



Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2017



CITY OF SAN ANGELO, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2017



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

April 27, 2018

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, 2017.

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, 2016, 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, 2016, 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 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. As a result of this initiative, the tax rate remains at \$.776/\$100 of valuation for the fourth straight year and has not been increased in 17 years. The Council believed this resolution to be in the public interest since the property tax is an ever-increasing burden on the citizens.

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

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 the number one strategic priority of the City Council.

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 helped diversify the City's water supply portfolio. Implementation of this project began in 2011 with the initial project being completed during fiscal year 2017. Plans are underway to expand the capacity at the wellfield site and thus increase the City's long-term water supply and capacity.

The City Council adopted a plan which started in January 2016 which was 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. Street reconstruction and improvements is one of the City Council's top five strategic priorities.

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.

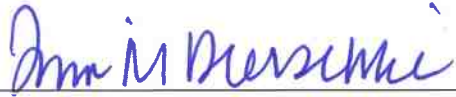
AWARDS AND ACKNOWLEDGEMENTS

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, 2016. 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,



Tina M. Dierschke, CPA, CGFO
Director of Finance

CITY OF SAN ANGELO, TEXAS

List of Principal Officials

September 30, 2017

City Council

Brenda Gunter
Tommy Hiebert
Tom Thompson
Lucy Gonzales
Harry Thomas
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

David Knapp

Construction Manager

Allen Gilbert

Municipal Court Judge

Frank Carter

Police Chief

Brian Dunn

Fire Chief

Anthony Wilson

Public Information Officer

Luis Elguezabal

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

Roland Pena

Economic Development Director

Jon James

Director of Planning & Development
Services

Robert Salas

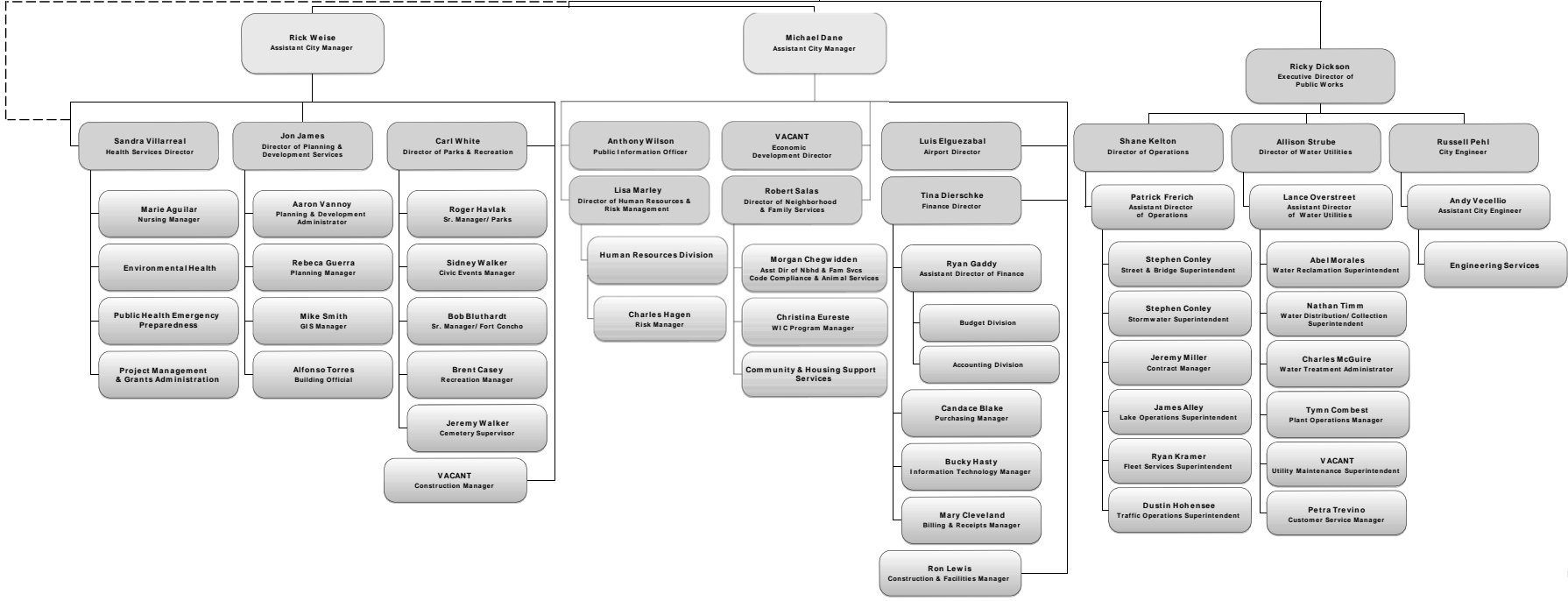
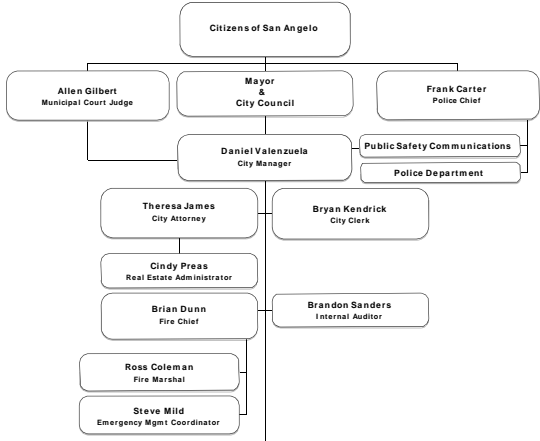
Director of Neighborhood and
Family Services

Sandra Villarreal

Health Services Director

Russell Pehl

City Engineer





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, 2016

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, 2017, 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.

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, 2017, 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 VII to the financial statements, during the year ended September 30, 2017, the City adopted GASB Statement No. 77, *Tax Abatement Disclosures*. 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 April 27, 2018 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
April 27, 2018



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, 2017. Please read it in conjunction with our transmittal letter on pages 2-5, 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 Assets 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 Assets 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 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 City's governmental activities decreased \$5,033,272. This result is primarily due to an increase in salaries and pension obligations.

Business-Type Activities

In 2017, the total net position of our business-type activities increased by \$15,112,414. 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.

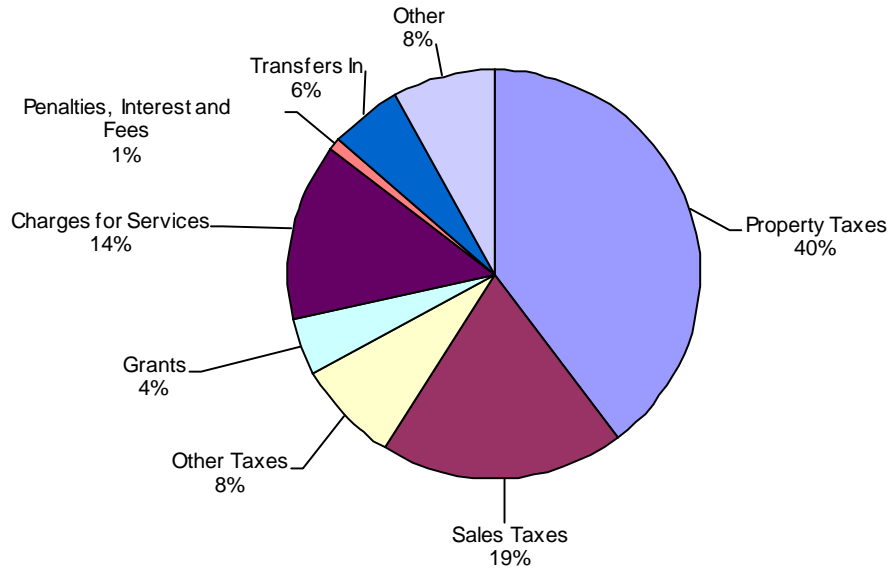
Table I - Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 86,292,160	\$ 87,902,368	\$ 65,539,306	\$ 54,539,852	\$ 151,831,466	\$ 142,442,220
Capital assets	84,832,657	84,825,043	340,375,746	297,839,333	425,208,403	382,664,376
Total assets	\$ 171,124,817	\$ 172,727,411	\$ 405,915,052	\$ 352,379,185	\$ 577,039,869	\$ 525,106,596
Deferred Outflows of Resources	23,646,290	28,232,314	3,685,678	4,210,451	27,331,968	32,442,765
Current liabilities	11,742,058	9,248,604	17,320,067	15,446,053	29,062,125	24,694,657
Long-term liabilities	169,742,854	173,129,665	173,242,309	137,098,529	342,985,163	310,228,194
Total liabilities	\$ 181,484,912	\$ 182,378,269	\$ 190,562,376	\$ 152,544,582	\$ 372,047,288	\$ 334,922,851
Deferred Inflows of Resources	355,133	617,122	341,815	460,929	696,948	1,078,051
Net assets:						
Net Investment in Capital Assets	40,735,612	15,628,732	190,198,520	168,098,952	230,934,132	183,727,684
Restricted	16,874,203	16,248,677	34,722,814	25,759,916	51,597,017	42,008,593
Unrestricted	(44,678,753)	(13,913,075)	(6,224,795)	9,725,257	(50,903,548)	(4,187,818)
Total net position	\$ 12,931,062	\$ 17,964,334	\$ 218,696,539	\$ 203,584,125	\$ 231,627,601	\$ 221,548,459

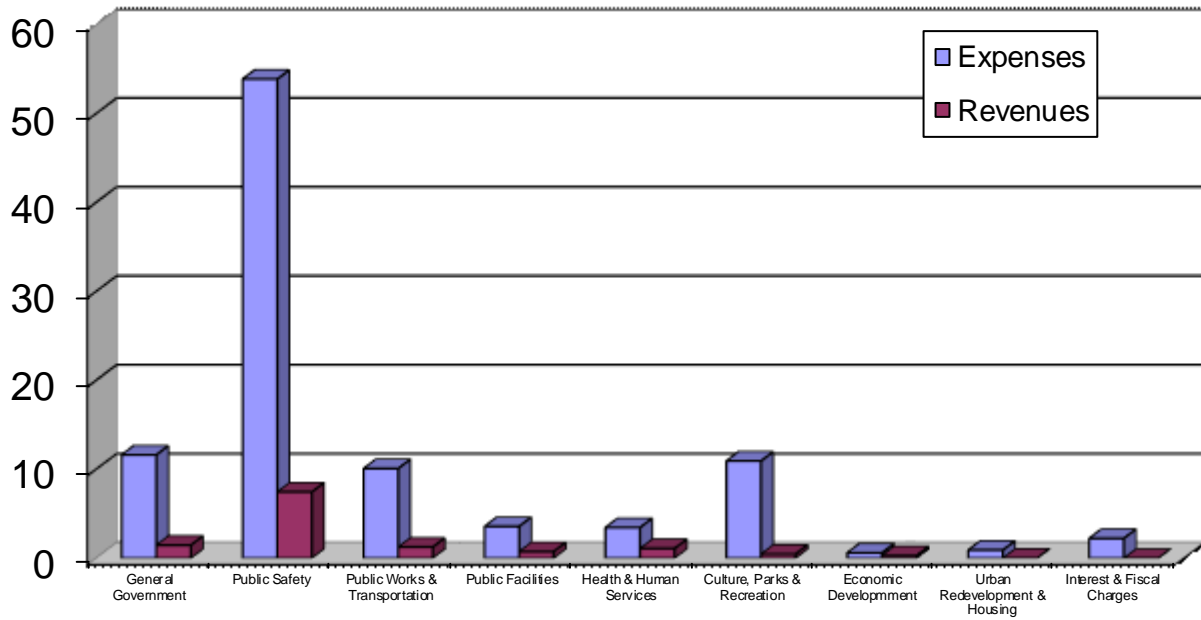
Table II - Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
REVENUES						
Program Revenues:						
Charges for services	\$ 12,832,967	\$ 11,087,789	\$ 54,252,364	\$ 48,013,675	\$ 67,085,331	\$ 59,101,464
Operating grants and contributions	3,857,901	3,443,620	150	-0-	3,858,051	3,443,620
Capital grants and contributions	372,387	297,140	970,516	1,023,428	1,342,903	1,320,568
Grants and Contributions Not Restricted to Specific Programs	-0-	-0-	-0-	1,200	-0-	1,200
General Revenues:						
Property Taxes - General Levy	32,111,994	30,505,494	-0-	-0-	32,111,994	30,505,494
Property Taxes - Debt Service Levy	4,563,051	7,556,437	-0-	-0-	4,563,051	7,556,437
Sales Taxes	17,676,790	17,147,214	-0-	-0-	17,676,790	17,147,214
Franchise Taxes	5,012,040	4,349,480	-0-	-0-	5,012,040	4,349,480
Motel Taxes	1,976,473	1,960,114	-0-	-0-	1,976,473	1,960,114
Mixed Drink Taxes	411,981	332,309	-0-	-0-	411,981	332,309
Bingo Taxes	44,647	42,505	-0-	-0-	44,647	42,505
Penalty, Interest and Fees on Delinquent Taxes	890,555	337,978	-0-	-0-	890,555	337,978
Investment Income	914,166	691,470	612,318	582,468	1,526,484	1,273,938
Miscellaneous	5,411,365	6,106,194	-0-	-0-	5,411,365	6,106,194
Settlement Proceeds	1,000,000	-0-	-0-	-0-	1,000,000	-0-
Total Revenues	\$ 87,076,317	\$ 83,857,744	\$ 55,835,348	\$ 49,620,771	\$ 141,911,665	\$ 133,478,515
EXPENSES						
Governmental Activities:						
General Government	\$ 11,617,429	\$ 15,503,820	\$ -0-	\$ -0-	\$ 11,617,429	\$ 15,503,820
Public Safety	53,883,378	45,843,672	-0-	-0-	53,883,378	45,843,672
Public Works and Transportation	10,088,428	12,554,602	-0-	-0-	10,088,428	12,554,602
Public Facilities	3,571,629	3,790,497	-0-	-0-	3,571,629	3,790,497
Health and Human Services	3,455,935	3,697,454	-0-	-0-	3,455,935	3,697,454
Culture, Parks and Recreation	10,941,795	8,076,896	-0-	-0-	10,941,795	8,076,896
Economic Development	609,428	392,494	-0-	-0-	609,428	392,494
Urban Redevelopment and Housing	926,648	1,051,058	-0-	-0-	926,648	1,051,058
Interest and Fiscal Charges	2,235,720	2,153,962	-0-	-0-	2,235,720	2,153,962
Business-Type Activities:						
Water	-0-	-0-	18,722,506	16,978,460	18,722,506	16,978,460
Sewer	-0-	-0-	8,778,915	9,078,552	8,778,915	9,078,552
Airport	-0-	-0-	4,283,374	4,506,411	4,283,374	4,506,411
State Office Building	-0-	-0-	1,031,980	1,127,308	1,031,980	1,127,308
Solid Waste	-0-	-0-	930,399	786,709	930,399	786,709
Stormwater	-0-	-0-	1,772,384	2,032,021	1,772,384	2,032,021
Total Expenses	\$ 97,330,390	\$ 93,064,455	\$ 35,519,558	\$ 34,509,461	\$ 132,849,948	\$ 127,573,916
Excess or Deficiency before Transfers & Special Items						
Transfers	(\$ 10,254,073)	(\$ 9,206,711)	\$ 20,315,790	\$ 15,111,310	\$ 10,061,717	\$ 5,904,599
Gain (Loss) on Sale of Capital Assets	-0-	-0-	17,425	663,072	17,425	663,072
Change in net position	(\$ 5,033,272)	(\$ 4,406,243)	\$ 15,112,414	\$ 10,973,914	\$ 10,079,142	\$ 6,567,671
Net Position-Beginning	17,964,334	22,386,941	203,584,125	192,402,399	221,548,459	214,789,340
Restatement of Beginning Net Position	-0-	(16,364)	-0-	207,812	-0-	191,448
Net position-Ending	\$ 12,931,062	\$ 17,964,334	\$ 218,696,539	\$ 203,584,125	\$ 231,627,601	\$ 221,548,459

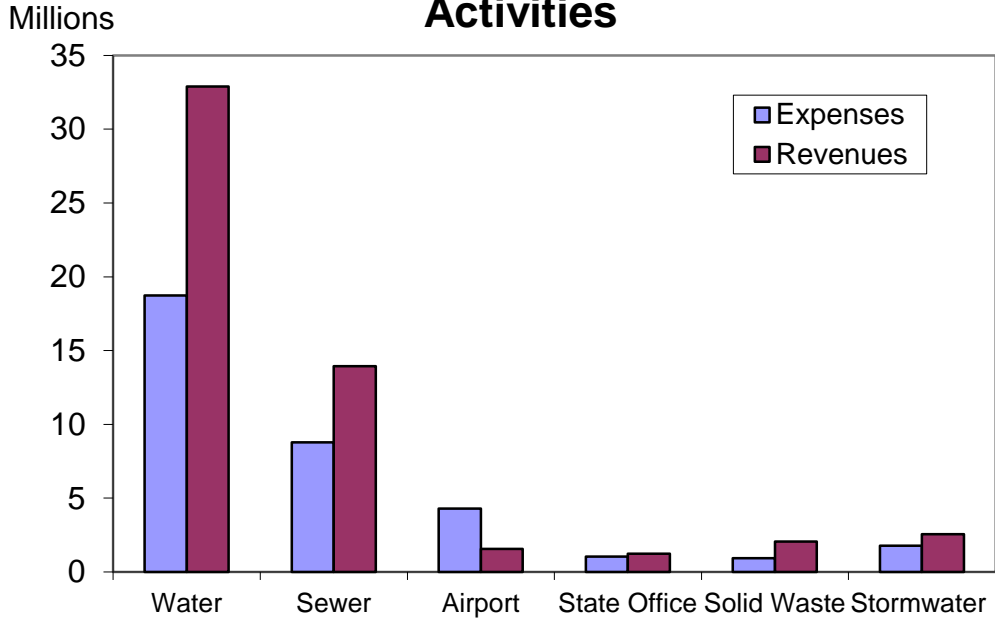
Revenues by Source - Governmental Activities



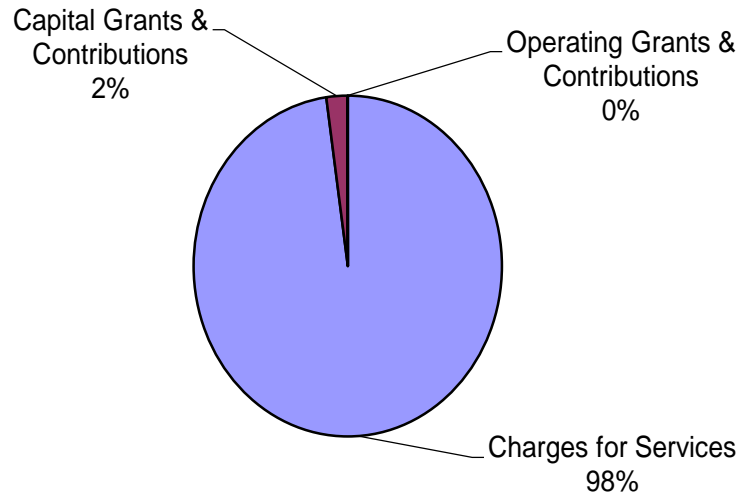
Expenses and Program Revenues - Governmental Activities (in Millions)



Expenses & Program Revenues - Business-type Activities



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 \$76.1 million, a decrease of \$8,990,254 from the prior year. This result is primarily due to the use of bond proceeds for the intended purposes as well as salary increases. 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 fifth straight year will remain at 77.6 cents. Street reconstruction and improvements is one of the City Council's top five strategic priorities.

Approximately 47% of this total amount (\$35,424,429) 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 46% of total General Fund expenditures. The total fund balance in the General Fund decreased by \$3,374,146 during the current fiscal year. This decrease is primarily due to capital outlay. There was also a reclassification of a governmental fund to a special revenue fund.

The Debt Service Fund has a total fund balance of \$875,089, all of which is reserved for the payment of debt service. The decrease in fund balance during the current year was \$2,343,013 and was purposely drawn down to assist with the City's 2017 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 \$131,417,175, an increase of \$11,377,173. 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 the number one strategic priority of the City Council.

General Fund Budgetary Highlights

Differences between the original and final amended budget for revenue amounted to \$6819,879. This amounts to 8.9%. The increase in the revenue budget was primarily due to budgeting for anticipated receipts from the San Angelo Performing Arts Center for construction on the City Auditorium. There was also an increase due to increased salaries that were budgeted after the start of the year. These increases were offset by a decrease to the sales tax revenue budget of \$595,855. Employee pay is also one of the City

Council's top five priorities, and one in which we saw little progress in the fiscal year 2017 budget. This is due to a difficult economy after two years of strong growth. Sales tax collections in the fiscal year that ended September 30, 2017, fell short by more than \$500,000 under what was originally budgeted. 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. Property values inched up about 4 percent this year, but were not enough to completely offset the decline in sales tax collections.

The final amended expenditure budget increased \$24,462,697. 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 \$18,591,267 under the final amended budget. Most of this is for unfinished special or capital projects that will be rebudgeted in fiscal year 2018 such as street maintenance and reconstruction and the City Auditorium.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the City had \$425 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 FY17:

- \$43.5 million for the purchase of land related to water rights
- \$16 million in reconstruction and improvements to streets
- \$7.9 million in improvements to public safety communications
- \$7.6 million in improvements to the water system
- \$4.3 million in public safety buildings
- \$1.5 million in public works buildings

The City put into service the following projects in FY17:

- Parks improvement projects with a cost of \$9.4 million
- Public safety projects with a cost of \$12.2 million
- Water projects with a cost of \$49.9 million

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 4,500,105	\$ 4,500,105	\$ 51,780,113	\$ 7,857,995	\$ 56,280,218	\$ 12,358,100
Buildings	60,259,792	49,663,873	31,431,919	29,559,965	91,691,711	79,223,838
Improvements Other Than Buildings	43,757,813	43,585,391	38,488,381	32,160,118	82,246,194	75,745,509
Infrastructure	23,757,252	23,757,252	182,290,818	182,290,818	206,048,070	206,048,070
Machinery and Equipment	42,138,480	31,868,242	29,946,791	28,622,279	72,085,271	60,490,521
Construction in Progress	18,169,238	29,082,555	133,111,765	134,377,297	151,281,003	163,459,852
Water Rights	-0-	-0-	36,950,835	36,950,835	36,950,835	36,950,835
Accumulated Depreciation	(107,750,027)	(97,632,375)	(163,624,877)	(153,979,974)	(271,374,904)	(251,612,349)
Total	\$ 84,832,653	\$ 84,825,043	\$ 340,375,745	\$ 297,839,333	\$ 425,208,398	\$ 382,664,376

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 \$228,161,225 in outstanding debt versus \$197,809,553 last year.

On May 18, 2017, the City issued \$2,185,000 in certificates of obligation to fund the purchase of public safety communications equipment. The interest rate on the notes ranges is 2.00% and the maturity date is September 30, 2024.

On June 15, 2017, the City issued \$48,070,000 in certificates of obligation secured by utility revenue to fund the purchase of land related to water rights. The interest rate on the notes is 4.19% and the maturity date is February 15, 2046.

