Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2021

The City of Anna
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THE CITY OF Anna

THE CITY OF

Anna

City of Anna, Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2021

Prepared by

The Finance Department

THE CITY OF

Anna

City of Anna, Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2021
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Introductory Section

THE CITY OF
Anna

THE CITY OF
Anna

April 29, 2022

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

The Annual Comprehensive Financial Report (ACFR) of the City of Anna, Texas, for the fiscal year ended September 30, 2021 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, 2021.

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

The City of Anna's financial statements have been audited by Weaver and Tidwell, L.L.P., 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, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the City

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 17,814 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 statue 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 currently has 117.4 budgeted full-time equivalent positions.

The annual budget serves as the foundation for the City of Anna's financial planning and control. All departments of the City of Anna are required to submit a budget that would maintain current services and new requests for appropriations separately to the City Manager. The City Manager and Finance Director then use these requests as the starting point for developing a proposed budget. The City Manager and Finance Director then presents a proposed budget to Council for review no later than August 15th. The Council is required to hold public hearings on the proposed budget and to adopt the final budget no later than September 20th.

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

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

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Anna operates.

Local Economy

The City of Anna's economic outlook continues to improve due to the overall improvement in the economy and continued residential and commercial growth. This is evidenced by local economic indicators such as a significant increase in tax appraisal values, the increase in residential building permits, and continued sales tax growth. Residential construction activity remains strong in the City of Anna. In FY 2021, the City received 1,125 single family building permit applications. In addition, Starbucks, Whataburger, Chick-fil-a, Salsa Tex Mex, Sunview Café, a surgery center, and a free-standing emergency room opened in FY 2020.

The Anna Economic Development Corporation (EDC) works in cooperation with the Community Development Corporation to coordinate efforts that expand the city's business tax base with a focus on creating primary jobs within the City of Anna. The corporations have provided incentives that resulted in much of the retail development that has occurred in Anna since 2008. The EDC was instrumental in recruiting Brookshires Grocery Company, CVS pharmacy, McDonalds, and Walmart. The EDC owns and operates Inc-Cube, a small business incubator located in our downtown. The corporations cooperatively purchased an 85-acre tract of land at the northeast corner of State Highway 5 and the Collin County Outer Loop with the intent of developing a business park.

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

Long –Term Financial Planning

The City's fund balance/operating position concept continues to be an important factor in policy decisions. The City's Financial Policy states that the City's target unassigned fund balance is an amount equal or greater than 40% of annual general fund operating expenditures. The City's ending unassigned fund balance for fiscal year 2021 reflected a fund balance of 50.0% 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 2020-21 fiscal year, the City of Anna had a number of major projects in progress. The City Council and City staff continue to work to ensure completion of ongoing projects that will provide infrastructure improvements to the City of Anna. During 2020-21, 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. City staff has been holding quarterly meetings with TXDOT to discuss transportation needs throughout the City. The City also continues to use developer incentives/agreements to improve other critical roadways within the City.

In FY 2021, the City issued $8.56 million in general obligation bonds to construct new City facilities. Additional City facilities are needed in order to continue to expand, provide quality services to the citizens, as approved by the voters in a May 2021 bond referendum. The new fire station will be built on the west side of US-75 to serve new residential and commercial growth on that side of the freeway. A new library/community center will be constructed as part of the municipal campus adjacent to City Hall and Fire Station #1 to help anchor the new downtown. This was accomplished while decreasing the overall tax rate for FY 2022. The debt service portion of the tax rate was set at 0.116869 and the operations and maintenance portion of the tax rates was reduced from 0.467053 down to 0.452631. This reduction in the property tax rate was accomplished through planning, a sound financial plan, and growth in the overall property tax base. The City continues to be less reliant on residential property taxes as sales tax revenues continue to increase and the City broadens its commercial tax base.

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

Other Information

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

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

Internal Control: Management of the City is responsible for establishing and maintaining an internal control structure. This structure is designed to provide reasonable, but not absolute, assurance that: (1) City assets are protected from loss, theft or misuse; and (2) City financial records and data are accurate and reliable. The concept of reasonable assurance recognizes that

the cost of a control should not exceed the benefits likely to be derived from it, and that the evaluation of cost and benefits requires estimates and judgments by management.

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

Acknowledgements

The presentation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and all department head directors. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. We would also like to thank the Mayor and the City Council for their continued interest and support for maintaining the highest standards of professionalism in the management of the City of Anna financial operations.

Furthermore, the work of the independent auditors from Weaver and Tidwell, L.L.P., is greatly appreciated.

Respectfully submitted,

Alan Guard
Finance Director

CITY OF ANNA
ORGANIZATION CHART

City of Anna, Texas
Elected Officials and Management
September 30, 2021

City Council

Nate Pike	Mayor
Kevin Toten	Place 1
Josh Vollmer	Place 2 – Deputy Mayor Pro-Tem
Stan Carver II	Place 3
Randy Atchley	Place 4
Danny Ussery	Place 5
Lee Miller	Place 6 - Mayor Pro-Tem

Management

Jim Proce, ICMA-CM	City Manager
Ryan Henderson	Assistant City Manager
Clark McCoy	City Attorney
Carrie Land	City Secretary
Alan Guard	Finance Director
Terri Doby	Budget Manager
Dean Habel	Chief of Police
Ray Isom	Fire Chief
Greg Peters, PE	Director of Public Works
Ross Altobelli	Director of Development Services
Stephanie Beitelschies	Director of Human Resources
Joey Grisham	Economic Development Director
Marc Marchand	Director of Neighborhood Services

THE CITY OF
Anna

Financial Section

THE CITY OF
Anna

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Assurance • Tax • Advisory

Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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

Opinions

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

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. Beginning net position in the custodial fiduciary fund has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to his matter.

Other Matters

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

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Statistical Section and Combining and Individual Fund Statements and Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
April 29, 2022

THE CITY OF
Anna

Management's Discussion and Analysis

As management of the City of Anna, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. 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 $169,078,503 at September 30, 2021. Of this, $19,662,107(unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.

- The City had an overall increase in net position of $49,477,530. The increase is primarily a result of $30,267,739 of capital grants and contributions.

- On a government-wide basis, the City's total liabilities increased by $9,438,482. The increase in liabilities is primarily a result of current year bond issuances.

- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of $44,425,943 an increase of $5,310,452. This increase is largely due to an increase in bond funds.

- As of the end of the year, the unassigned fund balance of the General Fund was $6,545,930 or 50% of total General Fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

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

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

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

The City adopts an annual appropriated budget for its General Fund and Debt Service Fund. General Fund budget amendments increased revenue by $804,100 and expenditures by $1,304,567. The increase in revenues was related to re-estimates for sales taxes and license and permit fees due to greater than expected performance during the pandemic. The increase in expenditures was primarily due to increased public safety costs associated with the response to the pandemic.

Proprietary Funds

The City's proprietary fund is an 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 this fund, 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 Fund, which is considered to be a major fund of the City.

Fiduciary Funds

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

Component Units

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

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the General Fund, schedule of changes in the net pension liability and related ratios, schedule of employer contributions for the Texas Municipal Retirement System (TMRS), schedule of changes in the Total OPEB liability and related ratios, and schedule of OPEB contributions for TMRS. Because the City did not budget for the major special revenue fund, Grant Fund, there is not a budget in RSI related to it. RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Anna, net position was $169,078,503 as of September 30, 2021, in the primary government.

The largest portion of the City's net position, $107,375,751, 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:

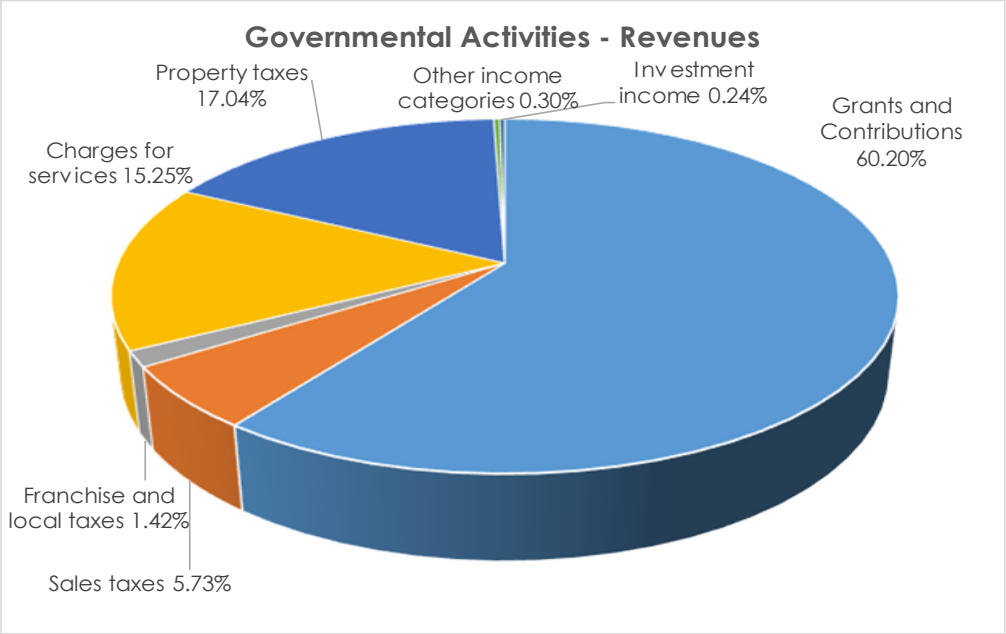
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	$ 22,367,483	$ 16,629,369	$ 8,101,636	$ 7,454,522	$ 30,469,119	$ 24,083,891
Restricted assets	31,159,401	27,731,974	23,680,099	13,578,283	54,839,500	41,310,257
Capital assets, net	96,862,712	62,282,553	63,059,041	56,968,521	159,921,753	119,251,074
Total assets	150,389,596	106,643,896	94,840,776	78,001,326	245,230,372	184,645,222
Deferred outflows of resources	923,867	799,800	325,312	316,144	1,249,179	1,115,944
Current liabilities	7,334,140	5,318,463	2,533,418	2,513,461	9,867,558	7,831,924
Noncurrent liabilities	44,094,467	35,812,494	21,299,860	22,178,985	65,394,327	57,991,479
Total liabilities	51,428,607	41,130,957	23,833,278	24,692,446	75,261,885	65,823,403
Deferred inflows of resources	2,079,606	265,350	59,557	71,440	2,139,163	336,790
Net position:						
Net investment in capital assets	65,539,991	49,605,921	41,835,760	35,210,562	107,375,751	84,816,483
Restricted	18,360,546	7,417,666	23,680,099	13,578,283	42,040,645	20,995,949
Unrestricted	13,904,713	9,023,802	5,757,394	4,764,739	19,662,107	13,788,541
Total net position	$ 97,805,250	$ 66,047,389	$ 71,273,253	$ 53,553,584	$ 169,078,503	$ 119,600,973

Statement of Activities:

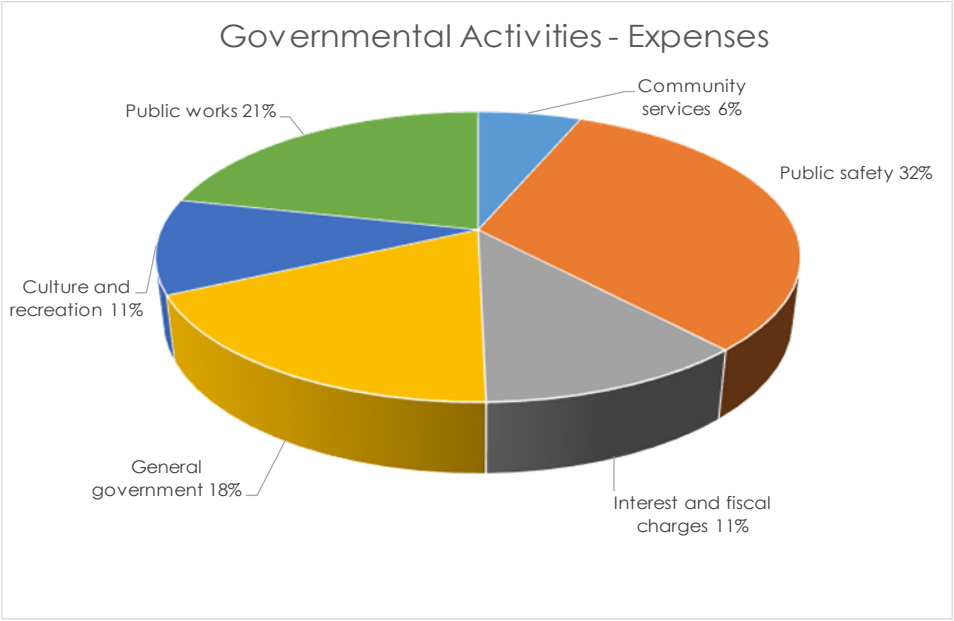
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	$ 7,799,632	$ 5,271,759	$ 23,356,512	$ 15,852,302	$ 31,156,144	$ 21,124,061
Operating grants and contributions	527,376	616,207	-	-	527,376	616,207
Capital grants and contributions	30,267,739	13,181,867	7,732,066	6,716,462	37,999,805	19,898,329
General revenues:						
Property taxes	8,714,860	7,929,530	-	-	8,714,860	7,929,530
Sales taxes	2,929,876	2,271,318	-	-	2,929,876	2,271,318
Franchise and local taxes	726,006	657,331	-	-	726,006	657,331
Investment income	123,643	568,920	93,145	175,248	216,788	744,168
Other revenue	62,859	70,560	-	-	62,859	70,560
Gain on sale of assets	-	20,111	-	-	-	20,111
Total revenues	51,151,991	30,587,603	31,181,723	22,744,012	82,333,714	53,331,615
Expenses:						
General government	3,538,746	2,669,302	-	-	3,538,746	2,669,302
Public safety	6,221,473	5,074,735	-	-	6,221,473	5,074,735
Culture and recreation	2,053,933	1,172,862	-	-	2,053,933	1,172,862
Public works	4,169,132	3,176,361	-	-	4,169,132	3,176,361
Community services	1,198,530	1,280,415	-	-	1,198,530	1,280,415
Interest and fiscal charges	2,212,316	1,258,204	-	-	2,212,316	1,258,204
Water, sewer, & sanitation	-	-	13,462,054	11,152,513	13,462,054	11,152,513
Total expenses	19,394,130	14,631,879	13,462,054	11,152,513	32,856,184	25,784,392
Change in net position before transfers	31,757,861	15,955,724	17,719,669	11,591,499	49,477,530	27,547,223
Transfers	-	(326,387)	-	326,387	-	-
Total transfers	-	(326,387)	-	326,387	-	-
Change in net position	31,757,861	15,629,337	17,719,669	11,917,886	49,477,530	27,547,223
Net position, beginning	66,047,389	50,418,052	53,553,584	41,635,698	119,600,973	92,053,750
Net position, ending	$ 97,805,250	$ 66,047,389	$ 71,273,253	$ 53,553,584	$ 169,078,503	$ 119,600,973

