, debt service, EDC, CDC, and utility funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined as 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.

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2016, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Maturity (Years)</u>
Certificates of deposit	\$ 245,550	0.11
External investment pools	263,071	0.12
Total fair value	<u>\$ 508,621</u>	
Portfolio weighted average maturity		0.12

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 market 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 market value (market value of the principal and accrued interest) of at least 102%. As of September 30, 2016, the market values 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.

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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:

	<u>General</u>	<u>Economic Development</u>	<u>Nonmajor</u>	<u>Utility</u>	<u>Total</u>
Property taxes	\$ 59,342	\$ 73,139	\$ 11,890	\$ -	\$ 144,371
Sales tax	146,278	-	73,139	7,201	226,618
Franchise and other taxes	83,219	-	-	-	83,219
Other	78,118	149,523	41,312	231,578	500,531
Accounts	18,909	-	-	885,858	904,767
Allowance	-	-	-	(162,525)	(162,525)
	<u>\$ 385,866</u>	<u>\$ 222,662</u>	<u>\$ 126,341</u>	<u>\$ 962,112</u>	<u>\$ 1,696,981</u>

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/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 2,177,876	\$ 50,000	\$ (459,176)	\$ 1,768,700
Construction in process	69,053	708,715	-	777,768
Total capital assets not being depreciated	<u>2,246,929</u>	<u>758,715</u>	<u>(459,176)</u>	<u>2,546,468</u>
Capital assets, being depreciated:				
Park improvements	5,410,083	58,041	-	5,468,124
Buildings	2,013,364	-	-	2,013,364
Furniture and fixtures	290,108	14,898	(235,109)	69,897
Streets and drainage	17,460,644	105,593	(30,709)	17,535,528
Machinery and equipment	2,366,520	330,729	188,110	2,885,359
Total capital assets being depreciated	<u>27,540,719</u>	<u>509,261</u>	<u>(77,708)</u>	<u>27,972,272</u>
Less accumulated depreciation	<u>10,399,364</u>	<u>1,488,567</u>	<u>(41,057)</u>	<u>11,846,874</u>
Total accumulated depreciation	<u>10,399,364</u>	<u>1,488,567</u>	<u>(41,057)</u>	<u>11,846,874</u>
Net capital assets being depreciated	<u>17,141,355</u>	<u>(979,306)</u>	<u>(36,651)</u>	<u>16,125,398</u>
Total Capital Assets	<u>\$ 19,388,284</u>	<u>\$ (220,591)</u>	<u>\$ (495,827)</u>	<u>\$ 18,671,866</u>

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

Depreciation was charged to governmental functions as follows:

General government	\$	52,541
Police department		131,868
Fire department		70,081
Streets		896,502
Community and economic development		18,329
Parks		316,639
Development and animal control		2,607
Total Governmental Activities Depreciation Expense	\$	<u>1,488,567</u>

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/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 708,016	\$ 100,642	\$ -	\$ 808,658
Construction in progress	732,493	3,608,521	(920,444)	3,420,570
Total capital assets not being depreciated	<u>1,440,509</u>	<u>3,709,163</u>	<u>(920,444)</u>	<u>4,229,228</u>
Capital assets, being depreciated:				
Furniture	5,620	-	-	5,620
Buildings and improvements	486,244	-	-	486,244
Equipment	1,392,726	313,364	-	1,706,090
Water treatment system	7,854,007	-	42,569	7,896,576
GTUA water improvements	16,979,634	139,076	-	17,118,710
GTUA sewer improvements	939,796	-	-	939,796
Water and sewer system	17,020,580	-	877,875	17,898,455
Total capital assets being depreciated	<u>44,678,607</u>	<u>452,440</u>	<u>920,444</u>	<u>46,051,491</u>
Less accumulated depreciation	10,718,403	1,445,987	-	12,164,390
Total accumulated depreciation	<u>10,718,403</u>	<u>1,445,987</u>	<u>-</u>	<u>12,164,390</u>
Net capital assets being depreciated	33,960,204	(993,547)	920,444	33,887,101
Total Capital Assets	<u>\$ 35,400,713</u>	<u>\$ 2,715,616</u>	<u>\$ -</u>	<u>\$ 38,116,329</u>

Depreciation was charged to business-type functions as follows:

Water and sewer	\$	1,445,987
Total Business-type Activities Depreciation Expense	\$	<u>1,445,987</u>

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
General obligation bonds	\$ 1,615,000	\$ -	\$ (52,000)	\$ 1,563,000	\$ 42,000
Certificates of obligation	2,165,000	-	(255,000)	1,910,000	225,000
Sales Tax Revenue Bonds	1,814,000	-	(82,000)	1,732,000	83,000
Notes Payable	390,842	-	(390,842)	-	-
	<u>5,984,842</u>	<u>-</u>	<u>(779,842)</u>	<u>5,205,000</u>	<u>350,000</u>
Other liabilities:					
Compensated absences	101,716	139,484	(101,716)	139,484	125,536
Net pension liability	657,310	122,328	-	779,638	-
Total Governmental Activities	<u>\$ 6,743,868</u>	<u>\$ 261,812</u>	<u>\$ (881,558)</u>	<u>\$ 6,124,122</u>	<u>\$ 475,536</u>

Long-term liabilities due in more than one year \$ 5,648,586

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Business-type Activities:					
Bonds, notes and other payables:					
Contract revenue bonds	\$ 9,441,250	\$ -	\$ (443,750)	\$ 8,997,500	\$ 457,500
Contract revenue refunding bonds	1,990,000	-	(95,000)	1,895,000	100,000
TWDB state participation agreement	2,168,750	-	-	2,168,750	-
General obligation water bonds	5,000	-	(5,000)	-	-
Combination tax & revenue certificates of obligation	8,310,000	-	(150,000)	8,160,000	150,000
Combination tax & revenue refunding bonds	4,251,000	-	(52,000)	4,199,000	65,000
Premium	83,867	-	(7,624)	76,243	-
	<u>26,249,867</u>	<u>-</u>	<u>(753,374)</u>	<u>25,496,493</u>	<u>772,500</u>
Other liabilities:					
Compensated absences	15,852	19,060	(15,852)	19,060	19,060
Net pension liability	219,103	40,776	-	259,879	-
Total Business-type Activities	<u>\$ 26,484,822</u>	<u>\$ 59,836</u>	<u>\$ (769,226)</u>	<u>\$ 25,775,432</u>	<u>\$ 791,560</u>

Long-term liabilities due in more than one year \$ 24,983,872

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. 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:

	<u>Interes Rates</u>	<u>Original Balance</u>	<u>Current Balance</u>
Governmental Activities:			
General Obligation Bonds			
2007 Revenue Bonds	3.95% to 15%	\$ 370,000	\$ 180,000
Series 2014B General Obligation Refunding Bond	0.3% to 2.395%	1,462,000	1,383,000
Total General Obligation Bonds		<u>\$ 1,832,000</u>	<u>\$ 1,563,000</u>
Certificates of Obligation			
2006 Combination Tax & Limited Surplus Revenue Certificates of Obligation	3.5% to 5.25%	2,480,000	530,000
2007 Certificate of Obligation Bonds	3.95% to 15%	1,420,000	700,000
2009 Tax & Revenue Certificate of Obligation	4.28% (to 15% on 02/15/2018)	900,000	680,000
Total Certificates of Obligation		<u>\$ 4,800,000</u>	<u>\$ 1,910,000</u>
Sales Tax Revenue Bonds			
CDC - Sales Tax Revenue Refunding Bonds - Series 2012A	3.25%	396,000	137,000
CDC - Sales Tax Revenue Bonds - Series 2012B	3.30%	1,655,000	1,595,000
Total Sales Tax Revenue Bonds		<u>\$ 2,051,000</u>	<u>\$ 1,732,000</u>
Notes Payable			
EDC - Note Payable	4.47%	335,000	-
EDC - Note Payable	5.00%	380,300	-
Total Sales Tax Revenue Bonds		<u>\$ 715,300</u>	<u>\$ -</u>
Total Debt		<u><u>\$ 9,398,300</u></u>	<u><u>\$ 5,205,000</u></u>