General Obligation and Revenue Bonds

	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ 25,647,232	\$ 27,411,791	\$ 164,395,411	\$ 127,299,171	\$ 190,042,643	\$ 154,710,962
Advalorem Tax COs	23,580,000	28,140,000	-0-	-0-	23,580,000	28,140,000
Sales Tax COs	12,915,000	13,185,000	-0-	-0-	12,915,000	13,185,000
Promissory Notes	1,393,000	1,500,000	230,582	273,591	1,623,582	1,773,591
Total	\$ 63,535,232	\$ 70,236,791	\$ 164,625,993	\$ 127,572,762	\$ 228,161,225	\$ 197,809,553

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 3.4%. This compares favorably to the state rate of 4.2%.
- The cost of living index compares favorably to the national average.
- The City of San Angelo has not increased the property tax rate in 18 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, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Development Corporation
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 17,522,010	\$ 9,602,493	\$ 27,124,503	\$ 2,499,067
Investments	33,522,161	9,396,597	42,918,758	15,967,437
Receivables:				
Accrued Interest	126,331	92,197	218,528	-0-
Property Taxes	1,677,025	-0-	1,677,025	-0-
Accounts, Net	8,035,784	10,381,856	18,417,640	20,650
Internal Balances	1,995,389	(1,995,389)	-0-	-0-
Due from Other Governments	3,650,858	-0-	3,650,858	1,536,366
Advanced to Other Funds	-0-	-0-	-0-	230,583
Inventories	82,698	399,125	481,823	-0-
Prepays	6,474	-0-	6,474	29,633
Restricted Assets:				
Cash & Cash Equivalents	2,849,689	2,892,413	5,742,102	-0-
Investments	16,823,741	29,424,342	46,248,083	-0-
Closure and Post-Closure Trust Fund	-0-	5,345,672	5,345,672	-0-
Total Current Assets	\$ 86,292,160	\$ 65,539,306	\$ 151,831,466	\$ 20,283,736
Noncurrent Assets:				
Capital Assets:				
Land, Construction in Progress, and Water Rights	\$ 22,669,344	\$ 221,842,711	\$ 244,512,055	\$ 85,728
Buildings, Improvements, Infrastructure, and Machinery & Equipment, Net	62,163,313	118,533,035	180,696,348	2,137,980
Net Capital Assets	\$ 84,832,657	\$ 340,375,746	\$ 425,208,403	\$ 2,223,708
Total Noncurrent Assets	\$ 84,832,657	\$ 340,375,746	\$ 425,208,403	\$ 2,223,708
Total Assets	\$ 171,124,817	\$ 405,915,052	\$ 577,039,869	\$ 22,507,444
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charges	\$ 1,786,224	\$ 759,893	\$ 2,546,117	\$ -0-
Deferred Amounts Related to Pensions	21,860,066	2,925,785	24,785,851	-0-
Total Deferred Outflows of Resources	\$ 23,646,290	\$ 3,685,678	\$ 27,331,968	\$ -0-
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 4,506,203	\$ 3,544,146	\$ 8,050,349	\$ 4,711,281
Accrued Interest Payable	417,084	282,278	699,362	-0-
Due to Other Governments	71,829	-0-	71,829	-0-
Unearned Revenue	174,809	-0-	174,809	-0-
Deposits	318,043	1,080,905	1,398,948	-0-
Noncurrent Liabilities Due Within One Year	6,254,090	12,412,738	18,666,828	-0-
Total Current Liabilities	\$ 11,742,058	\$ 17,320,067	\$ 29,062,125	\$ 4,711,281
Noncurrent Liabilities:				
Noncurrent Liabilities Due After One Year	\$ 73,426,895	\$ 161,172,247	\$ 234,599,142	\$ -0-
Net Pension Liability - SFRRS	41,242,389	-0-	41,242,389	-0-
Net Pension Liability - TMRS	38,725,835	9,397,710	48,123,545	-0-
Unfunded OPEB Obligation	16,347,735	2,672,352	19,020,087	-0-
Total Noncurrent Liabilities	\$ 169,742,854	\$ 173,242,309	\$ 342,985,163	\$ -0-
Total Liabilities	\$ 181,484,912	\$ 190,562,376	\$ 372,047,288	\$ 4,711,281
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue	\$ -0-	\$ 144,649	\$ 144,649	\$ -0-
Deferred Amounts Related to Pensions	355,133	197,166	552,299	-0-
Total Deferred Inflows of Resources	\$ 355,133	\$ 341,815	\$ 696,948	\$ -0-
NET POSITION				
Net Investment in Capital Assets	\$ 40,735,612	\$ 190,198,520	\$ 230,934,132	\$ 2,223,708
Restricted For:				
Debt Service	-0-	22,928,371	22,928,371	-0-
Asset Construction and Acquisition	-0-	3,264,271	3,264,271	-0-
Passenger Facility Charges	-0-	1,391,736	1,391,736	-0-
Landfill Closure and Post-Closure	-0-	5,345,672	5,345,672	-0-
Contract Obligations	-0-	1,792,764	1,792,764	-0-
Economic Development	2,665,360	-0-	2,665,360	15,572,455
Permanent Fund Purposes:				
Nonexpendable	14,201,260	-0-	14,201,260	-0-
Expendable	7,583	-0-	7,583	-0-
Unrestricted	(44,678,753)	(6,224,795)	(50,903,548)	-0-
Total Net Position	\$ 12,931,062	\$ 218,696,539	\$ 231,627,601	\$ 17,796,163

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Statement of Activities

For the Year Ended September 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT								
Government Activities:								
General Government	\$ 11,641,219	\$ 1,470,249	\$ -0-	\$ -0-	(\$ 10,170,970)	\$ -0-	(\$ 10,170,970)	
Public Safety	53,883,378	7,459,560	125,226	-0-	(46,298,592)	-0-	(46,298,592)	
Public Works & Transportation	10,088,428	1,264,891	337,354	-0-	(8,486,183)	-0-	(8,486,183)	
Public Facilities	3,571,629	744,368	-0-	332,887	(2,494,374)	-0-	(2,494,374)	
Health & Human Services	3,455,935	1,110,551	3,240,036	-0-	894,652	-0-	894,652	
Culture, Parks & Recreation	10,941,795	466,090	148,986	39,500	(10,287,219)	-0-	(10,287,219)	
Economic Development	609,428	295,237	-0-	-0-	(314,191)	-0-	(314,191)	
Urban Redevelopment & Housing	926,648	22,021	6,299	-0-	(898,328)	-0-	(898,328)	
Interest and Fiscal Charges	2,235,720	-0-	-0-	-0-	(2,235,720)	-0-	(2,235,720)	
Total Government Activities	\$ 97,354,180	\$ 12,832,967	\$ 3,857,901	\$ 372,387	(\$ 80,290,925)	\$ -0-	(\$ 80,290,925)	
Business-Type Activities:								
Water	\$ 18,698,716	\$ 32,891,977	\$ 150	\$ -0-	\$ -0-	\$ 14,193,411	\$ 14,193,411	
Sewer	8,778,915	13,944,617	-0-	-0-	-0-	5,165,702	5,165,702	
Airport	4,283,374	1,555,945	-0-	970,516	-0-	(1,756,913)	(1,756,913)	
State Office Building	1,031,980	1,232,054	-0-	-0-	-0-	200,074	200,074	
Solid Waste	930,399	2,063,568	-0-	-0-	-0-	1,133,169	1,133,169	
Stormwater	1,772,384	2,564,203	-0-	-0-	-0-	791,819	791,819	
Total Business-Type Activities	\$ 35,495,768	\$ 54,252,364	\$ 150	\$ 970,516	\$ -0-	\$ 19,727,262	\$ 19,727,262	
Total Primary Government	\$ 132,849,948	\$ 67,085,331	\$ 3,858,051	\$ 1,342,903	(\$ 80,290,925)	\$ 19,727,262	(\$ 60,563,663)	
COMPONENT UNIT								
Development Corporation	\$ 9,810,394	\$ 1,254,220	\$ -0-	\$ -0-				(\$ 8,556,174)
Total Component Unit	\$ 9,810,394	\$ 1,254,220	\$ -0-	\$ -0-				(\$ 8,556,174)
General Revenue								
Taxes								
		Property Taxes - General Levy			\$ 32,111,994	\$ -0-	\$ 32,111,994	\$ -0-
		Property Taxes - Debt Service Levy			4,563,051	-0-	4,563,051	-0-
		Sales Taxes			17,676,790	-0-	17,676,790	8,390,902
		Franchise Taxes			5,012,040	-0-	5,012,040	-0-
		Motel Taxes			1,976,473	-0-	1,976,473	-0-
		Mixed Drink Taxes			411,981	-0-	411,981	-0-
		Bingo Taxes			44,647	-0-	44,647	-0-
		Penalty, Interest and Fees, & Delinquent Taxes			890,555	-0-	890,555	-0-
		Unrestricted Investment Earnings			914,166	612,318	1,526,484	86,432
		Miscellaneous			5,411,365	-0-	5,411,365	-0-
		Settlement Proceeds			1,000,000	-0-	1,000,000	-0-
		Gain on Sale of Capital Assets			-0-	17,425	17,425	1,501,979
		Transfers			5,244,591	(5,244,591)	-0-	-0-
		Total General Revenue and Transfers			\$ 75,257,653	(\$ 4,614,848)	\$ 70,642,805	\$ 9,979,313
		Change in Net Position			(\$ 5,033,272)	\$ 15,112,414	\$ 10,079,142	\$ 1,423,139
		Net Position - Beginning			17,964,334	203,584,125	221,548,459	16,556,329
		Restatement of Beginning Net Position (See Note IV.H)			-0-	-0-	-0-	(183,305)
		Net Position - Ending			\$ 12,931,062	\$ 218,696,539	\$ 231,627,601	\$ 17,796,163

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Balance Sheet - Governmental Funds

As of September 30, 2017

	General	Capital Improvement Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 13,061,954	\$ 2,038,696	\$ -0-	\$ 833,120	\$ 15,933,770
Investments	11,497,766	18,131,717	-0-	1,360,939	30,990,422
Receivables:					
Accrued Interest	21,725	47,758	8,399	45,285	123,167
Property Taxes	1,191,553	-0-	181,201	304,271	1,677,025
Accounts	18,067,821	-0-	2,389,746	441,001	20,898,568
Less: Allowance for Uncollectible	(13,021,102)	-0-	-0-	(11,886)	(13,032,988)
Due from Other Funds	6,494,320	-0-	-0-	-0-	6,494,320
Due from Other Governments	3,072,731	-0-	-0-	578,127	3,650,858
Inventories	37,304	-0-	-0-	-0-	37,304
Prepays	6,474	-0-	-0-	-0-	6,474
Restricted Assets:					
Cash and Cash Equivalents	-0-	-0-	764,913	2,084,776	2,849,689
Investments	-0-	-0-	2,134,237	14,689,504	16,823,741
Total Assets	<u>\$ 40,430,546</u>	<u>\$ 20,218,171</u>	<u>\$ 5,478,496</u>	<u>\$ 20,325,137</u>	<u>\$ 86,452,350</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges on Refunding	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Deferred Outflows of Resources	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 3,410,261	\$ 545,794	\$ -0-	\$ 189,698	\$ 4,145,753
Due to Other Funds	-0-	-0-	4,449,318	-0-	4,449,318
Due to Other Governments	71,829	-0-	-0-	-0-	71,829
Unearned Revenue	174,809	-0-	-0-	-0-	174,809
Deposits	316,343	-0-	-0-	1,700	318,043
Total Liabilities	<u>\$ 3,973,242</u>	<u>\$ 545,794</u>	<u>\$ 4,449,318</u>	<u>\$ 191,398</u>	<u>\$ 9,159,752</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	\$ 933,126	\$ -0-	\$ 154,089	\$ -0-	\$ 1,087,215
Unavailable Revenue - Street Pavement	55,971	-0-	-0-	-0-	55,971
Total Deferred Inflows of Resources	<u>\$ 989,097</u>	<u>\$ -0-</u>	<u>\$ 154,089</u>	<u>\$ -0-</u>	<u>\$ 1,143,186</u>
FUND BALANCES					
Nonspendable	\$ 43,778	\$ -0-	\$ -0-	\$ 14,201,260	\$ 14,245,038
Restricted	-0-	-0-	-0-	3,470,316	3,470,316
Committed	-0-	19,672,377	875,089	2,462,163	23,009,629
Assigned	-0-	-0-	-0-	-0-	-0-
Unassigned	35,424,429	-0-	-0-	-0-	35,424,429
Total Fund Balances	<u>\$ 35,468,207</u>	<u>\$ 19,672,377</u>	<u>\$ 875,089</u>	<u>\$ 20,133,739</u>	<u>\$ 76,149,412</u>

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Balance Sheet - Governmental Funds

As of September 30, 2017

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

Total Fund Balance, Governmental Funds	\$	76,149,412
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 \$84,832,657 and less internal service fund net assets of \$7,315,414		77,517,243
Certain other deferred outflows are not available in the current period, and therefore, are deferred in the funds		1,143,187
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:		
Accrued interest payable	(	417,084)
Revenue bonds payable	(	58,505,000)
Notes payable	(	1,393,000)
Unamortized debt discount (premium)	(	3,637,232)
Deferred charge on refunding		1,786,224
Accrued compensated absences	(	12,615,276)
Unfunded OPEB obligation	(	15,601,873)
Net pension liability (and related deferrals)	(	57,441,504)
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		<u>5,945,965</u>
Net Assets of Governmental Activities	\$	<u><u>12,931,062</u></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, 2017

	General	Capital Improvement Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 32,201,382	\$ -0-	\$ 4,621,235	\$ 742,980	\$ 37,565,597
Sales	17,676,790	-0-	-0-	-0-	17,676,790
Franchise	5,012,040	-0-	-0-	-0-	5,012,040
Motel	-0-	-0-	-0-	1,976,473	1,976,473
Mixed Drink	411,981	-0-	-0-	-0-	411,981
Bingo	44,647	-0-	-0-	-0-	44,647
Licenses and Permits	864,151	-0-	-0-	90,006	954,157
Intergovernmental	39,500	-0-	-0-	3,756,434	3,795,934
Charges for Services	8,294,024	-0-	-0-	176,230	8,470,254
Fines and Forfeits	2,848,276	-0-	-0-	-0-	2,848,276
Investment Income:					
Interest	315,002	132,003	3,937	255,174	706,116
Change in Fair Value of Investments	59,218	93,949	11,059	13,024	177,250
Miscellaneous:					
Gifts and Contributions	147,129	1,000,000	-0-	261,288	1,408,417
Program Income	-0-	-0-	-0-	1,735	1,735
Other Miscellaneous	1,628,060	-0-	3,610,860	172,445	5,411,365
Total Revenues	\$ 69,542,200	\$ 1,225,952	\$ 8,247,091	\$ 7,445,789	\$ 86,461,032
EXPENDITURES					
Current:					
General Government	\$ 9,945,155	\$ -0-	\$ -0-	\$ -0-	\$ 9,945,155
Public Safety	42,231,047	43,449	-0-	227,444	42,501,940
Public Works and Transportation	9,908,315	-0-	-0-	150,109	10,058,424
Public Facilities	967,170	-0-	-0-	-0-	967,170
Health and Human Services	1,478,460	-0-	-0-	1,619,529	3,097,989
Culture, Parks and Recreation	5,926,963	-0-	-0-	951,840	6,878,803
Economic Development	-0-	-0-	-0-	609,428	609,428
Urban Redevelopment and Housing	-0-	-0-	-0-	892,762	892,762
Total Current Expenditures	\$ 70,457,110	\$ 43,449	\$ -0-	\$ 4,451,112	\$ 74,951,671
Capital Outlay	6,984,321	4,782,240	-0-	1,245,793	13,012,354
Debt Service:					
Principal	-0-	-0-	8,385,000	107,000	8,492,000
Interest and Fiscal Charges	-0-	56,365	2,405,104	40,695	2,502,164
Total Expenditures	\$ 77,441,431	\$ 4,882,054	\$ 10,790,104	\$ 5,844,600	\$ 98,958,189
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 7,899,231)	(\$ 3,656,102)	(\$ 2,543,013)	\$ 1,601,189	(\$ 12,497,157)
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ 6,606,275	\$ -0-	\$ 200,000	\$ 1,777,263	\$ 8,583,538
Sale of Capital Assets	(2,587)	-0-	-0-	571,061	568,474
Issuance of Debt	-0-	2,185,000	-0-	-0-	2,185,000
Issuance of Debt Premium	-0-	31,365	-0-	-0-	31,365
Payment to Advance Refunding Escrow Agent	-0-	-0-	-0-	-0-	-0-
Transfers Out	(2,078,603)	(4,498,737)	-0-	(1,284,134)	(7,861,474)
Total Other Sources (Uses)	\$ 4,525,085	(\$ 2,282,372)	\$ 200,000	\$ 1,064,190	\$ 3,506,903
Net Change in Fund Balances	(\$ 3,374,146)	(\$ 5,938,474)	(\$ 2,343,013)	\$ 2,665,379	(\$ 8,990,254)
Fund Balances - Beginning	38,842,353	25,610,851	3,218,102	17,468,360	85,139,666
Fund Balances - Ending	\$ 35,468,207	\$ 19,672,377	\$ 875,089	\$ 20,133,739	\$ 76,149,412

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, 2017

**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	(\$	8,990,254)
Amounts reported for governmental activities in the Statement of 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		10,351,076
Depreciation expense	(	7,234,159)
Capital assets disposals		16,011
Capital assets donated to business-type activities	(	23,790)
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		453,557
Interest expense	(	187,113)
Bond proceeds and bond premiums 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		8,385,000
Note payable principal payment		107,000
Revenue bond proceeds	(	2,185,000)
Revenue bond premium	(	31,365)
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	(	761,708)
OPEB obligation change	(	834,847)
Net pension liabilities and deferrals	(	6,428,797)
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 in reported in the governmental activities.		
		2,331,117
Change in Net Position of Governmental Activities	(\$	5,033,272)

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, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise Funds	Total	
ASSETS					
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 5,503,656	\$ 1,203,207	\$ 2,895,630	\$ 9,602,493	\$ 1,588,240
Investments	2,315,612	22,610	7,058,375	9,396,597	2,531,739
Receivables:					
Accrued Interest	48,800	9,009	34,388	92,197	3,164
Accounts Receivable	8,201,939	2,131,617	2,245,234	12,578,790	287,094
Less: Allowance for Uncollectibles	(1,645,897)	(470,973)	(80,064)	(2,196,934)	(116,890)
Inventories	366,911	32,214	-0-	399,125	45,394
Restricted Assets:					
Cash and Cash Equivalents	-0-	1,971,205	921,208	2,892,413	-0-
Investments	14,136,828	14,589,202	698,312	29,424,342	-0-
Closure and Post-Closure Trust Fund	-0-	-0-	5,345,672	5,345,672	-0-
Total Current Assets	\$ 28,927,849	\$ 19,488,091	\$ 19,118,755	\$ 67,534,695	\$ 4,338,741
Noncurrent Assets:					
Capital Assets:					
Land	\$ 45,636,136	\$ 3,759,793	\$ 2,384,182	\$ 51,780,111	\$ -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	93,501,564	69,582,076	19,207,178	182,290,818	-0-
Machinery and Equipment	12,399,258	12,390,289	5,157,243	29,946,790	9,831,220
Water Rights	36,950,835	-0-	-0-	36,950,835	-0-
Construction in Progress	121,654,845	2,312,844	9,144,076	133,111,765	-0-
Less: Accumulated Depreciation	(72,818,689)	(44,270,175)	(46,536,010)	(163,624,874)	(8,209,480)
Net Capital Assets	\$ 256,819,042	\$ 54,103,905	\$ 29,452,799	\$ 340,375,746	\$ 7,315,414
Total Noncurrent Assets	\$ 256,819,042	\$ 54,103,905	\$ 29,452,799	\$ 340,375,746	\$ 7,315,414
Total Assets	\$ 285,746,891	\$ 73,591,996	\$ 48,571,554	\$ 407,910,441	\$ 11,654,155
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges	\$ -0-	\$ 759,893	\$ -0-	\$ 759,893	\$ -0-
Deferred Amounts Related to Pensions	1,662,169	577,948	685,668	2,925,785	489,140
Total Deferred Outflows of Resources	\$ 1,662,169	\$ 1,337,841	\$ 685,668	\$ 3,685,678	\$ 489,140
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 2,588,116	\$ 264,475	\$ 691,555	\$ 3,544,146	\$ 360,450
Accrued Interest Payable	156,857	119,804	5,617	282,278	-0-
Due to Other Funds	-0-	-0-	1,995,389	1,995,389	49,613
Deposits	1,080,905	-0-	-0-	1,080,905	-0-
Noncurrent Liabilities Due Within One Year	8,981,526	3,235,491	195,721	12,412,738	1,268,242
Total Current Liabilities	\$ 12,807,404	\$ 3,619,770	\$ 2,888,282	\$ 19,315,456	\$ 1,678,305
Noncurrent Liabilities:					
Net Pension Liability	\$ 5,443,687	\$ 1,855,393	\$ 2,098,630	\$ 9,397,710	\$ 1,444,721
Unfunded OPEB Obligation	1,780,770	569,104	322,478	2,672,352	745,763
Noncurrent Liabilities Due After One Year	135,689,566	20,128,906	5,353,775	161,172,247	2,262,334
Total Noncurrent Liabilities	\$ 141,133,253	\$ 21,984,299	\$ 7,452,405	\$ 170,569,957	\$ 3,707,055
Total Liabilities	\$ 155,721,427	\$ 26,173,173	\$ 10,663,165	\$ 192,557,765	\$ 6,131,123
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue	\$ 144,649	\$ -0-	\$ -0-	\$ 144,649	\$ -0-
Deferred Amounts Related to Pensions	125,809	30,063	41,294	197,166	66,206
Total Deferred Inflows of Resources	\$ 270,458	\$ 30,063	\$ 41,294	\$ 341,815	\$ 66,206
NET POSITION					
Net Investment in Capital Assets	\$ 123,001,496	\$ 38,350,802	\$ 28,846,222	\$ 190,198,520	\$ 7,315,414
Restricted for:					
Debt Service	21,600,638	1,327,733	-0-	22,928,371	-0-
Asset Construction and Acquisition	1,645,784	1,618,487	-0-	3,264,271	-0-
Passenger Facility Charges	-0-	-0-	1,391,736	1,391,736	-0-
Landfill Closure and Post-Closure	-0-	-0-	5,345,672	5,345,672	-0-
Contract Obligations	1,792,764	-0-	-0-	1,792,764	-0-
Unrestricted	(16,623,507)	7,429,579	2,969,133	(6,224,795)	(1,369,448)
Total Net Position	\$ 131,417,175	\$ 48,726,601	\$ 38,552,763	\$ 218,696,539	\$ 5,945,966

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, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise Funds	Total	
OPERATING REVENUES					
Charges for Sales and Services:					
Pledged for Payment of Revenue Bonds:					
Water Sales	\$ 30,204,572	\$ -0-	\$ -0-	\$ 30,204,572	\$ -0-
Sewer Service	-0-	13,527,356	-0-	13,527,356	-0-
Stormwater Fee	-0-	-0-	2,556,864	2,556,864	-0-
Solid Waste Service	-0-	-0-	1,864,760	1,864,760	-0-
Rents, Leases, and Fees	463,544	201,712	1,232,054	1,897,310	-0-
Billing and Collection	1,667,480	-0-	-0-	1,667,480	-0-
Paving Cuts, Taps, and Connections	325,305	57,180	-0-	382,485	-0-
Other	231,076	158,369	45,995	435,440	-0-
Unpledged:					
Rents, Leases, and Fees	-0-	-0-	1,482,746	1,482,746	-0-
Sales and Service	-0-	-0-	-0-	-0-	14,777,300
Other	-0-	-0-	233,351	233,351	831,652
Total Operating Revenues	<u>\$ 32,891,977</u>	<u>\$ 13,944,617</u>	<u>\$ 7,415,770</u>	<u>\$ 54,252,364</u>	<u>\$ 15,608,952</u>
OPERATING EXPENSES					
Cost of Sales and Services	\$ 5,876,637	\$ 4,306,603	\$ 4,702,036	\$ 14,885,276	\$ 14,558,336
Administrative	6,838,631	199,945	175,379	7,213,955	-0-
Depreciation	3,843,625	3,207,450	3,109,582	10,160,657	3,249,036
Total Operating Expenses	<u>\$ 16,558,893</u>	<u>\$ 7,713,998</u>	<u>\$ 7,986,997</u>	<u>\$ 32,259,888</u>	<u>\$ 17,807,372</u>
Operating Income (Loss)	<u>\$ 16,333,084</u>	<u>\$ 6,230,619</u>	<u>(\$ 571,227)</u>	<u>\$ 21,992,476</u>	<u>(\$ 2,198,420)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income:					
Interest	\$ 177,416	\$ 157,169	\$ 77,784	\$ 412,369	\$ 17,767
Change in Fair Value of Investments	84,343	75,433	40,173	199,949	13,033
Interest Expense and Fiscal Agent Fees	(2,163,613)	(1,064,917)	(31,140)	(3,259,670)	-0-
Gain (Loss) on Sale of Capital Assets	34,107	(2,177)	(14,505)	17,425	-0-
Total Nonoperating Revenues (Expenses)	<u>(\$ 1,867,747)</u>	<u>(\$ 834,492)</u>	<u>\$ 72,312</u>	<u>(\$ 2,629,927)</u>	<u>\$ 30,800</u>
Income (Loss) Before Contributions and Transfers	<u>\$ 14,465,337</u>	<u>\$ 5,396,127</u>	<u>(\$ 498,915)</u>	<u>\$ 19,362,549</u>	<u>(\$ 2,167,620)</u>
CONTRIBUTIONS AND TRANSFERS					
Contributions:					
Federal Grants	\$ 150	\$ -0-	\$ 970,516	\$ 970,666	\$ -0-
Total Contributions	\$ 150	\$ -0-	\$ 970,516	\$ 970,666	\$ -0-
Transfers In	999,025	-0-	725,624	1,724,649	4,498,737
Transfers Out	(4,087,339)	(2,311,572)	(546,539)	(6,945,450)	-0-
Total Contributions and Transfers	<u>(\$ 3,088,164)</u>	<u>(\$ 2,311,572)</u>	<u>\$ 1,149,601</u>	<u>(\$ 4,250,135)</u>	<u>\$ 4,498,737</u>
Change in Net Position	<u>\$ 11,377,173</u>	<u>\$ 3,084,555</u>	<u>\$ 650,686</u>	<u>\$ 15,112,414</u>	<u>\$ 2,331,117</u>
Net Position - Beginning	<u>120,040,002</u>	<u>45,642,046</u>	<u>37,902,077</u>	<u>203,584,125</u>	<u>3,614,849</u>
Net Position - Ending	<u>\$ 131,417,175</u>	<u>\$ 48,726,601</u>	<u>\$ 38,552,763</u>	<u>\$ 218,696,539</u>	<u>\$ 5,945,966</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, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received From Customers	\$ 30,462,213	\$ 13,608,152	\$ 6,068,314	\$ 50,138,679	\$ 13,325,319
Cash Received From Other Funds for Interfund Services Provided	26,454	(3,968,650)	217,508	(3,724,688)	
Cash Received From Reinsurance	-0-	-0-	-0-	-0-	2,186,763
Cash Received From Meter Deposits	36,372	-0-	-0-	36,372	-0-
Cash Paid to Suppliers for Goods and Services	(4,655,849)	(2,338,210)	(3,061,066)	(10,055,125)	(5,500,072)
Cash Paid for Insurance Claims and Premiums	-0-	-0-	-0-	-0-	(8,493,016)
Cash Paid for Employees' Services and Benefits	(5,846,677)	(2,177,901)	(2,216,281)	(10,240,859)	(1,345,971)
Net Cash Provided (Used) by Operating Activities	\$ 20,022,513	\$ 5,123,391	\$ 1,008,475	\$ 26,154,379	\$ 173,023
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	\$ 999,025	\$ -0-	\$ 725,624	\$ 1,724,649	\$ 4,498,737
Transfers Out	(4,087,339)	(2,311,572)	(546,539)	(6,945,450)	-0-
Short-Term Interfund Loans Received	-0-	-0-	114,057	114,057	(93,070)
Short-Term Interfund Loans Paid	-0-	-0-	-0-	-0-	(4,649,557)
Net Cash Provided (Used) by Noncapital Financing Activities	(\$ 3,088,314)	(\$ 2,311,572)	\$ 293,142	(\$ 5,106,744)	(\$ 243,890)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(\$ 49,916,500)	(\$ 1,908,673)	(\$ 913,474)	(\$ 52,738,647)	(\$ 147,512)
Principal Paid on Debt	(6,980,630)	(3,806,700)	(521,905)	(11,309,235)	-0-
Interest Paid on Debt	(2,455,682)	(269,588)	(36,685)	(2,761,955)	-0-
Debt Proceeds Received	48,070,000	-0-	-0-	48,070,000	-0-
Cash Paid for Water Rights Obligation	(674,736)	-0-	-0-	(674,736)	-0-
Capital Grants Received	150	-0-	-0-	150	-0-
Capital Contributions Received	-0-	-0-	970,516	970,516	-0-
Proceeds from Sale of Assets	59,004	-0-	-0-	59,004	-0-
Net Cash Provided (Used) by Capital and Related Financing Activities	(\$ 11,898,394)	(\$ 5,984,961)	(\$ 501,548)	(\$ 18,384,903)	(\$ 147,512)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investments	(\$ 658,735)	(\$ 559,319)	(\$ 290,576)	(\$ 1,508,630)	(\$ 98,628)
Interest Received on Investments	199,376	158,344	74,695	432,415	18,631
Net Cash Provided (Used) by Investing Activities	(\$ 459,359)	(\$ 400,975)	(\$ 215,881)	(\$ 1,076,215)	(\$ 79,997)
Net Increase (Decrease) in Cash	\$ 4,576,446	(\$ 3,574,117)	\$ 584,188	\$ 1,586,517	(\$ 298,376)
Cash - Beginning	927,210	6,748,529	3,232,650	10,908,389	1,886,616
Cash - Ending	\$ 5,503,656	\$ 3,174,412	\$ 3,816,838	\$ 12,494,906	\$ 1,588,240
CASH ON STATEMENT OF NET POSITION					
Current Assets	\$ 5,503,656	\$ 1,203,207	\$ 2,895,630	\$ 9,602,493	\$ 1,588,240
Restricted Assets	-0-	1,971,205	921,208	2,892,413	-0-
Total	\$ 5,503,656	\$ 3,174,412	\$ 3,816,838	\$ 12,494,906	\$ 1,588,240

