



**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2018**



**CITY OF SAN ANGELO, TEXAS**

**Comprehensive Annual Financial Report**

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



**Prepared by: Finance Department**

**Tina Dierschke, Finance Director**

**CITY OF SAN ANGELO, TEXAS**

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The City of  
**San Angelo, Texas**  
72 W College Ave.  
San Angelo, TX 76902

March 27, 2019

The Honorable Mayor and City Council

We are submitting this comprehensive annual financial report of the City of San Angelo for the fiscal year ended September 30, 2018.

Management is fully responsible for the completeness and reliability of all the information included in this report. As a basis for making these representations, management of the City has established an internal control framework designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the benefits of internal control should be more than their cost, the City's internal control framework has been designed to provide reasonable rather than absolute assurance that the financial statements will not contain material misstatements. In our capacity as management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Texas Local Government Code Chapter 103 and the City Charter section 34 requires an annual audit of the City's financial statements. The City Council selected Armstrong Backus & Co., LLP, a firm of licensed certified public accountants to audit this year's financial statements. The goal of an independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2018, are free of material misstatement. The 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 concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2018, are fairly stated in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the City's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented under separate cover.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement MD&A and should be read in conjunction with it. The City's MD&A is in the financial section immediately following the independent auditors' report.

## **PROFILE OF THE CITY**

The City of San Angelo is located 210 miles west northwest of Austin, Texas in Tom Green County. The City is empowered to levy property taxes on all real and personal property within its boundaries.

The City operates under the council-manager form of government. Policy making and legislative authority reside in a council comprised of a mayor and six council members. The City Council is responsible for, among other things, passing ordinances, adopting a budget, selecting a city manager and municipal court judges, and appointing citizens to City boards and commissions. Council members are selected on a non-partisan basis and serve four-year, staggered, terms. The six council members are selected by the voters in single-member districts. The Mayor is selected by city voters at large. The City Manager is responsible for implementation of the Council adopted policies and ordinances, oversight of the operations of the City, and for appointment of City department heads.

The City annually adopts an operating budget for the General, Special Revenue and Debt Service Funds. Budgets for the Proprietary Funds are adopted for internal management purposes. Budgetary control is maintained at the line item level by the encumbered, appropriated and expended balances within any fund; however, any revision that increases the total budgeted expenditures must be approved by the City Council after public hearings.

City budgets are prepared on a modified accrual basis and accounting records are maintained on that basis throughout the fiscal year. Applicable accounting records are then adjusted to the full or modified accrual basis for year-end reporting purposes.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The financial statement information can be better understood when it is considered from the broad perspective of the specific environment within which the City operates.

**Local economy** – West Texas cities tend to be widely dispersed. San Angelo is one of the largest cities in West Central Texas and serves as the center of commerce, government, medicine, and religion for an expansive area. San Angelo is served by three U. S. highways and one State highway. The San Angelo Regional Airport (Mathis Field) also provides flights that link up with national and international airlines.

San Angelo continues to have a well-diversified economic base with major sectors that include manufacturing, medical care, education, trade, business services and military. San Angelo is a regional service center for business and agriculture over a fourteen county area. The Ethicon division of Johnson and Johnson, Hirschfeld Steel, San Angelo Community Medical Center, Shannon Medical Center, Goodfellow Air Force Base, and many other local businesses provide the economic potential of San Angelo.

There are four institutions of higher education in San Angelo. Angelo State University, part of the Texas Tech University system, offers baccalaureate programs in numerous arts, science, business, education, and medical fields. Graduate degrees are offered in 25 fields of science, education, arts,

and business. Howard Junior College has an extension campus in San Angelo, which concentrates predominately in the technical and occupational fields of study. American Commercial College is a private college serving career education through associated programs. Park University is located at Goodfellow Air Force Base and offers face-to-face and online classes in over ten undergraduate degree programs in the arts, science, business, and education fields as well as several graduate degree programs.

**Long-term financial planning** – In 2006, the City of San Angelo adopted a resolution to reduce the property tax rate by \$.01 per year for ten years. The Council believed this resolution to be in the public interest since the property tax is an ever-increasing burden on the citizens. To date, the Council has made it to within \$.01 of that goal and is holding steady in order to accomplish its strategic priorities.

The City of San Angelo has adopted a Capital Improvement Program (CIP). The CIP will serve as a multi-year plan for the acquisition, expansion, or renovation of infrastructure and capital assets.

The City of San Angelo has issued \$120 million in bonds for the development of an aquifer and for the construction of a pipeline to the City. The sixty-mile project will help insure the City can provide adequate water service in future years. Implementation of this project began in 2011 with the first phase online as of 2015. Plans are currently underway for the next phase which is expected to begin in fiscal year 2019.

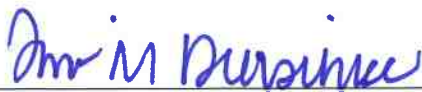
The City of San Angelo has formally adopted a Fund Balance Policy. The General Fund, Water Operating Fund, and Wastewater Operating Fund have a targeted seventy-five-day fund balance of the following year's original budget expenditures. The fund balance for Capital, Capital Projects, Special Revenue and Grant Funds are targeted at zero. Other funds with expenditures of less than \$3 million in the ensuing year are targeted at zero while other funds with expenditures of more than \$3 million are target at seventy-five days of the following year's expenditures.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for a Comprehensive Annual Financial Report (CAFR) that is easily readable and efficiently organized. To be awarded the Certificate of Achievement, a CAFR must satisfy both GAAP and applicable legal requirements. The City received the GFOA Certificate of Achievement for its CAFR for the fiscal year ended September 30, 2017. A Certificate of Achievement is valid for a period of one year only. We believe that the City's current CAFR meets the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for the certificate.

The preparation of this report would not have been possible without the dedicated efforts of the staff of the Finance Department. I express my appreciation to all of the staff members who assisted and contributed to the preparation of this report.

Respectfully submitted,



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Tina M. Dierschke, CPA, CGFO  
Director of Finance/CFO



# CITY OF SAN ANGELO, TEXAS

## List of Principal Officials

September 30, 2018

### City Council

Brenda Gunter  
Tommy Hiebert  
Tom Thompson  
Harry Thomas  
Lucy Gonzales  
Lane Carter  
Billie DeWitt

Mayor  
Council Member  
Council Member  
Council Member  
Council Member  
Council Member  
Council Member

### City Staff

Daniel Valenzuela

City Manager

Michael Dane

Assistant City Manager

Rick Weise

Assistant City Manager

Tina Dierschke

Director of Finance

Al Torres

Construction Manager

Allen Gilbert

Municipal Court Judge

Frank Carter

Police Chief

Brian Dunn

Fire Chief

Anthony Wilson

Public Information Officer

Mitch Sprunger

Airport Director

Ricky Dickson

Executive Director of Public Works

Shane Kelton

Director of Operations

Allison Strube

Director of Water Utilities

Lisa Marley

Director of Human Resources

Bryan Kendrick

City Clerk

Theresa James

City Attorney

Carl White

Director of Parks &  
Recreation

Guy Andrews

Economic Development Director

Jon James

Director of Planning & Development  
Services

Robert Salas

Director of Neighborhood and  
Family Services

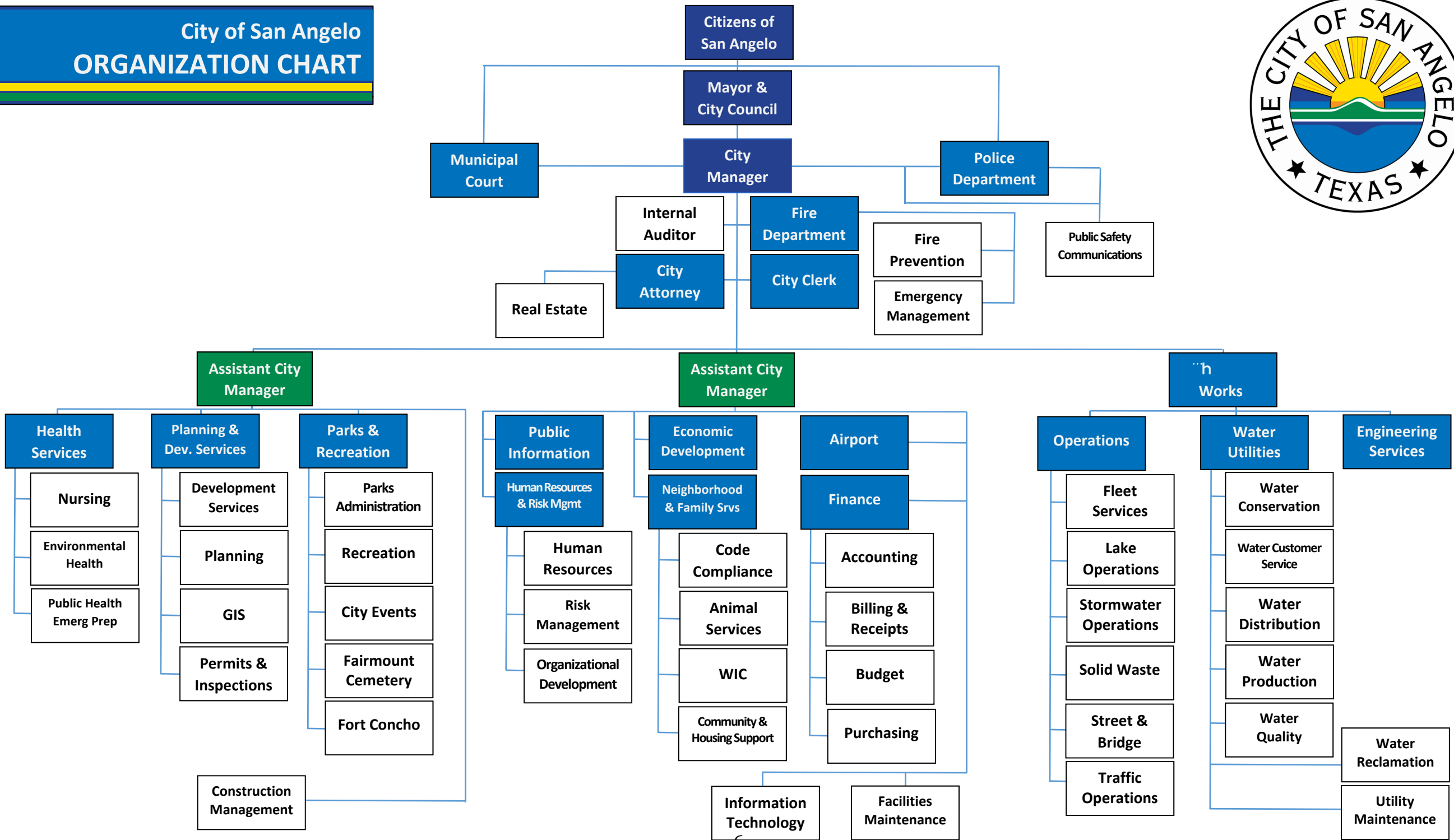
Sandra Villarreal

Health Services Director

Russell Pehl

City Engineer

# City of San Angelo ORGANIZATION CHART





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of San Angelo  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morill*

Executive Director/CEO









**ARMSTRONG, BACKUS & CO., LLP**  
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and City Council of the  
City of San Angelo, Texas

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of San Angelo, Texas (the City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

An independently owned member  
RSM US Alliance



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

### **Opinions**

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

### **Emphasis of Matter**

As discussed in Note IV.H to the financial statements, during the year ended September 30, 2018, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions*. Our opinions are not modified with respect to this matter.

### **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and other post-employment benefits schedule of funding progress, 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 of San Angelo, Texas' basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



The introductory and statistical sections, as listed in the Table of Contents, 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 March 27, 2019 on our consideration of the City of San Angelo, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of San Angelo, Texas' internal control over financial reporting and compliance.

*Armstrong, Backus & Co., L.L.P.*

San Angelo, Texas  
March 27, 2019



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**Management's Discussion and Analysis**

**City of San Angelo, Texas**  
**Management's Discussion and Analysis**

In this section of the Comprehensive Annual Financial Report, we, the managers of the City of San Angelo, discuss and analyze the City's financial performance for the fiscal year ended September 30, 2018. Please read it in conjunction with our transmittal letter on pages 2-4, the independent auditors' report immediately preceding this analysis and the City's Basic Financial Statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (pages 25 and 26). These provide information about the activities of the City as a whole and present a longer-term view of the City's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (pages 27 through 35) report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the City were sold to departments within the City or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the City.

The notes to the financial statements (pages 36 through 82) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements. The combining and individual statements for nonmajor funds contain even more information about the City's individual funds.

**REPORTING THE CITY AS A WHOLE**

***The Statement of Net Position and the Statement of Activities***

The analysis of the City's overall financial condition and operations begins with the Statement of Net Position on page 25. Its primary purpose is to show whether the City is better or worse off as a result of the year's activities. The Statement of Net Position includes all the City's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the City's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The City's revenues are divided into those provided by outside parties who share the costs of some programs, such as water and sewer and grants provided by the State and Federal government to assist with health and housing issues (program revenues), and revenues provided by the taxpayers in the form of sales and property taxes (general revenues). All the City's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the City's net assets and changes in them. The City's net assets (the difference between assets and liabilities) provide one measure of the City's financial health or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the City, however, you should consider nonfinancial factors as well, such as changes in the City's population or its property tax base and the

condition of the City's facilities.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities—Most of the City's basic services are reported here, including public safety, public works, health and human services, parks, recreation and economic development. Property taxes, sales taxes, franchise taxes, and state and federal grants finance most of these activities.
- Business-type activities—The City charges a fee to “customers” to help it cover all or most of the cost of services it provides in these programs.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### ***Fund Financial Statements***

The fund financial statements begin on page 27 and provide detailed information about the most significant funds. Laws and contracts require the City to establish some funds, such as grants and debt service. The City's administration establishes many other funds to help it control and manage money for particular purposes (like capital projects). The City's two kinds of funds, governmental and proprietary, use different accounting approaches.

- Governmental funds – Most of the City's basic services are reported in governmental funds. These funds use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Proprietary funds – The City reports the activities for which it charges users in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds are the business-type activities reported in the government-wide statements but containing more detail and additional information, such as cash flows. The internal service funds (the other category of proprietary funds) report activities that provide services to other City programs.

## **THE CITY AS TRUSTEE**

### ***Reporting the City's Fiduciary Responsibilities***

The City is the trustee, or fiduciary, for assets held and managed for others. The City's fiduciary activity is reported in a separate Statement of Changes in Assets and Liabilities. We exclude these resources from the City's other financial statements because the City cannot use these assets to finance its operations. The City is only responsible for ensuring that the assets reported in this fund are used for their intended purposes.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Governmental Activities

The total net position of the City's governmental activities decreased \$67,077,487. This result is due to an increase in other post-employment benefits (OPEB) obligations. GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, was issued in June 2015 and addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For a defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information about defined benefit OPEB also are addressed. This Statement is effective for fiscal years beginning after June 15, 2018 and was implemented in fiscal year 2018. This standard has had a substantial impact on the City's net position. The figures for 2017 in the tables below are provided for comparison purposes and have not been restated.

### Business-Type Activities

In 2018, the total net position of our business-type activities increased by \$15,592,441. This is primarily the result of increases in water and sewer rates that were intended to increase the capacity for projects related to water supply and aging infrastructure.

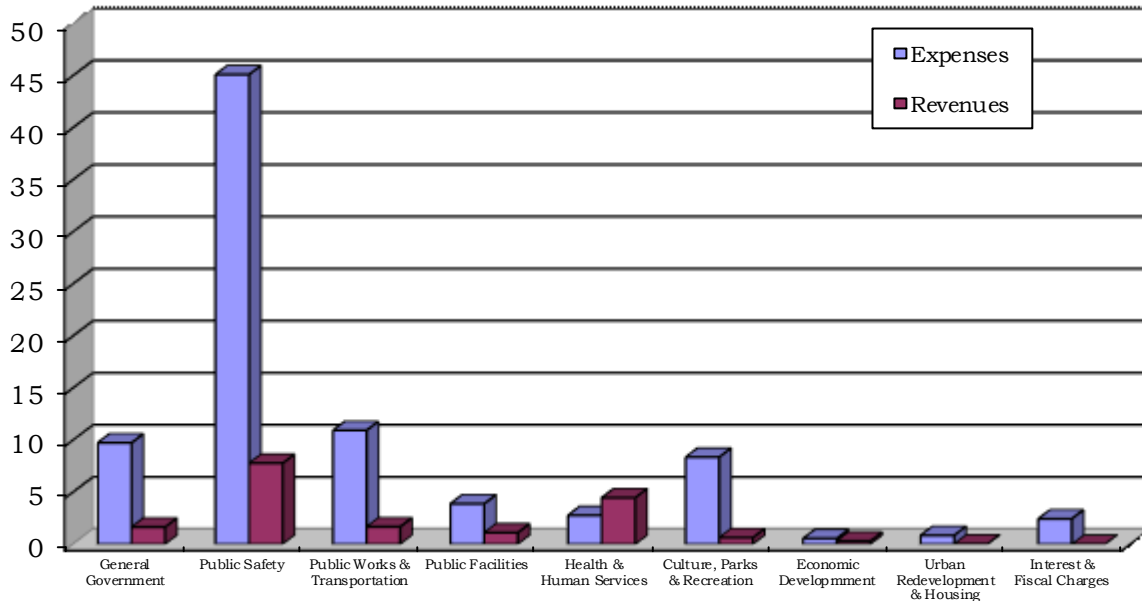
**Table I - Net Position**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 101,365,934	\$ 86,292,160	\$ 81,768,631	\$ 65,539,306	\$ 183,134,565	\$ 151,831,466
Capital assets	84,116,129	84,832,657	340,447,036	340,375,746	424,563,165	425,208,403
Total assets	\$ 185,482,063	\$ 171,124,817	\$ 422,215,667	\$ 405,915,052	\$ 607,697,730	\$ 577,039,869
Deferred Outflows of Resources	13,472,350	23,646,290	1,778,621	3,685,678	15,250,971	27,331,968
Current liabilities	14,130,611	11,742,058	19,078,069	17,320,067	33,208,680	29,062,125
Long-term liabilities	226,892,460	169,742,854	168,619,365	173,242,309	395,511,825	342,985,163
Total liabilities	\$ 241,023,071	\$ 181,484,912	\$ 187,697,434	\$ 190,562,376	\$ 428,720,505	\$ 372,047,288
Deferred Inflows of Resources	12,077,767	355,133	2,007,874	341,815	14,085,641	696,948
Net assets:						
Net Investment in Capital Assets	43,930,391	40,735,612	150,891,275	190,198,520	194,821,666	230,934,132
Restricted	31,024,739	16,874,203	45,264,885	34,722,814	76,289,624	51,597,017
Unrestricted	( 129,101,555)	( 44,678,753)	38,132,820	( 6,224,795)	( 90,968,735)	( 50,903,548)
Total net position	(\$ 54,146,425)	\$ 12,931,062	\$ 234,288,980	\$ 218,696,539	\$ 180,142,555	\$ 231,627,601

**Table II - Changes in Net Position**

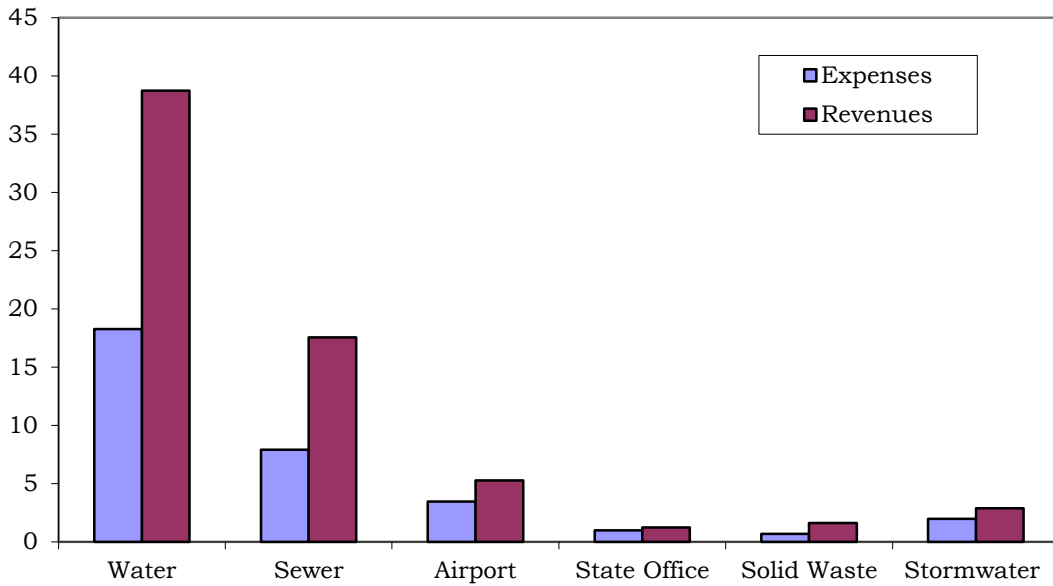
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 13,112,234	\$ 12,832,967	\$ 63,572,761	\$ 54,252,364	\$ 76,684,995	\$ 67,085,331
Operating grants and contributions	3,984,546	3,857,901	-0-	150	3,984,546	3,858,051
Capital grants and contributions	343,815	372,387	3,765,372	970,516	4,109,187	1,342,903
Grants and Contributions Not Restricted to Specific Programs	-0-	-0-	-0-	-0-	-0-	-0-
General Revenues:						
Property Taxes - General Levy	33,702,491	32,111,994	-0-	-0-	33,702,491	32,111,994
Property Taxes - Debt Service Levy	4,581,711	4,563,051	-0-	-0-	4,581,711	4,563,051
Sales Taxes	19,812,694	17,676,790	-0-	-0-	19,812,694	17,676,790
Franchise Taxes	4,586,508	5,012,040	-0-	-0-	4,586,508	5,012,040
Motel Taxes	2,493,761	1,976,473	-0-	-0-	2,493,761	1,976,473
Mixed Drink Taxes	353,657	411,981	-0-	-0-	353,657	411,981
Bingo Taxes	36,960	44,647	-0-	-0-	36,960	44,647
Penalty, Interest and Fees on Delinquent Taxes	897,289	890,555	-0-	-0-	897,289	890,555
Investment Income	784,901	914,166	474,918	612,318	1,259,819	1,526,484
Miscellaneous	3,972,844	5,411,365	-0-	-0-	3,972,844	5,411,365
Settlement Proceeds	-0-	1,000,000	-0-	-0-	-0-	1,000,000
<b>Total Revenues</b>	<b>\$ 88,663,411</b>	<b>\$ 87,076,317</b>	<b>\$ 67,813,051</b>	<b>\$ 55,835,348</b>	<b>\$ 156,476,462</b>	<b>\$ 142,911,665</b>
<b>EXPENSES</b>						
Governmental Activities:						
General Government	\$ 9,724,582	\$ 11,617,429	\$ -0-	\$ -0-	\$ 9,724,582	\$ 11,617,429
Public Safety	44,998,853	53,883,378	-0-	-0-	44,998,853	53,883,378
Public Works and Transportation	10,911,837	10,088,428	-0-	-0-	10,911,837	10,088,428
Public Facilities	3,880,084	3,571,629	-0-	-0-	3,880,084	3,571,629
Health and Human Services	2,765,814	3,455,935	-0-	-0-	2,765,814	3,455,935
Culture, Parks and Recreation	8,344,775	10,941,795	-0-	-0-	8,344,775	10,941,795
Economic Development	551,388	609,428	-0-	-0-	551,388	609,428
Urban Redevelopment and Housing	852,610	926,648	-0-	-0-	852,610	926,648
Interest and Fiscal Charges	2,442,020	2,235,720	-0-	-0-	2,442,020	2,235,720
Business-Type Activities:						
Water	-0-	-0-	18,271,162	18,722,506	18,271,162	18,722,506
Sewer	-0-	-0-	7,926,154	8,778,915	7,926,154	8,778,915
Airport	-0-	-0-	3,479,540	4,283,374	3,479,540	4,283,374
State Office Building	-0-	-0-	986,196	1,031,980	986,196	1,031,980
Solid Waste	-0-	-0-	693,270	930,399	693,270	930,399
Stormwater	-0-	-0-	1,854,288	1,772,384	1,854,288	1,772,384
<b>Total Expenses</b>	<b>\$ 84,471,963</b>	<b>\$ 97,330,390</b>	<b>\$ 33,210,610</b>	<b>\$ 35,519,558</b>	<b>\$ 117,682,573</b>	<b>\$ 132,849,948</b>
Excess or Deficiency before						
Transfers & Special Items	\$ 4,191,448	(\$ 10,254,073)	\$ 34,602,441	\$ 20,315,790	\$ 38,793,889	\$ 10,061,717
Transfers	6,055,654	5,220,801	( 6,055,654)	( 5,220,801)	-0-	-0-
Gain (Loss) on Sale of Capital Assets	-0-	-0-	113,363	17,425	113,363	17,425
<b>Change in net position</b>	<b>\$ 10,247,102</b>	<b>(\$ 5,033,272)</b>	<b>\$ 28,660,150</b>	<b>\$ 15,112,414</b>	<b>\$ 38,907,252</b>	<b>\$ 10,079,142</b>
Net Position-Beginning	12,931,062	17,964,334	218,696,539	203,584,125	231,627,601	221,548,459
Restatement of Beginning Net Position	( 77,324,589)	-0-	( 13,067,709)	-0-	( 90,392,298)	-0-
<b>Net Position-Ending</b>	<b>(\$ 54,146,425)</b>	<b>\$ 12,931,062</b>	<b>\$ 234,288,980</b>	<b>\$ 218,696,539</b>	<b>\$ 180,142,555</b>	<b>\$ 231,627,601</b>

## Expenses and Program Revenues - Governmental Activities (in Millions)

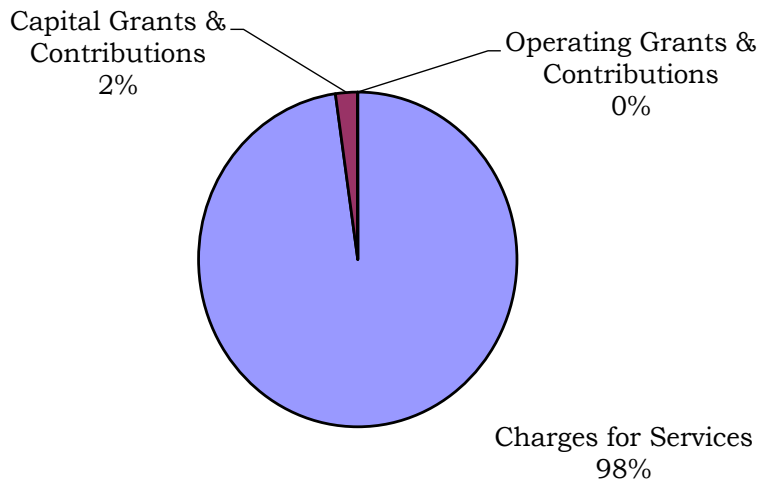


## Expenses & Program Revenues - Business-type Activities

Millions



## Revenues by Source - Business-type Activities



### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As previously discussed, the City of San Angelo uses fund accounting to ensure compliance with finance related legal requirements.

#### Governmental funds

The focus of the City of San Angelo's governmental funds is to provide information on inflows, outflows and balances of spendable resources. This information is useful in assessing the City of San Angelo's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds (as presented in the balance sheet on page 27) reported a combined fund balance of \$89,555,331, an increase of \$13,368,556 from the prior year. This result is primarily due to the planned issuance of debt. The bond proceeds were part of a plan the City Council adopted in January 2016 which is a 10-year plan to issue \$80 million in debt to rebuild San Angelo's worst streets. As debt is retired, every other year the City will issue \$16 million dollars in new debt to pay for the projects. Thus, streets will be improved without having to raise the property tax rate, which for the sixth straight year will remain at 77.6 cents. Street reconstruction and improvements is one of the City Council's top three strategic priorities.

Approximately 62% of this total amount, \$52,274,927, is unassigned and rests in the General Fund. The majority of the remainder is assigned for various capital projects such as streets, parks, and river improvements.

The General Fund is the chief operating fund of the City of San Angelo. The unassigned fund balance represents 67% of total General Fund expenditures. The total fund balance in the General Fund increased by \$18,607,223 during the current fiscal year. This increase is primarily due to the planned issuance of debt for street reconstruction and improvements.

The Capital Improvement Fund includes debt, sales tax, and general fund transfer funding sources required to construct streets, upgrade public safety communications network, purchase machinery and

equipment, complete parks and facility improvements, and other capital projects. The fund balance at September 30, 2017 of \$19,672,377 decreased \$5,494,485 resulting in a fund balance of \$14,177,892. The City's street reconstruction and improvement projects continue to be the primary area of capital improvement investing.

The Debt Service Fund has a total fund balance of \$627,723, all of which is reserved for the payment of debt service. The decrease in fund balance during the current year was \$247,366 and was purposely drawn down to assist with the City's 2018 debt issue.

### **Proprietary funds**

The City of San Angelo's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Total net position in the Water Fund was \$140,969,626, an increase of \$17,503,059. This is primarily due to increases in water and sewer rates that were intended to increase the capacity for projects related to water supply and aging infrastructure. The City Council recently adopted a five-year, phased approach to gradually raising water rates. The aim was and remains threefold. First, the Water Utilities Department had to be returned to financial sustainability. Second, more revenue was needed to replace aging infrastructure, including cast-iron water mains that are prone to breaks. Third, the City must have the ability to finance its next water supply project. Water supply and infrastructure is one of the three strategic priorities of the City Council.

### **General Fund Budgetary Highlights**

Differences between the original and final amended budget for revenue amounted to \$6,407,022. This amounts to 9.4%. The increase in the revenue budget was primarily due to the final receipt from the San Angelo Performing Arts Center for their contribution to the City Auditorium project. Property values inched up about 1.67 percent this year while sales tax collections in the fiscal year that ended September 30, 2018, were approximately \$1.6 million more than what was originally budgeted. The City Council used the sales tax surplus in 2018 to fund some much-needed capital items including police vehicles and improvements to parks and to the animal shelter. With that being said, the City budgets its revenues conservatively. As a result, sales tax collections in the coming year have been budgeted at approximately the same level as this past year's collections with a slight decrease.

The final amended expenditure budget increased \$32,327,594. This is primarily the result of rebudgeting funds from the previous year for expenditures that were not made in the previous year. The major increases were in capital projects and street maintenance and reconstruction.

Total General Fund expenditures were \$28,642,019 under the final amended budget. Most of this is for unfinished special or capital projects that will be rebudgeted in fiscal year 2019 such as street maintenance and reconstruction.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2018, the City had \$424 million (net of accumulated depreciation) invested in a broad range of capital assets, including land, buildings, improvements, equipment and infrastructure.

The following is a list of the major capital events for FY18:

- \$4.0 million in reconstruction and improvements to streets
- \$1.3 million in improvements to public safety communications
- \$1.7 million in improvements to the water system
- \$2.3 million in improvements to the sewer system

The City put into service the following projects in FY18:

- Water projects with a cost of \$1.5 million

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Land	\$ 4,500,106	\$ 4,500,105	\$ 52,395,980	\$ 51,780,113	\$ 56,896,086	\$ 56,280,218
Buildings	60,907,361	60,259,792	31,431,920	31,431,919	92,339,281	91,691,711
Improvements Other Than Buildings	43,889,460	43,757,813	38,488,381	38,488,381	82,377,841	82,246,194
Infrastructure	27,814,848	23,757,252	187,919,370	182,290,818	215,734,218	206,048,070
Machinery and Equipment	43,621,425	42,138,480	29,222,395	29,946,791	72,843,820	72,085,271
Construction in Progress	19,018,879	18,169,238	136,019,946	133,111,765	155,038,825	151,281,003
Water Rights	-0-	-0-	36,950,835	36,950,835	36,950,835	36,950,835
Accumulated Depreciation	( 115,635,950)	( 107,750,027)	( 171,981,791)	( 163,624,877)	( 287,617,741)	( 271,374,904)
Total	\$ 84,116,129	\$ 84,832,653	\$ 340,447,036	\$ 340,375,745	\$ 424,563,165	\$ 425,208,398

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

## Debt

At year-end, the City had \$227,749,615 in outstanding debt versus \$228,161,225 last year.

On October 18, 2017, the City issued \$11,320,000 in refunding bonds. The City completed the advance refunding to reduce its total debt service payments over the next ten years by \$1,248,856 and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$918,930.

On April 10, 2018, the City issued \$16,500,000 in certificates of obligation secured by ad valorem property taxes to fund the costs associated with street improvements and reconstruction. The interest rate on the notes ranges from 3% to 5%, and the maturity is dated February 15, 2038.

### General Obligation and Revenue Bonds

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 25,121,231	\$ 25,647,232	\$ 152,498,531	\$ 164,395,411	\$ 177,619,762	\$ 190,042,643
Advalorem Tax COs	36,325,000	23,580,000	-0-	-0-	36,325,000	23,580,000
Sales Tax COs	12,335,000	12,915,000	-0-	-0-	12,335,000	12,915,000
Promissory Notes	1,286,000	1,393,000	183,853	230,582	1,469,853	1,623,582
Total	\$ 75,067,231	\$ 63,535,232	\$ 152,682,384	\$ 164,625,993	\$ 227,749,615	\$ 228,161,225

Other obligations include accrued sick leave and tentative arbitrage rebate to the U. S. Treasury. More detailed information about the City's long-term liabilities is presented in Note IV.G.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

- The unemployment rate for the City of San Angelo at the end of the fiscal year was 3.2%. This compares favorably to the state rate of 3.7%.
- The cost of living index compares favorably to the national average.
- The City of San Angelo has not increased the property tax rate in 19 years.

- The FY 2019 budget includes:
  - Five additional police officers for a total of ten over a two-year span
  - The implementation of a police loyalty pay plan with steps
  - Eight additional firefighters with part of the cost being offset by a grant for the first three years

All of these factors were considered in preparing the City of San Angelo's budget.

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

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department, at City of San Angelo, Texas, 72 W. College Ave, San Angelo, Texas 76903.





# CITY OF SAN ANGELO, TEXAS

## Statement of Net Position

### As of September 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Development Corporation
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 20,805,790	\$ 6,433,811	\$ 27,239,601	\$ 6,426,934
Investments	39,890,973	13,680,471	53,571,444	9,916,025
Receivables:				
Accrued Interest	251,208	161,853	413,061	-0-
Property Taxes	1,619,251	-0-	1,619,251	-0-
Accounts, Net	4,871,887	15,665,906	20,537,793	212,445
Internal Balances	10,162,356	( 10,162,356)	-0-	-0-
Due from Other Governments	3,966,163	213,756	4,179,919	1,658,755
Advanced to Other Funds	-0-	-0-	-0-	244,086
Notes	-0-	-0-	-0-	-0-
Inventories	101,388	546,884	648,272	-0-
Prepays	59,721	-0-	59,721	29,633
Restricted Assets:				
Cash and Cash Equivalents	3,286,114	17,712,718	20,998,832	-0-
Investments	16,351,083	31,900,126	48,251,209	-0-
Closure and Post-Closure Trust Fund	-0-	5,615,462	5,615,462	-0-
<b>Total Current Assets</b>	<b>\$ 101,365,934</b>	<b>\$ 81,768,631</b>	<b>\$ 183,134,565</b>	<b>\$ 18,487,878</b>
Noncurrent Assets:				
Capital Assets:				
Land, Construction in Progress, and Water Rights	\$ 23,518,985	\$ 225,366,761	\$ 248,885,746	\$ 85,728
Buildings, Improvements, Infrastructure, and Machinery and Equipment, Net	60,597,144	115,080,275	175,677,419	2,027,732
Net Capital Assets	\$ 84,116,129	\$ 340,447,036	\$ 424,563,165	\$ 2,113,460
<b>Total Noncurrent Assets</b>	<b>\$ 84,116,129</b>	<b>\$ 340,447,036</b>	<b>\$ 424,563,165</b>	<b>\$ 2,113,460</b>
<b>Total Assets</b>	<b>\$ 185,482,063</b>	<b>\$ 422,215,667</b>	<b>\$ 607,697,730</b>	<b>\$ 20,601,338</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Charges	\$ 2,445,758	\$ 604,400	\$ 3,050,158	\$ -0-
Deferred Amounts Related to Pensions	11,026,592	1,174,221	12,200,813	-0-
<b>Total Deferred Outflows of Resources</b>	<b>\$ 13,472,350</b>	<b>\$ 1,778,621</b>	<b>\$ 15,250,971</b>	<b>\$ -0-</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 5,573,038	\$ 5,241,223	\$ 10,814,261	\$ 747,630
Accrued Interest Payable	586,966	220,396	807,362	-0-
Due to Other Governments	74,971	-0-	74,971	-0-
Unearned Revenue	160,859	-0-	160,859	-0-
Deposits	536,435	1,276,185	1,812,620	-0-
Noncurrent Liabilities Due Within One Year	7,198,342	12,340,265	19,538,607	-0-
<b>Total Current Liabilities</b>	<b>\$ 14,130,611</b>	<b>\$ 19,078,069</b>	<b>\$ 33,208,680</b>	<b>\$ 747,630</b>
Noncurrent Liabilities:				
Noncurrent Liabilities Due After One Year	\$ 83,676,045	\$ 148,761,183	\$ 232,437,228	\$ -0-
Net Pension Liability	65,116,245	6,731,352	71,847,597	-0-
Total OPEB Liability	78,100,170	13,126,830	91,227,000	-0-
<b>Total Noncurrent Liabilities</b>	<b>\$ 226,892,460</b>	<b>\$ 168,619,365</b>	<b>\$ 395,511,825</b>	<b>\$ -0-</b>
<b>Total Liabilities</b>	<b>\$ 241,023,071</b>	<b>\$ 187,697,434</b>	<b>\$ 428,720,505</b>	<b>\$ 747,630</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Revenue	\$ -0-	\$ 147,846	\$ 147,846	\$ -0-
Deferred Amounts Related to Pensions	8,176,483	1,204,312	9,380,795	-0-
Deferred Amounts Related to OPEB	3,901,284	655,716	4,557,000	-0-
<b>Total Deferred Inflows of Resources</b>	<b>\$ 12,077,767</b>	<b>\$ 2,007,874</b>	<b>\$ 14,085,641</b>	<b>\$ -0-</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 43,930,391	\$ 150,891,275	\$ 194,821,666	\$ 2,113,460
Restricted For:				
Debt Service	-0-	35,515,638	35,515,638	-0-
Asset Construction and Acquisition	13,359,047	2,500,000	15,859,047	-0-
Passenger Facility Charges	-0-	1,633,785	1,633,785	-0-
Landfill Closure and Post-Closure	-0-	5,615,462	5,615,462	-0-
Economic Development	2,925,867	-0-	2,925,867	17,740,248
Permanent Fund Purposes:				
Nonexpendable	14,739,825	-0-	14,739,825	-0-
Unrestricted	( 129,101,555)	38,132,820	( 90,968,735)	-0-
<b>Total Net Position</b>	<b>\$ 54,146,425</b>	<b>\$ 234,288,980</b>	<b>\$ 180,142,555</b>	<b>\$ 19,853,708</b>

The accompanying notes are an integral part of this statement.