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

	<u>Interest Rates</u>	<u>Original Balance</u>	<u>Current Balance</u>
Business-Type Activities:			
Contract Revenue Bonds			
Series 2006 GTUA Contract Revenue Bonds (12 & 15)	2.95% to 3.75%	2,125,000	1,255,000
Series 2007 GTUA Contract Revenue Bonds	3.07% to 5.57%	760,000	520,000
2007 GTUA Contract	3.07% to 5.57%	1,105,000	770,000
2007 GTUA Contract	2.95% to 4.10%	2,325,000	1,605,000
2007 GTUA Contract	3.07% to 5.62%	3,365,000	3,060,000
2008 GTUA Contract	2.29% to 5.74%	540,000	370,000
CGMA Pipeline Project Phase I	2.29% to 5.74%	700,000	462,500
CGMA Pipeline Project Phase III	2.67% to 5.62%	1,250,000	955,000
Total Contract Revenue Bonds		<u>\$ 12,170,000</u>	<u>\$ 8,997,500</u>
Contract Revenue Refunding Bonds			
2005 GTUA Contract Revenue Bond	4.42%	2,885,000	1,895,000
Total Contract Revenue Refunding Bonds		<u>\$ 2,885,000</u>	<u>\$ 1,895,000</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	4,050,000
2014 Combination Tax & Revenue Certificates of Obligation	2.0% to 3.65%	4,180,000	4,110,000
Total Combination Tax & Revenue Certificates of Obligation		<u>\$ 8,390,000</u>	<u>\$ 8,160,000</u>
Combination Tax & Revenue Refunding Bonds			
2009 Combination Tax & Revenue Refunding Bond	4.28% (to 15% on 12/15/2018)	4,165,000	1,705,000
2014A Refunding Bonds	2.11%	2,598,000	2,494,000
Total Combination Tax & Revenue Refunding Bonds		<u>\$ 6,763,000</u>	<u>\$ 4,199,000</u>
Total Debt		<u>\$ 32,376,750</u>	<u>\$ 25,420,250</u>

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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

	General Obligation Bonds		Certificates of Obligation		Special Tax Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 42,000	\$ 43,845	\$ 225,000	\$ 108,773	\$ 83,000	\$ 54,468
2018	38,000	51,652	200,000	166,046	89,000	52,507
2019	60,000	49,672	215,000	183,800	90,000	49,995
2020	60,000	47,472	225,000	165,925	90,000	47,025
2021	204,000	43,948	95,000	149,625	95,000	43,973
2022	216,000	38,514	105,000	134,625	100,000	40,755
2023	217,000	32,234	110,000	118,500	100,000	37,455
2024	228,000	25,142	130,000	100,500	105,000	34,073
2025	229,000	17,336	140,000	80,250	110,000	30,525
2026	239,000	8,938	160,000	57,750	110,000	26,895
2027	30,000	2,250	175,000	32,625	115,000	23,183
2028	-	-	65,000	14,625	120,000	19,305
2029	-	-	65,000	4,875	125,000	15,263
2030	-	-	-	-	130,000	11,055
2031	-	-	-	-	135,000	6,683
2032	-	-	-	-	135,000	2,228
Total	\$ 1,563,000	\$ 361,003	\$ 1,910,000	\$ 1,317,919	\$ 1,732,000	\$ 495,388

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, 2016

Business-type Activities

	Contract Revenue Bonds		Contract Revenue Refunding Bonds		TWDB State Participation Agreement	
	Principal	Interest	Principal	Interest	Principal	Interest
	2017	\$ 457,500	\$ 437,167	\$ 100,000	\$ 83,758	\$ -
2018	431,250	418,948	105,000	79,339	-	125,206
2019	463,750	400,680	105,000	74,698	-	125,206
2020	581,250	380,587	110,000	70,056	-	125,206
2021	608,750	354,582	210,000	65,195	-	125,206
2022	631,250	326,779	210,000	55,913	-	125,206
2023	665,000	297,500	220,000	46,631	-	125,206
2024	687,500	266,363	230,000	36,907	-	125,206
2025	740,000	233,422	235,000	26,741	-	125,206
2026	778,750	197,679	245,000	16,354	95,000	125,206
2027	662,500	159,734	60,000	5,525	100,000	119,810
2028	492,500	125,331	65,000	2,873	106,250	114,080
2029	325,000	99,035	-	-	112,500	107,992
2030	345,000	80,647	-	-	118,750	101,545
2031	363,750	61,153	-	-	125,000	94,741
2032	382,500	40,605	-	-	133,750	87,578
2033	87,500	18,968	-	-	140,000	79,915
2034	92,500	13,910	-	-	148,750	71,823
2035	97,500	8,571	-	-	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	\$ 8,997,500	\$ 3,924,572	\$ 1,895,000	\$ 563,990	\$ 2,168,750	\$ 2,261,647

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

Business-type Activities Cont.

	Combination Tax & Revenue		Combination Tax & Revenue	
	Certificates of Obligation		Refunding Bonds	
	Principal	Interest	Principal	Interest
2017	\$ 150,000	\$ 236,288	\$ 65,000	\$ 145,083
2018	155,000	233,238	52,000	235,604
2019	160,000	230,088	270,000	323,863
2020	160,000	226,888	595,000	293,931
2021	170,000	223,388	487,000	247,589
2022	170,000	219,588	510,000	207,700
2023	175,000	215,300	524,000	165,338
2024	210,000	210,000	544,000	120,953
2025	245,000	203,663	565,000	74,177
2026	420,000	193,413	587,000	25,101
2027	735,000	175,750	-	-
2028	765,000	153,650	-	-
2029	790,000	130,738	-	-
2030	815,000	106,801	-	-
2031	840,000	81,830	-	-
2032	870,000	55,999	-	-
2033	905,000	29,183	-	-
2034	425,000	7,756	-	-
Total	\$ 8,160,000	\$ 2,933,556	\$ 4,199,000	\$ 1,839,337

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.

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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 ("COMA"). COMA 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 COMA 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 COMA city, the City shall be charged its 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 COMA cities. The sum of the four (4) fractional 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 \$168,022. Current year amortization expense for business-type activities totaled \$16,802.

F. Customer Deposits

The City had customer deposits of \$719,209 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.

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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, 2016:

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 \$19,580 for the General Fund represents assets restricted by law or by agreements with third parties.

Committed Fund Balances

The City Council has committed \$185,788 of General Fund fund balance for 2016 revenue stabilization in the event of budget shortfalls. This contingency amount must be expended in accordance with Section 7.08 of the Anna City Charter.

Negative Fund Balances

The Capital Projects Fund has a \$574,937 negative fund balance at September 30, 2016. The City's annual budget is adopted and amended as necessary to ensure any negative fund balances are only temporary in nature. The City expects both fund balances to become positive during fiscal year 2017 with reimbursement made to them by other funds and/or third parties.

H. Interfund Transactions

The compositions of interfund due to/from balances as of the year ended September 30, 2016 were as follows:

	Due from:		
	Nonmajor		
Due to:	General	Governmental	Total
Nonmajor	\$ 619,184	\$ 103	\$ 619,287
Total	\$ 619,184	\$ 103	\$ 619,287

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.

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

Transfers between the primary government funds during the 2016 year were as follows:

Transfer in:	Transfer out:		Total
	Utility	Nonmajor Governmental	
Utility	\$ -	\$ 187,000	\$ 187,000
Nonmajor	295,556	2,863	298,419
Total	\$ 295,556	\$ 189,863	\$ 485,419

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

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with 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.

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

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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 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 860 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.tmrs.com.

