



Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2019



CITY OF SAN ANGELO, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2019



Prepared by: Finance Department

Tina Dierschke, Finance Director

CITY OF SAN ANGELO, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION:</u>	
Letter of Transmittal	2-4
List of Principal Officials	5
City Government Organizational Chart	6
Certificate of Achievement for Excellence in Financial Reporting	7
<u>FINANCIAL SECTION:</u>	
INDEPENDENT AUDITORS' REPORT	10-12
MANAGEMENT'S DISCUSSION AND ANALYSIS	14-22
BASIC FINANCIAL STATEMENTS:	
Statement of Net Position	25
Statement of Activities	26
Balance Sheet – Governmental Funds	27
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	28
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	30
Statement of Net Position – Proprietary Funds	31
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	32
Statement of Cash Flows – Proprietary Funds	33-34
Statement of Net Position – Fiduciary Funds	35
Notes to the Basic Financial Statements	36-81

CITY OF SAN ANGELO, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule – General Fund	83-84
Notes to the Budgetary Comparison Schedule	85
Texas Municipal Retirement Fund – Schedule of Changes in Net Pension Liability and Related Ratios	86
Texas Municipal Retirement Fund – Schedule of Employer Contributions	87
San Angelo Firemen’s Relief and Retirement Fund – Schedule of Changes in Net Pension Liability and Related Ratios	88
San Angelo Firemen’s Relief and Retirement Fund – Schedule of Employer Contributions	89
Other Post Employment Benefits – Schedule of Changes in Total OPEB Liability and Related Ratios	90
OTHER SUPPLEMENTARY INFORMATION:	
GENERAL FUND COMBINING SCHEDULES:	
General Fund Descriptions	92
Combining Balance Sheet – General Fund Accounts	93
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund Accounts	94
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund Accounts	95-97

CITY OF SAN ANGELO, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENTS:	
Nonmajor Governmental Funds Description	98
Combining Balance Sheet – Nonmajor Governmental Funds	99
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	100
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Nonmajor Governmental Funds	101-103
MAJOR GOVERNMENTAL CAPITAL PROJECTS FUND:	
Major Governmental Capital Projects Fund Description	104
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Major Governmental Capital Projects Fund	105
MAJOR GOVERNMENTAL DEBT SERVICE FUND:	
Major Governmental Debt Service Fund Description	106
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Major Governmental Debt Service Fund	107
NONMAJOR ENTERPRISE FUNDS COMBINING STATEMENTS:	
Nonmajor Enterprise Funds Description	108
Combining Statement of Net Position – Nonmajor Enterprise Funds	109
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds	110
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	111

CITY OF SAN ANGELO, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
INTERNAL SERVICE FUNDS COMBINING STATEMENTS:	
Internal Service Funds Description	112
Combining Statement of Net Position – Internal Service Funds	113
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	114
Combining Statement of Cash Flows – Internal Service Funds	115
FIDUCIARY FUND:	
Fiduciary Fund Description	116
Statement of Changes in Assets and Liabilities – CJC Agency Fund	117
DISCRETELY PRESENTED COMPONENT UNIT COMBINING STATEMENTS:	
Discretely Presented Component Unit Description	118
Combining Balance Sheet – Discretely Presented Component Unit	119
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Discretely Presented Component Unit	120

CITY OF SAN ANGELO, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2019

TABLE OF CONTENTS

	<u>Table</u>	<u>Page</u>
<u>STATISTICAL SECTION:</u>		
Statistical Section Narrative and Table of Contents		122-123
<u>Financial Trends:</u>		
Net Position by Component – Last Ten Fiscal Years	1	124
Changes in Net Position – Last Ten Fiscal Years	2	125-126
Fund Balances, Governmental Funds – Last Ten Fiscal Years	3	127
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	4	128
<u>Revenue Capacity:</u>		
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years	5	129
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	6	130
Principal Property Taxpayers – Current Year and Nine Years Ago	7	131
Property Tax Levies and Collections – Last Ten Fiscal Years	8	132
Direct and Overlapping Sales Tax Rates – Last Ten Fiscal Years	9	133
Sales Tax Revenue by Industry – Current Year and Last Ten Fiscal Years	10	134
<u>Debt Capacity:</u>		
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	11	135
Ratios of Net General Bonded Debt Outstanding – Last Ten Fiscal Years	12	136
Direct and Overlapping Governmental Activities Debt	13	137

CITY OF SAN ANGELO, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2019

TABLE OF CONTENTS

	<u>Table</u>	<u>Page</u>
Pledged-Revenue Coverage – Last Ten Fiscal Years	14	138
<u>Demographic and Economic Information:</u>		
Demographic and Economic Statistics – Last Ten Calendar Years	15	139
Principal Employers – Current Year and Nine Years Ago	16	140
<u>Operating Information:</u>		
Full-Time Equivalent City Employees by Department – Last Ten Fiscal Years	17	141
Operating Indicators by Function/Program – Last Ten Fiscal Years	18	142
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	19	143



The City of
San Angelo, Texas
72 W College Ave.
San Angelo, TX 76903

April 10, 2020

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, 2019.

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, 2019, 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, 2019, are fairly stated in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis

(MD&A). This transmittal letter is designed to complement MD&A and should be read in conjunction with it. The City's MD&A is in the financial section immediately following the independent auditors' report.

PROFILE OF THE CITY

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

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

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

There are four institutions of higher education in San Angelo. Angelo State University, part of the Texas Tech University system, offers baccalaureate programs in numerous arts, science, business, education, and medical fields. Graduate degrees are offered in 25 fields of science, education, arts, and business. Howard Junior College has an extension campus in San Angelo, which concentrates predominately in the technical and occupational fields of study. American Commercial College is a

private college serving career education through associated programs. Park University is located at Goodfellow Air Force Base and offers face-to-face and online classes in over ten undergraduate degree programs in the arts, science, business, and education fields as well as several graduate degree programs.

Long-term financial planning – 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 of San Angelo initially issued \$120 million in bonds for the development of an aquifer and for the construction of a pipeline to the City for the first phase capable of pumping and treating eight million gallons per day. In 2019, the City issued another \$56.075 million for the expansion of the aquifer and treatment system capable of pumping the full permit allocation, twelve million gallons per day. The expansion project will also include clearwell improvements at the City’s Water Treatment Facility. The sixty-mile project will help insure the City can provide adequate water service in future years. Initial implementation of this project began in 2011 and the construction of the second phase is anticipated to begin in the later part of 2020.

The City Council approved a plan for street improvements and reconstruction in 2016 whereby the City would issue \$16 million in debt every other year for ten years for a total of \$80 million. The plan is progressing as planned date with the first two debt phases issued in 2016 and 2018. A third issue is expected sometime in 2020.

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 targeted 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, 2018. 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