**CITY OF SAN ANGELO, TEXAS**

**Statement of Activities**

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units Development Corporation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
<b>PRIMARY GOVERNMENT</b>								
Government Activities:								
General Government	\$ 9,724,582	\$ 1,491,213	\$ -0-	\$ -0-	(\$ 8,233,369)	\$ -0-	(\$ 8,233,369)	
Public Safety	44,998,853	7,648,483	129,337	-0-	( 37,221,033)	-0-	( 37,221,033)	
Public Works and Transportation	10,911,837	1,294,594	348,429	-0-	( 9,268,814)	-0-	( 9,268,814)	
Public Facilities	3,880,084	760,856	-0-	343,815	( 2,775,413)	-0-	( 2,775,413)	
Health and Human Services	2,765,814	1,114,913	3,346,397	-0-	1,695,496	-0-	1,695,496	
Culture, Parks and Recreation	8,344,775	476,852	153,877	-0-	( 7,714,046)	-0-	( 7,714,046)	
Economic Development	551,388	302,788	-0-	-0-	( 248,600)	-0-	( 248,600)	
Urban Redevelopment and Housing	852,610	22,535	6,506	-0-	( 823,569)	-0-	( 823,569)	
Interest and Fiscal Charges	2,442,020	-0-	-0-	-0-	( 2,442,020)	-0-	( 2,442,020)	
Total Government Activities	\$ 84,471,963	\$ 13,112,234	\$ 3,984,546	\$ 343,815	(\$ 67,031,368)	\$ -0-	(\$ 67,031,368)	
Business-type Activities:								
Water	\$ 18,271,162	\$ 38,739,912	\$ -0-	\$ 150	\$ -0-	\$ 20,468,900	\$ 20,468,900	
Sewer	7,926,154	17,542,589	-0-	4,536	-0-	9,620,971	9,620,971	
Airport	3,479,540	1,528,475	-0-	3,760,686	-0-	1,809,621	1,809,621	
State Office Building	986,196	1,240,281	-0-	-0-	-0-	254,085	254,085	
Solid Waste	693,270	1,616,886	-0-	-0-	-0-	923,616	923,616	
Stormwater	1,854,288	2,904,618	-0-	-0-	-0-	1,050,330	1,050,330	
Total Business-type Activities	\$ 33,210,610	\$ 63,572,761	\$ -0-	\$ 3,765,372	\$ -0-	\$ 34,127,523	\$ 34,127,523	
Total Primary Government	\$ 117,682,573	\$ 76,684,995	\$ 3,984,546	\$ 4,109,187	(\$ 67,031,368)	\$ 34,127,523	(\$ 32,903,845)	
<b>COMPONENT UNIT</b>								
Development Corporation	\$ 8,247,353	\$ 272,973	\$ -0-	\$ -0-				(\$ 7,974,380)
Total Component Unit	\$ 8,247,353	\$ 272,973	\$ -0-	\$ -0-				(\$ 7,974,380)
General Revenue								
Taxes								
		Property Taxes - General Levy			\$ 33,702,491	\$ -0-	\$ 33,702,491	\$ -0-
		Property Taxes - Debt Service Levy			4,581,711	-0-	4,581,711	-0-
		Sales Taxes			19,812,694	-0-	19,812,694	9,425,475
		Franchise Taxes			4,586,508	-0-	4,586,508	-0-
		Motel Taxes			2,493,761	-0-	2,493,761	-0-
		Mixed Drink Taxes			353,657	-0-	353,657	-0-
		Bingo Taxes			36,960	-0-	36,960	-0-
		Grants and Contributions Not Restricted to Specific Programs			-0-	-0-	-0-	-0-
		Penalty, Interest and Fees, and Delinquent Taxes			897,289	-0-	897,289	-0-
		Unrestricted Investment Earnings			784,901	474,918	1,259,819	280,450
		Miscellaneous			3,972,844	-0-	3,972,844	-0-
		Gain on Sale of Capital Assets			-0-	113,363	113,363	-0-
		Transfers			6,055,654	( 6,055,654)	-0-	-0-
		Total General Revenue and Transfers			\$ 77,278,470	(\$ 5,467,373)	\$ 71,811,097	\$ 9,705,925
		Change in Net Position			\$ 10,247,102	\$ 28,660,150	\$ 38,907,252	\$ 1,731,545
		Net Position - Beginning			12,931,062	218,696,539	231,627,601	17,796,163
		Restatement of Beginning Net Position			( 77,324,589)	( 13,067,709)	( 90,392,298)	326,000
		Net Position - Ending			(\$ 54,146,425)	\$ 234,288,980	\$ 180,142,555	\$ 19,853,708

The accompanying notes are an integral part of this statement.

# CITY OF SAN ANGELO, TEXAS

## Balance Sheet - Governmental Funds

**As of September 30, 2018**

	General	Capital Improvement Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 11,938,448	\$ 4,405,212	\$ -0-	\$ 1,298,914	\$ 17,642,574
Investments	19,695,120	16,649,717	-0-	1,236,100	37,580,937
Receivables:					
Accrued Interest	87,798	75,290	8,027	75,398	246,513
Property Taxes	1,073,604	-0-	171,201	374,446	1,619,251
Accounts	6,448,590	-0-	2,626,270	431,096	9,505,956
Less: Allowance for Uncollectible	( 4,847,842)	-0-	-0-	( 11,886)	( 4,859,728)
Due from Other Funds	22,204,687	-0-	-0-	-0-	22,204,687
Due from Other Governments	3,317,510	-0-	-0-	648,653	3,966,163
Inventories	37,304	-0-	-0-	-0-	37,304
Prepays	13,518	45,153	-0-	1,050	59,721
Restricted Assets:					
Cash and Cash Equivalents	-0-	-0-	434,932	2,851,182	3,286,114
Investments	-0-	-0-	1,959,928	14,391,155	16,351,083
<b>Total Assets</b>	<b>\$ 59,968,737</b>	<b>\$ 21,175,372</b>	<b>\$ 5,200,358</b>	<b>\$ 21,296,108</b>	<b>\$ 107,640,575</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$ 4,172,525	\$ 640,095	\$ -0-	\$ 234,983	\$ 5,047,603
Due to Other Funds	-0-	6,357,385	4,449,318	413,948	11,220,651
Due to Other Governments	74,971	-0-	-0-	-0-	74,971
Unearned Revenue	160,859	-0-	-0-	-0-	160,859
Deposits	534,735	-0-	-0-	1,700	536,435
<b>Total Liabilities</b>	<b>\$ 4,943,090</b>	<b>\$ 6,997,480</b>	<b>\$ 4,449,318</b>	<b>\$ 650,631</b>	<b>\$ 17,040,519</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	\$ 865,437	\$ -0-	\$ 123,317	\$ -0-	\$ 988,754
Unavailable Revenue - Street Pavement	55,971	-0-	-0-	-0-	55,971
<b>Total Deferred Inflows of Resources</b>	<b>\$ 921,408</b>	<b>\$ -0-</b>	<b>\$ 123,317</b>	<b>\$ -0-</b>	<b>\$ 1,044,725</b>
<b>FUND BALANCES</b>					
Nonspendable	\$ 50,822	\$ -0-	\$ -0-	\$ 14,739,825	\$ 14,790,647
Restricted	1,437,802	-0-	-0-	4,186,072	5,623,874
Committed	161,594	14,177,892	627,723	1,932,160	16,899,369
Assigned	-0-	-0-	-0-	-0-	-0-
Unassigned	52,454,021	-0-	-0-	( 212,580)	52,241,441
<b>Total Fund Balances</b>	<b>\$ 54,104,239</b>	<b>\$ 14,177,892</b>	<b>\$ 627,723</b>	<b>\$ 20,645,477</b>	<b>\$ 89,555,331</b>

The accompanying notes are an integral part of this statement.

**CITY OF SAN ANGELO, TEXAS**

**Balance Sheet - Governmental Funds**

**As of September 30, 2018**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS TO  
THE STATEMENT OF NET POSITION**

Total Fund Balance, Governmental Funds	\$	89,555,331	
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, are not reported in the funds, net of accumulated depreciation of \$84,116,129 and less internal service fund net position of \$9,611,887			79,654,698
Certain other deferred outflows are not available in the current period, and therefore, are deferred in the funds			1,044,725
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:			
Accrued interest payable	(	586,966)	
Revenue bonds payable	(	69,270,000)	
Notes payable	(	1,286,000)	
Unamortized debt discount	(	4,511,231)	
Deferred charge on refunding		2,445,758	
Accrued compensated absences	(	12,505,890)	
Unfunded OPEB obligation	(	78,407,337)	
Net pension obligation (and related deferrals)	(	61,221,546)	
Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as self-insurance, vehicle maintenance, and other such costs, to individual funds. The assets and liabilities of certain of these internal service funds are reported in governmental activities in the Statement of Net Position:			
Internal service funds' net position			942,033
Net Position of Governmental Activities	(\$	<u>54,146,425</u> )	

The accompanying notes are an integral part of this statement.

**CITY OF SAN ANGELO, TEXAS**

**Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Funds**

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

	General	Capital Improvement Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes:					
Property	\$ 33,787,483	\$ -0-	\$ 4,581,711	\$ 910,758	\$ 39,279,952
Sales	19,812,694	-0-	-0-	-0-	19,812,694
Franchise	4,586,508	-0-	-0-	-0-	4,586,508
Motel	-0-	-0-	-0-	2,493,761	2,493,761
Mixed Drink	353,657	-0-	-0-	-0-	353,657
Bingo	36,960	-0-	-0-	-0-	36,960
Licenses and Permits	804,071	-0-	-0-	90,985	895,056
Intergovernmental	-0-	-0-	-0-	3,116,193	3,116,193
Charges for Services	9,315,241	-0-	-0-	204,637	9,519,878
Fines and Forfeits	3,043,918	-0-	-0-	-0-	3,043,918
Investment Income:					
Interest	627,254	330,899	32,539	293,470	1,284,162
Change in Fair Value of Investments	( 162,359)	( 85,353)	( 9,902)	( 243,349)	( 500,963)
Miscellaneous:					
Gifts and Contributions	51,876	-0-	-0-	349,140	401,016
Program Income	-0-	-0-	-0-	2,864	2,864
Other Miscellaneous	1,036,030	-0-	2,706,018	230,796	3,972,844
Total Revenues	<u>\$ 73,293,333</u>	<u>\$ 245,546</u>	<u>\$ 7,310,366</u>	<u>\$ 7,449,255</u>	<u>\$ 88,298,500</u>
<b>EXPENDITURES</b>					
Current:					
General Government	\$ 10,391,827	\$ -0-	\$ -0-	\$ -0-	\$ 10,391,827
Public Safety	44,892,477	70,000	-0-	345,666	45,308,143
Public Works and Transportation	10,300,498	-0-	-0-	255,757	10,556,255
Public Facilities	1,010,503	-0-	-0-	-0-	1,010,503
Health and Human Services	1,516,256	-0-	-0-	1,660,152	3,176,408
Culture, Parks and Recreation	5,899,521	-0-	-0-	1,173,926	7,073,447
Economic Development	-0-	-0-	-0-	531,555	531,555
Urban Redevelopment and Housing	-0-	-0-	-0-	857,450	857,450
Total Current Expenditures	<u>\$ 74,011,082</u>	<u>\$ 70,000</u>	<u>\$ -0-</u>	<u>\$ 4,824,506</u>	<u>\$ 78,905,588</u>
Capital Outlay	4,101,060	5,670,031	-0-	988,675	10,759,766
Debt Service:					
Principal	-0-	-0-	5,575,000	146,047	5,721,047
Interest and Fiscal Charges	163,750	-0-	2,435,636	-0-	2,599,386
Total Expenditures	<u>\$ 78,275,892</u>	<u>\$ 5,740,031</u>	<u>\$ 8,010,636</u>	<u>\$ 5,959,228</u>	<u>\$ 97,985,787</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$ 4,982,559)</u>	<u>(\$ 5,494,485)</u>	<u>(\$ 700,270)</u>	<u>\$ 1,490,027</u>	<u>(\$ 9,687,287)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	\$ 7,665,355	\$ -0-	\$ 200,000	\$ 387,600	\$ 8,252,955
Sale of Capital Assets	-0-	-0-	-0-	480,484	480,484
Issuance of Debt	16,500,000	-0-	11,320,000	-0-	27,820,000
Issuance of Debt Premium	167,856	-0-	1,315,578	-0-	1,483,434
Payment to Advance Refunding Escrow Agent	-0-	-0-	( 12,382,674)	-0-	( 12,382,674)
Transfers Out	( 743,429)	-0-	-0-	( 1,854,927)	( 2,598,356)
Total Other Sources (Uses)	<u>\$ 23,589,782</u>	<u>\$ -0-</u>	<u>\$ 452,904</u>	<u>(\$ 986,843)</u>	<u>\$ 23,055,843</u>
Net Change in Fund Balances	<u>\$ 18,607,223</u>	<u>(\$ 5,494,485)</u>	<u>(\$ 247,366)</u>	<u>\$ 503,184</u>	<u>\$ 13,368,556</u>
Fund Balances - Beginning	35,468,207	19,672,377	875,089	20,133,739	76,149,412
Restatement of Beginning Fund Balance	28,809	-0-	-0-	8,554	37,363
Fund Balances - Ending	<u>\$ 54,104,239</u>	<u>\$ 14,177,892</u>	<u>\$ 627,723</u>	<u>\$ 20,645,477</u>	<u>\$ 89,555,331</u>

The accompanying notes are an integral part of this statement.

# CITY OF SAN ANGELO, TEXAS

## Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds

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

### RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Total Governmental Funds	\$	13,368,556
Amounts reported for governmental activities in the Statement of Net Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases		8,936,813
Depreciation expense	(	7,183,463)
Capital assets disposals	(	16,948)
Capital assets donated from business-type activities		401,055
Governmental funds report bond issuance costs as expenditures and bond premiums as revenue while governmental activities report amortization and interest expense to allocate those expenditures over the term of the bonds:		
Amortization expense		659,534
Interest expense	(	169,882)
Governmental funds report revenue not collected within the availability period as Unavailable Revenue, but on the Statement of Activities these revenues are recognized and the deferred inflow of resources is eliminated:		
Property taxes	(	98,462)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Revenue bond principal payment		5,575,000
Revenue bond payments to escrow		11,480,000
Note payable principal payment		107,000
Revenue bond proceeds	(	27,820,000)
Revenue bond premium	(	873,999)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and these are not reported as expenditures in governmental funds:		
Compensated absences		109,386
OPEB obligation change		11,194,967
Net pension obligation change	(	3,780,042)
The internal service funds are used by management to charge the costs of fleet management and risk management to individual funds. The net revenue of certain activities of internal service funds is reported in the governmental activities.		
		<u>( 1,642,413)</u>
Change in Net Position of Governmental Activities	\$	<u>10,247,102</u>

The accompanying notes are an integral part of this statement.

# CITY OF SAN ANGELO, TEXAS

## Statement of Net Position - Proprietary Funds

**As of September 30, 2018**

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise Funds	Total	Activities - Internal Service Funds
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 1,627,218	\$ 29,719	\$ 4,776,874	\$ 6,433,811	\$ 3,163,216
Investments	7,190,161	10,980	6,479,330	13,680,471	2,310,036
Receivables:					
Accrued Interest	75,489	39,457	46,907	161,853	4,695
Accounts Receivable	11,799,596	3,902,239	2,161,005	17,862,840	260,590
Less: Allowance for Uncollectibles	( 1,645,897)	( 470,973)	( 80,064)	( 2,196,934)	( 34,931)
Due From Other Governments	-0-	-0-	213,756	213,756	-0-
Inventories	495,749	51,135	-0-	546,884	64,084
Restricted Assets:					
Cash and Cash Equivalents	-0-	12,925,526	4,787,192	17,712,718	-0-
Investments	17,902,664	13,357,246	640,216	31,900,126	-0-
Closure and Post-Closure Trust Fund	-0-	-0-	5,615,462	5,615,462	-0-
<b>Total Current Assets</b>	<b>\$ 37,444,980</b>	<b>\$ 29,845,329</b>	<b>\$ 24,640,678</b>	<b>\$ 91,930,987</b>	<b>\$ 5,767,690</b>
Noncurrent Assets:					
Capital Assets:					
Land	\$ 45,530,234	\$ 3,781,119	\$ 3,084,627	\$ 52,395,980	\$ -0-
Buildings	9,301,952	240,039	21,889,929	31,431,920	390,269
Improvements Other Than Buildings	10,193,141	10,089,039	18,206,201	38,488,381	5,303,405
Infrastructure	96,817,272	71,894,920	19,207,178	187,919,370	-0-
Machinery and Equipment	11,789,153	11,566,357	5,866,885	29,222,395	9,956,262
Water Rights	36,950,835	-0-	-0-	36,950,835	-0-
Construction in Progress	121,437,580	2,138,096	12,444,270	136,019,946	-0-
Less: Accumulated Depreciation	( 75,909,376)	( 46,831,993)	( 49,240,422)	( 171,981,791)	( 11,188,505)
Net Capital Assets	\$ 256,110,791	\$ 52,877,577	\$ 31,458,668	\$ 340,447,036	\$ 4,461,431
<b>Total Noncurrent Assets</b>	<b>\$ 256,110,791</b>	<b>\$ 52,877,577</b>	<b>\$ 31,458,668</b>	<b>\$ 340,447,036</b>	<b>\$ 4,461,431</b>
<b>Total Assets</b>	<b>\$ 293,555,771</b>	<b>\$ 82,722,906</b>	<b>\$ 56,099,346</b>	<b>\$ 432,378,023</b>	<b>\$ 10,229,121</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Charges	\$ -0-	\$ 604,400	\$ -0-	\$ 604,400	\$ -0-
Deferred Amounts Related to Pensions	644,645	223,759	305,817	1,174,221	314,552
<b>Total Deferred Outflows of Resources</b>	<b>\$ 644,645</b>	<b>\$ 828,159</b>	<b>\$ 305,817</b>	<b>\$ 1,778,621</b>	<b>\$ 314,552</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$ 2,753,732	\$ 1,166,535	\$ 1,320,956	\$ 5,241,223	\$ 525,435
Accrued Interest Payable	156,857	57,922	5,617	220,396	-0-
Due to Other Funds	-0-	4,596,874	5,565,482	10,162,356	821,680
Deposits	1,276,185	-0-	-0-	1,276,185	-0-
Noncurrent Liabilities Due Within One Year	8,942,788	3,143,452	254,025	12,340,265	1,229,748
<b>Total Current Liabilities</b>	<b>\$ 13,129,562</b>	<b>\$ 8,964,783</b>	<b>\$ 7,146,080</b>	<b>\$ 29,240,425</b>	<b>\$ 2,576,863</b>
Noncurrent Liabilities:					
Net Pension Liability	\$ 3,925,362	\$ 1,278,067	\$ 1,527,923	\$ 6,731,352	\$ 1,048,756
Total OPEB Liability	8,110,400	2,928,692	2,087,738	13,126,830	3,423,124
Noncurrent Liabilities Due After One Year	126,851,333	16,710,419	5,199,431	148,761,183	2,071,519
<b>Total Noncurrent Liabilities</b>	<b>\$ 138,887,095</b>	<b>\$ 20,917,178</b>	<b>\$ 8,815,092</b>	<b>\$ 168,619,365</b>	<b>\$ 6,543,399</b>
<b>Total Liabilities</b>	<b>\$ 152,016,657</b>	<b>\$ 29,881,961</b>	<b>\$ 15,961,172</b>	<b>\$ 197,859,790</b>	<b>\$ 9,120,262</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Revenue	\$ 147,846	\$ -0-	\$ -0-	\$ 147,846	\$ -0-
Deferred Amounts Related to Pensions	661,154	260,300	282,858	1,204,312	310,385
Deferred Amounts Related to OPEB	405,133	146,295	104,288	655,716	170,993
<b>Total Deferred Inflows of Resources</b>	<b>\$ 1,214,133</b>	<b>\$ 406,595</b>	<b>\$ 387,146</b>	<b>\$ 2,007,874</b>	<b>\$ 481,378</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	\$ 86,745,069	\$ 33,250,927	\$ 30,895,279	\$ 150,891,275	\$ 4,461,431
Restricted for:					
Debt Service	31,077,529	4,438,109	-0-	35,515,638	-0-
Asset Construction and Acquisition	2,500,000	-0-	-0-	2,500,000	-0-
Passenger Facility Charges	-0-	-0-	1,633,785	1,633,785	-0-
Landfill Closure and Post-Closure	-0-	-0-	5,615,462	5,615,462	-0-
Unrestricted	20,647,028	15,573,473	1,912,319	38,132,820	( 3,519,398)
<b>Total Net Position</b>	<b>\$ 140,969,626</b>	<b>\$ 53,262,509</b>	<b>\$ 40,056,845</b>	<b>\$ 234,288,980</b>	<b>\$ 942,033</b>

The accompanying notes are an integral part of this statement.

**CITY OF SAN ANGELO, TEXAS**

**Statement of Revenues, Expenses, and Changes in Fund Net Position -  
Proprietary Funds**

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise Funds	Total	
<b>OPERATING REVENUES</b>					
Charges for Sales and Services:					
Pledged for Payment of Revenue Bonds:					
Water Sales	\$ 35,742,057	\$ -0-	\$ -0-	\$ 35,742,057	\$ -0-
Sewer Service	-0-	17,162,592	-0-	17,162,592	-0-
Stormwater Fee	-0-	-0-	2,904,231	2,904,231	-0-
Solid Waste Service	-0-	-0-	1,401,947	1,401,947	-0-
Rents, Leases, and Fees	696,955	228,740	1,240,276	2,165,971	-0-
Billing and Collection	1,638,973	-0-	-0-	1,638,973	-0-
Paving Cuts, Taps, and Connections	370,672	94,360	-0-	465,032	-0-
Other	291,254	56,897	17,196	365,347	-0-
Unpledged:					
Rents, Leases, and Fees	-0-	-0-	1,491,895	1,491,895	-0-
Sales and Service	-0-	-0-	-0-	-0-	15,651,232
Other	-0-	-0-	234,715	234,715	417,387
<b>Total Operating Revenues</b>	<b>\$ 38,739,911</b>	<b>\$ 17,542,589</b>	<b>\$ 7,290,260</b>	<b>\$ 63,572,760</b>	<b>\$ 16,068,619</b>
<b>OPERATING EXPENSES</b>					
Cost of Sales and Services	\$ 5,853,372	\$ 3,956,168	\$ 4,306,415	\$ 14,115,955	\$ 14,064,334
Administrative	5,321,638	87,302	13,107	5,422,047	-0-
Depreciation	3,836,317	3,205,908	2,679,127	9,721,352	3,644,757
<b>Total Operating Expenses</b>	<b>\$ 15,011,327</b>	<b>\$ 7,249,378</b>	<b>\$ 6,998,649</b>	<b>\$ 29,259,354</b>	<b>\$ 17,709,091</b>
Operating Income (Loss)	\$ 23,728,584	\$ 10,293,211	\$ 291,611	\$ 34,313,406	(\$ 1,640,472)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental	(\$ 251,368)	(\$ 175,976)	\$ -0-	(\$ 427,344)	(\$ 1,777)
Interest	357,779	360,180	214,274	932,233	29,628
Change in Fair Value of Investments	( 295,188)	( 122,204)	( 39,923)	( 457,315)	( 27,926)
Interest Expense and Fiscal Agent Fees	( 3,241,565)	( 576,492)	( 14,645)	( 3,832,702)	-0-
Gain (Loss) on Sale of Capital Assets	( 18,270)	( 100,284)	113,364	( 5,190)	( 1,865)
Total Nonoperating Revenues (Expenses)	(\$ 3,448,612)	(\$ 614,776)	\$ 273,070	(\$ 3,790,318)	(\$ 1,940)
Income (Loss) Before Contributions and Transfers	\$ 20,279,972	\$ 9,678,435	\$ 564,681	\$ 30,523,088	(\$ 1,642,412)
<b>CONTRIBUTIONS AND TRANSFERS</b>					
Contributions:					
Federal Grants	\$ 150	\$ 4,536	\$ 3,760,686	\$ 3,765,372	\$ -0-
Capital Contributions	1,777	24,512	-0-	26,289	-0-
<b>Total Contributions</b>	<b>\$ 1,927</b>	<b>\$ 29,048</b>	<b>\$ 3,760,686</b>	<b>\$ 3,791,661</b>	<b>\$ -0-</b>
Transfers In	1,008,102	-0-	155,829	1,163,931	-0-
Transfers Out	( 3,786,942)	( 2,226,648)	( 804,940)	( 6,818,530)	-0-
<b>Total Contributions and Transfers</b>	<b>(\$ 2,776,913)</b>	<b>(\$ 2,197,600)</b>	<b>\$ 3,111,575</b>	<b>(\$ 1,862,938)</b>	<b>\$ -0-</b>
Change in Net Position	\$ 17,503,059	\$ 7,480,835	\$ 3,676,256	\$ 28,660,150	(\$ 1,642,412)
Net Position - Beginning	131,417,175	48,726,601	38,552,763	218,696,539	5,945,966
Restatement of Beginning Fund Balance	( 7,950,608)	( 2,944,927)	( 2,172,174)	( 13,067,709)	( 3,361,521)
<b>Net Position - Ending</b>	<b>\$ 140,969,626</b>	<b>\$ 53,262,509</b>	<b>\$ 40,056,845</b>	<b>\$ 234,288,980</b>	<b>\$ 942,033</b>

The accompanying notes are an integral part of this statement.



# CITY OF SAN ANGELO, TEXAS

## Statement of Cash Flows - Proprietary Funds

### For the Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received From Customers	\$ 35,145,451	\$ 15,918,262	\$ 7,104,699	\$ 58,168,412	\$ 13,620,795
Cash Received From Other Governments	-0-	-0-	( 203,406)	( 203,406)	-0-
Cash Received From Other Funds for Interfund Services Provided	-0-	4,596,874	-0-	4,596,874	-0-
Cash Received From Reinsurance	-0-	-0-	-0-	-0-	2,392,369
Cash Received From Meter Deposits	195,280	-0-	-0-	195,280	-0-
Cash Paid to Suppliers for Goods and Services	( 6,468,368)	( 1,674,060)	( 1,410,360)	( 9,552,788)	( 5,939,062)
Cash Paid for Insurance Claims and Premiums	-0-	-0-	-0-	-0-	( 7,234,865)
Cash Paid for Employees' Services and Benefits	( 5,789,206)	( 1,879,529)	( 2,381,506)	( 10,050,241)	( 1,463,787)
Interfund Receipts/Payments	-0-	-0-	3,570,093	3,570,093	-0-
Net Cash Provided (Used) by Operating Activities	<u>\$ 23,083,157</u>	<u>\$ 16,961,547</u>	<u>\$ 6,679,520</u>	<u>\$ 46,724,224</u>	<u>\$ 1,375,450</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In	\$ 1,009,879	\$ -0-	\$ -0-	\$ 1,009,879	\$ -0-
Transfers Out	( 4,038,310)	( 2,226,648)	( 649,111)	( 6,914,069)	-0-
Short-Term Interfund Loans Received	-0-	-0-	-0-	-0-	772,067
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(\$ 3,028,431)</u>	<u>(\$ 2,226,648)</u>	<u>(\$ 649,111)</u>	<u>(\$ 5,904,190)</u>	<u>\$ 772,067</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Capital Assets	(\$ 3,146,336)	(\$ 2,231,327)	(\$ 4,571,632)	(\$ 9,949,295)	(\$ 794,416)
Principal Paid on Debt	( 8,231,960)	( 3,186,400)	( 246,276)	( 11,664,636)	-0-
Interest Paid on Debt	( 3,235,993)	( 991,989)	( 24,932)	( 4,252,914)	-0-
Cash Paid for Water Rights Obligation	( 712,541)	-0-	-0-	( 712,541)	-0-
Capital Grants Received	150	4,536	3,760,686	3,765,372	-0-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(\$ 15,326,680)</u>	<u>(\$ 6,405,180)</u>	<u>(\$ 1,082,154)</u>	<u>(\$ 22,814,014)</u>	<u>(\$ 794,416)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of Investments	(\$ 8,935,573)	\$ 1,121,382	\$ 597,218	(\$ 7,216,973)	\$ 193,777
Interest Received on Investments	331,089	329,732	201,755	862,576	28,098
Net Cash Provided (Used) by Investing Activities	<u>(\$ 8,604,484)</u>	<u>\$ 1,451,114</u>	<u>\$ 798,973</u>	<u>(\$ 6,354,397)</u>	<u>\$ 221,875</u>
Net Increase (Decrease) in Cash	(\$ 3,876,438)	\$ 9,780,833	\$ 5,747,228	\$ 11,651,623	\$ 1,574,976
Cash - Beginning	5,503,656	3,174,412	3,816,838	12,494,906	1,588,240
Cash - Ending	<u>\$ 1,627,218</u>	<u>\$ 12,955,245</u>	<u>\$ 9,564,066</u>	<u>\$ 24,146,529</u>	<u>\$ 3,163,216</u>
<b>CASH ON STATEMENT OF NET POSITION</b>					
Current Assets	\$ 1,627,218	\$ 29,719	\$ 4,776,874	\$ 6,433,811	\$ 3,163,216
Restricted Assets	-0-	12,925,526	4,787,192	17,712,718	-0-
Total	<u>\$ 1,627,218</u>	<u>\$ 12,955,245</u>	<u>\$ 9,564,066</u>	<u>\$ 24,146,529</u>	<u>\$ 3,163,216</u>

The accompanying notes are an integral part of this statement.

**CITY OF SAN ANGELO, TEXAS**

**Statement of Cash Flows - Proprietary Funds**

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise Funds	Total	
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 23,728,584	\$ 10,293,211	\$ 291,611	\$ 34,313,406	(\$ 1,640,472)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities					
Depreciation	3,836,317	3,205,908	2,679,127	9,721,352	3,644,757
(Increase) Decrease in:					
Accounts Receivable	( 3,597,657)	( 1,770,622)	58,607	( 5,309,672)	( 55,455)
Other Receivable	-0-	-0-	( 244,168)	( 244,168)	-0-
Due From Other Funds	-0-	4,596,874	-0-	4,596,874	-0-
Due From Other Governments	-0-	-0-	( 203,406)	( 203,406)	-0-
Inventories	( 128,838)	( 18,921)	-0-	( 147,759)	( 18,690)
Deferred Charges	3,197	146,295	-0-	149,492	-0-
Deferred Outflow Pension	1,017,524	536,137	155,750	1,709,411	174,588
Increase (Decrease) in:					
Accounts Payable	165,617	902,056	629,401	1,697,074	164,985
Due To Other Funds	-0-	-0-	3,570,093	3,570,093	-0-
Due To Component Unit	-0-	-0-	52,906	52,906	-0-
Insurance Claims Payable	-0-	-0-	-0-	-0-	( 170,367)
OPEB Liability	( 1,620,978)	( 585,339)	( 417,264)	( 2,623,581)	( 684,160)
Pension Liability	( 1,518,325)	( 577,326)	( 214,379)	( 2,310,030)	( 395,965)
Compensated Absences	61,958	3,037	( 97,741)	( 32,746)	( 58,943)
OPEB Deferred Inflow	405,133	-0-	104,288	509,421	157,735
Deferred Inflow Pension	535,345	230,237	109,337	874,919	257,437
Landfill Postclosure Liability	-0-	-0-	205,358	205,358	-0-
Customer Deposits	195,280	-0-	-0-	195,280	-0-
Net Cash Provided (Used) by Operating Activities	<u>\$ 23,083,157</u>	<u>\$ 16,961,547</u>	<u>\$ 6,679,520</u>	<u>\$ 46,724,224</u>	<u>\$ 1,375,450</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>					
Loss on Disposal of Capital Assets	\$ 18,270	\$ 100,284	\$ -0-	\$ 118,554	(\$ 1,865)
Amortization of Premiums and Discounts	\$ 5,572	(\$ 327,163)	(\$ 10,287)	(\$ 331,878)	\$ -0-
Change in Fair Value of Investments	(\$ 295,188)	(\$ 122,204)	(\$ 39,923)	(\$ 457,315)	(\$ 27,926)
Amortization of Gain or Loss on Refunding	\$ -0-	(\$ 26,452)	\$ -0-	(\$ 26,452)	\$ -0-
Transfer of Capital Assets	\$ 251,368	\$ 175,967	\$ -0-	\$ 427,335	\$ -0-

The accompanying notes are an integral part of this statement.

**CITY OF SAN ANGELO, TEXAS**

**Statement of Net Position - Fiduciary Funds**

**As of September 30, 2018**

	Agency	
	CJC	
<b>ASSETS</b>		
Cash and Cash Equivalents	\$	382,940
Total Assets	\$	382,940
<b>LIABILITIES</b>		
Accounts Payable	\$	190
Due to Other Governments		382,750
Total Liabilities	\$	382,940

The accompanying notes are an integral part of this statement.

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

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#### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of San Angelo, Texas (City) is a municipal corporation governed by an elected mayor and six-member council. The City provides services as authorized in its charter: public safety (police and fire), streets and bridges, sanitation, health and human services, water and sewer utilities, recreation, education, public improvements, planning and zoning, and general administrative services. The accompanying financial statements present the government and its component units, entities for which the government is financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

The City's financial statements have been prepared in conformity with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsections of this note.

#### **I.A. Financial Reporting Entity**

The City's financial reporting entity comprises the following:

Primary Government:	City of San Angelo, Texas
Discretely Presented Component Unit:	City of San Angelo Development Corporation

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement 14, *The Financial Reporting Entity*, as amended by Statement No. 61 and includes all component units of which the City is fiscally accountable.

#### Blended Component Units

Blended component units are separate legal entities that meet the GASB Statement No. 14 (as amended by Statement No. 61) component unit criteria and whose governing body is the same or substantially the same as the City Council, or the component unit provides services entirely, or almost entirely, to the City. The City had no blended component units for the year ended September 30, 2018.

#### Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the GASB Statement No. 14 (as amended by Statement No. 61) component unit criteria but do not meet the criteria for blending. The City has one component unit that is discretely presented in the City's report as presented below. The component unit's rows and columns in the government-wide financial statements include the financial data of the City's component unit. It is reported in separate rows and columns to emphasize that it is legally separate from the City. The mayor and the City Council appoint the governing board of directors.

The City of San Angelo, Texas Development Corporation (Corporation) is a non-profit development corporation organized under the Texas Development Corporation Act of 1979, Article 5190.6, Vernon's Texas Revised Civil Statutes Annotated as amended (the Act) and is governed by Section 4B of the Act. The Corporation is governed by a seven-member board appointed by the City Council. Its purpose is to administer the type B Section 4B economic development sales tax approved by the City's voters. As stated in its Articles of Incorporation, the purpose of the Corporation is to promote community development within the City and the State of Texas in order to improve the quality of life and the public welfare of, for, and on behalf of the City by developing, implementing, providing, and financing the projects allowed under Section 4B of the Act. The San Angelo City Council must approve all actions of the Corporation's board of directors. Subject to the limitations provided by the Texas Constitution, the laws of the state and the articles of incorporation, the City Council may, in its sole discretion, and at any time, alter or change the structure, organization, programs, or activities of the Corporation, and may terminate or dissolve the Corporation. If the Corporation should be dissolved, all interests it has, or is entitled to, in any funds or property of any kind shall be transferred and delivered to the City after satisfaction of all debts, claims, and contractual obligations. The Corporation does not publish any separately issued financial statements.

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

### For the Year Ended September 30, 2018

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#### Related Organizations

The City Council is responsible for appointing the members of the boards of various organizations, but the City's accountability for those organizations does not extend beyond making the appointments. The City provides some funding to the Convention and Visitors Bureau.

#### **I.B. Basis of Presentation**

##### Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Eliminations have been made to minimize the double reporting of transactions involving internal activities. Individual funds are not displayed in these statements. Instead, the statements distinguish between governmental and business-type activities. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange revenues, are reported separately from *business-type activities*, which rely mostly on fees and charges for support. In addition, the primary government is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities reports the direct expenses of a given function offset by program revenues directly related to the function program. A function is an aggregation of similar activities and may include portions of a fund or summarize more than one fund to capture expenses and program revenues associated with a distinct functional activity. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (a) charges to customers such as fines and forfeitures, fees for licenses, permits, and other user charges; (b) operating grants and contributions that are restricted to meeting the annual operating requirements of a particular function or segment; and (c) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

##### Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are not included in the government-wide financial statements. An emphasis of the fund financial statements is placed on major governmental and enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements with composite columns for the aggregated remaining non-major funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b) Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c) A fund not meeting the criteria of (a) and (b); however, management has elected to report the fund as a major fund due to its significance to users of the financial statements.

All remaining governmental and enterprise funds not meeting the above criteria are aggregated and reported as nonmajor funds.

#### **I.C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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.

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

### For the Year Ended September 30, 2018

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The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust fund financial statements. Agency funds do not have a measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Because different measurement focuses and bases of accounting are used in the government-wide statement of net position and in governmental fund statements, amounts reported as restricted fund balances in governmental funds may be different from amounts reported as restricted net position in the statement of net position.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. It is *always* a major fund.

The *capital improvement fund* accounts for the authorized expenditure of the proceeds of certificates of obligation.

The *debt service fund* accounts for the accumulation of resources and payment of principal and interest on general obligation bonds, certificates of obligation, and sales tax supported certificates of obligations. Resources are provided by an ad valorem tax levy and transfer of type B sales tax proceeds from the City of San Angelo Development Corporation.

The City also reports the following nonmajor governmental fund types and funds:

*Special revenue funds* account for specific revenues that are legally restricted, or designated by management, to expenditures for particular purposes. The City's nonmajor special revenue funds include:

- *Community Development fund* accounts for the expenditure of funds received from the U.S. Department of Housing and Urban Development under the Community Development Block Grant program.
- *Intergovernmental fund* accounts for the expenditure of various federal and state funds.
- *HOME Program fund* accounts for funds received from the U.S. Department of Housing and Urban Development under the HOME Investment Partnership program.
- *Designated Revenue fund* accounts for expenditure of funds contributed by San Angelo citizens for special purposes.

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

### For the Year Ended September 30, 2018

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- *Tax Increment Reinvestment Zone fund* accounts for expenditure of funds received from ad valorem taxes derived from increments of growth in real property values in the Zone.

*Capital project funds* account for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds. The City's nonmajor capital project funds include:

- The *Sales Tax Projects fund* accounts for certificate of obligation proceeds to accomplish projects specified on the ballots in the elections adopting the type B economic development sales tax and projects allowed by Section 4B of the Development Corporation Act of 1979, as amended. The certificates are being retired with funds from the collection of the type B sales tax approved for the projects.

*Permanent funds* are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. The City's nonmajor permanent funds are as follows:

- *Santa Fe Park Trust fund* accounts for trust principal and related investment income. Net earnings up to 7% can be paid to the City to be used for the upkeep and beautification of the park. Earnings in excess of 7% become part of principal.
- *Lake Nasworthy Trust fund* accounts for the trust principal and related investment income. Twenty percent of all lake lot lease income, the proceeds from the sale of lake lots, and 10% of the annual interest income are additions to principal. No portion of the principal shall be expended for any purpose unless authorized by a majority vote of the qualified voters of the City at an election held for that purpose. Ninety percent of the annual interest income may be used by the City to pay for lake and river improvements, services to enhance water recreation, and the elimination of related litter and pollution. A public hearing must be held on the purposed uses of interest income during the budget and budget amendment process.

*Proprietary funds* include both enterprise funds and internal service funds. *Enterprise funds* account for business-like activities provided to the general public. *Internal service funds* are used to account for business-like activities provided and charged to other funds or entities within the reporting entity.

The City reports two major enterprise funds:

- *Water fund* accounts for the operations of the water utility service. In addition, the operation of lake recreation facilities are accounted for in this fund, and billing and collection services are provided to other enterprise funds.
- *Sewer fund* accounts for the operation of the sewage collection and treatment system and leasing of the sewer farm.

The City reports the following four non-major enterprise funds:

- *State Office Building fund* accounts for the operation of a building, acquired and renovated, primarily to provide a facility for lease to the State of Texas in order for all state offices in San Angelo to be in one location.
- *Airport fund* accounts for the operations of the municipal airport.
- *Solid waste fund* accounts for the City's portion of operating the landfill.
- *Stormwater fund* accounts for the operation of stormwater treatment and management.

*Internal service funds* account for fuel, oil, and the maintenance and upkeep on City and San Angelo Independent School District vehicles (vehicle maintenance fund); health claims services and medical costs for City employees and their dependents (employee/retiree health fund); insurance coverage for general and automobile liability and property damage for city property and vehicles (property and casualty insurance fund); workers compensation coverage for City employees (workers compensation insurance fund), and a city-wide radio communication system (communications fund), basically on a cost reimbursement basis, and provision of reserves for catastrophic claims in the insurance funds.

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

### For the Year Ended September 30, 2018

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*Fiduciary funds* are used to account for assets held in a trust or agency capacity for others and, therefore, cannot be used to support the City's own programs. Fiduciary fund reporting focuses on net position and changes in net position. All fiduciary activities are reported only in the fund financial statements. The City reports the following fiduciary fund:

- *CJC Agency fund* is used to report resources held by the City in a purely custodial capacity (assets equal liabilities). The CJC fund accounts for the accumulation of fines and fees collected on behalf of the State of Texas.

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

Proprietary funds report *operating* revenues and expenses and *non-operating* revenues and expenses separately. Operating revenues and expenses generally result from sales and services in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are reported as non-operating. Principal operating revenues include charges to customers for sales, services, and rentals. Other operating revenues include charges for paving cuts, taps, and connections intended to recover the cost of connecting new customers to the water and sewer systems. Operating expenses for enterprise funds and internal service funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for specified expenditures, the City's policy is to use restricted resources first, then unrestricted resources as needed. Within unrestricted resources, committed would be considered spent first (if available), followed by assigned (if available), and then unassigned amounts.

#### **I.D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity**

##### Cash and Cash Equivalents

For the purposes of financial reporting, "cash and cash equivalents" include all demand deposits, state-managed local government investment pools, and short-term investments with original maturities of three months or less when acquired.

##### Investments

Investments are reported at fair value. U.S. Treasury obligations are valued at the last reported sales price on a national exchange. State-managed local government investment pools (which are reported as "cash" due to their liquidity) operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940 and use amortized cost instead of market value to report net position to compute share prices. Accordingly, the fair value of the position in the pools is the same as the value of the shares. The State Comptroller of Public Accounts exercises oversight responsibility over the pools. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both pool participants and other persons who do not have a business relationship with the pools. The advisory board members review the investment policy and management fee structure. Year to year changes in the fair value of investments are shown as an adjustment to investment income.

##### Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Temporary fund overdrafts in the pooled cash account and certain year-end adjustments give rise to current interfund loans reported in the fund financial statements. Any residual balance outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All accounts receivables are shown net of an allowance for uncollectibles.



# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

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

The City's property taxes are due October 1 and become delinquent after January 31. No split payments or discounts are allowed. Penalties and Interest: (a) a delinquent tax incurs a penalty of 6% of the amount of the tax for the first calendar month it is delinquent, plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax on July 1 incurs a total penalty of 12% of the amount of the delinquent tax without regard to the number of months the tax has been delinquent; (b) a delinquent tax accrues interest at a rate of one percent for each month or portion of a month the tax remains unpaid; and an additional penalty up to a maximum of 15% of taxes, penalty, and interest may be imposed to defray costs of collection for taxes delinquent after July 1.

#### Inventories

Inventories of the governmental funds are valued on the basis of weighted average cost. Inventories are recorded as expenditures when consumed rather than when purchased.