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, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 16,333,084	\$ 6,230,619	(\$ 571,227)	\$ 21,992,476	(\$ 2,198,420)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities					
Depreciation	3,843,625	3,207,450	3,109,582	10,160,657	3,249,036
(Increase) Decrease in:					
Accounts Receivable	(2,424,523)	(336,465)	(1,096,009)	(3,856,997)	(96,870)
Other Receivable	-0-	-0-	251,447	251,447	
Due From Other Funds	26,454	3,968,650	-0-	3,942,196	-0-
Inventories	(6,174)	839	-0-	5,335	7,465
Deferred Outflows	280,981	(105,041)	38,292	214,232	44,576
Increase (Decrease) in:					
Accounts Payable	1,710,716	41,234	(804,132)	947,818	58,023
Insurance Claims Payable	-0-	-0-	-0-	-0-	(1,009,647)
Due To Other Funds	-0-	-0-	217,508	217,508	-0-
Due To Component Unit	-0-	-0-	1,224	1,224	-0-
OPEB Obligation	98,358	35,713	26,389	160,460	35,764
Pension Liability	155,913	73,385	128,869	358,167	36,388
Compensated Absences	66,446	(36,778)	57,091	86,759	40,136
Landfill Postclosure Liability	-0-	-0-	160,374	160,374	-0-
Customer Deposits	36,372	-0-	-0-	36,372	-0-
Unearned Revenue	(5,241)	-0-	-0-	(5,241)	-0-
Deferred Inflows	(93,498)	(18,915)	8,039	(120,452)	6,572
Net Cash Provided (Used) by Operating Activities	\$ 20,022,513	\$ 5,123,391	\$ 1,008,475	\$ 26,154,379	\$ 173,023
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Gain/(Loss) on Disposal of Capital Assets	\$ 24,897	(\$ 2,177)	(\$ 14,505)	\$ 8,215	\$ -0-
Amortization of Premiums and Discounts	\$ 11,175	\$ -0-	(\$ 5,545)	\$ 5,630	\$ -0-
Change in Fair Value of Investments	\$ 84,343	\$ 75,433	\$ 40,173	\$ 199,949	\$ 13,033

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, 2017

	Agency	
	CJC	
ASSETS		
Cash and Cash Equivalents	\$	304,817
Total Assets	\$	304,817
LIABILITIES		
Accounts Payable	\$	-0-
Due to Other Governments		304,817
Total Liabilities	\$	304,817

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, 2017

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, 2017.

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, 2017

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, 2017

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, 2017

- *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, 2017

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, 2017

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, 2017

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, 2017

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, 2017. 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.

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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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, 2017

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 \$111,707 as of September 30, 2017. The Workers' Compensation Insurance Fund, an internal service fund, had a deficit fund balance of \$1,185,717 as of September 30, 2017. The Employee/Retiree Health Fund, an internal service fund, had a deficit fund balance of \$122,069 as of September 30, 2017. The Vehicle Maintenance Fund, an internal service fund, had a deficit fund balance of \$315,345 as of September 30, 2017.

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, 2017

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, 2017, 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	1	N/A	\$ 4,237,107	\$ 4,237,107	\$ -0-	\$ -0-
Money Market Accounts	1	N/A	649,205	649,205	-0-	-0-
Municipal Obligations	1	N/A	1,999,260	1,999,260	-0-	-0-
U.S. Agencies:						
FFCB	1	AAA	3,992,236	3,992,236	-0-	-0-
FHLB	1	AAA	11,953,780	6,991,982	3,997,320	-0-
FHLMC	1	AAA	38,613,341	17,968,469	15,418,578	5,226,294
FNMA	1	AAA	12,821,465	2,985,351	4,465,491	5,340,623
FAMCA	1	AAA	12,917,959	4,984,945	7,933,014	-0-
FICO	1	N/A	1,982,488	1,982,488	-0-	-0-
Total Reported in Investments			<u>\$ 89,166,841</u>	<u>\$ 45,791,043</u>	<u>\$ 31,814,403</u>	<u>\$ 10,566,917</u>

Investments on Statement of Net Position	Governmental	Business-type	Total
	Activities	Activities	
Current Investments	\$ 33,522,161	\$ 9,396,597	\$ 42,918,758
Restricted Investments	16,823,741	29,424,342	46,248,083
Total Investments	<u>\$ 50,345,902</u>	<u>\$ 38,820,939</u>	<u>\$ 89,166,841</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 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, Texas are specified below:

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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, 2017 in the City's Operating Portfolio,

- US Government Agency Securities (non-MBS) represented 64.15% of the portfolio,
- A1/P1 Commercial Paper represented 3.94% of the portfolio,
- Investment in municipal obligations dual-rated A or better represented 1.86% of the total City portfolio, and
- FDIC insured or collateralized bank accounts represented 30.04% of the total City portfolio.

As of September 30, 2017, in the Lake Nasworthy Portfolio,

- US Government Securities (in four different agencies) represented 95.37% of the total Lake Nasworthy portfolio, and
- Fully insured or collateralized bank deposits represented 4.63% 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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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:

- 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 20%
 - Issuer Limitation 5%
- Municipal and State Obligations 40%
 - Issuer Limitation 5%
- Brokered Certificates of Deposit 20%

As of September 30, 2017, the City's Total Operating Portfolio was in full compliance with the diversification parameters of the policy.

As of September 30, 2017, 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, 2017, in the City's Operating Portfolio,

- No holding had a stated maturity date beyond 09/21/20 or 1,086 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, 2017 in the Lake Nasworthy Portfolio,

- No holding had a stated maturity date beyond 11/17/23 or 2,238 days within the policy limits of ten years maximum maturity, and
- The dollar-weighted average of the total portfolio was 684 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, 2017, 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, 2017

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	\$ 996,484	\$ 996,484	\$ -0-	\$ -0-
U.S. Agencies:						
FFCB	1	AAA	998,737	998,737	-0-	-0-
FHLB	1	AAA	4,993,415	4,993,415	-0-	-0-
FHLMC	1	AAA	5,982,901	2,993,978	2,998,923	-0-
FNMA	1	AAA	998,674	998,674	-0-	-0-
FAMCA	1	AAA	997,596	997,596	-0-	-0-
FDIC	1	N/A	999,630	999,630	-0-	-0-
Total Reported in Investments			<u>\$ 15,967,437</u>	<u>\$ 12,978,514</u>	<u>\$ 2,998,923</u>	<u>\$ -0-</u>

Investments on Statement of

<u>Net Position</u>	
Current Investments	\$ 15,967,437
Restricted Investments	-0-
Total Investments	<u>\$ 15,967,437</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.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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 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, 2017 in the Corporation's Portfolio,

- US Treasury Obligations represented 5.38% of the portfolio,
- US Government Agency Securities (non-MBS) represented 75.46% of the portfolio,
- A1/P1 Commercial Paper represented 5.40% of the portfolio, and
- FDIC insured or collateralized bank accounts represented 13.76% 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, 2017, 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, 2017, in the Corporation's Portfolio,

- No holding had a stated maturity date beyond 08/23/19 or 691 days within the policy limits of five years maximum maturity, and
- The dollar-weighted average of the total portfolio was 251 days.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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, 2017, 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, 2017 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
Accounts Receivables					
Ambulance Code	\$12,351,218	\$ -0-	\$ -0-	\$ -0-	\$ 12,351,218
Enforcement	878,059	-0-	2,389,746	-0-	3,267,805
COSADC	279,271	-0-	-0-	-0-	279,271
Demolition	594,659	-0-	-0-	-0-	594,659
Grants	481,107	-0-	-0-	12,369	493,476
Parks and Recreation	5,782	-0-	-0-	-0-	5,782
Permits	51,264	-0-	-0-	-0-	51,264
Program Loans	-0-	-0-	-0-	342,480	342,480
SAPAC	2,864,987	-0-	-0-	-0-	2,864,987
Miscellaneous	561,474	-0-	-0-	86,152	647,626
Gross Accounts Receivable	\$18,067,821	\$ -0-	\$ 2,389,746	\$ 441,001	\$ 20,898,568
Less: Allowance for Uncollectible	(13,021,102)	-0-	-0-	(11,886)	(13,032,988)
Net Accounts Receivable	\$ 5,046,719	\$ -0-	\$ 2,389,746	\$ 429,115	\$ 7,865,580
Miscellaneous Internal Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 287,094
Less: Allowance for Uncollectible	-0-	-0-	-0-	-0-	(116,890)
Net Internal Service Accounts Receivable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 170,204
Total	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 8,035,784

Business-Type Activities

Receivables as of September 30, 2017 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	\$ 8,198,676	\$ 1,888,917	\$ 1,682,461	\$ 11,770,054
Meter Deposits	1,502	-0-	-0-	1,502
Miscellaneous	1,761	242,700	562,773	807,234
Net Accounts Receivable	\$ 8,201,939	\$ 2,131,617	\$ 2,245,234	\$ 12,578,790
Less: Allowance for Uncollectible	(1,645,897)	(470,973)	(80,064)	(2,196,934)
Net Total Receivable	\$ 6,556,042	\$ 1,660,644	\$ 2,165,170	\$ 10,381,856

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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	\$ 764,913	\$ 2,134,237	\$ -0-
Deposits Held for Business Development	954,433	-0-	-0-
Deposits Held for Purposes Specified by Donors	488,352	1,167,501	-0-
Deposits Held for Park Improvements	13,925	-0-	-0-
Deposits Held for Lake Nasworthy Improvements	628,066	13,522,003	-0-
Total Governmental Activities	<u>\$ 2,849,689</u>	<u>\$ 16,823,741</u>	<u>\$ -0-</u>
Business-type Activities			
Deposits Held for Debt Service	\$ 1,162,576	\$ 5,931,719	\$ -0-
Deposits Held for Capital Projects	808,628	22,794,311	-0-
Deposits Held for Airport Construction	921,209	698,312	-0-
Deposits Held for Landfill Closure and Post-Closure	-0-	-0-	5,345,672
Total Business-type Activities	<u>\$ 2,892,413</u>	<u>\$ 29,424,342</u>	<u>\$ 5,345,672</u>

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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	\$ 4,500,105	\$ -0-	\$ -0-	\$ -0-	\$ 4,500,105
Construction in Progress	29,082,555	10,655,650	(21,568,966)	-0-	18,169,238
Total Non-Depreciable	<u>\$ 33,582,660</u>	<u>\$ 10,655,650</u>	<u>(\$21,568,966)</u>	<u>\$ -0-</u>	<u>\$ 22,669,344</u>
<u>Assets Being Depreciated:</u>					
Buildings	\$ 49,663,873	\$ 10,595,919	\$ -0-	\$ -0-	\$ 60,259,792
Improvements Other Than Buildings	43,585,391	172,425	-0-	-0-	43,757,813
Infrastructure	23,757,252	-0-	-0-	-0-	23,757,252
Machinery and Equipment	31,868,242	10,628,000	(526,288)	168,526	42,138,480
Total Depreciable	<u>\$148,874,758</u>	<u>\$ 21,396,344</u>	<u>(\$ 526,288)</u>	<u>\$ 168,526</u>	<u>\$ 169,913,337</u>
<u>Less Accumulated Depreciation:</u>					
Buildings	\$ 33,491,838	\$ 2,221,668	\$ -0-	\$ -0-	\$ 35,713,506
Improvements Other Than Buildings	16,537,568	3,462,052	-0-	-0-	19,999,620
Infrastructure	19,483,015	31,741	-0-	-0-	19,514,756
Machinery and Equipment	28,119,954	4,767,732	(510,277)	144,736	32,522,145
Total Accumulated Depreciation	<u>\$ 97,632,375</u>	<u>\$ 10,483,193</u>	<u>(\$ 510,277)</u>	<u>\$ 144,736</u>	<u>\$ 107,750,027</u>
Assets Being Depreciated – Net	<u>\$ 51,242,383</u>	<u>\$ 10,913,151</u>	<u>(\$ 16,011)</u>	<u>\$ 23,790</u>	<u>\$ 62,163,313</u>
Governmental Activities Capital Assets - Net	<u>\$ 84,825,043</u>	<u>\$ 21,568,801</u>	<u>(\$21,584,977)</u>	<u>\$ 23,790</u>	<u>\$ 84,832,657</u>

Business-type Activities

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<u>Assets Not Being Depreciated:</u>					
Land	\$ 7,857,995	\$ 43,922,116	\$ -0-	\$ -0-	\$ 51,780,111
Construction in Progress	134,377,297	5,062,731	(6,328,263)	-0-	133,111,765
Water Rights	36,950,835	-0-	-0-	-0-	36,950,835
Total Non- Depreciable	<u>\$179,186,127</u>	<u>\$ 48,984,847</u>	<u>(\$ 6,328,263)</u>	<u>\$ -0-</u>	<u>\$221,842,711</u>
<u>Assets Being Depreciated:</u>					
Buildings	\$ 29,559,965	\$ 1,871,956	\$ -0-	\$ -0-	\$ 31,431,921
Improvements Other Than Buildings	32,160,118	6,328,263	-0-	-0-	38,488,381
Infrastructure	182,290,818	-0-	-0-	-0-	182,290,818
Machinery and Equipment	28,622,279	1,881,695	(388,658)	(168,526)	29,946,790
Total Depreciable	<u>\$272,633,180</u>	<u>\$ 10,081,914</u>	<u>(\$ 388,658)</u>	<u>(\$ 168,526)</u>	<u>\$282,157,910</u>
<u>Less Accumulated Depreciation:</u>					
Buildings	\$ 19,697,509	\$ 633,358	\$ -0-	\$ -0-	\$ 20,330,867
Improvements Other Than Buildings	16,357,011	3,956,219	-0-	-0-	20,313,230
Infrastructure	100,092,338	4,318,890	-0-	-0-	104,411,228
Machinery and Equipment	17,833,116	1,252,190	(371,020)	(144,736)	18,569,550
Total Accumulated Depreciation	<u>\$153,979,974</u>	<u>\$ 10,160,657</u>	<u>(\$ 371,020)</u>	<u>(\$ 144,736)</u>	<u>\$163,624,875</u>
Assets Being Depreciated – Net	<u>\$118,645,206</u>	<u>(\$ 78,743)</u>	<u>(\$ 17,638)</u>	<u>(\$ 23,790)</u>	<u>\$118,533,035</u>
Business-type Activities Capital Assets - Net	<u>\$297,839,333</u>	<u>\$ 48,906,104</u>	<u>(\$ 6,345,901)</u>	<u>(\$ 23,790)</u>	<u>\$340,375,746</u>

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Discretely Presented Component Unit – Development Corporation

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<u>Assets Not Being Depreciated:</u>					
Land	\$ 107,027	\$ -0-	(\$ 21,299)	\$ -0-	\$ 85,728
Total Non-Depreciable	\$ 107,027	\$ -0-	(\$ 21,299)	\$ -0-	\$ 85,728
<u>Assets Being Depreciated:</u>					
Buildings	\$ 2,004,967	\$ -0-	\$ -0-	\$ -0-	\$ 2,004,967
Improvements Other Than Buildings	1,085,874	-0-	(292,891)	-0-	792,983
Total Depreciable	\$ 3,090,841	\$ -0-	(\$ 292,891)	\$ -0-	\$ 2,797,950
<u>Less Accumulated Depreciation:</u>					
Buildings	\$ 559,720	\$ 100,250	\$ -0-	\$ -0-	\$ 659,970
Improvements Other Than Buildings	-0-	-0-	-0-	-0-	-0-
Total Accumulated Depreciation	\$ 559,720	\$ 100,250	\$ -0-	\$ -0-	\$ 659,970
Assets Being Depreciated – Net	\$ 2,531,121	(\$ 100,250)	\$ -0-	\$ -0-	\$ 2,137,980
Governmental Activities Capital Assets - Net	\$ 2,638,148	(\$ 100,250)	(\$ 314,190)	\$ -0-	\$ 2,223,708

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

<u>Governmental Activities:</u>	
General Government	\$ 197,860
Public Safety	1,620,374
Public Works and Transportation	643,016
Public Facilities	2,531,535
Health and Human Services	152,414
Culture, Parks, and Recreation	2,085,937
Urban Redevelopment and Housing	3,021
Capital Assets Held by the City's Internal Service Funds are Charged to the Various Functions on Their Usage of the Assets	3,249,036
Total Depreciation Expense – Governmental Activities	\$ 10,483,193
<u>Business-type Activities:</u>	
Water	\$ 3,843,625
Sewer	3,207,450
Stormwater	244,951
Solid Waste	113,740
Airport	2,515,189
State Office Building	235,702
Total Depreciation Expense – Business-type Activities	\$ 10,160,657
<u>Discretely Presented Component Unit: Development Corporation</u>	\$ 100,250

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

IV.E. Interfund Receivables, Payables, and Transfers

Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2017 consist of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service Fund	\$ 4,449,318
General Fund	Communications Fund	49,613
General Fund	Airport Fund	1,367,721
General Fund	State Office Building	627,668
Total Interfund		<u>\$ 6,494,320</u>

Reconciliation to Fund Financial Statements:

	Due From Other Funds	Due To Other Funds
Governmental Funds	\$ 6,494,320	\$ 4,449,318
Internal Service Funds	-0-	49,613
Enterprise Funds	-0-	1,995,389
Total	<u>\$ 6,494,320</u>	<u>\$ 6,494,320</u>

Interfund Transfers

Interfund Transfers for the year ended September 30, 2017 were as follows:

Transfer From	Transfer To	Amount	Nature of Interfund Balance
General Fund	Water Fund	\$ 6,340	Postage and Supplies
Designated Revenue Fund	General Fund	1,048,707	Hotel Occupancy Tax Funding
General Fund	Debt Service Fund	200,000	To Fund Debt Service
Sewer Fund	General Fund	675,050	Franchise Fees
Sewer Fund	General Fund	100,000	PILOT Fees
Water Fund	General Fund	1,309,411	Franchise Fees
Solid Waste Fund	General Fund	255,000	Franchise Fees
Capital Improvement Fund	Communications	4,498,736	Fixed Asset Transfer
Water Fund	Solid Waste Fund	563,704	Fixed Asset Transfer
Sewer Fund	Solid Waste Fund	66,920	Fixed Asset Transfer
Intergovernmental Fund	General Fund	89,554	Indirect Cost Allocation
Stormwater Fund	General Fund	211,710	Indirect Cost Allocation
Airport Fund	General Fund	79,829	Indirect Cost Allocation Per Plan
Water Fund	General Fund	2,214,224	Indirect Cost Allocation
Sewer Fund	General Fund	622,790	Indirect Cost Allocation
Sewer Fund	Water Fund	846,812	Maintenance, Engineering, and Billing
General Fund	Stormwater Fund	95,000	Mowing
General Fund	Intergovernmental	381,179	Local Match for Grants
Lake Nasworthy Fund	Water Fund	145,873	Investment Income for Capital Improvement
General Fund	Designated Revenue Fund	1,396,084	
		<u>\$ 14,806,923</u>	

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Reconciliation to Fund Financial Statements:	Transfers to Other Funds	Transfers from Other Funds
Governmental Funds:		
General Fund	\$ 2,078,603	\$ 6,606,275
Capital Improvement Fund	4,498,736	-0-
Debt Service Fund	-0-	200,000
Other Governmental Funds	1,284,134	1,777,263
Total Governmental Funds	\$ 7,861,473	\$ 8,583,538
Proprietary Funds:		
Enterprise Funds:		
Water Enterprise Fund	\$ 4,087,339	\$ 999,025
Sewer Enterprise Fund	2,311,572	-0-
Other Enterprise Funds	546,539	725,624
Total Enterprise Funds	\$ 6,945,450	\$ 1,724,649
Internal Service Funds	\$ -0-	\$ 4,498,736
Total Proprietary Funds	\$ 6,945,450	\$ 6,223,385
Totals	\$ 14,806,923	\$ 14,806,923

Reconciliation to Statement of Activities:	Transfers to Other Funds	Transfers From Other Funds	Transfer of Capital Assets	Net Transfers
Net Transfers for Governmental Activities:				
Governmental Funds	(\$ 7,861,474)	\$ 8,583,538	\$ 23,790	\$ 745,854
Internal Service Fund	-0-	4,498,737	-0-	4,498,737
Total Net Transfers for Governmental Activities	(\$ 7,861,474)	\$ 13,082,275	\$ 23,790	\$ 5,244,591
Net Transfers for Business-type Activities:				
Enterprise Funds	(\$ 6,945,450)	\$ 1,724,649	(\$ 23,790)	(\$ 5,244,591)
Total Net Transfers for Business-type Activities	(\$ 6,945,450)	\$ 1,724,649	(\$ 23,790)	(\$ 5,244,591)

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, 2017 were as follows:

Transfer From	Transfer To	Amount	Nature of Interfund Balance
Development Corporation	General Fund	\$ 116,841	Administrative Staff Services
Development Corporation	General Fund	387,144	Staff Services Contract
Development Corporation	General Fund	279,758	Parks Maintenance
Development Corporation	Debt Service Fund	3,610,860	Debt Service Payment for Long-Term Debt
Development Corporation	Airport Fund	73,757	Fire System Installation
Development Corporation	Water Fund	3,331,217	Debt Service Payment for Long-Term Debt
Development Corporation	Community Development Fund	61,000	Neighborhood Blitz
Development Corporation	General Fund	39,500	Voter Approved Projects
Development Corporation	Water Fund	64,762	West Texas Water Partnership
Development Corporation	Water Fund	71,174	Industrial Park Water Project
		\$ 8,036,013	

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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 \$9,582,154 leaving the carrying amount at \$4,413,619. Total rent received during the year was \$2,866,669.

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 1st 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, 2017 was \$579,460.

Operating Leases - City as a Lessee

The City rents copiers on a month-to-month basis. Total rental cost for the year was \$180,537.

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, 2017, the governmental activities long-term debt consisted of the following:

Accrued Compensated Absences:

Current Portion	\$ 783,848
Noncurrent Portion	12,103,867
Total Accrued Compensated Absences	<u>\$ 12,887,715</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. \$ 4,290,000

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

Total General Refunding Bonds \$ 22,010,000

Certificates of Obligation:

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. \$ 1,470,000

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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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. 12,815,000

2008 Series Certificate of Obligation, dated September 11, 2008, issued by the City of San Angelo, secured by pledged sales tax, original issue amount of \$10,145,000, interest rates from 3.50%-5.00%, final maturity February 15, 2025, used for capital improvements. The bond's debt service is currently paid with restricted sales tax. 100,000

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. 9,360,000

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. 10,565,000

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. 2,185,000

Total Certificates of Obligation \$ 36,495,000

Total Bonds Payable \$ 58,505,000

Add: Unamortized Bond Premium 3,637,232

Total Bonds Payable, Net \$ 62,142,232

Current Portion, Net \$ 4,095,000

Noncurrent Portion, Net 58,047,232

Total Bonds Payable, Net \$ 62,142,232

Note Payable:

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. \$ 1,393,000

Current portion \$ 107,000

Noncurrent portion 1,286,000

Total Note Payable \$ 1,393,000

Changes in Long-Term Debt:

	Balance September 30, 2016	Additions	Deductions	Balance September 30, 2017	Amount Due in One Year
<u>Governmental Activities</u>					
Compensated Absences	\$ 12,085,869	\$ 1,268,791	\$ 466,945	\$ 12,887,715	\$ 783,848
Insurance Claims Payable	4,267,784	2,617,635	3,627,381	3,258,038	1,265,181
Bonds Payable	64,705,000	2,185,000	8,385,000	58,505,000	4,095,000
Unamortized Bond Premium	4,059,424	115,140	537,332	3,637,232	-0-
Note Payable	1,500,000	-0-	107,000	1,393,000	107,000
	<u>\$ 86,618,077</u>	<u>\$ 6,186,566</u>	<u>\$13,123,658</u>	<u>\$ 79,680,985</u>	<u>\$ 6,251,029</u>

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Debt Service Requirements to Maturity:

For the Year Ending September 30,	Principal	Interest
2018	\$ 4,202,000	\$ 2,602,840
2019	4,242,000	2,056,510
2020	4,322,000	1,940,454
2021	4,442,000	1,822,297
2022	4,612,000	1,674,555
2023-2027	16,765,000	5,975,747
2028-2032	12,083,000	2,941,024
2033-2037	9,230,000	739,144
Total	<u>\$ 59,898,000</u>	<u>\$ 19,752,571</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, 2017, the business-type activities long-term debt consisted of the following:

Accrued Compensated Absences:

Current Portion	\$ 93,185
Noncurrent Portion	1,633,155
Total Accrued Compensated Absences	<u>\$ 1,726,340</u>

Landfill Postclosure Care Liability:

Landfill Postclosure Care Liability	<u>\$ 4,134,113</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.	\$ 7,395,000
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.	6,953,650
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.	7,145,985
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.	206,629
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.	488,736
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.	<u>7,360,000</u>
Total General Refunding Bonds	<u>\$ 29,550,000</u>

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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.