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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 payments 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.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2015</u>	<u>Plan Year 2016</u>
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 credit	100% Repeating transfers	100% Repeating transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees covered by benefit terms

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	20
Active employees	<u>52</u>
Total	<u>77</u>

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

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

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 13.92% and 14.24% in calendar years 2015 and 2016, respectively. The City's contributions to TMRS for the year ended September 30, 2016, were \$444,631, 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, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2015 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, 2015, 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, 2015 valuation. Healthy post-retirement 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 2014 valuation.

City of Anna, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2016

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
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:

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

1% Decrease	Current Single Rate	1% Increase
5.75%	Assumption 6.75%	7.75%
\$ 1,894,285	\$ 1,039,517	\$ 356,812

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/14	\$ 4,205,380	\$ 3,328,967	\$ 876,413
Changes for the year:			
Service cost	527,867	-	527,867
Interest	309,015	-	309,015
Difference between expected and actual experience	(110,141)	-	(110,141)
Changes of assumptions	19,349	-	19,349
Contributions – employer	-	386,733	(386,733)
Contributions – employee	-	194,478	(194,478)
Net investment income	-	4,915	(4,915)
Benefit payments, including refunds of emp. contributions	(109,637)	(109,637)	-
Administrative expense	-	(2,992)	2,992
Other changes	-	(148)	148
Net changes	636,453	473,349	163,104
Balance at 12/31/15	\$ 4,841,833	\$ 3,802,316	\$ 1,039,517

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, 2016, the City recognized pension expense of \$428,819.

At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and investment earnings	\$ 204,617	\$ -
Differences between expected and actual economic experience	-	204,176
Contributions subsequent to the measurement date	332,179	-
Total	\$ 536,796	\$ 204,176

The City reported \$332,179 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2016	\$ 16,302
2017	16,302
2018	16,302
2019	8,927
2020	(36,696)
Thereafter	(20,696)
	\$ 441

E. Other Postemployment Benefit

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

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); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The 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.

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

The City's contributions to the TMRS SDBF for the years ended 2016, 2015 and 2014 were \$4,083, \$3,182 and \$3,135, respectively, which equaled the required contributions each year.

F. Restatement

The City has restated beginning net position within business-type activities and the utility fund due to a change in the reporting of unbilled utilities and GTUA deposits. The restatement of beginning net position is as follows:

	Business-type Activities	Utility
Prior year ending net position as reported	\$ 19,776,440	\$ 19,776,440
Change in reporting of accounts receivable	205,046	205,046
Restated beginning net position	<u>\$ 19,981,486</u>	<u>\$ 19,981,486</u>

G. New Accounting Pronouncements

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 68, entitled *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As part of GASB 68 the City is required to record its net funded pension liability.

GASB also issued Statement No. 69, entitled *Government Combinations and Disposals of Government Operation*, and GASB Statement No. 70, entitled *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Both statements were adopted this fiscal year but had no effect on these accompanying financial statements.

The, GASB has issued Statement No. 72, entitled *Fair Value Measurement and Application*; Statement No. 73, entitled, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to certain Provisions of GASB Statements 67 and 68*; GASB Statement No. 74 entitled, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; GASB Statement No. 75, entitled, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; GASB Statement No. 76; entitled, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*; and GASB Statement No. 77; entitled, *Tax Abatement Disclosures, which will require adoption in the future, if applicable*. These statements may or will have a material effect on the City's financial statements once implemented. The City will be analyzing the effects of these pronouncements and plans to adopt them as applicable by their effective date.

City of Anna, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2016

H. Subsequent Events

On December 22, 2016, the City issued \$850,000 worth of general obligation refunding bonds. The bonds have an interest rate of 2% and a maturity date of February 15, 2027. In addition, on December 29, 2016, the CDC issued \$1,850,000 of sales tax revenue bonds.

In October of 2017, the City executed an interlocal agreement between Collin County and the City of Anna regarding the construction of trails at Natural Springs Park.

In November of 2017, the City executed an agreement with HD Supply Waterworks, Ltd. for the purchase and installation of Advanced Metering Infrastructure. The total budget for the project is approximately \$1.3 million, and is being funded through a 10-year lease-purchase.

There were no other material subsequent events through April 7, 2017, the date the financial statements were available to be issued.

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>2016 Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Property tax	\$ 3,238,907	\$ 3,240,489	\$ 3,314,026	\$ 73,537
Sales tax	700,000	750,000	771,155	21,155
Franchise and local taxes	420,000	451,000	447,498	(3,502)
Intergovernmental	205,499	196,595	193,420	(3,175)
Charges for services	95,700	95,700	110,166	14,466
Contributions and donations	17,000	173,577	99,456	(74,121)
License and permits	386,312	545,312	711,462	166,150
Fines and forfeitures	114,500	114,500	84,360	(30,140)
Investment income	12,000	12,000	19,967	7,967
Other revenue	53,310	61,906	77,116	15,210
Total Revenues	<u>5,243,228</u>	<u>5,641,079</u>	<u>5,828,626</u>	<u>187,547</u>
<u>Expenditures</u>				
Current:				
General government	1,123,237	1,133,258	1,116,696	16,562
Police department	1,527,568	1,608,810	1,565,068	43,742
Municipal court	120,124	136,954	110,420	26,534
Fire department	775,567	757,338	708,963	48,375
Ambulance	127,594	135,967	135,968	(1)
Park	335,275	335,275	265,825	69,450
Streets	492,032	492,032	539,049	(47,017)
Development and animal control	567,368	667,368	689,308	(21,940)
Capital outlay	180,463	306,463	203,873	102,590
Total Expenditures	<u>5,249,228</u>	<u>5,573,465</u>	<u>5,335,170</u>	<u>238,295</u>
Revenues Over (Under)	<u>(6,000)</u>	<u>67,614</u>	<u>493,456</u>	<u>425,842</u>
<u>Other Financing Sources (Uses)</u>				
Gain (loss) on sale of capital assets	6,000	14,000	17,054	3,054
Total Other Financing Sources (Uses)	<u>6,000</u>	<u>14,000</u>	<u>17,054</u>	<u>3,054</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 81,614</u>	<u>510,510</u>	<u>\$ 428,896</u>
Beginning fund balance			2,809,485	
Ending Fund Balance			<u>\$ 3,319,995</u>	

Notes to Required Supplementary Information

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

City of Anna, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ECONOMIC DEVELOPMENT CORPORATION For the Year Ended September 30, 2016

	Original Budget	Final Budget	2016 Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property tax	\$ 350,000	\$ 350,000	\$ 385,577	\$ 35,577
Charges for services	30,000	30,000	12,500	(17,500)
Investment income	2,500	2,500	3,986	1,486
Other revenue	-	-	47,030	47,030
Total Revenues	382,500	382,500	449,093	66,593
<u>Expenditures</u>				
Current:				
Community and economic developm	149,150	148,150	128,601	19,549
Debt Service:				
Principal	73,250	73,250	390,842	(317,592)
Interest and fiscal charges	16,900	16,900	4,667	12,233
Capital outlay	100,000	825,000	50,000	775,000
Total Expenditures	339,300	1,063,300	574,110	489,190
Revenues Over (Under)	43,200	(680,800)	(125,017)	555,783
<u>Other Financing Sources (Uses)</u>				
Gain (loss) on sale of capital	-	-	500,000	500,000
Total Other Financing Sources (Uses)	-	-	500,000	500,000
Net Change in Fund Balance	\$ 43,200	\$ (680,800)	374,983	\$ 1,055,783
Beginning fund balance			542,388	
Ending Fund Balance			\$ 917,371	