#### Prepaid Items

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

#### Restricted Assets

Certain governmental fund assets are classified as restricted on the balance sheets and statement of net position because their use is limited by legal or contractual requirements and terms of trust agreements. These include funds restricted for debt service, park upkeep, and river and lake improvements.

Also, certain proceeds of enterprise funds' revenue bonds, as well as certain other resources set aside for their repayment and other purposes, are classified as restricted assets on the statements of net position because their use is limited by applicable bond covenants and contract agreements. These include assets for bond debt service, water purchase contract obligations, construction with bond proceeds, asset renewals and replacements, and water supply development.

#### Capital Assets

The accounting treatment of property, plant, and equipment (capital assets) and water rights (intangible assets) depends on whether the assets are used in governmental fund type or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, property, plant, and equipment and intangible assets are accounted for as capital assets. The City's policy is to capitalize and depreciate all capital assets with an initial, individual cost of \$5,000 or more and an estimated life in excess of two years. Assets not meeting the capitalization policy are controlled by division or department heads. Normal maintenance and repair costs that do not add to the asset values or materially extend the useful lives are not capitalized. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their acquisition value at the date of donation. Infrastructure capital assets, consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, water system, sewer system, and airport paving are capitalized and depreciated. Interest costs, net of interest earned on any invested capital debt proceeds, are capitalized when incurred by proprietary funds.

Depreciation of all exhaustible capital assets is recorded as an operating expense in proprietary fund financial statements and as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation in the government-wide statements and the proprietary funds statements is provided using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	10 – 50 years
Improvement Other Than Buildings	8 – 20 years
Infrastructure	15 – 50 years
Machinery and Equipment	3 – 20 years

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

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When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

In the governmental fund financial statements, capital assets are accounted for as capital outlay expenditures.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditures) until then. The government currently recognizes amounts from pension and amounts related to refunding of debt. The deferred charge on refunding reported in the government-wide statement of net position and the proprietary fund statement. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### Compensated Absences

City employees, employed before October 1, 2001, earn vacation and sick leave, each at the rate of 1-1/4 working days per month (3 weeks per year). Employees hired on or after October 1, 2001 earn vacation at the rate of 5/6 of a working day per month (2 weeks per year) for the first 5 years, and thereafter at the same rate as pre-October 1, 2001 hires. Accumulation of vacation is limited to 30 working days, and accumulation of sick leave is unlimited. Employees vest in accumulated sick leave after three years of employment. Terminal benefit payoffs are limited to 30 working days for unused vacation and 90 working days for unused vested sick leave. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Liabilities related to proprietary funds are recognized within each of those funds' financial statements and the government-wide statement of net position.

#### Long-term Obligations

In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount and deferred amounts on refundings. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses in the period incurred.

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

#### 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 San Angelo Firemen's Relief and Retirement Fund (SFRRF) and the Texas Municipal Retirement System (TMRS) and additions to/deductions from SFRRF and TMRS fiduciary net position have been determined on the same basis as they are reported by SFRRF and TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

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#### Postemployment Plans

Effective October 1, 2017, the City implemented Governmental Accounting Standards Board (GASB) statement number 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans. This statement replaces GASB statements 45, as amended, and 57. The statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures for other post employment benefits (OPEB). It also includes note disclosure and required supplementary information requirements for OPEB plans. See Note IV.H. Change in Accounting Principles/Restatement for the effects of the adoption of GASB 75.

#### Arbitrage Rebate to the U.S. Treasury

Under U.S. Treasury Department Regulations, all governmental tax-exempt debt issued after August 31, 1986, is subject to arbitrage rebate requirements. The requirements stipulate, in general, that the earnings from the investment of tax-exempt bond proceeds, which exceed related interest expenditures on the bonds, must be remitted to the Federal government on every fifth anniversary of each bond issue.

Since the rules governing arbitrage on tax-exempt debt and the calculation of the rebate are complex, the City has retained a professional consultant to calculate any tentative arbitrage rebate due to the U.S. Treasury Department, which was \$-0- on September 30, 2018. Unless the City is likely to meet any of the exceptions enumerated in the tax law, a liability is reported in the financial statements for the tentative rebate. The liability is reported in the government-wide statement of net position for invested proceeds of capital projects funds. The liability is reported in the applicable proprietary fund financial statement and the government-wide statement of net position for invested proceeds of that fund. Changes in the liability from year to year are reflected as an adjustment to investment income.

#### Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted 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 government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### Fund Equity

In the government-wide and proprietary fund financial statements, equity is classified as net position and is displayed in three components:

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and is reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the government-wide financial statements and the proprietary funds financial statements, restrictions of net position are reported for amounts legally or contractually segregated for specific future uses. Net position restricted for Passenger Facility Charges and Economic Development are restricted by enabling legislation.

In the fund financial statements, governmental funds report fund balance into classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purpose for which amount in those funds can be spent. The classifications of fund balance are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

*Nonspendable* fund balances include amounts that cannot be spent because it is not in a spendable form, such as inventory or prepaid items or because resources legally or contractually must remain intact.

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

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*Restricted* fund balances are the portion of fund balance that have externally enforceable limitations on their usage through legislation or limitations imposed by creditors, grantors, laws and regulations of other governments, or enabling legislation.

*Committed* fund balances are self-imposed limitations by the highest level of decision-making authority, namely, the Mayor and City Council prior to the end of the reporting period through ordinance. The Mayor and City Council approval is required to commit resources or to rescind the commitment.

*Assigned* fund balances are limitations imposed by management based on the intended use of the funds. Assignments of fund balance may be made by City Council action or management decision when the City Council has delegated that authority. The City Manager is the official who is granted this authority by a vote of the City Council. Assignments for transfers and interest income for governmental funds are made through the budgetary process. Modifications or rescissions of the constraints can also be removed by the same action that limited the funds.

*Unassigned* fund balances represent the residual net resources in excess of the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for specified expenditures, restricted resources are considered spent before unrestricted resources. Within unrestricted resources, committed would be considered spent first (if available), followed by assigned (if available), and then unassigned amounts.

#### **I.E. Internal and Interfund Balances and Activities**

In the process of aggregating the financial information for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

#### Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- Internal balances – Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
- Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities. The effects of interfund services between funds are not eliminated in the statement of activities.
- Primary government and component unit activity and balances – Resource flows between the primary government and the discretely presented component units are reported as if they were external transactions.

#### Fund Financial Statements

Interfund activity, if any, within and among the governmental, proprietary fund, and fiduciary categories is reported as follows in the fund financial statements:

- Interfund loans – Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- Interfund services – Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
- Interfund reimbursements – Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

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- Interfund transfers – Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

#### **I.F. Revenues, Expenditures, and Expenses**

##### Charges to Other Funds

Charges for services provided and used between funds are accounted for as revenues and expenditures or expenses. These include charges to other funds by the general fund for administration and investment management; charges by self-insurance internal service funds to other funds for health, general and auto liability, and workers compensation; and charges by the vehicle maintenance internal service fund and communications fund to other funds.

##### Property Tax Revenues

Property tax revenues are recognized in governmental fund financial statements when they become available. Available means collected within the current period and the amount expected to be collected soon after year-end to pay liabilities of the current period not to exceed 60 days. The balance of uncollected taxes, in excess of that recognized as revenues, is recorded as deferred revenue. In the government-wide financial statements, property tax revenues are recognized in the fiscal year for which they are levied.

The City's property tax is levied and becomes a lien each October 1 on 100 percent of assessed value listed for all real and personal property located in the City as of the prior January 1. Taxes become delinquent on January 31 following the October 1 levy date.

Collections on the current levy normally average about 95% to 99%. The City is permitted by Article II, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. Assessed values are established by the Tom Green County Appraisal District and certified by the Appraisal Review Board. The Appraisal District is required under the Property Tax Code to assess all property within the Appraisal District based on 100 percent of its value and is prohibited from applying any assessment ratios. The value of property within the Appraisal District must be reviewed every four years; however, the City may at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the Appraisal District through various appeals, and if necessary, legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8 percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the calculated tax rate of the previous year levy and the current year valuation.

##### Sales Tax

The City levies a one and one half cent sales tax on taxable sales within the City. The sales tax is collected by the Texas State Comptroller and remitted to the City in the month following receipt by the State Comptroller. The sales tax is recorded as follows:

- 1 cent recorded as revenue within the General Fund and then transferred throughout various funds to account for operations and facility improvements as recommended by the City Council.
- ½ cent recorded as revenue within the Development Corporation Fund that is transferred to various funds to account for improvements to park and building facilities; housing assistance programs; recreation funding; infrastructure relating to the development of water supply, water purchase, water rights purchase, and/or water capital improvements; and civic events as recommended to the City Council by the Capital Improvement Plan.

##### Expenditures and Expenses

In the government-wide statement of activities, expenses, including depreciation of capital assets, are reported by function or activity. In the governmental fund financial statements, expenditures are reported by class as current (further reported by function), capital outlay and debt service. In the proprietary fund financial statements, expenses are reported by object or activity. Fiduciary funds report additions and deductions to net position.

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

### For the Year Ended September 30, 2018

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#### **I.G. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

#### **II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The governmental funds' balance sheet includes a reconciliation between *total fund balances – governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. The governmental funds' statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *total net change in fund balances – governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of both reconciliations explains, "various reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting." The details of these differences are sufficiently described in the reconciliations; therefore, no additional disclosure is required.

#### **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

By its nature as a local governmental unit, the City and its component units are subject to various federal, state, and local laws and contractual regulations.

##### **III.A. Deficit Fund Balances or Net Position**

The Fairmount Cemetery Fund, a general fund account, had a deficit fund balance of \$23,180 as of September 30, 2018. The Workers' Compensation Insurance Fund, an internal service fund, had a deficit fund balance of \$1,072,453 as of September 30, 2018. The Employee/Retiree Health Fund, an internal service fund, had a deficit fund balance of \$180,451 as of September 30, 2018. The Vehicle Maintenance Fund, an internal service fund, had a deficit fund balance of \$2,110,337 as of September 30, 2018.

##### **III.B. Deposits and Investments Requirements**

###### Custodial Credit Risk for Deposits

State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity of its agent.

Since the City complies with this law, it has no substantial custodial credit risk for deposits.

###### Compliance with the Public Funds Investment Act

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for CDs.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. The City of San Angelo, Texas is in substantial compliance with the requirements of the Act and with local policies.

The City's investment policy authorizes investment in fully insured or collateralized certificates of deposit; obligations of the United States, its agencies, and instrumentalities; fully collateralized repurchase agreements; constant dollar local government investment pools (LGIPs); and SEC registered money market mutual funds, as allowed by state law (Texas Government Code 2256, Public Funds Investment Act).

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

#### **IV. DETAIL NOTES – TRANSACTIONS CLASSES/ACCOUNTS**

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, deferred outflows, liabilities, deferred inflows, equity, revenues, and expenditures/expenses.

#### **IV.A. Deposit and Investment Risks**

As of September 30, 2018, the City of San Angelo held the following investments. The carrying and fair value amounts are the same.

##### Primary Government

Reported in Investments:	Hierarchy	Credit Rating	Fair Value	Maturities in Years		
				< than 1 Year	1 to 2 Years	2+ Years
Commercial Paper	2	N/A	\$ 7,981,253	\$ 7,981,253	\$ -0-	\$ -0-
Money Market Accounts	1	N/A	1,970,390	1,970,390	-0-	-0-
U.S. Agencies:						
FRMAC	1	AAA	10,629,123	5,411,758	2,728,795	2,488,570
FFCB	1	AAA	17,372,836	6,926,152	10,446,684	-0-
FHLB	1	AAA	24,096,528	6,978,009	16,175,154	943,365
FHLMC	1	AAA	20,560,521	15,415,209	5,145,312	-0-
FNMA	1	AAA	16,724,702	6,443,094	9,329,678	951,930
FAMCA	1	N/A	2,487,300	2,487,300	-0-	-0-
Total Reported in Investments			<u>\$ 101,822,653</u>	<u>\$ 53,613,165</u>	<u>\$ 43,825,623</u>	<u>\$ 4,383,865</u>

Investments on Statement of Net Position	Governmental	Business-type	Total
	Activities	Activities	
Current Investments	\$ 39,890,973	\$ 13,680,471	\$ 53,571,444
Restricted Investments	16,351,083	31,900,126	48,251,209
Total Investments	<u>\$ 56,242,056</u>	<u>\$ 45,580,597</u>	<u>\$ 101,822,653</u>

##### Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs or quoted prices in markets that are not active; and Level 3 inputs are significant unobservable inputs (the City does not value any of its investments using Level 3 inputs).

Because the investments are restricted by policy and state law to active secondary market, the market approach is being used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The exit or fair market prices used for these fair market valuations of the portfolio are all Level 1 except for commercial paper and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date. Commercial paper is priced at amortized cost. Although amortized cost may approximate fair market value, it does not meet the definition of a Level 1 asset as it is not a listed price or a broker quote in an active market, and therefore, is valued at Level 2.

Additional policies and contractual provisions governing deposits and investments for the City of San Angelo, Texas are specified below:

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

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#### Credit Risk

The primary stated objective of the City of San Angelo's adopted Investment Policy is the safety of principal and avoidance of principal loss. Credit risk within the City's portfolio among the authorized investments approved by the City's adopted Investment Policy is represented only in time and demand deposits, repurchase agreements, local government pools, municipal debt, and money market mutual funds. All other investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies, or instrumentalities. State law and the City's adopted Investment Policies for the City and Lake Nasworthy requires a procedure to monitor and react to credit ratings and a requirement to verify FDIC insurance weekly.

State law and the City of San Angelo's adopted Investment Policy restricts both time and demand deposits, including certificates of deposit, to those banks doing business in the State of Texas and further requires full insurance and/or collateralization from these bank depositories. Depository certificates of deposit are limited to a stated maturity of one year. Collateral, with a 102% margin, is required, and collateral is limited to obligations of the U.S. Government, its agencies, or instrumentalities (with CMOs passing the bank test), or direct obligations of states, its subdivisions or agencies dual-rated at least A, or equivalent, as to investment quality by two nationally recognized securities rating organizations. Independent safekeeping of collateral is required outside the bank holding company with monthly reporting. Securities are priced at market on a daily basis as a contractual responsibility of the bank.

Brokered certificate of deposit securities must be from banks in the U.S. and fully insured by the FDIC. These are restricted to one year to stated maturity, and the City must verify FDIC status weekly. A procedure is included in the Investment Policy for action to be taken on mergers or acquisitions resulting in elimination of FDIC coverage.

Municipal Obligations must be dual-rated A or better by at least two national recognized securities rating organizations and may not exceed two years to stated maturity.

By policy and state law, repurchase agreements are limited to those with defined termination dates executed with a Texas bank or primary dealer (as defined by the Federal Reserve). The agreements require an industry standard, written master repurchase agreement, and a minimum 102% margin on collateral as well as delivery versus payment settlement and independent safekeeping. Repurchase agreements may not exceed six months to stated maturity with the exception of flex repurchase agreements with a stated termination date not to exceed the planned completion date of the project(s).

The City's adopted Investment Policy restricts investment in SEC registered mutual funds to money market mutual funds that in compliance with SEC Rule 2a-7, are rated AAA, and which strive to maintain a \$1 net asset value.

Local government investment pools in Texas are required to be rated AAA or equivalent by at least one nationally recognized rating agency. The City Policy is restricted to AAA-rated, constant dollar local government investment pools striving to maintain a \$1 net asset value. Participation is by City Council resolution only.

As of September 30, 2018 in the City's Operating Portfolio,

- US Treasury obligations represented 1.59% of the portfolio,
- US Government Agency Securities (non-MBS) represented 53.28% of the portfolio,
- A1/P1 Commercial Paper represented 6.45% of the portfolio, and
- FDIC insured or collateralized bank accounts represented 38.68% of the total City portfolio.

As of September 30, 2018, in the Lake Nasworthy Portfolio,

- US Government Securities (in four different agencies) represented 91.46% of the total Lake Nasworthy portfolio, and
- Fully insured or collateralized bank deposits represented 8.54% of the total Lake Nasworthy Portfolio.

#### Concentration of Credit Risk

The City of San Angelo recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The City's adopted Investment Policy (not Lake Nasworthy) establishes diversification as a major objective of the investment program and sets diversification limits for all authorized investment types, which are monitored on at least a monthly basis.



# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

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Diversification limits on the overall holdings (not by fund) are established as:

• U.S. Obligations	80%
• U.S. Agencies/Instrumentalities	80%
• Certificates of Deposit (total)	40%
◦ Certificates of Deposit (per bank)	10%
• Repurchase Agreements	50%
◦ Flex for Bond Funds	100%
• LGIP (total)	80%
◦ LGIP (ownership of pool)	10%
• Money Market Mutual Funds	75%
• Commercial Paper	15%
◦ Issuer Limitation	5%
• Municipal and State Obligations	40%
◦ Issuer Limitation	5%
• Brokered Certificates of Deposit	20%

As of September 30, 2018, the City's Total Operating Portfolio was in full compliance with the diversification parameters of the policy.

As of September 30, 2018, the Lake Nasworthy Portfolio was in full compliance with the policy.

#### Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the City of San Angelo's adopted Investment Policies set maximum maturity dates and maximum weighted average maturity limits by fund type. The weighted average maturity (WAM) of the total City portfolio is restricted to a maximum weighted average maturity of one year and a maximum WAM of three years for Lake Nasworthy. Maximum maturity limit for the City is three years and ten years for Lake Nasworthy.

As of September 30, 2018, in the City's Operating Portfolio,

- No holding had a stated maturity date beyond June 11, 2020 or 649 days within the policy limits of three years maximum maturity, and
- The dollar-weighted average of the total portfolio was 277 days.

As of September 30, 2018 in the Lake Nasworthy Portfolio,

- No holding had a stated maturity date beyond November 17, 2023 or 1,903 days within the policy limits of ten years maximum maturity, and
- The dollar-weighted average of the total portfolio was 514 days.

#### Custodial Credit Risk

To control custody and safekeeping risk, state law and the City of San Angelo's adopted Investment Policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the City and held in the City of San Angelo's name. The collateral custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value for both type transactions. All repurchase agreements and deposits must be collateralized to 102% and be executed under written agreements. Depository agreements are executed under the terms of U.S. Financial Institutions Resource and Recovery Enforcement Act (FIRREA). The counter-party of each type of transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

As of September 30, 2018, in both the City's Operating Portfolio and the Lake Nasworthy Portfolio,

- The portfolios contained no repurchase agreements,
- All bank time and demand deposits were fully insured or collateralized to 102%, and
- All collateral was held by an independent institution outside the holding company of the pledging bank.

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

#### Component Unit

Reported in Investments:	Hierarchy	Credit Rating	Fair Value	Maturities in Years		
				< than 1 Year	1 to 2 Years	2 to 3 Years
U.S. Treasury	1	N/A	\$ 996,054	\$ 996,054	\$ -0-	\$ -0-
U.S. Agencies:						
FHLB	1	AAA	5,949,005	-0-	-0-	5,949,005
FHLMC	1	AAA	2,970,966	2,970,966	-0-	-0-
Total Reported in Investments			<u>\$ 9,916,025</u>	<u>\$ 3,967,020</u>	<u>\$ -0-</u>	<u>\$ 5,949,005</u>
Investments on Statement of						
<u>Net Position</u>						
Current Investments					\$ 9,916,025	
Restricted Investments					-0-	
Total Investments					<u>\$ 9,916,025</u>	

The City of San Angelo Development Corporation (Corporation) categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs or quoted prices in markets that are not active; and Level 3 inputs are significant unobservable inputs (the Corporation does not value any of its investments using Level 3 inputs).

Because the investments are restricted by policy and state law to active secondary market, the market approach is being used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The exit or fair market prices are used for these fair market valuations of the portfolio are all Level 1 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date.

Additional policies and contractual provisions governing deposits and investments for the City of San Angelo Development Corporation are specified below:

#### Credit Risk

The primary stated objective of the City of San Angelo Development Corporation's adopted Investment Policy is the safety of principal and avoidance of principal loss. Credit risk within the Corporation's Portfolio among the authorized investments approved by the City's adopted Investment Policy is represented only in time and demand deposits, repurchase agreements, local government pools, municipal debt, and money market mutual funds. All other investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies, or instrumentalities. State law and the Corporation's adopted Investment Policy requires a procedure to monitor and react to credit ratings and a requirement to verify FDIC insurance weekly.

State law and the Corporation's adopted Investment Policy restricts both time and demand deposits, including certificates of deposit, to those banks doing business in the State of Texas and further requires full insurance and/or collateralization from these bank depositories. Depository certificates of deposit are limited to a stated maturity of one year. No time or demand deposit may exceed the FDIC insurance coverage.

Brokered certificate of deposit securities must be from banks in the U.S. and fully insured by the FDIC. These are restricted to one year to stated maturity, and the Corporation must verify FDIC status weekly. Municipal Obligations must be dual-rated A or better by at least two nationally recognized securities rating organizations and may not exceed five years to stated maturity.

By policy and state law, repurchase agreements are limited to those with defined termination dates executed with a Texas bank or primary dealer (as defined by the Federal Reserve). The agreements require an industry standard, written master repurchase agreement, and a minimum 102% margin on collateral as well as

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

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delivery versus payment settlement and independent safekeeping. Repurchase agreements may not exceed six months to stated maturity with the exception of flex repurchase agreements with a stated termination date not to exceed the planned completion date of the project(s).

The adopted Investment Policy restricts investment in SEC registered mutual funds to money market mutual funds that are rated AAA, comply with SEC Rule 2a-7, and strive to maintain a \$1 net asset value (excluding prime funds specifically).

Local government investment pools in Texas are required to be rated AAA or equivalent by at least one nationally recognized rating agency. The Corporation Policy is restricted to AAA-rated, constant dollar local government investment pools striving to maintain a \$1 net asset value. Participation is by Board resolution only.

As of September 30, 2018 in the Corporation's Portfolio,

- US Treasury Obligations represented 4.63% of the portfolio,
- US Government Agency Securities (non-MBS) represented 41.47% of the portfolio, and
- FDIC insured or collateralized bank accounts represented 53.89% of the total Corporation Portfolio.

#### Concentration of Credit Risk

The Corporation recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The adopted Investment Policy establishes diversification as a major objective of the investment program and sets diversification limits for all authorized investment types, which are monitored on at least a monthly basis.

Diversification limits on the overall holdings (not by fund) are established as:

- |                                       |     |
|---------------------------------------|-----|
| • Depository CDs                      | 40% |
| o Per Bank                            | 10% |
| • U.S. Treasuries                     | 80% |
| • U.S. Agencies and Instrumentalities | 80% |
| • Repurchase Agreements               | 50% |
| • Constant Dollar LGIP                | 80% |
| o LGIP (ownership of pool)            | 10% |
| • Money Market Mutual Funds           | 75% |
| • Municipal and State Obligations     | 40% |
| • FDIC Brokered CDs                   | 20% |
| • Commercial Paper                    | 15% |

As of September 30, 2018, the Corporation's Portfolio was in full compliance with the diversification parameters of the policy.

#### Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the Corporation's adopted Investment Policy sets maximum maturity dates and maximum weighted average maturity limits by fund type. The weighted average maturity (WAM) of the total Corporation Portfolio is restricted to a maximum weighted average maturity of two years and a maximum maturity of five years.

As of September 30, 2018, in the Corporation's Portfolio,

- No holding had a stated maturity date beyond February 14, 2020 or 531 days within the policy limits of five years maximum maturity, and
- The dollar-weighted average of the total portfolio was 207 days.

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

#### Custodial Credit Risk

To control custody and safekeeping risk, state law and the Corporation's adopted Investment Policy requires collateral for repurchase agreements be transferred delivery versus payment and held by an independent party approved by the Corporation and held in the Corporation's name.

As of September 30, 2018, in the Corporation's Portfolio,

- The portfolio contained no repurchase agreements, and
- All bank time and demand deposits were fully insured.

#### **IV.B. Accounts Receivable**

##### Governmental Activities

Receivables as of September 30, 2018 for the government's individual major governmental funds and aggregated nonmajor governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital Improvement Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Activities
<b>Accounts Receivables</b>					
Ambulance Code	\$ 2,487,323	\$ -0-	\$ -0-	\$ -0-	\$ 2,487,323
Enforcement	948,624	-0-	-0-	-0-	948,624
COSADC	575,154	-0-	2,626,270	45,673	3,247,097
Demolition	580,366	-0-	-0-	-0-	580,366
Grants	578,111	-0-	-0-	22,670	600,781
Paving	55,971	-0-	-0-	11,690	67,661
Permits	53,271	-0-	-0-	-0-	53,271
Program Loans	-0-	-0-	-0-	161,978	161,978
Miscellaneous	1,169,770	-0-	-0-	189,085	1,358,855
Gross Accounts Receivable	\$ 6,448,590	\$ -0-	\$ 2,626,270	\$ 423,898	\$ 9,505,956
Less: Allowance for Uncollectible	( 4,847,842)	-0-	-0-	( 11,886)	( 4,859,728)
Net Accounts Receivable	\$ 1,600,748	\$ -0-	\$ 2,626,270	\$ 412,012	\$ 4,646,228
Internal Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 260,590
Less: Allowance for Uncollectible	-0-	-0-	-0-	-0-	( 34,931)
Net Accounts Receivable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 225,659
<b>Total</b>	<b>\$ 1,600,748</b>	<b>\$ -0-</b>	<b>\$ 2,626,270</b>	<b>\$ 412,012</b>	<b>\$ 4,871,887</b>

##### Business-Type Activities

Receivables as of September 30, 2018 for the government's individual major enterprise funds and nonmajor enterprise funds, including allowances for uncollectible accounts, are as follows:

	Water Fund	Sewer Fund	Other Enterprise Funds	Total Enterprise Funds
Utilities Receivable	\$ 11,796,620	\$ 3,902,239	\$ 1,669,208	\$ 17,368,067
Meter Deposits	2,946	-0-	-0-	2,946
Miscellaneous	30	-0-	491,797	491,827
Gross Accounts Receivable	\$ 11,799,596	\$ 3,902,239	\$ 2,161,005	\$ 17,862,840
Less: Allowance for Uncollectible	( 1,645,897)	( 470,973)	( 80,064)	( 2,196,934)
Net Total Receivable	\$ 10,153,699	\$ 3,431,266	\$ 2,080,941	\$ 15,665,906

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

#### **IV.C. Restricted Assets**

The amounts reported as restricted assets of the governmental activities and business-type activities are comprised of assets held by trustee and depository banks for the following restricted purposes:

	Cash and Cash Equivalents	Investments	Closure and Post- Closure Trust Fund
<u>Primary Government</u>			
Governmental Activities			
Deposits Held for Debt Service	\$ 434,932	\$ 1,959,928	\$ -0-
Deposits Held for Business Development	1,206,871	-0-	-0-
Deposits Held for Purposes Specified by Donors	493,123	1,072,243	-0-
Deposits Held for Park Improvements	13,925	-0-	-0-
Deposits Held for Lake Nasworthy Improvements	1,137,263	13,318,912	-0-
Total Governmental Activities	<u>\$ 3,286,114</u>	<u>\$ 16,351,083</u>	<u>\$ -0-</u>
Business-type Activities			
Deposits Held for Debt Service	\$ 7,362,358	\$ 5,434,060	\$ -0-
Deposits Held for Capital Projects	5,563,168	25,825,850	-0-
Deposits Held for Airport Construction	4,787,192	640,216	-0-
Deposits Held for Landfill Closure and Post-Closure	-0-	-0-	5,615,462
Total Business-type Activities	<u>\$ 17,712,718</u>	<u>\$ 31,900,126</u>	<u>\$ 5,615,462</u>

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# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

#### **IV.D. Capital Assets**

Current year changes in capital assets are summarized below:

##### Governmental Activities

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<u>Assets Not Being Depreciated:</u>					
Land	\$ 4,500,106	\$ -0-	\$ -0-	\$ -0-	\$ 4,500,106
Construction in Progress	18,169,238	6,308,525	-0-	( 5,458,884)	19,018,879
Total Non-Depreciable	<u>\$ 22,669,344</u>	<u>\$ 6,308,525</u>	<u>\$ -0-</u>	<u>(\$ 5,458,884)</u>	<u>\$ 23,518,985</u>
<u>Assets Being Depreciated:</u>					
Buildings	\$ 60,259,792	\$ 647,569	\$ -0-	\$ -0-	\$ 60,907,361
Improvements Other Than Buildings	43,757,813	54,236	-0-	77,411	43,889,460
Infrastructure	23,757,252	-0-	-0-	4,057,596	27,814,848
Machinery and Equipment	42,138,480	2,717,256	( 3,068,639)	1,834,328	43,621,425
Total Depreciable	<u>\$ 169,913,337</u>	<u>\$ 3,419,061</u>	<u>(\$ 3,068,639)</u>	<u>\$ 5,969,335</u>	<u>\$ 176,233,094</u>
<u>Less Accumulated Depreciation:</u>					
Buildings	\$ 35,713,505	\$ 2,242,166	\$ -0-	\$ -0-	\$ 37,955,671
Improvements Other Than Buildings	19,999,620	3,162,538	-0-	-0-	23,162,158
Infrastructure	19,514,755	48,648	-0-	-0-	19,563,403
Machinery and Equipment	32,522,144	5,374,869	( 3,051,691)	109,396	34,954,718
Total Accumulated Depreciation	<u>\$ 107,750,024</u>	<u>\$ 10,828,221</u>	<u>(\$ 3,051,691)</u>	<u>\$ 109,396</u>	<u>\$ 115,635,950</u>
Assets Being Depreciated – Net	<u>\$ 62,163,313</u>	<u>(\$ 7,409,160)</u>	<u>(\$ 16,948)</u>	<u>\$ 5,859,939</u>	<u>\$ 60,597,144</u>
Governmental Activities Capital Assets - Net	<u>\$ 84,832,657</u>	<u>(\$ 1,100,635)</u>	<u>(\$ 16,948)</u>	<u>\$ 401,055</u>	<u>\$ 84,116,129</u>

##### Business-type Activities

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<u>Assets Not Being Depreciated:</u>					
Land	\$ 51,780,111	\$ 721,771	(\$ 105,902)	\$ -0-	\$ 52,395,980
Construction in Progress	133,111,765	8,536,733	-0-	( 5,628,552)	136,019,946
Water Rights	36,950,835	-0-	-0-	-0-	36,950,835
Total Non- Depreciable	<u>\$221,842,711</u>	<u>\$ 9,258,504</u>	<u>(\$ 105,902)</u>	<u>(\$ 5,628,552)</u>	<u>\$225,366,761</u>
<u>Assets Being Depreciated:</u>					
Buildings	\$ 31,431,920	\$ -0-	\$ -0-	\$ -0-	\$ 31,431,920
Improvements Other Than Buildings	38,488,381	-0-	-0-	-0-	38,488,381
Infrastructure	182,290,818	-0-	-0-	5,628,552	187,919,370
Machinery and Equipment	29,946,790	1,190,672	( 1,404,616)	( 510,451)	29,222,395
Total Depreciable	<u>\$282,157,909</u>	<u>\$ 1,190,672</u>	<u>(\$ 1,404,616)</u>	<u>\$ 5,118,101</u>	<u>\$287,062,066</u>
<u>Less Accumulated Depreciation:</u>					
Buildings	\$ 20,330,867	\$ 715,594	\$ -0-	\$ -0-	\$ 21,046,461
Improvements Other Than Buildings	20,313,230	3,595,735	-0-	-0-	23,908,965
Infrastructure	104,411,228	4,190,355	-0-	-0-	108,601,583
Machinery and Equipment	18,569,550	1,219,668	( 1,255,040)	( 109,396)	18,424,782
Total Accumulated Depreciation	<u>\$163,624,875</u>	<u>\$ 9,721,352</u>	<u>(\$ 1,255,040)</u>	<u>(\$ 109,396)</u>	<u>\$171,981,791</u>
Assets Being Depreciated – Net	<u>\$118,533,034</u>	<u>(\$ 8,530,680)</u>	<u>(\$ 149,576)</u>	<u>\$ 5,227,497</u>	<u>\$115,080,275</u>
Business-type Activities Capital Assets - Net	<u>\$340,375,745</u>	<u>\$ 727,824</u>	<u>(\$ 255,478)</u>	<u>(\$ 401,055)</u>	<u>\$340,447,036</u>

**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

Discretely Presented Component Unit – Development Corporation

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<b>Assets Not Being Depreciated:</b>					
Land	\$ 85,728	\$ -0-	\$ -0-	\$ -0-	\$ 85,728
Total Non-Depreciable	\$ 85,728	\$ -0-	\$ -0-	\$ -0-	\$ 85,728
<b>Assets Being Depreciated:</b>					
Buildings	\$ 2,004,967	\$ -0-	\$ -0-	\$ -0-	\$ 2,004,967
Improvements Other Than Buildings	792,983	-0-	-0-	-0-	792,983
Total Depreciable	\$ 2,797,950	\$ -0-	\$ -0-	\$ -0-	\$ 2,797,950
<b>Less Accumulated Depreciation:</b>					
Buildings	\$ 659,970	\$ 110,248	\$ -0-	\$ -0-	\$ 770,218
Improvements Other Than Buildings	-0-	-0-	-0-	-0-	-0-
Total Accumulated Depreciation	\$ 659,970	\$ 110,248	\$ -0-	\$ -0-	\$ 770,218
Assets Being Depreciated – Net	\$ 2,137,980	(\$ 110,248)	\$ -0-	\$ -0-	\$ 2,027,732
Governmental Activities Capital Assets - Net	\$ 2,223,708	(\$ 110,248)	\$ -0-	\$ -0-	\$ 2,113,460

Depreciation expense was charged to functions in the statement of activities as follows:

<b>Governmental Activities:</b>	
General Government	\$ 189,032
Public Safety	1,591,875
Public Works and Transportation	887,481
Public Facilities	2,524,834
Health and Human Services	154,145
Culture, Parks, and Recreation	1,833,200
Urban Redevelopment and Housing	2,897
Capital Assets Held by the City's Internal Service Funds are Charged to the Various Functions on Their Usage of the Assets	3,644,757
Total Depreciation Expense – Governmental Activities	\$ 10,828,221
<b>Business-type Activities:</b>	
Water	\$ 3,836,317
Sewer	3,205,908
Stormwater	296,135
Solid Waste	7,704
Airport	2,139,586
State Office Building	235,702
Total Depreciation Expense – Business-type Activities	\$ 9,721,352
<b>Discretely Presented Component Unit:</b>	
Development Corporation	\$ 110,248

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**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

**IV.E. Interfund Receivables, Payables, and Transfers**

Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2018 consist of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Sales Tax Capital Project Fund	\$ 413,948
General Fund	Capital Improvement Fund	6,357,385
General Fund	Sewer Fund	4,596,874
General Fund	Airport Fund	4,937,814
General Fund	Debt Service Fund	4,449,318
General Fund	State Office Building Fund	627,668
General Fund	Communications Fund	821,680
Total Interfund		<u>\$ 22,204,687</u>

Reconciliation to Fund Financial Statements:

	Due From Other Funds	Due To Other Funds
Governmental Funds	\$ 22,204,687	\$ 11,220,651
Internal Service Funds	-0-	821,680
Enterprise Funds	-0-	10,162,356
Total	<u>\$ 22,204,687</u>	<u>\$ 22,204,687</u>

Interfund Transfers

Interfund Transfers for the year ended September 30, 2018 were as follows:

Transfer From	Transfer To	Amount	Nature of Interfund Balance
Designated Revenue	General Fund	\$ 1,541,006	Budgeted Annual Funding
Civic Events	General Fund	50,000	Sports Complex Maintenance
General Fund	Debt Service Fund	200,000	To Fund Debt Service
Sewer Fund	General Fund	788,127	Franchise Fees
Water Fund	General Fund	1,539,530	Franchise Fees
Solid Waste Fund	General Fund	255,000	Franchise Fees
State Office Building	General Fund	70,000	Fund Building Maintenance
General Fund	Airport Fund	60,829	Capital Improvements
Intergovernmental Fund	General Fund	71,550	Indirect Cost Allocation
Airport Fund	General Fund	84,200	Indirect Cost Allocation
State Office Building	General Fund	22,941	Indirect Cost Allocation Per Plan
Stormwater	General Fund	247,799	Indirect Cost Allocation Per Plan
Water Fund	General Fund	2,247,412	Indirect Cost Allocation
Sewer Fund	General Fund	622,790	Indirect Cost Allocation
Sewer Fund	Water Fund	815,731	Maintenance, Engineering, and Billing
General Fund	Stormwater Fund	125,000	Local Match for Grants
General Fund	Intergovernmental	387,600	Local Match for Grants
Lake Nasworthy Fund	Water Fund	192,371	Investment Income for Capital Improvement
General Fund	Stormwater Fund	95,000	Mowing of Right of Ways and Easements
		<u>\$ 9,416,886</u>	



**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

Reconciliation to Fund Financial Statements:	Transfers to Other Funds	Transfers from Other Funds
<b>Governmental Funds:</b>		
General Fund	\$ 743,429	\$ 7,665,355
Capital Improvement Fund	-0-	-0-
Debt Service Fund	-0-	200,000
Other Governmental Funds	1,854,927	387,600
Total Governmental Funds	\$ 2,598,356	\$ 8,252,955
<b>Proprietary Funds:</b>		
Enterprise Funds:		
Water Enterprise Fund	\$ 3,786,942	\$ 1,008,102
Sewer Enterprise Fund	2,226,648	-0-
Other Enterprise Funds	804,940	155,829
Total Enterprise Funds	\$ 6,818,530	\$ 1,163,931
Internal Service Funds	\$ -0-	\$ -0-
Total Proprietary Funds	\$ 6,818,530	\$ 1,163,931
Totals	\$ 9,416,886	\$ 9,416,886

Reconciliation to Statement of Activities:	Transfers to Other Funds	Transfers From Other Funds	Transfer of Capital Assets	Net Transfers
<b>Net Transfers for Governmental Activities:</b>				
Governmental Funds	(\$ 2,598,356)	\$ 8,252,955	\$ 401,055	\$ 6,055,654
Internal Service Fund	-0-	-0-	-0-	-0-
Total Net Transfers for Governmental Activities	(\$ 2,598,356)	\$ 8,252,955	\$ 401,055	\$ 6,055,654
<b>Net Transfers for Business-type Activities:</b>				
Enterprise Funds	(\$ 6,818,530)	\$ 1,163,931	(\$ 401,055)	(\$ 6,055,654)
Total Net Transfers for Business-type Activities	(\$ 6,818,530)	\$ 1,163,931	(\$ 401,055)	(\$ 6,055,654)

The City subsidizes the annual operations of the one discretely presented component unit. Transfers between the primary government and the component unit for the year ended September 30, 2018 were as follows:

Transfer From	Transfer To	Amount	Nature of Interfund Balance
Development Corporation	General Fund	\$ 162,022	Administrative Staff Services
Development Corporation	General Fund	439,369	Staff Services Contract
Development Corporation	General Fund	360,353	Parks Maintenance
Development Corporation	Debt Service Fund	2,626,270	Debt Service Payment for Long-Term Debt
Development Corporation	Water Fund	2,500,000	Debt Service Payment for Long-Term Debt
Development Corporation	Water Fund	57,190	West Texas Water Partnership
		\$ 6,145,204	

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# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

#### **IV.F Leases**

##### Operating Leases - City as a Lessor

The City leases out most of the space in the State Office Building, land around Lake Nasworthy, the sewer treatment plant, and certain facilities at the airport. None of the lease agreements are non-cancelable. The land cost is \$3,125,499. The depreciable facilities have total cost of \$13,995,773 with accumulated depreciation of \$9,944,256 leaving the carrying amount at \$4,051,518. Total rent received during the year was \$2,912,257.

The City leases the landfill to Republic Waste Services of Texas, Ltd. for an annual lease payment of \$573,000, which is payable in monthly payments of \$47,750 each with an annual increase of \$3,230 beginning on October 1, 2015 and each October 1<sup>st</sup> thereafter. The term of the lease ends when the landfill has reached its capacity. Lease revenue received by the City for the year ended September 30, 2018 was \$582,690.

##### Operating Leases - City as a Lessee

The City rents copiers on a month-to-month basis. Total rental cost for the year was \$208,099.

#### **IV.G. Long-Term Debt**

The City's long-term debt is segregated by the amounts involving governmental activities, business-type activities, and component units.