	\$ 48,070,000
Total Certificates of Obligation	<u>\$ 48,070,000</u>
Total Bonds Payable	\$ 77,620,000
Add: Unamortized Bond Premium	1,140,411
Total Bonds Payable, Net	<u>\$ 78,760,411</u>
Current Portion, Net	\$ 3,869,200
Noncurrent Portion, Net	74,891,211
Total Bonds Payable, Net	<u>\$ 78,760,411</u>

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.

	\$ 85,635,000
Promissory Note to City of San Angelo Development Corp.	230,582
	<u>\$ 85,865,582</u>
Current Portion	\$ 5,767,012
Noncurrent Portion, Net	80,098,570
Total Note Payable	<u>\$ 85,865,582</u>

Changes in Long-Term Debt:

	Balance September 30, 2016	Additions	Deductions	Balance September 30, 2017	Amount Due in One Year
<u>Business-type Activities</u>					
Compensated Absences	\$ 1,639,580	\$ 154,530	\$ 67,770	\$ 1,726,340	\$ 93,185
Water Rights Obligation	3,773,275	-0-	674,736	3,098,539	712,541
Landfill Postclosure	3,973,739	160,374	-0-	4,134,113	-0-
Bonds Payable	35,095,000	55,465,000	12,940,000	77,620,000	3,869,200
Unamortized Bond Premium	849,246	458,337	167,172	1,140,411	-0-
Note Payable	91,355,000	-0-	5,720,000	85,635,000	5,725,000
Promissory Note to COSADC	273,594	-0-	43,012	230,582	42,012
	<u>\$136,959,434</u>	<u>\$56,238,241</u>	<u>\$19,612,690</u>	<u>\$ 173,584,985</u>	<u>\$10,441,938</u>

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Debt Service Requirements to Maturity:

For the Year Ending September 30,	Principal	Interest
2018	\$ 11,685,000	\$ 4,459,545
2019	11,490,000	4,252,004
2020	11,745,000	4,010,603
2021	11,425,000	3,701,240
2022	9,530,000	3,405,183
2023-2027	44,105,000	13,405,193
2028-2032	33,385,000	8,308,536
2033-2037	8,655,000	5,626,267
2038-2042	10,755,000	3,531,252
2043-2047	10,480,000	947,755
Total	\$ 163,255,000	\$ 51,647,578

Advanced Refunding

On May 18, 2017, the City issued \$7,395,000 Series 2016 General Obligation Refunding Bonds with interest rates ranging from 2.0% to 5.0%. The proceeds were used to advance refund \$3,705,000 of outstanding 2007 Series Certificates of Obligation with interest rates ranging from 4.00% to 4.50% and \$4,300,000 of outstanding 2007 Series Certificates of Obligation with interest rates ranging from 4.00% to 5.25%. The net proceeds of \$8,229,231 (including a \$739,231 premium and after payment of \$124,213 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 2007 Series bonds are considered defeased, and the liability on the government-wide statement of net position has decreased by \$8,005,000.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$610,000. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2027 using the effective interest method. The City completed the advance refunding to reduce its total debt service payments over the next ten years by \$635,992 and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$76,936.

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, 2017, the balance of defeased bonds outstanding is \$30,325,000.

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 \$4,134,113 represents the cumulative amount to date based on the use of approximately 77.65% care of \$5,323,976 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, 2017

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, 2017, investments are held for these purposes. The total contributed by Republic Services as of September 30, 2017 is \$5,345,672.

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. Monthly 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 \$636,101 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>
2018	\$ 76,440	\$ 636,101	\$ 712,541
2019	76,440	676,984	753,424
2020	76,440	717,867	794,307
2021	76,440	761,827	838,267
Total Commitments	<u>\$ 305,760</u>	<u>\$ 2,792,779</u>	<u>\$ 3,098,539</u>

The City paid \$674,736 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, 2017

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	6,474			
Lake Nasworthy				\$ 14,191,260
Sante Fe Park				10,000
Total Nonspendable	<u>\$ 43,778</u>			<u>\$ 14,201,260</u>
Restricted for:				
Economic				\$ 1,674,956
Development				
Grant Expenditures				1,787,777
Santa Fe Park				3,925
Lake Nasworthy				3,658
Total Restricted				<u>\$ 3,470,316</u>
Committed for:				
Designated Purposes				\$ 1,628,571
Debt Service			\$ 875,089	
Capital		\$ 19,672,377		833,592
Improvements				
Total Committed		<u>\$ 19,672,377</u>	<u>\$ 875,089</u>	<u>\$ 2,462,163</u>

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

Restatements

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

	Government- Wide
Discretely Presented Component Unit:	
Beginning Balance as Previously Reported	\$ 16,556,329
Add: Correct for Over Accrual of Expense	(183,305)
Total Changes to Beginning Balance as Previously Reported	<u>(\$ 183,305)</u>
Beginning Balance as Restated	<u>\$ 16,373,024</u>

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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

Assets	
Current Assets	\$ 134,406
Capital Assets	2,980,891
Other Noncurrent Assets	-0-
Total Assets	\$ 3,115,297
Deferred Outflows of Resources	
Deferred Amounts Related to Pensions	\$ 42,548
Liabilities	
Current Liabilities	\$ 653,819
Noncurrent Liabilities Due Within One Year	146,640
Noncurrent Liabilities Due After One Year	736,944
Total Liabilities	\$ 1,537,403
Deferred Inflows of Resources	
Deferred Amounts Related to Pensions	\$ 2,541
Net Position	
Net Investment in Capital Assets	\$ 2,261,606
Unrestricted	(643,705)
Total Net position	\$ 1,617,901

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

Revenues Pledged for Payment of Bonds and COs	\$ 1,232,054
Cost of Sales and Services and Administrative	(765,138)
Depreciation and Amortization	(235,702)
Operating Income	\$ 231,214
Non-Operating Revenues (Expenses)	
Investment Income	499
Change in Fair Value of Investments	199
Interest Expense	(31,140)
Change in Net Position	\$ 200,772
Net Position – Beginning	1,417,129
Net Position – Ending	\$ 1,617,901

Condensed Statement of Cash Flows

Net Cash Provided (Used) by:	
Operating Activities	\$ 399,883
Non-Capital Financing Activities	114,057
Capital and Related Financing Activities	(514,355)
Investing Activities	(1,070)
Net Increase (Decrease) in Cash	(\$ 1,485)
Cash and Cash Equivalents – Beginning	15,277
Cash and Cash Equivalents – Ending	\$ 13,792

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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 (\$122,071), \$733,693, and (\$1,191,454) 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 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, 2015	\$ 237,461	\$ 666,444	\$ 1,954,529	\$ 2,858,434
FY16 Incurred	3,585,987	888,179	812,737	5,286,903
FY16 Paid	(2,816,424)	(704,470)	(356,659)	(3,877,553)
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

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

V.B. Commitments and Contingencies

Construction Commitments

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

<u>Project Descriptions</u>	<u>Funding Source</u>	<u>Budget</u>	<u>Spent to Date</u>	<u>Balance</u>
Hickory Well Field Expansion	Type B Sales Tax/Water Fees	\$ 7,671,565	\$ 7,668,889	\$ 2,676
2016 Water Line Improvement Project	Water Capital Funds	\$ 1,012,522	\$ 349,875	\$ 662,647
Sulphur Draw Sewer Project	Sewer Capital Funds	\$ 4,500,000	\$ -0-	\$ 4,500,000
MLK Drive Infrastructure	Water and Sewer Capital Funds Type B Sales Tax, San Angelo Area Foundation Funds, and General	\$ 2,469,974	\$ 2,002,834	\$ 467,140
Auditorium Renovation		\$ 15,392,908	\$11,119,105	\$ 4,273,803
Fort Concho Visitor Center Improvements	Type B Sales Tax Funds	\$ 1,000,000	\$ 22,564	\$ 977,436
29th Street Sports Complex	Type B Sales Tax Funds Stormwater Capital & General Funds	\$ 1,750,000	\$ 68,498	\$ 1,681,502
Remediation of Drainage Ave. P Transportation Enhancement Project	Grant/General Capital Funds (80/20)	\$ 2,440,000	\$ 21,551	\$ 2,418,449
Police Communications Upgrade	General Fund Debt/Property Tax	\$ 4,349,797	\$ 1,907,766	\$ 2,442,031
Public Safety Radio	General Fund Debt/Property Tax	\$ 1,500,000	\$ 1,400,195	\$ 99,805
Public Safety RMS/CAD	General Fund Debt/Property Tax	\$ 6,000,000	\$ 5,077,152	\$ 922,848
Fire Training Center	General Fund Debt/Property Tax	\$ 2,185,000	\$ 404,115	\$ 1,780,885
Fire Station #4	General Fund Debt/Property Tax	\$ 4,400,000	\$ 4,355,435	\$ 44,565
		\$ 3,624,023	\$ 120,201	\$ 3,503,822

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, 2017 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.

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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.

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.

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.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Employees Covered by Benefit Terms

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but Not Yet Receiving Them	147
Current Employees:	
Fully Vested	33
Partially Vested	72
Non-Vested	71
Total	<u>323</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 14.2% 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, 2015 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 \$2,173,090.

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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

The City reported \$5,865,843 in pension expense for the year ended September 30, 2017. At September 30, 2017, 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	\$ 2,616,414	\$ -0-
Changes of Assumptions	1,658,780	-0-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,176,134	-0-
City Contributions Subsequent to the Measurement Date	1,613,101	-0-
Total	\$ 10,064,429	\$ -0-

\$1,613,101 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, 2018. 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:		
2018	\$	2,246,114
2019		2,455,278
2020		2,192,587
2021		965,503
2022		591,846
Total	\$	8,451,328

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3.5%	
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 RP2000 mortality with Blue Collar adjustment with mortality improvements projected using Scale AA.

Mortality rates were based on the RP2000 mortality with Blue Collar adjustment with mortality improvements projected using Scale AA.

The actuarial assumptions used in the December 31, 2015 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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

- Covered payroll growth experience 1994-2009

The actuarial assumptions used in the December 31, 2015, 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, 2015, 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 7.9%. 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, 2015 with a measurement date of December 31, 2016. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of December 31, 2016 and the City's report ending date of September 30, 2017, that would have had a significant impact on the net 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, 2017

SCHEDULE OF CHANGES IN NET PENSION LIABILITY			
Increase (Decrease)			
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
Balances Beginning of Year	\$ 97,817,251	\$ 58,272,932	\$ 39,544,319
Changes for the Year:			
Service cost	\$ 2,160,559	\$ -0-	\$ 2,160,559
Interest expense	7,510,752	-0-	7,510,752
Differences between expected and actual experience	-0-	-0-	-0-
Changes of assumptions	-0-	-0-	-0-
Contributions - City	-0-	2,239,456	(2,239,456)
Contributions - Members	-0-	1,590,202	(1,590,202)
Net investment income	-0-	4,199,126	(4,199,126)
Benefits paid	(6,039,371)	(6,039,371)	-0-
Plan administrative expenses	-0-	(55,543)	55,543
Net Changes	\$ 3,631,940	\$ 1,933,870	\$ 1,698,070
Balances End of Year	\$ 101,449,191	\$ 60,206,802	\$ 41,242,389

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 7.9%, 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 (6.9%) or 1-percentage-point higher (8.9%) than the current rate:

	1% Decrease (6.9%)	Current Discount Rate (7.9%)	1% Increase (8.9%)
Employers' Net Pension Liability	\$ 53,980,253	\$ 41,242,389	\$ 30,746,999

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.

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

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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Active Employees	602
Deferred Vested Former Employees	320
Retirees or Retiree Beneficiaries	<u>727</u>
Total	<u>1,649</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 17.09% and 17.59% in calendar years 2016 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2017 were \$6,067,440 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2016 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, 2016 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
Retirement Age -	Experience based table City specific based on the 2015 experience study

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 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.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Actuarial assumptions used in the December 31, 2016 valuation were based on the results of actuarial experience studies. 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. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 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%	4.15%
Real Return	10.00%	4.15%
Real Estate	10.00%	4.75%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	7.75%
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, 2017

Changes in the Net Pension Liability

	<u>SCHEDULE OF CHANGES IN NET PENSION LIABILITY</u>		
	<u>Increase (Decrease)</u>		
	Total Pension Liability <u>(a)</u>	Plan Net Position <u>(b)</u>	Net Pension Liability <u>(a) - (b)</u>
Balances Beginning of Year	<u>\$ 217,000,554</u>	<u>\$ 169,880,708</u>	<u>\$ 47,119,846</u>
Changes for the Year:			
Service cost	\$ 5,329,787	\$ -0-	\$ 5,329,787
Interest expense	14,439,741	-0-	14,439,741
Changes of assumptions	-0-	-0-	-0-
Difference between expected and actual experience	827,202	-0-	827,202
Contributions - City	-0-	5,856,113	(5,856,113)
Contributions - Members	-0-	2,399,261	(2,399,261)
Net investment income	-0-	11,478,572	(11,478,572)
Benefits paid	(11,486,726)	(11,486,726)	-0-
Plan administrative expenses	-0-	(129,662)	129,662
Other Charges	-0-	(11,253)	11,253
Net Changes	<u>\$ 9,110,004</u>	<u>\$ 8,106,305</u>	<u>\$ 1,003,699</u>
Balances End of Year	<u>\$ 226,110,558</u>	<u>\$ 177,987,013</u>	<u>\$ 48,123,545</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:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net Pension Liability	\$ 78,553,112	\$ 48,123,545	\$ 23,084,190

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 .

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

For the year ended September 30, 2017, the City recognized pension expense of \$9,453,396. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 711,441	\$ 312,582
Changes of Assumptions	1,199,201	-0-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,930,231	-0-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	244,710	239,717
City Contributions Subsequent to the Measurement Date	4,635,839	-0-
Total	\$ 14,721,422	\$ 552,299

The \$4,635,839 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, 2018. 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:		
2018	\$	3,514,837
2019		3,496,924
2020		2,508,961
2021		12,562
	\$	<u>9,553,284</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 actives 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.

Funding Policy

The plan premium rates are determined annually in collaboration with an outside employee benefits actuarial and consulting firm, and are approved by the San Angelo City Council. By providing retirees with access to the City’s healthcare plans, based on the same rates it charges to active employees, the City is in effect providing a subsidy to retirees. This implied subsidy exists because on average, retiree health care costs are higher than active employee healthcare costs. By the City not contributing anything toward this

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

plan in advance, the City employs a pay-as-you-go method through paying the higher rate for active employees each year.

Beginning with the fiscal year ending September 30, 2009, the City of San Angelo is required to account for their retiree medical plan using the Governmental Standards Accounting Board Statement Number 45 (GASB 45). Whereas before, these benefits were accounted for on a “pay-as-you-go” basis, now they must be accrued not when they are paid but when they are earned, i.e. during active service. Thus, during each year of active service, a piece of the present value of the future retirement benefit must be accrued so that when the employee reaches retirement age, the benefit is fully accrued.

The key actuarial results are as follows:

Actuarial Present Value of Benefits	\$ 98,564,064
Actuarial Accrued Liability	\$ 98,183,846
Annual Required Contribution	\$ 4,279,217
Net OPEB Obligation	\$ 19,019,989

The actuarial present value of benefits is the total cost of the program in today’s dollars. The accrued liability is the piece of the present value of benefits that is allocated to prior service. It is the liability that would have been recognized had the City been accounting on a GASB 45 basis all along. That amount is being amortized over time. The annual required contribution (ARC) is the amount the City needs to accrue for the year to cover both the following year of benefit accrual (the normal cost) and the amortization of the accrued liability. The expected net benefits are the projection of medical claims and expenses net of retiree contributions expected during the year. Finally, the net OPEB obligation is the difference between the ARC and the expected benefits. It is the piece of the cumulative ARCs that has gone unfunded.

The following table shows the three components of the annual required contribution. The first component is the normal cost. This represents the accrual for the benefits that will be earned by the employees in the coming year.

The supplemental cost or unrecognized liability has two components: the initial liability when GASB 45 was first implemented and the gain/loss. The initial liability is the amount that should have been accrued to date by the City when GASB 45 was first adopted. Instead of requiring immediate recognition of this liability, GASB 45 allowed a “catch-up” amortization of this amount over several years.

A gain/loss occurs when the actual experience differs from the expected experience either from a change in the experience or a change in the assumptions, method, or plan provisions. In this case, the actual experience produced a liability that was greater than the expected liability thus producing an actuarial loss.

The third component of the ARC is the amortization of the net obligation. If the employer does not fully fund the ARC, there is an outstanding obligation at the end of the year. That obligation gets amortized over time, and the amortization then becomes a component of the ARC in the following year.

	Year Ended September 30, 2017
<u>Normal Cost Component</u>	
Normal Cost	\$ 274,517
<u>Amortization of Net OPEB Obligation</u>	
Amortization	4,004,700
<u>Annual Required Contribution</u>	<u>\$ 4,279,217</u>

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Annual OPEB Costs and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following tables shows the components of the City's annual OPEB cost, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the year ended September 30, 2017:

<u>Net OPEB Obligation</u>	Year Ended September 30, 2017
Annual Required Contribution	\$ 4,279,217
Interest on Net OPEB Obligation	809,501
Adjustment to ARC	(733,728)
Annual OPEB Cost	\$ 4,354,991
Employer Contribution	(3,323,920)
Increase in Net OPEB Obligation	\$ 1,031,071
Net Obligation (Beginning of Year)	17,988,918
Net Obligation (Ending of Year)	<u>\$ 19,019,989</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net unfunded OPEB obligation were as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2015	\$5,266,428	\$3,168,268	60.2%	\$15,839,905
September 30, 2016	\$5,055,063	\$2,906,050	57.5%	\$17,988,918
September 30, 2017	\$4,354,991	\$3,323,920	76.3%	\$19,019,989

Funded Status

The following table shows what percent of the liability is funded and what percent of the covered payroll the unfunded liability represents. Since there is no additional funding required, there are no assets, and consequently, the funded ratio is 0.0%.

<u>Actuarial Valuation Date</u>	<u>September 30, 2017</u>
Actuarial Accrued Liability (AAL)	\$ 98,183,846
Actuarial Value of Assets	\$ -0-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 98,183,846
Funded Ratio	0.0%
Estimated Covered Payroll	\$ 46,819,904
UAAL as a Percentage of Payroll	209.7%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as Required Supplementary Information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan understood by the employer and plan members) and include the type of benefits in force at the valuation date and the pattern of sharing benefits between the City and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce the short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial valuations are performed on a bi-annual basis. Significant methods and assumptions used for this fiscal year's valuation are as follows:

Actuarial Methods:

Actuarial Valuation Date	September 30, 2017
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Payroll
Amortization Period	30 Years (Open)
Asset Valuation Method	5 Year Smoothed Market

Actuarial Assumptions:

Discount rate	4.5%
Projected Salary Increases	3.0%
Healthcare Cost Trend Rate	10.0%
No inflation rate provided by actuary.	

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 \$10,221.

VII. TAX ABATEMENTS

As of September 30, 2017, 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.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

The amount of taxes abated during the year ended September 30, 2017 are:

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

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:

Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans - GASB No. 74 was issued in June 2015 and replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. The City has not yet determined the impact that implementation of GASB 74 will have on its net position.

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions - GASB No., 75 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 requirements about defined benefit OPEB also are addressed. This Statement is effective for fiscal years beginning after June 15, 2017. The City has not yet determined the impact that implementation of GASB 75 will have on its net position, although it may be material.

GASB Statement No. 77, Tax Abatement Disclosures - GASB 77 was issued in August 2015 and establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. At this time, the impact to the City is unknown.

GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans - GASB 78 was issued in December 2015 and amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. At this time, the impact to the City is unknown.

GASB Statement No. 80, Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14 - GASB 80 was issued January 2016 and amends the blending requirements for the

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. At this time, the impact to the City is unknown.

GASB Statement No. 81, Irrevocable Split-Interest Agreements – GASB 81 was issued in March 2016 and addresses the accounting and financial reporting for irrevocable split-interest agreements by provided recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interest in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interest. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. At this time, the impact to the City is unknown.

GASB Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73 – GASB 82 was issued in March 2016 and addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. At this time, the impact to the City is unknown.

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 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 2017, 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 2017 – GASB 85 was issued March 2017, 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 2017, 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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

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 2017, 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.

VIII. SUBSEQUENT EVENTS

The following event occurred after the fiscal year end and is disclosed for reporting purposes:

- In January 2018, the City Council adopted an ordinance directing publication of a notice of intention to issue combination tax and revenue certificates of obligation to provide funds for street improvement projects. These bonds were subsequently issued on April 10, 2018 in the amount of \$16,500,000.



Required Supplementary Information

CITY OF SAN ANGELO, TEXAS

Budgetary Comparison Schedule - General Fund

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Modified Accrual	Adjustments	Budget Basis	
REVENUES						
Taxes:						
Property	\$ 32,160,271	\$ 32,160,271	\$ 32,201,382	\$ -0-	\$ 32,201,382	\$ 41,111
Sales	18,057,295	17,461,440	17,676,790	(296,007)	17,380,783	(80,657)
Franchise	4,517,446	4,562,446	5,012,040	(395,259)	4,616,781	54,335
Motel	1,857,500	-0-	-0-	-0-	-0-	-0-
Mixed Drink	371,936	371,936	411,981	(85,847)	326,134	(45,802)
Bingo	42,381	42,381	44,647	-0-	44,647	2,266
Licenses and Permits	980,479	893,120	864,151	-0-	864,151	(28,969)
Intergovernmental	-0-	39,500	39,500	-0-	39,500	-0-
Charges for Services	6,567,638	6,651,343	8,294,024	(1,536,655)	6,757,369	106,026
Fines and Forfeitures	2,823,369	2,827,169	2,848,276	-0-	2,848,276	21,107
Investment Income:						
Interest	162,508	160,508	315,002	-0-	315,002	154,494
Change in Fair Value of Investments	-0-	-0-	59,218	-0-	59,218	59,218
Miscellaneous:						
Gifts and Contributions	57,550	7,296,339	147,129	-0-	147,129	(7,149,210)
Other Miscellaneous	400,739	1,581,859	1,628,060	-0-	1,628,060	46,201
Total Revenues	\$ 67,999,112	\$ 74,048,312	\$ 69,542,200	(\$ 2,313,768)	\$ 67,228,432	(\$ 6,819,880)
EXPENDITURES						
Current:						
General Government:						
City Council	\$ 156,989	\$ 160,306	\$ 145,066	\$ -0-	\$ 145,066	\$ 15,240
City Manager	706,956	717,243	690,888	-0-	690,888	26,355
Legal	1,128,309	1,192,484	1,115,507	-0-	1,115,507	76,977
Public Information	202,397	198,540	188,672	-0-	188,672	9,868
Construction Management	661,578	680,878	583,701	-0-	583,701	97,177
Finance	2,284,597	2,317,878	2,270,012	-0-	2,270,012	47,866
Information Services	546,969	597,774	534,643	-0-	534,643	63,131
Purchasing	158,724	161,388	155,818	-0-	155,818	5,570
Personnel	406,148	379,963	386,358	-0-	386,358	(6,395)
Non-Departmental	5,999,225	4,244,308	3,874,490	-0-	3,874,490	369,818
Total General Government	\$ 12,251,892	\$ 10,650,762	\$ 9,945,155	\$ -0-	\$ 9,945,155	\$ 705,607
Public Safety:						
Municipal Court	\$ 2,414,677	\$ 3,250,573	\$ 2,280,696	\$ -0-	\$ 2,280,696	\$ 969,877
Police	17,461,133	18,062,582	18,255,344	-0-	18,255,344	(192,762)
Fire	16,418,262	17,127,626	20,142,813	-0-	20,142,813	(3,015,187)
Communications	1,463,527	1,487,479	1,420,529	-0-	1,420,529	66,950
School Crossing Guards	122,000	164,433	131,665	-0-	131,665	32,768
Total Public Safety	\$ 37,879,599	\$ 40,092,693	\$ 42,231,047	\$ -0-	\$ 42,231,047	(\$ 2,138,354)
Public Works and Transportation:						
Public Works	\$ 350,170	\$ 371,556	\$ 361,829	\$ -0-	\$ 361,829	\$ 9,727
Signal Control	820,626	818,585	762,316	-0-	762,316	56,269
Streets and Bridges	7,209,238	8,416,677	5,920,672	-0-	5,920,672	2,496,005
Planning and Zoning	2,238,057	2,193,898	1,986,882	-0-	1,986,882	207,016
Permits and Inspections	838,663	891,364	876,616	-0-	876,616	14,748
Total Public Works and Transportation	\$ 11,456,754	\$ 12,692,080	\$ 9,908,315	\$ -0-	\$ 9,908,315	\$ 2,783,765