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

September 30, 2016

	2015	2014 ¹
Total pension liability		
Service cost	\$ 527,867	\$ 429,268
Interest	309,015	277,884
Changes in benefit terms	-	-
Differences between expected and actual experience	(110,141)	(173,824)
Changes of assumptions	19,349	-
Benefit payments, including refunds of participant	(109,637)	(166,160)
Net change in total pension liability	636,453	367,168
Total pension liability - beginning	4,205,380	3,838,212
Total pension liability - ending (a)	\$ 4,841,833	\$ 4,205,380
Plan fiduciary net position		
Contributions - employer	\$ 386,733	\$ 270,279
Contributions - members	194,478	170,293
Net investment income	4,915	165,488
Benefit payments, including refunds of participant	(109,637)	(166,160)
Administrative expenses	(2,992)	(1,727)
Other	(148)	(142)
Net change in plan fiduciary net position	473,349	438,031
Plan fiduciary net position - beginning	3,328,967	2,890,936
Plan fiduciary net position - ending (b)	\$ 3,802,316	\$ 3,328,967
Fund's net pension liability (asset) - ending (a) - (b)	\$ 1,039,517	\$ 876,413
Plan fiduciary net position as a percentage of the total pension liability	79%	79%
Covered employee payroll	\$ 2,778,260	\$ 2,432,756
Fund's net position as a percentage of covered employee	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

For the Year Ended September 30, 2016

	2016	2015 ¹
Actuarially determined employer contributions	\$ 444,631	\$ 353,170
Contributions in relation to the actuarially determined contribution	\$ 444,631	\$ 353,170
Contribution deficiency (excess)	\$ -	\$ -
Annual covered employee payroll	\$ 3,140,567	\$ 2,881,090
Employer contributions as a percentage of covered employee payroll	14.16%	12.26%

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.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

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	30 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.5% 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 There were no benefit changes during the year.

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

City of Anna, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2016

	Capital Projects Fund	Debt Service Fund	Community Development Corporation	Child Safety Fund
<u>Assets</u>				
Cash and cash equivalents	\$ 23,486	\$ 2,847	\$ 560,097	\$ 7,910
Receivables, net	-	11,891	114,450	-
Due from other funds	-	-	-	-
Total Assets	\$ 23,486	\$ 14,738	\$ 674,547	\$ 7,910
<u>Liabilities</u>				
Accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	598,423	-	-	-
Total Liabilities	598,423	-	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property tax	\$ -	\$ 11,890	\$ -	\$ -
Local business loans	-	-	41,851	-
Total Deferred Inflows of	-	11,890	41,851	-
<u>Fund Balances</u>				
Restricted for:				
Community development	\$ -	\$ -	\$ 632,696	\$ -
Debt service	-	2,848	-	-
Public safety	-	-	-	7,910
Municipal court	-	-	-	-
Capital projects	-	-	-	-
Unassigned	(574,937)	-	-	-
Total Fund Balances	(574,937)	2,848	632,696	7,910
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 23,486	\$ 14,738	\$ 674,547	\$ 7,910

Police Seizure Fund	Police Training Fund	Court Security Fund	Court Technology Fund	PEG Capital Fund
\$ 20,668	\$ 3,676	\$ 17,328	\$ 2,634	\$ 49,864
-	-	-	-	-
-	-	103	-	-
<u>\$ 20,668</u>	<u>\$ 3,676</u>	<u>\$ 17,431</u>	<u>\$ 2,634</u>	<u>\$ 49,864</u>
\$ 878	\$ -	\$ -	\$ -	\$ -
15,000	3,401	-	1,755	-
<u>15,878</u>	<u>3,401</u>	<u>-</u>	<u>1,755</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
4,790	275	-	-	-
-	-	17,431	879	-
-	-	-	-	49,864
-	-	-	-	-
<u>4,790</u>	<u>275</u>	<u>17,431</u>	<u>879</u>	<u>49,864</u>
<u>\$ 20,668</u>	<u>\$ 3,676</u>	<u>\$ 17,431</u>	<u>\$ 2,634</u>	<u>\$ 49,864</u>

City of Anna, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2016

	Park Construction Fund	Fire Dept. Capital Impr. Fund	Roadway Impact Fee SVC Area 1	Road Capital Dev. Agr. Fund
<u>Assets</u>				
Cash and cash equivalents	\$ 335,157	\$ 24,779	\$ 182,472	\$ 238,649
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 335,157	\$ 24,779	\$ 182,472	\$ 238,649
<u>Liabilities</u>				
Accrued liabilities	\$ -	\$ -	\$ -	\$ 130,201
Due to other funds	708	-	-	-
Total Liabilities	708	-	-	130,201
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property tax	\$ -	\$ -	\$ -	\$ -
Local Business Loans	-	-	-	-
Total Deferred Inflows of	-	-	-	-
<u>Fund Balances</u>				
Restricted for:				
Community development	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-
Public safety	-	24,779	-	-
Municipal court	-	-	-	-
Capital projects	334,449	-	182,472	108,448
Unassigned	-	-	-	-
Total Fund Balances	334,449	24,779	182,472	108,448
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 335,157	\$ 24,779	\$ 182,472	\$ 238,649

Total

\$	1,469,567
	126,341
	103
\$	<u>1,596,011</u>

\$	131,079
	619,287
	<u>750,366</u>

\$	11,890
	41,851
	<u>53,741</u>

\$	632,696
	2,848
	37,754
	18,310
	675,233
	<u>(574,937)</u>
	<u>791,904</u>

\$	<u>1,596,011</u>
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City of Anna, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended September 30, 2016

	Capital Projects Fund	Debt Service Fund	Community Development Corporation	Child Safety Fund
<u>Revenues</u>				
Property tax	\$ -	\$ 661,891	\$ -	\$ -
Sales tax	-	-	385,577	-
Contributions and donations	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	11,463
Investment income	559	1,070	2,894	30
Other revenue	-	-	20,000	-
Total Revenues	559	662,961	408,471	11,493
<u>Expenditures</u>				
Current:				
General government	500	-	136,877	-
Police department	-	-	-	-
Municipal court	-	-	-	7,500
Fire department	-	-	-	-
Park	-	-	-	-
Debt Service:				
Principal	-	307,000	82,000	-
Interest and fiscal charges	-	121,948	56,327	-
Capital outlay	708,715	-	58,816	-
Total Expenditures	709,215	428,948	334,020	7,500
Revenues Over Expenditures	(708,656)	234,013	74,451	3,993
<u>Other Financing Sources (Uses)</u>				
Transfers in	295,556	-	-	-
Transfers (out)	(2,863)	(187,000)	-	-
Total Other Financing (Uses)	292,693	(187,000)	-	-
Net Change in Fund Balances	(415,963)	47,013	74,451	3,993
Beginning fund balances	(158,974)	(44,165)	558,245	3,917
Ending Fund Balances	\$ (574,937)	\$ 2,848	\$ 632,696	\$ 7,910

Police Seizure Fund	Police Training Fund	Court Security Fund	Court Technology Fund	PEG Capital Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	9,781
725	-	2,384	3,182	-
108	17	85	16	-
-	1,400	-	-	-
<u>833</u>	<u>1,417</u>	<u>2,469</u>	<u>3,198</u>	<u>9,781</u>
-	-	-	-	-
-	3,471	-	-	-
-	-	-	6,730	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
15,000	-	-	-	-
<u>15,000</u>	<u>3,471</u>	<u>-</u>	<u>6,730</u>	<u>-</u>
(14,167)	(2,054)	2,469	(3,532)	9,781
2,863	-	-	-	-
-	-	-	-	-
<u>2,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(11,304)	(2,054)	2,469	(3,532)	9,781
16,094	2,329	14,962	4,411	40,083
<u>\$ 4,790</u>	<u>\$ 275</u>	<u>\$ 17,431</u>	<u>\$ 879</u>	<u>\$ 49,864</u>