##### Governmental Activities Long-Term Debt

As of September 30, 2018, the governmental activities long-term debt consisted of the following:

##### Accrued Compensated Absences:

Current Portion	\$	918,053
Noncurrent Portion		11,801,331
Total Accrued Compensated Absences	\$	<u>12,719,384</u>

##### Bonds Payable:

##### *General Refunding Bonds:*

2012 Series General Obligation Refunding Bond, dated December 12, 2012, issued by the City of San Angelo, secured by ad valorem tax revenue, original issue amount of \$6,095,000, interest rate is 2.00%-2.50%, final maturity February 15, 2020, used for capital improvements. The bond's debt service is currently paid with ad valorem tax.	\$	2,890,000
2016 General Refunding Bond, dated February 15, 2016, issued by the City of San Angelo, secured by ad valorem tax revenue, original issue amount of \$17,720,000, interest rate is 2.00%-5.00%, final maturity February 15, 2036, used for capital improvements. The bond's debt service is currently paid with ad valorem tax.		17,720,000
2017B General Refunding Bond, dated October 18, 2017, issued by the City of San Angelo, secured by ad valorem tax revenue, original issue amount of \$11,320,000, interest rate is 2.00%-5.00%, final maturity February 15, 2036, used for capital improvements. The bond's debt service is currently paid with ad valorem tax.		<u>11,175,000</u>
Total General Refunding Bonds	\$	<u>31,785,000</u>

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

*Certificates of Obligation:*

<p>2009 Series Certificate of Obligation, dated July 21, 2009, issued by the City of San Angelo, secured by combination tax and surplus revenue, original issue amount of \$14,600,000, interest rates from 2.00%-5.00%, final maturity February 15, 2029, used for capital improvements and acquisition of assets. The bond's debt service is currently paid with ad valorem tax and surplus revenue.</p>	<p>\$ 750,000</p>
<p>2011-A Series Certificate of Obligation, dated July 6, 2011, issued by the City of San Angelo, secured by combination tax and surplus revenue, original issue amount of \$13,780,000, interest rates from 2.00%-5.00%, final maturity February 15, 2036, used for capital improvements. The bond's debt service is currently paid with type B sales tax and surplus revenue.</p>	<p>1,160,000</p>
<p>2015 Series Certificate of Obligation, dated March 18, 2015, issued by the City of San Angelo, secured by pledged sales tax, original issue amount of \$13,260,000, interest rates from 2.00%-3.50%, final maturity February 15, 2035, used to promote state or local economic development. The bond's debt service is currently paid with property tax.</p>	<p>8,335,000</p>
<p>2016 Series Certificate of Obligation, dated February 15, 2016, issued by the City of San Angelo, secured by pledged sales tax, original issue amount of \$15,615,000, interest rates from 2.00%-5.00%, final maturity February 15, 2036, used for construction projects. The bond's debt service is currently paid with property tax.</p>	<p>10,175,000</p>
<p>2017 Series Certificate of Obligation, dated May 18, 2017, issued by the City of San Angelo, secured by pledged sales tax, original issue amount of \$2,185,000, interest rate at 2.00%, final maturity September 30, 2024, used for construction projects. This bond's debt service is currently paid with property tax.</p>	<p>1,900,000</p>
<p>2018 Series Certificate of Obligation, dated April 10, 2018, issued by the City of San Angelo, secured by pledged sales tax, original issue amount of \$16,500,000, interest rate at 3.00%-5.00%, final maturity February 15, 2038, used for construction projects. This bond's debt service is currently paid with property tax.</p>	<p>15,165,000</p>
<p>Total Certificates of Obligation</p>	<p><u>\$ 37,485,000</u></p>
<p>Total Bonds Payable</p>	<p>\$ 69,270,000</p>
<p>Add: Unamortized Bond Premium</p>	<p>4,511,231</p>
<p>Total Bonds Payable, Net</p>	<p><u>\$ 73,781,231</u></p>
<p>Current Portion, Net</p>	<p>\$ 4,945,000</p>
<p>Noncurrent Portion, Net</p>	<p>68,836,231</p>
<p>Total Bonds Payable, Net</p>	<p><u>\$ 73,781,231</u></p>

Note Payable:

<p>Section 108 HUD Guaranteed Promissory Note to U.S. Department of Housing and Urban Development, original issue amount of \$2,035,000, interest rate of 2.00%-5.00%, final maturity August 1, 2030.</p>	<p><u>\$ 1,286,000</u></p>
<p>Current portion</p>	<p>\$ 107,000</p>
<p>Noncurrent portion</p>	<p>1,179,000</p>
<p>Total Note Payable</p>	<p><u>\$ 1,286,000</u></p>

**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

Changes in Long-Term Debt:

	Balance September 30, 2017	Additions	Deductions	Balance September 30, 2018	Amount Due in One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 12,887,715	\$ 821,518	\$ 989,849	\$ 12,719,384	\$ 918,053
Insurance Claims Payable	3,258,038	544,243	714,609	3,087,772	1,228,289
Bonds Payable	58,505,000	27,820,000	17,055,000	69,270,000	4,945,000
Unamortized Bond Premium	3,637,232	1,483,434	609,435	4,511,231	-0-
Note Payable	1,393,000	-0-	107,000	1,286,000	107,000
	<u>\$ 79,680,985</u>	<u>\$ 30,669,295</u>	<u>\$19,475,893</u>	<u>\$ 90,874,387</u>	<u>\$ 7,198,342</u>

Debt Service Requirements to Maturity:

For the Year Ending September 30,	Principal	Interest
2019	\$ 5,052,000	\$ 3,017,360
2020	5,322,000	2,874,154
2021	4,547,000	2,739,422
2022	4,917,000	2,585,530
2023	4,227,000	2,411,973
2024-2028	17,680,000	7,482,847
2029-2033	16,206,000	3,625,987
2034-2038	12,605,000	901,172
Total	<u>\$ 70,556,000</u>	<u>\$ 25,638,445</u>

For governmental activities, compensated absences and claims and judgments payable are liquidated by the general fund.

Business-type Activities Long-Term Debt

As of September 30, 2018, the business-type activities long-term debt consisted of the following:

Accrued Compensated Absences:

Current Portion	\$ 205,112
Noncurrent Portion	1,488,481
Total Accrued Compensated Absences	<u>\$ 1,693,593</u>

Landfill Postclosure Care Liability:

Landfill Postclosure Care Liability	<u>\$ 4,339,471</u>
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Bonds Payable:

*General Refunding Bonds:*

2017 Series General Obligation Refunding Bond, dated May 17, 2017, issued by the City of San Angelo, secured by utility revenue, original issue amount of \$7,395,000, interest rates from 3.00%-5.00%, final maturity February 15, 2027, used for water and sewer improvements. \$ 5,720,000

2011 Series General Obligation Refunding Bond, dated April 6, 2011, issued by the City of San Angelo, secured by utility revenue, original issue amount of \$13,174,100, interest rates from 2.00%-5.00%, final maturity February 15, 2023, used for water and sewer improvements. 5,487,250

2011-B Series General Obligation Refunding Bond, dated May 3, 2011, issued by the City of San Angelo, secured by utility revenue, original issue amount of \$28,030,000, interest rates from 2.00%-5.00%, final maturity February 15, 2023, used for water and sewer improvements. 5,639,025

2011 Series General Obligation Refunding Bond, dated April 6, 2011, issued by the City of San Angelo, secured by ad valorem tax revenue, original issue amount of \$392,420, interest rates from 2.00%-5.00%, final maturity February 15, 2023, used for water and sewer improvements. 162,949

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

2011 Series General Obligation Refunding Bond, dated April 6, 2011, issued by the City of San Angelo, secured by ad valorem tax revenue, original issue amount of \$924,990, interest rates from 2.00%-5.00%, final maturity February 15, 2023, used for water and sewer improvements. 385,776

2014 Series General Obligation Refunding Bond, dated December 1, 2014, issued by the City of San Angelo, secured by ad valorem tax revenue, original issue amount of \$7,650,000, interest rates from 2.00% -4.00%, final maturity February 15, 2026, used for water and sewer improvements. 7,315,000

Total General Refunding Bonds \$ 24,710,000

*Certificates of Obligation:*

2017 Series Certificate of Obligation, dated June 15, 2017, issued by the City of San Angelo, secured by utility revenue, original issue amount of \$48,070,000, interest rates from 4.19%, final maturity February 15, 2046, used for water and sewer improvements. \$ 47,070,000

Total Certificates of Obligation \$ 48,070,000

Total Bonds Payable \$ 71,780,000  
 Add: Unamortized Bond Premium 808,532  
 Total Bonds Payable, Net \$ 72,588,532

Current Portion, Net \$ 5,600,000  
 Noncurrent Portion, Net 66,988,531  
 Total Bonds Payable, Net \$ 72,588,531

Note Payable:

2011-B Series Drinking Water SRF Promissory Note to Texas Water Development Board, original issue amount of \$120,000,000, secured by utility revenues, interest rates of 0.00%-2.07%, final maturity September 15, 2031, used to increase water supply; remaining funds left to draw are \$665,303. \$ 79,910,000

Promissory Note to City of San Angelo Development Corp. 183,854

Total Note Payable \$ 80,093,854

Current Portion \$ 5,781,729  
 Noncurrent Portion, Net 74,312,125  
 Total Note Payable \$ 80,093,854

Changes in Long-Term Debt:

	Balance September 30, 2017	Additions	Deductions	Balance September 30, 2018	Amount Due in One Year
<u>Business-type Activities</u>					
Compensated Absences	\$ 1,726,340	\$ 101,752	\$ 134,499	\$ 1,693,593	\$205,112
Water Rights Obligation	3,098,539	-0-	712,541	2,385,998	753,424
Landfill Postclosure	4,134,113	205,358	-0-	4,339,471	-0-
Bonds Payable	77,620,000	-0-	5,840,000	71,780,000	5,600,000
Unamortized Bond Premium	1,140,411	-0-	331,879	808,532	-0-
Note Payable	85,635,000	-0-	5,725,000	79,910,000	5,735,000
Promissory Note to COSADC	230,582	-0-	46,730	183,854	46,729
	<u>\$173,584,985</u>	<u>\$ 307,110</u>	<u>\$12,790,649</u>	<u>\$ 161,101,448</u>	<u>\$12,340,265</u>

**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

Debt Service Requirements to Maturity:

For the Year Ending September 30,	Principal	Interest
2019	\$ 11,335,000	\$ 3,885,588
2020	11,630,000	3,640,384
2021	11,980,000	3,356,346
2022	9,530,000	3,116,808
2023	9,615,000	2,933,192
2024-2028	42,025,000	11,949,636
2029-2033	27,270,000	7,567,684
2034-2038	9,035,000	5,248,006
2039-2043	11,240,000	3,047,252
2044-2048	8,030,000	540,443
Total	<u>\$ 151,690,000</u>	<u>\$ 45,285,339</u>

Advanced Refunding

On October 18, 2017, the City issued \$11,320,000 Series 2017B General Obligation Refunding Bonds with interest rates ranging from 2.0% to 5.0%. The proceeds were used to advance refund \$11,480,000 of outstanding 2011A Series Certificates of Obligation with interest rates ranging from 2.00% to 5.0%. The net proceeds of \$12,635,578 (including a \$1,315,578 premium and after payment of \$252,904 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2011A Series bonds are considered defeased, and the liability on the government-wide statement of net position has decreased by \$11,480,000.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$160,000. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2036 using the effective interest method. The City completed the advance refunding to reduce its total debt service payments over the next ten years by \$1,248,856 and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$918,930.

Defeased Bonds Outstanding

The City, through its various public trusts, has in substance defeased a number of outstanding bond issues by placing deposits in irrevocable trusts (escrow accounts) for the purchase of U.S. government securities to pay the principal and interest on the refunded bonds as they become due and payable. For financial reporting purposes, both the defeased bonds outstanding and the escrowed securities have been excluded from the financial statements. As of September 30, 2018, the balance of defeased bonds outstanding is \$27,390,000.

Landfill Closure and Post-Closure

The City accounts for its landfill closure and post-closure care costs in accordance with GASB No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs."

Federal and state laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of the closure and post-closure care costs as a liability on the Statement of Net Position in each period based on landfill capacity used as of each balance sheet date. This liability is offset by an asset recorded for a trust account established for the purpose of paying the closure and post-closure costs as more fully described below.

The landfill post-closure care liability at year-end of \$4,339,471 represents the cumulative amount to date based on the use of approximately 80.06% care of \$5,419,949 as the remaining estimated capacity is filled. These amounts are based on expected future costs to perform all post-closure activities based upon the current cost of those activities. Based upon current usage and capacity estimates, the landfill could continue accepting solid waste for approximately 20 more years. Actual costs may differ from the estimated amounts due to inflation and changes in technology and/or applicable laws and regulations between now and the actual date of closure.

**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

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On August 1, 2014, the City entered into a contract with Republic Waste Services of Texas, Ltd. (Republic) for an operating lease of the landfill that ends when the landfill reaches capacity. The City received an initial payment of \$4,735,000 into the trust. Republic is responsible for the funding of monthly contributions to a trust account that will pay closure and post-closure costs as required by state and federal laws and regulations. Republic is in compliance with these requirements, and at September 30, 2018, investments are held for these purposes. The total contributed by Republic Services as of September 30, 2018 is \$5,615,462.

Long-term Water Purchase Contracts

The City is obligated to make specific annual payments to the contractors under three unconditional water purchase contracts, whether the City actually receives water or not. These rights are being treated as intangible assets with indefinite useful lives. The contractors obtained permits to impound water from the State of Texas and constructed three dams and reservoirs with financing obtained using water purchase contracts as a basis for obtaining credit and as a means for the payment and security of all bonds issued by the Colorado River Municipal Water District projects. The City is also obligated under these three contracts for annual operating expenses of the projects. Further details of each contract follow:

Colorado River Municipal Water District (CRMWD)

Project Name: Spence Dam and Reservoir (Spence) – By contract dated August 19, 1997; the City exercised its option to continue receiving water for the entire useful life of the dam and reservoir. Annual payments of \$76,440 from January 1, 1996 through September 30, 2021 are required under the new contract. Payments under the prior contract and the current one will total \$3,866,330.

Project Name: Ivie Pipeline – Annual payments of \$676,984 to \$761,827 are required through the year 2021 for the retirement of the contractor’s debt. Total estimated payments are approximately \$22,322,669. The City is responsible for the operation and maintenance of the pipeline system to its juncture point just north of the city limits for the entire life of the system as follows:

Central Station and System	27.78%
Minimum Electric Power Charges	31.25%
Other Electric	pro-rata for water received

The City’s present value of future annual commitments under the contracts are as follows:

<u>Fiscal Year</u>	<u>Spence</u>	<u>Ivie Pipeline</u>	<u>Total</u>
2019	\$ 76,440	\$ 676,984	\$ 753,424
2020	76,440	717,867	794,307
2021	76,440	761,827	838,267
Total Commitments	<u>\$ 229,320</u>	<u>\$ 2,156,678</u>	<u>\$ 2,385,998</u>

The City paid \$712,541 under all of these water purchase contracts in the current year.

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**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

**IV.H. Fund Balances and Net Position**

Fund Balances

The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

	General Fund	Capital Improvement Plan	Debt Service Fund	Other Governmental Funds
Nonspendable for:				
Inventories	\$ 37,304			
Prepays	13,518			
Lake Nasworthy Sante Fe Park				\$ 14,729,825 10,000
Total Nonspendable	<u>\$ 50,822</u>			<u>\$ 14,739,825</u>
Restricted for:				
Economic Development				\$ 2,925,867
Grant Expenditures				1,095,889
Law Enforcement	\$ 1,437,802			-
Santa Fe Park				3,925
Designated Purposes				126,905
Total Restricted	<u>\$ 1,437,802</u>			<u>\$ 4,152,586</u>
Committed for:				
Designated Purposes	\$ 161,594			\$ 1,388,759
Debt Service			\$ 627,723	
Capital Improvements		\$ 14,177,892		543,401
Total Committed	<u>\$ 161,594</u>	<u>\$ 14,177,892</u>	<u>\$ 627,723</u>	<u>\$ 1,932,160</u>

The amounts Committed for Designated Purposes include citizen donations for specific items related to Public Safety, Culture, Parks and Recreation, and Capital Outlay.

Santa Fe Park Trust fund is a permanent fund and accounts for trust principal and related investment income. The corpus of \$10,000 is nonspendable and earnings in this fund would be restricted.

Lake Nasworthy Trust fund is a trust fund and accounts for the trust principal and related investment income. No portion of the principal shall be expended for any purpose unless authorized by a majority vote of the qualified voters of the City at an election held for that purpose. Ninety percent of the annual interest income may be used by the City to pay for lake and river improvements, services to enhance water recreation, and the elimination of related litter and pollution. A public hearing must be held on the purposed uses of interest income during the budget and budget amendment process.

Change in Accounting Principle/Restatement of Beginning Fund Balance/Net Position

Effective October 1, 2017, the City changed its method of accounting with the implementation of GASB statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. As a result, the City recognized an increase in the total OPEB liability and a decrease in net position related to other post-employment benefits other than pensions.



# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

The City restated beginning net position and fund balances as shown below:

	Government- Wide	Fund Level
<b>Governmental Activities:</b>		
Beginning Net Position and Fund Balance as Previously Reported	\$ 12,931,062	\$ 76,149,412
Add: Accrual of Prior Year Receivable	8,554	8,554
Add: Prior Year Cash Adjustments	28,809	28,809
Less: Total OPEB Liability	( 74,000,431)	-0-
Less: Total OPEB Liability – Internal Service Funds	( 3,361,521)	-0-
Beginning Net Position and Fund Balance, as Restated	(\$ 64,393,527)	\$ 76,186,775
<b>Business-Type Activities:</b>		
Beginning Net Position and Fund Balance as Previously Reported	\$ 218,696,539	\$ 218,696,539
Add: Accrual of Prior Year Receivable	10,350	10,350
Less: Total OPEB Liability	( 13,078,059)	( 13,078,059)
Beginning Net Position and Fund Balance, as Restated	\$ 205,628,830	\$ 205,628,830
<b>Internal Service Funds:</b>		
Beginning Balance as Previously Reported	\$ -0-	\$ 5,945,966
Add: Reimbursement of Prior Year Incentive	-0-	( 3,361,521)
Beginning Balance as Restated	\$ -0-	\$ 2,584,445
<b>Discretely Presented Component Unit:</b>		
Beginning Balance as Previously Reported	\$ 17,796,163	\$ 15,572,455
Add: Reimbursement of Prior Year Incentive	326,000	326,000
Beginning Balance as Restated	\$ 18,122,163	\$ 15,898,455

#### **IV.I Segment Information**

The City issued revenue bonds and certificates of obligation to finance additions and improvements to its Water and Sewer facilities and construction costs and improvements to its State Office Building. Investors in the bonds and certificates rely solely on the revenue generated by the individual activities for repayment. The Water Department operates the City's water supply system, and the Sewer Department operates the City's sewage treatment plant, sewage pumping stations, and collection systems. Financial information for the Water and Sewer funds (major funds) is reported separately in the proprietary funds statement of net position, statement of activities, and statement of cash flows. The State Office Building provides a full service lease to thirteen state agencies. Summary financial information for the State Office Building fund is presented below:

#### Condensed Statement of Net Position

<b>Assets</b>	
Current Assets	\$ 361,379
Capital Assets	2,745,189
Other Noncurrent Assets	-0-
Total Assets	<u>\$ 3,106,568</u>
<b>Deferred Outflows of Resources</b>	
Deferred Amounts Related to Pensions	<u>\$ 26,860</u>
<b>Liabilities</b>	
Current Liabilities	\$ 644,283
Noncurrent Liabilities Due Within One Year	132,305
Noncurrent Liabilities Due After One Year	557,242
Total Liabilities	<u>\$ 1,333,830</u>

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

Deferred Inflows of Resources		
Deferred Amounts Related to Pensions	\$	16,460
Net Position		
Net Investment in Capital Assets	\$	2,182,831
Unrestricted	(	399,693)
Total Net position	\$	1,783,138

#### Condensed Statement of Revenues, Expenses, and Changes in Net Position

Revenues Pledged for Payment of Bonds and COs	\$	1,240,281
Cost of Sales and Services and Administrative	(	735,849)
Depreciation and Amortization	(	235,702)
Operating Income	\$	268,730
Non-Operating Revenues (Expenses)		
Investment Income		4,436
Change in Fair Value of Investments	(	343)
Interest Expense	(	14,645)
Transfer Out	(	92,941)
Change in Net Position	\$	165,237
Net Position – Beginning		1,617,901
Net Position – Ending	\$	1,783,138

#### Condensed Statement of Cash Flows

Net Cash Provided (Used) by:		
Operating Activities	\$	539,458
Non-Capital Financing Activities	(	92,941)
Capital and Related Financing Activities	(	171,572)
Investing Activities		6,664
Net Increase (Decrease) in Cash	\$	281,609
Cash and Cash Equivalents – Beginning		13,792
Cash and Cash Equivalents – Ending	\$	295,401

## **V. OTHER INFORMATION**

### **V.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 government carries commercial insurance. The City manages these various risks of loss as follows:

Risk Category	Retained Risk	Commercial Insurance Purchased
General/Professional Liability	Deductibles up to \$500,000	Up to \$10,000,000 Less Deductible
Workers' Compensation	\$650,000/Occurrence/Person	\$1,000,000/Occur/Year Less Retained Risk
Property Damage	\$10,000 to \$25,000	Up to \$143,503,324 Less Deductibles
Employee/Retiree Health	100% of Risk	None
Pollution Liability	\$10,000	\$1,000,000

The amount of settlements for each of the past three fiscal years has not exceeded insurance coverage. Coverages have not changed from the prior year.

All of the City's funds participate in the employee/retiree health, property and casualty, and workers' compensation programs and make payments to the internal service funds based on actuarial estimates for liability and workers' compensation in amounts needed to pay prior and current year claims and to establish "reserves" for catastrophic losses. The payments for employee/retiree health were the amounts previously paid for commercial insurance coverage. The estimate calculation includes costs such as legal fees and expert witnesses but excludes general administrative and risk management services as well as costs of excess coverages and actuarial fees. The reserves (reported as unrestricted net position) at year-end were (\$180,451), \$980,073, and (\$1,072,453) for employee/retiree health, property and casualty, and workers compensation, respectively.

The claims liabilities reported in the funds are based on an actuarial estimate for property and casualty, workers compensation, and claims payments after year-end for employee/retiree health. The actuarial

**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

liabilities are discounted to present value using a 3% annual investment return on assets held in support of the liabilities and are based on industry payments modified by the City's actual experience.

Changes in the funds' liabilities for the past two fiscal years were as follows:

	Employee/ Retired Health	Property and Casualty	Workers' Compensation	Total
September 30, 2016	\$ 1,007,024	\$ 850,153	\$ 2,410,607	\$ 4,267,784
FY17 Incurred	-0-	1,810,400	807,235	2,617,635
FY17 Paid	( 927,096)	( 1,884,805)	( 815,480)	( 3,627,381)
September 30, 2017	\$ 79,928	\$ 775,748	\$ 2,402,362	\$ 3,258,038
FY18 Incurred	51,663	7,127	192,400	251,190
FY18 Paid	-0-	( 45,444)	( 376,012)	( 421,456)
September 30, 2018	\$ 131,591	\$ 737,431	\$ 2,218,750	\$ 3,087,772

**V.B. Commitments and Contingencies**

Construction Commitments

At year-end, the City had the following major projects in progress:

Project Descriptions	Funding Source	Budget	Spent to Date	Balance
Bell Street Reconstruction	Future Bond Funding, Water Capital, Wastewater Capital	\$ 14,115,752	\$ 2,778,933	\$11,336,819
College Hills Reconstruction	Future Bond Funding, Water Capital, Wastewater Capital	\$ 13,594,664	\$ 1,068,372	\$12,526,292
Concho Reconstruction	TIRZ	\$ 850,000	\$ 115,000	\$ 735,000
Sulphur Draw Sewer Project	Wastewater Capital	\$ 4,500,000	\$ 1,945,723	\$ 2,554,277
Remediation of Drainage Ave. P	Stormwater Capital and General Fund	\$ 2,440,000	\$ 104,800	\$ 2,335,200
Taxiway Reconfiguration	FAA Funds, PFC Funds	\$ 3,587,796	\$ 3,195,394	\$ 392,402
City Hall	General Capital Fund	\$ 1,258,773	\$ 71,974	\$ 1,186,799
Fire Station #4	2015 CO Bond, Medicaid Supplement, 2009 CO Bond Type B Sales Tax, Private Donations	\$ 3,763,067	\$ 1,357,756	\$ 2,405,311
Visitors Center Restoration		\$ 2,250,000	\$ 253,531	\$ 1,996,469
Brentwood Neighborhood Park Renovation	Type B Sales Tax	\$ 250,000	\$ 133,807	\$ 116,193
Texas Bank Sports Complex Improvements	Type B Sales Tax	\$ 708,744	\$ 244,680	\$ 464,064
South Concho Park and Trail Improvements	TPWD Trail Grant, Type B Sales Tax	\$ 200,000	\$ 40,777	\$ 159,223
29 <sup>th</sup> Street Sports Complex	Globe Life Texas Rangers Grant, Type B Sales Tax	\$ 1,750,000	\$ 133,192	\$ 1,616,808
Station 618 Parking Lot	General Capital Fund	\$ 85,000	\$ 16,500	\$ 68,500

**V.C. Federal Assistance Programs**

Amounts received or receivable from grantor agencies are subject to adjustments by the grantor agencies, principally the federal government, upon review of audit reports on those programs. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantors cannot be determined at this time.

**V.D. Litigation**

The City is a defendant in several lawsuits. Lawsuits pending on September 30, 2018 represented no material adverse financial impact to the City. Any potential judgments or awards related to these lawsuits are included in the loss reserves and estimated claims payable from the City's Self-Insurance Funds.

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

#### **VI. EMPLOYEE RETIREMENT BENEFITS**

The City contributes to a single-employer defined benefit pension plan (San Angelo Firemen's Relief and Retirement Fund), which covers fire department employees. The City also provides a non-traditional hybrid defined benefit plan through the statewide municipal retirement system (Texas Municipal Retirement System) for the remainder of the City's employees. Additionally, the City provides an alternative to Social Security for part-time, seasonal, and temporary employees and a post-employment health benefit plan.

A summary of all of the amounts recorded in the City's financial statements for the plans is as follows:

	Governmental Activities	Business-Type Activities	Plan Totals
<b>Net Pension Liability:</b>			
Firemen's Relief and Retirement	\$ 36,288,738	\$ -0-	\$ 36,288,738
TMRS	28,827,507	6,731,352	35,558,859
Total	\$ 65,116,245	\$ 6,731,352	\$ 71,847,597
<b>Deferred Outflows of Resources:</b>			
Firemen's Relief and Retirement	\$ 6,093,972	\$ -0-	\$ 6,093,972
TMRS	4,932,620	1,174,221	6,106,841
Total	\$ 11,026,592	\$ 1,174,221	\$ 12,200,813
<b>Deferred Inflows of Resources:</b>			
Firemen's Relief and Retirement	\$ 3,933,219	\$ -0-	\$ 3,933,219
TMRS	4,243,264	1,204,312	5,447,576
Total	\$ 8,176,483	\$ 1,204,312	\$ 9,380,795
<b>Pension Expense:</b>			
Firemen's Relief and Retirement	\$ 5,310,065	\$ -0-	\$ 5,310,065
TMRS	5,884,818	1,265,596	7,150,414
Total	\$ 11,194,883	\$ 1,265,596	\$ 12,460,479

#### **VI.A. Defined Benefit Plan**

##### Plan Description

The Board of Trustees of the San Angelo Firemen's Relief and Retirement Fund is the administrator of the single-employer defined benefit pension plan. This pension fund is a trust fund. The Board acts independently of the governing body of the City. The plan is established under the authority of the Texas Local Firefighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. The plan covers current and former firefighters of the City of San Angelo, as well as certain beneficiaries of former firefighters.

##### Summary of Significant Accounting Policies

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 plan have been determined on the same basis as they are reported by the plan. Detailed information about the plan's net position is available in the separately issued by the San Angelo Firemen's Relief and Retirement Fund financial report.

Annual reports including required supplementary information can be obtained from the Board of Trustees of the San Angelo Firemen's Relief and Retirement Fund, 72 W. College, San Angelo, Texas 76903.

**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

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Benefits Provided

The Plan provides service retirement, death, disability, and withdrawal benefits. These benefits fully vest after 20 years of credited service. A partially vested deferred benefit is available for firefighters who terminate employment with at least 10 but less than 20 years of service. Employees may retire at age 50 with 20 years of credited service. A reduced early service retirement benefit is available for employees who terminate employment with 20 or more years of service regardless of age. The Plan, effective November 1, 1999, and amended September 1, 2007, provides a monthly normal service retirement benefit, payable in a Joint and 72% to Spouse form of annuity. For firefighters hired before May 1, 1986, the monthly benefit equals 67.5% of the Highest 48-Month Average Salary plus \$230 per month for each whole year of service in excess of 20 years with partial credit given based on the number of months completed in excess of whole years. For firefighters hired on or after May 1, 1986, the monthly benefit equals 66% of the Highest 48-Month Average Salary plus \$230 per month for each whole year of service in excess of 20 years with partial credit given based on the number of months completed in excess of whole years.

A firefighter has the option to participate in the Optional Retirement Program (ORP) or the Retroactive Deferred Retirement Plan (RETRO DROP) which will provide a lump sum benefit and a monthly retirement benefit upon termination of employment. A Joint and 100% to Surviving Spouse option is also available for normal service retirement, early service retirement, ORP, and RETRO DROP plans instead of the standard Joint and 72% to Surviving Spouse form. Effective January 1, 1997, the Plan was amended to provide automatic post-retirement benefit increases of 1.2% per year deferred to begin at age 61 for firefighters retiring after January 1, 1997. In addition, the Plan has the authority to provide, and has periodically in the past provided for, ad hoc postretirement benefit increases. An ad hoc postretirement benefit increase to certain retirees as of January 1, 2002, was granted. The benefit provisions of this Plan are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). The TLFFRA provides the authority and procedure to amend benefit provisions.

Employees Covered by Benefit Terms

Inactive plan members or beneficiaries currently receiving benefits	145
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>178</u>
Total	<u>325</u>

Contributions

The contribution provisions of the Plan are authorized by the Texas Local Fire Fighters Retirement Act (TLFFRA). The TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the City of San Angelo.

While the contribution requirements are not actuarially determined, state law requires that each plan of benefits adopted by the Plan be approved by an eligible actuary. The actuary certifies that the contribution commitment by the firefighters and the City provides an adequate financing arrangement. Using the entry age actuarial cost method, the Plan's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contribution rate is used to amortize the Plan's unfunded actuarial accrued liability, and the number of years needed to amortize the Plan's unfunded actuarial accrued liability is determined using an open, level percentage of payroll method.

The funding policy of the San Angelo Firemen's Relief and Retirement Fund requires contributions equal to 16.2% of pay by the firefighters and contributions by the City based on a formula, which causes the City's contribution rate to fluctuate from year to year. The December 31, 2017 actuarial valuation assumes that the City's contribution rate will average 20.20% of payroll in the future for firefighters hired on or after May 1, 1986, and average 21.65% of payroll in the future for firefighters hired before May 1, 1986. Contributions to the pension plan from the City were \$2,360,039.

**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

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

The City reported \$5,310,065 in pension expense for the year ended September 30, 2018. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,048,074	\$ 3,351,240
Changes of Assumptions	2,275,255	-0-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-0-	581,979
City Contributions Subsequent to the Measurement Date	1,770,643	-0-
<b>Total</b>	<b>\$ 6,093,972</b>	<b>\$ 3,933,219</b>

\$1,770,643 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2019	\$ 1,199,512
2020	936,820
2021	( 290,255)
2022	( 663,916)
2023	( 396,027)
Thereafter	( 396,026)
<b>Total</b>	<b>\$ 390,108</b>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.5%
Salary Increases:	3.5%, average, including inflation
Investment Rate of Return:	7.9% net of pension plan investment expense, including inflation

Mortality rates were based on the RP2014 mortality with Blue Collar adjustment backwards to 2006 with Scale MP2014 and projected with Scale MP2017.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2009. The experience study covered the following periods:

- Historical Census data from 2000-2009
- Investment return experience 2005-2009
- Salary increase experience 2005-2009
- Covered payroll growth experience 1994-2009

**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

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The actuarial assumptions used in the December 31, 2017, valuation were based on the results of a bi-annual actuarial study.

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity:		6.00%
Domestic Equity	54.00%	
International Equity	6.00%	
Real Estate	6.00%	4.00%
Fixed Income	32.00%	
Cash	2.00%	0.00%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.8%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

The total pension liability was determined based on an actuarial valuation performed as of December 31, 2017 with a measurement date of December 31, 2017. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. The following table reports the components of changes in net pension liability:

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# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

	SCHEDULE OF CHANGES IN NET PENSION LIABILITY		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances Beginning of Year</b>	<u>\$ 101,449,191</u>	<u>\$ 60,206,802</u>	<u>\$ 41,242,389</u>
<b>Changes for the Year:</b>			
Service cost	\$ 2,347,801	\$ -0-	\$ 2,347,801
Interest expense	7,941,044	-0-	7,941,044
Differences between expected and actual experience	( 3,909,779)	-0-	( 3,909,779)
Changes in benefit terms	473,900	-0-	473,900
Changes of assumptions	1,137,592	-0-	1,137,592
Contributions - City	-0-	2,293,931	( 2,293,931)
Contributions - buy back	22,656	22,656	-0-
Contributions - Members	-0-	1,755,034	( 1,755,034)
Net investment income	-0-	8,954,582	( 8,954,582)
Benefits paid	( 6,554,930)	( 6,554,930)	-0-
Plan administrative expenses	-0-	( 59,338)	59,338
<b>Net Changes</b>	<u>\$ 1,458,284</u>	<u>\$ 6,411,935</u>	<u>(\$ 4,953,651)</u>
<b>Balances End of Year</b>	<u>\$ 102,907,475</u>	<u>\$ 66,618,737</u>	<u>\$ 36,288,738</u>

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

The following presents the net pension liability of the employers calculated using the discount rate of 7.8%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.8%) or 1-percentage-point higher (8.8%) than the current rate:

	1% Decrease (6.8%)	Current Discount Rate (7.8%)	1% Increase (8.8%)
Employers' Net Pension Liability	\$ 48,437,363	\$ 36,288,738	\$ 26,109,810

#### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report that can be obtained from the Board of Trustees of the San Angelo Firemen's Relief and Retirement Fund, 72 W. College, San Angelo, Texas 76903.

#### **VI.B. Hybrid Defined Benefit Plan**

##### Plan Description

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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



**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

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Benefits Provided

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit, which is a theoretical amount. This amount, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be equal to the total monetary credits and employee contributions (accumulated with interest). This is assuming the current employee contribution rate and City matching percent have always been in existence and the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

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

Active Employees	611
Deferred Vested Former Employees	313
Retirees or Retiree Beneficiaries	<u>718</u>
Total	<u>1,642</u>

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 rate for the City was 17.59% and 17.59% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018 were \$6,215,573 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017 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, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation -	2.5% per year
Overall Payroll Growth -	3.5% to 10.5% per year, including inflation
Investment Rate of Return -	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender distinct RP2000 Combined Healthy Mortality Table, which male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2017 valuation were based on the results of actuarial experience studies performed for the 2015 actuarial valuation. This experience study was for the period December 31, 2010 through December 31, 2014. Healthy postretirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Assumptions are reviewed annually. No additional changes were made for the 2016 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

This rate 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.90%
Real Return	10.00%	3.80%
Real Estate	10.00%	4.50%
Absolute Return	10.00%	3.75%
Private Equity	5.00%	7.50%
Total	<u>100.00%</u>	

#### 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.

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**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

Changes in the Net Pension Liability

	SCHEDULE OF CHANGES IN NET PENSION LIABILITY		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances Beginning of Year</b>	\$ 226,110,558	\$ 177,991,280	\$ 48,119,278
<b>Changes for the Year:</b>			
Service cost	\$ 5,416,244	\$ -0-	\$ 5,416,244
Interest expense	15,033,601	-0-	15,033,601
Difference between expected and actual experience	120,491	-0-	120,491
Contributions - City	-0-	6,159,661	( 6,159,661)
Contributions - Members	-0-	2,442,228	( 2,442,228)
Net investment income	-0-	24,663,190	( 24,663,190)
Benefits paid	( 12,197,321)	( 12,197,321)	-0-
Plan administrative expenses	-0-	( 127,845)	127,845
Other Charges	-0-	( 6,479)	6,479
<b>Net Changes</b>	<u>\$ 8,373,015</u>	<u>\$ 20,933,434</u>	<u>(\$ 12,560,419)</u>
<b>Balances End of Year</b>	<u>\$ 234,483,573</u>	<u>\$ 198,924,714</u>	<u>\$ 35,558,859</u>

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 66,958,642	\$ 35,558,859	\$ 9,711,866

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 at [www.tmrs.com](http://www.tmrs.com) .

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# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

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

For the year ended September 30, 2018, the City recognized pension expense of \$7,150,414. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 500,973	\$ -0-
Changes of Assumptions	444,987	-0-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-0-	4,974,736
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	488,219	472,840
City Contributions Subsequent to the Measurement Date	4,672,662	-0-
Total	<u>\$ 6,106,841</u>	<u>\$ 5,447,576</u>

The \$4,672,662 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2019	\$ 1,004,970
2020	17,006
2021	( 2,505,619)
2022	( 2,529,754)
	<u>(\$ 4,013,397)</u>

#### **VI.C. Other Post-Employment Benefits**

##### Plan Description

In addition to the pension benefits discussed above, the City of San Angelo offers its retirees and their dependents medical and prescription drug coverage for life. The pre-65 retirees can choose from among the three active plans – the high, medium, or low plan. The post-65 retirees are offered a fully insured Medicare supplement plan with Hartford. The plan was frozen as of January 1, 2000 and only employees hired before then are allowed to participate in the plan and receive the City's subsidy. Thus, the group is closed at this time, and the liability will eventually decrease to zero. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate financial report.

For the pre-65 retirees, in theory, contributions are such that the City subsidizes the same amount toward coverage regardless of the tier or plan the retiree has chosen. In practice, however, the dependents are actuarially more costly than assumed. Consequently, though the intent of the City is that the dependents pay their full cost, in reality, some of that cost is subsidized by the City and thus generates a liability. This is not true with the post-65 retirees. Their cost is priced appropriately so the dependents do pay full cost, are not subsidized and therefore, there is no GASB liability for them.

**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

Benefits Provided

The Plan covers all current retirees of the City and provides for employee and dependent healthcare coverage from the date of retirement to age 65, provided the participant was covered by the Plan before retiring and hired before January 1, 2000. The City provides postretirement medical and pharmacy benefits through the Plan until age 65 if the retiree and spouse pay the full active premium. Participants can elect to enroll in a post-65 Medicare plan. The Council has the authority to amend plan benefits.

Employees Covered by Benefit Terms

As of September 30, 2018, the following employees were covered by the benefit terms:

Active Employees	137
Inactives or Beneficiaries Currently Receiving Benefit Payments	504
Total	<u>641</u>

Total OPEB Liability

The City's total OPEB liability of \$91,227,000 was measured as of September 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability was determined based on an actuarial valuation prepared as of September 30, 2018 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal Level Percentage of Salary
- Inflation - 2.50%
- Salary Scale - 3.00%
- Discount Rate - 3.83%, based on September 30, 2018 published Fidelity Municipal GO AA 20-year bond index
- Retirement Age - Retirement rates are as shown below and they are based on the City's actual retirement experience:

<b>Age</b>	<b>Retirement Rates</b>
40 - 44	1.5%
45 - 49	2.5%
50 - 54	5.5%
55	12.0%
56 - 58	7.5%
59	10.0%
60	20.0%
61	10.0%
62	40.0%
63 - 64	25.0%
65	50.0%
66 - 69	25.0%
70+	100.0%

**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

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- Withdraw (Termination) Rates –

<b>Age</b>	<b>Male</b>	<b>Female</b>
0	0.496460	0.511404
1	0.315477	0.360307
2	0.249060	0.313816
3	0.215852	0.275627
4	0.190946	0.240758
5	0.167701	0.205890
6	0.149436	0.172682
7	0.129511	0.141134
8	0.109587	0.116228
9	0.092983	0.096303
10	0.079699	0.083020
11	0.066416	0.071397
12	0.056454	0.063095
13	0.048152	0.054793
14	0.039850	0.046491
15	0.036529	0.038189
16	0.033208	0.029887
17	0.029887	0.026566
18	0.028227	0.021585
19	0.028227	0.019925
20+	0.028227	0.019925

- Healthcare cost trend rates –

<b>Year</b>	<b>Rate</b>
2018-2019	8.0%
2019-2020	7.5%
2020-2021	7.0%
2021-2022	6.5%
2022-2023	6.0%
2023-2024	5.5%
2024-2025	5.0%
2025+	4.5%

- Married – 25%; with females assumed age to be three years younger
- Average per capita claim cost – Range from age 40 of \$3,323 to age 80 of \$5,301
- Mortality Rates - 2017 IRS Static Mortality Table with representative rates per thousand for the RP-2014 mortality tables.
- Coverage – 95% of all retirees who currently have healthcare coverage will continue with coverage.

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**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

Changes in Total OPEB Liability

The following table reports the components of changes in total OPEB liability:

	Total OPEB Liability (a)
Balances, Beginning of Year	<u>\$ 109,460,000</u>
Changes for the Year:	
Service Cost	\$ 989,000
Interest Expense	3,817,000
Changes of Assumptions	( 20,271,000)
Benefits Paid	( 2,768,000)
Net Changes	<u>(\$ 18,233,000)</u>
Balances, End of Year	<u>\$ 91,227,000</u>

Sensitivity of the Total OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the total OPEB liability of the employer calculated using the discount rate of 3.83%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.83%) or 1-percentage-point higher (4.83) than the current rate:

	1% Decrease (2.83%)	Current Discount Rate (3.83%)	1% Increase (8.83%)
Employers' Total OPEB Liability	<u>\$ 107,777,000</u>	<u>\$ 91,227,000</u>	<u>\$ 78,372,000</u>

Sensitivity of the Total OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability (asset) of the employer calculated using the healthcare cost trend rate of 8.0% to 4.5%, as well as what the Plan's total OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (7.0% to 3.5%) or 1-percentage-point higher (9.0% to 5.5%) than the current rate:

	1% Decrease (7.0% to 3.5%)	Healthcare Cost Trend Rates (8.0% to 4.5%)	1% Increase (9.0% to 5.5%)
Employers' Total OPEB Liability	<u>\$ 78,794,000</u>	<u>\$ 91,227,000</u>	<u>\$ 106,859,000</u>

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

For the year ended September 30, 2018, the City recognized negative OPEB expense of (\$10,908,000). At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -0-	\$ 4,557,000
Total	<u>\$ -0-</u>	<u>\$ 4,557,000</u>

The amount of \$4,557,000 will be recognized in OPEB expense for fiscal year ended September 30, 2019.