CITY OF SAN ANGELO, TEXAS

Budgetary Comparison Schedule - General Fund

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Modified Accrual	Adjustments	Budget Basis	
Public Facilities:						
City Hall	\$ 631,801	\$ 639,957	\$ 609,687	\$ -0-	\$ 609,687	\$ 30,270
Fairmount Cemetery	428,898	434,107	357,483	-0-	357,483	76,624
Total Public Facilities	<u>\$ 1,060,699</u>	<u>\$ 1,074,064</u>	<u>\$ 967,170</u>	<u>\$ -0-</u>	<u>\$ 967,170</u>	<u>\$ 106,894</u>
Health and Human Services:						
Health Department	\$ 173,922	\$ 176,133	\$ 170,925	\$ -0-	\$ 170,925	\$ 5,208
Animal Control	956,501	862,609	764,510	-0-	764,510	98,099
Code Compliance	461,179	479,832	487,603	-0-	487,603	(7,771)
Social Services	55,423	55,423	55,422	-0-	55,422	1
Total Health and Human Services	<u>\$ 1,647,025</u>	<u>\$ 1,573,997</u>	<u>\$ 1,478,460</u>	<u>\$ -0-</u>	<u>\$ 1,478,460</u>	<u>\$ 95,537</u>
Culture, Parks and Recreation:						
Parks	\$ 4,350,654	\$ 4,323,964	\$ 3,880,812	\$ -0-	\$ 3,880,812	\$ 443,152
Recreation	943,583	951,433	829,689	-0-	829,689	121,744
Swimming Pool	161,550	291,613	188,020	-0-	188,020	103,593
Fort Concho Museum	1,018,982	1,044,704	1,028,442	-0-	1,028,442	16,262
Total Culture, Parks and Recreation	<u>\$ 6,474,769</u>	<u>\$ 6,611,714</u>	<u>\$ 5,926,963</u>	<u>\$ -0-</u>	<u>\$ 5,926,963</u>	<u>\$ 684,751</u>
Total Current Expenditures	<u>\$ 70,770,738</u>	<u>\$ 72,695,310</u>	<u>\$ 70,457,110</u>	<u>\$ -0-</u>	<u>\$ 70,457,110</u>	<u>\$ 2,238,200</u>
Capital Outlay	\$ 723,683	\$ 23,380,123	\$ 6,984,321	\$ -0-	\$ 6,984,321	\$ 16,395,802
Total Expenditures	<u>\$ 71,494,421</u>	<u>\$ 96,075,433</u>	<u>\$ 77,441,431</u>	<u>\$ -0-</u>	<u>\$ 77,441,431</u>	<u>\$ 18,634,002</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>(\$ 3,495,309)</u>	<u>(\$ 22,027,121)</u>	<u>(\$ 7,899,231)</u>	<u>(\$ 2,313,768)</u>	<u>(\$ 10,212,999)</u>	<u>\$ 11,814,122</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	\$ 5,558,506	\$ 6,703,852	\$ 6,606,275	\$ -0-	\$ 6,606,275	(\$ 97,577)
Sale of Capital Assets	58,000	58,000	(2,587)	-0-	(2,587)	(60,587)
Transfers Out	(918,210)	(926,815)	(2,078,603)	-0-	(2,078,603)	(1,151,788)
Total Other Financing Sources (Uses)	<u>\$ 4,698,296</u>	<u>\$ 5,835,037</u>	<u>\$ 4,525,085</u>	<u>\$ -0-</u>	<u>\$ 4,525,085</u>	<u>(\$ 1,309,952)</u>
Net Change in Fund Balance	<u>\$ 1,202,987</u>	<u>(\$ 16,192,084)</u>	<u>(\$ 3,374,146)</u>	<u>(\$ 2,313,768)</u>	<u>(\$ 5,687,914)</u>	<u>\$ 10,504,170</u>
Fund Balance - Beginning	9,593,057	(19,889,937)	38,842,353	(7,505,257)	8,886,536	28,776,473
Fund Balance - Ending	<u>\$ 10,796,044</u>	<u>(\$ 36,082,021)</u>	<u>\$ 35,468,207</u>	<u>(\$ 9,819,025)</u>	<u>\$ 3,198,622</u>	<u>\$ 39,280,643</u>

CITY OF SAN ANGELO, TEXAS

Required Supplementary Information

For the Year Ended September 30, 2017

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, 2017

Texas Municipal Retirement Fund Schedule of Changes in Net Pension Liability and Related Ratios	Last Fiscal Year		
	2015	2016	*2017
Total pension liability			
Service cost	\$ 4,231,932	\$ 4,877,309	\$ 5,329,787
Interest	13,765,927	14,190,598	14,439,741
Differences between expected and actual experience	(1,528,383)	253,147	827,202
Changes of assumptions	-0-	2,707,629	-0-
Benefit payments, including refunds of member contributions	(10,826,257)	(10,624,607)	(11,486,726)
Net change in total pension liability	<u>\$ 5,643,219</u>	<u>\$ 11,404,076</u>	<u>\$ 9,110,004</u>
Total pension liability - beginning	199,953,259	205,596,478	217,000,554
Total pension liability - ending (a)	<u>\$ 205,596,478</u>	<u>\$ 217,000,554</u>	<u>\$ 226,110,558</u>
Plan fiduciary net position			
Contributions - employer	\$ 5,576,688	\$ 5,728,465	\$ 5,856,113
Contributions - member	2,132,065	2,265,505	2,399,261
Net investment income	9,503,498	254,398	11,478,572
Benefit payments, including refunds of member contributions	(10,826,257)	(10,624,607)	(11,486,726)
Administrative expense	(99,229)	(154,965)	(129,662)
Other	(8,158)	(7,652)	(11,253)
Net change in plan fiduciary net position	<u>\$ 6,278,607</u>	<u>(\$ 2,538,856)</u>	<u>\$ 8,106,305</u>
Plan fiduciary net position - beginning	166,140,957	172,419,564	169,880,708
Plan fiduciary net position - ending (b)	<u>\$ 172,419,564</u>	<u>\$ 169,880,708</u>	<u>\$ 177,987,013</u>
Net pension liability - ending (a) - (b)	<u>\$ 33,176,914</u>	<u>\$ 47,119,846</u>	<u>\$ 48,123,545</u>
Plan fiduciary net position as a percentage of the total pension liability	83.86%	78.29%	78.72%
Covered employee payroll	\$ 30,458,079	\$ 31,518,849	\$ 34,655,009
Net pension liability as a percentage of covered-employee payroll	108.93%	149.50%	138.86%

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 2017 are based on a measurement date of 12/31/2016.

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, 2017

**Texas Municipal Retirement Fund
Schedule of Employer Contributions**

Last Fiscal Year

	2015	2016	2017
Actuarially determined contribution	\$ 5,688,038	\$ 5,974,012	\$ 6,067,440
Contributions in relation to the actuarially determined contribution	5,688,038	5,974,012	6,067,440
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Covered employee payroll	\$ 31,518,849	\$ 34,655,009	\$ 34,745,984
Contributions as a percentage of covered-employee payroll	18.05%	17.24%	17.46%

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	29 years
Contributions	17.09% for Calender Year 2016 17.59% for Calender Year 2017
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, 2017

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

Last Fiscal Year

	2015	2016	*2017
Total pension liability			
Service cost	\$ 2,438,145	\$ 2,002,372	\$ 2,160,559
Interest	6,609,094	6,772,296	7,510,752
Differences between expected and actual experience	-0-	3,449,753	-0-
Changes of assumptions	-0-	2,215,105	-0-
Benefit payments, including refunds of member contributions	(4,391,400)	(4,695,087)	(6,039,371)
Net change in total pension liability	\$ 4,655,839	\$ 9,744,439	\$ 3,631,940
Total pension liability - beginning	83,416,973	88,072,812	97,817,251
Total pension liability - ending (a)	\$ 88,072,812	\$ 97,817,251	\$ 101,449,191
Plan fiduciary net position			
Contributions - employer	\$ 2,044,568	\$ 2,086,618	\$ 2,239,456
Contributions - member	1,432,875	1,462,906	1,590,202
Net investment income	3,264,867	(1,262,749)	4,199,126
Benefit payments, including refunds of member contributions	(4,391,400)	(4,695,087)	(6,039,371)
Administrative expense	(62,491)	(48,866)	(55,543)
Net change in plan fiduciary net position	\$ 2,288,419	(\$ 2,457,178)	\$ 1,933,870
Plan fiduciary net position - beginning	58,441,691	60,730,110	58,272,932
Plan fiduciary net position - ending (b)	\$ 60,730,110	\$ 58,272,932	\$ 60,206,802
Net pension liability - ending (a) - (b)	\$ 27,342,702	\$ 39,544,319	\$ 41,242,389
Plan fiduciary net position as a percentage of the total pension liability	68.95%	59.57%	59.35%
Covered employee payroll	\$ 10,090,669	\$ 10,246,197	\$ 10,965,035
Net pension liability as a percentage of covered-employee payroll	270.97%	385.94%	376.13%

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 2017 are based on a measurement date of 12/31/2016.

CITY OF SAN ANGELO, TEXAS

Required Supplementary Information

For the Year Ended September 30, 2017

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

Last Fiscal Year

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

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% -Firefithers 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

Schedule of Funding Progress

For the Year Ended September 30, 2017

OTHER POST EMPLOYMENT BENEFITS

Schedule of Funding Progress (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a percentage of Covered Payroll
	1	2	3	4	5	6
			(1 / 2)	(2 - 1)		(4 / 5)
09/30/2015	\$-0-	\$88,835,475	0%	\$88,835,475	\$42,793,514	207.60%
09/30/2013	\$-0-	\$95,683,246	0%	\$95,683,246	\$39,509,623	242.20%
09/30/2011	\$-0-	\$82,236,000	0%	\$82,236,000	\$33,053,000	248.80%

Other Supplementary Information

CITY OF SAN ANGELO, TEXAS

General Fund Descriptions

For the Year Ended September 30, 2017

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.

Equipment Replacement 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, 2017

	General	Texas Sports Complex	Civic Events	Equipment Replacement	Street Capital Project	Fort Concho	Fairmount Cemetery	Payroll	Total General Fund
ASSETS									
Assets:									
Cash and Cash Equivalents	\$ 7,345,597	\$ 659,366	\$ 660,542	\$ 500,522	\$ 2,890,219	\$ 290,590	\$ 100	\$ 715,018	\$ 13,061,954
Investments	2,991,258	-0-	389,591	52,804	8,064,008	105	-0-	-0-	11,497,766
Receivables:									
Accrued Interest	3,058	1,207	-0-	1,066	15,402	992	-0-	-0-	21,725
Property Taxes	1,191,553	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,191,553
Accounts	17,933,924	8,551	-0-	1,382	95,471	-0-	24,877	3,616	18,067,821
Less: Allowance for Uncollectibles	(13,021,102)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(13,021,102)
Due from Other Governments	3,072,731	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,072,731
Due from Other Funds (Interfund)	7,950,169	-0-	-0-	-0-	-0-	-0-	-0-	-0-	7,950,169
Due from Other Funds	6,494,320	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,494,320
Inventories	19,915	-0-	-0-	-0-	-0-	17,389	-0-	-0-	37,304
Prepays	6,474	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,474
Total Assets	\$ 33,987,897	\$ 669,124	\$ 1,050,133	\$ 555,774	\$ 11,065,100	\$ 309,076	\$ 24,977	\$ 718,634	\$ 48,380,715
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Charges	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Deferred Outflows of Resources	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
LIABILITIES									
Current Liabilities:									
Accounts Payable	\$ 2,883,779	\$ 36,878	\$ 255,411	\$ 83,752	\$ 47,741	\$ 54,463	\$ 48,237	\$ -0-	\$ 3,410,261
Deposits	277,264	-0-	-0-	-0-	-0-	39,079	-0-	-0-	316,343
Due to Other Funds (Interfund)	-0-	-0-	-0-	-0-	7,142,038	-0-	89,497	718,634	7,950,169
Due to Other Governments	71,829	-0-	-0-	-0-	-0-	-0-	-0-	-0-	71,829
Unearned Revenue	-0-	116,250	59,609	-0-	-0-	-0-	(1,050)	-0-	174,809
Arbitrage Rebates Payable	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Liabilities	\$ 3,232,872	\$ 153,128	\$ 315,020	\$ 83,752	\$ 7,189,779	\$ 93,542	\$ 136,684	\$ 718,634	\$ 11,923,411
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Property Taxes	\$ 933,126	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 933,126
Deferred Revenues	-0-	-0-	-0-	-0-	55,971	-0-	-0-	-0-	55,971
Total Deferred Inflows of Resources	\$ 933,126	\$ -0-	\$ -0-	\$ -0-	\$ 55,971	\$ -0-	\$ -0-	\$ -0-	\$ 989,097
FUND BALANCES									
Nonspendable	\$ 26,389	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 17,389	\$ -0-	\$ -0-	\$ 43,778
Unassigned	29,795,510	515,996	735,113	472,022	3,819,350	198,145	(111,707)	-0-	35,424,429
Total Fund Balances	\$ 29,821,899	\$ 515,996	\$ 735,113	\$ 472,022	\$ 3,819,350	\$ 215,534	(\$ 111,707)	\$ -0-	\$ 35,468,207

CITY OF SAN ANGELO, TEXAS

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

For the Year Ended September 30, 2017

	General	Texas Sports Complex	Civic Events	Equipment Replacement	Street Capital Project	Fort Concho Museum	Fairmount Cemetery	Payroll	Total General Fund
REVENUES									
Taxes:									
Property	\$ 32,201,382	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 32,201,382
Sales	17,676,790	-0-	-0-	-0-	-0-	-0-	-0-	-0-	17,676,790
Franchise	5,012,040	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,012,040
Mixed Drink	411,981	-0-	-0-	-0-	-0-	-0-	-0-	-0-	411,981
Bingo	44,647	-0-	-0-	-0-	-0-	-0-	-0-	-0-	44,647
Licenses and Permits	864,151	-0-	-0-	-0-	-0-	-0-	-0-	-0-	864,151
Intergovernmental	-0-	-0-	-0-	-0-	39,500	-0-	-0-	-0-	39,500
Charges for Services	6,575,502	176,322	635,322	35,047	-0-	607,858	263,973	-0-	8,294,024
Fines and Forfeits	2,848,276	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,848,276
Investment Income:									
Interest	275,990	4,150	13,855	1,562	15,622	1,886	1,937	-0-	315,002
Change in Fair Value of Investments	15,174	-0-	1,984	272	41,787	1	-0-	-0-	59,218
Miscellaneous:									
Gifts and Contributions	-0-	-0-	-0-	-0-	101,000	5,328	40,801	-0-	147,129
Other Miscellaneous	1,449,874	4	49,628	110,760	-0-	10,419	7,375	-0-	1,628,060
Total Revenues	\$ 67,375,807	\$ 180,476	\$ 700,789	\$ 147,641	\$ 197,909	\$ 625,492	\$ 314,086	\$ -0-	\$ 69,542,200
EXPENDITURES									
Current:									
General Government	\$ 8,733,274	\$ -0-	\$ 1,211,881	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 9,945,155
Public Safety	42,231,047	-0-	-0-	-0-	-0-	-0-	-0-	-0-	42,231,047
Public Works and Transportation	9,786,680	-0-	-0-	-0-	121,635	-0-	-0-	-0-	9,908,315
Public Facilities	609,687	-0-	-0-	-0-	-0-	-0-	357,483	-0-	967,170
Health and Human Services	1,478,460	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,478,460
Culture, Parks and Recreation	4,236,695	661,826	-0-	-0-	-0-	1,028,442	-0-	-0-	5,926,963
Total Current Expenditures	\$ 67,075,843	\$ 661,826	\$ 1,211,881	\$ -0-	\$ 121,635	\$ 1,028,442	\$ 357,483	\$ -0-	\$ 70,457,110
Capital Outlay	598,023	22,688	443,851	1,307,153	4,612,606	-0-	-0-	-0-	6,984,321
Total Expenditures	\$ 67,673,866	\$ 684,514	\$ 1,655,732	\$ 1,307,153	\$ 4,734,241	\$ 1,028,442	\$ 357,483	\$ -0-	\$ 77,441,431
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 298,059)	(\$ 504,038)	(\$ 954,943)	(\$ 1,159,512)	(\$ 4,536,332)	(\$ 402,950)	(\$ 43,397)	\$ -0-	(\$ 7,899,231)
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ 5,557,568	\$ 50,000	\$ 948,707	\$ -0-	\$ -0-	\$ 50,000	\$ -0-	\$ -0-	\$ 6,606,275
Transfer In (Interfund)	2,969,219	704,143	-0-	1,201,373	244,295	360,862	82,902	-0-	5,562,794
Sale of Capital Assets	106	-0-	-0-	-0-	(2,693)	-0-	-0-	-0-	(2,587)
Transfers Out	(682,519)	-0-	(1,396,084)	-0-	-0-	-0-	-0-	-0-	(2,078,603)
Transfer Out (Interfund)	(2,598,575)	-0-	(99,232)	-0-	(2,864,987)	-0-	-0-	-0-	(5,562,794)
Total Other Financing Sources (Uses)	\$ 5,245,799	\$ 754,143	(\$ 546,609)	\$ 1,201,373	(\$ 2,623,385)	\$ 410,862	\$ 82,902	\$ -0-	\$ 4,525,085
Net Change in Fund Balances	\$ 4,947,740	\$ 250,105	(\$ 1,501,552)	\$ 41,861	(\$ 7,159,717)	\$ 7,912	\$ 39,505	\$ -0-	(\$ 3,374,146)
Fund Balances - Beginning	24,874,159	265,891	2,236,665	430,161	10,979,067	207,622	(151,212)	-0-	38,842,353
Fund Balances - Ending	\$ 29,821,899	\$ 515,996	\$ 735,113	\$ 472,022	\$ 3,819,350	\$ 215,534	(\$ 111,707)	\$ -0-	\$ 35,468,207

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, 2017

	General			Texas Sports Complex			Civic Events		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes:									
Property	\$ 32,160,271	\$ 32,201,382	\$ 41,111	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sales	17,461,440	17,676,790	215,350	-0-	-0-	-0-	-0-	-0-	-0-
Franchise	4,562,446	5,012,040	449,594	-0-	-0-	-0-	-0-	-0-	-0-
Mixed Drink	371,936	411,981	40,045	-0-	-0-	-0-	-0-	-0-	-0-
Bingo	42,381	44,647	2,266	-0-	-0-	-0-	-0-	-0-	-0-
Licenses and Permits	893,120	864,151	(28,969)	-0-	-0-	-0-	-0-	-0-	-0-
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Charges for Services	4,956,057	6,575,502	1,619,445	145,000	176,322	31,322	581,486	635,322	53,836
Fines and Forfeits	2,827,169	2,848,276	21,107	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:									
Interest	125,776	275,990	150,214	426	4,150	3,724	8,262	13,855	5,593
Change in Fair Value of Investments	-0-	15,174	15,174	-0-	-0-	-0-	-0-	1,984	1,984
Miscellaneous:									
Gifts and Contributions	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other Miscellaneous	1,513,159	1,449,874	(63,285)	-0-	4	4	50,700	49,628	(1,072)
Total Revenues	\$ 64,913,755	\$ 67,375,807	\$ 2,462,052	\$ 145,426	\$ 180,476	\$ 35,050	\$ 640,448	\$ 700,789	\$ 60,341
EXPENDITURES									
Current:									
General Government	\$ 9,373,973	\$ 8,733,274	\$ 640,699	\$ -0-	\$ -0-	\$ -0-	\$ 1,276,789	\$ 1,211,881	\$ 64,908
Public Safety	40,092,693	42,231,047	(2,138,354)	-0-	-0-	-0-	-0-	-0-	-0-
Public Works and Transportation	12,520,462	9,786,680	2,733,782	-0-	-0-	-0-	-0-	-0-	-0-
Public Facilities	639,932	609,687	30,245	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	1,573,997	1,478,460	95,537	-0-	-0-	-0-	-0-	-0-	-0-
Culture, Parks and Recreation	4,667,441	4,236,695	430,746	899,569	661,826	237,743	-0-	-0-	-0-
Total Current Expenditures	\$ 68,868,498	\$ 67,075,843	\$ 1,792,655	\$ 899,569	\$ 661,826	\$ 237,743	\$ 1,276,789	\$ 1,211,881	\$ 64,908
Capital Outlay	2,563,575	598,023	1,965,552	66,709	22,688	44,021	673,990	443,851	230,139
Total Expenditures	\$ 71,432,073	\$ 67,673,866	\$ 3,758,207	\$ 966,278	\$ 684,514	\$ 281,764	\$ 1,950,779	\$ 1,655,732	\$ 295,047
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 6,518,318)	(\$ 298,059)	(\$ 6,220,259)	(\$ 820,852)	(\$ 504,038)	(\$ 316,814)	(\$ 1,310,331)	(\$ 954,943)	(\$ 355,388)
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ 5,712,252	\$ 5,557,568	\$ 154,684	\$ 50,000	\$ 50,000	\$ -0-	\$ 891,600	\$ 948,707	(\$ 57,107)
Transfer In (Interfund)	-0-	2,969,219	2,969,219	704,143	704,143	-0-	-0-	-0-	-0-
Sale of Capital Assets	3,000	106	2,894	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	(926,815)	(682,519)	(244,296)	-0-	-0-	-0-	-0-	(1,396,084)	1,396,084
Transfers Out (Interfund)	(2,354,280)	(2,598,575)	244,295	-0-	-0-	-0-	(99,232)	(99,232)	-0-
Total Other Financing Sources (Uses)	\$ 2,434,157	\$ 5,245,799	\$ 3,126,796	\$ 754,143	\$ 754,143	\$ -0-	\$ 792,368	(\$ 546,609)	\$ 1,338,977
Net Change in Fund Balance	(\$ 4,084,161)	\$ 4,947,740	\$ 9,031,901	(\$ 66,709)	\$ 250,105	\$ 316,814	(\$ 517,963)	(\$ 1,501,552)	(\$ 983,589)
Fund Balance - Beginning	-0-	24,874,159	24,874,159	-0-	265,891	265,891	-0-	2,236,665	2,236,665
Fund Balance - Ending	(\$ 4,084,161)	\$ 29,821,899	\$ 33,906,060	(\$ 66,709)	\$ 515,996	\$ 582,705	(\$ 517,963)	\$ 735,113	\$ 1,253,076

(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, 2017

	Equipment Replacement			Street Capital Project			Fort Concho Museum		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
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-	39,500	39,500	-0-	-0-	-0-	-0-
Charges for Services	40,000	35,047	(4,953)	-0-	-0-	-0-	603,850	607,858	4,008
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:									
Interest	301	1,562	1,261	22,801	15,622	(7,179)	942	1,886	944
Change in Fair Value of Investments	-0-	272	272	-0-	41,787	41,787	-0-	1	1
Miscellaneous:									
Gifts and Contributions	-0-	-0-	-0-	7,238,789	101,000	(7,137,789)	7,550	5,328	(2,222)
Other Miscellaneous	-0-	110,760	110,760	-0-	-0-	-0-	13,000	10,419	(2,581)
Total Revenues	\$ 40,301	\$ 147,641	\$ 107,340	\$ 7,301,090	\$ 197,909	(\$ 7,103,181)	\$ 625,342	\$ 625,492	\$ 150
EXPENDITURES									
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-	171,618	121,635	49,983	-0-	-0-	-0-
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Culture, Parks and Recreation	-0-	-0-	-0-	-0-	-0-	-0-	1,044,704	1,028,442	16,262
Total Current Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 171,618	\$ 121,635	\$ 49,983	\$ 1,044,704	\$ 1,028,442	\$ 16,262
Capital Outlay	1,599,022	1,307,153	291,869	18,476,827	4,612,606	13,864,221	-0-	-0-	-0-
Total Expenditures	\$ 1,599,022	\$ 1,307,153	\$ 291,869	\$ 18,648,445	\$ 4,734,241	\$ 13,914,204	\$ 1,044,704	\$ 1,028,442	\$ 16,262
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 1,558,721)	(\$ 1,159,512)	(\$ 399,209)	(\$ 11,347,355)	(\$ 4,536,332)	(\$ 6,811,023)	(\$ 419,362)	(\$ 402,950)	(\$ 16,412)
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 50,000	\$ 50,000	\$ -0-
Transfer In (Interfund)	1,201,373	1,201,373	-0-	244,295	244,295	-0-	360,862	360,862	-0-
Sale of Capital Assets	55,000	-0-	55,000	-0-	(2,693)	2,693	-0-	-0-	-0-
Transfers Out	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out (Interfund)	-0-	-0-	-0-	-0-	(2,864,987)	2,864,987	-0-	-0-	-0-
Total Other Financing Sources (Uses)	\$ 1,256,373	\$ 1,201,373	\$ 55,000	\$ 244,295	(\$ 2,623,385)	\$ 2,867,680	\$ 410,862	\$ 410,862	\$ -0-
Net Change in Fund Balance	(\$ 302,348)	\$ 41,861	\$ 344,209	(\$ 11,103,060)	(\$ 7,159,717)	\$ 3,943,343	(\$ 8,500)	\$ 7,912	\$ 16,412
Fund Balance - Beginning	-0-	430,161	430,161	-0-	10,979,067	10,979,067	-0-	207,622	207,622
Fund Balance - Ending	(\$ 302,348)	\$ 472,022	\$ 774,370	(\$ 11,103,060)	\$ 3,819,350	\$ 14,922,410	(\$ 8,500)	\$ 215,534	\$ 224,034