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



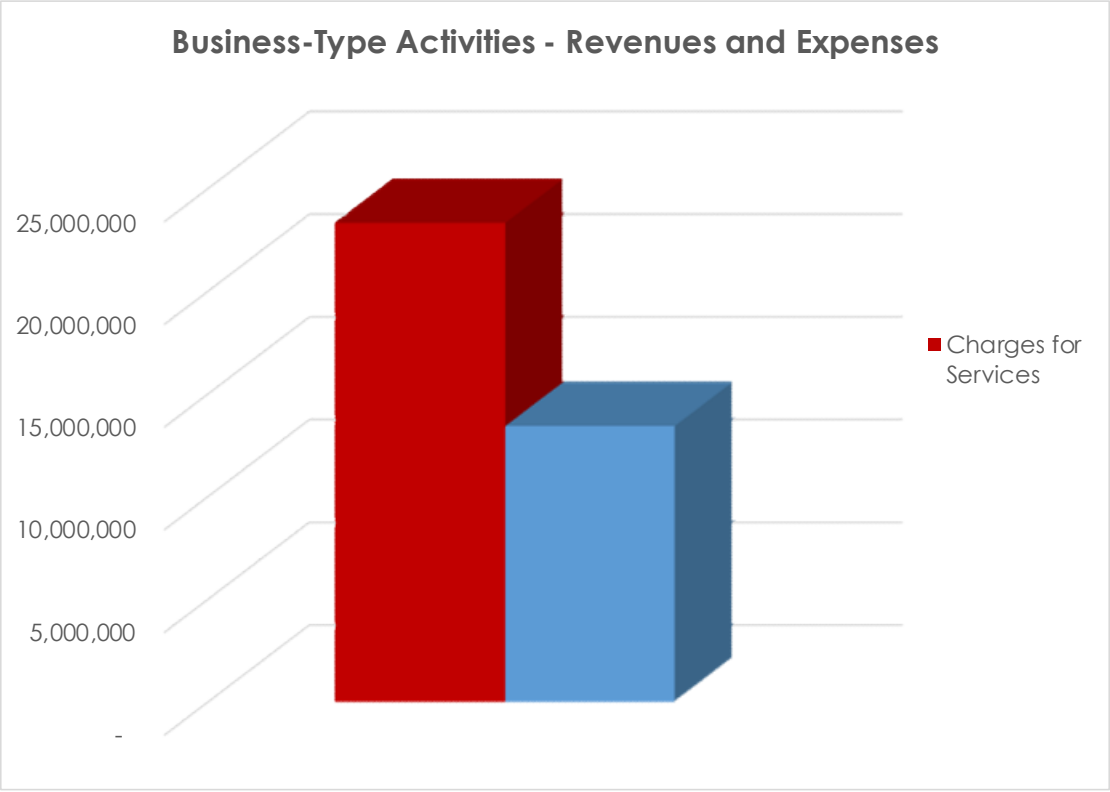
For the year ended September 30, 2021, revenues from governmental activities totaled $51,151,991. Capital grants and contributions, property taxes, and charges for services are the City's largest revenue sources. Capital grants and contributions increased by $17,085,872 or 130% when compared to prior year mainly due to an increase in contributed capital relating to streets and drainage. Property taxes increased by $785,330 or 10% due to an increase in overall assessed property values. Charges for services increased by $2,527,873 or 48% mainly due to an increase in building permit activity, and water and sewer sales. The following graph shows the governmental function expenses of the City:



For the year ended September 30, 2021, expenses for governmental activities totaled $19,394,130. This represents an increase of $4,762,251 or 33% from the prior year. The City's largest increase was in public safety and totaled $1,146,738 or 23%, due to costs associated with increased staffing in Police and Fire to address increased calls for service and ramping up to become the primary ambulance provider in the city.

Interest and fiscal charges increased $954,112, or 76%, due to current year special assessment bond issuances and increased interest payments on bonds payable.

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



For the year ended September 30, 2021, charges for services by business-type activities totaled $23,356,512. This is an increase of $7,504,210 or 47% from the previous year. This increase in revenues is directly related to an increase in water and sewer rates (10.00%) and an increase of more than 1000 new customers. Expenses totaled $13,462,054, which was an increase of $2,309,541, or 21% due to increase purchases of sewer service from the North Texas Municipal Water District (NTMWD), and water purchases from the Greater Texoma Utility Authority (GTUA). In addition, the Public Works Department continued to make progress on several I&I projects during FY 2021 to aid in resolving that issue. The City will continue to complete I&I projects in FY 2022 in order to minimize the amount of rainfall the City is treating through the City's sewer system.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of September 30, 2021, the General Fund reflected a total fund balance of $6,572,245. Of this, $13,354 is considered restricted for parks. Unassigned fund balance totaled $6,545,930 as of year-end. The General Fund saw a significant increase in property taxes when compared to the prior year. This directly relates to the addition of new properties to the tax roll, as well as an increase in property values.

The Capital Projects Fund had an ending fund balance of $19,436,401 at year-end or a decrease of $5,701,209 due to an increase in payments for current capital projects, primarily the new fire station and City Hall.

The Debt Service Fund had an ending fund balance of $70,105 at year-end for a decrease of $78,334 due primarily to net decrease in property tax revenue.

The PID Capital Projects Fund had an ending fund balance of $12,677,883 at year-end, an increase of $10,110,541 from the previous year. The increase in fund balance was primarily due to an increase in the number of PIDS and PID fees paid in the current year.

The Grant Fund had an ending fund balance of $449 at year-end, an increase of $449 from the previous year.

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

CAPITAL ASSETS

As of the end of the year, the City's governmental activities had invested $96,862,712 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities had invested $63,059,041 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Construction in progress for the Municipal Complex and Fire Station totaling $16,776,165.

More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

LONG-TERM DEBT

At September 30, 2021, the City had total bonds, contractual obligations, and capital leases outstanding of $63,683,388. During the year, the City made payments on long-term debt totaling $5,954,593. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The economy remains strong for the City of Anna and the North Texas region. The City continues to focus on economic development and working toward providing a balanced community. The City is taking a more proactive and aggressive approach to economic development with its business recruitment efforts, as well as continued development of residential housing options. In addition, the City continues to conservatively manage its budget. The fiscal year 2021-2022 budget reflects the commitment of the City Council and staff to focus on enhancing the quality of existing services to our neighbors and respond to our city's continuing growth and development, while maintaining a strong financial position.

The City Council decreased the FY 2021 tax rate from the FY 2020 rate of $.591288 per $100 in valuation to $.5830 per $100 in valuation, above the "no-new-revenue-rate" ($.569415) but below the "voter-approval-rate" ($.58656). Senate Bill 2 compresses the capability of a local government to generate revenue and provide services by lowering the tax rate a city can adopt without a mandatory election. SB 2 also changes the way property tax rates are calculated, make changes to the appraisal process, and reduce the previously called "rollback rate" of 8% to a new rate of 3.5% or "the voter-approval rate". This tax rate is the maximum a City can set the tax rate above the "effective tax rate", now known as the "no-new-revenue rate", without voter approval. This bill will tremendously impact growing cities such as Anna into the future.

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. For the tax year 2020, the City saw existing property values increase just over 15% and $170,065,263 in new value was added to the tax roll. Again, for the 2021 tax year, the City saw existing property values increase just over 20% and $166,445,436 in new value was added to the tax roll. We remain cautiously optimistic that we will experience modest, but slowing, appreciation in the value of existing properties and additional value will continue to be added to the tax roll, as a result of new residential and commercial construction in the near term.

As the City begins to see the impact of the reduction of the amount of property tax a city can levy, sales tax will become increasingly important for growing communities. Sales tax was up approximately 29% in FY 2021 largely due to the continued growth of retail commercial property and population in the City. A conservative 2.0% increase over the FY 2021 estimated total of $4.3 million was budgeted for sales tax for FY 2022. In FY 2020, Starbucks, Chick-fil-A, Whataburger, Salsa TexMex, and Sunrise Cafe opened. Along with Walmart and people staying close to home during the pandemic, the City saw the full impact of the sales tax from these retail establishments in FY 2021 and expects to see strong performance in FY 2022.

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, 2021 was 17,814. However, the population is believed to be well above this estimate due to the number of new utility accounts established and single-family permits which have been issued. The City made a significant effort to reach out to its neighbors to encourage them to complete the 2020 Census to receive a more accurate population count. As a result, Anna had a response rate in excess of 60%, higher than the DFW rate and overall Texas response rate. Reflecting the City's continued high growth in population will be key to attracting additional commercial and retail businesses the City lacks and needs in order to sustain the City into the future to provide the funding for expenditures needed in a rapidly growing community.

Furthermore, with the growth in population comes a proportional increase in demand for municipal services that are funded primarily by property taxes. As stated previously, in order to fund the FY 2021 budget, the City adopted a tax rate of $0.583 per $100 valuation which is lower than the tax rate adopted in FY 2020. When compared with other cities in our area, the City of Anna 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 $19.7 million in outstanding debt. The City has worked closely with our financial advisors, Hilltop Securities, to develop a sound debt management plan for the Water and Sewer Fund. Over the past several years, in order to appropriately manage this debt, the City and Hilltop Securities developed a plan to take advantage of call dates and pursue advance refunding of the City's outstanding debt. Every effort has been made to minimize the present value costs to the City.

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

This treated surface water supplements the City's water supply especially during the summer months when water consumption is highest. As our population has grown and water demand has increased, we have been required to increasingly supplement our well water with treated surface water. As we have forecasted consumption and production of our wells, it appears that the CGMA as a group will likely exceed the MT/P allocation in FY 2022. When this happens, MT/P amount will reset at the new consumption level, and the City of Anna will be responsible for the cost of all the water we consume above the current MT/P amount.

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

The City of Anna's budget continues to be impacted by both moderately strong growth and conservative fiscal management. The 2021-2022 budget reflects the efforts of the governing body and city staff to address the need to provide services to support our growing community.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Anna's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Finance Director, 101 S. Powell Parkway, Anna, Texas 75409.

THE CITY OF
Anna

Basic Financial Statements

THE CITY OF
Anna

City of Anna, Texas
Statement of Net Position
September 30, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	CDC	EDC
ASSETS					
Cash and cash equivalents	$ 20,935,867	$ 6,030,609	$ 26,966,476	$ 1,508,369	$ 410,041
Receivables, net	811,913	1,929,522	2,741,435	322,315	
Due from other governments	46,795	-	46,795	-	-
Internal balances	-	-	-		
Prepaids	572,908	-	572,908	-	-
Inventories	-	141,505	141,505	-	-
Restricted assets:					
Restricted cash and cash equivalents	31,159,401	22,854,586	54,013,987	19,474	-
GTUA prepaid reserves	-	825,513	825,513	-	-
Capital assets:					
Non-depreciable	40,790,538	2,819,340	43,609,878	2,757,904	90,346
Net depreciable capital assets	56,072,174	60,239,701	116,311,875	-	207,273
Total assets	150,389,596	94,840,776	245,230,372	4,608,062	707,660
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on bond refunding	-	76,579	76,579	-	-
Deferred outflows - pension	882,169	237,507	1,119,676	11,309	-
Deferred outflows - OPEB	41,698	11,226	52,924	534	-
Total deferred outflows of resources	923,867	325,312	1,249,179	11,843	-
LIABILITIES					
Accounts payable and other liabilities	5,815,641	1,086,418	6,902,059	50,187	1,814
Accrued liabilities	1,073,832	-	1,073,832	-	-
Accrued salaries	244,446	55,406	299,852	8,092	-
Customer deposits	-	1,288,043	1,288,043	-	-
Unearned revenue	3,897	-	3,897	-	-
Due to other governments	-	9,038	9,038	-	-
Accrued interest payable	196,324	94,513	290,837	12,596	-
Noncurrent liabilities:					
Due within one year	649,774	1,227,231	1,877,005	165,065	-
Due in more than one year	43,444,693	20,072,629	63,517,322	2,506,025	-
Total liabilities	51,428,607	23,833,278	75,261,885	2,741,965	1,814
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - unavailable revenue	1,858,395	-	1,858,395	-	-
Deferred inflows - pension	216,026	58,161	274,187	2,770	-
Deferred inflows - OPEB	5,185	1,396	6,581	66	-
Total deferred inflows of resources	2,079,606	59,557	2,139,163	2,836	-
NET POSITION					
Net investment in capital assets	65,539,991	41,835,760	107,375,751	86,814	297,619
Restricted for:					
Water and sewer improvements	-	22,854,586	22,854,586	-	-
Capital projects	17,982,342	-	17,982,342	-	-
GTUA deposits	-	825,513	825,513	-	-
Culture and recreation	13,354	-	13,354	-	-
Public safety	364,401	-	364,401	-	-
Federal grants	449	-	449	-	-
Community and economic development	-	-	-	1,788,290	408,227
Unrestricted	13,904,713	5,757,394	19,662,107	-	-
TOTAL NET POSITION	$ 97,805,250	$ 71,273,253	$ 169,078,503	$ 1,875,104	$ 705,846

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

City of Anna, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General government	$ 3,538,746	$ 4,281,147	$ 94,800	$ 15,538,750
Culture and recreation	2,053,933	1,689,000	-	-
Community services	1,198,530	182,859	-	-
Public safety	6,221,473	5,353	432,576	-
Public works	4,169,132	1,641,273	-	14,728,989
Interest and fiscal charges	2,212,316	-	-	-
Total governmental activities	19,394,130	7,799,632	527,376	30,267,739
Business-type activities:				
Water and sewer	13,462,054	23,356,512	-	7,732,066
Total business-type activities	13,462,054	23,356,512	-	7,732,066
TOTAL PRIMARY GOVERNMENT	$ 32,856,184	$ 31,156,144	$ 527,376	$ 37,999,805
Component units				
Community Development Corporation	$ 1,190,271	$ -	$ -	$ -
Economic Development Corporation	173,265	-	-	-
Total component units	$ 1,363,536	$ -	$ -	$ -

General revenues:	
Property taxes	
Sales taxes	
Franchise and local taxes	
Investment income	
Miscellaneous revenue	
Total general revenues	
Change in net position	
Net position, beginning	
NET POSITION, ENDING	

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Community Development Corporation	Economic Development Corporation
$ 16,375,951	$ -	$ 16,375,951		
(364,933)	-	(364,933)		
(1,015,671)	-	(1,015,671)		
(5,783,544)	-	(5,783,544)		
12,201,130	-	12,201,130		
(2,212,316)	-	(2,212,316)		
19,200,617	-	19,200,617		
-	17,626,524	17,626,524		
-	17,626,524	17,626,524		
19,200,617	17,626,524	36,827,141		
			$ (1,190,271)	$ -
			-	(173,265)
			(1,190,271)	(173,265)
8,714,860	-	8,714,860	-	-
2,929,876	-	2,929,876	1,757,926	-
726,006	-	726,006	-	-
123,643	93,145	216,788	7,687	2,457
62,859	-	62,859	-	11,276
12,557,244	93,145	12,650,389	1,765,613	13,733
31,757,861	17,719,669	49,477,530	575,342	(159,532)
66,047,389	53,553,584	119,600,973	1,299,762	865,378
$ 97,805,250	$ 71,273,253	$ 169,078,503	$ 1,875,104	$ 705,846