City of Anna, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2016

	Park Construction Fund	Fire Dept. Capital Impr. Fund	Roadway Impact Fee SVC Area 1	Road Capital Dev. Agr. Fund
<u>Revenues</u>				
Property tax	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Contributions and donations	-	28,572	-	-
Charges for services	115,750	15,800	181,963	54,731
Fines and forfeitures	-	-	-	-
Investment income	1,579	385	509	611
Other revenue	-	-	-	-
Total Revenues	117,329	44,757	182,472	55,342
<u>Expenditures</u>				
Current:				
General government	-	-	-	-
Police department	-	-	-	-
Municipal court	-	-	-	-
Fire department	-	96,325	-	-
Park	2,713	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	58,041	-	-	-
Total Expenditures	60,754	96,325	-	-
Revenues Over Expenditures	56,575	(51,568)	182,472	55,342
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing (Uses)	-	-	-	-
Net Change in Fund Balances	56,575	(51,568)	182,472	55,342
Beginning fund balances	277,874	76,347	-	53,106
Ending Fund Balances	\$ 334,449	\$ 24,779	\$ 182,472	\$ 108,448

Total

\$ 661,891
385,577
28,572
378,025
17,754
7,863
21,400
1,501,082

137,377
3,471
14,230
96,325
2,713

389,000
178,275
840,572
1,661,963

(160,881)

298,419
(189,863)
108,556

(52,325)

844,229
\$ 791,904

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>2016 Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Property tax	\$ 649,228	\$ 649,228	\$ 661,891	\$ 12,663
Investment income	-	-	1,070	1,070
Total Revenues	<u>649,228</u>	<u>649,228</u>	<u>662,961</u>	<u>13,733</u>
<u>Expenditures</u>				
Debt Service:				
Principal	307,000	307,000	307,000	-
Interest and fiscal charges	123,000	123,000	121,948	1,052
Total Expenditures	<u>430,000</u>	<u>430,000</u>	<u>428,948</u>	<u>1,052</u>
Revenues Over (Under)	<u>219,228</u>	<u>219,228</u>	<u>234,013</u>	<u>14,785</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(219,228)	(219,228)	(187,000)	32,228
Total Other Financing Sources (Uses)	<u>(219,228)</u>	<u>(219,228)</u>	<u>(187,000)</u>	<u>32,228</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	47,013	<u>\$ 47,013</u>
Beginning fund balance			(44,165)	
Ending Fund Balance			<u>\$ 2,848</u>	

Notes to Required Supplementary Information

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

City of Anna, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT CORPORATION
For the Year Ended September 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>2016 Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Sales and use tax	\$ 350,000	\$ 350,000	\$ 385,577	\$ 35,577
Investment income	2,500	2,500	2,894	394
Other revenue	-	-	20,000	20,000
Total Revenues	<u>352,500</u>	<u>352,500</u>	<u>408,471</u>	<u>55,971</u>
Expenditures				
Current:				
General government	148,750	147,700	136,877	10,823
Debt Service:				
Principal	82,000	82,000	82,000	-
Interest and fiscal charges	56,400	56,400	56,327	73
Capital outlay	60,000	60,000	58,816	1,184
Total Expenditures	<u>347,150</u>	<u>346,100</u>	<u>334,020</u>	<u>12,080</u>
Revenues Over (Under)	<u>5,350</u>	<u>6,400</u>	<u>74,451</u>	<u>68,051</u>
Net Change in Fund Balance	<u>\$ 5,350</u>	<u>\$ 6,400</u>	74,451	<u>\$ 68,051</u>
Beginning fund balance			558,245	
Ending Fund Balance			<u>\$ 632,696</u>	

Notes to Required Supplementary Information

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

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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)

TABLE 1

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental activities										
Net investment in capital assets	\$ 13,466,866	\$ 13,288,789	\$ 12,463,939	\$ 11,698,639	\$ 10,749,210	\$ 11,048,398	\$ 10,763,659	\$ 10,579,536	\$ 10,198,800	\$ 8,668,047
Restricted	1,550,067	1,781,301	1,265,399	983,464	444,340	156,274	206,256	158,803	604,448	402,110
Unrestricted	3,052,331	2,073,139	2,272,911	2,427,826	2,338,621	2,636,598	2,611,930	2,825,502	1,796,309	3,292,893
Total governmental activities										
net position	<u>\$ 18,069,264</u>	<u>\$ 17,143,229</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>	<u>\$ 12,599,557</u>	<u>\$ 12,363,050</u>
Business-type activities										
Net investment in capital assets	\$ 12,787,858	\$ 9,150,846	\$ 7,161,432	\$ 9,228,796	\$ 11,584,537	\$ 11,657,252	\$ 10,990,672	\$ 9,915,584	\$ 12,322,711	\$ 8,753,370
Restricted	7,349,941	10,029,856	11,632,410	8,358,837	3,809,923	3,260,968	3,125,129	3,697,045	-	4,800,338
Unrestricted (Deficit)	762,189	595,738	642,688	1,470,698	1,233,119	1,352,162	485,641	1,091,949	2,194,182	734,658
Total business-type activities										
net position	<u>\$ 20,899,988</u>	<u>\$ 19,776,440</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>	<u>\$ 14,516,893</u>	<u>\$ 14,288,366</u>
Primary government										
Net investment in capital assets	\$ 26,254,724	\$ 22,439,635	\$ 19,625,371	\$ 20,927,435	\$ 22,333,747	\$ 22,705,650	\$ 21,754,331	\$ 20,495,120	\$ 22,521,511	\$ 17,421,417
Restricted	8,900,008	11,811,157	12,897,809	9,342,301	4,254,263	3,417,242	3,331,385	3,855,848	604,448	5,202,448
Unrestricted	3,814,520	2,668,877	2,915,599	3,898,524	3,571,740	3,988,760	3,097,571	3,917,451	3,990,491	4,027,551
Total primary government net										
position	<u>\$ 38,969,252</u>	<u>\$ 36,919,669</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>	<u>\$ 27,116,450</u>	<u>\$ 26,651,416</u>

Source: Comprehensive Annual Financial Report

City of Anna, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

TABLE 2

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities:										
General government	\$ 1,393,256	\$ 1,058,719	\$ 963,243	\$ 885,833	\$ 1,047,147	\$ 979,107	\$ 1,091,501	\$ 853,302	\$ 813,959	\$ 775,473
Culture and recreation	584,676	573,249	432,133	303,607	290,907	264,779	200,431	115,564	34,362	23,648
Community services	690,842	558,541	619,465	560,983	530,649	412,775	274,589	435,659	376,867	809,264
Public safety	2,727,997	2,511,931	2,272,660	2,278,515	1,841,980	1,802,720	1,563,583	1,345,561	1,125,141	947,241
Public works	1,261,514	1,053,123	954,932	940,941	888,763	853,980	880,894	823,856	746,413	741,121
Economic and Community Development	146,929	355,165	400,496	196,384	-	-	-	-	-	-
Interest on long-term debt	174,446	316,079	258,663	270,057	196,169	208,551	220,033	282,865	203,930	172,343
Total governmental activities expenses	6,979,660	6,426,807	5,901,592	5,436,320	4,795,615	4,521,912	4,231,031	3,856,807	3,300,672	3,469,090
Business-type activities:										
Water, sewer and sanitation	7,371,352	6,487,099	5,453,831	5,307,272	4,928,084	4,400,065	4,261,246	3,461,306	3,344,537	3,019,600
Total business-type activities expenses	7,371,352	6,487,099	5,453,831	5,307,272	4,928,084	4,400,065	4,261,246	3,461,306	3,344,537	3,019,600
Total primary government expenses	\$ 14,351,012	\$ 12,913,906	\$ 11,355,423	\$ 10,743,592	\$ 9,723,699	\$ 8,921,977	\$ 8,492,277	\$ 7,318,113	\$ 6,645,209	\$ 6,488,690
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 48,181	\$ 30,000	\$ 30,000	\$ 20,839	\$ 97,951	\$ 99,065	\$ 130,824	\$ 82,604	\$ 35,095	\$ 36,461
Culture and recreation	117,990	63,265	71,905	63,421	10,295	9,798	5,014	1,680	92,570	-
Public safety	768,988	218,973	183,533	194,379	69,200	84,134	4,542	3,340	17,129	-
Public works	129,914	-	-	-	-	-	-	-	491	-
Community services	236,694	748,212	772,501	839,349	743,906	278,051	126,728	182,559	201,053	349,107
Economic and Community Development	-	-	-	30,000	-	-	-	-	-	-
Operating grants and contributions	333,948	15,053	11,525	10,531	76,729	52,548	182,847	-	-	174,709
Capital grants and contributions	-	1,417,514	783,182	2,665,841	382,003	648,296	889,152	1,342,638	439,869	951,947
Total governmental activities program revenues	1,635,715	2,493,017	1,852,646	3,824,360	1,380,084	1,171,892	1,339,107	1,612,821	786,207	1,512,224
Business-type activities:										
Charges for services:										
Water, sewer and sanitation	7,523,193	6,194,327	5,980,176	5,573,401	4,880,931	4,329,000	3,653,989	3,505,376	2,949,574	2,476,783
Operating grants and contributions	-	-	-	-	-	-	-	-	291,620	-
Capital grants and contributions	776,416	755,508	486,155	484,704	-	1,233,559	-	109,028	250,000	402,480
Total business-type activities program revenues	8,299,609	6,949,835	6,466,331	6,058,105	4,880,931	5,562,559	3,653,989	3,614,404	3,491,194	2,879,263
Total primary government program revenues	\$ 9,935,324	\$ 9,442,852	\$ 8,318,977	\$ 9,882,465	\$ 6,261,015	\$ 6,734,451	\$ 4,993,096	\$ 5,227,225	\$ 4,277,401	\$ 4,391,487