(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, 2017

	Fairmount Cemetery			Payroll			Total		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes:									
Property	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 32,160,271	\$ 32,201,382	\$ 41,111
Sales	-0-	-0-	-0-	-0-	-0-	-0-	17,461,440	17,676,790	215,350
Franchise	-0-	-0-	-0-	-0-	-0-	-0-	4,562,446	5,012,040	449,594
Mixed Drink	-0-	-0-	-0-	-0-	-0-	-0-	371,936	411,981	40,045
Bingo	-0-	-0-	-0-	-0-	-0-	-0-	42,381	44,647	2,266
Licenses and Permits	-0-	-0-	-0-	-0-	-0-	-0-	893,120	864,151	(28,969)
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-	39,500	39,500	-0-
Charges for Services	324,950	263,973	(60,977)	-0-	-0-	-0-	6,651,343	8,294,024	1,642,681
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-	2,827,169	2,848,276	21,107
Investment Income:									
Interest	2,000	1,937	(63)	-0-	-0-	-0-	160,508	315,002	154,494
Change in Fair Value of Investments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	59,218	59,218
Miscellaneous:									
Gifts and Contributions	50,000	40,801	(9,199)	-0-	-0-	-0-	7,296,339	147,129	(7,149,210)
Other Miscellaneous	5,000	7,375	2,375	-0-	-0-	-0-	1,581,859	1,628,060	46,201
Total Revenues	\$ 381,950	\$ 314,086	(\$ 67,864)	\$ -0-	\$ -0-	\$ -0-	\$ 74,048,312	\$ 69,542,200	(\$ 4,506,112)
EXPENDITURES									
Current:									
General Government	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,650,762	\$ 9,945,155	\$ 705,607
Public Safety	-0-	-0-	-0-	-0-	-0-	-0-	40,092,693	42,231,047	(2,138,354)
Public Works and Transportation	-0-	-0-	-0-	-0-	-0-	-0-	12,692,080	9,908,315	2,783,765
Public Facilities	434,132	357,483	76,649	-0-	-0-	-0-	1,074,064	967,170	106,894
Health and Human Services	-0-	-0-	-0-	-0-	-0-	-0-	1,573,997	1,478,460	95,537
Culture, Parks and Recreation	-0-	-0-	-0-	-0-	-0-	-0-	6,611,714	5,926,963	684,751
Total Current Expenditures	\$ 434,132	\$ 357,483	\$ 76,649	\$ -0-	\$ -0-	\$ -0-	\$ 72,695,310	\$ 70,457,110	\$ 2,238,200
Capital Outlay	-0-	-0-	-0-	-0-	-0-	-0-	23,380,123	6,984,321	16,395,802
Total Expenditures	\$ 434,132	\$ 357,483	\$ 76,649	\$ -0-	\$ -0-	\$ -0-	\$ 96,075,433	\$ 77,441,431	\$ 18,634,002
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 52,182)	(\$ 43,397)	(\$ 8,785)	\$ -0-	\$ -0-	\$ -0-	(\$ 22,027,121)	(\$ 7,899,231)	(\$ 14,127,890)
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 6,703,852	\$ 6,606,275	\$ 97,577
Transfer In (Interfund)	82,902	82,902	-0-	-0-	-0-	-0-	2,593,575	5,562,794	2,969,219
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	58,000	(2,587)	60,587
Transfers Out	-0-	-0-	-0-	-0-	-0-	-0-	(926,815)	(2,078,603)	1,151,788
Transfers Out (Interfund)	-0-	-0-	-0-	-0-	-0-	-0-	(2,453,512)	(5,562,794)	3,109,282
Total Other Financing Sources (Uses)	\$ 82,902	\$ 82,902	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 5,975,100	\$ 4,525,085	\$ 7,388,453
Net Change in Fund Balance	\$ 30,720	\$ 39,505	\$ 8,785	\$ -0-	\$ -0-	\$ -0-	(\$ 16,052,021)	(\$ 3,374,146)	\$ 12,677,875
Fund Balance - Beginning	-0-	(151,212)	(151,212)	-0-	-0-	-0-	-0-	38,842,353	38,842,353
Fund Balance - Ending	\$ 30,720	(\$ 111,707)	(\$ 142,427)	\$ -0-	\$ -0-	\$ -0-	(\$ 16,052,021)	\$ 35,468,207	\$ 51,520,228

(Continued)

CITY OF SAN ANGELO, TEXAS

Nonmajor Governmental Fund Descriptions

For the Year Ended September 30, 2017

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, 2017

	Special Revenue Funds						Capital	Permanent Funds			Total Nonmajor Governmental Funds
	Community Development	Intergovern- mental	HOME Program	Designated Revenue	Tax		Sales Tax Projects	Santa Fe Park Trust	Lake		
					Increment Reinv. Zone	Total			Nasworthy Trust	Total	
ASSETS											
Assets:											
Cash and Cash Equivalents	\$ 171,223	\$ 361,651	\$ 281,015	\$ -0-	\$ -0-	\$ 813,889	\$ 19,231	\$ -0-	\$ -0-	\$ -0-	\$ 833,120
Investments	49	242	-0-	-0-	540,306	540,597	820,342	-0-	-0-	-0-	1,360,939
Receivables:											
Accrued Interest	1,377	906	-0-	2,489	1,327	6,099	(5,663)	-0-	44,849	44,849	45,285
Property Taxes	-0-	-0-	-0-	-0-	304,271	304,271	-0-	-0-	-0-	-0-	304,271
Accounts	252,978	278	187,745	-0-	-0-	441,001	-0-	-0-	-0-	-0-	441,001
Less: Allowance for Uncollectibles	(11,886)	-0-	-0-	-0-	-0-	(11,886)	-0-	-0-	-0-	-0-	(11,886)
Due from Other Governments	21,929	556,198	-0-	-0-	-0-	578,127	-0-	-0-	-0-	-0-	578,127
Restricted Assets:											
Cash and Cash Equivalents	-0-	-0-	-0-	488,352	954,433	1,442,785	-0-	13,925	628,066	641,991	2,084,776
Investments	-0-	-0-	-0-	1,167,501	-0-	1,167,501	-0-	-0-	13,522,003	13,522,003	14,689,504
Total Assets	\$ 435,670	\$ 919,275	\$ 468,760	\$ 1,658,342	\$ 1,800,337	\$ 5,282,384	\$ 833,910	\$ 13,925	\$ 14,194,918	\$ 14,208,843	\$ 20,325,137
DEFERRED OUTFLOWS OF RESOURCES											
Deferred Charges on Refunding	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Deferred Outflows of Resources	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
LIABILITIES											
Liabilities:											
Accounts Payable	\$ 9,526	\$ 22,360	\$ 2,342	\$ 29,771	\$ 125,381	\$ 189,380	\$ 318	\$ -0-	\$ -0-	\$ -0-	\$ 189,698
Due to Other Funds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Deposits	-0-	-0-	1,700	-0-	-0-	1,700	-0-	-0-	-0-	-0-	1,700
Total Liabilities	\$ 9,526	\$ 22,360	\$ 4,042	\$ 29,771	\$ 125,381	\$ 191,080	\$ 318	\$ -0-	\$ -0-	\$ -0-	\$ 191,398
DEFERRED INFLOWS OF RESOURCES											
Unavailable Revenue - Property Taxes	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Deferred Outflows of Resources	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
FUND BALANCES											
Nonspendable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,000	\$ 14,191,260	\$ 14,201,260	\$ 14,201,260
Restricted	426,144	896,915	464,718	-0-	1,674,956	3,462,733	-0-	3,925	3,658	7,583	3,470,316
Committed	-0-	-0-	-0-	1,628,571	-0-	1,628,571	833,592	-0-	-0-	-0-	2,462,163
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Fund Balances	\$ 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

CITY OF SAN ANGELO, TEXAS

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

For the Year Ended September 30, 2017

	Special Revenue Funds						Capital Projects	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		
REVENUES											
Taxes:											
Property	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 742,980	\$ 742,980	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 742,980
Motel	-0-	-0-	-0-	1,976,473	-0-	1,976,473	-0-	-0-	-0-	-0-	1,976,473
Licenses and Permits	-0-	90,006	-0-	-0-	-0-	90,006	-0-	-0-	-0-	-0-	90,006
Intergovernmental	658,556	2,810,484	287,394	-0-	-0-	3,756,434	-0-	-0-	-0-	-0-	3,756,434
Charges for Services	-0-	140,614	-0-	-0-	-0-	140,614	-0-	-0-	35,616	35,616	176,230
Investment Income:											
Interest	61,376	-0-	-0-	8,698	13,105	83,179	9,914	-0-	162,081	162,081	255,174
Change in Fair Value of Investments	-0-	-0-	-0-	6,050	2,788	8,838	4,186	-0-	-0-	-0-	13,024
Miscellaneous:											
Gifts and Contributions	-0-	208,813	-0-	52,475	-0-	261,288	-0-	-0-	-0-	-0-	261,288
Program Income	(1,336)	-0-	3,071	-0-	-0-	1,735	-0-	-0-	-0-	-0-	1,735
Other Miscellaneous	-0-	87,280	85,622	-0-	-0-	172,902	-0-	(457)	(457)	(457)	172,445
Total Revenues	\$ 718,596	\$ 3,337,197	\$ 376,087	\$ 2,043,696	\$ 758,873	\$ 7,234,449	\$ 14,100	\$ -0-	\$ 197,240	\$ 197,240	\$ 7,445,789
EXPENDITURES											
Current:											
Public Safety	\$ -0-	\$ 186,270	\$ -0-	\$ 41,174	\$ -0-	\$ 227,444	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 227,444
Public Works and Transportation	30,256	119,853	-0-	-0-	-0-	150,109	-0-	-0-	-0-	-0-	150,109
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	38,000	1,577,186	-0-	4,343	-0-	1,619,529	-0-	-0-	-0-	-0-	1,619,529
Culture, Parks and Recreation	-0-	-0-	-0-	923,731	-0-	923,731	28,109	-0-	-0-	-0-	951,840
Economic Development	-0-	-0-	-0-	-0-	609,428	609,428	-0-	-0-	-0-	-0-	609,428
Urban Redevelopment and Housing	557,110	-0-	335,652	-0-	-0-	892,762	-0-	-0-	-0-	-0-	892,762
Total Current Expenditures	\$ 625,366	\$ 1,883,309	\$ 335,652	\$ 969,248	\$ 609,428	\$ 4,423,003	\$ 28,109	\$ -0-	\$ -0-	\$ -0-	\$ 4,451,112
Capital Outlay	500	934,002	803	18,242	-0-	953,547	292,246	-0-	-0-	-0-	1,245,793
Debt Service:											
Principal	107,000	-0-	-0-	-0-	-0-	107,000	-0-	-0-	-0-	-0-	107,000
Interest and Fiscal Charges	40,695	-0-	-0-	-0-	-0-	40,695	-0-	-0-	-0-	-0-	40,695
Total Expenditures	\$ 773,561	\$ 2,817,311	\$ 336,455	\$ 987,490	\$ 609,428	\$ 5,524,245	\$ 320,355	\$ -0-	\$ -0-	\$ -0-	\$ 5,844,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 54,965)	\$ 519,886	\$ 39,632	\$ 1,056,206	\$ 149,445	\$ 1,710,204	(\$ 306,255)	\$ -0-	\$ 197,240	\$ 197,240	\$ 1,601,189
OTHER FINANCING SOURCES (USES)											
Transfers In	\$ -0-	\$ 381,179	\$ -0-	\$ 1,396,084	\$ -0-	\$ 1,777,263	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,777,263
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	571,061	571,061	571,061
Proceeds from Long-Term Debt	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	-0-	(89,554)	-0-	(1,048,707)	-0-	(1,138,261)	-0-	(145,873)	(145,873)	(145,873)	(1,284,134)
Total Other Financing Sources (Uses)	\$ -0-	\$ 291,625	\$ -0-	\$ 347,377	\$ -0-	\$ 639,002	\$ -0-	\$ -0-	\$ 425,188	\$ 425,188	\$ 1,064,190
Net Change in Fund Balances	(\$ 54,965)	\$ 811,511	\$ 39,632	\$ 1,403,583	\$ 149,445	\$ 2,349,206	(\$ 306,255)	\$ -0-	\$ 622,428	\$ 622,428	\$ 2,665,379
Fund Balances - Beginning	481,109	85,404	425,086	224,988	1,525,511	2,742,098	1,139,847	13,925	13,572,490	13,586,415	17,468,360
Fund Balances - Ending	\$ 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

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, 2017

	Community Development			Intergovernmental Special Revenue Fund			HOME Program		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
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-	89,000	90,006	1,006	-0-	-0-	-0-
Intergovernmental	748,754	658,556	(90,198)	3,674,662	2,810,484	(864,178)	421,193	287,394	(133,799)
Charges for Services	-0-	-0-	-0-	177,423	140,614	(36,809)	-0-	-0-	-0-
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:									
Interest	61,000	61,376	376	-0-	-0-	-0-	-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-	215,542	208,813	(6,729)	-0-	-0-	-0-
Program Income	76,462	(1,336)	(77,798)	-0-	-0-	-0-	113,008	3,071	(109,937)
Other Miscellaneous	-0-	-0-	-0-	90,300	87,280	(3,020)	68,728	85,622	16,894
Total Revenues	\$ 886,216	\$ 718,596	(\$ 167,620)	\$ 4,246,927	\$ 3,337,197	(\$ 909,730)	\$ 602,929	\$ 376,087	(\$ 226,842)
EXPENDITURES									
Current:									
Public Safety	\$ -0-	\$ -0-	\$ -0-	\$ 277,616	\$ 186,270	\$ 91,346	\$ -0-	\$ -0-	\$ -0-
Public Works and Transportation	41,000	30,256	10,744	460,545	119,853	340,692	-0-	-0-	-0-
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	38,000	38,000	-0-	2,247,711	1,577,186	670,525	-0-	-0-	-0-
Culture, Parks and Recreation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Economic Development	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Urban Redevelopment and Housing	587,981	557,110	30,871	-0-	-0-	-0-	549,020	335,652	213,368
Total Current Expenditures	\$ 666,981	\$ 625,366	\$ 41,615	\$ 2,985,872	\$ 1,883,309	\$ 1,102,563	\$ 549,020	\$ 335,652	\$ 213,368
Capital Outlay	500	500	-0-	1,599,878	934,002	665,876	803	803	-0-
Debt Service:									
Principal	147,695	107,000	40,695	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	40,695	(40,695)	-0-	-0-	-0-	-0-	-0-	-0-
Total Debt Service	\$ 147,695	\$ 147,695	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Expenditures	\$ 815,176	\$ 773,561	\$ 41,615	\$ 4,585,750	\$ 2,817,311	\$ 1,768,439	\$ 549,823	\$ 336,455	\$ 213,368
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 71,040	(\$ 54,965)	\$ 126,005	(\$ 338,823)	\$ 519,886	(\$ 858,709)	\$ 53,106	\$ 39,632	\$ 13,474
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ 381,180	\$ 381,179	\$ 1	\$ -0-	\$ -0-	\$ -0-
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	-0-	-0-	-0-	(94,720)	(89,554)	(5,166)	-0-	-0-	-0-
Total Other Financing Sources (Uses)	\$ -0-	\$ -0-	\$ -0-	\$ 286,460	\$ 291,625	(\$ 5,165)	\$ -0-	\$ -0-	\$ -0-
Net Change in Fund Balance	\$ 71,040	(\$ 54,965)	\$ 126,005	(\$ 52,363)	\$ 811,511	(\$ 863,874)	\$ 53,106	\$ 39,632	\$ 13,474
Fund Balance - Beginning	-0-	481,109	(481,109)	-0-	85,404	(85,404)	-0-	425,086	(425,086)
Fund Balance - Ending	\$ 71,040	\$ 426,144	(\$ 355,104)	(\$ 52,363)	\$ 896,915	(\$ 949,278)	53,106	\$ 464,718	(\$ 411,612)

(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, 2017

	Designated Revenue Special Revenue Fund			Tax Increment Reinvestment Zone Special Revenue Fund (TIRZ)			Sales Tax Projects		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes:									
Property	\$ -0-	\$ -0-	\$ -0-	\$ 709,056	\$ 742,980	\$ 33,924	\$ -0-	\$ -0-	\$ -0-
Motel	-0-	1,976,473	1,976,473	-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	2,250	8,698	6,448	4,334	13,105	8,771	-0-	9,914	9,914
Change in Fair Value of Investments	-0-	6,050	6,050	-0-	2,788	2,788	-0-	4,186	4,186
Miscellaneous:									
Gifts and Contributions	50,280	52,475	2,195	-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	\$ 52,530	\$ 2,043,696	\$ 1,991,166	\$ 713,390	\$ 758,873	\$ 45,483	\$ -0-	\$ 14,100	\$ 14,100
EXPENDITURES									
Current:									
Public Safety	\$ 83,105	\$ 41,174	\$ 41,931	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Public Works and Transportation	11,301	-0-	11,301	-0-	-0-	-0-	-0-	-0-	-0-
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	18,966	4,343	14,623	-0-	-0-	-0-	-0-	-0-	-0-
Culture, Parks and Recreation	992,837	923,731	69,106	-0-	-0-	-0-	-0-	28,109	(28,109)
Economic Development	-0-	-0-	-0-	1,875,211	609,428	1,265,783	-0-	-0-	-0-
Urban Redevelopment and Housing	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Current Expenditures	\$ 1,106,209	\$ 969,248	\$ 136,961	\$ 1,875,211	\$ 609,428	\$ 1,265,783	\$ -0-	\$ 28,109	(\$ 28,109)
Capital Outlay	41,629	18,242	23,387	-0-	-0-	-0-	-0-	292,246	(292,246)
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	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Expenditures	\$ 1,147,838	\$ 987,490	\$ 160,348	\$ 1,875,211	\$ 609,428	\$ 1,265,783	\$ -0-	\$ 320,355	(\$ 320,355)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 1,095,308)	\$ 1,056,206	(\$ 2,151,514)	(\$ 1,161,821)	\$ 149,445	(\$ 1,311,266)	\$ -0-	(\$ 306,255)	\$ 306,255
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -0-	\$ 1,396,084	(\$ 1,396,084)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	(991,600)	(1,048,707)	57,107	-0-	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	(\$ 991,600)	\$ 347,377	(\$ 1,338,977)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Net Change in Fund Balance	(\$ 2,086,908)	\$ 1,403,583	(\$ 3,490,491)	(\$ 1,161,821)	\$ 149,445	(\$ 1,311,266)	\$ -0-	(\$ 306,255)	\$ 306,255
Fund Balance - Beginning	-0-	224,988	(224,988)	-0-	1,525,511	(1,525,511)	-0-	1,139,847	(1,139,847)
Fund Balance - Ending	(\$ 2,086,908)	\$ 1,628,571	(\$ 3,715,479)	(\$ 1,161,821)	\$ 1,674,956	(\$ 2,836,777)	\$ -0-	\$ 833,592	(\$ 833,592)

(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, 2017

	Sante Fe Park Trust			Lake Nasworthy Trust Permanent Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
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-	84,000	35,616	(48,384)
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:						
Interest	-0-	-0-	-0-	144,441	162,081	17,640
Change in Fair Value of Investments	-0-	-0-	-0-	-0-	-0-	-0-
Miscellaneous:						
Gifts and Contributions	-0-	-0-	-0-	-0-	-0-	-0-
Program Income	-0-	-0-	-0-	-0-	-0-	-0-
Other Miscellaneous	-0-	-0-	-0-	-0-	(457)	(457)
Total Revenues	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 228,441</u>	<u>\$ 197,240</u>	<u>(\$ 31,201)</u>
EXPENDITURES						
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>\$ 228,441</u>	<u>\$ 197,240</u>	<u>\$ 31,201</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sale of Capital Assets	-0-	-0-	-0-	650,000	571,061	78,939
Transfers Out	-0-	-0-	-0-	(286,797)	(145,873)	(140,924)
Total Other Financing Sources (Uses)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 363,203</u>	<u>\$ 425,188</u>	<u>(\$ 61,985)</u>
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 591,644</u>	<u>\$ 622,428</u>	<u>(\$ 30,784)</u>
Fund Balance - Beginning	-0-	13,925	(13,925)	-0-	13,572,490	(13,572,490)
Fund Balance - Ending	<u>\$ -0-</u>	<u>\$ 13,925</u>	<u>(\$ 13,925)</u>	<u>\$ 591,644</u>	<u>\$ 14,194,918</u>	<u>(\$ 13,603,274)</u>

CITY OF SAN ANGELO, TEXAS

Major Governmental Capital Projects Fund Description

For the Year Ended September 30, 2017

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 Funds

For the Year Ended September 30, 2017

	Capital Improvement Fund		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment Income:			
Interest	\$ 1,623	\$ 132,003	\$ 130,380
Change in Fair Value of Investments	-0-	93,949	93,949
Taxes:			
Property	-0-	-0-	-0-
Other Miscellaneous	-0-	-0-	-0-
Total Revenues	<u>\$ 1,623</u>	<u>\$ 225,952</u>	<u>\$ 224,329</u>
EXPENDITURES			
Current:			
Public Safety	\$ -0-	\$ 43,449	(\$ 43,449)
Total Current Expenditures	<u>\$ -0-</u>	<u>\$ 43,449</u>	<u>(\$ 43,449)</u>
Capital Outlay	22,314,535	4,782,240	17,532,295
Debt Service:			
Principal	-0-	-0-	-0-
Interest and Fiscal Charges	56,365	56,365	-0-
Total Expenditures	<u>\$ 22,370,900</u>	<u>\$ 4,882,054</u>	<u>\$ 17,488,846</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$ 22,369,277)</u>	<u>(\$ 4,656,102)</u>	<u>\$ 17,713,175</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-Term Debt	\$ 2,116,365	\$ 2,185,000	(\$ 68,635)
Issuance of Debt Premium	-0-	31,365	(31,365)
Settlement Proceeds	-0-	1,000,000	(1,000,000)
Transfer Out	-0-	(4,498,737)	4,498,737
Total Other Financing Sources (Uses)	<u>\$ 2,116,365</u>	<u>(\$ 1,282,372)</u>	<u>\$ 3,398,737</u>
Net Change in Fund Balance	<u>(\$ 20,252,912)</u>	<u>(\$ 5,938,474)</u>	<u>\$ 14,314,438</u>
Fund Balance - Beginning	-0-	25,610,851	25,610,851
Fund Balance - Ending	<u>(\$ 20,252,912)</u>	<u>\$ 19,672,377</u>	<u>\$ 39,925,289</u>

CITY OF SAN ANGELO, TEXAS

Major Governmental Debt Service Fund Description

For the Year Ended September 30, 2017

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, 2017

	Debt Service Fund		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment Income:			
Interest	\$ 12,000	\$ 3,937	(\$ 8,063)
Change in Fair Value of Investments	-0-	11,059	11,059
Taxes:			
Property	4,615,513	4,621,235	5,722
Other Miscellaneous	-0-	3,610,860	3,610,860
Total Revenues	<u>\$ 4,627,513</u>	<u>\$ 8,247,091</u>	<u>\$ 3,619,578</u>
EXPENDITURES			
Current:			
General Government	\$ -0-	\$ -0-	\$ -0-
Total Current Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Capital Outlay	-0-	-0-	-0-
Debt Service:			
Principal	8,385,000	8,385,000	-0-
Interest and Fiscal Charges	2,415,481	2,405,104	10,377
Total Expenditures	<u>\$ 10,800,481</u>	<u>\$ 10,790,104</u>	<u>\$ 10,377</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$ 6,172,968)</u>	<u>(\$ 2,543,013)</u>	<u>\$ 3,629,955</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-Term Debt	\$ -0-	\$ -0-	\$ -0-
Transfer In (Out)	200,000	200,000	-0-
Total Other Financing Sources (Uses)	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ -0-</u>
Net Change in Fund Balance	<u>(\$ 5,972,968)</u>	<u>(\$ 2,343,013)</u>	<u>\$ 3,629,955</u>
Fund Balance - Beginning	-0-	3,218,102	3,218,102
Fund Balance - Ending	<u>(\$ 5,972,968)</u>	<u>\$ 875,089</u>	<u>\$ 6,848,057</u>

CITY OF SAN ANGELO, TEXAS

Nonmajor Enterprise Fund Description

For the Year Ended September 30, 2017

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, 2017

	Airport	State Office Building	Solid Waste	Stormwater	Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 55,908	\$ 13,792	\$ 1,656,842	\$ 1,169,088	\$ 2,895,630
Investments	156,661	38,648	4,122,261	2,740,805	7,058,375
Receivables:					
Accrued Interest	2,782	82	21,671	9,853	34,388
Accounts	145,361	81,884	1,547,960	470,029	2,245,234
Less: Allowance for Uncollectibles	-0-	-0-	-0-	(80,064)	(80,064)
Restricted Assets:					
Cash and Cash Equivalents	921,208	-0-	-0-	-0-	921,208
Investments	698,312	-0-	-0-	-0-	698,312
Closure and Post-Closure Trust Fund	-0-	-0-	5,345,672	-0-	5,345,672
Total Current Assets	\$ 1,980,232	\$ 134,406	\$ 12,694,406	\$ 4,309,711	\$ 19,118,755
Noncurrent Assets:					
Capital Assets:					
Land	\$ 1,568,591	\$ 275,412	\$ 480,310	\$ 59,869	\$ 2,384,182
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	1,226,446	19,589	1,214,880	2,696,328	5,157,243
Construction in Progress	9,144,076	-0-	-0-	-0-	9,144,076
Less: Accumulated Depreciation	(40,268,558)	(3,833,228)	(1,201,086)	(1,233,138)	(46,536,010)
Net Capital Assets	\$ 23,878,049	\$ 2,980,891	\$ 494,104	\$ 2,099,755	\$ 29,452,799
Total Noncurrent Assets	\$ 23,878,049	\$ 2,980,891	\$ 494,104	\$ 2,099,755	\$ 29,452,799
Total Assets	\$ 25,858,281	\$ 3,115,297	\$ 13,188,510	\$ 6,409,466	\$ 48,571,554
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amounts Related to Pensions	\$ 196,069	\$ 42,548	\$ 109,429	\$ 337,622	\$ 685,668
Total Deferred Outflows of Resources	\$ 196,069	\$ 42,548	\$ 109,429	\$ 337,622	\$ 685,668
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 66,357	\$ 21,565	\$ 599,009	\$ 4,624	\$ 691,555
Accrued Interest Payable	-0-	4,586	1,031	-0-	5,617
Due to Other Funds	1,367,721	627,668	-0-	-0-	1,995,389
Non Current Liabilities Due Within One Year	43,604	146,640	-0-	5,477	195,721
Total Current Liabilities	\$ 1,477,682	\$ 800,459	\$ 600,040	10,101	\$ 2,888,282
Noncurrent Liabilities:					
Net Pension Liability	\$ 650,911	\$ 125,870	\$ 223,583	\$ 1,098,266	\$ 2,098,630
Unfunded OPEB Obligation	194,217	-0-	-0-	128,261	322,478
Non Current Liabilities Due After One Year	352,225	611,074	4,207,842	182,634	5,353,775
Total Noncurrent Liabilities	\$ 1,197,353	\$ 736,944	\$ 4,431,425	\$ 1,409,161	\$ 7,774,883
Total Liabilities	\$ 2,675,035	\$ 1,537,403	\$ 5,031,465	\$ 1,419,262	\$ 10,663,165
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts Related to Pensions	\$ 10,477	\$ 2,541	\$ 1,452	\$ 26,824	\$ 41,294
Total Deferred Inflows of Resources	\$ 10,477	\$ 2,541	\$ 1,452	\$ 26,824	\$ 41,294
NET POSITION					
Net Investment in Capital Assets	\$ 23,878,049	\$ 2,261,606	\$ 606,812	\$ 2,099,755	\$ 28,846,222
Restricted	-0-	-0-	-0-	-0-	-0-
Unrestricted	(509,211)	(643,705)	7,658,210	3,201,247	9,706,541
Total Net Position	\$ 23,368,838	\$ 1,617,901	\$ 8,265,022	\$ 5,301,002	\$ 38,552,763