City of Anna, Texas
Balance Sheet - Governmental Funds
September 30, 2021

	General Fund	Capital Projects	Debt Service Fund	PID Capital Projects	Grant Fund	Nonmajor Governmental	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 6,190,290	$ 6,144,533	$ 70,105		$ 1,857,342	$ 6,673,597	$ 20,935,867
Receivables, net	785,917	-	20,829	-		5,167	811,913
Due from other governments	-	41,396	-	-	5,399	-	46,795
Prepaids	12,961	559,947	-	-	-	-	572,908
Restricted cash	521,704	17,951,250	-	12,677,883	-	8,564	31,159,401
TOTAL ASSETS	$ 7,510,872	$ 24,697,126	$ 90,934	$ 12,677,883	$ 1,862,741	$ 6,687,328	$ 53,526,884
LIABILITIES							
Accounts payable and other liabilities	$ 617,944	$ 4,186,893	$ -	$ -	$ -	$ 1,010,804	$ 5,815,641
Accrued liabilities	-	1,073,832	-	-	-	-	1,073,832
Accrued salaries	236,782	-	-	-	-	7,664	244,446
Unearned revenue	-	-	-	-	1,862,292	-	1,862,292
Total liabilities	854,726	5,260,725	-	-	1,862,292	1,018,468	8,996,211
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue - property taxes	83,901	-	20,829	-	-	-	104,730
Total deferred inflows of resources	83,901	-	20,829	-	-	-	104,730
FUND BALANCES							
Nonspendable							
Prepaids	12,961	559,947	-	-	-	-	572,908
Restricted for:							
Culture and recreation	13,354	-	-	-	-	-	13,354
Debt service	-	-	70,105	-	-	-	70,105
Public safety	-	-	-	-	-	364,401	364,401
Federal grants	-	-	-	-	449	-	449
Capital projects	-	13,338,940	-	12,677,883	-	5,304,459	31,321,282
Assigned for:							
Capital projects	-	5,537,514	-	-	-	-	5,537,514
Unassigned	6,545,930	-	-	-	-	-	6,545,930
Total fund balances	6,572,245	19,436,401	70,105	12,677,883	449	5,668,860	44,425,943
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	$ 7,510,872	$ 24,697,126	$ 90,934	$ 12,677,883	$ 1,862,741	$ 6,687,328	$ 53,526,884

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

City of Anna, Texas

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2021

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 44,425,943
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore not reported in the governmental funds.	
Capital assets - non-depreciable	40,790,538
Capital assets - net depreciable	56,072,174
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	104,730
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).	
Deferred outflows - pension	882,169
Deferred outflows - OPEB	41,698
Deferred inflows of resources, represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.	
Deferred inflows - pension	(216,026)
Deferred inflows - OPEB	(5,185)
Some liabilities, including bonds payable and accrued interest, are not reported as liabilities in the governmental funds.	
Accrued interest payable	(196,324)
General obligation bonds	(9,494,000)
Certificates of Obligation	(30,425,000)
Combination tax and revenue refunding bonds	(375,000)
Unamortized premiums	(2,098,685)
Capital lease	(346,060)
Net pension liability	(837,502)
Total OPEB liability	(108,822)
Compensated absences	(409,398)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 97,805,250

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

City of Anna, Texas

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Fiscal Year Ended September 30, 2021

	General	Capital Projects	Debt Service Fund	PID Capital Projects	Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	$ 6,962,799	$ -	$ 1,734,882	$ -	$ -	$ 10,136	$ 8,707,817
Sales taxes	2,929,876	-	-	-	-	-	2,929,876
Charges for services	161,665	-	-	-	-	3,352,444	3,514,109
License and permits	4,159,517	-	-	-	-	-	4,159,517
Fines and forfeitures	124,993	-	-	-	-	4,272	129,265
Franchise and local taxes	726,006	-	-	-	-	-	726,006
Investment income	35,095	58,812	3,195	255	183	26,103	123,643
Other revenues	19,536	41,396	-	10,366,965	-	30,595	10,458,492
Intergovernmental	140,426	-	-	-	386,340	-	526,766
Contributions and donations	614	-	-	4,330,097	-	-	4,330,711
Total revenues	15,260,527	100,208	1,738,077	14,697,317	386,523	3,423,550	35,606,202
EXPENDITURES							
Current:							
General government	3,250,888	114,358	-	-	20,278	3,250	3,388,774
Culture and recreation	1,178,694	-	-	-	-	498,765	1,677,459
Community services	1,198,963	-	-	-	-	-	1,198,963
Public safety	5,763,091	44,124	-	-	58,802	9,381	5,875,398
Public works	1,238,075	1,601	-	-	-	-	1,239,676
Debt service:							
Principal	42,366	-	504,000	-	-	-	546,366
Interest and fiscal charges	14,993	-	1,312,411	-	-	-	1,327,404
Debt issuance costs	-	-	11,661	727,516	-	-	739,177
Capital outlay	409,676	17,520,689	-	3,859,260	306,994	841,637	22,938,256
Total expenditures	13,096,746	17,680,772	1,828,072	4,586,776	386,074	1,353,033	38,931,473
Excess (deficiency) of revenues over (under) expenditures	2,163,781	(17,580,564)	(89,995)	10,110,541	449	2,070,517	(3,325,271)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	3,316,912	-	-	-	-	3,316,912
Transfers out	(2,087,052)	-	-	-	-	(1,229,860)	(3,316,912)
Payment to escrow	-	-	(522,696)	-	-	-	(522,696)
Bond proceeds	-	7,995,000	465,000	-	-	-	8,460,000
Bond premiums	-	764,796	69,357	-	-	-	834,153
Debt issuance costs	-	(197,353)	-	-	-	-	(197,353)
Proceeds from sale of capital assets	50,000	-	-	-	-	11,619	61,619
Total other financing sources (uses)	(2,037,052)	11,879,355	11,661	-	-	(1,218,241)	8,635,723
Net change in fund balances	126,729	(5,701,209)	(78,334)	10,110,541	449	852,276	5,310,452
FUND BALANCES, BEGINNING OF YEAR	6,445,516	25,137,610	148,439	2,567,342	-	4,816,584	39,115,491
FUND BALANCES, END OF YEAR	$ 6,572,245	$ 19,436,401	$ 70,105	$ 12,677,883	$ 449	$ 5,668,860	$ 44,425,943

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

City of Anna, Texas

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
September 30, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 5,310,452
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital contributions are only recognized on the statement of activities.	
Capital outlay	22,938,256
Depreciation expense	(3,777,259)
Capital contributions	15,538,750
Net effect of proceeds from the sale of capital assets and loss on disposal	(119,587)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Increase in compensated absences	(127,075)
Increase in accrued interest	(32,026)
Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	174,239
Changes to other postemployment benefits liability and related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(19,484)
Various other reclassification and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This includes the change in unavailable revenues from the prior year.	12,346
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Bond proceeds	(8,460,000)
Bond refunding paid to escrow agent	522,696
Premium on issuance of bonds	(834,153)
Amortization of debt premium	84,340
Principal payments	504,000
Capital lease payments	42,366
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 31,757,861

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

City of Anna, Texas
Statement of Net Position
Proprietary Fund
September 30, 2021

	Utility Fund
ASSETS	
Current assets	
Cash and cash equivalents	$ 6,030,609
Receivables, net	1,929,522
Inventories	141,505
Total current assets	8,101,636
Noncurrent assets	
Restricted cash and pooled investments	22,854,586
GTUA prepaid reserves	825,513
Capital assets	
Non-depreciable	2,819,340
Net depreciable capital assets	60,239,701
Total noncurrent assets	86,739,140
Total assets	94,840,776
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on bond refunding	76,579
Deferred outflows - pension	237,507
Deferred outflows - OPEB	11,226
Total deferred outflows of resources	325,312

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

City of Anna, Texas
Statement of Net Position – Continued
Proprietary Fund
September 30, 2021

	Utility Fund
LIABILITIES	
Current liabilities	
Accounts payable	$ 1,021,119
Salaries payable	55,406
Other liabilities	65,299
Bond interest payable	94,513
Due to other governments	9,038
Customer deposits	1,288,043
Revenue bonds payable - current	1,031,250
Capital lease payable - current	169,724
Compensated absences - current	26,257
Total current liabilities	3,760,649
Noncurrent liabilities	
Revenue bonds payable	18,685,272
Capital lease payable	1,058,397
Compensated absences	74,181
Net pension liability	225,481
Total OPEB liability	29,298
Total noncurrent liabilities	20,072,629
Total liabilities	23,833,278
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pension	58,161
Deferred inflows - OPEB	1,396
Total deferred inflows of resources	59,557
NET POSITION	
Net investment in capital assets	41,835,760
Restricted for:	
GTUA deposits	825,513
Water and sewer improvements	22,854,586
Unrestricted	5,757,394
TOTAL NET POSITION	$ 71,273,253

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

City of Anna, Texas

Statement of Revenues, Expenses, and Changes
in Net Position - Proprietary Fund
For the Fiscal Year Ended September 30, 2021

	Utility Fund
OPERATING REVENUES	
Water	$ 6,049,712
Sewer	4,080,695
Sanitation	1,253,336
Service charges	559,554
Connection fees	579,431
Developer and impact fees	10,307,277
Miscellaneous	526,507
Total operating revenues	23,356,512
OPERATING EXPENSES	
Personnel services	1,974,016
Contracted services	6,387,245
Repairs and maintenance	666,346
Supplies	369,174
Utilities	384,614
Depreciation	2,666,383
Other expenses	185,745
Total operating expenses	12,633,523
Operating income	10,722,989
NONOPERATING REVENUES (EXPENSES)	
Investment income	93,145
Interest expense	(828,531)
Total nonoperating revenues (expenses)	(735,386)
Income before capital contributions	9,987,603
Contributed capital	7,732,066
Change in net position	17,719,669
Net position, beginning of year	53,553,584
NET POSITION, END OF YEAR	$ 71,273,253

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

City of Anna, Texas
Statement of Cash Flows - Proprietary Fund
For the Fiscal Year Ended September 30, 2021

	Utility Fund
OPERATING ACTIVITIES	
Receipts from customers and users	$ 23,113,095
Payments to suppliers	(8,320,172)
Payments to employees	(1,966,503)
Net cash provided by operating activities	12,826,420
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash paid to escrow agent for debt refunding principal	(3,536,489)
GTUA reserve accounts	630
Bond refunding	3,704,666
Acquisition and construction of capital assets	(1,024,837)
Interest and fees paid on long-term debt	(616,081)
Principal payments on debt and capital leases	(1,256,227)
Net cash used in capital and related financing activities	(2,728,338)
INVESTING ACTIVITIES	
Sale of investment securities	1,271,011
Interest received	93,145
Net cash provided by investing activities	1,364,156
Net increase in cash and cash equivalents	11,462,238
Cash and cash equivalents, beginning of year	17,422,957
Cash and cash equivalents, end of year	$ 28,885,195
RECONCILIATION TO STATEMENT OF NET POSITION	
Cash and cash equivalents	$ 6,030,609
Restricted cash and cash equivalents	22,854,586
	$ 28,885,195

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

City of Anna, Texas

Statement of Cash Flows - Proprietary Fund – Continued
For the Fiscal Year Ended September 30, 2021

	Utility Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	$ 10,722,989
Adjustments to reconcile operating income to cash provided by operating activities:	
Depreciation expense	2,666,383
Changes in assets and liabilities	
Accounts receivable	(428,532)
Inventories	(129,801)
Deferred outflows - pension and OPEB	(33,403)
Deferred inflows - pension and OPEB	(11,883)
Net pension and total OPEB liability	3,621
Accounts payable	(197,247)
Salaries payable	17,794
Customer deposits	185,115
Accrued compensated absences	31,384
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 12,826,420
NON-CASH CAPITAL ACTIVITIES	
Contributions of capital assets	$ 7,732,066

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

City of Anna, Texas
Statement of Fiduciary Net Position
Custodial Fund
September 30, 2021

	PID Custodial Fund
ASSETS	
Cash and cash equivalents - restricted	$ 2,573,738
Total assets	2,573,738
NET POSITION	
Restricted for PID debt service	2,573,738
Total net position	2,573,738

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

City of Anna, Texas

Statement of Fiduciary Revenues, Expenses, and Changes in Net Position - Custodial Fund
September 30, 2021

	PID Custodial Fund
ADDITIONS	
Contributions	$ 776,497
Bond proceeds	1,549,154
Investment earnings	195
Total additions	2,325,846
DEDUCTIONS	
Contract services	87,995
Interest and fiscal charges	810,088
Total deductions	898,083
CHANGE IN NET POSITION	1,427,763
NET POSITION - beginning	-
Cumulative effect of change in accounting principle	1,145,975
Net position - beginning, as restated	1,145,975
NET POSITION - ending	$ 2,573,738

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The City provides the following services: public safety, ambulance, streets, sanitation, planning and zoning, and general administrative services. Other services include water, sewer, and sanitation operations.

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

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

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

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

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

The members of both the EDC and CDC's board of seven directors are appointed by the City Council. Both the EDC and CDC are fiscally dependent upon the City as the City Council approves their budgets and must approve any debt issuance. Adding the creation of the EDC and CDC to the resources currently available significantly increases the City's ability to assist community development and financing development projects beneficial to the City. All of the EDC and CDC funding can be used for direct assistance to prospects and continued development of infrastructure. The nature and significance of the relationship between the primary government and the organization is such that exclusion would cause the City's financial statements to be misleading or incomplete. Separate financial statements are not issued for the EDC or the CDC.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

C. Basis of Presentation – Government-wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category - governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

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

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

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

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

The *Grant fund* is used to account for proceeds and expenditures relating to all grants.

Additionally, the City reports the following nonmajor governmental funds:

The City accounts for resources restricted to, or designated for, specific purposes in *Special Revenue Funds*. These funds consist of the roadway impact fee service area one and two, and road capital development agreements fund, police seizure fund, park development fund, fire department capital improvement fund, Tax Increment Zone Number 2 (TIRZ #2) and other special revenue fund.

The City reports the following enterprise fund:

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

The City reports the following fiduciary fund:

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

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

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

E. Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

1. Cash and Cash Equivalents

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

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

2. Investments

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

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

Direct obligations of the U.S. government, its agencies and instrumentalities
Certificates of deposit that meet certain criteria
Money market mutual funds that meet certain criteria
Local government investment pools

3. Receivables and Interfund Transactions

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

4. Inventories and Prepaid Items

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

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

5. Capital Assets

Capital assets, which include land and improvements, construction in progress, buildings and improvements, machinery and equipment, infrastructure (e.g. roads, bridges, sidewalks, and similar items), and water and sewer systems are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

6. Deferred Outflows/Inflows of Resources

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

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

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

In addition to liabilities, the statement of financial position (or balance sheet) will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position (or fund balance) that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

In the governmental funds balance sheet:

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

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

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

7. Compensated Absences

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

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.

8. Long-Term Obligations

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

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

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

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

9. Pensions

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

10. Other Postemployment Benefits (OPEB)

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

11. Net Position Flow Assumptions

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

12. Fund Balance Flow Assumptions

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

13. Fund Balance Policies

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

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

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

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

Assigned fund balance – includes amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the City's Finance Director to assign fund balance to a specific purpose as approved by the City's fund balance policy. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

14. Estimates

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

G. Revenues and Expenditures/Expenses

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

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

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

H. GASB Pronouncements implemented by the City

1. *GASB Statement No. 84, Fiduciary Activities*
This Statement was issued in January 2017 and provides guidance to enhance the consistency and comparability of fiduciary activity reporting by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities.