City of Anna, Texas

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net (Expenses) Revenue										
Governmental activities	\$ (5,343,945)	\$ (3,933,790)	\$ (4,048,946)	\$ (1,611,960)	\$ (3,415,531)	\$ (3,350,020)	\$ (2,891,924)	\$ (2,243,986)	\$ (2,514,465)	\$ (1,956,866)
Business-type activities	928,257	462,736	1,012,500	750,833	(47,153)	1,162,494	(607,257)	153,098	146,657	(140,337)
Total primary government net expense	\$ (4,415,688)	\$ (3,471,054)	\$ (3,036,446)	\$ (861,127)	\$ (3,462,684)	\$ (2,187,526)	\$ (3,499,181)	\$ (2,090,888)	\$ (2,367,808)	\$ (2,097,203)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 3,973,028	\$ 3,322,054	\$ 2,807,140	\$ 2,483,857	\$ 2,392,504	\$ 2,418,445	\$ 2,407,914	\$ 2,247,895	\$ 2,076,426	\$ 1,537,396
Sales taxes	1,542,309	1,473,097	1,350,896	1,149,297	522,840	537,544	438,071	384,964	348,632	302,688
Franchise taxes	447,498	450,799	416,175	353,482	363,970	333,936	358,732	314,720	227,415	286,231
Investment earnings	31,816	23,685	22,295	39,256	25,939	26,484	15,981	19,409	98,499	206,707
Gain on sale of capital assets	-	39,160	11,960	-	3,339	-	-	4,326	-	-
Other revenue	166,773	316,688	140,596	39,399	162,422	135,518	56,029	66,239	-	188,279
Transfers	108,556	(649)	279,707	(1,489,156)	(364,582)	(59,138)	(366,799)	100,612	-	-
Total governmental activities	6,269,980	5,624,834	5,028,769	2,576,135	3,106,432	3,392,789	2,909,928	3,138,165	2,750,972	2,521,301
Business-type activities:										
Investment earnings	69,608	77,064	73,451	34,636	34,450	51,375	48,480	83,302	81,870	150,160
Gain on sale of capital assets	-	-	-	-	5,318	-	-	-	-	-
Other revenue	29,193	-	-	156,127	-	185,569	88,842	41,901	-	407,491
Transfers	(108,556)	649	(279,707)	1,489,156	364,582	59,138	366,799	(90,616)	-	-
Total business-type activities	(9,755)	77,713	(206,256)	1,679,919	404,350	296,082	504,121	34,587	81,870	557,651
Total primary government	\$ 6,260,225	\$ 5,702,547	\$ 4,822,513	\$ 4,256,054	\$ 3,510,782	\$ 3,688,871	\$ 3,414,049	\$ 3,172,752	\$ 2,832,842	\$ 3,078,952
Change in Net Position										
Governmental activities	\$ 926,035	\$ 1,691,044	\$ 979,823	\$ 964,175	\$ (309,099)	\$ 42,769	\$ 18,004	\$ 894,179	\$ 236,507	\$ 564,435
Business-type activities	918,502	540,449	806,244	2,430,752	357,197	1,458,576	(103,136)	187,685	228,527	417,314
Total primary government	\$ 1,844,537	\$ 2,231,493	\$ 1,786,067	\$ 3,394,927	\$ 48,098	\$ 1,501,345	\$ (85,132)	\$ 1,081,864	\$ 465,034	\$ 981,749

Source: Comprehensive Annual Financial Report

City of Anna, Texas

TABLE 3

FUND BALANCES OF GOVERNMENTAL FUNDS

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Restricted	\$ 19,580	\$ 523,192	\$ 394,002	\$ 232,160	\$ 356,686	\$ 156,274	\$ 206,256	\$ 105,464	\$ -	\$ 402,110
Committed	185,788	157,476	161,510	558,127	110,894	-	-	-	-	-
Assigned	-	-	144,175	-	-	52,383	-	-	88,840	37,122
Unassigned	3,114,627	2,617,940	2,351,029	1,830,457	2,178,670	2,097,832	2,016,980	1,859,827	1,706,011	1,536,058
Total general fund	<u>\$ 3,319,995</u>	<u>\$ 3,298,608</u>	<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>	<u>\$ 1,794,851</u>	<u>\$ 1,975,290</u>
All Other Governmental Funds										
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,340	\$ 515,608	\$ -
Unassigned	(574,937)	(203,139)	(371,273)	(87,717)	-	-	241,216	824,211	-	1,629,895
Nonspendable	-	-	35,642	88,353	-	-	-	-	-	-
Restricted	2,284,212	1,100,633	871,397	662,951	87,654	315,321	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,709,275</u>	<u>\$ 897,494</u>	<u>\$ 535,766</u>	<u>\$ 663,587</u>	<u>\$ 87,654</u>	<u>\$ 315,321</u>	<u>\$ 241,216</u>	<u>\$ 877,551</u>	<u>\$ 515,608</u>	<u>\$ 1,629,895</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