Tina M. Dierschke, CPA, CGFO
Director of Finance

CITY OF SAN ANGELO, TEXAS

List of Principal Officials

September 30, 2019

City Council

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

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

City Staff

Daniel Valenzuela

City Manager

Michael Dane

Assistant City Manager

Rick Weise

Assistant City Manager

Tina Dierschke

Director of Finance

Al Torres

Construction Manager

Jay Daniel

Municipal Court Judge

Frank Carter

Police Chief

Brian Dunn

Fire Chief

Brian Groves

Public Information Officer

Jeremy Valgardson

Airport Director

Shane Kelton

Director of Operations

Allison Strube

Director of Water Utilities

Bryan Kendrick

Director of Human Resources

Bucky Hasty

Director of Information Technology

Julia Antilley

City Clerk

Theresa James

City Attorney

Carl White

Director of Parks &
Recreation

Guy Andrews

Economic Development Director

Jon James

Director of Planning & Development
Services

Robert Salas

Director of Neighborhood and
Family Services

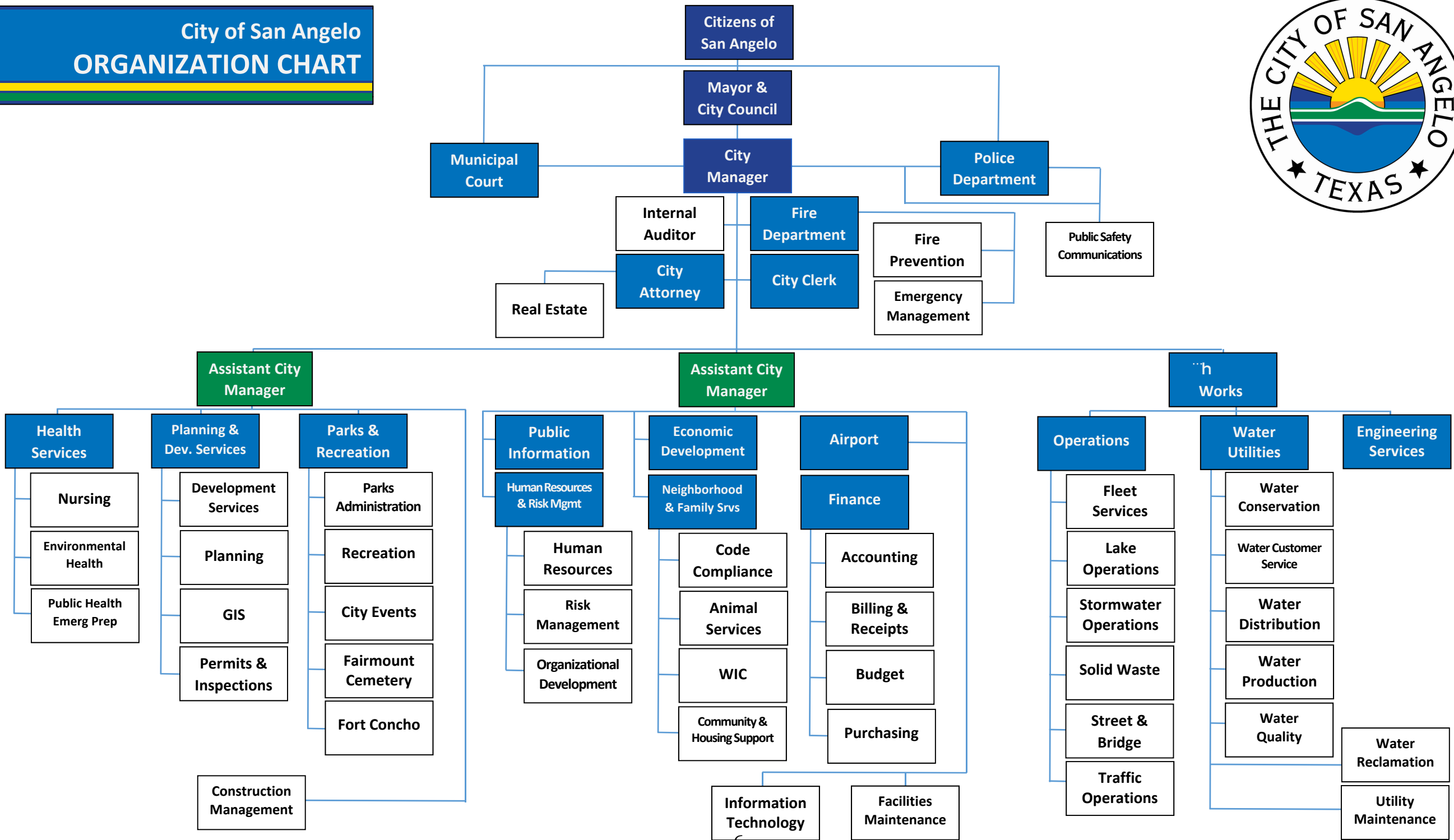
Sandra Villarreal

Health Services Director

Lance Overstreet

City Engineer

City of San Angelo ORGANIZATION CHART





Government Finance Officers Association

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

Presented to

**City of San Angelo
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO



ARMSTRONG, BACKUS & CO., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council Members 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 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, 2019, 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.

An independently owned member
RSM US Alliance



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of San Angelo, Texas, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information 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 10, 2020 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 10, 2020



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, 2019. 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 81) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements. The combining and individual statements for nonmajor funds contain even more information about the City's individual funds.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

condition of the City's infrastructure and facilities.

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

THE CITY AS TRUSTEE

Reporting the City's Fiduciary Responsibilities

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental Activities

The City's governmental activities increased \$8.5 million. This result is due primarily to an increase in the market value versus the book value of the City's investments.

Business-Type Activities

In 2019, the total net position of our business-type activities increased by \$18.5 million. 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.

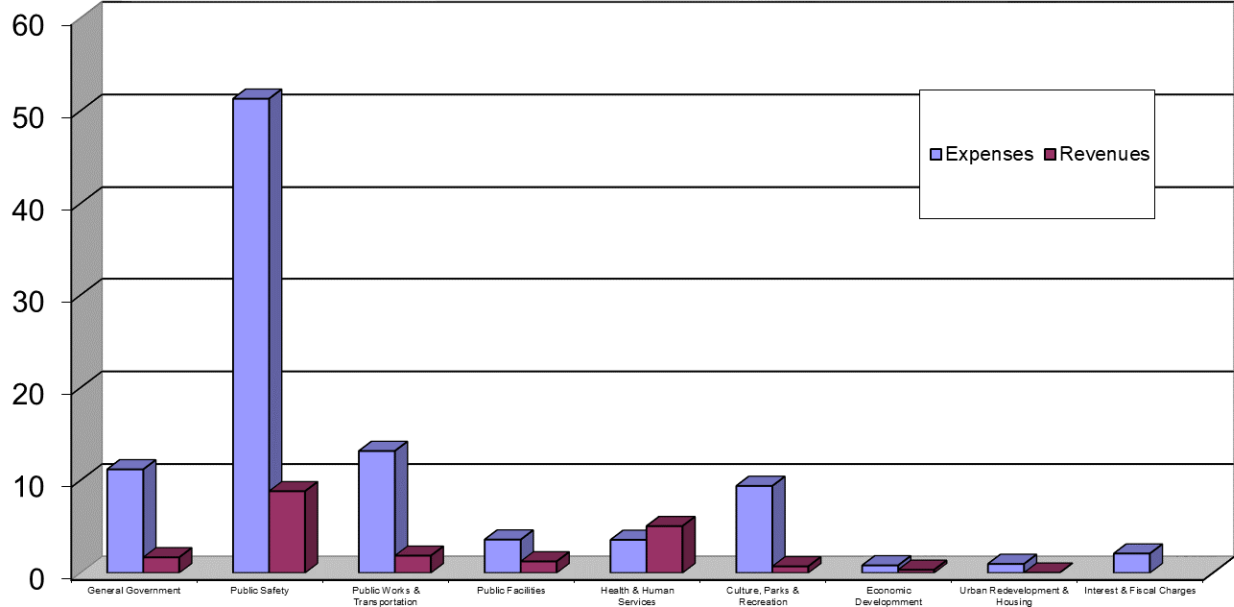
Table I - Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 107,701,650	\$ 101,365,934	\$ 82,616,270	\$ 77,821,080	\$ 190,317,920	\$ 179,187,014
Capital assets	83,136,029	84,116,129	339,746,269	340,447,036	422,882,298	424,563,165
Total assets	\$ 190,837,679	\$ 185,482,063	\$ 422,362,539	\$ 418,268,116	\$ 613,200,218	\$ 603,750,179
Deferred Outflows of Resources	26,076,426	13,472,350	3,765,724	1,778,621	29,842,150	15,250,971
Current liabilities	12,961,777	14,130,611	19,593,888	19,363,102		33,493,713
Long-term liabilities	245,646,760	226,892,460	157,181,067	168,619,365	402,827,827	395,511,825
Total liabilities	\$ 258,608,537	\$ 241,023,071	\$ 176,774,955	\$ 187,982,467	\$ 402,827,827	\$ 429,005,538
Deferred Inflows of Resources	3,905,949	12,077,767	835,495	2,007,874	4,741,444	14,085,641
Net assets:						
Net Investment in Capital Assets	42,032,400	43,930,391	200,960,575	150,891,275	242,992,975	194,821,666
Restricted	26,659,496	31,024,739	28,716,100	45,264,885	55,375,596	76,289,624
Unrestricted	(114,292,280)	(129,101,555)	18,841,138	33,900,236	(95,451,142)	(95,201,319)
Total net position	(\$ 45,600,384)	(\$ 54,146,425)	\$ 248,517,813	\$ 230,056,396	\$ 202,917,429	\$ 175,909,971