2. *GASB Statement No. 98, The Annual Comprehensive Financial Report*
This Statement was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR.

Note 2. Stewardship, Compliance and Accountability

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

Budgetary Variances
General Fund expenditures exceeded appropriations during fiscal year 2021 as follows:

- General government ($160,971)
- Public works ($557,029)

Note 3. Deposits and Investments

Deposits – State statutes require that all deposits be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The City's demand deposits and certificates of deposit were fully insured or collateralized at September 30, 2021, with collateral required by state statutes. At year-end, the carrying amount of the City's deposits (including component units and fiduciary funds) was $60,405,126 and the bank balance was $60,495,176. Of the bank balance, federal depository insurance covered $250,000 and the remainder was covered by collateral held by the pledging financial institution's agent in the City's name.

Cash and cash equivalents as of September 30, 2021 consist of and are classified in the accompanying financial statements as follows:

Statement of net position:	
Primary government:	
Cash and cash equivalents	$ 26,966,476
Restricted cash and cash equivalents	54,013,987
Total primary government	80,980,463
Fiduciary Fund:	
Cash and cash equivalents	2,573,738
Component units:	
Cash and cash equivalents	1,918,410
Restricted cash and cash equivalents	19,474
Total component unit	1,937,884
Total cash and investments	$ 85,492,085
Cash on hand	$ 2,000
Deposits with financial institution	60,405,126
Investment pools / money market	25,084,959
Total cash and investments	$ 85,492,085

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

	Value	Weighted Average Maturity (Years)
Texas CLASS	$ 1,858,784	0.0740
TexPool	21,997,852	0.1040
Money market accounts	1,228,323	0.0767
Total	$ 25,084,959	

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

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

As of September 30, 2021, the City's investment in TexPool was rated "AAAm" by Standard & Poor's. The certificates of deposit are unrated but were fully collateralized.

Custodial credit risk – deposits
In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities, to the extent the deposits exceed FDIC coverage. As of September 30, 2021, the combined values of pledged securities and FDIC coverage exceeded bank balances for the City.

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

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

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

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

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

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

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

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

Note 4. Receivables

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

	General	Capital Projects	Debt Service Fund	Grant Fund	Nonmajor Governmental	Utility Fund
Property taxes	$ 83,901	$ -	$ 20,829	$ -	$ -	$ -
Sales taxes	537,191	-	-	-	-	-
Accounts	164,825	-	-	-	5,167	2,244,547
Interest	-	-	-	-	-	14,379
Intergovernmental	-	41,396	-	5,399	-	-
Less: Allowance	-	-	-	-	-	(329,404)
Totals	$ 785,917	$ 41,396	$ 20,829	$ 5,399	$ 5,167	$ 1,929,522

Note 5. Capital Assets

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

	Beginning Balance	Additions	Dispositions	Adjustments / Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 3,978,343	$ -	$ -	$ -	$ 3,978,343
Construction in progress	15,033,591	21,778,604	-	-	36,812,195
Total capital assets, not being depreciated	19,011,934	21,778,604	-	-	40,790,538
Depreciable assets:					
Park improvements	6,057,539	127,932	-	-	6,185,471
Buildings	1,542,758	-	-	-	1,542,758
Furniture and fixtures	33,911	-	-	-	33,911
Streets and drainage	51,820,060	15,538,750	-	-	67,358,810
Machinery and equipment	4,238,725	1,031,720	(700,368)	-	4,570,077
Total depreciable assets	63,692,993	16,698,402	(700,368)	-	79,691,027
Less accumulated depreciation for:					
Park improvements	2,637,795	308,210	-	-	2,946,005
Buildings	658,982	82,448	-	-	741,430
Furniture and fixtures	27,786	714	-	-	28,500
Streets and drainage	14,161,698	2,877,397	-	-	17,039,095
Machinery and equipment	2,936,113	508,490	(580,780)	-	2,863,823
Total accumulated depreciation	20,422,374	3,777,259	(580,780)	-	23,618,853
Total depreciable assets, net	43,270,619	12,921,143	(119,588)	-	56,072,174
Governmental activities capital assets, net	$ 62,282,553	$ 34,699,747	$ (119,588)	$ -	$ 96,862,712

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
General government	$ 38,647
Culture and recreation	385,145
Community services	8,300
Public safety	407,958
Public works	2,937,209
Total governmental activities depreciation expense	$ 3,777,259

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

	Beginning Balance	Additions	Dispositions	Adjustments / Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:		-			
Land	$ 1,222,743	$ 37,400	$ -	$ -	$ 1,260,143
Construction in progress	1,184,331	374,866	-	-	1,559,197
Total capital assets, not being depreciated	2,407,074	412,266	-	-	2,819,340
Depreciable assets:					
Furniture and fixtures	5,620	-	-	-	5,620
Buildings and improvements	486,244	-	-	-	486,244
Machinery and equipment	1,929,005	441,363	-	-	2,370,368
Water treatment system	18,846,621	4,331,433	-	-	23,178,054
GTUA water improvements	17,189,179	-	-	-	17,189,179
GTUA sewer improvements	939,796	-	-	-	939,796
Water and sewer system	34,866,066	3,571,841	-	-	38,437,907
Total depreciable assets	74,262,531	8,344,637	-	-	82,607,168
Less accumulated depreciation for:					
Furniture and fixtures	5,620	-	-	-	5,620
Buildings and improvements	241,890	25,533	-	-	267,423
Machinery and equipment	1,592,291	254,912	-	-	1,847,203
Water treatment system	4,419,069	603,896	-	-	5,022,965
GTUA water improvements	5,582,724	27,966	-	-	5,610,690
GTUA sewer improvements	290,888	509,898	-	-	800,786
Water and sewer system	7,568,602	1,244,178	-	-	8,812,780
Total accumulated depreciation	19,701,084	2,666,383	-	-	22,367,467
Total depreciable assets, net	54,561,447	5,678,254	-	-	60,239,701
Business-type activities capital assets, net	$ 56,968,521	$ 6,090,520	$ -	$ -	$ 63,059,041

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

Water and sewer	$ 2,666,383
Total business-type activities depreciation expense	$ 2,666,383

The following is a summary of changes in capital assets for component units for the year ended September 30, 2021:

	Beginning Balance	Additions	Dispositions	Ending Balance
Community Development Corporation:				
Capital assets, not being depreciated:				
Land	$ 2,757,904	$ -	$ -	$ 2,757,904
Total capital assets, not being depreciated	2,757,904	-	-	2,757,904
Community Development Corporation capital assets, net	$ 2,757,904	$ -	$ -	$ 2,757,904

	Beginning Balance	Additions	Dispositions	Ending Balance
Economic Development Corporation:				
Capital assets, not being depreciated:				
Land	$ 90,346	$ -	$ -	$ 90,346
Total capital assets, not being depreciated	90,346	-	-	90,346
Depreciable assets:				
Buildings and improvements	366,589	-	-	366,589
Furniture and fixtures	13,871	-	-	13,871
Total depreciable assets	380,460	-	-	380,460
Less accumulated depreciation for:				
Buildings and improvements	148,162	18,459	-	166,621
Furniture and fixtures	5,175	1,391	-	6,566
Total accumulated depreciation	153,337	19,850	-	173,187
Total depreciable assets, net	227,123	(19,850)	-	207,273
Economic Development Corporation capital assets, net	$ 317,469	$ (19,850)	$ -	$ 297,619

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

Projects	Opinion Unit	Approved Construction Budget	Stored and Completed To Date	Remaining Commitment
CP-Sherley Park Improvements (326)	General government	$ 787,838	$ 432,625	$ 355,213
CP-Johnson Park Improvement (372)	General government	625,000	482,072	142,928
CIP18-City Hall	General government	2,725,227	2,662,051	63,176
CIP18-City Hall	General government	755,938	594,342	161,596
CIP18-City Hall	General government	26,859,278	21,476,641	5,382,637
CP-Ferguson Parkway Design (304)	General government	251,780	207,638	44,142
CP-Rosamond Pkwy Ext (316)	General government	796,500	465,719	330,781
CP-Hackberry Dr Reconstruction (324)	General government	190,370	89,505	100,865
CP-Hackberry Dr Reconstruction (324)	General government	1,280	1,280	-
LADDER TRUCK (QUINT/AERIAL)	General government	1,660,000	-	1,660,000
COMMUNITY LIBRARY	General government	2,700,000	-	2,700,000
FIRE STATION #2	General government	2,300,000	-	2,300,000
FIRE STATION #2	General government	400,000	-	400,000
SKATE PARK	General government	1,300,000	-	1,300,000
SKATE PARK	General government	200,000	-	200,000
CP-Foster Crossing Road (368)	General government	758,665	372,404	386,261
CP-Taylor Boulevard (2021-1001)…//S/B FOSTER	General government	819,448	181,359	638,089
CP-Taylor Boulevard (2021-1001)	General government	151,800	-	151,800
CP-Taylor Boulevard (2021-1001)	General government	258,612	-	258,612
PID-VHC-MIA (356)	General government	2,408,234	1,905,605	502,629
PID-VHC-IA#1 (357)	General government	6,474,557	6,432,227	42,330
PID-Sherley Tract-MIA	General government	2,259,650	444,507	1,815,143
PID-Sherley Tract-IA#1	General government	11,664,656	1,051,035	10,613,621
US75 Utility Relocation - Phase 2	Utility Fund	128,058	69,531	58,527
CP-East Fork Regional Sewer	Utility Fund	954,857	764,648	190,209
CP-Oak Ridge Sewer(350)	Utility Fund	63,730	35,273	28,457
Throckmorton Creek Trunk Sewer Expansion (38	Utility Fund	335,732	116,659	219,073
SH 5 Utility Relocation A - Water/Sewer (386)	Utility Fund	338,692	98,102	240,590
CP-Collin Pump Station Upgrade (202X-0314)	Utility Fund	3,616,213	97,680	3,518,533
CP-Ferguson Parkway Design (304)	General government	3,485	3,485	-
Total		$ 71,789,600	$ 37,984,388	$ 33,805,212

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

Note 6. Long-term Liabilities

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2021. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds, notes and other payables:					
General obligation bonds	$ 1,815,000	$ 8,460,000	$ (781,000)	$ 9,494,000	$ 251,000
Certificates of obligation	30,620,000	-	(195,000)	30,425,000	215,000
Combination tax and revenue refunding bonds	425,000	-	(50,000)	375,000	40,000
Capital lease payable	388,426	-	(42,366)	346,060	44,001
Unamortized premiums	1,348,872	834,153	(84,340)	2,098,685	-
Total bonds, notes and other payables, net	34,597,298	9,294,153	(1,152,706)	42,738,745	550,001
Other liabilities:					
Compensated absences	282,323	157,533	(30,458)	409,398	99,773
Net pension liability	865,730	-	(28,228)	837,502	-
Total other postemployment benefit liability	67,143	41,679	-	108,822	-
Total governmental activities	$ 35,812,494	$ 9,493,365	$ (1,211,392)	$ 44,094,467	$ 649,774

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-type activities:					
Bonds, notes and other payables:					
Contract revenue bonds	$ 3,157,083	$ -	$ (298,750)	$ 2,858,333	$ 306,250
TWDB participation agreement	2,168,750	-	-	2,168,750	-
Combination tax and revenue certificates of obligation	7,535,000	2,870,000	(3,800,000)	6,605,000	90,000
Combination tax and revenue refunding bonds	7,532,000	-	(607,000)	6,925,000	635,000
Capital leases	967,248	441,350	(180,477)	1,228,121	169,724
Unamortized premiums (discounts)	498,692	834,667	(173,920)	1,159,439	-
Total bonds, notes and other payables, net	21,858,773	4,146,017	(5,060,147)	20,944,643	1,200,974
Other liabilities:					
Compensated absences	69,054	37,658	(6,274)	100,438	26,257
Net pension liability	233,081	-	(7,600)	225,481	-
Total other postemployment benefit liability	18,077	11,221	-	29,298	-
Total business-type activities	$ 22,178,985	$ 4,194,896	$ (5,074,021)	$ 21,299,860	$ 1,227,231

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Component Units - CDC:					
Bonds, notes and other payables:					
Sales tax revenue bonds	$ 2,870,000	$ -	$ (225,000)	$ 2,645,000	$ 160,000
Other liabilities:					
Compensated absences	3,952	10,620	(614)	13,958	5,065
Net pension liability	11,099	-	(362)	10,737	-
Total other postemployment benefit liability	861	534	-	1,395	-
Total component units	$ 2,885,912	$ 11,154	$ (225,976)	$ 2,671,090	$ 165,065

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

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

Description	Interest Rates	Balance
Governmental activities:		
General obligation refunding bonds		
Series 2014B	0.30 - 2.40 %	$ 1,034,000
Series 2021	2.00-5.00 %	8,460,000
Total general obligation bonds		9,494,000
Certificates of obligation		
Series 2018	3.00 - 4.00 %	30,425,000
Total certificates of obligation		30,425,000
Combination tax and revenue refunding bonds		
Series 2017	2.00 - 4.00 %	375,000
Total certificates of obligation		375,000
Capital Leases		
2018 Pierce Enforcer	3.86%	346,060
Total capital leases		346,060
Total governmental activities long-term debt		$ 40,640,060
Business-type activities:		
Contract revenue and revenue refunding bonds		
Series 2006 GTUA Contract Revenue Bonds (12 &15)	2.95 - 3.75 %	$ 680,000
2007 GTUA Contract	2.95 - 4.10 %	1,030,000
CGMA Pipeline Project Phase I	2.29 - 5.74 %	299,583
CGMA Pipeline Project Phase III	2.67 - 5.62 %	848,750
Total contract revenue and revenue refunding bonds		2,858,333
TWDB state participation agreement		
CGMA Pipeline Project Phase II	5.68 - 5.83 %	2,168,750
Total TWDB state participation agreement		2,168,750
Combination tax & revenue certificates of obligation		
Series 2014	2.00 - 2.65 %	3,735,000
Series 2021	2.00-5.00 %	2,870,000
Total combination tax & revenue certificates of obligation		6,605,000
Combination tax and revenue refunding bonds		
Series 2014A	2.11%	1,550,000
Series 2017	2.00 - 4.00 %	5,375,000
Total combination tax and revenue refunding bonds		6,925,000
Capital Leases		
2017 AMI Meters	2.00%	1,228,121
Total capital leases		1,228,121
Total business-type activities long-term debt		$ 19,785,204
Component units:		
Sales Tax Revenue Bonds		
CDC - Sales Tax Revenue Bonds - Series 2012B	3.30%	$ 1,285,000
CDC - Sales Tax Revenue Bonds - Series 2016	1.9% - 4.5%	1,360,000
Total CDC long-term debt		$ 2,645,000