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, 2017

	Airport	State Office Building	Solid Waste	Stormwater	Total
OPERATING REVENUES					
Charges for Sales and Services:					
Pledged for Payment of Revenue Bonds:					
Stormwater Fee	\$ -0-	\$ -0-	\$ -0-	\$ 2,556,864	\$ 2,556,864
Solid Waste Service	-0-	-0-	1,864,760	-0-	1,864,760
Rents, Leases and Fees	-0-	1,232,054	-0-	-0-	1,232,054
Other	45,995	-0-	-0-	-0-	45,995
Unpledged:					
Rents, Leases, and Fees	1,482,746	-0-	-0-	-0-	1,482,746
Other	27,204	-0-	198,808	7,339	233,351
Total Operating Revenues	<u>\$ 1,555,945</u>	<u>\$ 1,232,054</u>	<u>\$ 2,063,568</u>	<u>\$ 2,564,203</u>	<u>\$ 7,415,770</u>
OPERATING EXPENSES					
Cost of Sales and Services	\$ 1,768,185	\$ 759,214	\$ 647,204	\$ 1,527,433	\$ 4,702,036
Administrative	-0-	5,924	169,455	-0-	175,379
Depreciation	2,515,189	235,702	113,740	244,951	3,109,582
Total Operating Expenses	<u>\$ 4,283,374</u>	<u>\$ 1,000,840</u>	<u>\$ 930,399</u>	<u>\$ 1,772,384</u>	<u>\$ 7,986,997</u>
Operating Income (Loss)	<u>(\$ 2,727,429)</u>	<u>\$ 231,214</u>	<u>\$ 1,133,169</u>	<u>\$ 791,819</u>	<u>(\$ 571,227)</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment Income:					
Interest	\$ 10,855	\$ 499	\$ 38,115	\$ 28,315	\$ 77,784
Gain (Loss) on Sale of Capital Assets	-0-	-0-	-0-	(14,505)	(14,505)
Change in Fair Value of Investments	4,421	199	21,364	14,189	40,173
Interest Expense and Fiscal Agent Fees	-0-	(31,140)	-0-	-0-	(31,140)
Total Non-Operating Revenues (Expenses)	<u>\$ 15,276</u>	<u>(\$ 30,442)</u>	<u>\$ 59,479</u>	<u>\$ 27,999</u>	<u>\$ 72,312</u>
Income (Loss) Before Contributions and Transfers	<u>(\$ 2,712,153)</u>	<u>\$ 200,772</u>	<u>\$ 1,192,648</u>	<u>\$ 819,818</u>	<u>(\$ 498,915)</u>
Contributions:					
Federal Grants	\$ 970,516	\$ -0-	\$ -0-	\$ -0-	\$ 970,516
Total Contributions	\$ 970,516	\$ -0-	\$ -0-	\$ -0-	\$ 970,516
Transfers In (Out)	(79,829)	-0-	375,624	(116,710)	179,085
Total Contributions and Transfers	<u>\$ 890,687</u>	<u>\$ -0-</u>	<u>\$ 375,624</u>	<u>(\$ 116,710)</u>	<u>\$ 1,149,601</u>
Change in Net Position	<u>(\$ 1,821,466)</u>	<u>\$ 200,772</u>	<u>\$ 1,568,272</u>	<u>\$ 703,108</u>	<u>\$ 650,686</u>
Net Position - Beginning	25,190,304	1,417,129	6,696,750	4,597,894	37,902,077
Net Position - Ending	<u>\$ 23,368,838</u>	<u>\$ 1,617,901</u>	<u>\$ 8,265,022</u>	<u>\$ 5,301,002</u>	<u>\$ 38,552,763</u>

CITY OF SAN ANGELO, TEXAS

Combining Statement of Cash Flows - Nonmajor Enterprise Funds

For the Year Ended September 30, 2017

	Airport	State Office Building	Solid Waste	Stormwater	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 1,511,740	\$ 1,172,383	\$ 860,407	\$ 2,523,784	\$ 6,068,314
Cash Paid to Suppliers for Goods and Services	(1,518,281)	(647,302)	(627,577)	(267,906)	(\$ 3,061,066)
Cash Paid for Employee Services and Benefits	(693,642)	(125,198)	(215,589)	(1,181,852)	(2,216,281)
Interfund Receipts/Payments	217,508	-0-	-0-	-0-	217,508
Net Cash Provided (Used) by Operating Activities	(\$ 482,675)	\$ 399,883	\$ 17,241	\$ 1,074,026	\$ 1,008,475
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	\$ -0-	\$ -0-	\$ 630,624	\$ 95,000	\$ 725,624
Transfers Out	(79,829)	-0-	(255,000)	(211,710)	(546,539)
Short-term Interfund Loans Received	-0-	114,057	-0-	-0-	114,057
Short-term Interfund Loans Paid	-0-	-0-	-0-	-0-	-0-
Net Cash Provided (Used) by Noncapital Financing Activities	(\$ 79,829)	\$ 114,057	\$ 375,624	(\$ 116,710)	\$ 293,142
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(\$ 58,617)	\$ -0-	\$ -0-	(\$ 854,857)	(\$ 913,474)
Proceeds from Sale of Assets	-0-	-0-	-0-	-0-	-0-
Capital Contributions Received	970,516	-0-	-0-	-0-	970,516
Contractual Revenue	-0-	-0-	-0-	-0-	-0-
Principal Paid on Debt	(44,235)	(477,670)	-0-	-0-	(521,905)
Interest Paid on Debt	-0-	(36,685)	-0-	-0-	(36,685)
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ 867,664	(\$ 514,355)	\$ -0-	(\$ 854,857)	(\$ 501,548)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investments	(\$ 32,380)	(\$ 1,485)	(\$ 153,736)	(\$ 102,975)	(\$ 290,576)
Interest Received on Investments	10,616	415	37,203	26,461	74,695
Net Cash Provided (Used) by Investing Activities	(\$ 21,764)	(\$ 1,070)	(\$ 116,533)	(\$ 76,514)	(\$ 215,881)
Net Increase (Decrease) in Cash	\$ 283,396	(\$ 1,485)	\$ 276,332	\$ 25,945	\$ 584,188
Cash - Beginning	693,720	15,277	1,380,510	1,143,143	3,232,650
Cash - Ending	\$ 977,116	\$ 13,792	\$ 1,656,842	\$ 1,169,088	\$ 3,816,838
CASH ON STATEMENT OF NET POSITION					
Current Assets	\$ 55,908	\$ 13,792	\$ 1,656,842	\$ 1,169,088	\$ 2,895,630
Restricted Assets	921,208	-0-	-0-	-0-	921,208
Total	\$ 977,116	\$ 13,792	\$ 1,656,842	\$ 1,169,088	\$ 3,816,838
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	(\$ 2,727,429)	\$ 231,214	\$ 1,133,169	\$ 791,819	(\$ 571,227)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	2,515,189	235,702	113,740	244,951	3,109,582
(Increase) Decrease in:					
Accounts Receivable	-0-	(59,671)	(995,919)	(40,419)	(1,096,009)
Other Receivable	(44,205)	-0-	(207,242)	-0-	(251,447)
Deferred Outflows	38,292	-0-	-0-	-0-	38,292
Increase (Decrease) in:					
Accounts Payable	(516,390)	(17,134)	(239,291)	(31,317)	(804,132)
Due To Other Funds	217,508	-0-	-0-	-0-	217,508
Due To Component Unit	1,224	-0-	-0-	-0-	1,224
Compensated Absences	17,985	1,659	18,095	19,352	57,091
Pension Liability	13,158	8,113	34,315	73,283	128,869
OPEB Obligation	10,032	-0-	-0-	16,357	26,389
Deferred Inflows	(8,039)	-0-	-0-	-0-	(8,039)
Landfill Postclosure Liability	-0-	-0-	160,374	-0-	160,374
Net Cash Provided (Used) by Operating Activities	(\$ 482,675)	\$ 399,883	\$ 17,241	\$ 1,074,026	\$ 1,008,475
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Loss on Disposal of Capital Assets	\$ -0-	\$ -0-	\$ -0-	(\$ 14,505)	(\$ 14,505)
Amortization of Premiums and Discounts	\$ -0-	(\$ 5,545)	\$ -0-	\$ -0-	(\$ 5,545)
Change in Fair Value of Investments	\$ 4,421	\$ 199	\$ 21,364	\$ 14,189	\$ 40,173

CITY OF SAN ANGELO, TEXAS

Internal Service Fund Descriptions

For the Year Ended September 30, 2017

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, 2017

	Vehicle Maintenance	Employee/ Retiree Health	Property and Casualty Insurance	Workers' Compensation Insurance	Communications	Total
ASSETS AND DEFERRED OUTFLOWS						
Assets:						
Current Assets:						
Cash and Cash Equivalents	\$ 698,441	\$ 92,515	\$ 248,805	\$ 548,421	\$ 58	\$ 1,588,240
Investments	79,708	5,821	1,334,076	1,111,972	162	2,531,739
Receivables:						
Accrued Interest	1,559	-0-	-0-	-0-	1,605	3,164
Accounts	65,554	221,540	-0-	-0-	-0-	287,094
Less: Allowance for Uncollectibles	-0-	(116,890)	-0-	-0-	-0-	(116,890)
Due from Other Funds	-0-	-0-	-0-	-0-	-0-	-0-
Inventories	43,835	-0-	-0-	-0-	1,559	45,394
Total Current Assets	\$ 889,097	\$ 202,986	\$ 1,582,881	\$ 1,660,393	\$ 3,384	\$ 4,338,741
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	1,671,824	-0-	-0-	1,278	8,158,118	9,831,220
Construction in Progress	-0-	-0-	-0-	-0-	-0-	-0-
Less: Accumulated Depreciation	(2,016,506)	-0-	-0-	(1,278)	(6,191,696)	(8,209,480)
Total Noncurrent Assets	\$ 111,680	\$ -0-	\$ -0-	\$ -0-	\$ 7,203,734	\$ 7,315,414
Total Assets	\$ 1,000,777	\$ 202,986	\$ 1,582,881	\$ 1,660,393	\$ 7,207,118	\$ 11,654,155
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amounts Related to Pensions	\$ 263,432	\$ 33,986	\$ -0-	\$ 137,236	\$ 54,486	\$ 489,140
Total Deferred Outflows of Resources	\$ 263,432	\$ 33,986	\$ -0-	\$ 137,236	\$ 54,486	\$ 489,140
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 138,710	\$ 48,521	\$ 28,700	\$ 10,426	\$ 134,093	\$ 360,450
Due to Other Funds	-0-	-0-	-0-	-0-	49,613	49,613
Noncurrent Liabilities Due Within One Year	3,061	79,928	224,268	960,985	-0-	1,268,242
Total Current Liabilities	\$ 141,771	\$ 128,449	\$ 252,968	\$ 971,411	\$ 183,706	\$ 1,678,305
Noncurrent Liabilities Due After One Year						
Unfunded OPEB Obligation	123,937	20,708	589,337	1,480,078	48,274	2,262,334
Net Pension Obligation	493,798	94,905	-0-	157,060	-0-	745,763
Net Pension Obligation	814,755	111,075	-0-	349,228	169,663	1,444,721
Total Liabilities	\$ 1,574,261	\$ 355,137	\$ 842,305	\$ 2,957,777	\$ 401,643	\$ 6,131,123
DEFERRED INFLOWS OF RESOURCES						
Deferred Amounts Related to Pensions	\$ 5,293	\$ 3,904	\$ -0-	\$ 25,569	\$ 31,440	\$ 66,206
Total Deferred Inflows of Resources	\$ 5,293	\$ 3,904	\$ -0-	\$ 25,569	\$ 31,440	\$ 66,206
NET POSITION						
Net Investment in Capital Assets	\$ 111,680	\$ -0-	\$ -0-	\$ -0-	\$ 7,203,734	\$ 7,315,414
Unrestricted	(427,025)	(122,069)	740,576	(1,185,717)	(375,212)	(1,369,447)
Total Net Position	(\$ 315,345)	(\$ 122,069)	\$ 740,576	(\$ 1,185,717)	\$ 6,828,522	\$ 5,945,967

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, 2017

	Vehicle Maintenance	Employee/ Retiree Health	Property and Casualty Insurance	Workers' Compensation Insurance	Communications	Total
OPERATING REVENUES						
Charges for Sales and Services:						
Sales and Service	\$ 3,726,770	\$ 8,225,479	\$ 836,353	\$ 1,350,410	\$ 638,288	\$ 14,777,300
Other	124,312	540,496	-0-	-0-	166,844	831,652
Total Operating Revenues	<u>\$ 3,851,082</u>	<u>\$ 8,765,975</u>	<u>\$ 836,353</u>	<u>\$ 1,350,410</u>	<u>\$ 805,132</u>	<u>\$ 15,608,952</u>
OPERATING EXPENSES						
Cost of Sales and Services:						
Administrative	\$ 3,858,842	\$ 7,555,056	\$ 1,063,421	\$ 1,395,387	\$ 685,630	\$ 14,558,336
Depreciation	47,593	-0-	-0-	-0-	3,201,443	3,249,036
Total Operating Expenses	<u>\$ 3,906,435</u>	<u>\$ 7,555,056</u>	<u>\$ 1,063,421</u>	<u>\$ 1,395,387</u>	<u>\$ 3,887,073</u>	<u>\$ 17,807,372</u>
Operating Income (Loss)	<u>(\$ 55,353)</u>	<u>\$ 1,210,919</u>	<u>(\$ 227,068)</u>	<u>(\$ 44,977)</u>	<u>(\$ 3,081,941)</u>	<u>(\$ 2,198,420)</u>
NONOPERATING REVENUES (EXPENSES)						
Investment Income:						
Interest	\$ 511	\$ 189	\$ 12,253	\$ 2,407	\$ 2,407	\$ 17,767
Change in Fair Value of Investments	411	2	6,883	5,737	-0-	13,033
Gain (Loss) on Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-
Total Nonoperating Revenues (Expenses)	<u>\$ 922</u>	<u>\$ 191</u>	<u>\$ 19,136</u>	<u>\$ 8,144</u>	<u>\$ 2,407</u>	<u>\$ 30,800</u>
Income (Loss) Before Contributions, Special Items, and Transfers	<u>(\$ 54,431)</u>	<u>\$ 1,211,110</u>	<u>(\$ 207,932)</u>	<u>(\$ 36,833)</u>	<u>(\$ 3,079,534)</u>	<u>(\$ 2,167,620)</u>
CONTRIBUTIONS AND TRANSFERS						
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 4,498,737	\$ 4,498,737
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>\$ 4,498,737</u>	<u>\$ 4,498,737</u>
Change in Net Position	<u>(\$ 54,431)</u>	<u>\$ 1,211,110</u>	<u>(\$ 207,932)</u>	<u>(\$ 36,833)</u>	<u>\$ 1,419,203</u>	<u>\$ 2,331,117</u>
Net Position - Beginning	(260,914)	(1,333,179)	948,508	(1,148,884)	5,409,318	3,614,849
Net Position - Ending	<u>(\$ 315,345)</u>	<u>(\$ 122,069)</u>	<u>\$ 740,576</u>	<u>(\$ 1,185,717)</u>	<u>\$ 6,828,521</u>	<u>\$ 5,945,966</u>

CITY OF SAN ANGELO, TEXAS

**Combining Statement of Cash Flows -
Internal Service Funds**

For the Year Ended September 30, 2017

	Vehicle Maintenance	Employee/ Retiree Health	Property & Casualty Insurance	Workers' Compensation Insurance	Communications	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	\$ 3,858,862	\$ 8,661,325	\$ -0-	\$ -0-	\$ 805,132	\$ 13,325,319
Cash Received from Reinsurance	-0-	-0-	836,353	1,350,410	-0-	2,186,763
Cash Paid to Suppliers for Goods and Services	(2,877,817)	(1,098,457)	(943,845)	(72,286)	(507,667)	(5,500,072)
Cash Paid for Insurance Claims and Premiums	-0-	(7,331,938)	-0-	(1,161,078)	-0-	(8,493,016)
Cash Paid for Employee Services and Benefits	(892,539)	(45,660)	(140,431)	(189,879)	(77,462)	(1,345,971)
Net Cash Provided (Used) by Operating Activities	\$ 88,506	\$ 185,270	(\$ 247,923)	(\$ 72,833)	\$ 220,003	\$ 173,023
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 4,498,737	\$ 4,498,737
Short-Term Interfund Loans Received	-0-	(93,078)	-0-	8	-0-	(93,070)
Short-Term Interfund Loans Paid	-0-	-0-	-0-	-0-	(4,649,557)	(4,649,557)
Net Cash Provided (Used) by Non-Capital Financing Activities	\$ -0-	(\$ 93,078)	\$ -0-	\$ 8	(\$ 150,820)	(\$ 243,890)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of Capital Assets	(\$ 76,323)	\$ -0-	\$ -0-	\$ -0-	(\$ 71,189)	(\$ 147,512)
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	(\$ 76,323)	\$ -0-	\$ -0-	\$ -0-	(\$ 71,189)	(\$ 147,512)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of Investments	(\$ 3,062)	(\$ 1,604)	(\$ 51,243)	(\$ 42,712)	(\$ 7)	(\$ 98,628)
Interest Received on Investments	1,568	190	12,253	2,613	2,007	18,631
Net Cash Provided (Used) by Investing Activities	(\$ 1,494)	(\$ 1,414)	(\$ 38,990)	(\$ 40,099)	\$ 2,000	(\$ 79,997)
Net Increase (Decrease) in Cash	\$ 10,689	\$ 90,778	(\$ 286,913)	(\$ 112,924)	(\$ 6)	(\$ 298,376)
Cash - Beginning	687,752	1,737	535,718	661,345	64	1,886,616
Cash - Ending	\$ 698,441	\$ 92,515	\$ 248,805	\$ 548,421	\$ 58	\$ 1,588,240
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	(\$ 55,353)	\$ 1,210,919	(\$ 227,068)	(\$ 44,977)	(\$ 3,081,941)	(\$ 2,198,420)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Depreciation	47,593	-0-	-0-	-0-	3,201,443	3,249,036
(Increase) Decrease in Accounts Receivable	7,780	(104,650)	-0-	-0-	-0-	(96,870)
(Increase) Decrease in Inventories	7,252	-0-	-0-	-0-	213	7,465
(Increase) Decrease in Deferred Outflows	44,908	7,793	-0-	(32,808)	24,683	44,576
Increase (Decrease) in Accounts Payable	(8,813)	(11,897)	15,693	(29,527)	92,567	58,023
Increase (Decrease) in Insurance Claims Payable	-0-	(927,096)	(74,405)	(8,146)	-0-	(1,009,647)
Increase (Decrease) in OPEB Obligation	22,791	8,178	-0-	4,795	-0-	35,764
Increase (Decrease) in Net Pension Liability	19,724	(2,616)	-0-	65,055	(45,775)	36,388
Increase (Decrease) in Compensated Absences	9,443	3,338	37,857	(17,656)	7,154	40,136
Increase (Decrease) in Deferred Inflows	(6,819)	1,301	-0-	(9,569)	21,659	6,572
Net Cash Provided (Used) by Operating Activities	\$ 88,506	\$ 185,270	(\$ 247,923)	(\$ 72,833)	\$ 220,003	\$ 173,023
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Gain on Disposal of Capital Assets	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
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	\$ 411	\$ 2	\$ 6,883	\$ 5,737	\$ -0-	\$ 13,033

CITY OF SAN ANGELO, TEXAS

Agency Funds Description

For the Year Ended September 30, 2017

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, 2017

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash	\$ 324,689	\$ 1,380,853	\$ 1,400,725	\$ 304,817
Total Assets	\$ 324,689	\$ 1,380,853	\$ 1,400,725	\$ 304,817
LIABILITIES				
Accounts Payable	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Due to Other Governments	324,689	1,379,884	1,399,756	304,817
Total Liabilities	\$ 324,689	\$ 1,379,884	\$ 1,399,756	\$ 304,817

CITY OF SAN ANGELO, TEXAS

Discretely Presented Component Unit Description

For the Year Ended September 30, 2017

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, 2017

	<u>Development Corporation</u>
ASSETS	
Assets:	
Cash and Cash Equivalents	\$ 2,499,067
Investments	15,967,437
Accounts Receivable	20,650
Due from Other Governments	1,536,366
Advances to Other Funds	230,583
Prepays	29,633
Total Assets	<u>\$ 20,283,736</u>
LIABILITIES	
Accounts Payable	\$ 4,711,281
Total Liabilities	<u>\$ 4,711,281</u>
FUND BALANCES	
Nonspendable	\$ 29,633
Restricted	15,542,822
Committed	-0-
Assigned	-0-
Unassigned	-0-
Total Fund Balances	<u>\$ 15,572,455</u>
Total Liabilities and Fund Balances	<u>\$ 20,283,736</u>

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

Fund Balances - Component Units	\$ 15,572,455
Capital assets used in component units are not financial resources, and therefore, are not reported in the balance sheets. The net effect - increases (decrease) in net position - of including capital assets are:	
Beginning of the Year Cost	3,197,868
Beginning of the Year Accumulated Depreciation	(559,720)
Current Year Depreciation	(100,250)
Capital Asset Disposal	(314,190)
Net Position of Component Units	<u>\$ 17,796,163</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, 2017

	<u>Development Corporation</u>
REVENUES	
Taxes:	
Sales	\$ 8,390,902
Charges for Services	1,254,220
Investment Income - Interest	86,432
Total Revenues	<u>\$ 9,731,554</u>
EXPENDITURES	
Operating Expenditures	\$ 9,710,146
(Gain) or Loss on Sale of Capital Assets	(1,816,169)
Total Expenditures	<u>\$ 7,893,977</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,837,577</u>
Net Change in Fund Balances	\$ 1,837,577
Fund Balances - Beginning	13,918,183
Restatement of Beginning Fund Balance	(183,305)
Fund Balances - Ending	<u><u>\$ 15,572,455</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 Units	\$ 1,837,577
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.	(100,248)
Capital Asset Disposal	<u>(314,190)</u>
Change in Net Position of Component Units	<u><u>\$ 1,423,139</u></u>

CITY OF SAN ANGELO, TEXAS

Statistical Section Narrative

For the Year Ended September 30, 2017

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.