City of Anna, Texas

TABLE 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Taxes	\$ 5,965,724	\$ 5,241,413	\$ 4,571,535	\$ 3,999,758	\$ 3,282,978	\$ 3,276,278	\$ 3,194,899	\$ 2,964,443	\$ 2,614,335	\$ 2,130,736
Licenses, permits, and fees	711,462	748,212	772,501	839,349	743,906	278,051	126,728	182,559	201,053	427,957
Charges for services	488,191	158,491	166,242	139,646	82,834	93,932	9,556	19,770	109,699	-
Fines and forfeitures	102,114	115,027	100,055	133,018	98,446	87,877	122,947	74,727	35,095	55,841
Intergovernmental	193,420	114,200	106,600	1,463,430	126,900	91,400	51,650	629,000	60,000	-
Investment earnings	31,816	23,685	22,295	39,256	25,939	26,484	15,981	19,409	98,499	206,707
Other revenues	145,546	126,393	122,579	74,738	35,522	44,119	56,029	52,990	9,771	89,052
Contributions	140,528	135,949	29,085	674,398	458,732	290,908	747,733	278,304	370,589	246,709
Total Revenues	7,778,801	6,663,370	5,890,892	7,363,593	4,855,257	4,189,049	4,325,523	4,221,202	3,499,041	3,157,002
Expenditures										
Current:										
General government	1,378,723	1,181,679	1,048,004	967,299	985,070	957,021	950,697	831,308	791,683	758,425
Culture and recreation	268,538	246,808	196,502	120,030	116,883	101,444	61,852	33,120	21,472	19,632
Community services and development	817,909	896,419	1,001,631	737,119	529,080	411,206	271,639	432,709	365,015	798,343
Public safety	2,509,795	2,182,617	1,951,681	1,964,502	1,669,196	1,612,809	1,451,188	1,236,453	1,086,983	869,147
Public works	539,049	200,188	170,830	201,294	163,518	155,894	203,484	148,781	129,305	113,884
Debt Service:										
Principal retirement	779,842	466,776	415,662	430,877	327,914	323,737	298,576	248,889	222,126	235,572
Interest and fiscal changes	182,942	200,331	259,080	271,485	204,552	200,071	232,044	271,559	201,311	109,502
Bond issuance costs	-	38,350	-	-	-	-	-	-	-	-
Capital outlay	1,094,445	755,535	837,018	2,917,945	382,368	610,853	938,213	1,653,430	2,016,272	2,149,919
Total Expenditures	7,571,243	6,168,703	5,880,408	7,610,551	4,378,581	4,373,035	4,407,693	4,856,249	4,834,167	5,054,424
Excess of Revenues Over (Under) Expenditures	207,558	494,667	10,484	(246,958)	476,676	(183,986)	(82,170)	(635,047)	(1,335,126)	(1,897,422)
Other financing sources (uses)										
Transfers in	298,419	335,134	316,507	1,755,532	213,753	107,636	186,338	100,612	-	-
Transfers (out)	(189,863)	(335,783)	(36,800)	(3,244,688)	(578,335)	(166,774)	(553,138)	-	-	-
Sale of capital assets	517,054	65,000	11,960	-	-	-	-	4,326	-	-
Debt issuance	-	1,462,000	-	-	-	360,000	-	992,988	-	1,392,296
Premium on debt issuance	-	-	-	-	-	-	-	-	-	-
Lease issuance	-	-	-	-	-	-	70,578	-	40,400	-
Payments to escrow agent	-	(1,411,398)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	625,610	114,953	291,667	(1,489,156)	(364,582)	300,862	(296,222)	1,097,926	40,400	1,392,296
Net Change in Fund Balances	\$ 833,168	\$ 609,620	\$ 302,151	\$ (1,736,114)	\$ 112,094	\$ 116,876	\$ (378,392)	\$ 462,879	\$ (1,294,726)	\$ (505,126)
Debt service as percentage of noncapital expenditures	15.3%	12.3%	13.4%	15.0%	13.3%	13.9%	15.3%	16.2%	15.0%	11.9%

Source: Comprehensive Annual Financial Report

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			
2007	\$ 312,831,457	\$ 8,119,296	\$ 38,856,151	282,094,602	\$ 0.52500
2008	408,346,267	9,887,344	70,309,450	347,924,161	0.57500
2009	447,284,476	11,461,340	86,568,085	372,177,731	0.57500
2010	436,007,556	14,428,711	82,726,997	367,709,270	0.62273
2011	407,581,891	14,570,908	75,476,975	346,675,824	0.65033
2012	425,607,280	14,755,531	95,551,181	344,811,630	0.65033
2013	437,570,730	16,954,243	97,610,313	356,914,660	0.65033
2014	493,029,399	21,674,172	105,197,109	409,506,462	0.65033
2015	581,986,539	23,629,092	161,737,651	443,877,980	0.64900
2016	682,809,945	27,290,010	236,173,968	473,925,987	0.63900

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
2007	\$ 0.43860	\$ 0.08630	\$ 0.52500	0.00000	0.24500	0.08768	0.33268
2008	0.46680	0.10820	0.57500	1.48148	0.24500	0.08698	1.81346
2009	0.47946	0.09554	0.57500	1.54005	0.24250	0.08649	1.86904
2010	0.52994	0.09279	0.62273	1.54005	0.24250	0.08630	1.86885
2011	0.55423	0.09611	0.65033	1.54000	0.24200	0.08630	1.86830
2012	0.55938	0.09096	0.65033	1.54000	0.24000	0.08630	1.86630
2013	0.55937	0.09097	0.65033	1.54000	0.24000	0.08630	1.86630
2014	0.55937	0.09097	0.65033	1.54000	0.23750	0.08364	1.86114
2015	0.54583	0.10317	0.64900	1.54000	0.23500	0.08196	1.85696
2016	0.53234	0.10666	0.63900	1.67000	0.22500	0.08196	1.97696

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

TABLE 7

PRINCIPAL PROPERTY TAX PAYERS

Current and Nine Years Ago (Unaudited)

Taxpayer	2016		Taxpayer	2007	
	Taxable Assessed Valuation	Percentage of Total City Assessed Valuation ^a		Taxable Assessed Valuation	Percentage of Total City Assessed Valuation ^b
Bloomfield Homes LP	\$ 9,637,502	2.03%	RH of Texas LP	\$ 5,139,558	1.82%
Brookshire Grocery Company	5,998,971	1.27%	Anna West/2004 LTD	4,880,960	1.40%
Wal-Mart Real Estate Business Trust	4,254,767	0.90%	HLL Land Acquisitions of Texas LP	3,577,275	0.96%
Anna Eagle Retail LP	4,084,441	0.86%	Sahi-Antoinne LLC	3,572,321	0.97%
PTCAA Texas LP	4,051,818	0.85%	Pecan Grove Lot Vendure IV	2,837,160	0.82%
ECC CV Anna TX LLC	3,709,363	0.78%	MHI Parterneship LTD	2,495,357	0.72%
Lennar Homes of Texas Land and					
Construction LTD	3,373,260	0.71%	Southern Arcaidia Inc.	2,365,402	0.66%
Burnco Texas LLC	2,736,250	0.58%	170 Sweetwater Crossing LLP	2,003,917	0.49%
Hwy 75/Anna Property LP	2,696,507	0.57%	Love's Country Stores Inc.	2,011,117	0.45%
Windmill Self Storage LP	2,539,701	0.54%	Hwy 75/Anna Property LP	1,994,316	0.42%
Total	\$ 43,082,580	9.09%		\$ 30,877,383	8.73%

Source: Collin County Tax Collector

Notes: ^aTaxpayers are assessed on January 1, 2015 (2015 tax year) for the 2016 fiscal year.

^bTaxpayers are assessed on January 1, 2006 (2006 tax year) for the 2007 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
2007	\$ 1,541,817	\$ 1,488,226	96.5%	\$ 53,591	1,541,817	100.0%
2008	2,015,950	1,975,091	98.0%	32,997	2,008,088	99.6%
2009	2,207,626	2,180,429	98.8%	25,963	2,206,392	99.9%
2010	2,354,888	2,310,499	98.1%	42,669	2,353,168	99.9%
2011	2,374,491	2,330,562	98.1%	41,492	2,372,054	99.9%
2012	2,360,508	2,314,801	98.1%	38,924	2,353,725	99.7%
2013	2,449,009	2,420,674	98.8%	19,550	2,440,224	99.6%
2014	2,801,012	2,771,670	99.0%	18,804	2,790,474	99.6%
2015	3,315,665	3,290,905	99.3%	15,558	3,306,463	99.7%
2016	3,904,576	3,881,905	99.4%	-	3,881,905	99.4%