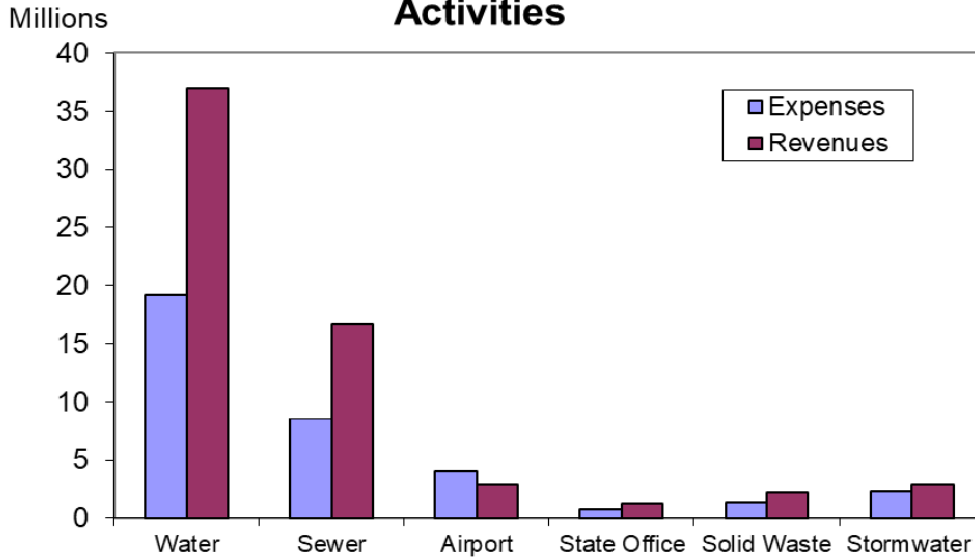
Table II - Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues:						
Charges for services	\$ 14,743,918	\$ 13,112,234	\$ 61,551,329	\$ 59,340,176	\$ 76,295,247	\$ 72,452,410
Operating grants and contributions	4,643,889	3,984,546	148	-0-	4,644,037	3,984,546
Capital grants and contributions	400,708	343,815	1,170,362	3,765,372	1,571,070	4,109,187
Grants and Contributions Not Restricted to Specific Programs	-0-	-0-	-0-	-0-	-0-	-0-
General Revenues:						
Property Taxes - General Levy	35,264,282	34,599,780	-0-	-0-	35,264,282	34,599,780
Property Taxes - Debt Service Levy	4,749,309	4,581,711	-0-	-0-	4,749,309	4,581,711
Sales Taxes	19,962,832	19,812,694	-0-	-0-	19,962,832	19,812,694
Franchise Taxes	4,232,646	4,586,508	-0-	-0-	4,232,646	4,586,508
Motel Taxes	2,962,173	2,493,761	-0-	-0-	2,962,173	2,493,761
Mixed Drink Taxes	399,016	353,657	-0-	-0-	399,016	353,657
Bingo Taxes	44,149	36,960	-0-	-0-	44,149	36,960
Penalty, Interest and Fees on Delinquent Taxes	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income	6,604,710	784,901	(2,034,103)	474,918	4,570,607	1,259,819
Miscellaneous	3,614,062	3,972,844	-0-	-0-	3,614,062	3,972,844
Settlement Proceeds	-0-	-0-	-0-	-0-	-0-	-0-
Total Revenues	<u>\$ 97,621,694</u>	<u>\$ 88,663,411</u>	<u>\$ 60,687,736</u>	<u>\$ 63,580,466</u>	<u>\$ 158,309,430</u>	<u>\$ 152,243,877</u>
EXPENSES						
Governmental Activities:						
General Government	\$ 11,191,578	\$ 9,724,582	\$ -0-	\$ -0-	\$ 11,191,578	\$ 9,724,582
Public Safety	51,306,625	44,998,853	-0-	-0-	51,306,625	44,998,853
Public Works and Transportation	13,172,331	10,911,837	-0-	-0-	13,172,331	10,911,837
Public Facilities	3,607,237	3,880,084	-0-	-0-	3,607,237	3,880,084
Health and Human Services	3,575,627	2,765,814	-0-	-0-	3,575,627	2,765,814
Culture, Parks and Recreation	9,402,480	8,344,775	-0-	-0-	9,402,480	8,344,775
Economic Development	821,214	551,388	-0-	-0-	821,214	551,388
Urban Redevelopment and Housing	979,075	852,610	-0-	-0-	979,075	852,610
Interest and Fiscal Charges	2,096,755	2,442,020	-0-	-0-	2,096,755	2,442,020
Business-Type Activities:						
Water	-0-	-0-	19,194,724	18,271,162	19,194,724	18,271,162
Sewer	-0-	-0-	8,540,855	7,926,154	8,540,855	7,926,154
Airport	-0-	-0-	4,068,586	3,479,540	4,068,586	3,479,540
State Office Building	-0-	-0-	706,905	986,196	706,905	986,196
Solid Waste	-0-	-0-	1,327,285	693,270	1,327,285	693,270
Stormwater	-0-	-0-	2,284,557	1,854,288	2,284,557	1,854,288
Total Expenses	<u>\$ 96,152,922</u>	<u>\$ 84,471,963</u>	<u>\$ 36,122,912</u>	<u>\$ 33,210,610</u>	<u>\$ 132,275,834</u>	<u>\$ 117,682,573</u>
Excess or Deficiency before						
Transfers & Special Items	\$ 1,468,772	\$ 4,191,448	\$ 24,564,824	\$ 30,369,856	\$ 26,033,596	\$ 34,561,304
Transfers	7,096,796	6,055,654	(7,096,796)	(6,055,654)	-0-	-0-
Gain (Loss) on Sale of Capital Assets	(19,527)	-0-	993,389	113,364	973,862	113,364
Change in net position	<u>\$ 8,546,041</u>	<u>\$ 10,247,102</u>	<u>\$ 18,461,417</u>	<u>\$ 24,427,566</u>	<u>\$ 27,007,458</u>	<u>\$ 34,674,668</u>
Net Position-Beginning	(54,146,425)	12,931,062	230,056,396	218,696,539	175,909,971	231,627,601
Restatement of Beginning Net Position	-0-	(77,324,589)	-0-	(13,067,709)	-0-	(90,392,298)
Net position-Ending	<u>(\$ 45,600,384)</u>	<u>(\$ 54,146,425)</u>	<u>\$ 248,517,813</u>	<u>\$ 230,056,396</u>	<u>\$ 202,917,429</u>	<u>\$ 175,909,971</u>

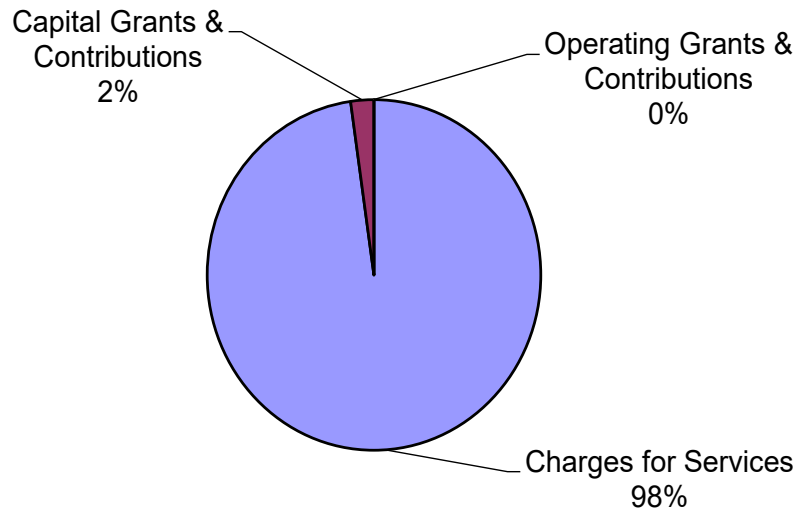
Expenses and Program Revenues - Governmental Activities (in Millions)



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 \$96.6 million, an increase of \$7.0 million from the prior year. This result is primarily due to the unspent portion for the second year of construction of the bond proceeds issued in 2018. 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 seventh straight year will remain at 77.6 cents. Street reconstruction and improvements is one of the City Council's top three strategic priorities.

Approximately 48%, or \$46.3 million, of the total amount 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 48% of total General Fund expenditures. The total fund balance in the General Fund increased by \$10.5 million during the current fiscal year. This increase is primarily due to increases in investment income (higher interest earnings and the change in the fair value of investments) and intergovernmental revenue.

The Debt Service Fund has a total fund balance of \$506,720, all of which is reserved for the payment of debt service. The decrease in fund balance during the current year was \$121,003 primarily the result of timing of receipts of taxes and the payments for principal and interest.

The Capital Improvement Fund includes debt, sales tax, and general fund transfer funding sources required to construct streets, upgrade public safety communications network, purchase machinery and equipment, complete parks and facility improvements, and other capital projects. The fund balance at September 30, 2018 of \$30.4 million (restated to include the 2018 bond proceeds reported in the General Fund) decreased \$4.2 million resulting in a fund balance of \$26.3 million. The City's street reconstruction and improvement projects continue to be the primary area of capital improvement investing.