**CITY OF SAN ANGELO, TEXAS**

**Notes to the Basic Financial Statements**

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

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**VI.D. Part-Time, Seasonal, and Temporary Employees Alternatives to Social Security**

Starting May 1, 2007, employees not eligible to participate in TMRS began participating in an alternative to Social Security. Under the Part-Time Alternative Retirement System (PARS), City part-time staff no longer contribute 6.2% of their salary to Social Security. Rather, they contribute 6.2% of their salary into PARS. The City contributes 1.3% of the employee’s salary to that same PARS. The employee’s PARS deduction is pre-tax and the contributions are kept in a trust that can either be paid out (with tax penalty) when the employee’s employment with the City ends, or rolled into an individual retirement account (IRA). The City’s contributions to the PARS accounts in the current year were \$8,967.

**VII. TAX ABATEMENTS**

As of September 30, 2018, the City provides tax abatements through two programs subject to the requirements of GASB Statement No. 77: the abatements awarded through the City of San Angelo Development Corporation (COSADC) and those awarded through the Tax Increment Reinvestment Zone (TIRZ).

The COSADC awards property tax abatements as part of incentive agreements which are agreed upon and adopted first by the COSADC board and then through ratification by the City Council. The purpose of these abatements is to encourage the growth and/or expansion of eligible entities that commit to make certain capital investments, to create a certain number of jobs, and/or to maintain those employment levels depending on the terms of the agreement. The amount and length of the abatements vary by agreement. If the recipient entity does not conform to the terms of the agreement, the abated taxes must be returned to the COSADC.

The TIRZ also awards property tax abatements as part of incentive agreements which are agreed upon and adopted first by the TIRZ board and then through ratification by the City Council. The purpose of these abatements is to encourage the growth and/or expansion of eligible entities that commit to make certain capital investments depending on the terms of the agreement. The amounts and lengths of the abatements vary by agreement. If the recipient entity does not conform to the terms of the agreement, the abated taxes must be returned to the TIRZ.

The amount of taxes abated during the year ended September 30, 2018 are:

<u>Program</u>	<u>Amount Abated</u>
COSADC	\$ 117,904
TIRZ	13,450
Total	<u>\$ 131,354</u>

The Historic Property Tax Abatement Program is intended to encourage historic preservation within San Angelo by providing a property tax abatement to property owners with property in Historic Overlay Zones. The tax abatement provides an incentive for property owners to request Historic Overlay Zoning and to improve, rehabilitate, and maintain property within the Historic Overlay Zoning Districts. For the fiscal year ended September 30, 2018, the City abated property taxes totaling \$18,149 under this program.

The Low Income Housing Abatement Program was started under COSADC in 2009 to provide tax abatements to low income households to help alleviate foreclosure. For the year ended September 30, 2018, the City abated property taxes totaling \$17,671 under this program.

**VIII. NEW PRONOUNCEMENTS**

The GASB has issued several new accounting pronouncements, which will be effective in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the City’s consideration of the impact of these pronouncements are described below:

GASB Statement No. 83, Certain Asset Retirement Obligations – GASB 83 was issued in November 2016 and establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding



# **CITY OF SAN ANGELO, TEXAS**

## **Notes to the Basic Financial Statements**

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

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deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. This Statement also requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. Additionally, this Statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. It also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. At this time, the impact to the City is unknown. GASB Statement 84, Fiduciary Activities – GASB 84 was issued January 2018, and this Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City has not yet determined the impact that implementation of GASB 84 will have on its net position.

GASB Statement 85, Omnibus 2018 – GASB 85 was issued March 2018, and this Statement address a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The City has not yet determined the impact that implementation of GASB 85 will have on its net position.

GASB Statement 86, Certain Debt Extinguishment Issues – GASB 86 issued May 2018, and the primary objective of this Statement is to improve the consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt substance. The City has not yet determined the impact that implementation of GASB 86 will have on its net position.

GASB Statement 87, Leases – GASB 87 was issued June 2018, and the primary objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about activities. The City has not yet determined the impact that implementation of GASB 87 will have on its net position.

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements – GASB 88 was issued in April 2018 and improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. At this time, the impact to the City is unknown.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period – GASB 89 was issued in June 2018 and requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of construction period will no longer be included in the historical cost of a capital type activity or proprietary

# CITY OF SAN ANGELO, TEXAS

## Notes to the Basic Financial Statements

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

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type funds. The requirements for this Statement are effective for reporting periods beginning after December 15, 2019. At this time, the impact to the City is unknown.

GASB Statement No. 90, Majority Interests (an amendment of GASB Statements 14 and 61) – GASB 90 was issued August 2018 and will be effective for periods beginning December 15, 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The City has not yet determined the impact that implementation of GASB 90 will have on its net position.

#### **VIII. SUBSEQUENT EVENTS**

The following events occurred after the fiscal year end and are disclosed for reporting purposes:

- Due to the increase in surplus sales tax revenue earned during the year ended September 30, 2018, the City Council was able to subsequently fund capital items, including:
  - \$540,000 for police vehicles
  - \$185,000 for Concho River bank stabilization
  - \$200,000 for animal shelter improvements
  - \$200,000 for traffic signal battery back-up
  - \$120,300 for tree irrigation systems in City parks
  - \$161,170 for Fort Concho improvements
  - \$200,000 for Station 618 parking lot reconstruction.
- The City Council approved the addition of eight additional firefighters, which will be funded in part by the SAFER grant for the first three years. The expected cost at the end of the fourth year will be \$592,536.
- The City Council awarded Task Order 2 under RFQ WU-04-19 Engineering Services for Water System Improvements to the Hickory Groundwater Supply Development to Enprotec/Hibbs & Todd, Inc. in the amount of \$3,117,750.



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**Required Supplementary Information**

# CITY OF SAN ANGELO, TEXAS

## Budgetary Comparison Schedule - General Fund

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

	Budgeted Amounts		Actual Amounts			Variance With
	Original	Final	Modified Accrual	Adjustments	Budget Basis	Final Budget - Positive (Negative)
<b>REVENUES</b>						
Taxes:						
Property	\$ 33,768,546	\$ 33,771,546	\$ 33,787,483	\$ -0-	\$ 33,787,483	\$ 15,937
Sales	17,937,625	19,217,625	19,812,694	( 244,779)	19,567,915	350,290
Franchise	4,633,982	4,633,982	4,586,508	-0-	4,586,508	( 47,474)
Motel	-0-	-0-	-0-	-0-	-0-	-0-
Mixed Drink	375,000	375,000	353,657	-0-	353,657	( 21,343)
Bingo	42,526	42,526	36,960	-0-	36,960	( 5,566)
Licenses and Permits	841,856	859,356	804,071	-0-	804,071	( 55,285)
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-
Charges for Services	6,730,758	7,113,258	9,315,241	( 2,442,439)	6,872,802	( 240,456)
Fines and Forfeitures	3,142,139	3,197,139	3,043,918	-0-	3,043,918	( 153,221)
Investment Income:						
Interest	467,275	467,275	627,254	-0-	627,254	159,979
Change in Fair Value of Investments	-0-	-0-	( 162,359)	-0-	( 162,359)	( 162,359)
Miscellaneous:						
Gifts and Contributions	55,050	3,961,735	51,876	-0-	51,876	( 3,909,859)
Other Miscellaneous	480,526	1,242,863	1,036,030	-0-	1,036,030	( 206,833)
<b>Total Revenues</b>	<b>\$ 68,475,283</b>	<b>\$ 74,882,305</b>	<b>\$ 73,293,333</b>	<b>(\$ 2,687,218)</b>	<b>\$ 70,606,115</b>	<b>(\$ 4,276,190)</b>
<b>EXPENDITURES</b>						
Current:						
General Government:						
City Council	\$ 156,989	\$ 176,259	\$ 144,463	\$ -0-	\$ 144,463	\$ 31,796
City Manager	719,704	699,167	666,655	-0-	666,655	32,512
Legal	1,165,404	1,150,826	1,112,364	-0-	1,112,364	38,462
Public Information	206,417	206,417	190,498	-0-	190,498	15,919
Construction Management	617,725	626,493	600,209	-0-	600,209	26,284
Finance	2,367,775	2,467,882	2,434,347	-0-	2,434,347	33,535
Information Services	612,407	604,440	593,807	-0-	593,807	10,633
Purchasing	169,287	177,429	148,037	-0-	148,037	29,392
Personnel	2,402,668	2,469,194	2,734,006	-0-	2,734,006	( 264,812)
Non-Departmental	3,966,046	2,167,795	1,767,441	-0-	1,767,441	400,354
<b>Total General Government</b>	<b>\$ 12,384,422</b>	<b>\$ 10,745,902</b>	<b>\$ 10,391,827</b>	<b>\$ -0-</b>	<b>\$ 10,391,827</b>	<b>\$ 354,075</b>
Public Safety:						
Municipal Court	\$ 2,512,307	\$ 3,442,510	\$ 2,382,921	\$ -0-	\$ 2,382,921	\$ 1,059,589
Police	18,645,383	18,890,087	19,035,116	-0-	19,035,116	( 145,029)
Fire	17,646,926	18,138,412	21,899,898	-0-	21,899,898	( 3,761,486)
Communications	1,500,299	1,564,959	1,429,881	-0-	1,429,881	135,078
School Crossing Guards	125,700	161,670	144,661	-0-	144,661	17,009
<b>Total Public Safety</b>	<b>\$ 40,430,615</b>	<b>\$ 42,197,638</b>	<b>\$ 44,892,477</b>	<b>\$ -0-</b>	<b>\$ 44,892,477</b>	<b>(\$ 2,694,839)</b>
Public Works and Transportation:						
Public Works	\$ 357,130	\$ 351,840	\$ 362,908	\$ -0-	\$ 362,908	(\$ 11,068)
Signal Control	835,306	768,673	753,201	-0-	753,201	15,472
Streets and Bridges	7,454,874	8,740,379	6,178,951	-0-	6,178,951	2,561,428
Planning and Zoning	2,263,744	2,272,690	2,146,115	-0-	2,146,115	126,575
Permits and Inspections	881,580	881,580	859,323	-0-	859,323	22,257
<b>Total Public Works and Transportation</b>	<b>\$ 11,792,634</b>	<b>\$ 13,015,162</b>	<b>\$ 10,300,498</b>	<b>\$ -0-</b>	<b>\$ 10,300,498</b>	<b>\$ 2,714,664</b>

**CITY OF SAN ANGELO, TEXAS**

**Budgetary Comparison Schedule - General Fund**

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

	Budgeted Amounts		Actual Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Modified Accrual	Adjustments	Budget Basis	
Public Facilities:						
City Hall	\$ 650,548	\$ 721,311	\$ 619,387	\$ -0-	\$ 619,387	\$ 101,924
Fairmount Cemetery	415,609	410,283	391,116	-0-	391,116	19,167
Total Public Facilities	<u>\$ 1,066,157</u>	<u>\$ 1,131,594</u>	<u>\$ 1,010,503</u>	<u>\$ -0-</u>	<u>\$ 1,010,503</u>	<u>\$ 121,091</u>
Health and Human Services:						
Health Department	\$ 176,616	\$ 176,616	\$ 174,617	\$ -0-	\$ 174,617	\$ 1,999
Animal Control	854,880	1,013,997	879,167	-0-	879,167	134,830
Code Compliance	453,434	423,636	411,592	-0-	411,592	12,044
Social Services	55,500	55,500	50,880	-0-	50,880	4,620
Total Health and Human Services	<u>\$ 1,540,430</u>	<u>\$ 1,669,749</u>	<u>\$ 1,516,256</u>	<u>\$ -0-</u>	<u>\$ 1,516,256</u>	<u>\$ 153,493</u>
Culture, Parks and Recreation:						
Parks	\$ 4,437,128	\$ 4,710,394	\$ 3,951,550	\$ -0-	\$ 3,951,550	\$ 758,844
Recreation	952,564	1,016,232	823,651	-0-	823,651	192,581
Swimming Pool	166,935	257,644	154,833	-0-	154,833	102,811
Fort Concho Museum	1,057,655	1,127,655	969,487	-0-	969,487	158,168
Total Culture, Parks and Recreation	<u>\$ 6,614,282</u>	<u>\$ 7,111,925</u>	<u>\$ 5,899,521</u>	<u>\$ -0-</u>	<u>\$ 5,899,521</u>	<u>\$ 1,212,404</u>
Total Current Expenditures	\$ 73,828,540	\$ 75,871,970	\$ 74,011,082	\$ -0-	\$ 74,011,082	\$ 1,860,888
Capital Outlay	761,777	30,882,191	4,101,060	-0-	4,101,060	26,781,131
Debt Service:						
Principal	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	163,750	163,750	-0-	163,750	-0-
Total Expenditures	<u>\$ 74,590,317</u>	<u>\$ 106,917,911</u>	<u>\$ 78,275,892</u>	<u>\$ -0-</u>	<u>\$ 78,275,892</u>	<u>\$ 28,642,019</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$ 6,115,034)</u>	<u>(\$ 32,035,606)</u>	<u>(\$ 4,982,559)</u>	<u>(\$ 2,687,218)</u>	<u>(\$ 7,669,777)</u>	<u>\$ 24,365,829</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	\$ 5,808,803	\$ 7,219,403	\$ 7,665,355	\$ -0-	\$ 7,665,355	\$ 445,952
Bonds Issued	-0-	16,500,000	16,500,000	-0-	16,500,000	-0-
Premium on Bonds Issued	-0-	167,856	167,856	-0-	167,856	-0-
Sale of Capital Assets	57,000	57,000	-0-	-0-	-0-	( 57,000)
Transfers Out	( 925,432)	( 925,432)	( 743,429)	-0-	( 743,429)	182,003
Total Other Financing Sources (Uses)	<u>\$ 4,940,371</u>	<u>\$ 23,018,827</u>	<u>\$ 23,589,782</u>	<u>\$ -0-</u>	<u>\$ 23,589,782</u>	<u>\$ 570,955</u>
Net Change in Fund Balance	<u>(\$ 1,174,663)</u>	<u>(\$ 9,016,779)</u>	<u>\$ 18,607,223</u>	<u>(\$ 2,687,218)</u>	<u>\$ 15,920,005</u>	<u>\$ 24,936,784</u>
Fund Balance - Beginning	10,796,044	( 36,082,021)	35,468,207	( 9,819,025)	3,198,622	39,280,643
Restatement of Beginning Fund Balance	-0-	-0-	28,809	-0-	28,809	28,809
Fund Balance - Ending	<u>\$ 9,621,381</u>	<u>(\$ 45,098,800)</u>	<u>\$ 54,104,239</u>	<u>(\$ 12,506,243)</u>	<u>\$ 19,147,436</u>	<u>\$ 64,246,236</u>

# CITY OF SAN ANGELO, TEXAS

## Required Supplementary Information

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

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Required Supplementary Information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes budgetary comparison schedules for the General Fund, each major Special Revenue Fund, and the Capital Project Fund with an annual appropriated budget.

#### **Budgetary Accounting and Control**

Prior to the beginning of each fiscal year, the City Manager submits a proposed annual budget to the City Council for the general, special revenue, debt service, permanent, enterprise, and internal service funds. The budgets for the enterprise and internal service funds are for internal management purposes. Public hearings are held to obtain citizen's comments on the proposed budget. The budget is legally enacted prior to October 1 of each year by the adoption of a general appropriations ordinance. Expenditures cannot exceed the total appropriations at the fund total level. Changes in the total budget for a fund can only be made by amendments approved by City Council. Management, without City Council approval, can make changes within and between departments in a fund which does not change the total budget for that fund. Budget amounts shown in the budgetary comparison schedules represent the budget as amended.

Project-length financial plans are adopted for expenditure of grants, contributions, and/or long-term debt proceeds in the Community Development and Home Program special revenue funds and the capital projects funds. The Santa Fe Park Trust permanent fund is not budgeted.

The City utilizes encumbrances accounting under which purchase orders, contracts and other commitments for the expenditure funds are recorded in order to reserve a portion of the applicable appropriation. Encumbered appropriations at year-end are lapsed, and encumbrances to be honored are reappropriated in the following budget year.

Budgetary basis for some funds differs from GAAP in several ways. Governmental funds' budgets do not include certain revenue and expenditure accruals and deferrals. Budgets for the proprietary funds are substantially on a governmental funds modified accrual basis, which differs from the accrual basis required by GAAP. A column for adjustments from GAAP basis to the budgetary basis, where applicable, is provided for the budgetary comparisons.

**CITY OF SAN ANGELO, TEXAS**

**Required Supplementary Information**

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

**Texas Municipal Retirement Fund  
Schedule of Changes in Net Pension Liability and Related Ratios**

**Last Fiscal Year**

	2015	2016	2017	*2018
Total pension liability				
Service cost	\$ 4,231,932	\$ 4,877,309	\$ 5,329,787	\$ 5,416,244
Interest	13,765,927	14,190,598	14,439,741	15,033,601
Differences between expected and actual experience	( 1,528,383)	253,147	827,202	120,491
Changes of assumptions	-	2,707,629	-	-
Benefit payments, including refunds of member contributions	( 10,826,257)	( 10,624,607)	( 11,486,726)	( 12,197,321)
Net change in total pension liability	\$ 5,643,219	\$ 11,404,076	\$ 9,110,004	\$ 8,373,015
Total pension liability - beginning	199,953,259	205,596,478	217,000,554	226,110,558
Total pension liability - ending (a)	<u>\$ 205,596,478</u>	<u>\$ 217,000,554</u>	<u>\$ 226,110,558</u>	<u>\$ 234,483,573</u>
Plan fiduciary net position				
Contributions - employer	\$ 5,576,688	\$ 5,728,465	\$ 5,856,113	\$ 6,159,661
Contributions - member	2,132,065	2,265,505	2,399,261	2,442,228
Net investment income	9,503,498	254,398	11,478,572	24,663,190
Benefit payments, including refunds of member contributions	( 10,826,257)	( 10,624,607)	( 11,486,726)	( 12,197,321)
Administrative expense	( 99,229)	( 154,965)	( 129,662)	( 127,845)
Other	( 8,158)	( 7,652)	( 6,986)	( 6,479)
Net change in plan fiduciary net position	\$ 6,278,607	(\$ 2,538,856)	\$ 8,110,572	\$ 20,933,434
Plan fiduciary net position - beginning	166,140,957	172,419,564	169,880,708	177,991,280
Plan fiduciary net position - ending (b)	<u>\$ 172,419,564</u>	<u>\$ 169,880,708</u>	<u>\$ 177,991,280</u>	<u>\$ 198,924,714</u>
Net pension liability - ending (a) - (b)	<u>\$ 33,176,914</u>	<u>\$ 47,119,846</u>	<u>\$ 48,119,278</u>	<u>\$ 35,558,859</u>
Plan fiduciary net position as a percentage of the total pension liability	83.86%	78.29%	78.72%	84.84%
Covered payroll	\$ 30,458,079	\$ 31,518,849	\$ 34,655,009	\$ 34,745,984
Net pension liability as a percentage of covered payroll	108.93%	149.50%	138.85%	102.34%

**Notes to Schedule:**

Only the current and prior fiscal years are presented because 10-year data is not yet available.  
\*The information presented for fiscal year 2018 are based on a measurement date of December 31, 2017.

A change in assumption occurred during fiscal year 2016. This change is a result of a reduction in discount rate from 7.00% to 6.75%.



**CITY OF SAN ANGELO, TEXAS**

**Required Supplementary Information**

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

<b>Texas Municipal Retirement Fund Schedule of Employer Contributions</b>	<b>Last Fiscal Year</b>			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 5,688,038	\$ 5,974,012	\$ 6,067,440	\$ 6,215,573
Contributions in relation to the actuarially determined contribution	<u>5,688,038</u>	<u>5,974,012</u>	<u>6,067,440</u>	<u>6,215,573</u>
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Covered payroll	\$ 31,518,849	\$ 34,655,009	\$ 34,745,984	\$ 35,305,734
Contributions as a percentage of covered payroll	18.05%	17.24%	17.46%	17.60%

Only the current and prior fiscal years are presented because 10-year data is not yet available.

**Notes to Schedule:**

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	28 years
Contributions	17.59% for Calender Year 2017 17.61% for Calender Year 2018
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Only the current and prior fiscal years are presented because 10-year data is not yet available.

**CITY OF SAN ANGELO, TEXAS**

**Required Supplementary Information**

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

**San Angelo Firemen's Relief and Retirement Fund**  
**Schedule of Changes in Net Pension Liability and Related Ratios**

**Last Fiscal Year**

	2015	2016	2017	*2018
Total pension liability				
Service cost	\$ 2,438,145	\$ 2,002,372	\$ 2,160,559	\$ 2,347,801
Interest	6,609,094	6,772,296	7,510,752	7,941,043
Changes of benefit terms	-0-	-0-	-0-	473,900
Differences between expected and actual experience	-0-	3,449,753	-0-	( 3,909,779)
Changes of assumptions	-0-	2,215,105	-0-	1,137,592
Contributions - buy back	-0-	-0-	-0-	22,656
Benefit payments, including refunds of member contributions	( 4,391,400)	( 4,695,087)	( 6,039,371)	( 6,554,930)
Net change in total pension liability	\$ 4,655,839	\$ 9,744,439	\$ 3,631,940	\$ 1,458,283
Total pension liability - beginning	83,416,973	88,072,812	97,817,251	101,449,191
Total pension liability - ending (a)	<u>\$ 88,072,812</u>	<u>\$ 97,817,251</u>	<u>\$ 101,449,191</u>	<u>\$ 102,907,474</u>
Plan fiduciary net position				
Contributions - employer	\$ 2,044,568	\$ 2,086,618	\$ 2,239,456	\$ 2,293,931
Contributions - member	1,432,875	1,462,906	1,590,202	1,755,034
Contributions - buy back	-0-	-0-	-0-	22,656
Net investment income	3,264,867	( 1,262,749)	4,199,126	8,954,581
Benefit payments, including refunds of member contributions	( 4,391,400)	( 4,695,087)	( 6,039,371)	( 6,554,930)
Administrative expense	( 62,491)	( 48,866)	( 55,543)	( 59,338)
Other	-0-	-0-	-0-	-0-
Net change in plan fiduciary net position	\$ 2,288,419	(\$ 2,457,178)	\$ 1,933,870	\$ 6,411,934
Plan fiduciary net position - beginning	58,441,691	60,730,110	58,272,932	60,206,802
Plan fiduciary net position - ending (b)	<u>\$ 60,730,110</u>	<u>\$ 58,272,932</u>	<u>\$ 60,206,802</u>	<u>\$ 66,618,736</u>
Net pension liability - ending (a) - (b)	<u>\$ 27,342,702</u>	<u>\$ 39,544,319</u>	<u>\$ 41,242,389</u>	<u>\$ 36,288,738</u>
Plan fiduciary net position as a percentage of the total pension liability	68.95%	59.57%	59.35%	64.74%
Covered payroll	\$ 10,090,669	\$ 10,246,197	\$ 10,965,035	\$ 10,754,438
Net pension liability as a percentage of covered payroll	270.97%	385.94%	376.13%	337.43%

**Notes to Schedule:**

Only the current and prior fiscal years are presented because 10-year data is not yet available.  
 \*The information presented for fiscal year 2018 is based on a measurement date of December 31, 2017.

**CITY OF SAN ANGELO, TEXAS**

**Required Supplementary Information**

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

**San Angelo Firemen's Relief and Retirement Fund  
Schedule of Employer Contributions**

**Last Fiscal Year**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 2,075,551	\$ 2,219,315	\$ 2,173,090	\$ 2,360,039
Contributions in relation to the actuarially determined contribution	<u>2,075,551</u>	<u>2,219,315</u>	<u>2,173,090</u>	<u>2,360,039</u>
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Covered payroll	\$ 10,246,197	\$ 10,965,035	\$ 10,754,438	\$ 11,682,741
Contributions as a percentage of covered payroll	20.26%	20.24%	20.21%	20.20%

Only the current and prior fiscal years are presented because 10-year data is not yet available.

**Notes to Schedule:**

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Open period, level percentage of projected payroll
Amortization Period	98.8 years
Contributions	20.20% -Firefighters hired on or after May 1, 1986 21.65% -Firefighters hired before May 1, 1986
Asset Valuation Method	5 Year smoothed market
Inflation	4.00%
Salary Increases	Graduated scale based on firefighter age
Investment Rate of Return	7.90%
Projected Payroll Growth	3.50%
Mortality	RP2014 Combined Mortality Table with Blue Collar Adjustment with generational projection using Scale MP2015

**CITY OF SAN ANGELO, TEXAS**

**Required Supplementary Information**

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

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**Other Postemployment Benefit**

**Schedule of Changes in Total OPEB Liability and Related Ratios**

**Last Fiscal Year**

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	<u>*2018</u>
Total OPEB liability	
Service cost	\$ 989,000
Interest	3,817,000
Change in assumptions	( 20,271,000)
Benefit payments, including refunds of member contributions	( 2,768,000)
Net change in total OPEB liability	<u>(\$ 18,233,000)</u>
Total OPEB liability - beginning	<u>109,460,000</u>
Total OPEB liability - ending	<u><u>\$ 91,227,000</u></u>
Covered employee payroll	\$ 47,961,000
Total OPEB liability as a percentage of covered employee payroll	190.21%

**Notes to Schedule:**

Only the current year is presented because 10-year data is not yet available.

The discount rate used for 2017 and 2018 is 3.50% and 3.83%.

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**Other Supplementary Information**

# CITY OF SAN ANGELO, TEXAS

## General Fund Descriptions

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

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### **GENERAL FUND**

To account for all financial resources not legally or administratively required to be reported in another fund. It is always a major governmental fund.

Under GASB Statement 54, certain funds no longer meet the definition to be presented as special revenue funds. Those funds became accounts of the general fund for reporting purposes.

The General Fund contains the following subfund accounts:

Texas Sports Complex Subfund – To account for the revenue and expenses associated with the City's sports complex.

Civic Events Subfund – To account for the expenditure of a designated portion of the motel tax and rental and concessions generated by the coliseum and fairgrounds, city auditorium, and convention center.

Street Capital Project Subfund – To account for the purchase of capital equipment for the general fund.

General Capital Project Subfund – To account for large capital projects in the general fund.

Fort Concho Museum Subfund – To account for the operation of old Fort Concho as a museum.

Fairmount Cemetery Subfund – To account for funds received from cemetery lot sales and care and for contributions from a trust.

Payroll Subfund – To process payroll and benefits for the entire City.

**CITY OF SAN ANGELO, TEXAS**

**Combining Balance Sheet - General Fund Accounts**

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

	General	Texas Sports Complex	Civic Events	Equipment Replacement	Street Capital Project	Fort Concho	Fairmount Cemetery	Payroll	Total General Fund
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 1,925,991	\$ 592,456	\$ 858,598	\$ 1,156,460	\$ 6,131,596	\$ 438,186	\$ 72,268	\$ 762,893	\$ 11,938,448
Investments	11,889,581	-0-	351,579	48,285	7,405,579	96	-0-	-0-	19,695,120
Receivables:									
Accrued Interest	63,270	2,151	-0-	1,508	19,461	1,408	-0-	-0-	87,798
Property Taxes	1,073,604	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,073,604
Accounts	5,970,945	17,621	-0-	352,766	55,971	9	51,090	188	6,448,590
Less: Allowance for Uncollectibles	( 4,847,842)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	( 4,847,842)
Due from Other Governments	3,317,510	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,317,510
Due from Other Funds (Interfund)	7,946,927	-0-	-0-	-0-	-0-	-0-	-0-	-0-	7,946,927
Due from Other Funds	22,204,687	-0-	-0-	-0-	-0-	-0-	-0-	-0-	22,204,687
Inventories	19,915	-0-	-0-	-0-	-0-	17,389	-0-	-0-	37,304
Prepays	13,518	-0-	-0-	-0-	-0-	-0-	-0-	-0-	13,518
<b>Total Assets</b>	<b>\$ 49,578,106</b>	<b>\$ 612,228</b>	<b>\$ 1,210,177</b>	<b>\$ 1,559,019</b>	<b>\$ 13,612,607</b>	<b>\$ 457,088</b>	<b>\$ 123,358</b>	<b>\$ 763,081</b>	<b>\$ 67,915,664</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Deferred Charges	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total Deferred Outflows of Resources</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
<b>LIABILITIES</b>									
Current Liabilities:									
Accounts Payable	\$ 3,757,089	\$ -0-	\$ 43,655	\$ 88,374	\$ 118,968	\$ 59,709	\$ 57,041	47,689	\$ 4,172,525
Deposits	505,739	-0-	-0-	-0-	-0-	28,996	-0-	-0-	534,735
Due to Other Funds (Interfund)	-0-	-0-	-0-	-0-	7,142,038	-0-	89,497	715,392	7,946,927
Due to Other Governments	74,971	-0-	-0-	-0-	-0-	-0-	-0-	-0-	74,971
Unearned Revenue	-0-	101,250	59,609	-0-	-0-	-0-	-0-	-0-	160,859
Arbitrage Rebates Payable	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total Liabilities</b>	<b>\$ 4,337,799</b>	<b>\$ 101,250</b>	<b>\$ 103,264</b>	<b>\$ 88,374</b>	<b>\$ 7,261,006</b>	<b>\$ 88,705</b>	<b>\$ 146,538</b>	<b>\$ 763,081</b>	<b>\$ 12,890,017</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - Property Taxes	\$ 865,437	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 865,437
Deferred Revenues	-0-	-0-	-0-	-0-	55,971	-0-	-0-	-0-	55,971
<b>Total Deferred Inflows of Resources</b>	<b>\$ 865,437</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 55,971</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 921,408</b>
<b>FUND BALANCES</b>									
Nonspendable	\$ 33,433	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 17,389	\$ -0-	\$ -0-	\$ 50,822
Restricted	1,437,802	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,437,802
Committed	81,929	20,768	5,104	-0-	-0-	-0-	53,793	-0-	161,594
Unassigned	42,821,706	490,210	1,101,809	1,470,645	6,295,630	350,994	( 76,973)	-0-	52,454,021
<b>Total Fund Balances</b>	<b>\$ 44,374,870</b>	<b>\$ 510,978</b>	<b>\$ 1,106,913</b>	<b>\$ 1,470,645</b>	<b>\$ 6,295,630</b>	<b>\$ 368,383</b>	<b>(\$ 23,180)</b>	<b>\$ -0-</b>	<b>\$ 54,104,239</b>

**CITY OF SAN ANGELO, TEXAS**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund Accounts**

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

	General	Texas Sports Complex	Civic Events	Equipment Replacement	Street Capital Project	Fort Concho Museum	Fairmount Cemetery	Payroll	Total General Fund
<b>REVENUES</b>									
Taxes:									
Property	\$ 33,787,483	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 33,787,483
Sales	19,812,694	-0-	-0-	-0-	-0-	-0-	-0-	-0-	19,812,694
Franchise	4,586,508	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,586,508
Mixed Drink	353,657	-0-	-0-	-0-	-0-	-0-	-0-	-0-	353,657
Bingo	36,960	-0-	-0-	-0-	-0-	-0-	-0-	-0-	36,960
Licenses and Permits	804,071	-0-	-0-	-0-	-0-	-0-	-0-	-0-	804,071
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Charges for Services	7,639,966	141,224	532,105	32,596	-0-	625,725	343,625	-0-	9,315,241
Fines and Forfeits	3,043,918	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,043,918
Investment Income:									
Interest	539,159	10,823	15,462	4,895	49,915	4,959	2,041	-0-	627,254
Change in Fair Value of Investments	( 116,151)	-0-	( 8,520)	( 469)	( 37,218)	( 1)	-0-	-0-	( 162,359)
Miscellaneous:									
Gifts and Contributions	-0-	-0-	-0-	-0-	-0-	8,441	43,435	-0-	51,876
Other Miscellaneous	838,834	147	34,429	155,472	-0-	6,823	325	-0-	1,036,030
<b>Total Revenues</b>	<b>\$ 71,327,099</b>	<b>\$ 152,194</b>	<b>\$ 573,476</b>	<b>\$ 192,494</b>	<b>\$ 12,697</b>	<b>\$ 645,947</b>	<b>\$ 389,426</b>	<b>\$ -0-</b>	<b>\$ 73,293,333</b>
<b>EXPENDITURES</b>									
Current:									
General Government	\$ 9,167,158	\$ -0-	\$ 1,224,669	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,391,827
Public Safety	44,892,477	-0-	-0-	-0-	-0-	-0-	-0-	-0-	44,892,477
Public Works and Transportation	10,251,142	-0-	-0-	-0-	49,356	-0-	-0-	-0-	10,300,498
Public Facilities	619,387	-0-	-0-	-0-	-0-	-0-	391,116	-0-	1,010,503
Health and Human Services	1,516,256	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,516,256
Culture, Parks and Recreation	4,283,059	646,976	-0-	-0-	-0-	969,486	-0-	-0-	5,899,521
<b>Total Current Expenditures</b>	<b>\$ 70,729,479</b>	<b>\$ 646,976</b>	<b>\$ 1,224,669</b>	<b>\$ -0-</b>	<b>\$ 49,356</b>	<b>\$ 969,486</b>	<b>\$ 391,116</b>	<b>\$ -0-</b>	<b>\$ 74,011,082</b>
Capital Outlay	1,434,231	261,964	368,781	1,495,244	535,514	-0-	5,326	-0-	4,101,060
Debt Service:									
Principal	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	163,750	-0-	-0-	-0-	-0-	-0-	-0-	-0-	163,750
<b>Total Expenditures</b>	<b>\$ 72,327,460</b>	<b>\$ 908,940</b>	<b>\$ 1,593,450</b>	<b>\$ 1,495,244</b>	<b>\$ 584,870</b>	<b>\$ 969,486</b>	<b>\$ 396,442</b>	<b>\$ -0-</b>	<b>\$ 78,275,892</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 1,000,361)	(\$ 756,746)	(\$ 1,019,974)	(\$ 1,302,750)	(\$ 572,173)	(\$ 323,539)	(\$ 7,016)	\$ -0-	(\$ 4,982,559)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	\$ 6,004,349	\$ 50,000	\$ 1,491,006	\$ -0-	\$ -0-	\$ 120,000	\$ -0-	\$ -0-	\$ 7,665,355
Transfer In (Interfund)	99,232	701,728	-0-	2,281,373	3,109,282	356,388	86,734	-0-	6,634,737
Bonds Issued	16,500,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	16,500,000
Premium on Bonds Issued	167,856	-0-	-0-	-0-	-0-	-0-	-0-	-0-	167,856
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	( 682,600)	-0-	-0-	-0-	( 60,829)	-0-	-0-	-0-	( 743,429)
Transfer Out (Interfund)	( 6,535,505)	-0-	( 99,232)	-0-	-0-	-0-	-0-	-0-	( 6,634,737)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 15,553,332</b>	<b>\$ 751,728</b>	<b>\$ 1,391,774</b>	<b>\$ 2,281,373</b>	<b>\$ 3,048,453</b>	<b>\$ 476,388</b>	<b>\$ 86,734</b>	<b>\$ -0-</b>	<b>\$ 23,589,782</b>
<b>Net Change in Fund Balances</b>	<b>\$ 14,552,971</b>	<b>(\$ 5,018)</b>	<b>\$ 371,800</b>	<b>\$ 978,623</b>	<b>\$ 2,476,280</b>	<b>\$ 152,849</b>	<b>\$ 79,718</b>	<b>\$ -0-</b>	<b>\$ 18,607,223</b>
Fund Balances - Beginning	29,821,899	515,996	735,113	472,022	3,819,350	215,534	( 111,707)	-0-	35,468,207
Restatement of Beginning Fund Balance	-0-	-0-	-0-	20,000	-0-	-0-	8,809	-0-	28,809
<b>Fund Balances - Ending</b>	<b>\$ 44,374,870</b>	<b>\$ 510,978</b>	<b>\$ 1,106,913</b>	<b>\$ 1,470,645</b>	<b>\$ 6,295,630</b>	<b>\$ 368,383</b>	<b>(\$ 23,180)</b>	<b>\$ -0-</b>	<b>\$ 54,104,239</b>



**CITY OF SAN ANGELO, TEXAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis) - General Fund Accounts**

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

	General			Texas Sports Complex			Civic Events		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>									
Taxes:									
Property	\$ 33,771,546	\$ 33,787,483	\$ 15,937	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sales	19,217,625	19,812,694	595,069	-0-	-0-	-0-	-0-	-0-	-0-
Franchise	4,633,982	4,586,508	( 47,474)	-0-	-0-	-0-	-0-	-0-	-0-
Mixed Drink	375,000	353,657	( 21,343)	-0-	-0-	-0-	-0-	-0-	-0-
Bingo	42,526	36,960	( 5,566)	-0-	-0-	-0-	-0-	-0-	-0-
Licenses and Permits	859,356	804,071	( 55,285)	-0-	-0-	-0-	-0-	-0-	-0-
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Charges for Services	5,477,758	7,639,966	2,162,208	160,700	141,224	( 19,476)	521,550	532,105	10,555
Fines and Forfeits	3,197,139	3,043,918	( 153,221)	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:									
Interest	418,466	539,159	120,693	5,009	10,823	5,814	32,228	15,462	( 16,766)
Change in Fair Value of Investments	-0-	( 116,151)	( 116,151)	-0-	-0-	-0-	-0-	( 8,520)	( 8,520)
Miscellaneous:									
Gifts and Contributions	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other Miscellaneous	1,137,463	838,834	( 298,629)	-0-	147	147	32,400	34,429	2,029
<b>Total Revenues</b>	<b>\$ 69,130,861</b>	<b>\$ 71,327,099</b>	<b>\$ 2,196,238</b>	<b>\$ 165,709</b>	<b>\$ 152,194</b>	<b>(\$ 13,515)</b>	<b>\$ 586,178</b>	<b>\$ 573,476</b>	<b>(\$ 12,702)</b>
<b>EXPENDITURES</b>									
Current:									
General Government	\$ 9,411,240	\$ 9,167,158	\$ 244,082	\$ -0-	\$ -0-	\$ -0-	\$ 1,334,662	\$ 1,224,669	\$ 109,993
Public Safety	42,197,638	44,892,477	( 2,694,839)	-0-	-0-	-0-	-0-	-0-	-0-
Public Works and Transportation	12,963,023	10,251,142	2,711,881	-0-	-0-	-0-	2,781	-0-	2,781
Public Facilities	683,303	619,387	63,916	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	1,661,249	1,516,256	144,993	-0-	-0-	-0-	-0-	-0-	-0-
Culture, Parks and Recreation	5,046,833	4,283,059	763,774	937,437	646,976	290,461	-0-	-0-	-0-
<b>Total Current Expenditures</b>	<b>\$ 71,963,286</b>	<b>\$ 70,729,479</b>	<b>\$ 1,233,807</b>	<b>\$ 937,437</b>	<b>\$ 646,976</b>	<b>\$ 290,461</b>	<b>\$ 1,337,443</b>	<b>\$ 1,224,669</b>	<b>\$ 112,774</b>
Capital Outlay	2,882,388	1,434,231	1,448,157	293,521	261,964	31,557	17,021,764	368,781	16,652,983
Debt Service:									
Principal	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	163,750	163,750	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total Expenditures</b>	<b>\$ 75,009,424</b>	<b>\$ 72,327,460</b>	<b>\$ 2,681,964</b>	<b>\$ 1,230,958</b>	<b>\$ 908,940</b>	<b>\$ 322,018</b>	<b>\$ 18,359,207</b>	<b>\$ 1,593,450</b>	<b>\$ 16,765,757</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>(\$ 5,878,563)</b>	<b>(\$ 1,000,361)</b>	<b>(\$ 4,878,202)</b>	<b>(\$ 1,065,249)</b>	<b>(\$ 756,746)</b>	<b>(\$ 308,503)</b>	<b>(\$ 17,773,029)</b>	<b>(\$ 1,019,974)</b>	<b>(\$ 16,753,055)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	\$ 5,933,803	\$ 6,004,349	(\$ 70,546)	\$ 50,000	\$ 50,000	\$ -0-	\$ 1,185,600	\$ 1,491,006	(\$ 305,406)
Transfer In (Interfund)	-0-	99,232	99,232	701,728	701,728	-0-	-0-	-0-	-0-
Bonds Issued	16,500,000	16,500,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Premium on Bonds Issued	167,856	167,856	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sale of Capital Assets	2,000	-0-	2,000	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	( 925,432)	( 682,600)	( 242,832)	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out (Interfund)	( 3,431,223)	( 6,535,505)	3,104,282	-0-	-0-	-0-	( 99,232)	( 99,232)	-0-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 18,247,004</b>	<b>\$ 15,553,332</b>	<b>\$ 2,892,136</b>	<b>\$ 751,728</b>	<b>\$ 751,728</b>	<b>\$ -0-</b>	<b>\$ 1,086,368</b>	<b>\$ 1,391,774</b>	<b>(\$ 305,406)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 12,368,441</b>	<b>\$ 14,552,971</b>	<b>\$ 2,184,530</b>	<b>(\$ 313,521)</b>	<b>(\$ 5,018)</b>	<b>\$ 308,503</b>	<b>(\$ 16,686,661)</b>	<b>\$ 371,800</b>	<b>\$ 17,058,461</b>
Fund Balance - Beginning	-0-	29,821,899	29,821,899	-0-	515,996	515,996	-0-	735,113	735,113
Restatement of Beginning Fund Balance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Fund Balance - Ending</b>	<b>\$ 12,368,441</b>	<b>\$ 44,374,870</b>	<b>\$ 32,006,429</b>	<b>(\$ 313,521)</b>	<b>\$ 510,978</b>	<b>\$ 824,499</b>	<b>(\$ 16,686,661)</b>	<b>\$ 1,106,913</b>	<b>\$ 17,793,574</b>