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

Year Ending	Governmental Activities					
	GO Bonds		CO Bonds		Combination Tax and Revenue	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 251,000	$ 294,960	$ 215,000	$ 1,250,475	$ 40,000	$ 14,200
2023	272,000	284,159	215,000	1,242,950	35,000	12,700
2024	493,000	270,817	235,000	1,233,950	35,000	11,300
2025	529,000	250,886	240,000	1,224,450	25,000	10,100
2026	549,000	229,488	250,000	1,214,650	25,000	9,100
2027-2031	1,500,000	902,750	3,885,000	5,662,875	215,000	12,500
2032-2036	1,755,000	555,750	6,605,000	4,438,100	-	-
2037-2041	1,965,000	345,200	7,110,000	3,032,000	-	-
2042-2046	2,180,000	124,650	7,995,000	1,559,900		
2047-2048	-	-	3,675,000	148,500	-	-
Totals	$ 9,494,000	$ 3,258,660	$ 30,425,000	$ 21,007,850	$ 375,000	$ 69,900

Year Ending	Business-type Activities					
	Contract Revenue Bonds		TWDB State Participation Agreement		Combination Tax and Revenue Certificates of Obligation	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 306,250	$ 130,801	$ -	$ 125,206	$ 90,000	$ 270,716
2023	320,000	118,496	-	125,206	100,000	265,838
2024	332,500	105,503	-	125,206	135,000	261,913
2025	355,000	91,820	-	125,206	165,000	257,013
2026	378,750	76,879	95,000	125,206	340,000	248,200
2027-2031	702,083	227,781	562,500	538,167	3,640,000	835,456
2032-2036	463,750	68,107	745,000	356,734	2,135,000	107,338
2037-2040	-	-	766,250	114,690	-	-
Totals	$ 2,858,333	$ 819,387	$ 2,168,750	$ 1,635,621	$ 6,605,000	$ 2,246,472

Year Ending	Combination Tax and Revenue	
September 30,	Principal	Interest
2022	$ 635,000	$ 255,300
2023	654,000	232,313
2024	649,000	208,528
2025	645,000	184,452
2026	492,000	163,176
2027-2031	2,550,000	544,800
2032-2036	1,300,000	52,000
Totals	$ 6,925,000	$ 1,640,569

Year Ending September 30,	CDC Combination Tax and Revenue Principal	CDC Combination Tax and Revenue Interest
2022	$ 160,000	$ 98,140
2023	100,000	93,865
2024	115,000	90,278
2025	135,000	86,013
2026	150,000	81,050
2027-2031	1,065,000	303,908
2032-2036	780,000	105,203
2037	140,000	3,150
Totals	$ 2,645,000	$ 861,607

On November 2, 2021, the City issued $11,330,000 in General Obligation Refunding Revenue Bonds Series 2021. From the sale, $7,120,914 will be used to provide funding for various capital projects within the City. The remaining $4,209,086 from the sale was deposited with an escrow agent to refund $522,000 of General Obligation Refunding Revenue Bonds Series 2016 and $3,360,000 Certificate of Obligations Series 2021. The decrease in the City's debt service payments as a result of the refunding was $309,839, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and ne debt) of $286,842

Total matured and unmatured bonds outstanding related to special assessment and special tax districts are $23,101,000 at September 30, 2021. The City acts as an agent for the property owners in collecting special assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, when appropriate. The City is not liable for repayment of the special district bonds, and accordingly, they are not reflected in accompanying basic financial statements. Cash held on deposit and corresponding amounts payable for the districts are reported in the Public Improvement District Custodial Fund.

Contractual Obligations with Greater Texoma Utility Authority
Under the terms of long term water supply and sewer service contracts between the City and Greater Texoma Utility Authority (GTUA), the City recognizes that GTUA has an undivided ownership interest in the City's water system and sewer collection and treatment facility equivalent to the percentage of the total cost of the facility provided by GTUA through the issuance of GTUA bonds.

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

Collin Grayson Municipal Alliance Transmission Water Pipeline
In 2004, the City, along with the City of Van Alstyne, Howe, and Melissa, formed a group called the Collin Grayson Municipal Alliance ("CGMA"). CGMA entered into a long-term contractual obligation with GTUA for the purpose of providing funds for the construction of a transmission water pipeline that will provide water to CGMA cities. The cost of the pipeline is being funded in four phases.

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

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

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

The assets acquired through the capital leases as of September 30, 2021 are as follows:

	Governmental Activities	Business-type Activities
Assets:		
Fire apparatus	$ 485,068	$ -
Water meters	-	1,340,010
Sewer cleaner truck		441,360
Less: Accumulated depreciation	(116,416)	(580,140)
Total	$ 368,652	$ 1,201,230

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021 are as follows:

Year Ending September 30,	Governmental Activities	Business-type Activities
2022	$ 57,349	$ 201,214
2023	57,349	201,214
2024	57,349	201,214
2025	57,349	201,214
2026	57,349	201,214
2027-2028	114,698	357,689
Total minimum future lease payments	401,443	1,363,759
Less: amount representing interest	(55,383)	(135,638)
Present value of minimum lease payments	$ 346,060	$ 1,228,121

Note 7. Interfund Balances and Activity

1. Interfund Receivables and Payables

Interfund balances consist of short-term lending/borrowing arrangements that have resulted primarily from expenditures that are paid by one fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more governmental funds due to earned revenues not being received from outside agencies until the subsequent year. There were no interfund balances as of September 30, 2021.

2. Interfund Transfers

Transfers between funds during the year were as follows:

Transfers Out	Transfers In	Amounts
General Fund	Capital Projects Fund	$ 2,087,052
Nonmajor Funds	Capital Projects Fund	1,229,860
Totals		$ 3,316,912

Transfers to the capital project fund were for the road project.

Note 8. 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 approximately 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

Note 9. Defined Benefit Pension Plan

Plan Description
The City participates in one of 895 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at *www.tmrs.com*.

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

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

At retirement, the 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 City were as follows:

	2020	2019
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expresed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	75% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

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

Inactive employees or beneficiaries currently receiving benefits	17
Inactive employees entitled to but not yet receiving benefits	57
Active employees	99
Total	173

Contributions
The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.09% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were $1,094,001, and were equal to the required contributions.

Net Pension Liability
The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions
The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
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.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2019	$ 9,401,478	$ 8,291,568	$ 1,109,910
Changes for the year:			
Service cost	1,282,488	-	1,282,488
Interest	665,239	-	665,239
Change of benefit terms	-	-	-
Difference between expected and actual experience	31,578	-	31,578
Changes of assumptions	-	-	-
Contributions - employer	-	927,155	(927,155)
Contributions - employee	-	460,616	(460,616)
Net investment income	-	631,955	(631,955)
Benefit payments, including refunds of employee contributions	(374,666)	(374,666)	-
Administrative expense	-	(4,073)	4,073
Other changes	-	(158)	158
Net changes	1,604,639	1,640,829	(36,190)
Balance at December 31, 2020	$ 11,006,117	$ 9,932,397	$ 1,073,720

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the NPL of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability (asset)	$ 3,112,642	$ 1,073,720	$ (540,747)

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.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
For the year ended September 30, 2021, the City recognized pension expense of $870,618.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 230,461	$ 45,335
Changes in actuarial assumptions	34,882	-
Difference between projected and actual investment earnings	-	231,622
Contributions subsequent to the measurement date	865,642	-
Totals	$ 1,130,985	$ 276,957

$865,642 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
2021	$ (44,740)
2022	41,623
2023	(64,876)
2024	47,241
2025	9,138
Thereafter	-
Totals	$ (11,614)

Note 10. Other Postemployment Benefits Plan

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

Benefits Provided
The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered another postemployment benefit (OPEB) and is a fixed amount of $7,500.

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

Inactive employees currently receiving benefits	13
Inactive employees entitled to but not yet receiving benefit	9
Active employees	99
Total	121

Contributions
The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

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

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

The retiree portion of contribution rates to the SDBF for the City was 0.01% and 0.02% in calendar years 2020 and 2021. The City's contributions to the SDBF for the year ended September 30, 2021 were $7,636, and were equal to the required contributions.

Total OPEB Liability
The City's Total OPEB Liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions
The Total OPEB Liability In the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5% to 11.5% including inflation
Discount rate	2.00%

Salary increases were based on a service-related table. Mortality rates for service retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB. Mortality rates for disabled retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the City, rates are multiplied by an additional factor of 100.0%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuation were developed primarily from an actuarial experience study of the four-year period from December 31, 2014 through December 31, 2018. The post-mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, TMRS adopted the Entry Age Normal Actuarial Cost Method.

The discount rate (2.00%) was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2019	$ 86,081
Changes for the year:	
Service cost	16,450
Interest on Total OPEB Liability	2,584
Change of benefit terms	-
Difference between expected and actual experience	11,180
Changes of assumptions or other inputs	23,878
Benefit payments	(658)
Net changes	53,434
Balance at December 31, 2020	$ 139,515

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability, calculated using the discount rate of 2.00%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.00%) or 1 percentage-point higher (3.00%) than the current rate:

1% Decrease in Discount Rate (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
$ 181,068	$ 139,515	$ 108,791

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended September 30, 2021, the City recognized OPEB expense of $24,720.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 3,130
Changes in actuarial assumptions and other inputs	47,929	3,517
Contributions made subsequent to the measurement date	5,529	-
Totals	$ 53,458	$ 6,647

The $5,529 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will reduce the Total OPEB liability during the year ending September 30, 2021. The other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,		
2021	$	5,685
2022		5,685
2023		5,685
2024		5,685
2025		5,556
Thereafter		12,986
Totals	$	41,282

Note 11. Villages of Hurricane Creek Public Improvement District

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

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

Note 12. Sherley Tract Public Improvement District

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

On July 13, 2021, the City of Anna City Council approved the issuance and sale of two Special Assessment Revenue Bonds in the amounts of $9,400,000 and $2,896,000 known as Sherley Tract Public Improvement District No. 2 Improvement Area #1 Project and Sherley Tract Public Improvement District No. 2 Major Improvement Area Project, respectively. These bonds were authorized in order to finance the projects benefiting the entire Sherley Tract Public Improvement District No. 2 including certain roadway, water, sewer, and drainage improvements.

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, 2021

	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 6,736,415	$ 6,736,415	$ 6,962,799	$ 226,384
Sales taxes	2,205,000	2,552,500	2,929,876	377,376
Charges for services	151,600	126,600	161,665	35,065
License and permits	2,147,100	2,628,700	4,159,517	1,530,817
Franchise and local taxes	601,600	601,600	726,006	124,406
Investment income	70,000	70,000	35,095	(34,905)
Other revenues	13,300	13,300	19,536	6,236
Intergovernmental	133,195	133,195	140,426	7,231
Fines and forfeitures	80,000	80,000	124,993	44,993
Contributions and donations	-	-	614	614
Total revenues	12,138,210	12,942,310	15,260,527	2,318,217
EXPENDITURES				
Current:				
General government	2,892,788	3,089,917	3,250,888	(160,971)
Culture and recreation	1,252,705	1,268,005	1,178,694	89,311
Community services	1,058,813	1,213,554	1,198,963	14,591
Public safety	5,224,900	5,776,797	5,763,091	13,706
Public works	681,046	681,046	1,238,075	(557,029)
Debt service				
Principal	-	43,000	42,366	634
Interest and fiscal charges	-	15,000	14,993	7
Capital outlay	417,326	744,826	409,676	335,150
Total expenditures	11,527,578	12,832,145	13,096,746	(264,601)
Excess (deficiency) of revenues over (under) expenditures	610,632	110,165	2,163,781	2,053,616
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	50,000	50,000
Transfers out	(609,246)	(2,007,779)	(2,087,052)	(79,273)
Total other financing sources (uses)	(609,246)	(2,007,779)	(2,037,052)	(29,273)
Net change in fund balance	1,386	(1,897,614)	126,729	2,024,343
Beginning fund balance	6,445,516	6,445,516	6,445,516	-
ENDING FUND BALANCE	$ 6,446,902	$ 4,547,902	$ 6,572,245	$ 2,024,343

Notes to Schedule

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

City of Anna, Texas

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

	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY							
Service cost	$ 1,282,488	$ 1,008,055	$ 860,365	$ 698,771	$ 608,067	$ 527,867	$ 429,268
Interest	665,239	546,834	464,692	398,225	343,924	309,015	277,884
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	31,578	294,521	13,331	(9,109)	(60,518)	(110,141)	(173,824)
Change of assumptions	-	47,825	-	-	-	19,349	-
Benefit payments, including refunds of employee contributions	(374,666)	(185,961)	(204,657)	(163,326)	(101,394)	(109,637)	(166,160)
Net change in total pension liability	1,604,639	1,711,274	1,133,731	924,561	790,079	636,453	367,168
Total pension liability - beginning	9,401,478	7,690,204	6,556,473	5,631,912	4,841,833	4,205,380	3,838,212
TOTAL PENSION LIABILITY - ENDING (a)	$ 11,006,117	$ 9,401,478	$ 7,690,204	$ 6,556,473	$ 5,631,912	$ 4,841,833	$ 4,205,380
PLAN FIDUCIARY NET POSITION							
Contributions - employer	$ 927,155	$ 747,632	$ 618,080	$ 516,066	$ 442,230	$ 386,733	$ 270,279
Contributions - employee	460,616	356,743	298,589	249,306	217,388	194,478	170,293
Net investment income (loss)	631,955	991,697	(175,951)	641,130	257,535	4,915	165,488
Benefit payments, including refunds of employee contributions	(374,666)	(185,961)	(204,657)	(163,326)	(101,394)	(109,637)	(166,160)
Administrative expense	(4,073)	(5,580)	(3,389)	(3,315)	(2,902)	(2,992)	(1,727)
Other	(158)	(168)	(176)	(169)	(156)	(148)	(142)
Net change in plan fiduciary net position	1,640,829	1,904,363	532,496	1,239,692	812,701	473,349	438,031
Plan fiduciary net position - beginning	8,291,568	6,387,205	5,854,709	4,615,017	3,802,316	3,328,967	2,890,936
PLAN FIDUCIARY NET POSITION - ENDING (b)	$ 9,932,397	$ 8,291,568	$ 6,387,205	$ 5,854,709	$ 4,615,017	$ 3,802,316	$ 3,328,967
NET PENSION LIABILITY - ENDING (a)-(b)	$ 1,073,720	$ 1,109,910	$ 1,302,999	$ 701,764	$ 1,016,895	$ 1,039,517	$ 876,413
Plan fiduciary net position as a percentage of total pension liability	90%	88%	83%	89%	82%	79%	79%
Covered payroll	$ 6,580,234	$ 5,096,334	$ 4,265,561	$ 3,561,515	$ 1,194,348	$ 2,778,260	$ 2,432,756
Net pension liability as a percentage of covered payroll	16%	22%	31%	20%	85%	37%	36%

Notes to Schedule

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

City of Anna, Texas

Schedule of Employer Contributions to Pension Plan - TMRS
Last Seven Years

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 1,094,001	$ 906,255	$ 701,932	$ 592,188	$ 490,248	$ 444,631	$ 353,170
Contributions in relation to the actuarially determined contribution	1,094,001	906,255	701,932	592,188	490,248	444,631	353,170
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 7,764,378	$ 6,373,692	$ 4,798,511	$ 4,086,822	$ 3,396,686	$ 3,140,567	$ 2,881,090
Contributions as a percentage of covered payroll	14.09%	14.22%	14.63%	14.49%	14.43%	14.16%	12.26%

Notes to Schedule

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

2. GASB 68, paragraph 81.2.b requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

City of Anna, Texas

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

	2020	2019	2018	2017
TOTAL OPEB LIABILITY				
Service cost	$ 16,451	$ 9,173	$ 8,958	$ 6,767
Interest (on the Total OPEB Liability)	2,584	2,306	1,996	1,716
Change of benefit terms	-	-	-	-
Differences between expected and actual experience	11,180	(964)	(3,622)	-
Changes in assumptions or other imputs	23,878	18,247	(5,341)	5,334
Benefit payments	(658)	(510)	-	-
Net change in total OPEB liability	53,435	28,252	1,991	13,817
Total OPEB liability - beginning	86,081	57,829	55,838	42,021
TOTAL OPEB LIABILITY - ENDING (a)	$ 139,516	$ 86,081	$ 57,829	$ 55,838
Covered-employee payroll	$ 6,580,234	$ 5,096,334	$ 4,265,563	$ 3,561,515
Total OPEB liability as a percentage of covered-employee payroll	2.12%	1.69%	1.36%	1.57%

Notes to Schedule

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

City of Anna, Texas

Schedule of OPEB Contributions - TMRS
Last Four Fiscal Years

	2021	2020	2019	2018
Actuarially determined contribution	$ 7,636	$ 8,286	$ 6,238	$ 4,496
Contributions in relation to the actuarially determined contribution	7,636	8,286	6,238	4,496
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-emplyee payroll	7,764,378	6,373,692	4,798,511	4,086,822
Contributions as a percentage of covered-employee payroll	0.10%	0.13%	0.13%	0.11%

Notes to Schedule

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

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

Combining and Individual Fund Financial Statements and Schedule

THE CITY OF
Anna

Nonmajor Governmental Funds

Special Revenue Funds

Roadway Impact Fee Service Area 1
Accounts for revenue and expenditures from developer impact fees for future strategic roadway improvements for service area 1.