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 \$153.3 million, an increase of \$15.0 million. 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 adopted a five-year, phased approach to gradually raising water rates. In 2019, the fourth year of rate changes were applied. The aim was and remains threefold. First, the Water Utilities Department had to be returned to financial sustainability. Second, more revenue was needed to replace aging infrastructure, including cast-iron water mains that are prone to breaks. Third, the City must have the ability to finance its next water supply project. Water supply and infrastructure is one of the three strategic priorities of the City Council.

General Fund Budgetary Highlights

Differences between the original and final amended budget for revenue amounted to \$2.6 million, an increase of 3.7%. The increase in the revenue budget was primarily due to the receipt of funding from the City of San Angelo Development Corporation to contribute to the Chadbourne Street revitalization project. Property values inched up about 1.61 percent this year while sales tax collections in the fiscal year that ended September 30, 2019, were approximately \$1.5 million more than what was originally budgeted. The City Council used the sales tax surplus in 2019 to fund much needed street repairs and improvements. With that being said, the City budgets its revenues conservatively. Consequently, sales tax collections in the coming year have been budgeted at a 6% decline as this year's collections.

The final amended expenditure budget increased \$19.9 million. 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 \$15.5 million under the final amended budget. Most of this is for unfinished special or capital projects that will be rebudgeted in fiscal year 2019 such as street maintenance and reconstruction.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the City had \$423 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 FY19:

- \$4.2 million in reconstruction and improvements to streets
- \$5.2 million in improvements to the water system
- \$3.3 million in improvements to the sewer system

The City put into service the following projects in FY19:

- Water projects with a cost of \$119.8 million
- Fire building project with a cost of \$3.1 million
- Terminal building rehabilitation with a cost of \$9.1 million

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 4,566,133	\$ 4,500,106	\$ 52,466,026	\$ 52,395,980	\$ 57,032,159	\$ 56,896,086
Buildings	64,075,596	60,907,361	40,590,746	31,431,920	104,666,342	92,339,281
Improvements Other Than Buildings	44,185,977	43,889,460	42,543,975	38,488,381	86,729,952	82,377,841
Infrastructure	27,814,848	27,814,848	303,622,011	187,919,370	331,436,859	215,734,218
Machinery and Equipment	43,540,213	43,621,425	29,772,860	29,222,395	73,313,073	72,843,820
Construction in Progress	22,285,424	19,018,879	15,230,992	136,019,946	37,516,416	155,038,825
Water Rights	-0-	-0-	36,950,835	36,950,835	36,950,835	36,950,835
Accumulated Depreciation	(123,332,165)	(115,635,950)	(181,431,176)	(171,981,791)	(304,763,341)	(287,617,741)
Total	\$ 83,136,026	\$ 84,116,129	\$ 339,746,269	\$ 340,447,036	\$ 422,882,295	\$ 424,563,165

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 \$210 million in outstanding debt versus \$228 million last year.

There were no debt issuances in 2019.

General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 22,995,128	\$ 25,121,231	\$ 140,876,370	\$ 152,498,531	\$ 163,871,498	\$ 177,619,762
Advalorem Tax COs	33,055,000	36,325,000	-0-	-0-	33,055,000	36,325,000
Sales Tax COs	12,155,000	12,335,000	-0-	-0-	12,155,000	12,335,000
Promissory Notes	1,179,000	1,286,000	137,124	183,853	1,316,124	1,469,853
Total	\$ 69,384,128	\$ 75,067,231	\$ 141,013,494	\$ 152,682,384	\$ 210,397,622	\$ 227,749,615

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 2.9%. This compares favorably to the state rate of 3.5%.
- The cost of living index compares favorably to the national average.
- The City of San Angelo has not increased the property tax rate in 20 years.
- The FY 2020 budget includes:
 - Infill Development to promote developing vacant or under-used parcels
 - Concho River Bank Stabilization

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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Development Corporation
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 26,769,651	\$ 12,872,135	\$ 39,641,786	\$ 7,149,933
Investments	44,860,960	16,381,272	61,242,232	9,997,780
Receivables:				
Accrued Interest	395,521	217,590	613,111	-0-
Property Taxes	1,733,593	-0-	1,733,593	-0-
Accounts, Net	3,952,770	10,116,663	14,069,433	343,026
Internal Balances	5,384,423	(5,384,423)	-0-	-0-
Due from Other Governments	4,518,912	65,116	4,584,028	1,685,648
Advanced to Other Funds	-0-	-0-	-0-	242,528
Notes	-0-	-0-	-0-	-0-
Inventories	88,541	528,316	616,857	-0-
Prepays	6,018	-0-	6,018	29,633
Restricted Assets:				
Cash and Cash Equivalents	3,091,767	15,506,119	18,597,886	-0-
Investments	16,899,494	26,383,834	43,283,328	-0-
Closure and Post-Closure Trust Fund	-0-	5,929,648	5,929,648	-0-
Total Current Assets	\$ 107,701,650	\$ 82,616,270	\$ 190,317,920	\$ 19,448,548
Noncurrent Assets:				
Capital Assets:				
Land, Construction in Progress, and Water Rights	\$ 26,851,557	\$ 104,647,853	\$ 131,499,410	\$ 69,395
Buildings, Improvements, Infrastructure, and Machinery and Equipment, Net	56,284,469	235,098,416	291,382,885	1,760,897
Net Capital Assets	\$ 83,136,026	\$ 339,746,269	\$ 422,882,295	\$ 1,830,292
Total Noncurrent Assets	\$ 83,136,026	\$ 339,746,269	\$ 422,882,295	\$ 1,830,292
Total Assets	\$ 190,837,676	\$ 422,362,539	\$ 613,200,215	\$ 21,278,840
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charges	\$ 2,199,897	\$ 463,258	\$ 2,663,155	\$ -0-
Deferred Amounts Related to OPEB	156,839	73,645	230,484	-0-
Deferred Amounts Related to Pensions	23,719,690	3,228,821	26,948,511	-0-
Total Deferred Outflows of Resources	\$ 26,076,426	\$ 3,765,724	\$ 29,842,150	\$ -0-
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 4,543,552	\$ 3,344,343	\$ 7,887,895	\$ 117,880
Accrued Interest Payable	564,558	214,059	778,617	-0-
Due to Other Governments	78,181	-0-	78,181	-0-
Unearned Revenue	86,250	-0-	86,250	-0-
Deposits	223,045	1,469,220	1,692,265	-0-
Noncurrent Liabilities Due Within One Year	7,466,191	12,595,469	20,061,660	-0-
Total Current Liabilities	\$ 12,961,777	\$ 17,623,091	\$ 30,584,868	\$ 117,880
Noncurrent Liabilities:				
Noncurrent Liabilities Due After One Year	\$ 77,223,059	\$ 136,370,223	\$ 213,593,282	\$ -0-
Net Pension Liability	88,626,970	10,119,998	98,746,968	-0-
Total OPEB Liability	79,796,731	12,661,643	92,458,374	-0-
Total Noncurrent Liabilities	\$ 245,646,760	\$ 159,151,864	\$ 404,798,624	\$ -0-
Total Liabilities	\$ 258,608,537	\$ 176,774,955	\$ 435,383,492	\$ 117,880
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue	\$ -0-	\$ 131,525	\$ 131,525	\$ -0-
Deferred Amounts Related to Pensions	3,898,713	480,721	4,379,434	-0-
Deferred Amounts Related to OPEB	7,236	223,249	230,485	-0-
Total Deferred Inflows of Resources	\$ 3,905,949	\$ 835,495	\$ 4,741,444	\$ -0-
NET POSITION				
Net Investment in Capital Assets	\$ 42,032,400	\$ 200,960,575	\$ 242,992,975	\$ 1,830,292
Restricted For:				
Debt Service	-0-	18,830,546	18,830,546	-0-
Asset Construction and Acquisition	6,660,350	2,500,000	9,160,350	-0-
Passenger Facility Charges	-0-	1,455,906	1,455,906	-0-
Landfill Closure and Post-Closure	-0-	5,929,648	5,929,648	-0-
Economic Development	2,622,367	-0-	2,622,367	19,330,668
Designated Purposes	1,628,571	-0-	1,628,571	-0-
Permanent Fund Purposes:				
Nonexpendable	15,748,208	-0-	15,748,208	-0-
Unrestricted (Deficit)	(114,292,280)	18,841,138	(95,451,142)	-0-
Total Net Position	\$ 45,600,384	\$ 248,517,813	\$ 202,917,429	\$ 21,160,960