(Continued)

**CITY OF SAN ANGELO, TEXAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis) - General Fund Accounts**

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

	Equipment Replacement			Street Capital Project			Fort Concho Museum		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>									
Taxes:									
Property	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sales	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Franchise	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Mixed Drink	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Bingo	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Licenses and Permits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Charges for Services	40,000	32,596	( 7,404)	-0-	-0-	-0-	629,350	625,725	( 3,625)
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:									
Interest	-0-	4,895	4,895	5,705	49,915	44,210	3,867	4,959	1,092
Change in Fair Value of Investments	-0-	( 469)	( 469)	-0-	( 37,218)	( 37,218)	-0-	( 1)	( 1)
Miscellaneous:									
Gifts and Contributions	-0-	-0-	-0-	3,906,685	-0-	( 3,906,685)	5,050	8,441	3,391
Other Miscellaneous	55,000	155,472	100,472	-0-	-0-	-0-	13,000	6,823	( 6,177)
<b>Total Revenues</b>	<b>\$ 95,000</b>	<b>\$ 192,494</b>	<b>\$ 97,494</b>	<b>\$ 3,912,390</b>	<b>\$ 12,697</b>	<b>(\$ 3,899,693)</b>	<b>\$ 651,267</b>	<b>\$ 645,947</b>	<b>(\$ 5,320)</b>
<b>EXPENDITURES</b>									
Current:									
General Government	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Public Safety	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Public Works and Transportation	-0-	-0-	-0-	49,358	49,356	2	-0-	-0-	-0-
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	8,500	-0-	8,500	-0-	-0-	-0-	-0-	-0-	-0-
Culture, Parks and Recreation	-0-	-0-	-0-	-0-	-0-	-0-	1,127,655	969,486	158,169
<b>Total Current Expenditures</b>	<b>\$ 8,500</b>	<b>\$ -0-</b>	<b>\$ 8,500</b>	<b>\$ 49,358</b>	<b>\$ 49,356</b>	<b>\$ 2</b>	<b>\$ 1,127,655</b>	<b>\$ 969,486</b>	<b>\$ 158,169</b>
Capital Outlay	2,678,219	1,495,244	1,182,975	8,000,973	535,514	7,465,459	-0-	-0-	-0-
Debt Service:									
Principal	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total Expenditures</b>	<b>\$ 2,686,719</b>	<b>\$ 1,495,244</b>	<b>\$ 1,191,475</b>	<b>\$ 8,050,331</b>	<b>\$ 584,870</b>	<b>\$ 7,465,461</b>	<b>\$ 1,127,655</b>	<b>\$ 969,486</b>	<b>\$ 158,169</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>(\$ 2,591,719)</b>	<b>(\$ 1,302,750)</b>	<b>(\$ 1,288,969)</b>	<b>(\$ 4,137,941)</b>	<b>(\$ 572,173)</b>	<b>(\$ 3,565,768)</b>	<b>(\$ 476,388)</b>	<b>(\$ 323,539)</b>	<b>(\$ 152,849)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 50,000	\$ 120,000	(\$ 70,000)
Transfer In (Interfund)	2,281,373	2,281,373	-0-	244,295	3,109,282	2,864,987	356,388	356,388	-0-
Bonds Issued	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Premium on Bonds Issued	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sale of Capital Assets	55,000	-0-	55,000	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	-0-	-0-	-0-	-0-	( 60,829)	60,829	-0-	-0-	-0-
Transfers Out (Interfund)	-0-	-0-	-0-	( 60,829)	-0-	( 60,829)	-0-	-0-	-0-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 2,336,373</b>	<b>\$ 2,281,373</b>	<b>\$ 55,000</b>	<b>\$ 183,466</b>	<b>\$ 3,048,453</b>	<b>\$ 2,864,987</b>	<b>\$ 406,388</b>	<b>\$ 476,388</b>	<b>(\$ 70,000)</b>
Net Change in Fund Balance	<b>(\$ 255,346)</b>	<b>\$ 978,623</b>	<b>\$ 1,233,969</b>	<b>(\$ 3,954,475)</b>	<b>\$ 2,476,280</b>	<b>\$ 6,430,755</b>	<b>(\$ 70,000)</b>	<b>\$ 152,849</b>	<b>\$ 222,849</b>
Fund Balance - Beginning	-0-	472,022	472,022	-0-	3,819,350	3,819,350	-0-	215,534	215,534
Restatement of Beginning Fund Balance	-0-	20,000	20,000	-0-	-0-	-0-	-0-	-0-	-0-
<b>Fund Balance - Ending</b>	<b>(\$ 255,346)</b>	<b>\$ 1,470,645</b>	<b>\$ 1,725,991</b>	<b>(\$ 3,954,475)</b>	<b>\$ 6,295,630</b>	<b>\$ 10,250,105</b>	<b>(\$ 70,000)</b>	<b>\$ 368,383</b>	<b>\$ 438,383</b>

(Continued)

**CITY OF SAN ANGELO, TEXAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis) - General Fund Accounts**

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

	Fairmount Cemetery			Payroll			Total		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>									
Taxes:									
Property	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 33,771,546	\$ 33,787,483	\$ 15,937
Sales	-0-	-0-	-0-	-0-	-0-	-0-	19,217,625	19,812,694	595,069
Franchise	-0-	-0-	-0-	-0-	-0-	-0-	4,633,982	4,586,508	( 47,474)
Mixed Drink	-0-	-0-	-0-	-0-	-0-	-0-	375,000	353,657	( 21,343)
Bingo	-0-	-0-	-0-	-0-	-0-	-0-	42,526	36,960	( 5,566)
Licenses and Permits	-0-	-0-	-0-	-0-	-0-	-0-	859,356	804,071	( 55,285)
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Charges for Services	283,900	343,625	59,725	-0-	-0-	-0-	7,113,258	9,315,241	2,201,983
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-	3,197,139	3,043,918	( 153,221)
Investment Income:									
Interest	2,000	2,041	41	-0-	-0-	-0-	467,275	627,254	159,979
Change in Fair Value of Investments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	( 162,359)	( 162,359)
Miscellaneous:									
Gifts and Contributions	50,000	43,435	( 6,565)	-0-	-0-	-0-	3,961,735	51,876	( 3,909,859)
Other Miscellaneous	5,000	325	( 4,675)	-0-	-0-	-0-	1,242,863	1,036,030	( 206,833)
<b>Total Revenues</b>	<b>\$ 340,900</b>	<b>\$ 389,426</b>	<b>\$ 48,526</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 74,882,305</b>	<b>\$ 73,293,333</b>	<b>(\$ 1,588,972)</b>
<b>EXPENDITURES</b>									
Current:									
General Government	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,745,902	\$ 10,391,827	\$ 354,075
Public Safety	-0-	-0-	-0-	-0-	-0-	-0-	42,197,638	44,892,477	( 2,694,839)
Public Works and Transportation	-0-	-0-	-0-	-0-	-0-	-0-	13,015,162	10,300,498	2,714,664
Public Facilities	448,291	391,116	57,175	-0-	-0-	-0-	1,131,594	1,010,503	121,091
Health and Human Services	-0-	-0-	-0-	-0-	-0-	-0-	1,669,749	1,516,256	153,493
Culture, Parks and Recreation	-0-	-0-	-0-	-0-	-0-	-0-	7,111,925	5,899,521	1,212,404
<b>Total Current Expenditures</b>	<b>\$ 448,291</b>	<b>\$ 391,116</b>	<b>\$ 57,175</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 75,871,970</b>	<b>\$ 74,011,082</b>	<b>\$ 1,860,888</b>
Capital Outlay	5,326	5,326	-0-	-0-	-0-	-0-	30,882,191	4,101,060	26,781,131
Debt Service:									
Principal	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	-0-	-0-	-0-	-0-	-0-	163,750	163,750	-0-
<b>Total Expenditures</b>	<b>\$ 453,617</b>	<b>\$ 396,442</b>	<b>\$ 57,175</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 106,917,911</b>	<b>\$ 78,275,892</b>	<b>\$ 28,642,019</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>(\$ 112,717)</b>	<b>(\$ 7,016)</b>	<b>(\$ 105,701)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>(\$ 32,035,606)</b>	<b>(\$ 4,982,559)</b>	<b>(\$ 27,053,047)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 7,219,403	\$ 7,665,355	(\$ 445,952)
Transfer In (Interfund)	86,734	86,734	-0-	-0-	-0-	-0-	3,670,518	6,634,737	2,964,219
Bonds Issued	-0-	-0-	-0-	-0-	-0-	-0-	16,500,000	16,500,000	-0-
Premium on Bonds Issued	-0-	-0-	-0-	-0-	-0-	-0-	167,856	167,856	-0-
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	57,000	-0-	57,000
Transfers Out	-0-	-0-	-0-	-0-	-0-	-0-	( 925,432)	( 743,429)	( 182,003)
Transfers Out (Interfund)	-0-	-0-	-0-	-0-	-0-	-0-	( 3,591,284)	( 6,634,737)	3,043,453
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 86,734</b>	<b>\$ 86,734</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 23,098,061</b>	<b>\$ 23,589,782</b>	<b>\$ 5,436,717</b>
Net Change in Fund Balance	<b>(\$ 25,983)</b>	<b>\$ 79,718</b>	<b>\$ 105,701</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>(\$ 8,937,545)</b>	<b>\$ 18,607,223</b>	<b>\$ 27,544,768</b>
Fund Balance - Beginning	-0-	( 111,707)	( 111,707)	-0-	-0-	-0-	-0-	35,468,207	35,468,207
Restatement of Beginning Fund Balance	-0-	8,809	8,809	-0-	-0-	-0-	-0-	28,809	28,809
<b>Fund Balance - Ending</b>	<b>(\$ 25,983)</b>	<b>(\$ 23,180)</b>	<b>\$ 2,803</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>(\$ 8,937,545)</b>	<b>\$ 54,104,239</b>	<b>\$ 63,041,784</b>

(Continued)

# CITY OF SAN ANGELO, TEXAS

## Nonmajor Governmental Funds Description

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

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### **SPECIAL REVENUE FUNDS**

To account for the proceeds of specific revenue sources that are normally restricted or committed to expenditures for specified purposes.

Community Development Fund – To account for the expenditure of funds received from the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant program.

Intergovernmental Fund – To account for funds received from the various federal and state grants.

HOME Program Fund – To account for funds received from HUD under the housing rehabilitation and assistance program.

Designated Revenue Fund – To account for the expenditure of funds contributed by San Angelo citizens for special purposes.

Tax Increment Reinvestment Zone Fund – To account for expenditure of property taxes on the increments in real property values over the base values established on January 1, 2006, for public improvements in the Zone or payment of debt service on bonds issued for public improvements.

### **CAPITAL PROJECTS FUND**

To account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Sales Tax Project – To account for certificate of obligation proceeds to accomplish projects specified on the ballots in the elections adopting the type B economic development sales tax.

### **PERMANENT FUNDS**

To report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Santa Fe Park Trust Fund – To account for trust principal and related investment income. Net earnings up to 7% can be paid to the City to be used for the upkeep and beautification of the park. Earnings in excess of 7% become part of principal.

Lake Nasworthy Trust Fund – To account for trust principal, consisting of 20% of all lake lot lease income and the proceeds from the sale of lake lots plus 10% of the annual interest income. None of the principal can be expended without the approval of a majority of the voters in an election for such purpose.

**CITY OF SAN ANGELO, TEXAS**

**Combining Balance Sheet - Nonmajor Governmental Funds**

**As of September 30, 2018**

	Special Revenue Funds						Capital	Permanent Funds			Total Nonmajor Governmental Funds
	Community Development	Intergovern- mental	HOME Program	Designated Revenue	Tax	Total	Sales Tax Projects	Santa Fe Park Trust	Lake	Total	
					Increment Reinv. Zone				Nasworthy Trust		
<b>ASSETS</b>											
Cash and Cash Equivalents	\$ 113,372	\$ 584,727	\$ 266,711	\$ -0-	\$ -0-	\$ 964,810	\$ 334,104	\$ -0-	\$ -0-	\$ -0-	\$ 1,298,914
Investments	45	221	-0-	-0-	494,062	494,328	741,772	-0-	-0-	-0-	1,236,100
Receivables:											
Accrued Interest	1,377	1,226	-0-	5,240	3,735	11,578	-0-	-0-	63,820	63,820	75,398
Property Taxes	-0-	-0-	-0-	-0-	374,446	374,446	-0-	-0-	-0-	-0-	374,446
Accounts	210,412	-0-	220,684	-0-	-0-	431,096	-0-	-0-	-0-	-0-	431,096
Less: Allowance for Uncollectibles	( 11,886)	-0-	-0-	-0-	-0-	( 11,886)	-0-	-0-	-0-	-0-	( 11,886)
Due from Other Governments	53,390	574,842	20,421	-0-	-0-	648,653	-0-	-0-	-0-	-0-	648,653
Prepaid Expense	-0-	1,050	-0-	-0-	-0-	1,050	-0-	-0-	-0-	-0-	1,050
Restricted Assets:											
Cash and Cash Equivalents	-0-	-0-	-0-	493,123	1,206,871	1,699,994	-0-	13,925	1,137,263	1,151,188	2,851,182
Investments	-0-	-0-	-0-	1,072,243	-0-	1,072,243	-0-	-0-	13,318,912	13,318,912	14,391,155
<b>Total Assets</b>	<b>\$ 366,710</b>	<b>\$ 1,162,066</b>	<b>\$ 507,816</b>	<b>\$ 1,570,606</b>	<b>\$ 2,079,114</b>	<b>\$ 5,686,312</b>	<b>\$ 1,075,876</b>	<b>\$ 13,925</b>	<b>\$ 14,519,995</b>	<b>\$ 14,533,920</b>	<b>\$ 21,296,108</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>											
Deferred Charges on Refunding	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total Deferred Outflows of Resources</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
<b>LIABILITIES</b>											
Accounts Payable	\$ 9,126	\$ 32,692	\$ 16,797	\$ 54,942	\$ 149	\$ 113,706	\$ 118,527	\$ -0-	\$ 2,750	\$ 2,750	\$ 234,983
Due to Other Funds	-0-	-0-	-0-	-0-	-0-	-0-	413,948	-0-	-0-	-0-	413,948
Deposits	-0-	-0-	1,700	-0-	-0-	1,700	-0-	-0-	-0-	-0-	1,700
<b>Total Liabilities</b>	<b>\$ 9,126</b>	<b>\$ 32,692</b>	<b>\$ 18,497</b>	<b>\$ 54,942</b>	<b>\$ 149</b>	<b>\$ 115,406</b>	<b>\$ 532,475</b>	<b>\$ -0-</b>	<b>\$ 2,750</b>	<b>\$ 2,750</b>	<b>\$ 650,631</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable Revenue - Property Taxes	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total Deferred Outflows of Resources</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
<b>FUND BALANCES</b>											
Nonspendable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,000	\$ 14,729,825	\$ 14,739,825	\$ 14,739,825
Restricted	357,584	1,129,374	489,319	126,905	2,078,965	4,182,147	-0-	3,925	-0-	3,925	4,186,072
Committed	-0-	-0-	-0-	1,388,759	-0-	1,388,759	543,401	-0-	-0-	-0-	1,932,160
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	( 212,580)	( 212,580)	( 212,580)
<b>Total Fund Balances</b>	<b>\$ 357,584</b>	<b>\$ 1,129,374</b>	<b>\$ 489,319</b>	<b>\$ 1,515,664</b>	<b>\$ 2,078,965</b>	<b>\$ 5,570,906</b>	<b>\$ 543,401</b>	<b>\$ 13,925</b>	<b>\$ 14,517,245</b>	<b>\$ 14,531,170</b>	<b>\$ 20,645,477</b>

**CITY OF SAN ANGELO, TEXAS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
Nonmajor Governmental Funds**

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

	Special Revenue Funds						Capital Projects	Permanent Funds			Total Nonmajor Governmental Funds	
	Community Development	Intergovern- mental	HOME Program	Designated Revenue	Tax		Sales Tax Projects	Santa Fe Park Trust	Lake Nasworthy Trust			Total
					Increment Reinv. Zone	Total			Total			
<b>REVENUES</b>												
Taxes:												
Property	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 910,758	\$ 910,758	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 910,758
Motel	-0-	-0-	-0-	2,493,761	-0-	2,493,761	-0-	-0-	-0-	-0-	-0-	2,493,761
Licenses and Permits	-0-	90,985	-0-	-0-	-0-	90,985	-0-	-0-	-0-	-0-	-0-	90,985
Intergovernmental	637,145	2,220,685	258,363	-0-	-0-	3,116,193	-0-	-0-	-0-	-0-	-0-	3,116,193
Charges for Services	-0-	167,931	-0-	-0-	-0-	167,931	-0-	-0-	36,706	36,706	204,637	204,637
Investment Income:												
Interest	-0-	5,839	-0-	33,143	19,092	58,074	21,650	-0-	213,746	213,746	293,470	293,470
Change in Fair Value of Investments	-0-	-0-	-0-	( 5,314)	( 4,800)	( 10,114)	( 16,347)	-0-	( 216,888)	( 216,888)	( 243,349)	( 243,349)
Miscellaneous:												
Gifts and Contributions	-0-	227,193	-0-	121,947	-0-	349,140	-0-	-0-	-0-	-0-	349,140	349,140
Program Income	-0-	-0-	2,864	-0-	-0-	2,864	-0-	-0-	-0-	-0-	2,864	2,864
Other Miscellaneous	-0-	120,466	109,680	-0-	-0-	230,146	-0-	-0-	650	650	230,796	230,796
<b>Total Revenues</b>	<b>\$ 637,145</b>	<b>\$ 2,833,099</b>	<b>\$ 370,907</b>	<b>\$ 2,643,537</b>	<b>\$ 925,050</b>	<b>\$ 7,409,738</b>	<b>\$ 5,303</b>	<b>\$ -0-</b>	<b>\$ 34,214</b>	<b>\$ 34,214</b>	<b>\$ 7,449,255</b>	<b>\$ 7,449,255</b>
<b>EXPENDITURES</b>												
Current:												
Public Safety	\$ -0-	\$ 303,625	\$ -0-	\$ 42,041	\$ -0-	\$ 345,666	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 345,666
Public Works and Transportation	-0-	255,757	-0-	-0-	-0-	255,757	-0-	-0-	-0-	-0-	-0-	255,757
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	38,000	1,610,789	-0-	11,363	-0-	1,660,152	-0-	-0-	-0-	-0-	1,660,152	1,660,152
Culture, Parks and Recreation	-0-	-0-	-0-	1,112,034	-0-	1,112,034	61,892	-0-	-0-	-0-	1,173,926	1,173,926
Economic Development	10,514	-0-	-0-	-0-	521,041	531,555	-0-	-0-	-0-	-0-	531,555	531,555
Urban Redevelopment and Housing	511,144	-0-	346,306	-0-	-0-	857,450	-0-	-0-	-0-	-0-	857,450	857,450
<b>Total Current Expenditures</b>	<b>\$ 559,658</b>	<b>\$ 2,170,171</b>	<b>\$ 346,306</b>	<b>\$ 1,165,438</b>	<b>\$ 521,041</b>	<b>\$ 4,762,614</b>	<b>\$ 61,892</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 4,824,506</b>	<b>\$ 4,824,506</b>
Capital Outlay	-0-	755,073	-0-	-0-	-0-	755,073	233,602	-0-	-0-	-0-	988,675	988,675
Debt Service:												
Principal	146,047	-0-	-0-	-0-	-0-	146,047	-0-	-0-	-0-	-0-	146,047	146,047
Interest and Fiscal Charges	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total Expenditures</b>	<b>\$ 705,705</b>	<b>\$ 2,925,244</b>	<b>\$ 346,306</b>	<b>\$ 1,165,438</b>	<b>\$ 521,041</b>	<b>\$ 5,663,734</b>	<b>\$ 295,494</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 5,959,228</b>	<b>\$ 5,959,228</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 68,560)	(\$ 92,145)	\$ 24,601	\$ 1,478,099	\$ 404,009	\$ 1,746,004	(\$ 290,191)	\$ -0-	\$ 34,214	\$ 34,214	\$ 1,490,027	\$ 1,490,027
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers In	\$ -0-	\$ 387,600	\$ -0-	\$ -0-	\$ -0-	\$ 387,600	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 387,600	\$ 387,600
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	480,484	480,484	480,484	480,484
Proceeds from Long-Term Debt	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	-0-	( 71,550)	-0-	( 1,591,006)	-0-	( 1,662,556)	-0-	-0-	( 192,371)	( 192,371)	( 1,854,927)	( 1,854,927)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -0-</b>	<b>\$ 316,050</b>	<b>\$ -0-</b>	<b>(\$ 1,591,006)</b>	<b>\$ -0-</b>	<b>(\$ 1,274,956)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 288,113</b>	<b>\$ 288,113</b>	<b>(\$ 986,843)</b>	<b>(\$ 986,843)</b>
<b>Net Change in Fund Balances</b>	<b>(\$ 68,560)</b>	<b>\$ 223,905</b>	<b>\$ 24,601</b>	<b>(\$ 112,907)</b>	<b>\$ 404,009</b>	<b>\$ 471,048</b>	<b>(\$ 290,191)</b>	<b>\$ -0-</b>	<b>\$ 322,327</b>	<b>\$ 322,327</b>	<b>\$ 503,184</b>	<b>\$ 503,184</b>
Fund Balances - Beginning	426,144	896,915	464,718	1,628,571	1,674,956	5,091,304	833,592	13,925	14,194,918	14,208,843	20,133,739	20,133,739
Restatement of Beginning Fund Balance	-0-	8,554	-0-	-0-	-0-	8,554	-0-	-0-	-0-	-0-	8,554	8,554
<b>Fund Balances - Ending</b>	<b>\$ 357,584</b>	<b>\$ 1,129,374</b>	<b>\$ 489,319</b>	<b>\$ 1,515,664</b>	<b>\$ 2,078,965</b>	<b>\$ 5,570,906</b>	<b>\$ 543,401</b>	<b>\$ 13,925</b>	<b>\$ 14,517,245</b>	<b>\$ 14,531,170</b>	<b>\$ 20,645,477</b>	<b>\$ 20,645,477</b>

**CITY OF SAN ANGELO, TEXAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -  
(Non-GAAP Budgetary Basis) - Nonmajor Governmental Funds**

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

	Community Development			Intergovernmental Special Revenue Fund			HOME Program		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>									
Taxes:									
Property	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Motel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Licenses and Permits	-0-	-0-	-0-	80,000	90,985	10,985	-0-	-0-	-0-
Intergovernmental	814,889	637,145	( 177,744)	3,365,714	2,220,685	( 1,145,029)	395,545	258,363	( 137,182)
Charges for Services	-0-	-0-	-0-	177,423	167,931	( 9,492)	-0-	-0-	-0-
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:									
Interest	-0-	-0-	-0-	-0-	5,839	5,839	-0-	-0-	-0-
Change in Fair Value of Investments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Miscellaneous:									
Gifts and Contributions	-0-	-0-	-0-	206,722	227,193	20,471	-0-	-0-	-0-
Program Income	-0-	-0-	-0-	-0-	-0-	-0-	133,937	2,864	( 131,073)
Other Miscellaneous	-0-	-0-	-0-	90,300	120,466	30,166	79,549	109,680	30,131
<b>Total Revenues</b>	<b>\$ 814,889</b>	<b>\$ 637,145</b>	<b>(\$ 177,744)</b>	<b>\$ 3,920,159</b>	<b>\$ 2,833,099</b>	<b>(\$ 1,087,060)</b>	<b>\$ 609,031</b>	<b>\$ 370,907</b>	<b>(\$ 238,124)</b>
<b>EXPENDITURES</b>									
Current:									
Public Safety	\$ -0-	\$ -0-	\$ -0-	\$ 375,730	\$ 303,625	\$ 72,105	\$ -0-	\$ -0-	\$ -0-
Public Works and Transportation	-0-	-0-	-0-	566,310	255,757	310,553	-0-	-0-	-0-
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	38,700	38,000	700	2,277,423	1,610,789	666,634	-0-	-0-	-0-
Culture, Parks and Recreation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Economic Development	26,400	10,514	15,886	-0-	-0-	-0-	-0-	-0-	-0-
Urban Redevelopment and Housing	457,223	511,144	( 53,921)	-0-	-0-	-0-	566,142	346,306	219,836
<b>Total Current Expenditures</b>	<b>\$ 522,323</b>	<b>\$ 559,658</b>	<b>(\$ 37,335)</b>	<b>\$ 3,219,463</b>	<b>\$ 2,170,171</b>	<b>\$ 1,049,292</b>	<b>\$ 566,142</b>	<b>\$ 346,306</b>	<b>\$ 219,836</b>
Capital Outlay	-0-	-0-	-0-	1,432,650	755,073	677,577	-0-	-0-	-0-
Debt Service:									
Principal	146,048	146,047	1	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total Debt Service</b>	<b>\$ 146,048</b>	<b>\$ 146,047</b>	<b>\$ 1</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
<b>Total Expenditures</b>	<b>\$ 668,371</b>	<b>\$ 705,705</b>	<b>(\$ 37,334)</b>	<b>\$ 4,652,113</b>	<b>\$ 2,925,244</b>	<b>\$ 1,726,869</b>	<b>\$ 566,142</b>	<b>\$ 346,306</b>	<b>\$ 219,836</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 146,518	(\$ 68,560)	\$ 215,078	(\$ 731,954)	(\$ 92,145)	(\$ 639,809)	\$ 42,889	\$ 24,601	\$ 18,288
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ 387,600	\$ 387,600	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	-0-	-0-	-0-	( 72,750)	( 71,550)	( 1,200)	-0-	-0-	-0-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 314,850</b>	<b>\$ 316,050</b>	<b>(\$ 1,200)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
<b>Net Change in Fund Balance</b>	<b>\$ 146,518</b>	<b>(\$ 68,560)</b>	<b>\$ 215,078</b>	<b>(\$ 417,104)</b>	<b>\$ 223,905</b>	<b>(\$ 641,009)</b>	<b>\$ 42,889</b>	<b>\$ 24,601</b>	<b>\$ 18,288</b>
Fund Balance - Beginning	-0-	426,144	( 426,144)	-0-	896,915	( 896,915)	-0-	464,718	( 464,718)
Restatement of Beginning Fund Balance	-0-	-0-	-0-	-0-	8,554	( 8,554)	-0-	-0-	-0-
<b>Fund Balance - Ending</b>	<b>\$ 146,518</b>	<b>\$ 357,584</b>	<b>(\$ 211,066)</b>	<b>(\$ 417,104)</b>	<b>\$ 1,129,374</b>	<b>(\$ 1,546,478)</b>	<b>\$ 42,889</b>	<b>\$ 489,319</b>	<b>(\$ 446,430)</b>

(Continued)

**CITY OF SAN ANGELO, TEXAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -  
(Non-GAAP Budgetary Basis) - Nonmajor Governmental Funds**

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

	Designated Revenue Special Revenue Fund			Tax Increment Reinvestment Zone Special Revenue Fund (TIRZ)			Sales Tax Projects		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
			Positive (Negative)			Positive (Negative)			Positive (Negative)
<b>REVENUES</b>									
Taxes:									
Property	\$ -0-	\$ -0-	\$ -0-	\$ 871,259	\$ 910,758	\$ 39,499	\$ -0-	\$ -0-	\$ -0-
Motel	-0-	2,493,761	2,493,761	-0-	-0-	-0-	-0-	-0-	-0-
Licenses and Permits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Charges for Services	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:									
Interest	30,084	33,143	3,059	15,567	19,092	3,525	-0-	21,650	21,650
Change in Fair Value of Investments	-0-	( 5,314)	( 5,314)	-0-	( 4,800)	( 4,800)	-0-	( 16,347)	( 16,347)
Miscellaneous:									
Gifts and Contributions	99,966	121,947	21,981	-0-	-0-	-0-	-0-	-0-	-0-
Program Income	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other Miscellaneous	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Revenues	<u>\$ 130,050</u>	<u>\$ 2,643,537</u>	<u>\$ 2,513,487</u>	<u>\$ 886,826</u>	<u>\$ 925,050</u>	<u>\$ 38,224</u>	<u>\$ -0-</u>	<u>\$ 5,303</u>	<u>\$ 5,303</u>
<b>EXPENDITURES</b>									
Current:									
Public Safety	\$ 83,483	\$ 42,041	\$ 41,442	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Public Works and Transportation	1,211	-0-	1,211	-0-	-0-	-0-	-0-	-0-	-0-
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	30,108	11,363	18,745	-0-	-0-	-0-	-0-	-0-	-0-
Culture, Parks and Recreation	1,169,831	1,112,034	57,797	-0-	-0-	-0-	-0-	61,892	( 61,892)
Economic Development	-0-	-0-	-0-	2,159,619	521,041	1,638,578	-0-	-0-	-0-
Urban Redevelopment and Housing	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Current Expenditures	<u>\$ 1,284,633</u>	<u>\$ 1,165,438</u>	<u>\$ 119,195</u>	<u>\$ 2,159,619</u>	<u>\$ 521,041</u>	<u>\$ 1,638,578</u>	<u>\$ -0-</u>	<u>\$ 61,892</u>	<u>(\$ 61,892)</u>
Capital Outlay	27,453	-0-	27,453	-0-	-0-	-0-	-0-	233,602	( 233,602)
Debt Service:									
Principal	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Debt Service	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Total Expenditures	<u>\$ 1,312,086</u>	<u>\$ 1,165,438</u>	<u>\$ 146,648</u>	<u>\$ 2,159,619</u>	<u>\$ 521,041</u>	<u>\$ 1,638,578</u>	<u>\$ -0-</u>	<u>\$ 295,494</u>	<u>(\$ 295,494)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$ 1,182,036)</u>	<u>\$ 1,478,099</u>	<u>(\$ 2,660,135)</u>	<u>(\$ 1,272,793)</u>	<u>\$ 404,009</u>	<u>(\$ 1,676,802)</u>	<u>\$ -0-</u>	<u>(\$ 290,191)</u>	<u>\$ 290,191</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	( 1,603,441)	( 1,591,006)	( 12,435)	-0-	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>(\$ 1,603,441)</u>	<u>(\$ 1,591,006)</u>	<u>(\$ 12,435)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Net Change in Fund Balance	<u>(\$ 2,785,477)</u>	<u>(\$ 112,907)</u>	<u>(\$ 2,672,570)</u>	<u>(\$ 1,272,793)</u>	<u>\$ 404,009</u>	<u>(\$ 1,676,802)</u>	<u>\$ -0-</u>	<u>(\$ 290,191)</u>	<u>\$ 290,191</u>
Fund Balance - Beginning	-0-	1,628,571	( 1,628,571)	-0-	1,674,956	( 1,674,956)	-0-	833,592	( 833,592)
Restatement of Beginning Fund Balance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fund Balance - Ending	<u>(\$ 2,785,477)</u>	<u>\$ 1,515,664</u>	<u>(\$ 4,301,141)</u>	<u>(\$ 1,272,793)</u>	<u>\$ 2,078,965</u>	<u>(\$ 3,351,758)</u>	<u>\$ -0-</u>	<u>\$ 543,401</u>	<u>(\$ 543,401)</u>

(Continued)



**CITY OF SAN ANGELO, TEXAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -  
(Non-GAAP Budgetary Basis) - Nonmajor Governmental Funds**

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

	Sante Fe Park Trust			Lake Nasworthy Trust Permanent Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Taxes:						
Property	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Motel	-0-	-0-	-0-	-0-	-0-	-0-
Licenses and Permits	-0-	-0-	-0-	-0-	-0-	-0-
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-
Charges for Services	-0-	-0-	-0-	32,882	36,706	3,824
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:						
Interest	-0-	-0-	-0-	206,138	213,746	7,608
Change in Fair Value of Investments	-0-	-0-	-0-	-0-	( 216,888)	( 216,888)
Miscellaneous:						
Gifts and Contributions	-0-	-0-	-0-	-0-	-0-	-0-
Program Income	-0-	-0-	-0-	-0-	-0-	-0-
Other Miscellaneous	-0-	-0-	-0-	-0-	650	650
Total Revenues	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 239,020</u>	<u>\$ 34,214</u>	<u>(\$ 204,806)</u>
<b>EXPENDITURES</b>						
Current:						
Public Safety	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Public Works and Transportation	-0-	-0-	-0-	-0-	-0-	-0-
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	-0-	-0-	-0-	-0-	-0-	-0-
Culture, Parks and Recreation	-0-	-0-	-0-	-0-	-0-	-0-
Economic Development	-0-	-0-	-0-	-0-	-0-	-0-
Urban Redevelopment and Housing	-0-	-0-	-0-	-0-	-0-	-0-
Total Current Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Capital Outlay	-0-	-0-	-0-	-0-	-0-	-0-
Debt Service:						
Principal	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	-0-	-0-	-0-	-0-	-0-
Total Debt Service	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Total Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 239,020</u>	<u>\$ 34,214</u>	<u>\$ 204,806</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sale of Capital Assets	-0-	-0-	-0-	650,000	480,484	169,516
Transfers Out	-0-	-0-	-0-	( 185,524)	( 192,371)	6,847
Total Other Financing Sources (Uses)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 464,476</u>	<u>\$ 288,113</u>	<u>\$ 176,363</u>
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 703,496</u>	<u>\$ 322,327</u>	<u>\$ 381,169</u>
Fund Balance - Beginning	-0-	13,925	( 13,925)	-0-	14,194,918	( 14,194,918)
Restatement of Beginning Fund Balance	-0-	-0-	-0-	-0-	-0-	-0-
Fund Balance - Ending	<u>\$ -0-</u>	<u>\$ 13,925</u>	<u>(\$ 13,925)</u>	<u>\$ 703,496</u>	<u>\$ 14,517,245</u>	<u>(\$ 13,813,749)</u>

**CITY OF SAN ANGELO, TEXAS**

**Major Governmental Capital Projects Fund Description**

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

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**CAPITAL PROJECTS FUND**

To account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Improvement Fund – To account for the authorized expenditure of the proceeds of certificates of obligation.

**CITY OF SAN ANGELO, TEXAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Major Governmental Capital  
Projects Fund**

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

	Capital Improvement Fund		
	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Investment Income:			
Interest	\$ -0-	\$ 330,899	\$ 330,899
Change in Fair Value of Investments	-0-	( 85,353)	( 85,353)
Taxes:			
Property	-0-	-0-	-0-
Other Miscellaneous	-0-	-0-	-0-
Total Revenues	<u>\$ -0-</u>	<u>\$ 245,546</u>	<u>\$ 245,546</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	\$ -0-	\$ 70,000	(\$ 70,000)
Total Current Expenditures	<u>\$ -0-</u>	<u>\$ 70,000</u>	<u>(\$ 70,000)</u>
Capital Outlay	17,483,023	5,670,031	11,812,992
Debt Service:			
Principal	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	-0-	-0-
Total Expenditures	<u>\$ 17,483,023</u>	<u>\$ 5,740,031</u>	<u>\$ 11,742,992</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$ 17,483,023)</u>	<u>(\$ 5,494,485)</u>	<u>\$ 11,988,538</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Long-Term Debt	\$ -0-	\$ -0-	\$ -0-
Issuance of Debt Premium	-0-	-0-	-0-
Settlement Proceeds	-0-	-0-	-0-
Transfer Out	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Net Change in Fund Balance	<u>(\$ 17,483,023)</u>	<u>(\$ 5,494,485)</u>	<u>\$ 11,988,538</u>
Fund Balance - Beginning	-0-	19,672,377	19,672,377
Fund Balance - Ending	<u>(\$ 17,483,023)</u>	<u>\$ 14,177,892</u>	<u>\$ 31,660,915</u>

**CITY OF SAN ANGELO, TEXAS**

**Major Governmental Debt Service Fund Description**

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

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**DEBT SERVICE FUND**

To record the accumulation of resources for, and the payment of, long-term debt principal and interest not serviced by the proprietary funds.

Debt Service Fund – To account for the accumulation of resources and payment of principal and interest on general obligation bonds and certificates of obligation and sales tax supported certificates of obligations. Resources are provided by an ad valorem tax levy and transfer of type B sales tax proceeds from the Development Corporation.

**CITY OF SAN ANGELO, TEXAS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) -  
Major Governmental Debt Service Fund**

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

	Debt Service Fund		
	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Investment Income:			
Interest	\$ 4,500	\$ 32,539	\$ 28,039
Change in Fair Value of Investments	-0-	( 9,902)	( 9,902)
Taxes:			
Property	4,566,476	4,581,711	15,235
Other Miscellaneous	-0-	2,706,018	2,706,018
Total Revenues	\$ 4,570,976	\$ 7,310,366	\$ 2,739,390
<b>EXPENDITURES</b>			
Current:			
General Government	\$ -0-	\$ -0-	\$ -0-
Total Current Expenditures	\$ -0-	\$ -0-	\$ -0-
Capital Outlay	-0-	-0-	-0-
Debt Service:			
Principal	5,575,000	5,575,000	-0-
Interest and Fiscal Charges	2,197,883	2,435,636	( 237,753)
Total Expenditures	\$ 7,772,883	\$ 8,010,636	(\$ 237,753)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 3,201,907)	(\$ 700,270)	\$ 2,501,637
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Long-Term Debt	\$ -0-	\$ -0-	\$ -0-
Issuance of Debt	-0-	11,320,000	( 11,320,000)
Issuance of Debt Premium	-0-	1,315,578	( 1,315,578)
Payment to Advance Refunding Escrow Agent	-0-	( 12,382,674)	12,382,674
Transfer In (Out)	200,000	200,000	-0-
Total Other Financing Sources (Uses)	\$ 200,000	\$ 452,904	(\$ 252,904)
Net Change in Fund Balance	(\$ 3,001,907)	(\$ 247,366)	\$ 2,754,541
Fund Balance - Beginning	-0-	875,089	875,089
Fund Balance - Ending	(\$ 3,001,907)	\$ 627,723	\$ 3,629,630

**CITY OF SAN ANGELO, TEXAS**

**Nonmajor Enterprise Funds Description**

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

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**ENTERPRISE FUNDS**

To account for any activity for which a fee is charged to external users for goods or services.

The City operates six enterprise funds. The Water and Sewer enterprise funds are reported as major funds. The remaining enterprise funds are reported as nonmajor and include the following:

Airport Fund – To account for the operation of the airport.

State Office Building Fund – To account for the operation of a building, acquired and renovated, primarily to provide a facility for lease to the State of Texas in order for all state offices to be in one location.

Solid Waste Fund – To account for the City's portion of operating the landfill.

Stormwater Fund – To account for the operation of stormwater treatment and management.