Roadway Impact Fee Service Area 2
Accounts for revenue and expenditures from developer impact fees for future strategic roadway improvements for service area 2.

Road Capital Development Agreement Fund
Accounts for negotiated developer agreements for road and street impact fees.

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

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

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

Tax Increment Reinvestment Zone Number 2 (TIRZ #2) Fund
Accounts for financing resources to pay for infrastructure costs to facilitate the mixed-use development project.

Other Special Revenue Fund
Accounts for all other miscellaneous restricted funds not described in other special revenue funds.

City of Anna, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	Roadway Impact Fee SVC Area 1	Roadway Impact Fee SVC Area 2	Road Capital Dev. Agr. Fund	Police Seizure Fund	Park Development Fund
ASSETS					
Cash and cash equivalents	$ 961,132	$ 1,299,439	$ 1,266,509	$ 12,491	$ 2,787,283
Receivables, net	-	-	-	-	-
Restricted cash	-	-	-	-	-
Total assets	$ 961,132	$ 1,299,439	$ 1,266,509	$ 12,491	$ 2,787,283
LIABILITIES					
Accounts payable and other liabilities	$ -	$ -	$ 945,657	$ -	$ 65,147
Accrued salaries	-	-	-	-	7,664
Total liabilities	-	-	945,657	-	72,811
FUND BALANCES					
Restricted for:					
Public safety	-	-	-	12,491	-
Capital projects	961,132	1,299,439	320,852	-	2,714,472
Unassigned	-	-	-	-	-
Total fund balances	961,132	1,299,439	320,852	12,491	2,714,472
TOTAL LIABILITIES AND FUND BALANCES	$ 961,132	$ 1,299,439	$ 1,266,509	$ 12,491	$ 2,787,283

Fire Dept. Capital Impr. Fund	TIRZ #2	Other Special Revenue Fund	Total Nonmajor Governmental Funds
$ 186,334	$ -	$ 160,409	$ 6,673,597
-	-	5,167	5,167
-	8,564	-	8,564
$ 186,334	$ 8,564	$ 165,576	$ 6,687,328
$ -	$ -	$ -	$ 1,010,804
-	-	-	7,664
-	-	-	1,018,468
186,334	-	165,576	364,401
-	8,564	-	5,304,459
-	-	-	-
186,334	8,564	165,576	5,668,860
$ 186,334	$ 8,564	$ 165,576	$ 6,687,328

City of Anna, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

	Roadway Impact Fee SVC Area 1	Roadway Impact Fee SVC Area 2	Road Capital Dev. Agr. Fund	Police Seizure Fund	Park Development Fund
REVENUES					
Property taxes	$ -	$ -	$ -	$ -	$ -
Charges for services	1,190,766	397,107	-	-	1,711,171
Fines and forfeitures	-	-	-	-	-
Investment income	5,606	4,471	4,869	62	9,990
Other revenue	-	-	-	3,135	-
Total revenues	1,196,372	401,578	4,869	3,197	1,721,161
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Culture and recreation	-	-	-	-	497,193
Public safety	-	-	-	1,881	-
Capital outlay	-	-	-	-	841,637
Total expenditures	-	-	-	1,881	1,338,830
Excess (deficiency) of revenues over (under) expenditures	1,196,372	401,578	4,869	1,316	382,331
OTHER FINANCING SOURCES (USES)					
Transfers out	(1,078,060)	-	(151,800)	-	-
Proceeds from sale of capital assets	-	-	-	1,619	10,000
Total other financing (uses)	(1,078,060)	-	(151,800)	1,619	10,000
Net change in fund balances	118,312	401,578	(146,931)	2,935	392,331
Fund balances, beginning of year	842,820	897,861	467,783	9,556	2,322,141
FUND BALANCES, END OF YEAR	$ 961,132	$ 1,299,439	$ 320,852	$ 12,491	$ 2,714,472

Fire Dept. Capital Impr. Fund	TIRZ #2	Other Special Revenue Fund	Total Nonmajor Governmental Funds
$ -	$ 10,136	$ -	$ 10,136
53,400	-	-	3,352,444
-	-	4,272	4,272
602	-	503	26,103
-	-	27,460	30,595
54,002	10,136	32,235	3,423,550
-	-	3,250	3,250
-	1,572	-	498,765
-	-	7,500	9,381
-	-	-	841,637
-	1,572	10,750	1,353,033
54,002	8,564	21,485	2,070,517
-	-	-	(1,229,860)
-	-	-	11,619
-	-	-	(1,218,241)
54,002	8,564	21,485	852,276
132,332	-	144,091	4,816,584
$ 186,334	$ 8,564	$ 165,576	$ 5,668,860

City of Anna, Texas
Balance Sheet
Community Development Corporation
September 30, 2021

	Anna Community Development Corporation
ASSETS	
Cash and cash equivalents	$ 1,508,369
Receivables, net	322,315
Restricted cash	19,474
TOTAL ASSETS	$ 1,850,158
LIABILITIES	
Accounts payable	$ 50,187
Accrued salaries	8,092
Total liabilities	58,279
FUND BALANCES	
Restricted for:	
Community Development	1,791,879
Total fund balances	1,791,879
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,850,158

City of Anna, Texas
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
Community Development Corporation
September 30, 2021

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	1,791,879
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		2,757,904
The following deferred outflows of resources and deferred inflows of resources are not reported in governmental funds:		
Deferred outflows of resources - OPEB		534
Deferred outflows of resources - pension		11,309
Deferred inflows of resources - OPEB		(66)
Deferred inflows of resources - pension		(2,770)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements. Long-term liabilities consist of:		
Sales tax revenue bonds		(2,645,000)
Compensated absences		(13,958)
Accrued interest		(12,596)
Total OPEB liability		(1,395)
Net pension liability		(10,737)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	1,875,104

City of Anna, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balances
Community Development Corporation
For the Year Ended September 30, 2021

	Anna Community Development Corporation
REVENUES	
Sales taxes	$ 1,757,926
Contributions	180
Investment income	7,507
Total revenues	1,765,613
EXPENDITURES	
Current:	
Community and economic development	1,036,922
Debt service:	
Principal retirement	225,000
Interest and fiscal charges	104,887
Total expenditures	1,366,809
Excess (deficiency) of revenues over (under) expenditures	398,804
Net change in fund balances	398,804
Fund balance, beginning of year	1,393,075
Fund balance, end of year	$ 1,791,879

City of Anna, Texas

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Community Development Corporation
For the Year Ended September 30, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	398,804
Amounts reported for governmental activities in the statement of activities are different because:		
Current year long-term debt principal payments on tax notes payable are expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.		225,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest		871
Increase in accrued compensated absences		(10,006)
Decrease in net pension liability and related deferred inflows and outflows		2,232
Increase in total OPEB liability and related deferred inflows and outflows		(249)
Various other reclassification and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This includes the change in unavailable revenue from the prior year		(41,310)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	575,342

City of Anna, Texas
Balance Sheet
Economic Development Corporation
September 30, 2021

	Anna Economic Development Corporation
ASSETS	
Cash and cash equivalents	$ 410,041
Receivables, net	-
TOTAL ASSETS	$ 410,041
LIABILITIES	
Accounts payable	$ 1,814
Total liabilities	1,814
FUND BALANCES	
Restricted for:	
Economic Development	408,227
Total fund balances	408,227
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 410,041

City of Anna, Texas
Reconciliation of Governmental Fund Balance Sheet
to the Statement of Net Position
Economic Development Corporation
September 30, 2021

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	408,227
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		297,619
Unavailable revenues are recognized as revenue in the statement of net position.		-
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	705,846

City of Anna, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balance
Economic Development Corporation
For the Year Ended September 30, 2021

	Anna Economic Development Corporation
REVENUES	
Charges for services	$ 11,276
Investment income	2,457
Total revenues	13,733
EXPENDITURES	
Current:	
Community and economic development	65,888
Total expenditures	65,888
Excess of revenues over expenditures	(52,155)
Net change in fund balances	(52,155)
Fund balance, beginning of year	460,382
Fund balance, end of year	$ 408,227

City of Anna, Texas

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities
Economic Development Corporation
For the Year Ended September 30, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	(52,155)
Amounts reported for governmental activities in the statement of activities are different because:		
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources		(19,850)
Various other reclassification and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This includes the change in unavailable revenue from the prior year		(87,527)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	(159,532)

City of Anna, Texas

Schedule of Revenues, Expenditures, and Changes
In Fund Balances – Budget and Actual
Community Development Corporation
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
REVENUES				
Sales and use tax	$ 1,300,000	$ 1,300,000	$ 1,757,926	$ 457,926
Contributions	-	-	180	180
Investment income	11,140	11,140	7,507	(3,633)
Total revenues	1,311,140	1,311,140	1,765,613	454,473
EXPENDITURES				
Current:				
Community and economic development	981,889	1,052,485	1,036,922	15,563
Debt Service:				
Principal retirement	225,000	225,000	225,000	-
Interest and fiscal charges	104,251	104,251	104,887	(636)
Total expenditures	1,311,140	1,381,736	1,366,809	14,927
Excess (deficiency) of revenues over (under) expenditures	-	(70,596)	398,804	469,400
Net change in fund balance	-	(70,596)	398,804	469,400
Fund balances, beginning of year	1,393,075	1,393,075	1,393,075	-
FUND BALANCES, END OF YEAR	$ 1,393,075	$ 1,322,479	$ 1,791,879	$ 469,400

Notes to Required Supplementary Information

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

City of Anna, Texas
Statement of Revenues, Expenditures, and Changes
In Fund Balances – Budget and Actual
Economic Development Corporation
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
REVENUES				
Charges for services - rentals	$ 17,476	$ 17,476	$ 11,276	$ (6,200)
Investment income	6,000	6,000	2,457	(3,543)
Other income	1,500	1,500	-	(1,500)
Total revenues	24,976	24,976	13,733	(11,243)
EXPENDITURES				
Current:				
Community and economic developmen	99,650	129,650	65,888	63,762
Total expenditures	99,650	129,650	65,888	63,762
Excess (deficiency) of revenues over (under) expenditures	(74,674)	(104,674)	(52,155)	52,519
Net change in fund balance	(74,674)	(104,674)	(52,155)	52,519
Fund balances, beginning of year	460,382	460,382	460,382	-
FUND BALANCES, END OF YEAR	$ 385,708	$ 355,708	$ 408,227	$ 52,519

Notes to Required Supplementary Information
1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP

City of Anna, Texas
Statement of Revenues, Expenditures, and Changes
In Fund Balances – Budget and Actual
Debt Service Fund
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 1,852,163	$ 1,852,163	$ 1,734,882	$ (117,281)
Investment income	11,000	11,000	3,195	(7,805)
Total revenues	1,863,163	1,863,163	1,738,077	(125,086)
EXPENDITURES				
Principal retirement	504,000	504,000	504,000	-
Interest and fiscal charges	1,313,663	1,313,663	1,312,411	1,252
Debt issuance costs	-	-	11,661	(11,661)
Total expenditures	1,817,663	1,817,663	1,828,072	(10,409)
Excess (deficiency) of revenues over (under) expenditures	45,500	45,500	(89,995)	(135,495)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Payment to escrow	-	-	(522,696)	-
Bond proceeds	-	-	465,000	-
Bond premiums	-	-	69,357	-
Total other financing sources (uses)	-	-	11,661	-
Net change in fund balances	45,500	45,500	(78,334)	(135,495)
Fund balances, beginning of year	148,439	148,439	148,439	-
FUND BALANCES, END OF YEAR	$ 193,939	$ 193,939	$ 70,105	$ (135,495)

City of Anna, Texas
Statement of Revenues, Expenditures, and Changes
In Fund Balances – Budget and Actual
Grant Fund
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment income	$ -	$ -	$ 183	$ 183
Intergovernmental	581,497	581,497	386,340	(195,157)
Total revenues	581,497	581,497	386,523	(194,974)
EXPENDITURES				
Current:				
General government	-	-	20,278	(20,278)
Public safety	715,743	9,875	58,802	(48,927)
Capital outlay	50,000	50,000	306,994	(256,994)
Total expenditures	765,743	59,875	386,074	(326,199)
Excess (deficiency) of revenues over (under) expenditures	(184,246)	521,622	449	(521,173)
Net change in fund balance	(184,246)	521,622	449	(521,173)
Beginning fund balance	-	-	-	-
ENDING FUND BALANCE	$ (184,246)	$ 521,622	$ 449	$ (521,173)

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

THE CITY OF
Anna

Statistical Section

THE CITY OF
Anna

Statistical Section
(Unaudited)

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

	Tables
Financial Trends	1, 2, 3 & 4
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	5, 6, 7 & 8
These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	
Debt Capacity	9, 10, 11 & 12
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	13 & 14
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	15, 16 & 17
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