TABLE **CONTENTS**

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 assets by component, last ten fiscal years
- 2 Changes in net assets, 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, 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, last ten fiscal years
- 19 Capital asset statistics, last ten fiscal years

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

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

	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 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	\$ 30,724,967
Restricted	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	19,037,199
Unrestricted	(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	6,957,095
Total Governmental Activities Net Assets	\$ 12,931,062	\$ 17,964,334	\$ 22,386,941	\$ 66,924,806	\$ 51,078,623	\$ 60,998,750	\$ 58,095,680	\$ 47,603,540	\$ 58,263,877	\$ 56,719,261
Business-Type Activities:										
Invested in capital assets, net of related debt	\$ 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	\$ 92,803,487
Restricted	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	13,865,935
Unrestricted	(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	31,563,088
Total Business-Type Activities Net Assets	\$ 218,696,539	\$ 203,584,125	\$ 192,038,403	\$ 186,940,287	\$ 175,047,026	\$ 164,838,409	\$ 157,846,605	\$ 153,724,178	\$ 144,408,653	\$ 138,232,510
Primary Government:										
Invested in capital assets, net of related debt	\$ 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	\$ 123,528,454
Restricted	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	32,903,134
Unrestricted	(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	38,520,183
Total Primary Government Net Assets	\$ 231,627,601	\$ 221,548,459	\$ 214,425,344	\$ 253,865,093	\$ 226,125,649	\$ 225,837,159	\$ 215,942,285	\$ 201,327,718	\$ 202,672,530	\$ 194,951,771

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

	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 7,373,754
Public Safety	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	30,224,043
Public Works and Transportation	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	10,379,312
Public Facilities	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	3,135,275
Health and Human Services	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	4,289,756
Culture Parks and Recreation	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	4,738,321
Economic Development	609,428	392,494	368,283	495,557	1,211,080	3,463,923	4,193,681	4,974,088	2,284,947	2,683,897
Urban Redevelopment and Housing	926,648	1,051,058	938,418	970,756	1,552,520	2,163,356	3,084,266	2,491,213	1,079,130	1,338,756
Interest and Fiscal Charges	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	1,202,158
Total Governmental Activities Expenses	\$ 97,330,390	\$ 93,064,455	\$ 81,708,462	\$ 70,619,613	\$ 75,359,628	\$ 74,629,425	\$ 72,255,594	\$ 79,061,004	\$ 69,531,373	\$ 65,365,272
Business-Type Activities:										
Water	\$ 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	\$ 15,429,289
Sewer	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	8,545,263
Transit	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	105
Airport	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	3,070,025
State Office Building	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	1,049,558
Solid Waste	930,399	786,709	491,075	1,876,321	-0-	-0-	-0-	-0-	-0-	-0-
Stormwater	1,772,384	2,032,021	1,952,448	2,069,601	1,454,672	-0-	-0-	-0-	-0-	-0-
Total Business-Type Activities Expenses	\$ 35,519,558	\$ 34,509,461	\$ 32,205,118	\$ 32,203,755	\$ 28,730,751	\$ 35,171,809	\$ 30,751,404	\$ 32,554,774	\$ 31,166,722	\$ 28,094,240
Total Primary Government Expenses	\$ 132,849,948	\$ 127,573,916	\$ 113,913,580	\$ 102,823,368	\$ 104,090,379	\$ 109,801,234	\$ 103,006,998	\$ 111,615,778	\$ 100,698,095	\$ 93,459,512
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 311,837
Public Safety	7,459,560	6,503,328	6,027,415	5,777,959	6,436,072	6,777,504	6,316,188	6,078,350	6,520,317	5,133,992
Public Works and Transportation	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	1,861,205
Public Facilities	744,368	642,393	591,151	567,979	632,669	676,062	620,884	410,061	691,555	673,038
Health and Human Services	1,110,551	902,281	793,706	773,866	862,005	921,127	845,948	426,735	363,074	322,506
Culture, Parks and Recreation	466,090	403,454	372,065	357,236	397,923	425,215	390,511	286,462	451,051	347,718
Economic Development	295,237	257,524	238,744	228,843	254,907	272,390	250,159	35,336	-0-	-0-
Urban Redevelopment and Housing	22,021	19,077	17,603	16,898	18,823	20,114	18,472	-0-	-0-	186,105
Operating Grants and Contributions	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	4,297,830
Capital Grants and Contributions	372,387	5,167,884	279,866	266,916	297,316	317,708	291,777	1,311,784	190,823	259,401
Total Governmental Activities Program Revenues	\$ 17,063,255	\$ 19,699,294	\$ 13,751,653	\$ 13,181,328	\$ 14,682,642	\$ 15,689,682	\$ 14,409,148	\$ 17,358,919	\$ 13,597,862	\$ 13,393,632
Business-Type Activities:										
Water	\$ 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	\$ 19,609,055
Sewer	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	11,555,165
Transit	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Airport	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	1,965,685
State Office Building	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	1,121,358
Solid Waste	2,063,568	2,235,398	1,928,017	7,642,056	-0-	-0-	-0-	-0-	-0-	-0-
Stormwater	2,564,203	2,590,375	2,545,923	2,665,234	2,588,676	-0-	-0-	-0-	-0-	-0-
Operating Grants and Contributions	150	-0-	-0-	-0-	1,984	1,658	350	4,530	3,700,086	-0-
Capital Grants and Contributions	970,516	1,024,628	876,929	1,527,019	980,899	1,117,448	1,715,694	4,228,460	-0-	5,344,583
Total Business-Type Activities Program Revenues	\$ 55,223,030	\$ 49,038,303	\$ 43,119,532	\$ 50,707,128	\$ 43,872,764	\$ 44,455,156	\$ 42,648,785	\$ 41,252,061	\$ 39,328,650	\$ 39,595,846
Total Primary Government Program Revenues	\$ 72,286,285	\$ 68,737,597	\$ 56,871,185	\$ 63,888,456	\$ 58,555,406	\$ 60,144,838	\$ 57,057,933	\$ 58,610,980	\$ 52,926,512	\$ 52,989,478
Net (Expense) / Revenue										
Governmental Activities	(\$ 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)	(\$ 51,971,640)
Business-Type Activities	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	11,501,606
Total Primary Government Net Expense	(\$ 60,563,663)	(\$ 58,836,320)	(\$ 57,042,395)	(\$ 38,934,912)	(\$ 45,534,973)	(\$ 49,656,396)	(\$ 45,949,065)	(\$ 53,004,798)	(\$ 47,771,583)	(\$ 40,470,034)

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

	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 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	\$ 25,598,986
Sales Taxes	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	19,425,593
Franchise Taxes	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	3,769,280
Other Taxes	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	1,812,447
Penalty, Interest and Fees on Delinquent Taxes	890,555	337,978	-0-	336,332	372,288	223,844	342,355	321,794	281,677	253,465
Investment Income	914,166	691,470	446,208	222,538	149,045	264,080	589,133	382,714	1,146,836	1,834,249
Miscellaneous	5,411,365	1,235,450	975,710	1,299,586	1,983,470	677,892	239,334	3,252,130	1,900,396	3,475,404
Settlement Proceeds	1,000,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Gain (Loss) on Sale of Capital Assets	-0-	-0-	-0-	519,315	(3,357)	694,080	(154,962)	162,906	704,084	588,859
Transfers	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)	2,358,788
Total Governmental Activities	\$ 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	\$ 59,117,071
Business-Type Activities:										
Investment Income	\$ 612,318	\$ 582,468	\$ 411,913	\$ 147,684	\$ 118,321	\$ 183,002	\$ 129,755	\$ 249,049	\$ 772,953	\$ 1,498,511
Unrestricted Grants and Contributions	-0-	-0-	-0-	4,225	-0-	-0-	-0-	-0-	-0-	-0-
Gain (Loss) on Sale of Capital Assets	17,425	663,072	24,947	157,227	(30,138)	50,245	14,074	53,218	(8,736)	131,053
Special Item-Transfer Capital Assets to Concho Valley Transit District	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers	(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	(2,358,788)
Total Business-Type Activities	(\$ 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	(\$ 729,224)
Total Primary Government	\$ 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	\$ 58,387,847
Change in Net Assets										
Governmental Activities	(\$ 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)	\$ 7,145,431
Business-Type Activities	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	10,772,382
Total Primary Government	\$ 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	\$ 17,917,813

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

	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
General Fund:										
Nonspendable	\$ 43,778	\$ 44,988	\$ 23,407	\$ 18,724	\$ 18,724	\$ -0-	\$ -0-	\$ -0-	\$ 483,839	\$ 370,128
Restricted	-0-	-0-	-0-	-0-	-0-	-0-	554,938	-0-	-0-	-0-
Committed	-0-	-0-	-0-	-0-	375,219	-0-	-0-	-0-	-0-	-0-
Assigned	-0-	13,950,805	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	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	9,387,096
Total General Fund	<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>	<u>\$ 9,757,224</u>
Development Corporation:										
Nonspendable	\$ 29,633	\$ 273,594	\$ 275,839	\$ 306,933	\$ 352,899	\$ 10,011,793	\$ 14,191,183	\$ 13,635,280	\$ 11,307,171	\$ 10,691,521
Restricted	15,542,822	13,644,589	17,537,765	13,715,612	9,896,715	-0-	-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-	2,943,620	-0-
Total Development Corporation	<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>	<u>\$ 10,691,521</u>
Other Governmental Funds:										
Nonspendable	\$ 14,201,260	\$ 12,747,748	\$ 12,747,748	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,845,080	\$ 10,362,082	\$ 9,888,063
Restricted	3,470,316	3,355,777	3,500,930	14,754,510	13,112,031	12,580,265	11,967,745	-0-	-0-	-0-
Committed	2,462,163	224,988	210,128	214,544	195,544	195,409	274,426	-0-	-0-	-0-
Assigned	-0-	-0-	3,876,293	2,174,422	1,383,199	701,355	501,489	-0-	-0-	-0-
Unassigned, reported in:										
Special Revenue Funds	-0-	-0-	-0-	857,949	(386,968)	(102,430)	-0-	757,627	432,407	172,308
Capital Projects Funds	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	19,199,055
Permanent Funds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,030	629,266	844,703
Total Other Governmental Funds	<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>	<u>\$ 30,104,129</u>
Total All Governmental Funds	<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>	<u>\$ 50,552,874</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									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Revenues										
Taxes	\$ 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	\$ 50,739,596
Licenses and Permits	954,157	956,392	826,482	916,819	806,257	787,612	788,344	749,994	956,430	824,044
Intergovernmental	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	3,745,158
Charges for Services	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	4,795,470
Fines and Forfeits	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	2,963,407
Investment Income	883,366	643,833	424,050	211,041	135,729	247,146	571,502	355,807	1,082,591	1,704,198
Other Revenues	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	2,333,272
Total revenues	\$ 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	\$ 67,105,145
Expenditures										
General Government	\$ 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	\$ 7,281,505
Public Safety	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	28,830,029
Public Works and Transportation	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	9,002,408
Public Facilities	967,170	998,644	914,595	1,013,884	889,044	674,273	676,047	2,294,330	2,357,480	2,150,597
Health and Human Services	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	4,211,926
Culture, Parks and Recreation	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	4,387,184
Economic Development	609,428	392,494	368,283	495,557	747,629	3,417,503	4,158,511	4,936,385	2,269,164	2,683,061
Urban Redevelopment and Housing	892,762	1,018,949	913,145	932,510	1,498,100	2,249,530	3,003,707	2,462,664	1,025,893	1,479,027
Capital Outlay	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	14,770,926
Debt service:										
Principal	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	3,340,000
Interest and Fees	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	1,491,273
Total Expenditures	\$ 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	\$ 79,627,936
Excess Revenues Over (Under) Expenditures	(\$ 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)	(\$ 12,522,791)
Other Financing Sources (Uses)										
Transfers In	\$ 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	\$ 4,736,320
Debt Issue Proceeds	3,216,365	16,458,568	13,641,008	-0-	6,472,462	-0-	13,780,000	-0-	16,705,000	10,122,204
Capitalized Leases	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(184,620)	-0-	663,110
Sale of Capital Assets	568,474	159,447	752,083	552,491	754,582	845,727	870,727	226,361	704,084	717,043
Transfers Out	(7,861,474)	(1,172,702)	(813,085)	(896,391)	(505,633)	(9,970,210)	(4,084,921)	(3,218,086)	(4,710,195)	(3,048,240)
Total Other Financing Sources (Uses)	\$ 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	\$ 13,190,437
Restatement of Beginning Fund Balance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Net Change in Fund Balances	(\$ 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	\$ 667,646
Debt Service as a Percentage of Noncapital Expenditures	12.0%	9.4%	6.0%	7.4%	15.2%	8.1%	7.1%	7.8%	10.8%	7.3%

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			
2007-08	2007	2,286,082,615	694,262,321	34,930,650	549,218,014	3,564,493,600	534,674,610	3,029,818,990	0.84000
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

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

* 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 2016-17			Fiscal Year 2007-08		
		Assessed Value	Rank	Percent of Total Assessed Value	Assessed Value	Rank	Percent of Total Assessed Value
Walmart/Sam's	Retail	\$ 73,041,890	1	1.53%	\$ 65,307,686	1	2.16%
Ethicon, Inc	Mfg.	51,655,116	2	1.08%	45,686,098	2	1.51%
AEP Texas North	Utility	44,198,010	3	0.93%	38,355,730	3	1.27%
C & J Well Services Inc.	Petroleum	41,352,970	4	0.87%			
Envoy Air	Transportation	32,816,970	5	0.69%			
San Angelo Hospital	Hospital	31,228,490	6	0.66%	36,525,985	4	1.21%
Frontier Communications	Utility	21,127,730	7	0.44%	33,812,290	5	1.12%
Hirschfeld Steel & Energy	Mfg.	20,709,990	8	0.43%			0.00%
Lithia Inc	Auto Dealer	20,568,230	9	0.43%			
Sunset Mall	Mall-Real Est.	19,071,800	10	0.40%			
Shannon Medical Center	Medical				24,617,668	6	0.81%
Sunset Mall, Inc.	Real Estate				20,707,260	7	0.68%
Suddenlink Communications	Cable TV				20,105,753	8	0.66%
Town & Country Food Stores	Retail				16,216,624	9	0.54%
Jim Bass Ford, Inc.	Automotive				13,041,256	10	0.43%
		<u>\$ 355,771,196</u>		<u>7.46%</u>	<u>\$ 314,376,350</u>		<u>10.39%</u>
Total Assessed Value		<u>\$ 4,766,739,661</u>			<u>\$ 3,029,818,990</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
2007-08	25,450,480	-0-	24,896,126	97.82%	392,691	25,288,817	99.36%
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%

Source: Tom Green County Appraisal District.

Table 9

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

Fiscal Year	City Direct Rate	Tom Green County	State of Texas
2007-08	1.50%	0.50%	6.25%
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%

Source: State of Texas Comptroller

Table 10

CITY OF SAN ANGELO
SALES TAX REVENUE BY INDUSTRY
LAST TEN FISCAL YEARS

	<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>	<u>2007-08</u>
Agriculture, Forestry, Fishing, Hunting	\$ 44,069	\$ 47,211	\$ 46,385	\$ 37,568	\$ 36,839	\$ 19,527	\$ 12,334	\$ 12,470	\$ 851,454	\$ 12,016
Mining, Oil and Gas	193,764	346,879	767,728	429,088	402,265	280,351	233,512	136,976	22,514,401	224,846
Utilities	66,739	58,381	87,880	53,777	41,687	35,275	25,453	27,833	410,908	21,356
Construction	426,851	549,393	522,345	450,768	436,994	386,899	347,833	425,429	41,583,531	449,448
Manufacturing	602,520	976,073	1,333,468	944,269	710,688	455,474	410,242	377,766	30,336,889	515,534
Wholesale Trade	1,269,721	1,609,563	1,735,430	1,219,857	1,075,020	855,832	710,629	689,171	56,836,591	779,932
Retail Trade	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	9,417,233
Transportation, Warehousing	20,127	79,455	102,107	91,993	83,802	71,069	45,011	7,083	606,940	7,635
Information	1,155,833	1,216,797	1,167,114	1,035,657	949,969	878,883	851,731	808,930	54,133,364	725,070
Finance, Insurance	36,666	36,262	41,043	35,754	34,687	35,805	31,064	29,879	2,134,859	25,338
Real Estate, Rental, Leasing	278,081	429,211	528,890	392,044	422,161	273,286	188,169	161,881	13,946,307	221,773
Professional, Scientific, Technical	487,618	352,274	300,996	190,827	181,968	142,006	231,099	149,079	12,897,724	161,776
Admin. Support, Waste Management	582,506	555,283	517,954	456,665	397,017	403,471	377,877	404,636	27,979,710	422,147
Educational Services	3,463	3,176	3,838	3,704	4,567	3,820	3,671	4,230	402,104	6,844
Health Care Social Assistance	79,449	81,637	77,685	83,371	79,529	71,754	78,101	62,061	4,323,362	92,038
Arts, Entertainment ,Recreation	193,750	186,234	170,099	162,358	157,981	139,611	134,153	139,107	9,512,943	132,267
Accommodation, Food Service	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	2,075,792
Other Services	943,391	1,005,837	899,882	784,784	708,350	631,693	535,614	533,677	37,380,247	481,069
TAX LIABILITY	<u>\$ 20,430,946</u>	<u>\$ 22,394,847</u>	<u>\$ 23,751,035</u>	<u>\$ 20,923,880</u>	<u>\$ 19,302,194</u>	<u>\$ 17,037,399</u>	<u>\$ 15,923,843</u>	<u>\$ 15,539,991</u>	<u>\$ 1,121,078,208</u>	<u>\$ 15,772,114</u>

Source: State of Texas Comptroller

Note: Calendar year 2016 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 ^a	Per Capita ^a
	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									
2007-08	2,520,000	10,170,000	24,290,000	-0-	663,110	18,110,000	49,260,000	-0-	-0-	105,013,110	3.59%	1,112
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-	221,247,544	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-	208,250,542	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-	206,318,820	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-	194,066,899	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	45,572,232	3,655,000	12,915,000	1,393,000	-0-	-0-	78,760,411	85,865,582	-0-	228,161,225	4.42%	2,266

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	Ad Valorem Tax Supported		Other General Obligation Debt					
	Net General Bonded Debt	Percent of Actual Value of Taxable Property	Per Capita	Sales Tax Supported	Business-type Activities Revenue Supported	Total General Obligation Debt	Percent of Actual Value of Taxable Property	Per Capita
2007-08	12,690,000	0.26%	89.70	24,290,000	49,260,000	86,240,000	1.57%	953.11
2008-09	24,695,329	0.45%	171.91	23,310,000	47,524,671	95,530,000	2.39%	1,039.73
2009-10	21,950,592	0.36%	140.25	22,300,000	45,649,408	89,900,000	2.42%	975.59
2010-11	18,395,608	0.65%	268.78	29,375,000	50,945,000	98,715,608	2.50%	1,059.18
2011-12	16,485,428	0.53%	238.21	28,065,000	47,125,000	91,675,428	2.19%	977.78
2012-13	20,345,000	0.48%	213.63	26,710,000	48,565,000	95,620,000	5.57%	997.22
2013-14	18,995,000	0.41%	189.05	25,305,000	44,900,000	89,200,000	5.03%	914.95
2014-15	31,530,000	0.48%	222.08	23,845,000	40,145,000	95,520,000	4.75%	965.09
2015-16	51,520,000	0.92%	512.89	13,185,000	35,095,000	99,800,000	1.79%	993.53
2016-17	49,227,232	0.85%	488.84	12,915,000	164,395,411	226,537,643	3.89%	2,249.58

CITY OF SAN ANGELO
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT,
 AS OF SEPTEMBER 30, 2017
 (UNAUDITED)

Governmental Unit	Debt Outstanding	As of	Estimated Percentage Applicable a	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes				
San Angelo Independent School District	\$ 105,829,982	9/30/2017	100.00%	\$ 105,829,982
Tom Green County	59,515,000	9/30/2017	82.02%	48,814,203
Grape Creek Independent School District	2,607,587	9/30/2017	0.24%	6,258
Subtotal Overlapping Debt				<u>154,650,443</u>
City of San Angelo Direct Debt				b <u>63,535,232</u>
Total Direct & Overlapping Debt				<u>\$ 218,185,675</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	Water and Sewer Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2007-08	33,679,319	19,516,252	14,163,067	1,495,000	982,416	5.72
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

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>
	a	b	b	c
2007	90,483	2,803,434,789	30,983	3.7%
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	46,694	6.4%
2012	95,887	4,620,116,000	48,183	5.3%
2013	97,492	4,753,332,000	48,756	5.1%
2014	98,975	5,187,009,000	52,407	4.2%
2015	100,450	5,273,593,000	52,500	3.1%
2016	100,702	5,158,024,000	51,221	4.4%

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)

Employer	Fiscal Year 2016-17			Fiscal Year 2007-08		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Goodfellow Air Force Base	5,127	1	11.67%	6,015	1	14.31%
Shannon Health System	2,712	2	6.17%	2,206	2	5.25%
San Angelo Independent School Dist.	1,973	3	4.49%	2,012	3	4.79%
Angelo State University	1,625	4	3.70%	1,360	4	3.23%
City of San Angelo	936	5	2.13%	944	7	2.25%
San Angelo State Supported Living Cener	950	6	2.16%	753	9	1.79%
San Angelo Community Medical Center	720	7	1.64%	715	10	1.70%
Ethicon (Johnson & Johnson)	650	8	1.48%	841	8	2.00%
SITEL, Inc.	602	9	1.37%	1,350	5	3.21%
Tom Green County	514	10	1.17%			0.00%
Verizon			0.00%	1,300	6	3.09%
	<u>15,809</u>		<u>35.98%</u>	<u>17,496</u>		<u>41.62%</u>
Total San Angelo Employment	<u>43,950</u>			<u>42,047</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)

	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Full-time-Equivalent Employees										
General Government:										
City Manager	5.0	5.0	5.0	5.0	4.0	4.0	4.0	7.0	7.0	6.0
Legal, City Clerk	7.0	7.0	7.0	9.0	9.0	8.0	8.0	9.0	10.0	10.0
Real Estate	2.0	2.0	2.0	0.0	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	3.0	3.0	2.0	2.0	2.0	0.0	0.0	0.0
Human Resources	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Building Maintenance	6.0	6.0	7.0	7.0	6.0	6.0	3.0	2.0	2.0	2.0
Construction Management	1.0	2.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Emergency Management	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
City Health Insurance	1.0	1.0	1.0	1.0	1.0	1.0	6.0	10.0	10.0	11.0
Risk Management	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0
Administration:										
Finance, Accounting	12.0	12.0	12.0	12.0	13.0	13.0	12.0	14.0	13.0	12.0
Information Services	7.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0
Communications	1.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	0.0
Purchasing	2.0	2.0	2.0	2.0	2.0	3.0	3.0	4.0	3.0	3.0
Municipal Court	32.0	33.0	34.0	33.0	33.0	34.0	32.0	36.0	35.5	35.5
Water Billing and Receipts	9.0	9.0	8.0	8.0	8.0	8.0	8.0	20.5	20.5	20.5
Vehicle Maintenance	17.0	17.0	18.0	17.0	17.0	19.0	19.0	19.0	19.0	20.0
Public Safety:										
Police	203.0	199.0	199.0	199.0	197.0	199.0	191.0	196.0	195.0	194.0
Public Safety Communications	25.0	25.0	25.0	25.0	25.0	25.0	25.0	26.0	26.0	26.0
Fire / Ambulance	176.0	169.0	169.0	169.0	169.0	169.0	169.0	169.0	169.0	168.0
Fire Prevention	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.5
Community Development / Planning:										
Planning	13.0	13.0	11.0	13.0	12.0	12.0	12.0	13.0	13.0	11.0
Engineering	15.0	15.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Permits and Inspection	14.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Code Compliance	6.0	6.0	7.0	9.0	7.0	7.0	7.0	7.0	7.0	5.0
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	5.0	6.0	6.0	6.0	6.0	6.0	8.0
Public Works:										
Operations	7.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Traffic / Signal	11.0	11.0	11.0	11.0	12.0	12.0	12.0	12.0	12.0	12.0
Street and Bridge	37.0	33.0	27.0	27.0	27.0	27.0	27.0	46.0	46.0	42.0
Airport	13.0	13.0	13.0	14.0	14.0	14.5	14.5	13.0	13.0	14.0
Water	108.0	109.0	113.0	112.0	113.0	114.0	116.0	108.0	105.0	103.0
Sewer	39.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	37.0
Storm Water	23.0	21.0	22.0	21.0	24.0	24.0	21.0	0.0	0.0	0.0
Health and Social Services:										
Administration	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
Animal Control	13.0	13.0	12.0	12.0	12.0	12.0	16.0	16.0	16.0	14.0
Nursing/Immunization	2.0	2.0	3.0	3.0	4.0	5.0	5.0	5.0	6.0	6.0
Environmental Health	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
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	1.0	1.0	1.0	1.0	1.0
WIC	14.0	15.0	15.0	17.0	14.0	18.0	18.0	18.0	18.0	20.5
Social Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0	6.0	6.0
Parks and Recreation:										
Parks	49.0	49.0	46.0	46.0	47.0	47.0	52.0	53.7	57.7	49.8
Texas Bank Sports Complex	9.0	9.0	9.0	9.0	10.0	9.0	7.0	0.0	0.0	0.0
Recreation	7.0	7.0	7.0	7.0	7.0	10.0	9.0	13.0	12.0	13.0
Nutrition	5.0	5.0	5.0	5.0	4.0	4.7	4.7	4.7	4.7	4.7
Golf Course	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5	3.5	3.5
Civic Events	12.0	12.0	12.0	12.0	12.0	12.0	13.0	13.0	13.0	13.0
Fort Concho	14.0	14.0	14.0	14.0	13.0	13.0	13.0	14.0	14.0	14.7
Fairmount Cemetery	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	9.5	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
Total Full-time-Equivalents	959.5	942.5	926.5	930.5	928.5	943.7	941.7	969.9	968.9	952.7

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									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
<u>General Government</u>										
Building Permits Issued	7,337	6,797	7,256	8,219	8,036	8,129	8,430	7,800	8,524	9,022
<u>Health and Human Services</u>										
Animals Registered	1942	2146 **	9,552	9,581 *	1,352	600	992	1,494	1,067	1,100
<u>Police</u>										
Number of Arrests	4,159	4,273	5,755	6,458	6,367	6,213	6,741	8,127	7,725	9,327
Calls for Service	92,977	95,966	97,233	102,966	98,076	89,198	89,876	101,003	106,004	98,472
<u>Fire / Ambulance</u>										
Fire responses	7,901	6,997	7,454	8,694	6,766	6,280	6,494	6,632	6,228	6,177
Ambulance Responses	13,663	12,761	12,224	12,543	12,070	11,658	11,325	10,571	10,135	9,791
Fire Marshall Inspections	2,088	2,418	2,759	3,110	2,807	3,750	4,142	3,730	3,110	2,775
<u>Municipal Court</u>										
Parking Violations	1,240	1,183	1,630	1,782	1,859	1,800	2,377	2,371	2,133	4,264
Traffic Cases	20,379	19,860	20,078	23,688	20,731	22,872	22,319	23,548	21,947	24,274
Criminal Cases	5,240	4,613	4,803	6,124	7,485	7,961	10,321	9,206	11,893	13,095
<u>Water</u>										
Number of Customers	34,829	35,320	36,269	35,373	34,175	32,845	31,885	31,721	31,618	31,381
Average Daily Consumption (millions of gallons)	11.90	10.04	8.81	9.15	9.84	11.28	14.00	13.93	13.47	11.22
<u>Sewer</u>										
Average Daily Treatment (millions of gallons)	7.67	8.42	8.55	8.20	7.94	8.46	8.35	8.22	9.08	8.44
Number of connections	42,465	37,247	33,656	31,113	30,880	30,342	29,473	28,920	28,883	30,910
<u>Parks, Recreation and Nutrition</u>										
Number of Acres Maintained	590	555	695	695	695	695	723	616	595	560
Number of Meals Served	35,994	36,013	30,696	33,709	36,945	38,873	43,061	47,316	44,478	45,631
<u>Coliseum, Auditorium, Convention Center</u>										
Number of Events-Coliseum	39	140	128	141	124	134	132	84	84	90
Number of Events-Auditorium	0	0	0	0	0	0	0	0	68	43
Number of Events-Convention Center	480	396	602	449	546	448	476	590	351	381

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.

Table 19

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

<u>FUNCTION / PROGRAM</u>	<u>Fiscal Year</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>	<u>2007-08</u>
<u>Number of Fire Stations</u>	8	8	8	8	8	8	8	8	8	8
<u>Public Works</u>										
Miles of Streets	1178	1689	1160	1149 *	707	539	533	530	526	525
Miles of Alleys	174	174	173	287	283	205	205	203	203	202
Number of Street Lights	5536	5536	5446 **	7212	7194	7214	7119	6882	n/a	n/a
<u>Water</u>										
Miles of Water Mains	757	752	756	754	750	672	656	655	653	651
Number of Fire Hydrants	3090	3051	3036	3030	2965	2933	2713	2703	2698	2651
<u>Sewer</u>										
Miles of Storm Sewers	13.8	13.5	15.91	13.02	13.02	4.9	4.9	4.9	4.9	4.9
Miles of Sanitary Sewers	491	489	484	484	481	471	457	456	456	454
<u>Parks</u>										
Number of Acres	590	555	555	555	555	695	723	616	595	560
Number of Playgrounds	17	18	18	18	18	26	37	29	29	27
Number of Tennis Courts	17	18	18	18	18	20	20	20	20	20
Number of Recreation Centers	5	5	5	5	5	5	5	5	5	5
Number of Sports Complexes	7	7	7	5	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.