**CITY OF SAN ANGELO, TEXAS**

**Combining Statement of Net Position - Nonmajor Enterprise Funds**

**As of September 30, 2018**

	Airport	State Office Building	Solid Waste	Stormwater	Total
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 67,925	\$ 295,401	\$ 2,903,501	\$ 1,510,047	\$ 4,776,874
Investments	143,253	35,340	3,786,157	2,514,580	6,479,330
Receivables:					
Accrued Interest	5,075	819	25,552	15,461	46,907
Accounts	119,739	29,819	1,375,204	636,243	2,161,005
Less: Allowance for Uncollectibles	-0-	-0-	-0-	( 80,064)	( 80,064)
Due From Other Governments	213,756	-0-	-0-	-0-	213,756
Restricted Assets:					
Cash and Cash Equivalents	4,787,192	-0-	-0-	-0-	4,787,192
Investments	640,216	-0-	-0-	-0-	640,216
Closure and Post-Closure Trust Fund	-0-	-0-	5,615,462	-0-	5,615,462
<b>Total Current Assets</b>	<b>\$ 5,977,156</b>	<b>\$ 361,379</b>	<b>\$ 13,705,876</b>	<b>\$ 4,596,267</b>	<b>\$ 24,640,678</b>
Noncurrent Assets:					
Capital Assets:					
Land	\$ 1,568,591	\$ 275,412	\$ 480,310	\$ 760,314	\$ 3,084,627
Buildings	15,692,780	6,051,542	-0-	145,607	21,889,929
Improvements Other Than Buildings	17,307,536	467,576	-0-	431,089	18,206,201
Infrastructure	19,207,178	-0-	-0-	-0-	19,207,178
Machinery and Equipment	1,856,252	17,039	1,225,615	2,767,979	5,866,885
Construction in Progress	12,339,470	-0-	-0-	104,800	12,444,270
Less: Accumulated Depreciation	( 42,431,993)	( 4,066,380)	( 1,208,791)	( 1,533,258)	( 49,240,422)
Net Capital Assets	\$ 25,539,814	\$ 2,745,189	\$ 497,134	\$ 2,676,531	\$ 31,458,668
Total Noncurrent Assets	\$ 25,539,814	\$ 2,745,189	\$ 497,134	\$ 2,676,531	\$ 31,458,668
<b>Total Assets</b>	<b>\$ 31,516,970</b>	<b>\$ 3,106,568</b>	<b>\$ 14,203,010</b>	<b>\$ 7,272,798</b>	<b>\$ 56,099,346</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Amounts Related to Pensions	\$ 103,743	\$ 26,860	\$ 46,005	\$ 129,209	\$ 305,817
<b>Total Deferred Outflows of Resources</b>	<b>\$ 103,743</b>	<b>\$ 26,860</b>	<b>\$ 46,005</b>	<b>\$ 129,209</b>	<b>\$ 305,817</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$ 517,975	\$ 12,029	\$ 640,304	\$ 150,648	\$ 1,320,956
Accrued Interest Payable	-0-	4,586	1,031	-0-	5,617
Due to Other Funds	4,937,814	627,668	-0-	-0-	5,565,482
Non Current Liabilities Due Within One Year	96,285	132,305	12,472	12,963	254,025
<b>Total Current Liabilities</b>	<b>\$ 5,552,074</b>	<b>\$ 776,588</b>	<b>\$ 653,807</b>	<b>\$ 163,611</b>	<b>\$ 7,146,080</b>
Noncurrent Liabilities:					
Net Pension Liability	\$ 509,969	\$ 101,506	\$ 155,935	\$ 760,513	\$ 1,527,923
Total OPEB Liability	823,836	-0-	-0-	1,263,902	2,087,738
Non Current Liabilities Due After One Year	224,230	455,736	4,375,170	144,295	5,199,431
<b>Total Noncurrent Liabilities</b>	<b>\$ 1,558,035</b>	<b>\$ 557,242</b>	<b>\$ 4,531,105</b>	<b>\$ 2,168,710</b>	<b>\$ 8,815,092</b>
<b>Total Liabilities</b>	<b>\$ 7,110,109</b>	<b>\$ 1,333,830</b>	<b>\$ 5,184,912</b>	<b>\$ 2,332,321</b>	<b>\$ 15,961,172</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Amounts Related to Pensions	\$ 77,001	\$ 16,460	\$ 30,346	\$ 159,051	\$ 282,858
Deferred Amounts Related to OPEB	41,153	-0-	-0-	63,135	104,288
<b>Total Deferred Inflows of Resources</b>	<b>\$ 118,154</b>	<b>\$ 16,460</b>	<b>\$ 30,346</b>	<b>\$ 222,186</b>	<b>\$ 387,146</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	\$ 25,539,814	\$ 2,182,831	\$ 496,103	\$ 2,676,531	\$ 30,895,279
Unrestricted	( 1,147,364)	( 399,693)	8,537,654	2,170,969	9,161,566
<b>Total Net Position</b>	<b>\$ 24,392,450</b>	<b>\$ 1,783,138</b>	<b>\$ 9,033,757</b>	<b>\$ 4,847,500</b>	<b>\$ 40,056,845</b>

## CITY OF SAN ANGELO, TEXAS

### Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Enterprise Funds

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

	Airport	State Office Building	Solid Waste	Stormwater	Total
<b>OPERATING REVENUES</b>					
Charges for Sales and Services:					
Pledged for Payment of Revenue Bonds:					
Stormwater Fee	\$ -0-	\$ -0-	\$ -0-	\$ 2,904,231	\$ 2,904,231
Solid Waste Service	-0-	-0-	1,401,947	-0-	1,401,947
Rents, Leases and Fees	-0-	1,240,276	-0-	-0-	1,240,276
Other	17,191	5	-0-	-0-	17,196
Unpledged:					
Rents, Leases, and Fees	1,491,895	-0-	-0-	-0-	1,491,895
Other	19,389	-0-	214,939	387	234,715
<b>Total Operating Revenues</b>	<b>\$ 1,528,475</b>	<b>\$ 1,240,281</b>	<b>\$ 1,616,886</b>	<b>\$ 2,904,618</b>	<b>\$ 7,290,260</b>
<b>OPERATING EXPENSES</b>					
Cost of Sales and Services	\$ 1,339,954	\$ 735,849	\$ 672,459	\$ 1,558,153	\$ 4,306,415
Administrative	-0-	-0-	13,107	-0-	13,107
Depreciation	2,139,586	235,702	7,704	296,135	2,679,127
<b>Total Operating Expenses</b>	<b>\$ 3,479,540</b>	<b>\$ 971,551</b>	<b>\$ 693,270</b>	<b>\$ 1,854,288</b>	<b>\$ 6,998,649</b>
<b>Operating Income (Loss)</b>	<b>(\$ 1,951,065)</b>	<b>\$ 268,730</b>	<b>\$ 923,616</b>	<b>\$ 1,050,330</b>	<b>\$ 291,611</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment Income:					
Interest	\$ 27,071	\$ 4,436	\$ 118,624	\$ 64,143	\$ 214,274
Gain (Loss) on Sale of Capital Assets	-0-	-0-	-0-	113,364	113,364
Change in Fair Value of Investments	( 5,784)	( 343)	( 18,505)	( 15,291)	( 39,923)
Interest Expense and Fiscal Agent Fees	-0-	( 14,645)	-0-	-0-	( 14,645)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 21,287</b>	<b>(\$ 10,552)</b>	<b>\$ 100,119</b>	<b>\$ 162,216</b>	<b>\$ 273,070</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(\$ 1,929,778)</b>	<b>\$ 258,178</b>	<b>\$ 1,023,735</b>	<b>\$ 1,212,546</b>	<b>\$ 564,681</b>
Contributions:					
Federal Grants	\$ 3,760,686	\$ -0-	\$ -0-	\$ -0-	\$ 3,760,686
<b>Total Contributions</b>	<b>\$ 3,760,686</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 3,760,686</b>
Transfers In (Out)	( 23,371)	( 92,941)	( 255,000)	( 277,799)	( 649,111)
<b>Total Contributions and Transfers</b>	<b>\$ 3,737,315</b>	<b>(\$ 92,941)</b>	<b>(\$ 255,000)</b>	<b>(\$ 277,799)</b>	<b>\$ 3,111,575</b>
<b>Change in Net Position</b>	<b>\$ 1,807,537</b>	<b>\$ 165,237</b>	<b>\$ 768,735</b>	<b>\$ 934,747</b>	<b>\$ 3,676,256</b>
<b>Net Position - Beginning</b>	<b>23,368,838</b>	<b>1,617,901</b>	<b>8,265,022</b>	<b>5,301,002</b>	<b>38,552,763</b>
Restatement of Beginning Fund Balance	( 783,925)	-0-	-0-	( 1,388,249)	( 2,172,174)
<b>Net Position - Ending</b>	<b>\$ 24,392,450</b>	<b>\$ 1,783,138</b>	<b>\$ 9,033,757</b>	<b>\$ 4,847,500</b>	<b>\$ 40,056,845</b>



**CITY OF SAN ANGELO, TEXAS**

**Combining Statement of Cash Flows - Nonmajor Enterprise Funds**

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

	Airport	State Office Building	Solid Waste	Stormwater	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 1,554,097	\$ 1,292,346	\$ 1,519,852	\$ 2,738,404	\$ 7,104,699
Cash Received from Other Governments	(\$ 203,406)	\$ -0-	\$ -0-	\$ -0-	(\$ 203,406)
Cash Paid to Suppliers for Goods and Services	( 94,931)	( 610,609)	( 224,367)	( 480,453)	(\$ 1,410,360)
Cash Paid for Employee Services and Benefits	( 874,678)	( 142,279)	( 215,434)	( 1,149,115)	( 2,381,506)
Interfund Receipts/Payments	3,570,093	-0-	-0-	-0-	3,570,093
Net Cash Provided (Used) by Operating Activities	\$ 3,951,175	\$ 539,458	\$ 1,080,051	\$ 1,108,836	\$ 6,679,520
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Transfers Out	( 23,371)	( 92,941)	( 255,000)	( 277,799)	( 649,111)
Net Cash Provided (Used) by Noncapital Financing Activities	(\$ 23,371)	(\$ 92,941)	(\$ 255,000)	(\$ 277,799)	(\$ 649,111)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Capital Assets	(\$ 3,801,351)	\$ -0-	(\$ 10,734)	(\$ 759,547)	(\$ 4,571,632)
Capital Contributions Received	3,760,686	-0-	-0-	-0-	3,760,686
Principal Paid on Debt	( 99,636)	( 146,640)	-0-	-0-	( 246,276)
Interest Paid on Debt	-0-	( 24,932)	-0-	-0-	( 24,932)
Net Cash Provided (Used) by Capital and Related Financing Activities	(\$ 140,301)	(\$ 171,572)	(\$ 10,734)	(\$ 759,547)	(\$ 1,082,154)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of Investments	\$ 65,720	\$ 2,965	\$ 317,599	\$ 210,934	\$ 597,218
Interest Received on Investments	24,778	3,699	114,743	58,535	201,755
Net Cash Provided (Used) by Investing Activities	\$ 90,498	\$ 6,664	\$ 432,342	\$ 269,469	\$ 798,973
Net Increase (Decrease) in Cash	\$ 3,878,001	\$ 281,609	\$ 1,246,659	\$ 340,959	\$ 5,747,228
Cash - Beginning	977,116	13,792	1,656,842	1,169,088	3,816,838
Cash - Ending	\$ 4,855,117	\$ 295,401	\$ 2,903,501	\$ 1,510,047	\$ 9,564,066
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	(\$ 1,951,065)	\$ 268,730	\$ 923,616	\$ 1,050,330	\$ 291,611
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	2,139,586	235,702	7,704	296,135	2,679,127
(Increase) Decrease in:					
Accounts Receivable	-0-	52,065	172,756	( 166,214)	58,607
Other Receivable	25,622	-0-	( 269,790)	-0-	( 244,168)
Due from other governments	( 203,406)	-0-	-0-	-0-	( 203,406)
Postclosure liability	-0-	-0-	205,358	-0-	205,358
Deferred Outflows Related to Pensions	92,326	-0-	63,424	-0-	155,750
Increase (Decrease) in:					
Accounts Payable	451,618	( 9,536)	41,295	146,024	629,401
Due To Other Funds	3,570,093	-0-	-0-	-0-	3,570,093
Due To Component Unit	52,906	-0-	-0-	-0-	52,906
Compensated Absences	( 28,584)	( 12,746)	( 25,558)	( 30,853)	( 97,741)
Pension Liability	( 140,942)	( 8,676)	( 67,648)	2,887	( 214,379)
OPEB Liability	( 164,656)	-0-	-0-	( 252,608)	( 417,264)
Deferred Inflows Related to Pension	66,524	13,919	28,894	-0-	109,337
Deferred Inflows Related to OPEB	41,153	-0-	-0-	63,135	104,288
Net Cash Provided (Used) by Operating Activities	\$ 3,951,175	\$ 539,458	\$ 1,080,051	\$ 1,108,836	\$ 6,679,520
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Amortization of Premiums and Discounts	\$ -0-	(\$ 10,287)	\$ -0-	\$ -0-	(\$ 10,287)
Change in Fair Value of Investments	(\$ 5,784)	(\$ 343)	(\$ 18,505)	(\$ 15,291)	(\$ 39,923)

# CITY OF SAN ANGELO, TEXAS

## Internal Service Funds Description

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

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### **INTERNAL SERVICE FUNDS**

To report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units on a cost-reimbursement basis.

Vehicle Maintenance Fund – To account for fuel, oil, and the maintenance and upkeep on City and school district vehicles.

Employee/Retiree Health Fund – To account for health insurance claims and the cost of medical treatment of employees, retirees, and their dependents.

Property and Casualty Insurance Fund – To account for general and automobile liability and property damage coverage for City property and vehicles.

Workers Compensation Insurance Fund – To account for workers compensation coverage for City employees.

Communications Fund – To account for the operations of the City's radio communications system.

# CITY OF SAN ANGELO, TEXAS

## Combining Statement of Net Position - Internal Service Funds

**As of September 30, 2018**

	Vehicle Maintenance	Employee/ Retiree Health	Property and Casualty Insurance	Workers' Compensation Insurance	Communications	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 749,671	\$ 811,468	\$ 542,347	\$ 1,059,660	\$ 70	\$ 3,163,216
Investments	72,886	308	1,219,894	1,016,800	148	2,310,036
Receivables:						
Accrued Interest	2,308	-0-	507	-0-	1,880	4,695
Accounts	144,516	116,074	-0-	-0-	-0-	260,590
Less: Allowance for Uncollectibles	-0-	( 34,931)	-0-	-0-	-0-	( 34,931)
Due from Other Funds	-0-	-0-	-0-	-0-	-0-	-0-
Inventories	61,267	-0-	-0-	-0-	2,817	64,084
<b>Total Current Assets</b>	<b>\$ 1,030,648</b>	<b>\$ 892,919</b>	<b>\$ 1,762,748</b>	<b>\$ 2,076,460</b>	<b>\$ 4,915</b>	<b>\$ 5,767,690</b>
Noncurrent Assets						
Capital Assets:						
Buildings	\$ 390,269	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 390,269
Improvements Other Than Buildings	66,093	-0-	-0-	-0-	5,237,312	5,303,405
Machinery and Equipment	1,019,311	-0-	-0-	1,278	8,935,673	9,956,262
Construction in Progress	-0-	-0-	-0-	-0-	-0-	-0-
Less: Accumulated Depreciation	( 1,389,222)	-0-	-0-	( 1,278)	( 9,798,005)	( 11,188,505)
<b>Total Noncurrent Assets</b>	<b>\$ 86,451</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 4,374,980</b>	<b>\$ 4,461,431</b>
<b>Total Assets</b>	<b>\$ 1,117,099</b>	<b>\$ 892,919</b>	<b>\$ 1,762,748</b>	<b>\$ 2,076,460</b>	<b>\$ 4,379,895</b>	<b>\$ 10,229,121</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Amounts Related to Pensions	\$ 99,229	\$ 27,448	\$ 113,457	\$ 53,047	\$ 21,371	\$ 314,552
<b>Total Deferred Outflows of Resources</b>	<b>\$ 99,229</b>	<b>\$ 27,448</b>	<b>\$ 113,457</b>	<b>\$ 53,047</b>	<b>\$ 21,371</b>	<b>\$ 314,552</b>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	\$ 324,486	\$ 107,153	\$ 11,211	\$ 10,313	\$ 72,272	\$ 525,435
Due to Other Funds	-0-	-0-	-0-	-0-	821,680	821,680
Noncurrent Liabilities Due Within One Year	1,031	131,591	209,198	887,500	428	1,229,748
<b>Total Current Liabilities</b>	<b>\$ 325,517</b>	<b>\$ 238,744</b>	<b>\$ 220,409</b>	<b>\$ 897,813</b>	<b>\$ 894,380</b>	<b>\$ 2,576,863</b>
Noncurrent Liabilities Due After One Year						
Total OPEB Liability	139,148	-0-	528,233	1,379,779	24,359	2,071,519
Net Pension Obligation	2,078,074	712,875	-0-	632,175	-0-	3,423,124
Net Pension Obligation	584,281	96,307	119,494	133,639	115,035	1,048,756
<b>Total Liabilities</b>	<b>\$ 3,127,020</b>	<b>\$ 1,047,926</b>	<b>\$ 868,136</b>	<b>\$ 3,043,406</b>	<b>\$ 1,033,774</b>	<b>\$ 9,120,262</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Amounts Related to Pensions	\$ 95,840	\$ 17,283	\$ 27,996	\$ 126,975	\$ 42,291	\$ 310,385
Deferred Amounts Related to OPEB	103,805	35,609	-0-	31,579	-0-	170,993
<b>Total Deferred Inflows of Resources</b>	<b>\$ 199,645</b>	<b>\$ 52,892</b>	<b>\$ 27,996</b>	<b>\$ 158,554</b>	<b>\$ 42,291</b>	<b>\$ 481,378</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	\$ 86,451	\$ -0-	\$ -0-	\$ -0-	\$ 4,374,980	\$ 4,461,431
Unrestricted	( 2,196,788)	( 180,451)	980,073	( 1,072,453)	( 1,049,779)	( 3,519,398)
<b>Total Net Position</b>	<b>(\$ 2,110,337)</b>	<b>(\$ 180,451)</b>	<b>\$ 980,073</b>	<b>(\$ 1,072,453)</b>	<b>\$ 3,325,201</b>	<b>\$ 942,033</b>

## CITY OF SAN ANGELO, TEXAS

### Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds

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

	Vehicle Maintenance	Employee/ Retiree Health	Property and Casualty Insurance	Workers' Compensation Insurance	Communications	Total
<b>OPERATING REVENUES</b>						
Charges for Sales and Services:						
Sales and Service	\$ 4,055,292	\$ 8,599,056	\$ 1,022,508	\$ 1,369,861	\$ 604,515	\$ 15,651,232
Other	120,739	124,895	-0-	-0-	171,753	417,387
Total Operating Revenues	<u>\$ 4,176,031</u>	<u>\$ 8,723,951</u>	<u>\$ 1,022,508</u>	<u>\$ 1,369,861</u>	<u>\$ 776,268</u>	<u>\$ 16,068,619</u>
<b>OPERATING EXPENSES</b>						
Cost of Sales and Services:						
Administrative	\$ 3,938,243	\$ 8,016,397	\$ 788,186	\$ 646,352	\$ 675,156	\$ 14,064,334
Depreciation	36,685	-0-	-0-	-0-	3,608,072	3,644,757
Total Operating Expenses	<u>\$ 3,974,928</u>	<u>\$ 8,016,397</u>	<u>\$ 788,186</u>	<u>\$ 646,352</u>	<u>\$ 4,283,228</u>	<u>\$ 17,709,091</u>
Operating Income (Loss)	<u>\$ 201,103</u>	<u>\$ 707,554</u>	<u>\$ 234,322</u>	<u>\$ 723,509</u>	<u>(\$ 3,506,960)</u>	<u>(\$ 1,640,472)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental	(\$ 1,777)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	(\$ 1,777)
Interest	7,863	-0-	17,027	1,098	3,640	29,628
Change in Fair Value of Investments	( 708)	( 5,487)	( 11,852)	( 9,879)	-0-	( 27,926)
Gain (Loss) on Sale of Capital Assets	( 1,865)	-0-	-0-	-0-	-0-	( 1,865)
Total Nonoperating Revenues (Expenses)	<u>\$ 3,513</u>	<u>(\$ 5,487)</u>	<u>\$ 5,175</u>	<u>(\$ 8,781)</u>	<u>\$ 3,640</u>	<u>(\$ 1,940)</u>
Income (Loss) Before Contributions, Special Items, and Transfers	<u>\$ 204,616</u>	<u>\$ 702,067</u>	<u>\$ 239,497</u>	<u>\$ 714,728</u>	<u>(\$ 3,503,320)</u>	<u>(\$ 1,642,412)</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>						
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Transfers Out	-0-	-0-	-0-	-0-	-0-	-0-
Total Contributions and Transfers	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Change in Net Position	<u>\$ 204,616</u>	<u>\$ 702,067</u>	<u>\$ 239,497</u>	<u>\$ 714,728</u>	<u>(\$ 3,503,320)</u>	<u>(\$ 1,642,412)</u>
Net Position - Beginning	( 315,345)	( 122,069)	740,576	( 1,185,717)	6,828,521	5,945,966
Restatement of Beginning Fund Balance	( 1,999,608)	( 760,449)	-0-	( 601,464)	-0-	( 3,361,521)
Net Position - Ending	<u>(\$ 2,110,337)</u>	<u>(\$ 180,451)</u>	<u>\$ 980,073</u>	<u>(\$ 1,072,453)</u>	<u>\$ 3,325,201</u>	<u>\$ 942,033</u>

# CITY OF SAN ANGELO, TEXAS

## Combining Statement of Cash Flows - Internal Service Funds

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

	Vehicle Maintenance	Employee/ Retiree Health	Property and Casualty Insurance	Workers' Compensation Insurance	Communications	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers	\$ 4,097,069	\$ 8,747,458	\$ -0-	\$ -0-	\$ 776,268	\$ 13,620,795
Cash Received from Reinsurance	-0-	-0-	1,022,508	1,369,861	-0-	2,392,369
Cash Paid to Suppliers for Goods and Services	( 3,152,754)	( 829,864)	( 693,562)	( 565,909)	( 696,972)	( 5,939,061)
Cash Paid for Insurance Claims and Premiums	-0-	( 7,051,153)	-0-	( 183,712)	-0-	( 7,234,865)
Cash Paid for Employee Services and Benefits	( 891,215)	( 147,514)	( 154,254)	( 195,392)	( 75,412)	( 1,463,787)
Net Cash Provided (Used) by Operating Activities	\$ 53,100	\$ 718,927	\$ 174,692	\$ 424,848	\$ 3,884	\$ 1,375,451
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Short-Term Interfund Loans Received	-0-	-0-	-0-	-0-	772,067	772,067
Short-Term Interfund Loans Paid	-0-	-0-	-0-	-0-	-0-	-0-
Net Cash Provided (Used) by Non-Capital Financing Activities	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 772,067	\$ 772,067
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of Capital Assets	(\$ 15,098)	\$ -0-	\$ -0-	\$ -0-	(\$ 779,318)	(\$ 794,416)
Capital Grants Received	-0-	-0-	-0-	-0-	-0-	-0-
Proceeds from Sale of Assets	-0-	-0-	-0-	-0-	-0-	-0-
Net Cash Provided (Used) by Capital and Related Financing Activities	(\$ 15,098)	\$ -0-	\$ -0-	\$ -0-	(\$ 779,318)	(\$ 794,416)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of Investments	\$ 6,114	\$ 26	\$ 102,330	\$ 85,293	\$ 14	\$ 193,777
Interest Received on Investments	7,114	-0-	16,520	1,098	3,365	28,097
Net Cash Provided (Used) by Investing Activities	\$ 13,228	\$ 26	\$ 118,850	\$ 86,391	\$ 3,379	\$ 221,874
Net Increase (Decrease) in Cash	\$ 51,230	\$ 718,953	\$ 293,542	\$ 511,239	\$ 12	\$ 1,574,976
Cash - Beginning	698,441	92,515	248,805	548,421	58	1,588,240
Cash - Ending	\$ 749,671	\$ 811,468	\$ 542,347	\$ 1,059,660	\$ 70	\$ 3,163,216
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ 201,103	\$ 707,554	\$ 234,322	\$ 723,509	(\$ 3,506,960)	(\$ 1,640,472)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities						
Depreciation	36,685	-0-	-0-	-0-	3,608,072	3,644,757
(Increase) Decrease in Accounts Receivable	( 78,962)	23,507	-0-	-0-	-0-	( 55,455)
(Increase) Decrease in Inventories	( 17,432)	-0-	-0-	-0-	( 1,258)	( 18,690)
(Increase) Decrease in Deferred Outflows Related to Pension	164,203	6,538	( 113,457)	84,189	33,115	174,588
(Increase) Decrease in Deferred Outflows Related to OPEB	-0-	-0-	-0-	-0-	-0-	-0-
Increase (Decrease) in Accounts Payable	185,776	58,633	( 17,489)	( 114)	( 61,821)	164,985
Increase (Decrease) in Insurance Claims Payable	-0-	51,662	( 38,317)	( 183,712)	-0-	( 170,367)
Increase (Decrease) in OPEB Liability	( 415,332)	( 142,479)	-0-	( 126,349)	-0-	( 684,160)
Increase (Decrease) in Net Pension Liability	( 230,474)	( 14,768)	119,494	( 215,589)	( 54,628)	( 395,965)
Increase (Decrease) in Compensated Absences	13,181	( 20,708)	( 37,857)	9,928	( 23,487)	( 58,943)
Increase (Decrease) in Deferred Inflows Related to Pension	103,805	13,379	27,996	101,406	10,851	257,437
Increase (Decrease) in Deferred Inflows related to OPEB	90,547	35,609	-0-	31,579	-0-	157,735
Net Cash Provided (Used) by Operating Activities	\$ 53,100	\$ 718,927	\$ 174,692	\$ 424,847	\$ 3,884	\$ 1,375,450
<b>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Loss on Disposal of Capital Assets	(\$ 1,865)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	(\$ 1,865)
Loss on Disposal of Capital Assets	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Amortization of Premiums and Discounts	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Change in Fair Value of Investments	(\$ 708)	(\$ 5,487)	(\$ 11,852)	(\$ 9,879)	\$ -0-	(\$ 27,926)

**CITY OF SAN ANGELO, TEXAS**

**Agency Fund Description**

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

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**FIDUCIARY FUNDS**

To report assets held in a trust or agency capacity for others and, therefore, cannot be used to support the government's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

CJC Agency Fund – To account for fines and fees collected on behalf of the State of Texas.

**CITY OF SAN ANGELO, TEXAS**

**Statement of Changes in Assets and Liabilities -**  
**CJC Agency Fund**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 304,817	\$ 1,639,387	\$ 1,561,264	\$ 382,940
Total Assets	\$ 304,817	\$ 1,639,387	\$ 1,561,264	\$ 382,940
<b>LIABILITIES</b>				
Accounts Payable	\$ -0-	\$ 165	\$ 355	\$ 190
Due to Other Governments	304,817	1,562,385	1,640,318	382,750
Total Liabilities	\$ 304,817	\$ 1,562,550	\$ 1,640,673	\$ 382,940

**CITY OF SAN ANGELO, TEXAS**

**Discretely Presented Component Unit Description**

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

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**DISCRETELY PRESENTED COMPONENT UNIT**

Additional information for the discretely presented component unit referred to in the notes to the financial statements is provided:

Development Corporation - To administer funds received under the type B City sales tax for economic development.



**CITY OF SAN ANGELO, TEXAS**

**Combining Balance Sheet -  
Discretely Presented Component Unit**

**As of September 30, 2018**

	Development Corporation
	<u>                    </u>
<b>ASSETS</b>	
Assets:	
Cash and Cash Equivalents	\$ 6,426,934
Investments	9,916,025
Accounts Receivable	212,445
Due from Other Governments	1,658,755
Advances to Other Funds	244,086
Prepays	29,633
Total Assets	<u>\$ 18,487,878</u>
 <b>LIABILITIES</b>	
Accounts Payable	\$ 747,630
Total Liabilities	<u>\$ 747,630</u>
 <b>FUND BALANCE</b>	
Nonspendable	\$ 29,633
Restricted	17,710,615
Committed	-0-
Assigned	-0-
Unassigned	-0-
Total Fund Balance	<u>\$ 17,740,248</u>
Total Liabilities and Fund Balance	<u>\$ 18,487,878</u>

**RECONCILIATION OF THE COMPONENT UNIT'S BALANCE SHEET TO THE STATEMENT  
OF NET POSITION**

Fund Balance - Component Unit	\$ 17,740,248
Capital assets used in component unit are not financial resources, and therefore, are not reported in the balance sheet. The net effect - increases (decrease) in net position - of including capital assets are:	
Beginning of the Year Cost	2,883,678
Beginning of the Year Accumulated Depreciation	( 659,970)
Current Year Depreciation	( 110,248)
Net Position of Component Units	<u>\$ 19,853,708</u>

**CITY OF SAN ANGELO, TEXAS**

**Combining Statement of Revenues, Expenditures, and Changes in Fund  
Balances - Discretely Presented Component Unit**

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

	<u>Development Corporation</u>
<b>REVENUES</b>	
Taxes:	
Sales	\$ 9,425,475
Charges for Services	272,973
Investment Income - Interest	280,450
Total Revenues	<u>\$ 9,978,898</u>
<b>EXPENDITURES</b>	
Operating Expenditures	\$ 8,137,105
(Gain) or Loss on Sale of Capital Assets	-0-
Total Expenditures	<u>\$ 8,137,105</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,841,793</u>
Net Change in Fund Balance	\$ 1,841,793
Fund Balance - Beginning	15,572,455
Restatement of Beginning Fund Balance	326,000
Fund Balance - Ending	<u><u>\$ 17,740,248</u></u>

**RECONCILIATION OF THE COMPONENT UNIT'S STATEMENT OF REVENUES, TO  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF  
ACTIVITIES**

Total Net Change in Fund Balances - Component Unit	\$ 1,841,793
Depreciation does not require the use of current financial resources, and therefore, is not reported as an expenditure. The current year's depreciation decreases Net Position.	<u>( 110,248)</u>
Change in Net Position of Component Unit	<u><u>\$ 1,731,545</u></u>



# CITY OF SAN ANGELO, TEXAS

## Statistical Section Narrative

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

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### **STATISTICAL SECTION**

This part of the City of San Angelo'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.

Such statistical information includes:

Financial Trends – 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 – These schedules contain information to help the reader assess the City's most significant local revenue sources, gas, and sales tax revenues.

Debt Capacity – 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 – 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 – 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.

**STATISTICAL SECTION**  
**(UNAUDITED - for Analytical Purposes Only)**

This part of City of San Angelo'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.

<b>TABLE</b>	<b>CONTENTS</b>
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**Financial Trends**

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

Entity-wide information:

- 1 Net position by component, last ten fiscal years
- 2 Changes in net position, last ten fiscal years

Governmental Funds Information:

- 3 Fund balances, last ten fiscal years
- 4 Changes in fund balances, last ten fiscal years

**Revenue Capacity**

*These tables contain information to help the reader assess the City's most significant local revenue source, the property tax. Also included is some additional information on sales tax revenue.*

- 5 Assessed value and actual value of taxable property, last ten fiscal years
- 6 Direct and overlapping property tax rates, last ten fiscal years
- 7 Principal property taxpayers, current year and nine years ago
- 8 Property tax levies and collections, last ten fiscal years
- 9 Direct and overlapping sales tax rates, last ten fiscal years
- 10 Sales tax revenue by industry, current year and last ten fiscal years

**Debt Capacity**

*These tables 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.*

- 11 Ratios of outstanding debt by type, last ten fiscal years
- 12 Ratios of net general bonded debt outstanding, last ten fiscal years
- 13 Direct and overlapping governmental activities debt
- 14 Pledged revenue coverage, last ten fiscal years

**Demographic and Economic Information**

*These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.*

- 15 Demographic and economic statistics, last ten calendar years
- 16 Principal employers, current year and nine years ago

**Operating Information**

*These tables contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and activities it performs.*

- 17 Full-time equivalent city employees by department, last ten fiscal years
- 18 Operating indicators by function/program, last ten fiscal years
- 19 Capital asset statistics by function/program, last ten fiscal years

**Sources:** Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report for the relevant year.

CITY OF SAN ANGELO  
NET POSITION BY COMPONENT,  
LAST TEN FISCAL YEARS  
*(UNAUDITED - accrual basis of accounting)*

	Fiscal Year									
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Governmental Activities:										
Net investment in capital assets	\$ 43,930,391	\$ 40,735,612	\$ 47,251,737	\$ 22,683,705	\$ 36,872,153	\$ 37,922,031	\$ 27,779,895	\$ 33,286,143	\$ 28,137,141	\$ 29,944,984
Restricted	31,024,739	16,874,203	34,668,116	16,248,477	11,346,760	11,346,760	21,358,553	24,796,775	24,383,653	20,074,040
Unrestricted	( 129,101,555)	( 44,678,753)	( 63,955,519)	( 16,545,241)	18,705,893	1,809,832	11,860,302	12,762	( 4,917,254)	8,244,853
Total Governmental Activities Net Position	<u>(\$ 54,146,425)</u>	<u>\$ 12,931,062</u>	<u>\$ 17,964,334</u>	<u>\$ 22,386,941</u>	<u>\$ 66,924,806</u>	<u>\$ 51,078,623</u>	<u>\$ 60,998,750</u>	<u>\$ 58,095,680</u>	<u>\$ 47,603,540</u>	<u>\$ 58,263,877</u>
Business-Type Activities:										
Net investment in capital assets	\$ 150,891,275	\$ 190,198,520	\$ 168,098,952	\$ 161,562,185	\$ 137,816,767	\$ 59,580,126	\$ 111,718,102	\$ 133,918,235	\$ 135,862,187	\$ 74,764,222
Restricted	45,264,885	34,722,814	25,759,916	59,362,529	23,471,674	23,485,718	57,337,080	9,934,203	7,845,711	10,566,326
Unrestricted	38,132,820	( 6,224,795)	9,725,257	( 28,886,311)	25,651,846	91,981,182	( 4,216,773)	13,994,167	10,016,280	59,078,105
Total Business-Type Activities Net Position	<u>\$ 234,288,980</u>	<u>\$ 218,696,539</u>	<u>\$ 203,584,125</u>	<u>\$ 192,038,403</u>	<u>\$ 186,940,287</u>	<u>\$ 175,047,026</u>	<u>\$ 164,838,409</u>	<u>\$ 157,846,605</u>	<u>\$ 153,724,178</u>	<u>\$ 144,408,653</u>
Primary Government:										
Net investment in capital assets	\$ 194,821,666	\$ 230,934,132	\$ 215,350,689	\$ 184,245,890	\$ 174,688,920	\$ 97,502,157	\$ 139,497,997	\$ 167,204,378	\$ 163,999,328	\$ 104,709,206
Restricted	76,289,624	51,597,017	60,428,032	75,611,006	34,818,434	34,832,478	78,695,633	34,730,978	32,229,364	30,640,366
Unrestricted	( 90,968,735)	( 50,903,548)	( 54,230,262)	( 45,431,552)	44,357,739	93,791,014	7,643,529	14,006,929	5,099,026	67,322,958
Total Primary Government Net Position	<u>\$ 180,142,555</u>	<u>\$ 231,627,601</u>	<u>\$ 221,548,459</u>	<u>\$ 214,425,344</u>	<u>\$ 253,865,093</u>	<u>\$ 226,125,649</u>	<u>\$ 225,837,159</u>	<u>\$ 215,942,285</u>	<u>\$ 201,327,718</u>	<u>\$ 202,672,530</u>

CITY OF SAN ANGELO  
CHANGES IN NET POSITION,  
LAST TEN FISCAL YEARS

(UNAUDITED - accrual basis of accounting)

	Fiscal Year									
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$ 9,724,582	\$ 11,617,429	\$ 15,503,820	\$ 14,693,548	\$ 9,351,776	\$ 12,180,551	\$ 10,863,197	\$ 10,965,462	\$ 7,619,436	\$ 6,646,545
Public Safety	44,998,853	53,883,378	45,843,672	40,093,771	37,912,268	36,925,673	36,379,803	33,867,601	37,296,403	33,647,466
Public Works and Transportation	10,911,837	10,088,428	12,554,602	10,151,004	7,271,354	9,379,877	8,123,640	7,863,396	10,034,118	11,465,247
Public Facilities	3,880,084	3,571,629	3,790,497	2,742,085	2,574,982	2,616,279	2,468,554	2,261,854	4,315,945	3,451,101
Health and Human Services	2,765,814	3,455,935	3,697,454	3,222,433	2,989,869	3,033,911	3,288,315	4,112,967	4,202,814	3,811,667
Culture Parks and Recreation	8,344,775	10,941,795	8,076,896	7,147,927	6,513,566	7,619,225	5,999,809	4,534,751	6,016,419	5,495,089
Economic Development	551,388	609,428	392,494	368,283	495,557	1,211,080	3,463,923	4,193,681	4,974,088	2,284,947
Urban Redevelopment and Housing	852,610	926,648	1,051,058	938,418	970,756	1,552,520	3,084,356	3,084,266	2,491,213	1,079,130
Interest and Fiscal Charges	2,442,020	2,235,720	2,153,962	2,350,993	2,539,485	840,512	1,878,828	1,371,616	2,110,568	1,650,181
<b>Total Governmental Activities Expenses</b>	<b>\$ 84,471,963</b>	<b>\$ 97,330,390</b>	<b>\$ 93,064,455</b>	<b>\$ 81,708,462</b>	<b>\$ 70,619,613</b>	<b>\$ 75,359,628</b>	<b>\$ 74,629,425</b>	<b>\$ 72,255,594</b>	<b>\$ 79,061,004</b>	<b>\$ 69,531,373</b>
<b>Business-Type Activities:</b>										
Water	\$ 18,271,162	\$ 18,722,506	\$ 17,183,317	\$ 16,783,235	\$ 16,064,612	\$ 15,711,368	\$ 18,985,682	\$ 15,680,907	\$ 17,863,109	\$ 16,841,412
Sewer	7,926,154	8,778,915	8,873,695	8,170,739	7,268,532	7,564,628	10,742,627	9,732,614	10,820,699	9,238,932
Transit	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Airport	3,479,540	4,283,374	4,506,411	3,813,818	3,783,952	2,938,311	4,171,162	3,665,909	2,824,518	3,881,134
State Office Building	986,196	1,031,980	1,127,308	993,803	1,140,737	1,061,772	1,272,338	1,671,974	1,046,448	1,205,244
Solid Waste	693,270	930,399	786,709	491,075	1,876,321	-0-	-0-	-0-	-0-	-0-
Stormwater	1,854,288	1,772,384	2,032,021	1,952,448	2,069,601	1,454,672	-0-	-0-	-0-	-0-
<b>Total Business-Type Activities Expenses</b>	<b>\$ 33,210,610</b>	<b>\$ 35,519,558</b>	<b>\$ 34,509,461</b>	<b>\$ 32,205,118</b>	<b>\$ 32,203,755</b>	<b>\$ 28,730,751</b>	<b>\$ 35,171,809</b>	<b>\$ 30,751,404</b>	<b>\$ 32,554,774</b>	<b>\$ 31,166,722</b>
<b>Total Primary Government Expenses</b>	<b>\$ 117,682,573</b>	<b>\$ 132,849,948</b>	<b>\$ 127,573,916</b>	<b>\$ 113,913,580</b>	<b>\$ 102,823,368</b>	<b>\$ 104,090,379</b>	<b>\$ 109,801,234</b>	<b>\$ 103,006,998</b>	<b>\$ 111,615,778</b>	<b>\$ 100,698,095</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for services:</b>										
General Government	\$ 1,491,213	\$ 1,470,249	\$ 1,263,453	\$ 1,175,801	\$ 1,127,007	\$ 1,255,367	\$ 1,341,469	\$ 1,231,983	\$ 3,261,098	\$ 365,176
Public Safety	7,648,483	7,459,560	6,503,328	6,027,415	5,777,959	6,436,072	6,877,504	6,316,188	6,078,350	6,520,317
Public Works and Transportation	1,294,594	1,264,891	1,096,279	1,011,878	971,276	1,081,898	1,156,103	1,061,746	135,554	1,779,392
Public Facilities	760,856	744,368	642,393	591,151	567,979	632,669	676,062	620,884	410,061	691,555
Health and Human Services	1,114,913	1,110,551	902,281	793,706	773,866	862,005	921,127	845,948	426,735	363,074
Culture, Parks and Recreation	476,852	466,090	403,454	372,065	357,236	397,923	425,215	390,511	286,462	451,051
Economic Development	302,788	295,237	257,524	238,744	228,843	254,907	272,390	250,159	35,336	-0-
Urban Redevelopment and Housing	22,535	22,021	19,077	17,603	16,898	18,823	20,114	18,472	-0-	-0-
Operating grants and contributions	3,984,546	3,857,901	3,443,621	3,243,424	3,093,348	3,445,662	3,681,990	3,381,480	5,413,539	3,236,474
Capital grants and contributions	343,815	372,387	5,167,884	279,866	266,916	297,316	317,708	291,777	1,311,784	190,823
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 17,440,595</b>	<b>\$ 17,063,255</b>	<b>\$ 19,699,294</b>	<b>\$ 13,751,653</b>	<b>\$ 13,181,328</b>	<b>\$ 14,682,642</b>	<b>\$ 15,689,682</b>	<b>\$ 14,409,148</b>	<b>\$ 17,358,919</b>	<b>\$ 13,597,862</b>
<b>Business-Type Activities:</b>										
Water	\$ 38,739,912	\$ 32,891,977	\$ 28,438,454	\$ 24,155,233	\$ 25,255,292	\$ 25,539,687	\$ 27,301,830	\$ 23,324,070	\$ 20,818,217	\$ 20,719,288
Sewer	17,542,589	13,944,617	11,808,606	11,062,765	11,169,732	11,282,467	13,435,701	15,033,265	13,585,101	11,721,899
Transit	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Airport	1,528,475	1,555,945	1,664,125	1,330,236	1,246,710	2,287,792	1,437,400	1,418,125	1,455,673	1,777,390
State Office Building	1,240,281	1,232,054	1,276,717	1,220,429	1,201,085	1,191,259	1,161,119	1,157,281	1,160,080	1,409,987
Solid Waste	1,616,886	2,063,568	2,235,398	1,928,017	7,642,056	-0-	-0-	-0-	-0-	-0-
Stormwater	2,904,618	2,564,203	2,590,375	2,545,923	2,665,234	2,588,676	-0-	-0-	-0-	-0-
Operating grants and contributions	-0-	150	-0-	-0-	-0-	1,984	1,658	350	4,530	3,700,086
Capital grants and contributions	3,765,372	970,516	1,024,628	876,929	1,527,019	980,899	1,117,448	1,715,694	4,228,460	-0-
<b>Total Business-Type Activities Program Revenues</b>	<b>\$ 67,338,133</b>	<b>\$ 55,223,030</b>	<b>\$ 49,038,303</b>	<b>\$ 43,119,532</b>	<b>\$ 50,707,128</b>	<b>\$ 43,872,764</b>	<b>\$ 44,455,156</b>	<b>\$ 42,648,785</b>	<b>\$ 41,252,061</b>	<b>\$ 39,328,650</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 84,778,728</b>	<b>\$ 72,286,285</b>	<b>\$ 68,737,597</b>	<b>\$ 56,871,185</b>	<b>\$ 63,888,456</b>	<b>\$ 58,555,406</b>	<b>\$ 60,144,838</b>	<b>\$ 57,057,933</b>	<b>\$ 58,610,980</b>	<b>\$ 52,926,512</b>
<b>Net (Expense) / Revenue</b>										
Governmental Activities	(\$ 67,031,368)	(\$ 80,267,135)	(\$ 73,365,162)	(\$ 67,956,809)	(\$ 57,438,285)	(\$ 60,676,986)	(\$ 58,939,743)	(\$ 57,846,446)	(\$ 61,702,085)	(\$ 55,933,511)
Business-Type Activities	34,127,523	19,703,472	14,528,842	10,914,414	18,503,373	15,142,013	9,283,347	11,897,381	8,697,287	8,161,928
<b>Total Primary Government Net Expense</b>	<b>(\$ 32,903,845)</b>	<b>(\$ 60,563,663)</b>	<b>(\$ 58,836,320)</b>	<b>(\$ 57,042,395)</b>	<b>(\$ 38,934,912)</b>	<b>(\$ 45,534,973)</b>	<b>(\$ 49,656,396)</b>	<b>(\$ 45,949,065)</b>	<b>(\$ 53,004,798)</b>	<b>(\$ 47,771,583)</b>