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Statement of Activities

For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units Development Corporation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities			Total
PRIMARY GOVERNMENT								
Government Activities:								
General Government	\$ 11,191,578	\$ 1,691,966	\$ -0-	\$ -0-	(\$ 9,499,612)	\$ -0-	(\$ 9,499,612)	
Public Safety	51,306,625	8,674,161	150,739	-0-	(42,481,725)	-0-	(42,481,725)	
Public Works and Transportation	13,172,331	1,458,128	406,085	-0-	(11,308,118)	-0-	(11,308,118)	
Public Facilities	3,607,237	852,678	-0-	400,708	(2,353,851)	-0-	(2,353,851)	
Health and Human Services	3,575,627	1,161,767	3,900,143	-0-	1,486,283	-0-	1,486,283	
Culture, Parks and Recreation	9,402,480	536,300	179,340	-0-	(8,686,840)	-0-	(8,686,840)	
Economic Development	821,214	343,550	-0-	-0-	(477,664)	-0-	(477,664)	
Urban Redevelopment and Housing	979,075	25,368	7,582	-0-	(946,125)	-0-	(946,125)	
Interest and Fiscal Charges	2,096,755	-0-	-0-	-0-	(2,096,755)	-0-	(2,096,755)	
Total Government Activities	\$ 96,152,922	\$ 14,743,918	\$ 4,643,889	\$ 400,708	(\$ 76,364,407)	\$ -0-	(\$ 76,364,407)	
Business-type Activities:								
Water	\$ 19,194,724	\$ 36,966,360	\$ 148	\$ -0-	\$ -0-	\$ 17,771,784	\$ 17,771,784	
Sewer	8,540,855	16,660,607	-0-	-0-	-0-	8,119,752	8,119,752	
Airport	4,068,586	1,674,529	-0-	1,163,654	-0-	(1,230,403)	(1,230,403)	
State Office Building	706,905	1,230,035	-0-	-0-	-0-	523,130	523,130	
Solid Waste	1,327,285	2,180,406	-0-	-0-	-0-	853,121	853,121	
Stormwater	2,284,557	2,839,392	-0-	6,708	-0-	561,543	561,543	
Total Business-type Activities	\$ 36,122,912	\$ 61,551,329	\$ 148	\$ 1,170,362	\$ -0-	\$ 26,598,927	\$ 26,598,927	
Total Primary Government	\$ 132,275,834	\$ 76,295,247	\$ 4,644,037	\$ 1,571,070	(\$ 76,364,407)	\$ 26,598,927	(\$ 49,765,480)	
COMPONENT UNIT								
Development Corporation	\$ 9,173,729	\$ 103,989	\$ -0-	\$ -0-				(\$ 9,069,740)
Total Component Unit	\$ 9,173,729	\$ 103,989	\$ -0-	\$ -0-				(\$ 9,069,740)
General Revenue								
Taxes								
		Property Taxes - General Levy			\$ 34,485,763	\$ -0-	\$ 34,485,763	\$ -0-
		Property Taxes - Debt Service Levy			4,749,309	-0-	4,749,309	-0-
		Sales Taxes			19,962,832	-0-	19,962,832	10,096,924
		Franchise Taxes			4,232,646	-0-	4,232,646	-0-
		Motel Taxes			2,962,173	-0-	2,962,173	-0-
		Mixed Drink Taxes			399,016	-0-	399,016	-0-
		Bingo Taxes			44,149	-0-	44,149	-0-
		Grants and Contributions Not Restricted to Specific Programs				-0-	-0-	-0-
		Penalty, Interest and Fees, and Delinquent Taxes			778,519	-0-	778,519	-0-
		Unrestricted Investment Earnings			6,604,710	(2,034,103)	4,570,607	462,988
		Miscellaneous			3,614,062	-0-	3,614,062	-0-
		Gain (Loss) on Sale of Capital Assets			(19,527)	993,389	973,862	(182,920)
		Transfers			7,096,796	(7,096,796)	-0-	-0-
		Total General Revenue and Transfers			\$ 84,910,448	(\$ 8,137,510)	\$ 76,772,938	\$ 10,376,992
		Change in Net Position			\$ 8,546,041	\$ 18,461,417	\$ 27,007,458	\$ 1,307,252
		Net Position - Beginning			(54,146,425)	230,056,396	175,909,971	19,853,708
		Net Position - Ending			(\$ 45,600,384)	\$ 248,517,813	\$ 202,917,429	\$ 21,160,960

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Balance Sheet - Governmental Funds

As of September 30, 2019

	General	Capital Improvement Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 17,424,376	\$ 4,606,095	\$ -0-	\$ 841,523	\$ 22,871,994
Investments	19,884,038	21,822,865	-0-	1,099,431	42,806,334
Receivables:					
Accrued Interest	113,809	112,097	11,721	150,066	387,693
Property Taxes	1,187,159	-0-	186,295	360,139	1,733,593
Accounts	6,580,813	-0-	-0-	368,242	6,949,055
Less: Allowance for Uncollectible	(3,156,985)	-0-	-0-	(11,886)	(3,168,871)
Due from Other Funds	7,786,473	-0-	-0-	-0-	7,786,473
Due from Other Governments	3,371,296	-0-	-0-	1,147,616	4,518,912
Inventories	37,304	-0-	-0-	-0-	37,304
Prepays	6,018	-0-	-0-	-0-	6,018
Restricted Assets:					
Cash and Cash Equivalents	-0-	-0-	-0-	3,091,767	3,091,767
Investments	-0-	-0-	1,743,228	15,156,266	16,899,494
Total Assets	\$ 53,234,301	\$ 26,541,057	\$ 1,941,244	\$ 22,203,164	\$ 103,919,766
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 3,467,837	\$ 262,517	\$ -0-	\$ 475,835	\$ 4,206,189
Due to Other Funds	-0-	-0-	1,340,364	233,309	1,573,673
Due to Other Governments	78,181	-0-	-0-	-0-	78,181
Unearned Revenue	86,250	-0-	-0-	-0-	86,250
Deposits	221,345	-0-	-0-	1,700	223,045
Total Liabilities	\$ 3,853,613	\$ 262,517	\$ 1,340,364	\$ 710,844	\$ 6,167,338
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	\$ 1,002,251	\$ -0-	\$ 94,160	\$ -0-	\$ 1,096,411
Unavailable Revenue - Street Pavement	55,971	-0-	-0-	-0-	55,971
Total Deferred Inflows of Resources	\$ 1,058,222	\$ -0-	\$ 94,160	\$ -0-	\$ 1,152,382
FUND BALANCES					
Nonspendable	\$ 43,322	\$ -0-	\$ -0-	\$ 15,748,208	\$ 15,791,530
Restricted	1,773,777	-0-	-0-	4,315,087	6,088,864
Committed	181,062	26,278,540	506,720	1,475,930	28,442,252
Assigned	-0-	-0-	-0-	-0-	-0-
Unassigned (Deficit)	46,324,305	-0-	-0-	(46,905)	46,277,400
Total Fund Balances	\$ 48,322,466	\$ 26,278,540	\$ 506,720	\$ 21,492,320	\$ 96,600,046

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Balance Sheet - Governmental Funds

As of September 30, 2019

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

Total Fund Balance, Governmental Funds	\$	96,600,046
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 \$83,136,026 and less internal service fund net position of \$881,546		
		82,254,480
Certain other deferred outflows are not available in the current period, and therefore, are deferred in the funds		
		3,352,279
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:		
Accrued interest payable	(	564,558)
Revenue bonds payable	(	64,325,000)
Notes payable	(	1,179,000)
Unamortized debt discount	(	3,880,128)
Accrued compensated absences	(	11,696,073)
Unfunded OPEB obligation	(	76,070,100)
Net pension obligation (and related deferrals, net)	(	67,676,177)
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>2,416,153</u>)
Net Position of Governmental Activities	(\$	<u><u>45,600,384</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, 2019