Source: Collin County Tax Assessor

City of Anna, Texas

TABLE 9

RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities			Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation	Other Obligation ^a	Waterworks & Sewer System Revenue Bonds	Combination Tax & Revenue Bonds & Certificates	Contract Revenue Bonds	General Obligation Bonds	Other Obligation			
2007	\$ 370,000	\$ 3,900,000	\$ 205,033	\$ 32,000	\$ -	\$ 13,270,000	\$ 41,000	\$ -	\$ 17,818,033	N/A	2,694
2008	350,000	3,735,000	208,307	28,000	-	20,262,500	37,000	-	24,620,807	N/A	3,403
2009	330,000	4,465,000	265,785	24,000	4,165,000	16,033,750	33,000	79,532	25,316,535	N/A	3,235
2010	310,000	4,280,000	228,916	19,500	4,140,000	15,746,250	29,000	63,372	24,753,666	N/A	3,056
2011	290,000	4,435,000	979,759	15,000	4,115,000	15,428,750	24,500	46,382	25,288,009	12.98%	3,047
2012	270,000	4,215,000	2,686,726	10,000	4,090,000	15,086,250	20,000	28,526	26,377,976	13.36%	3,074
2013	250,000	3,985,000	2,513,847	5,000	8,275,000	14,698,750	15,000	9,747	29,742,597	13.30%	3,178
2014	230,000	3,755,000	2,354,618	-	12,430,000	14,201,250	10,000	-	32,980,868	12.58%	3,187
2015	1,615,000	2,165,000	2,204,882	-	12,561,000	13,675,000	5,000	-	32,225,882	11.77%	2,935
2016	1,563,000	1,910,000	1,732,000	-	12,359,000	13,137,493	-	-	30,701,493	10.86%	2,712

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

^aOther Obligations include Notes Payable and CDC 4B Corporate Sales Tax Debt

City of Anna, Texas

TABLE 10

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

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Percentage of Actual Taxable Value ¹ of Property	Per Capita ²
2007	\$ 370,000	\$ 3,900,000	\$ 4,270,000	0.0015%	646
2008	350,000	3,735,000	4,085,000	0.0012%	565
2009	330,000	4,465,000	4,795,000	0.0013%	613
2010	310,000	4,280,000	4,590,000	0.0012%	567
2011	290,000	4,435,000	4,725,000	0.0014%	569
2012	270,000	4,215,000	4,485,000	0.0013%	523
2013	250,000	3,985,000	4,235,000	0.0012%	452
2014	230,000	3,755,000	3,985,000	0.0010%	385
2015	1,615,000	2,165,000	3,780,000	0.0009%	344
2016	1,563,000	1,910,000	3,473,000	0.0007%	307

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, 2016 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Collin County	\$ 395,590,000	0.65%	\$ 2,571,335
Collin College	16,910,000	0.65%	109,915
Anna ISD	121,220,024	77.42%	93,848,543
Subtotal, overlapping debt			96,529,793
City of Anna	5,205,000	100%	5,205,000
Total direct and overlapping debt			\$ 101,734,793

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 the 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		
2007	\$ 3,034,434	\$ 1,977,642	\$ 1,056,792	\$ 187,000	\$ 152,378	3.11	
2008	3,573,064	2,074,362	1,498,702	341,750	166,916	2.95	
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	7,621,994	4,752,125	2,869,869	745,750	1,053,693	1.59	

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
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years (Unaudited)

TABLE 13

Fiscal Year	Population¹	Personal Income	Per Capita⁴ Personal Income	School Enrollment³	Unemployment Rate²
2007	6,614	N/A	N/A	N/A	4.1%
2008	7,236	N/A	N/A	N/A	4.7%
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%

- Sources: ¹City of Anna Budget Document
²State Department of Labor and homefacts.com
³Anna Independent School District
⁴U. S. Census Bureau American Fact Finder

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

TABLE 14

PRINCIPAL EMPLOYERS

Current and Nine Years Ago (Unaudited)

Employer	2016			2007	
	No. Employees	Percent of Total City Employment		No. Employees ¹	Percent of Total City Employment
Anna ISD	333	18.55%	Anna ISD	N/A	N/A
Pate Rehab	162	9.03%	Pate Rehab	N/A	N/A
Brookshire's	118	6.57%	Bronco	N/A	N/A
Bronco	68	3.79%	City of Anna	N/A	N/A
City of Anna	56	3.12%	Wells McCoy	N/A	N/A
Hurricane Creek County Club	45	2.51%	Pilot Truck Stop	N/A	N/A
Loves Travel Stop	45	2.51%	Loves Travel Stop	N/A	N/A
McDonalds	40	2.23%	Sonic	N/A	N/A
Tri-County Vet	31	1.73%	Independent Bank	N/A	N/A
Wells McCoy	26	1.45%	Texas Star Bank	N/A	N/A
Total	924			-	

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

Note: Data not available for 2007 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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government and Administration	13.5	13.5	12.5	12.5	13.5	12.5	12.5	12.5	12.5	11.0
Public Safety	22.0	21.0	18.0	18.0	16.0	16.0	16.0	14.0	13.5	13.5
Public Works	7.0	4.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Culture and Recreation	4.0	2.0	3.0	1.0	2.0	2.0	2.0	1.0	-	-
Water and Sewer	8.0	10.0	12.0	10.0	10.0	9.0	9.0	9.0	9.0	9.0
Community Development	3.0	3.0	3.0	2.0	2.0	3.0	3.0	2.5	2.5	1.5
Economic Development	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	-
Total all governmental funds	58.0	54.0	50.0	45.0	45.0	44.0	44.0	40.5	39.0	36.0

Source: Finance and Human Resources Department

City of Anna, Texas

TABLE 16

OPERATING INDICATORS BY FUNCTIONS/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government										
Building permits issued-residential	324	277	29	305	351	100	26	30	91	-
Building permits issued-commerical	13	14	8	-	13	15	10	7	1	-
Building inspections conducted	9474	7493	12584	10566	8604	3310	1183	1086	2645	
Public Safety										
Police:										
Physical arrests	327	303	208	197	187	164	119	165	102	117
Accidents	262	264	182	155	139	129	121	137		
Traffic violations	3,913	4,077	3,491	2,539	3,694	2,342	2,069	1,942	1,044	936
Fire:										
Emergency responses	1,234	1,256	1,065	1,070	1,021	1,066	855	790	749	588
Fires extinguished	79	62	43	41	99	33	59	68	72	20
Inspections	115	107	79	77	55	34	37	21	20	19
Highways and streets										
Street resurfacing (miles)	1	-	-	-	-	-	-	-	-	-
Potholes repaired	3,900	1,600	-	-	-	-	-	-	-	-
Recreation										
Reservations issued	53	59	17	-	-	-	-	-	-	-
Waster and Sewer										
Number of Active Accounts	4935	4,596	4,423	4,166	3,720	3,104	N/A	N/A	N/A	N/A
Average daily consumption (gallons)	1,007,258	1,115,682	1,061,013	772,487	1,200,000	1,093,365	N/A	N/A	N/A	N/A

Source: City departments

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

City of Anna, Texas

TABLE 17

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	9	9	7	7	6	6	6	5	5	5
Number of fire stations	1	1	1	1	1	1	1	1	1	1
Streets and Grounds										
Streets (miles)	50	-	-	-	-	-	-	-	-	-
Streetlights	570	-	-	-	-	-	-	-	-	-
Traffic signals	1	-	-	-	-	-	-	-	-	-
Recreation										
Acreage	197.06	179.67	177.09	177.09	177.09	177.09	177.09	-	-	-
Playgrounds	2	2	2	2	2	2	2	-	-	-
Baseball/softball diamonds	7	7	7	7	5	5	5	-	-	-
Water and Sewer										
Water mains	55	-	-	-	-	-	-	-	-	-
Fire hydrants	607	-	-	-	-	-	-	-	-	-
Sanitary Sewer (miles)	50	-	-	-	-	-	-	-	-	-
Storage capacity (millions of gallons)	3	-	-	-	-	-	-	-	-	-
Wastewater										
Treatment capacity	9.1	-	-	-	-	-	-	-	-	-
Sanitary sewer (miles)	50	-	-	-	-	-	-	-	-	-
Storm sewers (miles)	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.