CITY OF SAN ANGELO  
CHANGES IN NET POSITION,  
LAST TEN FISCAL YEARS  
*(UNAUDITED - accrual basis of accounting)*

	Fiscal Year									
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
Property Taxes	\$ 38,284,202	\$ 36,675,045	\$ 38,061,931	\$ 36,040,174	\$ 35,886,552	\$ 31,726,116	\$ 28,675,344	\$ 28,515,143	\$ 27,818,552	\$ 26,840,692
Sales Taxes	19,812,694	17,676,790	17,147,214	19,253,436	18,948,114	17,257,554	22,633,111	20,200,646	18,757,222	19,638,399
Franchise Taxes	4,586,508	5,012,040	4,349,480	4,472,891	4,362,554	3,934,338	3,885,969	3,841,056	4,947,607	4,988,087
Other Taxes	2,884,378	2,433,101	2,334,928	2,780,823	3,599,661	3,168,436	2,489,412	1,908,202	1,709,757	1,743,442
Penalty, Interest and Fees on Delinquent Taxes	897,289	890,555	337,978	-0-	336,332	372,288	223,844	342,355	321,794	281,677
Investment Income	784,901	914,166	691,470	446,208	222,538	149,045	264,080	589,133	382,714	1,146,836
Miscellaneous	3,972,844	5,411,365	1,235,450	975,710	1,299,586	1,983,470	677,892	239,334	3,252,130	1,900,396
Settlement Proceeds	-0-	1,000,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Gain (Loss) on Sale of Capital Assets	-0-	-0-	-0-	-0-	519,315	( 3,357)	694,080	( 154,962)	162,906	704,084
Transfers	6,055,654	5,220,801	4,800,468	5,825,678	3,775,844	4,197,654	2,299,082	7,389,201	273,971	( 1,663,614)
Total Governmental Activities	\$ 77,278,470	\$ 75,233,863	\$ 68,958,919	\$ 69,794,920	\$ 68,950,496	\$ 62,785,544	\$ 61,842,814	\$ 62,870,108	\$ 57,626,653	\$ 55,579,999
Business-Type Activities										
Investment Income	\$ 474,918	\$ 612,318	\$ 582,468	\$ 411,913	\$ 147,684	\$ 118,321	\$ 183,002	\$ 129,755	\$ 249,049	\$ 772,953
Unrestricted Grants and Contributions	-0-	-0-	-0-	-0-	4,225	-0-	-0-	-0-	-0-	-0-
Gain (Loss) on Sale of Capital Assets	113,363	17,425	663,072	24,947	157,227	( 30,138)	50,245	14,074	53,218	( 8,736)
Transfers	( 6,055,654)	( 5,220,801)	( 4,800,468)	( 5,825,678)	( 3,775,844)	( 4,197,654)	( 2,299,082)	( 7,389,201)	275,380	1,114,061
Total Business-Type Activities	(\$ 5,467,373)	(\$ 4,591,058)	(\$ 3,554,928)	(\$ 5,388,818)	(\$ 3,466,708)	(\$ 4,109,471)	(\$ 2,065,835)	(\$ 7,245,372)	\$ 577,647	\$ 1,878,278
Total Primary Government	\$ 71,811,097	\$ 70,642,805	\$ 65,403,991	\$ 64,406,102	\$ 65,483,788	\$ 58,676,073	\$ 59,776,979	\$ 55,624,736	\$ 58,204,300	\$ 57,458,277
<b>Change in Net Position</b>										
Governmental Activities	\$ 10,247,102	(\$ 5,033,272)	(\$ 4,406,243)	\$ 1,838,111	\$ 11,512,211	\$ 2,108,558	\$ 2,903,071	\$ 5,023,662	(\$ 4,075,432)	(\$ 353,512)
Business-Type Activities	28,660,150	15,112,414	10,973,914	5,525,596	15,036,665	11,032,542	7,217,512	4,652,009	9,274,934	10,040,206
Total Primary Government	\$ 38,907,252	\$ 10,079,142	\$ 6,567,671	\$ 7,363,707	\$ 26,548,876	\$ 13,141,100	\$ 10,120,583	\$ 9,675,671	\$ 5,199,502	\$ 9,686,694



CITY OF SAN ANGELO  
FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
*(UNAUDITED - modified accrual basis of accounting)*

	Fiscal Year									
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
General Fund:										
Nonspendable	\$ 50,822	\$ 43,778	\$ 44,988	\$ 23,407	\$ 18,724	\$ 18,724	\$ -0-	\$ -0-	\$ -0-	\$ 483,839
Restricted	1,437,802	-0-	-0-	-0-	-0-	-0-	-0-	554,938	-0-	-0-
Committed	161,594	-0-	-0-	-0-	-0-	375,219	-0-	-0-	-0-	-0-
Assigned	-0-	-0-	13,950,805	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	52,454,021	35,424,429	24,846,560	35,932,736	30,347,858	21,450,995	15,552,359	12,055,562	5,936,110	6,773,819
Total General Fund	<u>\$ 54,104,239</u>	<u>\$ 35,468,207</u>	<u>\$ 38,842,353</u>	<u>\$ 35,956,143</u>	<u>\$ 30,366,582</u>	<u>\$ 21,844,938</u>	<u>\$ 15,552,359</u>	<u>\$ 12,610,500</u>	<u>\$ 5,936,110</u>	<u>\$ 7,257,658</u>
Development Corporation										
Nonspendable	\$ 29,633	\$ 29,633	\$ 273,594	\$ 275,839	\$ 306,933	\$ 352,899	\$ 10,011,793	\$ 14,191,183	\$ 13,635,280	\$ 11,307,171
Restricted	17,710,615	15,542,822	13,644,589	17,537,765	13,715,612	9,896,715	-0-	-0-	-0-	-0-
Committed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,943,620
Total Development Corporation	<u>\$ 17,740,248</u>	<u>\$ 15,572,455</u>	<u>\$ 13,918,183</u>	<u>\$ 17,813,604</u>	<u>\$ 14,022,545</u>	<u>\$ 10,249,614</u>	<u>\$ 10,011,793</u>	<u>\$ 14,191,183</u>	<u>\$ 13,635,280</u>	<u>\$ 14,250,791</u>
Other Governmental Funds:										
Nonspendable	\$ 14,739,825	\$ 14,201,260	\$ 12,747,748	\$ 12,747,748	\$ -	\$ -	\$ -	\$ -	\$ 10,845,080	\$ 10,362,082
Restricted	4,186,072	3,470,316	3,355,777	3,500,930	14,754,510	13,112,031	12,580,265	11,967,745		
Committed	16,737,775	2,462,163	224,988	210,128	214,544	195,544	195,409	274,426		
Assigned	-0-	-0-	-0-	3,876,293	2,174,422	1,383,199	701,355	501,489		
Unassigned, reported in:										
Special revenue funds	( 212,580)	-0-	-0-	-0-	857,949	( 386,968)	( 102,430)	-0-	757,627	432,407
Capital projects funds	-0-	20,547,466	29,968,800	16,889,602	4,312,945	5,953,205	9,690,599	19,926,627	19,140,068	24,851,206
Permanent Funds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,030	629,266
Total Other Governmental Funds	<u>\$ 35,451,092</u>	<u>\$ 40,681,205</u>	<u>\$ 46,297,313</u>	<u>\$ 37,224,701</u>	<u>\$ 22,314,370</u>	<u>\$ 20,257,011</u>	<u>\$ 23,065,198</u>	<u>\$ 32,670,287</u>	<u>\$ 30,750,805</u>	<u>\$ 36,274,961</u>
Total All Governmental Funds	<u>\$ 107,295,579</u>	<u>\$ 91,721,867</u>	<u>\$ 99,057,849</u>	<u>\$ 90,994,448</u>	<u>\$ 66,703,497</u>	<u>\$ 52,351,563</u>	<u>\$ 48,629,350</u>	<u>\$ 59,471,970</u>	<u>\$ 50,322,195</u>	<u>\$ 57,783,410</u>

Table 4

CITY OF SAN ANGELO  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
*(UNAUDITED - modified accrual basis of accounting)*

	Fiscal Year									
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
<b>Revenues</b>										
Taxes	\$ 66,563,532	\$ 62,687,528	\$ 62,298,826	\$ 62,509,576	\$ 63,784,662	\$ 56,905,030	\$ 58,034,537	\$ 54,701,851	\$ 53,360,648	\$ 53,174,028
Licenses and Permits	895,056	954,157	956,392	826,482	916,819	806,257	787,612	788,344	749,994	956,430
Intergovernmental	3,116,193	3,795,934	7,090,325	2,484,974	2,247,654	3,015,193	3,495,356	4,935,935	5,802,593	2,879,754
Charges for Services	9,519,878	8,470,254	8,387,995	6,609,817	6,233,192	7,522,933	7,964,663	6,587,116	6,507,228	6,259,958
Fines and Forfeits	3,043,918	2,848,276	2,621,105	2,995,256	3,209,901	2,813,772	2,994,371	3,360,423	3,376,374	2,795,338
Investment Income	783,199	883,366	643,833	424,050	211,041	135,729	247,146	571,502	355,807	1,082,591
Other Revenues	4,376,724	5,821,517	1,724,315	1,884,996	1,873,348	2,989,974	1,321,283	1,064,749	3,761,586	2,654,253
Total revenues	\$ 88,298,500	\$ 85,461,032	\$ 83,722,791	\$ 77,735,151	\$ 78,476,617	\$ 74,188,888	\$ 74,844,968	\$ 72,009,920	\$ 73,914,230	\$ 69,802,352
<b>Expenditures</b>										
General Government	\$ 10,391,827	\$ 9,945,155	\$ 10,869,576	\$ 10,011,264	\$ 9,477,008	\$ 9,366,929	\$ 9,870,672	\$ 9,213,186	\$ 6,980,931	\$ 7,262,219
Public Safety	45,308,143	42,501,940	38,904,221	36,350,918	35,320,291	34,062,079	33,814,811	32,602,167	32,343,040	31,163,741
Public Works and Transportation	10,556,255	10,058,424	11,523,740	9,540,184	6,913,690	8,767,928	7,610,698	7,424,858	9,401,330	10,743,236
Public Facilities	1,010,503	967,170	998,644	914,595	1,013,884	889,044	674,273	676,047	2,294,330	2,357,480
Health and Human Services	3,176,408	3,097,989	3,334,684	3,009,616	2,848,160	2,842,001	3,120,047	3,931,698	3,815,320	3,659,902
Culture, Parks and Recreation	7,073,447	6,878,803	6,121,336	5,414,918	5,311,249	6,292,490	4,748,136	3,902,147	4,737,786	4,699,118
Economic Development	531,555	609,428	392,494	368,283	495,557	747,629	3,417,503	4,158,511	4,936,385	2,269,164
Urban Redevelopment and Housing	857,450	892,762	1,018,949	913,145	932,510	1,498,100	2,249,530	3,003,707	2,462,664	1,025,893
Capital Outlay	10,759,766	13,012,354	9,283,468	5,738,482	4,217,544	5,795,660	17,642,496	15,097,659	9,112,226	9,180,567
Debt service:										
Principal	5,721,047	8,492,000	5,409,500	2,292,000	2,862,000	9,401,601	3,370,218	2,679,000	3,616,500	5,655,000
Interest and fees	2,599,386	2,502,164	2,381,580	2,138,538	2,159,487	2,133,148	2,314,013	2,211,093	2,155,932	1,876,287
Total expenditures	\$ 97,985,787	\$ 98,958,189	\$ 90,238,192	\$ 76,691,943	\$ 71,551,380	\$ 81,796,609	\$ 88,832,397	\$ 84,900,073	\$ 81,856,444	\$ 79,892,607
Excess revenues over (under) expenditures	(\$ 9,687,287)	(\$ 13,497,157)	(\$ 6,515,401)	\$ 1,043,208	\$ 6,925,237	(\$ 7,607,721)	(\$ 13,987,429)	(\$ 12,890,153)	(\$ 7,942,214)	(\$ 10,090,255)
<b>Other financing sources (uses)</b>										
Transfers In	\$ 8,252,955	\$ 8,583,538	\$ 5,912,120	\$ 6,638,763	\$ 4,488,533	\$ 4,703,287	\$ 12,269,292	\$ 11,474,122	\$ 3,657,344	\$ 2,774,951
Debt Issue Proceeds	16,920,760	3,216,365	16,458,568	13,641,008	-	6,472,462	-	13,780,000	-	16,705,000
Capitalized Leases	-	-	-	-	-	-	-	-	( 184,620)	-
Sale of Capital Assets	480,484	568,474	159,447	752,083	552,491	754,582	845,727	870,727	226,361	704,084
Transfers Out	( 2,598,356)	( 7,861,474)	( 1,172,702)	( 813,085)	( 896,391)	( 505,633)	( 9,970,210)	( 4,084,921)	( 3,218,086)	( 4,710,195)
Total other financing sources (uses)	\$ 23,055,843	\$ 4,506,903	\$ 21,357,433	\$ 20,218,769	\$ 4,144,633	\$ 11,424,698	\$ 3,144,809	\$ 22,039,928	\$ 480,999	\$ 15,473,840
Net change in fund balances	\$ 13,368,556	(\$ 8,990,254)	\$ 14,842,032	\$ 21,261,977	\$ 11,069,870	\$ 3,816,977	(\$ 10,842,620)	\$ 9,149,775	(\$ 7,461,215)	\$ 5,383,585
Debt service as a percentage of noncapital expenditures	9.2%	12.0%	9.4%	6.0%	7.4%	15.2%	8.1%	7.1%	7.8%	10.8%

CITY OF SAN ANGELO  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
 LAST TEN FISCAL YEARS;  
*(UNAUDITED)*

Table 5

Fiscal Year	Tax Year	Actual Value					Less: Exemptions	Net Assessed Taxable Value	Total Direct Tax Rate
		Residential Property	Commercial Property	Industrial Property	Personal Property	Total			
2008-09	2008	2,502,263,186	708,020,201	30,210,850	585,056,734	3,825,550,971	490,009,599	3,335,541,372	0.82750
2009-10	2009	2,759,315,091	724,790,790	29,811,000	589,244,647	4,103,161,528	582,142,000	3,521,019,528	0.81750
2010-11	2010	2,843,511,067	704,939,433	30,058,400	584,247,824	4,162,756,724	561,216,519	3,601,540,205	0.81750
2011-12	2011	2,982,354,709	710,198,077	29,633,750	623,792,545	4,345,979,081	584,870,033	3,761,109,048	0.78600
2012-13	2012	3,126,836,948	635,385,879	33,506,700	642,047,015	4,437,776,542	692,309,826	3,745,466,716	0.78100
2013-14	2013	3,157,788,596	662,174,170	31,250,910	704,088,330	4,555,302,006	678,705,787	3,876,596,219	0.77600
2014-15	2014	3,557,375,484	724,622,860	32,217,560	762,652,660	5,076,868,564	844,657,199	4,232,211,365	0.77600
2015-16	2015	3,881,638,165	760,948,870	32,460,990	901,606,440	5,576,654,465	975,159,581	4,601,494,884	0.77600
2016-17	2016	4,107,658,750	809,002,820	32,730,670	869,336,530	5,818,728,770	1,051,989,109	4,766,739,661	0.77600
2017-18	2017	4,325,243,884	843,054,000	34,296,050	881,095,683	6,083,689,617	1,105,783,881	4,977,905,736	0.77600

**Source:** Tom Green County Appraisal District

CITY OF SAN ANGELO  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
*(UNAUDITED)*

Fiscal Year	City's Direct Tax Rates (Per \$100 of Assessed Value)			Overlapping Rates *	
	General Fund	Debt Service Fund	Total	Tom Green County	San Angelo School District
2007-08	0.74000	0.10000	0.84000	0.52582	1.11000
2008-09	0.73000	0.09750	0.82750	0.52582	1.11000
2009-10	0.72000	0.09750	0.81750	0.52500	1.35250
2010-11	0.73750	0.08000	0.81750	0.52500	1.31250
2011-12	0.70600	0.08000	0.78600	0.52500	1.28000
2012-13	0.70100	0.08000	0.78100	0.52500	1.26000
2013-14	0.69600	0.08000	0.77600	0.52500	1.26000
2014-15	0.69600	0.08000	0.77600	0.51500	1.24000
2015-16	0.67740	0.09860	0.77600	0.51250	1.23500
2016-17	0.67740	0.09860	0.77600	0.51250	1.22000
2017-18	0.68240	0.09360	0.77600	0.53500	1.21000

\* Includes rates for maintenance & operations and debt service.

**Source:** Tom Green County Appraisal District.

CITY OF SAN ANGELO  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
*(UNAUDITED)*

Taxpayer	Type of Business	Fiscal Year 2017-18			Fiscal Year 2008-09		
		Assessed Value	Rank	Percent of Total Assessed Value	Assessed Value	Rank	Percent of Total Assessed Value
Walmart/Sam's	Retail	\$ 90,988,160	1	1.83%	\$ 63,794,755	1	1.91%
AEP Texas North	Utility	60,180,630	2	1.21%	40,208,800	4	1.21%
Ethicon, Inc	Mfg.	82,782,970	3	1.66%	54,102,850	2	1.62%
Hirschfeld Steel & Energy	Mfg.	42,468,570	4	0.85%			
C & J Well Services Inc.	Petroleum	39,932,470	5	0.80%			
Envoy Air	Transportation	37,669,470	6	0.76%			0.00%
San Angelo Hospital	Medical	34,006,720	7	0.68%			0.00%
Glazers	Wholesale	19,229,920	8	0.39%			0.00%
Sunset Mall	Mall-Real Est.	19,072,550	9	0.38%	22,926,430	7	
Atmos Energy	Utility	17,757,160	10	0.36%			
Angelo Community Medical	Hospital				41,443,925	3	1.24%
Verizon	Utility				35,862,932	5	1.08%
Shannon Medical Center	Hospital				24,713,381	6	0.74%
Suddenlink Communications	Utility				21,791,989	8	0.65%
Alexander Properties	Real Estate				16,761,648	9	0.50%
Lowes Home Improvement	Retail				13,823,126	10	0.41%
		<u>\$ 444,088,620</u>		<u>8.92%</u>	<u>\$ 335,429,836</u>		<u>9.36%</u>
	Total Assessed Value	<u>\$ 4,977,905,736</u>			<u>\$ 3,335,541,372</u>		

CITY OF SAN ANGELO  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
*(UNAUDITED)*

Fiscal Year	Taxes Levied for the Fiscal Year	Subsequent Adjustments	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percent of Levy		Amount	Percent of Levy
2008-09	26,714,703	-0-	25,928,360	97.06%	555,708	26,484,068	99.14%
2009-10	27,789,598	-0-	26,871,734	96.70%	502,131	27,373,865	98.50%
2010-11	28,319,334	-0-	27,606,888	97.48%	411,298	28,018,186	98.94%
2011-12	28,356,670	-0-	27,881,820	98.33%	211,413	28,093,233	99.07%
2012-13	29,278,418	-0-	28,570,061	97.58%	515,007	29,085,068	99.34%
2013-14	30,082,389	-0-	29,583,219	98.34%	404,512	29,987,731	99.69%
2014-15	32,771,396	229,083	32,290,409	98.53%	415,937	32,706,346	99.11%
2015-16	35,569,387	214,162	34,998,697	98.40%	416,701	35,415,398	98.97%
2016-17	36,864,006	198,480	36,308,219	98.49%	502,506	36,810,725	99.32%
2017-18	38,416,262	217,733	37,830,580	98.48%	530,136	38,360,716	99.29%

**Source:** Tom Green County Appraisal District.

Table 9

CITY OF SAN ANGELO  
 DIRECT AND OVERLAPPING SALES TAX RATES  
 LAST TEN FISCAL YEARS  
*(UNAUDITED)*

<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>Tom Green County</b>	<b>State of Texas</b>
2008-09	1.50%	0.50%	6.25%
2009-10	1.50%	0.50%	6.25%
2010-11	1.50%	0.50%	6.25%
2011-12	1.50%	0.50%	6.25%
2012-13	1.50%	0.50%	6.25%
2013-14	1.50%	0.50%	6.25%
2014-15	1.50%	0.50%	6.25%
2015-16	1.50%	0.50%	6.25%
2016-17	1.50%	0.50%	6.25%
2017-18	1.50%	0.50%	6.25%

Source: State of Texas Comptroller

CITY OF SAN ANGELO  
SALES TAX REVENUE BY INDUSTRY  
CURRENT YEAR AND LAST TEN FISCAL YEARS  
*(UNAUDITED)*

	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>
Agriculture, Forestry, Fishing, Hunting	\$ 48,150	\$ 44,069	\$ 47,211	\$ 46,385	\$ 37,568	\$ 36,839	\$ 19,527	\$ 12,334	\$ 12,470	\$ 851,454
Mining, Oil and Gas	264,833	193,764	346,879	767,728	429,088	402,265	280,351	233,512	136,976	22,514,401
Utilities	73,572	66,739	58,381	87,880	53,777	41,687	35,275	25,453	27,833	410,908
Construction	477,993	426,851	549,393	522,345	450,768	436,994	386,899	347,833	425,429	41,583,531
Manufacturing	708,408	602,520	976,073	1,333,468	944,269	710,688	455,474	410,242	377,766	30,336,889
Wholesale Trade	1,486,186	1,269,721	1,609,563	1,735,430	1,219,857	1,075,020	855,832	710,629	689,171	56,836,591
Retail Trade	11,158,794	10,944,922	11,647,853	12,253,082	11,640,218	10,869,678	9,905,872	9,427,001	9,360,450	657,727,983
Transportation, Warehousing	15,205	20,127	79,455	102,107	91,993	83,802	71,069	45,011	7,083	606,940
Information	1,099,011	1,155,833	1,216,797	1,167,114	1,035,657	949,969	878,883	851,731	808,930	54,133,364
Finance, Insurance	41,040	36,666	36,262	41,043	35,754	34,687	35,805	31,064	29,879	2,134,859
Real Estate, Rental, Leasing	393,803	278,081	429,211	528,890	392,044	422,161	273,286	188,169	161,881	13,946,307
Professional, Scientific, Technical	287,056	487,618	352,274	300,996	190,827	181,968	142,006	231,099	149,079	12,897,724
Admin. Support, Waste Management	599,735	582,506	555,283	517,954	456,665	397,017	403,471	377,877	404,636	27,979,710
Educational Services	3,506	3,463	3,176	3,838	3,704	4,567	3,820	3,671	4,230	402,104
Health Care Social Assistance	70,730	79,449	81,637	77,685	83,371	79,529	71,754	78,101	62,061	4,323,362
Arts, Entertainment ,Recreation	188,684	193,750	186,234	170,099	162,358	157,981	139,611	134,153	139,107	9,512,943
Accommodation, Food Service	3,223,943	3,101,476	3,213,328	3,195,109	2,911,178	2,708,992	2,446,771	2,280,349	2,209,333	147,498,891
Other Services	968,228	943,391	1,005,837	899,882	784,784	708,350	631,693	535,614	533,677	37,380,247
	<u>\$ 21,108,876</u>	<u>\$ 20,430,948</u>	<u>\$ 22,394,848</u>	<u>\$ 23,751,035</u>	<u>\$ 20,923,880</u>	<u>\$ 19,302,193</u>	<u>\$ 17,037,398</u>	<u>\$ 15,923,844</u>	<u>\$ 15,539,990</u>	<u>\$ 1,121,078,208</u>

Source: State of Texas Comptroller

Note: Calendar year 2017 is the most current year available.



CITY OF SAN ANGELO  
RATIOS OF OUTSTANDING DEBT BY TYPE,  
LAST TEN FISCAL YEARS  
*(UNAUDITED)*

Table 11

Fiscal Year	Governmental Activities					Business-type Activities				Total Primary Government	Percent of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Obligation		Notes Payable	Capital Leases	Water and Sewer Revenue Bonds	General Obligation Debt	Notes Payable	Capital Leases			
		Ad Valorem Tax Supported	Sales Tax Supported									
2008-09	2,080,329	22,615,000	23,310,000	-0-	507,996	16,545,000	47,524,671	-0-	-0-	112,582,996	3.50%	1,143
2009-10	1,595,592	20,355,000	22,300,000	-0-	345,980	14,915,000	45,649,408	-0-	-0-	105,160,980	3.68%	1,222
2010-11	1,085,608	17,310,000	29,375,000	2,035,000	-0-	-0-	50,945,000	120,496,936	-0-	231,660,000	3.06%	1,128
2011-12	555,428	15,930,000	28,065,000	1,928,000	-0-	-0-	47,125,000	114,647,114	-0-	218,425,001	6.58%	2,471
2012-13	5,895,000	14,450,000	26,710,000	1,821,000	-0-	-0-	48,565,000	108,877,820	-0-	210,755,000	4.79%	2,278
2013-14	5,820,000	13,175,000	25,305,000	1,714,000	-0-	-0-	44,900,000	103,152,899	-0-	192,000,000	4.62%	2,162
2014-15	19,000,000	12,530,000	23,845,000	1,607,000	-0-	-0-	40,145,000	97,390,827	-0-	194,517,827	3.97%	1,969
2015-16	49,355,000	2,165,000	13,185,000	1,500,000	-0-	-0-	35,095,000	91,628,594	-0-	192,928,594	3.69%	1,936
2016-17	41,935,000	3,655,000	12,915,000	1,393,000	-0-	-0-	77,620,000	85,635,000	-0-	223,153,000	4.33%	2,216
2017-18	54,285,000	2,650,000	12,335,000	1,286,000	-0-	-0-	71,780,000	79,910,000	-0-	222,246,000	4.34%	2,220

**Notes:** Details of the City's outstanding debt are in the notes to the financial statements.

- a. See Table 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

CITY OF SAN ANGELO  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
**(UNAUDITED)**

Table 12

Fiscal Year	General Obligation Bonds	Ad Valorem Tax Supported	Total	Percent of Actual Value of Taxable Property	Per Capita
2008-09	2,080,329	22,615,000	24,695,329	0.45%	171.91
2009-10	1,595,592	20,355,000	21,950,592	0.36%	140.25
2010-11	1,085,608	17,310,000	18,395,608	0.65%	268.78
2011-12	555,428	15,930,000	16,485,428	0.53%	238.21
2012-13	5,895,000	14,450,000	20,345,000	0.48%	213.63
2013-14	5,820,000	13,175,000	18,995,000	0.41%	189.05
2014-15	19,000,000	12,530,000	31,530,000	0.48%	222.08
2015-16	49,355,000	2,165,000	51,520,000	0.89%	491.34
2016-17	41,935,000	3,655,000	45,590,000	0.72%	416.43
2017-18	54,285,000	2,650,000	56,935,000	0.89%	542.20

CITY OF SAN ANGELO  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF SEPTEMBER 30, 2018  
 (UNAUDITED)

Governmental Unit	Debt Outstanding	As of	Estimated Percentage Applicable a	Estimated Share of Overlapping Debt
<b>Debt Repaid With Property Taxes</b>				
San Angelo Independent School District	\$ 101,369,981	9/30/2018	100.00%	\$ 101,369,981
Tom Green County	57,980,000	9/30/2018	82.02%	47,555,196
Grape Creek Independent School District	11,197,784	9/30/2018	0.24%	26,875
Subtotal Overlapping Debt				<u>\$ 148,952,052</u>
<b>City of San Angelo Direct Debt</b>				<b>b</b> <u>69,270,000</u>
<b>Total Direct &amp; Overlapping Debt</b>				<u><u>\$ 218,222,052</u></u>

**Sources:** Taxable value used to estimate applicable percentages provided by Tom Green County Appraisal District.  
 Outstanding debt data provided by each governmental unit.

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

**a** The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's taxable value.

**b** See Table 11 for details of the City's direct governmental activities debt.

Table 14

CITY OF SAN ANGELO  
 PLEDGED-REVENUE COVERAGE  
 LAST TEN FISCAL YEARS,  
**(UNAUDITED)**

Fiscal Year	<b>Water and Sewer Revenue Bonds</b>					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008-09	34,524,952	17,440,985	17,083,967	1,565,000	910,617	6.90
2009-10	37,806,196	23,878,347	13,927,849	1,630,000	835,431	5.65
2010-11	n/a	n/a	n/a	n/a	n/a	n/a
2011-12	n/a	n/a	n/a	n/a	n/a	n/a
2012-13	n/a	n/a	n/a	n/a	n/a	n/a
2013-14	n/a	n/a	n/a	n/a	n/a	n/a
2014-15	n/a	n/a	n/a	n/a	n/a	n/a
2015-16	n/a	n/a	n/a	n/a	n/a	n/a
2016-17	n/a	n/a	n/a	n/a	n/a	n/a
2017-18	n/a	n/a	n/a	n/a	n/a	n/a

CITY OF SAN ANGELO  
 DEMOGRAPHIC AND ECONOMIC STATISTICS,  
 LAST TEN CALENDAR YEARS  
*(UNAUDITED)*

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
	<b>a</b>	<b>b</b>	<b>b</b>	<b>c</b>
2008	91,880	2,997,768,760	32,627	4.0%
2009	92,149	3,062,019,121	33,229	6.2%
2010	93,200	3,432,742,400	36,832	6.5%
2011	93,759	4,377,977,000	38,592	6.4%
2012	95,887	4,620,116,000	40,152	5.3%
2013	97,492	4,753,332,000	40,779	5.1%
2014	98,975	5,187,009,000	43,791	4.2%
2015	100,450	5,273,593,000	44,072	3.1%
2016	100,702	5,158,024,000	43,004	4.4%
2017	100,119	5,121,700,000	42,847	3.7%

**Sources:** **a** U.S. Census Bureau.

**b** U.S. Department of Commerce, Bureau of Economic Analysis for the San Angelo Metropolitan Statistical Area

**c** San Angelo Chamber of Commerce.

CITY OF SAN ANGELO  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND NINE YEARS AGO  
*(UNAUDITED)*

<b>Employer</b>	<b>Fiscal Year 2017-18</b>			<b>Fiscal Year 2008-09</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of Total Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of Total Employment</b>
Goodfellow Air Force Base	5,127	1	11.43%	6,648	1	15.90%
Shannon Health System	2,712	2	6.04%	2,250	2	5.38%
San Angelo Independent School Dist.	1,973	3	4.40%	2,051	3	4.91%
Angelo State University	1,625	4	3.62%	1,477	4	3.53%
City of San Angelo	936	5	2.09%	953	5	2.28%
San Angelo State Supported Living Cener	950	6	2.12%			
San Angelo Community Medical Center	720	7	1.60%	857	7	2.05%
Ethicon (Johnson & Johnson)	650	8	1.45%	650	10	1.55%
SITEL, Inc.	602	9	1.34%	744	9	1.78%
Tom Green County	514	10	1.15%	755	8	1.81%
Verizon			0.00%	900	6	2.15%
	<u>15,809</u>		<u>35.24%</u>	<u>17,285</u>		<u>41.34%</u>
Total San Angelo Employment	<u>44,874</u>			<u>41,806</u>		

**Sources:** San Angelo Chamber of Commerce  
Texas Workforce Commission

CITY OF SAN ANGELO  
FULL-TIME EQUIVALENT CITY EMPLOYEES BY DEPARTMENT  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Full-time-Equivalent Employees	Fiscal Year									
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
General Government										
City Manager	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	7.0	7.0
Legal, City Clerk	7.0	7.0	7.0	7.0	9.0	9.0	8.0	8.0	9.0	10.0
Real Estate	2.0	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Information	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Development Corporation	4.0	4.0	4.0	3.0	3.0	2.0	2.0	2.0	0.0	0.0
Human Resources	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Building Maintenance	6.0	6.0	6.0	7.0	7.0	6.0	6.0	3.0	2.0	2.0
Construction Management	1.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Emergency Management	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
City Health Insurance	2.0	1.0	1.0	1.0	1.0	1.0	1.0	6.0	10.0	10.0
Risk Management	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0
Administration										
Finance, Accounting	12.0	12.0	12.0	12.0	12.0	13.0	13.0	12.0	14.0	13.0
Information Services	6.0	7.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0
Communications	1.0	1.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0
Purchasing	3.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	4.0	3.0
Municipal Court	32.0	32.0	33.0	34.0	33.0	33.0	34.0	32.0	36.0	35.5
Water Billing and Receipts	9.0	9.0	9.0	8.0	8.0	8.0	8.0	8.0	20.5	20.5
Vehicle Maintenance	17.0	17.0	17.0	18.0	17.0	17.0	19.0	19.0	19.0	19.0
Public Safety										
Police	207.0	203.0	199.0	199.0	199.0	197.0	199.0	191.0	196.0	195.0
Public Safety Communications	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	26.0	26.0
Fire / Ambulance	176.0	176.0	169.0	169.0	169.0	169.0	169.0	169.0	169.0	169.0
Fire Prevention	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Community Development / Planning										
Planning	13.0	13.0	13.0	11.0	13.0	12.0	12.0	12.0	13.0	13.0
Engineering	15.0	15.0	15.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0
Permits and Inspection	12.0	14.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0
Code Compliance	6.0	6.0	6.0	7.0	9.0	7.0	7.0	7.0	7.0	7.0
911 Addressing	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Neighborhood & Family Services	4.0	4.0	4.0	4.0	5.0	6.0	6.0	6.0	6.0	6.0
Public Works										
Operations	7.0	7.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Traffic / Signal	11.0	11.0	11.0	11.0	11.0	12.0	12.0	12.0	12.0	12.0
Street and Bridge	37.0	37.0	33.0	27.0	27.0	27.0	27.0	27.0	46.0	46.0
Airport	13.0	13.0	13.0	13.0	14.0	14.0	14.5	14.5	13.0	13.0
Water	107.0	108.0	109.0	113.0	112.0	113.0	114.0	116.0	108.0	105.0
Sewer	39.0	39.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0
Storm Water	23.0	23.0	21.0	22.0	21.0	24.0	24.0	21.0	0.0	0.0
Health and Social Services										
Administration	1.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Animal Control	12.0	13.0	13.0	12.0	12.0	12.0	12.0	16.0	16.0	16.0
Nursing/Immunization	3.0	2.0	2.0	3.0	3.0	4.0	5.0	5.0	5.0	6.0
Environmental Health	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
BRLHO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bioterrorism	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0
WIC	14.0	14.0	15.0	15.0	17.0	14.0	18.0	18.0	18.0	18.0
Social Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0	6.0
Parks and Recreation										
Parks	49.0	49.0	49.0	46.0	46.0	47.0	47.0	52.0	53.7	57.7
Texas Bank Sports Complex	9.0	9.0	9.0	9.0	9.0	10.0	9.0	7.0	0.0	0.0
Recreation	8.0	7.0	7.0	7.0	7.0	7.0	10.0	9.0	13.0	12.0
Nutrition	1.0	5.0	5.0	5.0	5.0	4.0	4.7	4.7	4.7	4.7
Golf Course	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5	3.5
Civic Events	12.0	12.0	12.0	12.0	12.0	12.0	12.0	13.0	13.0	13.0
Fort Concho	12.0	14.0	14.0	14.0	14.0	13.0	13.0	13.0	14.0	14.0
Fairmount Cemetery	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	9.5
State Office Building	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Total Full-time-Equivalents</b>	<b>953.5</b>	<b>959.5</b>	<b>942.5</b>	<b>926.5</b>	<b>930.5</b>	<b>928.5</b>	<b>943.7</b>	<b>941.7</b>	<b>969.9</b>	<b>968.9</b>

Source: City of San Angelo Operating Budget

\*Real Estate was previously reported under the Legal, City Clerk

CITY OF SAN ANGELO  
OPERATING INDICATORS BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS  
(UNAUDITED)

FUNCTION / PROGRAM	Fiscal Year									
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
<u>General Government</u>										
Building Permits Issued	7,761	7,337	6,797	7,256	8,219	8,036	8,129	8,430	7,800	8,524
<u>Health and Human Services</u>										
Animals Registered	1,948	1,942	2,146 **	9,552	9,581 *	1,352	600	992	1,494	1,067
<u>Police</u>										
Number of Arrests	4,410	4,159	4,273	5,755	6,458	6,367	6,213	6,741	8,127	7,725
Calls for Service	106,417	92,977	95,966	97,233	102,966	98,076	89,198	89,876	101,003	106,004
<u>Fire / Ambulance</u>										
Fire responses	7,926	7,901	6,997	7,454	8,694	6,766	6,280	6,494	6,632	6,228
Ambulance Responses	13,812	13,663	12,761	12,224	12,543	12,070	11,658	11,325	10,571	10,135
Fire Marshall Inspections	1,803	2,088	2,418	2,759	3,110	2,807	3,750	4,142	3,730	3,110
<u>Municipal Court</u>										
Parking Violations	777	1,240	1,183	1,630	1,782	1,859	1,800	2,377	2,371	2,133
Traffic Cases	26,200	20,379	19,860	20,078	23,688	20,731	22,872	22,319	23,548	21,947
Criminal Cases	4,340	5,240	4,613	4,803	6,124	7,485	7,961	10,321	9,206	11,893
<u>Water</u>										
Number of Customers	34,868	34,829	35,320	36,269	35,373	34,175	32,845	31,885	31,721	31,618
Average Daily Consumption (millions of gallons)	12.10	11.90	10.04	8.81	9.15	9.84	11.28	14.00	13.93	13.47
<u>Sewer</u>										
Average Daily Treatment (millions of gallons)	7.87	7.67	8.42	8.55	8.20	7.94	8.46	8.35	8.22	9.08
Number of connections	37,617	42,465	37,247	33,656	31,113	30,880	30,342	29,473	28,920	28,883
<u>Parks, Recreation and Nutrition</u>										
Number of Acres Maintained	590	590	555	695	695	695	695	723	616	595
Number of Meals Served	31,547	35,994	36,013	30,696	33,709	36,945	38,873	43,061	47,316	44,478
<u>Coliseum, Auditorium, Convention Center</u>										
Number of Events-Coliseum	109	39	140	128	141	124	134	132	84	84
Number of Events-Auditorium	-0- #	-0- #	-0-	-0-	-0-	-0-	-0-	-0-	-0-	68
Number of Events-Convention Center	361	480	396	602	449	546	448	476	590	351

**Source: City of San Angelo Operating Budget**

\*Began reporting City Wide registrations in 2014 vs Animal Shelter only registrations

\*\* Began micro chip instead of registration in March 2016



CITY OF SAN ANGELO  
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS  
(UNAUDITED)

FUNCTION / PROGRAM	Fiscal Year									
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
<u>Number of Fire Stations</u>	8	8	8	8	8	8	8	8	8	8
<u>Public Works</u>										
Miles of Streets	1,183	1,178	1,689	1,160	1,149 *	707	539	533	530	526
Miles of Alleys	175	174	174	173	287	283	205	205	203	203
Number of Street Lights	5,520	5,536	5,536	5,446 **	7,212	7,194	7,214	7,119	6,882	n/a
<u>Water</u>										
Miles of Water Mains	789	757	752	756	754	750	672	656	655	653
Number of Fire Hydrants	3,101	3,090	3,051	3,036	3,030	2,965	2,933	2,713	2,703	2,698
<u>Sewer</u>										
Miles of Storm Sewers	13.8	13.8	13.5	15.91	13.02	13.02	4.9	4.9	4.9	4.9
Miles of Sanitary Sewers	491	491	489	484	484	481	471	457	456	456
<u>Parks</u>										
Number of Acres	590	590	555	555	555	555	695	723	616	595
Number of Playgrounds	16	17	18	18	18	18	26	37	29	29
Number of Tennis Courts	16	17	18	18	18	18	20	20	20	20
Number of Recreation Centers	5	5	5	5	5	5	5	5	5	5
Number of Sports Complexes	6	7	7	7	5	5	5	5	5	5

\*Began reporting lane miles in 2014 vs standard miles

\*\* Began reporting only street lights that are owned by the City in 2015

Parks