City of Anna, Texas **Table 1**

Net Position by Component
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$ 65,539,991	$ 49,605,921	$ 33,525,898	$ 29,892,142	$ 20,398,968	$ 13,466,866	$ 13,288,789	$ 12,463,939	$ 11,698,639	$ 10,749,210
Restricted	18,360,546	7,417,666	10,681,098	469,607	1,489,057	1,550,067	1,781,301	1,265,399	983,464	444,340
Unrestricted	13,904,713	9,023,802	6,211,056	5,793,809	3,844,285	3,052,331	2,073,139	2,272,911	2,427,826	2,338,621
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	$ 97,805,250	$ 66,047,389	$ 50,418,052	$ 36,155,558	$ 25,732,310	$ 18,069,264	$ 17,143,229	$ 16,002,249	$ 15,109,929	$ 13,532,171
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	$ 41,835,760	$ 35,210,562	$ 28,632,597	$ 25,064,065	$ 17,356,378	$ 12,878,858	$ 9,150,846	$ 7,161,432	$ 9,228,796	$ 11,584,537
Restricted	23,680,099	13,578,283	9,638,637	6,761,991	6,407,402	7,349,941	10,029,856	11,632,410	8,358,837	3,809,923
Unrestricted (deficit)	5,757,394	4,764,739	3,364,464	2,855,207	2,930,232	762,189	595,738	642,688	1,470,698	1,233,119
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	$ 71,273,253	$ 53,553,584	$ 41,635,698	$ 34,681,263	$ 26,694,012	$ 20,990,988	$ 19,776,440	$ 19,436,530	$ 19,058,331	$ 16,627,579
PRIMARY GOVERNMENT										
Net investment in capital assets	$ 107,375,751	$ 84,816,483	$ 62,158,495	$ 54,956,207	$ 37,755,346	$ 26,345,724	$ 22,439,635	$ 19,625,371	$ 20,927,435	$ 22,333,747
Restricted	42,040,645	20,995,949	20,319,735	7,231,598	7,896,459	8,900,008	11,811,157	12,897,809	9,342,301	4,254,263
Unrestricted	19,662,107	13,788,541	9,575,520	8,649,016	6,774,517	3,814,520	2,668,877	2,915,599	3,898,524	3,571,740
TOTAL PRIMARY GOVERNMENT NET POSITION	$ 169,078,503	$ 119,600,973	$ 92,053,750	$ 70,836,821	$ 52,426,322	$ 39,060,252	$ 36,919,669	$ 35,438,779	$ 34,168,260	$ 30,159,750

Source: Comprehensive Annual Financial Report

City of Anna, Texas

Table 2

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
EXPENSES										
Governmental activities:										
General government	$ 3,538,746	$ 2,669,302	$ 1,954,083	$ 1,758,159	$ 1,405,085	$ 1,393,256	$ 1,058,719	$ 963,243	$ 885,833	$ 1,047,147
Culture and recreation	2,053,933	1,172,862	877,455	799,378	665,430	584,676	573,249	432,133	303,607	290,907
Community services	1,198,530	1,280,415	1,289,798	810,369	904,227	690,842	558,541	619,465	560,983	530,649
Public safety	6,221,473	5,074,735	3,972,445	3,730,871	3,062,333	2,727,997	2,511,931	2,272,660	2,278,515	1,841,980
Public works	4,169,132	3,176,361	4,113,592	2,013,096	1,502,775	1,261,514	1,053,123	954,932	940,941	888,763
Interest on long-term debt	2,212,316	1,258,204	2,420,375	670,789	132,433	174,446	316,079	258,663	270,057	196,169
Total governmental activities expenses	19,394,130	14,631,879	14,627,748	9,782,662	7,672,283	6,832,731	6,071,642	5,501,096	5,239,936	4,795,615
Business-type activities:										
Water and sewer	13,462,054	11,152,513	11,664,343	8,893,526	7,443,593	7,371,352	6,487,099	5,453,831	5,307,272	4,928,084
Total business-type activities expenses	13,462,054	11,152,513	11,664,343	8,893,526	7,443,593	7,371,352	6,487,099	5,453,831	5,307,272	4,928,084
TOTAL PRIMARY GOVERNMENT EXPENSES	$ 32,856,184	$ 25,784,392	$ 26,292,091	$ 18,676,188	$ 15,115,876	$ 14,204,083	$ 12,558,741	$ 10,954,927	$ 10,547,208	$ 9,723,699
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	$ 4,281,147	$ 304,993	$ 236,673	$ 90,890	$ 136,465	$ 48,181	$ 30,000	$ 30,000	$ 20,839	$ 97,951
Culture and recreation	1,689,000	1,404,600	900,150	315,933	553,511	117,990	63,265	71,905	63,421	10,295
Community services	182,859	2,644,933	1,314,178	873,397	1,173,516	236,694	748,212	772,501	839,349	743,906
Public safety	5,353	21,648	16,995	94,244	49,950	768,988	218,973	183,533	194,379	69,200
Public works	1,641,273	895,585	666,873	641,119	382,390	129,914	-	-	-	-
Operating grants and contributions	527,376	616,207	182,943	4,225	351,482	333,948	15,053	11,525	10,531	76,729
Capital grants and contributions	30,267,739	13,181,867	15,179,885	9,338,204	6,489,958	-	1,417,514	783,182	2,665,841	382,003
Total governmental activities program revenues	38,594,747	19,069,833	18,497,697	11,358,012	9,137,272	1,635,715	2,493,017	1,852,646	3,794,360	1,380,084
Business-type activities:										
Charges for services:										
Water and sewer	23,356,512	15,852,302	14,947,376	11,416,192	9,805,662	7,523,193	6,194,327	5,980,176	5,573,401	4,880,931
Capital grants and contributions	7,732,066	6,716,462	3,346,660	5,348,481	3,298,737	776,416	755,508	486,155	484,704	-
Total business-type activities program revenues	31,088,578	22,568,764	18,294,036	16,764,673	13,104,399	8,299,609	6,949,835	6,466,331	6,058,105	4,880,931
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	$ 69,683,325	$ 41,638,597	$ 36,791,733	$ 28,122,685	$ 22,241,671	$ 9,935,324	$ 9,442,852	$ 8,318,977	$ 9,852,465	$ 6,261,015

Source: Comprehensive Annual Financial Report

City of Anna, Texas

Table 2

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NET (EXPENSE) REVENUE										
Governmental activities	$ 19,200,617	$ 4,437,954	$ 3,869,949	$ 1,575,350	$ 1,464,989	$ (5,197,016)	$ (3,578,625)	$ (3,648,450)	$ (1,445,576)	$ (3,415,531)
Business-type activities	17,626,524	11,416,251	6,629,693	7,871,147	5,660,806	928,257	462,736	1,012,500	750,833	(47,153)
TOTAL PRIMARY GOVERNMENT NET EXPENSE	$ 36,827,141	$ 15,854,205	$ 10,499,642	$ 9,446,497	$ 7,125,795	$ (4,268,759)	$ (3,115,889)	$ (2,635,950)	$ (694,743)	$ (3,462,684)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes:										
Property taxes	$ 8,714,860	$ 7,929,530	$ 6,728,848	$ 5,579,490	$ 4,619,461	$ 3,973,028	$ 3,322,054	$ 2,807,140	$ 2,483,857	$ 2,392,504
Sales taxes	2,929,876	2,271,318	1,835,421	1,502,079	1,203,749	1,542,309	1,473,097	1,350,896	1,149,297	522,840
Franchise taxes	726,006	657,331	612,332	573,517	505,571	447,498	450,799	416,175	353,482	363,970
Investment earnings	123,643	568,920	1,044,444	327,200	26,199	31,816	23,685	22,295	39,256	25,939
Gain on sale of capital assets	-	20,111	135,910	276,970	-	-	39,160	11,960	-	3,339
Miscellaneous	62,859	70,560	84,132	314,750	241,719	166,773	316,688	140,596	39,399	162,422
Intergovernmental	-	-	-	142,273	-	-	-	-	-	-
Transfers	-	(326,387)	(48,542)	159,500	-	108,556	(649)	279,707	(1,489,156)	(364,582)
Total governmental activities	12,557,244	11,191,383	10,392,545	8,875,779	6,596,699	6,269,980	5,624,834	5,028,769	2,576,135	3,106,432
Business-type activities:										
Investment earnings	93,145	175,248	276,200	136,261	63,607	69,608	77,064	73,451	34,636	34,450
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	5,318
Miscellaneous	-	-	-	148,148	69,610	29,193	-	-	156,127	-
Transfers	-	326,387	48,542	(159,500)	-	(108,556)	649	(279,707)	1,489,156	364,582
Total business-type activities	93,145	501,635	324,742	124,909	133,217	(9,755)	77,713	(206,256)	1,679,919	404,350
TOTAL PRIMARY GOVERNMENT	$ 12,650,389	$ 11,693,018	$ 10,717,287	$ 9,000,688	$ 6,729,916	$ 6,260,225	$ 5,702,547	$ 4,822,513	$ 4,256,054	$ 3,510,782
CHANGE IN NET POSITION										
Governmental activities	$ 31,757,861	$ 15,629,337	$ 14,262,494	$ 10,451,129	$ 8,061,688	$ 1,072,964	$ 2,046,209	$ 1,380,319	$ 1,130,559	$ (309,099)
Business-type activities	17,719,669	11,917,886	6,954,435	7,996,056	5,794,023	918,502	540,449	806,244	2,430,752	357,197
TOTAL PRIMARY GOVERNMENT	$ 49,477,530	$ 27,547,223	$ 21,216,929	$ 18,447,185	$ 13,855,711	$ 1,991,466	$ 2,586,658	$ 2,186,563	$ 3,561,311	$ 48,098

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GENERAL FUND										
Nonspendable	$ 12,961	$ 10,630	$ 7,242	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	13,354	13,279	13,133	12,891	12,768	19,580	523,192	394,002	232,160	356,686
Committed	-	-	215,932	215,932	740,768	185,788	157,476	161,510	558,127	110,894
Assigned	-	-	-	-	-	-	-	144,175	-	-
Unassigned	6,545,930	6,421,607	5,705,117	4,484,943	3,741,504	3,114,627	2,617,940	2,351,029	1,830,457	2,178,670
TOTAL GENERAL FUND	$ 6,572,245	$ 6,445,516	$ 5,941,424	$ 4,713,766	$ 4,495,040	$ 3,319,995	$ 3,298,608	$ 3,050,716	$ 2,620,744	$ 2,646,250
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	$ 559,947	$ 3,000	$ 1,000	$ -	$ -	$ -	$ -	$ 35,642	$ 88,353	$ -
Restricted	31,756,237	32,669,975	40,214,505	35,295,317	1,476,290	2,284,212	1,100,633	871,397	662,951	87,654
Assigned	5,537,514	-	-	-	-	-	-	-	-	-
Unassigned	-	(3,000)	(112,518)	-	(7,694)	(574,937)	(203,139)	(371,273)	(87,717)	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	$ 37,853,698	$ 32,669,975	$ 40,102,987	$ 35,295,317	$ 1,468,596	$ 1,709,275	$ 897,494	$ 535,766	$ 663,587	$ 87,654

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
REVENUES										
Taxes	$ 12,363,699	$ 10,898,111	$ 9,166,995	$ 7,592,708	$ 6,338,940	$ 5,965,724	$ 5,241,413	$ 4,571,535	$ 3,999,758	$ 3,282,978
Licenses, permits, and fees	4,159,517	2,683,906	1,331,173	824,186	1,115,294	711,462	748,212	772,501	839,349	743,906
Charges for services	3,514,109	2,488,443	1,716,265	1,113,856	1,106,620	-	158,491	166,242	139,646	82,834
Fines and forfeitures	129,265	97,374	87,431	77,541	73,918	84,360	115,027	100,055	133,018	98,446
Intergovernmental	526,766	123,195	93,190	142,273	185,392	287,614	114,200	106,600	1,463,430	126,900
Investment earnings	123,643	568,920	1,044,444	327,200	26,199	31,816	23,685	22,295	39,256	25,939
Other revenues	10,458,492	1,436,755	166,460	314,750	117,932	1,164,183	126,393	122,579	74,738	35,522
Contributions	4,330,711	475	9,823,637	4,225	351,482		135,949	29,085	674,398	458,732
Total revenues	35,606,202	18,297,179	23,429,595	10,396,739	9,315,777	8,245,159	6,663,370	5,890,892	7,363,593	4,855,257
EXPENDITURES										
Current:										
General government	3,388,774	2,759,964	1,918,254	1,553,102	1,339,668	1,507,324	1,181,679	1,048,004	967,299	985,070
Culture and recreation	1,677,459	815,030	518,696	473,477	332,249	268,538	246,808	196,502	120,030	116,883
Community services	1,198,963	1,113,095	1,286,794	809,682	902,552	689,308	896,419	1,001,631	737,119	529,080
Public safety	5,875,398	4,827,758	3,721,752	3,649,049	2,842,470	2,509,795	2,182,617	1,951,681	1,964,502	1,669,196
Public works	1,239,676	857,730	2,166,360	541,968	463,780	539,049	200,188	170,830	201,294	163,518
Debt service:										
Principal retirement	546,366	537,791	426,851	342,000	328,000	779,842	466,776	415,662	430,877	327,914
Interest and fiscal changes	1,327,404	1,344,730	2,589,974	71,273	97,376	182,942	200,331	259,080	271,485	204,552
Bond issuance costs	739,177	-	-	443,009	-	-	38,350	-	-	-
Capital outlay	22,938,256	12,994,384	5,414,720	1,771,045	565,974	1,094,445	755,535	837,018	2,917,945	382,368
Total expenditures	38,931,473	25,250,482	18,043,401	9,654,605	6,872,069	7,571,243	6,168,703	5,880,408	7,610,551	4,378,581
Excess of revenues over (under) expenditures	(3,325,271)	(6,953,303)	5,386,194	742,134	2,443,708	673,916	494,667	10,484	(246,958)	476,676
OTHER FINANCING SOURCES (USES)										
Transfers in	3,316,912	1,979,606	121,637	1,455,713	585,209	298,419	335,134	316,507	1,755,532	213,753
Transfers (out)	(3,316,912)	(1,976,401)	(170,179)	(1,296,213)	(585,209)	(189,863)	(335,783)	(36,800)	(3,244,688)	(578,335)
Sale of capital assets	61,619	21,178	212,608	700,082	34,974	17,054	65,000	11,960	-	-
Bond Proceeds	8,460,000	-	-	31,795,000	(23,350)	-	1,462,000	-	-	-
Debt Issuance Cost	(197,353)	-	-	-	-	-	-	-	-	-
Premium on debt issuance	834,153	-	-	1,601,891	850,000	-	-	-	-	-
Lease issuance	-	-	485,068	-	-	-	-	-	-	-
Payments to escrow agent	(522,696)	-	-	(953,160)	(820,899)	-	(1,411,398)	-	-	-
Total other financing sources (uses)	8,635,723	24,383	649,134	33,303,313	40,725	125,610	114,953	291,667	(1,489,156)	(364,582)
NET CHANGE IN FUND BALANCE	$ 5,310,452	$ (6,928,920)	$ 6,035,328	$ 34,045,447	$ 2,484,433	$ 799,526	$ 609,620	$ 302,151	$ (1,736,114)	$ 112,094
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	5.6%	9.5%	23.9%	5.2%	6.7%	14.9%	12.3%	13.4%	15.0%	13.3%