	General	Capital Improvement Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 34,290,832	\$ -0-	\$ 4,749,309	\$ 865,793	\$ 39,905,934
Sales	19,962,832	-0-	-0-	-0-	19,962,832
Franchise	4,232,646	-0-	-0-	-0-	4,232,646
Motel	-0-	-0-	-0-	2,962,173	2,962,173
Mixed Drink	399,016	-0-	-0-	-0-	399,016
Bingo	44,149	-0-	-0-	-0-	44,149
Licenses and Permits	922,653	-0-	-0-	91,645	1,014,298
Intergovernmental	2,130,404	-0-	-0-	3,291,280	5,421,684
Charges for Services	9,714,016	-0-	-0-	203,436	9,917,452
Fines and Forfeits	3,088,295	-0-	-0-	-0-	3,088,295
Investment Income:					
Interest	1,009,086	853,516	83,339	407,008	2,352,949
Change in Fair Value of Investments	4,040,924	744,122	(240,851)	(95,794)	4,448,401
Miscellaneous:					
Gifts and Contributions	47,698	-0-	-0-	296,555	344,253
Program Income	-0-	-0-	-0-	2,533	2,533
Other Miscellaneous	990,378	-0-	2,499,452	124,232	3,614,062
Total Revenues	\$ 80,872,929	\$ 1,597,638	\$ 7,091,249	\$ 8,148,861	\$ 97,710,677
EXPENDITURES					
Current:					
General Government	\$ 10,429,050	\$ -0-	\$ -0-	\$ -0-	\$ 10,429,050
Public Safety	42,620,777	10,000	-0-	508,535	43,139,312
Public Works and Transportation	10,957,043	-0-	-0-	356,930	11,313,973
Public Facilities	1,033,854	-0-	-0-	-0-	1,033,854
Health and Human Services	1,613,625	-0-	-0-	1,646,462	3,260,087
Culture, Parks and Recreation	6,012,501	-0-	-0-	1,105,554	7,118,055
Economic Development	-0-	-0-	-0-	831,623	831,623
Urban Redevelopment and Housing	-0-	-0-	-0-	938,963	938,963
Total Current Expenditures	\$ 72,666,850	\$ 10,000	\$ -0-	\$ 5,388,067	\$ 78,064,917
Capital Outlay	5,074,661	5,748,695	-0-	639,135	11,462,491
Debt Service:					
Principal	-0-	-0-	4,945,000	107,000	5,052,000
Interest and Fiscal Charges	-0-	-0-	2,467,252	37,153	2,504,405
Total Expenditures	\$ 77,741,511	\$ 5,758,695	\$ 7,412,252	\$ 6,171,355	\$ 97,083,813
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 3,131,418	(\$ 4,161,057)	(\$ 321,003)	\$ 1,977,506	\$ 626,864
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ 9,483,086	\$ -0-	\$ 200,000	\$ 1,523,406	\$ 11,206,492
Proceeds from Sale of Capital Assets	43	-0-	-0-	76,469	76,512
Transfers Out	(2,134,615)	-0-	-0-	(2,730,538)	(4,865,153)
Total Other Sources (Uses)	\$ 7,348,514	\$ -0-	\$ 200,000	(\$ 1,130,663)	\$ 6,417,851
Net Change in Fund Balances	\$ 10,479,932	(\$ 4,161,057)	(\$ 121,003)	\$ 846,843	\$ 7,044,715
Fund Balances - Beginning, as Previously Stated	54,104,239	14,177,892	627,723	20,645,477	89,555,331
Restatement of Beginning Fund Balance	(16,261,705)	16,261,705	-0-	-0-	-0-
Fund Balances - Ending	\$ 48,322,466	\$ 26,278,540	\$ 506,720	\$ 21,492,320	\$ 96,600,046

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, 2019

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	\$	7,044,715
Amounts reported for governmental activities in the Statement of Net Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases		10,053,519
Depreciation expense	(	7,397,611)
Capital assets disposals	(	56,125)
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	(	245,861)
Interest expense		22,408
Governmental funds report revenue not collected within the availability period as Unavailable Revenue, but on the Statement of Activities these revenues are recognized and the deferred inflow of resources is eliminated:		
Property taxes		107,656
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Revenue bond principal payment		4,945,000
Note payable principal payment		107,000
Revenue bond premium		631,103
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:		
Change in compensated absences		809,817
Change in total OPEB liability		2,337,237
Change in net pension liability	(	6,454,631)
The internal service funds are used by management to charge the costs of fleet management and risk management to individual funds. The net revenue of certain activities of internal service funds is reported in the governmental activities.		
	(	3,358,186)
Change in Net Position of Governmental Activities	\$	<u>8,546,041</u>

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Statement of Net Position - Proprietary Funds

As of September 30, 2019

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise Funds	Total	Activities - Internal Service Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 7,465,729	\$ 2,833,370	\$ 5,406,406	\$ 15,705,505	\$ 3,897,657
Investments	10,608,565	9,766	5,762,941	16,381,272	2,054,626
Receivables:					
Accrued Interest	97,713	59,986	59,891	217,590	7,828
Accounts Receivable	7,584,074	2,990,856	1,738,667	12,313,597	207,517
Less: Allowance for Uncollectibles	(1,645,897)	(470,973)	(80,064)	(2,196,934)	(34,931)
Due From Other Governments	-0-	-0-	65,116	65,116	-0-
Inventories	468,262	60,054	-0-	528,316	51,237
Restricted Assets:					
Cash and Cash Equivalents	-0-	7,525,301	5,147,448	12,672,749	-0-
Investments	13,934,006	11,880,398	569,430	26,383,834	-0-
Closure and Post-Closure Trust Fund	-0-	-0-	5,929,648	5,929,648	-0-
Total Current Assets	\$ 38,512,452	\$ 24,888,758	\$ 24,599,483	\$ 88,000,693	\$ 6,183,934
Noncurrent Assets:					
Capital Assets:					
Land	\$ 45,600,280	\$ 3,781,119	\$ 3,084,627	\$ 52,466,026	\$ -0-
Buildings	9,301,952	240,039	31,048,755	40,590,746	390,269
Improvements Other Than Buildings	14,248,735	10,089,039	18,206,201	42,543,975	5,303,405
Infrastructure	212,519,913	71,894,920	19,207,178	303,622,011	-0-
Machinery and Equipment	11,936,919	11,987,342	5,848,599	29,772,860	9,779,243
Water Rights	36,950,835	-0-	-0-	36,950,835	-0-
Construction in Progress	6,406,401	4,917,039	3,907,552	15,230,992	-0-
Less: Accumulated Depreciation	(79,860,497)	(50,047,974)	(51,522,705)	(181,431,176)	(14,591,371)
Net Capital Assets	\$ 257,104,538	\$ 52,861,524	\$ 29,780,207	\$ 339,746,269	\$ 881,546
Total Noncurrent Assets	\$ 257,104,538	\$ 52,861,524	\$ 29,780,207	\$ 339,746,269	\$ 881,546
Total Assets	\$ 295,616,990	\$ 77,750,282	\$ 54,379,690	\$ 427,746,962	\$ 7,065,480
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges	\$ -0-	\$ 463,258	\$ -0-	\$ 463,258	\$ -0-
Deferred Amounts Related to Pensions	1,691,264	773,027	764,530	3,228,821	550,421
Deferred Amounts Related to OPEB	-0-	73,645	-0-	73,645	39,932
Total Deferred Outflows of Resources	\$ 1,691,264	\$ 1,309,930	\$ 764,530	\$ 3,765,724	\$ 590,353
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 1,657,484	\$ 348,296	\$ 1,338,563	\$ 3,344,343	\$ 337,363
Accrued Interest Payable	156,857	51,585	5,617	214,059	-0-
Due to Other Funds	-0-	-0-	5,384,423	5,384,423	828,377
Deposits	1,469,220	-0-	-0-	1,469,220	-0-
Noncurrent Liabilities Due Within One Year	9,080,684	3,290,743	224,042	12,595,469	1,380,073
Total Current Liabilities	\$ 12,364,245	\$ 3,690,624	\$ 6,952,645	\$ 23,007,514	\$ 2,545,813
Noncurrent Liabilities:					
Net Pension Liability	\$ 5,744,501	\$ 2,134,103	\$ 2,241,394	\$ 10,119,998	\$ 1,522,915
Total OPEB Liability	7,521,710	3,284,443	1,855,490	12,661,643	3,609,724
Noncurrent Liabilities Due After One Year	117,877,272	13,171,013	5,321,938	136,370,223	2,228,976
Total Noncurrent Liabilities	\$ 131,143,483	\$ 18,589,559	\$ 9,418,822	\$ 159,151,864	\$ 7,361,615
Total Liabilities	\$ 143,507,728	\$ 22,280,183	\$ 16,371,467	\$ 182,159,378	\$ 9,907,428
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue	\$ 131,525	\$ -0-	\$ -0-	\$ 131,525	\$ -0-
Deferred Amounts Related to Pensions	198,899	110,775	171,047	480,721	157,322
Deferred Amounts Related to OPEB	162,597	-0-	60,652	223,249	7,236
Total Deferred Inflows of Resources	\$ 493,021	\$ 110,775	\$ 231,699	\$ 835,495	\$ 164,558
NET POSITION					
Net Investment in Capital Assets	\$ 134,925,681	\$ 36,675,527	\$ 29,359,367	\$ 200,960,575	\$ 881,546
Restricted for:					
Debt Service	11,509,597	7,320,949	-0-	18,830,546	-0-
Asset Construction and Acquisition	2,500,000	-0-	-0-	2,500,000	-0-
Passenger Facility Charges	-0-	-0-	1,455,906	1,455,906	-0-
Landfill Closure and Post-Closure	-0-	-0-	5,929,648	5,929,648	-0-
Unrestricted (Deficit)	4,372,227	12,672,778	1,796,133	18,841,138	(3,297,699)
Total Net Position	\$ 153,307,505	\$ 56,669,254	\$ 38,541,054	\$ 248,517,813	(\$ 2,416,153)