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: Real Property	Estimated Market Value: Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2012	$ 446,019,189	$ 14,755,531	$ 95,551,181	$ 365,223,539	0.65033
2013	457,390,078	16,753,543	97,610,313	376,533,308	0.65033
2014	514,337,648	21,674,172	105,177,246	430,834,574	0.65033
2015	649,209,461	22,743,852	161,376,609	510,576,704	0.64900
2016	817,578,552	27,290,010	236,173,968	608,694,594	0.63900
2017	941,525,839	32,134,958	247,017,901	726,642,896	0.62900
2018	1,173,598,307	40,865,863	303,651,595	910,812,575	0.60129
2019	1,440,753,873	51,949,576	352,310,696	1,140,392,753	0.59129
2020	1,630,573,659	61,071,756	381,187,399	1,310,458,016	0.59129
2021	1,799,674,320	62,835,654	383,180,540	1,479,329,434	0.58300

Source: Collin County Appraisal District

City of Anna, Texas **Table 6**

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

	City Direct Rates			Overlapping Rates			
Fiscal Year	Operating	Debt Service	Total Direct Rate	Anna Independent School District	Collin County	Collin County Community College District	Total Rate
2012	0.55938	0.09097	0.650341	1.540000	0.240000	0.086300	1.86630
2013	0.55937	0.09097	0.650332	1.540000	0.240000	0.086299	1.86630
2014	0.55937	0.09097	0.650332	1.540000	0.237500	0.083643	1.86114
2015	0.54583	0.10317	0.649000	1.540000	0.235000	0.081960	1.85696
2016	0.53234	0.10666	0.639000	1.670000	0.225000	0.081960	1.97696
2017	0.50658	0.12242	0.629000	1.670000	0.208395	0.081222	1.95962
2018	0.47887	0.12242	0.601288	1.670000	0.192246	0.798100	2.66035
2019	0.42812	0.16317	0.591288	1.670000	0.180785	0.081222	1.93201
2020	0.45154	0.13975	0.591288	1.568350	0.172531	0.081222	1.82210
2021	0.46705	0.11595	0.583000	1.474600	0.172531	0.081222	1.72835

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)

	2021			2012	
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Assessed Valuation	Taxpayer	Taxable Assessed Value	Percentage of Total City Assessed Valuation
Wal-Mart Real Estate Business Trust	$ 16,787,594	1.28%	Brookshire Grocery Company	$ 4,374,568	1.20%
Bloomfield Homes LP	11,837,016	0.90%	PTCAA Texas LP	3,591,175	0.98%
MM Hurricane Creek FL 1 LLC	10,174,815	0.78%	Anna Eagle Retail LP	3,400,000	0.93%
Q Seminole Anna Towne Center LP	8,041,898	0.61%	UDF Northpointe II LP	3,138,758	0.86%
Wal-Mart Stores Texas LLC	7,392,143	0.56%	Brookshire Grocery Company	2,689,404	0.74%
North Texas Surgery Real Estate LLC	7,200,000	0.55%	Hwy 75/Anna Property LP	2,359,011	0.65%
UHS of Texoma Inc	6,976,557	0.53%	Windmill Self Storage LP	2,286,848	0.63%
LGI Homes - Texas LLC	10,847,605	0.83%	Bronco MFC Machine Shop	1,988,005	0.54%
DR Horton - Texas LTD	5,510,287	0.42%	Anna Commerical Partners LLC	1,948,505	0.53%
RR-LI Enterprises	6,149,225	0.47%	Love's Country Stores Inc.	2,268,848	0.62%
Total	90,917,140	6.93%		28,045,122	7.68%

Source: Collin County Tax Collector

Notes: [a]Taxpayers are assessed on January 1, 2020 (2020 tax year) for the 2021 fiscal year.

[b]Taxpayers are assessed on January 1, 2011 (2011 tax year) for the 2012 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
2012	$ 2,365,624	$ 2,314,801	97.9%	$ 47,482	$ 2,362,283	99.9%
2013	2,483,972	2,420,674	97.5%	58,076	2,478,750	99.8%
2014	2,851,672	2,771,670	97.2%	67,311	2,838,981	99.6%
2015	3,373,239	3,290,905	97.6%	67,134	3,358,039	99.5%
2016	3,966,064	3,881,905	97.9%	68,059	3,949,964	99.6%
2017	4,606,565	4,541,224	98.6%	46,018	4,587,242	99.6%
2018	5,495,607	5,348,790	97.3%	31,407	5,380,197	97.9%
2019	6,475,495	6,354,521	98.1%	133,220	6,487,741	100.2%
2020	7,543,539	7,452,202	98.8%	97,237	7,549,439	100.1%
2021	8,610,384	8,580,733	99.7%	-	8,580,733	99.7%

Source: Collin County Tax Assessor

City of Anna, Texas **Table 9**

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

	Governmental Activities				Business-type Activities							
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Combination Tax & Revenue Bonds & Certificates	Capital Lease Payable	Waterworks & Sewer System Revenue Bonds	Combination Tax & Revenue Bonds & Certificates	Contract Revenue Bonds	General Obligation Bonds	Capital Lease Payable	Total Primary Government	Percentage of Personal Income	Per Capita
2012	$ 270,000	$ 4,215,000	$ -	$ 2,686,726	$ 10,000	$ 4,090,000	$ 15,086,250	$ 20,000	$ 28,526	$ 26,406,502	13.38%	3,078
2013	250,000	3,985,000	-	2,513,847	5,000	8,275,000	14,698,750	15,000	9,747	29,752,344	13.30%	3,179
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	2,525,000	-	2,204,882	-	12,561,000	13,675,000	5,000	-	32,585,882	11.90%	2,968
2016	1,563,000	2,270,000	-	1,732,000	-	12,359,000	13,140,000	-	-	31,064,000	10.99%	2,744
2017	2,145,000	1,045,000	-	-	-	12,212,619	12,503,750	-	1,340,010	29,246,379	8.63%	2,360
2018	2,018,000	32,351,142	876,409	-	-	17,195,354	5,892,500	-	1,217,631	59,551,036	16.54%	4,350
2019	1,922,000	32,253,211	615,000	429,217	-	16,388,023	5,618,750	-	1,092,805	58,319,006	14.97%	3,885
2020	1,815,000	30,620,000	425,000	388,426	-	15,067,000	5,325,833	-	967,248	54,608,507	10.96%	3,266
2021	9,494,000	30,425,000	375,000	346,060	-	13,530,000	5,027,083	-	1,228,121	60,425,264	10.52%	3,392

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

City of Anna, Texas **Table 10**

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

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Combination Tax & Revenue Bonds & Certificates[3]	Total	Percentage of Actual Taxable Value[1] of Property	Per Capita[2]
2012	$ 270,000	$ 4,215,000	$ 4,090,000	$ 8,575,000	0.0023%	999
2013	250,000	3,985,000	8,275,000	12,510,000	0.0033%	1,337
2014	230,000	3,755,000	12,430,000	16,415,000	0.0038%	1,586
2015	1,615,000	2,525,000	12,561,000	16,701,000	0.0033%	1,521
2016	1,563,000	2,270,000	12,359,000	16,192,000	0.0027%	1,430
2017	2,145,000	1,045,000	12,212,619	15,402,619	0.0021%	1,243
2018	2,018,000	32,351,142	18,071,763	52,440,905	0.0058%	3,831
2019	1,922,000	32,253,211	17,003,023	51,178,234	0.0045%	3,410
2020	1,815,000	30,620,000	15,492,000	47,927,000	0.0037%	2,866
2021	9,494,000	30,425,000	13,905,000	53,824,000	0.0036%	3,021

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

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

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

[3]Bonds are payable from levy and collecton of a direct and continuing ad valorem tax and from a pledge of surplus revenues from water and sewer.

City of Anna, Texas **Table 11**

Direct and Overlapping Governmental Activities Debt
As of September 30, 2021 (Unaudited)

	Debt Outstanding	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
GOVERNMENTAL UNIT			
Debt repaid with property taxes:			
Collin County	$ 526,975,000	0.65%	$ 3,425,338
Collin College	575,747,183	0.65%	3,742,357
Anna ISD	187,437,991	77.42%	145,114,493
Subtotal, overlapping debt			152,282,187
City of Anna			42,738,745
TOTAL DIRECT AND OVERLAPPING DEBT			$ 195,020,932

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

[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					
	Total Revenues[a]	Less: Operating Expenses[b]	Net Available Revenue	Debt Service		Times Coverage
				Principal	Interest	
2012	$ 4,920,699	$ 2,899,257	$ 2,021,442	$ 416,826	$ 906,240	1.53
2013	5,764,164	3,161,627	2,602,537	446,279	955,154	1.86
2014	6,053,627	3,151,655	2,901,972	542,247	1,054,947	1.82
2015	6,271,391	3,987,255	2,284,136	663,250	1,125,983	1.28
2016	8,371,878	5,137,343	3,234,535	742,000	1,056,647	1.80
2017	9,938,880	6,490,261	3,448,619	772,500	1,028,814	1.91
2018	11,700,601	6,146,505	5,554,096	1,015,628	912,272	2.88
2019	15,822,376	8,582,049	7,240,327	1,131,810	1,903,394	2.39
2020	16,027,550	8,034,715	7,992,835	1,166,907	924,978	3.82
2021	23,449,657	9,967,140	13,482,517	1,256,227	616,081	4.13

Note: [a]Includes both operating and non-operating revenues.
[b]Includes operating expenses minus depreciation.
Details regarding the City's outstanding debt can be found in the notes to the financial statements.

City of Anna, Texas **Table 13**

Demographic and Economic Statistics
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population[1]	Personal Income	Per Capita[4] Personal Income	School Enrollment[3]	Unemployment Rate[2]
2012	8,580	$ 197,374,320	$ 23,004	2,519	5.6%
2013	9,360	223,657,200	23,895	2,579	5.4%
2014	10,350	262,082,700	25,322	2,855	4.4%
2015	10,980	273,808,260	24,937	3,051	3.6%
2016	11,320	282,705,680	24,974	3,214	3.8%
2017	12,390	338,916,060	27,354	3,438	3.8%
2018	13,690	359,992,240	26,296	3,602	3.0%
2019	15,010	389,614,570	25,957	3,837	2.9%
2020	16,721	498,252,358	29,798	3,837	6.9%
2021	17,814	573,953,192	32,219	4,485	5.6%

Sources:
[1]North Central Texas Council of Governements (NCTCOG)
[2]State Department of Labor and homefacts.com
[3]Anna Independent School District
[4]U. S. Census Bureau American Fact Finder & North Central Texas Council of Governments (NCTCOG)

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

City of Anna, Texas **Table 14**

Principal Employers

Current and Nine Years Ago (Unaudited)

	2021			2012	
Employer	No. Employees	Percentage of Total City Employment	Employer	No. Employees	Percentage of Total City Employment
Anna ISD	625	39.94%	Anna ISD	N/A	N/A
Walmart	345	22.04%	Pate Rehab	N/A	N/A
Pate Rehab	147	9.39%	Brookshire's	N/A	N/A
City of Anna	146	9.33%	Bronco	N/A	N/A
Brookshire's	84	5.37%	Hurricane Creek Country Club	N/A	N/A
Bronco Manufacturing	52	3.32%	City of Anna	N/A	N/A
Hurricane Creek County Club	50	3.19%	KFC/Taco Bell	N/A	N/A
Loves Travel Stop	45	2.88%	Crow's Country Café	N/A	N/A
McDonalds	40	2.56%	Mudpies and Lullabies	N/A	N/A
Tri-County Vet	31	1.98%	Highland Fire Protection	N/A	N/A
Total	1,565			-	

Source: [1]Top ten employers and employee count provided by Anna Econcomic Deveopment Corporation.

Note: Data not available for 2012 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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FUNCTION/PROGRAM										
General Government and Administration	24.5	23.5	23.5	15.5	12.5	13.5	13.5	12.5	12.5	13.5
Public Safety	42.0	37.0	33.0	28.0	24.0	22.0	21.0	18.0	18.0	16.0
Public Works	6.0	6.0	6.0	8.0	7.0	7.0	4.0	1.0	1.0	1.0
Culture and Recreation	10.9	8.4	7.0	10.0	4.0	4.0	2.0	3.0	1.0	2.0
Water and Sewer	24.0	16.0	16.0	13.0	11.0	8.0	10.0	12.0	10.0	10.0
Community Development	8.0	9.0	8.0	4.0	4.0	3.0	3.0	3.0	2.0	2.0
Economic Development	2.0	2.0	2.0	1.0	0.5	0.5	0.5	0.5	0.5	0.5
TOTAL ALL GOVERNMENT FUNDS	117.4	101.9	95.5	79.5	63.0	58.0	54.0	50.0	45.0	45.0

Source: Finance and Human Resouces Department

City of Anna, Texas **Table 16**

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

FUNCTION/PROGRAM	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government										
Building permits issued-residential	1,125	833	579	342	440	273	216	290	305	351
Building permits issued-commerical	12	11	12	11	11	4	1	5	-	13
Building inspections conducted	16,917	5,020	15,416	14,718	16,046	9,474	7,493	12,584	10,566	8,604
Public Safety										
Police:										
Physical arrests	325	253	357	428	337	311	309	208	197	187
Accidents	363	265	323	336	265	261	231	182	155	139
Traffic violations	4,739	2,824	2,421	3,153	2,404	3,962	4,235	3,491	2,539	3,694
Fire:										
Emergency responses	2,286	1,851	1,783	1,703	1,502	1,234	1,256	1,065	1,070	1,021
Fires extinguished	100	74	81	59	19	79	62	43	41	99
Inspections	212	160	186	284	132	115	107	79	77	55
Highways and streets										
Street resurfacing (miles)	4.2	2.5	2	1.0	0	1	-	-	-	-
Potholes repaired	1,947	2,000	1,100	1,250	940	3,900	1,600	-	-	-
Recreation										
Reservations issued	162		156	164	92	53	59	17	-	-
Waster and Sewer										
Number of Active Accounts	8,043	7,300	5,979	5,470	5,102	4,935	4,596	4,423	4,166	3,720
Average daily consumption (gallons) wells	1,029,423	1,009,523	1,122,943	1,097,062	1,018,025	1,007,258	1,115,682	1,061,013	772,487	1,200,000
Average daily consumption (gallons) NTMWD	2,428,800	1,169,030	1,025,503	679,857	679,857	355,970	-	-	-	-

Source: City departments

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

City of Anna, Texas **Table 17**

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FUNCTION										
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	12	8	8	8	11	9	9	7	7	6
Number of fire stations	1	1	1	1	1	1	1	1	1	1
Streets and Grounds										
Streets (miles)	130	100	74	68	65	50	-	-	-	-
Streetlights	1,200	1,090	908	800	625	570	-	-	-	-
Traffic signals	6	5	4	4	3	1	-	-	-	-
Recreation										
Acreage	206	201	201	201	197	197	180	177	177	177
Playgrounds	5	4	3	2	2	2	2	2	2	2
Baseball/softball diamonds	6	6	6	6	6	7	7	7	7	5
Water and Sewer										
Water mains	82	82	75	69	55	55	-	-	-	-
Fire hydrants	925	925	862	804	570	570	-	-	-	-
Sanitary Sewer (miles)	75	75	68	62	50	50				
Storage capacity (millions of gallons)	3	3	3	3	3	3	-	-	-	-
Wastewater										
Trealnient capacity	9	9	9	9	9	9	-	-	-	-
Sanitary sewer (miles)	75	75	68	62	60	50	-	-	-	-
Storm sewers (miles)	65	65	60	57	55	50	-	-	-	-

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