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, 2019

	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	\$ 34,000,289	\$ -0-	\$ -0-	\$ 34,000,289	\$ -0-
Sewer Service	-0-	16,383,726	-0-	16,383,726	-0-
Stormwater Fee	-0-	-0-	2,792,591	2,792,591	-0-
Solid Waste Service	-0-	-0-	1,972,294	1,972,294	-0-
Rents, Leases, and Fees	633,400	192,171	1,230,022	2,055,593	-0-
Billing and Collection	1,893,852	-0-	-0-	1,893,852	-0-
Paving Cuts, Taps, and Connections	351,819	72,026	-0-	423,845	-0-
Other	87,000	12,686	17,665	117,351	-0-
Unpledged:					
Rents, Leases, and Fees	-0-	-0-	1,635,190	1,635,190	-0-
Sales and Service	-0-	-0-	-0-	-0-	15,503,097
Other	-0-	-0-	276,600	276,600	346,519
Total Operating Revenues	\$ 36,966,360	\$ 16,660,609	\$ 7,924,362	\$ 61,551,331	\$ 15,849,616
OPERATING EXPENSES					
Cost of Sales and Services	\$ 5,983,392	\$ 4,699,111	\$ 5,545,278	\$ 16,227,781	\$ 16,257,522
Administrative	5,847,248	-0-	6,906	5,854,154	-0-
Depreciation	4,193,409	3,275,712	2,819,358	10,288,479	3,632,167
Total Operating Expenses	\$ 16,024,049	\$ 7,974,823	\$ 8,371,542	\$ 32,370,414	\$ 19,889,689
Operating Income (Loss)	\$ 20,942,311	\$ 8,685,786	(\$ 447,180)	\$ 29,180,917	(\$ 4,040,073)
NONOPERATING REVENUES (EXPENSES)					
Interest	\$ 501,402	\$ 463,151	\$ 409,308	\$ 1,373,861	\$ 87,235
Change in Fair Value of Investments	(890,271)	(1,642,790)	(874,905)	(3,407,966)	(283,875)
Interest Expense and Fiscal Agent Fees	(3,170,675)	(566,032)	(15,791)	(3,752,498)	-0-
Gain on Sale of Capital Assets	841,629	151,760	-0-	993,389	-0-
Total Nonoperating Revenues (Expenses)	(\$ 2,717,915)	(\$ 1,593,911)	(\$ 481,388)	(\$ 4,793,214)	(\$ 196,640)
Income (Loss) Before Contributions and Transfers	\$ 18,224,396	\$ 7,091,875	(\$ 928,568)	\$ 24,387,703	(\$ 4,236,713)
CONTRIBUTIONS AND TRANSFERS					
Contributions:					
Federal Grants	\$ 148	\$ -0-	\$ 1,163,654	\$ 1,163,802	\$ -0-
Capital Contributions	-0-	-0-	6,708	6,708	123,070
Total Contributions	\$ 148	\$ -0-	\$ 1,170,362	\$ 1,170,510	\$ 123,070
Transfers In	1,643,330	373,534	95,000	2,111,864	770,525
Transfers Out	(4,908,442)	(3,177,856)	(1,122,362)	(9,208,660)	(15,068)
Total Contributions and Transfers	(\$ 3,264,964)	(\$ 2,804,322)	\$ 143,000	(\$ 5,926,286)	\$ 878,527
Change in Net Position	\$ 14,959,432	\$ 4,287,553	(\$ 785,568)	\$ 18,461,417	(\$ 3,358,186)
Net Position - Beginning	138,348,073	52,381,701	39,326,622	230,056,396	942,033
Net Position - Ending	\$ 153,307,505	\$ 56,669,254	\$ 38,541,054	\$ 248,517,813	(\$ 2,416,153)

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, 2019

	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	\$ 38,544,008	\$ 16,691,184	\$ 7,587,325	\$ 62,822,517	\$ -0-
Cash Received From Other Governments	-0-	-0-	148,640	148,640	-0-
Cash Payments to Other Funds	-0-	(4,596,874)	-0-	(4,596,874)	-0-
Cash Received From Other Funds for Interfund Services Provided	-0-	-0-	-0-	-0-	14,273,282
Cash Received From Reinsurance	-0-	-0-	-0-	-0-	1,597,828
Cash Received From Meter Deposits	193,035	-0-	-0-	193,035	-0-
Cash Paid to Suppliers for Goods and Services	(8,353,020)	(3,215,585)	(3,350,758)	(14,919,363)	(7,625,328)
Cash Paid for Insurance Claims and Premiums	-0-	-0-	-0-	-0-	(6,652,979)
Cash Paid for Employees' Services and Benefits	(5,047,584)	(2,027,015)	(2,317,156)	(9,391,755)	(1,623,872)
Interfund Receipts/Payments	-0-	-0-	(181,059)	(181,059)	-0-
Net Cash Provided (Used) by Operating Activities	<u>\$ 25,336,439</u>	<u>\$ 6,851,710</u>	<u>\$ 1,886,992</u>	<u>\$ 34,075,141</u>	<u>(\$ 31,069)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	\$ 1,643,330	\$ 373,534	\$ -0-	\$ 2,016,864	\$ 770,525
Transfers Out	(4,908,442)	(3,177,856)	(1,027,362)	(9,113,660)	(15,068)
Short-Term Interfund Loans Received	-0-	-0-	-0-	-0-	6,697
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(\$ 3,265,112)</u>	<u>(\$ 2,804,322)</u>	<u>(\$ 1,027,362)</u>	<u>(\$ 7,096,796)</u>	<u>\$ 762,154</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(\$ 4,345,527)	(\$ 3,107,899)	(\$ 1,147,605)	(\$ 8,601,031)	(\$ 52,282)
Principal Paid on Debt	(8,109,645)	(3,108,050)	(180,775)	(11,398,470)	-0-
Interest Paid on Debt	(3,163,529)	(705,908)	(20,418)	(3,889,855)	-0-
Cash Paid for Water Rights Obligation	(753,424)	-0-	-0-	(753,424)	-0-
Capital Grants Received	148	-0-	1,170,362	1,170,510	-0-
Net Cash Provided by Capital and Related Financing Activities	<u>(\$ 16,371,977)</u>	<u>(\$ 6,921,857)</u>	<u>(\$ 178,436)</u>	<u>(\$ 23,472,270)</u>	<u>(\$ 52,282)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale (Purchase) of Investments	(\$ 340,017)	(\$ 164,727)	(\$ 87,730)	(\$ 592,474)	(\$ 28,465)
Interest Received on Investments	479,178	442,622	396,324	1,318,124	84,103
Net Cash Provided (Used) by Investing Activities	<u>\$ 139,161</u>	<u>\$ 277,895</u>	<u>\$ 308,594</u>	<u>\$ 725,650</u>	<u>\$ 55,638</u>
Net Increase (Decrease) in Cash	\$ 5,838,511	(\$ 2,596,574)	\$ 989,788	\$ 4,231,725	\$ 734,441
Cash - Beginning	1,627,218	12,955,245	9,564,066	24,146,529	3,163,216
Cash - Ending	<u>\$ 7,465,729</u>	<u>\$ 10,358,671</u>	<u>\$ 10,553,854</u>	<u>\$ 28,378,254</u>	<u>\$ 3,897,657</u>
CASH ON STATEMENT OF NET POSITION					
Current Assets	\$ 7,465,729	\$ 2,833,370	\$ 5,406,406	\$ 15,705,505	\$ 3,897,657
Restricted Assets	-0-	7,525,301	5,147,448	12,672,749	-0-
Total	<u>\$ 7,465,729</u>	<u>\$ 10,358,671</u>	<u>\$ 10,553,854</u>	<u>\$ 28,378,254</u>	<u>\$ 3,897,657</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, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 20,942,311	\$ 8,685,793	(\$ 440,443)	\$ 29,187,661	(\$ 3,916,984)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation	4,193,409	3,275,712	2,819,358	10,288,479	3,632,167
(Increase) Decrease in:					
Accounts Receivable	1,593,969	30,574	14,430	1,638,973	53,073
Other Receivable	-0-	-0-	(351,467)	(351,467)	-0-
Due From Other Funds	-0-	(4,596,874)	-0-	(4,596,874)	-0-
Due From Other Governments	-0-	-0-	148,640	148,640	-0-
Inventories	27,487	(8,919)	-0-	18,568	12,846
Deferred Charges	(16,321)	-0-	-0-	(16,321)	-0-
Deferred Outflow Pension	(1,046,619)	(549,268)	(458,713)	(2,054,600)	(241,114)
Deferred Outflow OPEB	-0-	(73,645)	-0-	(73,645)	(34,687)
Increase (Decrease) in:					
Accounts Payable	(1,096,248)	(818,246)	(267,457)	(2,181,951)	(188,091)
Due To Other Funds	-0-	-0-	(181,059)	(181,059)	-0-
Due To Component Unit	-0-	-0-	1,741	1,741	-0-
Insurance Claims Payable	-0-	-0-	-0-	-0-	236,247
Total OPEB Liability	(588,690)	355,751	(232,248)	(465,187)	186,600
Net Pension Liability	1,819,139	856,036	713,471	3,388,646	474,159
Compensated Absences	19,758	(9,384)	46,929	57,303	71,535
Deferred Inflow OPEB	(242,536)	(146,295)	(43,636)	(432,467)	(139,335)
Deferred Inflow Pension	(462,255)	(149,525)	(111,811)	(723,591)	(177,485)
Landfill Postclosure Liability	-0-	-0-	229,257	229,257	-0-
Customer Deposits	193,035	-0-	-0-	193,035	-0-
Net Cash Provided (Used) by Operating Activities	<u>\$ 25,336,439</u>	<u>\$ 6,851,710</u>	<u>\$ 1,886,992</u>	<u>\$ 34,075,141</u>	<u>(\$ 31,069)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Gain (Loss) on Disposal of Capital Assets	(\$ 841,629)	\$ 100,284	\$ -0-	(\$ 741,345)	\$ -0-
Amortization of Premiums and Discounts	\$ 7,146	(\$ 327,163)	(\$ 4,627)	(\$ 324,644)	\$ -0-
Change in Fair Value of Investments	(\$ 890,271)	(\$ 122,204)	(\$ 874,905)	(\$ 1,887,380)	(\$ 283,875)
Amortization of Loss on Refunding	\$ -0-	(\$ 26,452)	\$ -0-	(\$ 26,452)	\$ -0-
Transfer of Capital Assets	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Statement of Net Position - Fiduciary Funds

As of September 30, 2019

	Agency	
	CJC	
ASSETS		
Cash and Cash Equivalents	\$	346,475
Total Assets	\$	346,475
LIABILITIES		
Due to Other Governments	\$	346,475
Total Liabilities	\$	346,475

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, 2019

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 (GAAP). 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

In evaluating the City's financial reporting entity, management has considered all potential component units as required by GAAP. Organizations are included if the City is financially accountable for them, or the nature and significance of their relationship with the City are such that exclusion would cause the financial statements to be misleading or incomplete. Inclusion is determined based on the City's ability to exercise significant influence. Significant influence or accountability is based primarily on its operational or financial relationship with the City (as distinct from a legal relationship).

The City is financially accountable if it appoints a voting majority of an organization's governing body and is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. The City also is financially accountable if an organization is fiscally dependent on the City and potentially provides specific financial benefits to, or imposes specific financial burdens on the City.

Blended Component Units

Blended component units, although legally separate entities, are reported as part of the primary government because they meet the criteria above and are so intertwined with the City that they are, in substance, the same as the City. The blended component unit below is reported as part of the primary government:

Keep San Angelo Beautiful (KSAB) was created as a non-profit entity on August 21, 2018, and the City Council approved the by-laws and authorized funding for a period of three years beginning in 2019. After the third year, KSAB will be funded through other sources. The purpose of KSAB is to promote civic, cultural, and educational awareness through informed and active participation of citizens in making San Angelo cleaner, safer, and a more attractive place to visit, live, work, and play. Although it is legally separate from the City of San Angelo, the KSAB Board of Directors includes a City of San Angelo employee and councilmember. The City has financial accountability, and a financial benefit/burden relationship exists, which allows the City to impose its will. Therefore, KSAB has been blended in the City's basic financial statements as a nonmajor special revenue fund.

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 OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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.

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.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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.

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. Fiduciary 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. Fiduciary funds are not included in the government-wide statements.

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, a fiduciary fund, has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities. Fiduciary funds are not included in the government-wide financial statements.

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:

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

- *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.
- *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.
- *Keep San Angelo Beautiful fund* accounts for funds contributed by the City and San Angelo citizens.

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.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

- *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.

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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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.

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,

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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

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 is 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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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.

Postemployment Plans

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

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, 2019. 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.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

- 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 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.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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.

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. As of January 1, 2020, SB2/HB2, the Texas Property Tax Reform and Transparency Act of 2019, reduces the 8% to 3.5%.

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 second month following receipt by the State Comptroller. The sales tax is recorded as follows:

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

- 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 primarily invested in various new economic development initiatives and in efforts to retain existing businesses. Amounts are also 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.

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 \$20,473 as of September 30, 2019. The Workers' Compensation Insurance Fund, an internal service fund, had a deficit fund balance of \$784,786 as of September 30, 2019. The Communications Fund, an internal service fund, had a deficit fund balance of \$278,367 as of September 30, 2019. The Vehicle Maintenance Fund, an internal service fund, had a deficit fund balance of \$1,957,003 as of September 30, 2019.

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.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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).

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, 2019, 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
U.S. Agencies:						
FRMAC	1	AAA	\$ 7,765,094	\$ 2,749,612	\$ 5,015,482	\$ -0-
FFCB	1	AAA	35,034,393	9,544,186	25,490,207	-0-
FHLB	1	AAA	39,489,522	26,286,458	13,203,064	-0-
FHLMC	1	AAA	11,745,515	5,245,485	6,500,030	-0-
FNMA	1	AAA	10,491,036	9,493,093	997,943	-0-
Total Reported in Investments			<u>\$ 104,525,560</u>	<u>\$ 53,318,834</u>	<u>\$ 51,206,726</u>	<u>\$ -0-</u>

Investments on Statement of Net Position	Governmental	Business-type	Total
	Activities	Activities	
Current Investments	\$ 44,860,960	\$ 16,381,272	\$ 61,242,232
Restricted Investments	16,899,494	26,383,834	43,283,328
Total Investments	<u>\$ 61,760,454</u>	<u>\$ 42,765,106</u>	<u>\$ 104,525,560</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).

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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

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

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

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.

Commercial paper is restricted by law and the City's policy to that rated A1/P1 and with a maximum stated maturity of 180 days.

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.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

As of September 30, 2019 in the City's Operating Portfolio,

- US Government Agency Securities (non-MBS) represented 60.59% of the portfolio,
- FDIC insured or collateralized bank accounts represented 39.40% of the total City portfolio.

As of September 30, 2019, in the Lake Nasworthy Portfolio,

- US Government Securities (in four different agencies) represented 91.18% of the total Lake Nasworthy portfolio, and
- Fully insured or collateralized bank deposits represented 8.83% of the total Lake Nasworthy Portfolio.

Concentration of Credit Risk

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

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, 2019, the City's Total Operating Portfolio was in full compliance with the diversification parameters of the policy.

As of September 30, 2019, 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. The weighted average maturity (WAM) of the total City portfolio is restricted to a maximum weighted average maturity of one year. The maximum maturity limit is three years. The weighted average maturity (WAM) of the Lake Nasworthy policy is restricted to a maximum WAM of three years. Maximum maturity limit for the City is three years and ten years for Lake Nasworthy.

As of September 30, 2019, the City held fourteen structured securities (quarterly and continuously callable securities) with a total fair value of \$55,772,908.

As of September 30, 2019, in the City's Operating Portfolio,

- No holding had a stated maturity date beyond 1,060 days within the policy limits of three years maximum maturity, and
- The dollar-weighted average of the total portfolio was 291 days.

As of September 30, 2019 in the Lake Nasworthy Portfolio,

- No holding had a stated maturity date beyond 1,508 days within the policy limits of ten years maximum maturity, and
- The dollar-weighted average of the total portfolio was 492 days.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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, 2019, 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.

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. Agencies:						
FFCB	1	AAA	\$ 1,997,238	\$ -0-	\$ 1,997,238	\$ -0-
FHLB	1	AAA	6,000,533	6,000,533	-0-	-0-
FHLMC	1	AAA	2,000,009	-0-	2,000,009	-0-
Total Reported in Investments			<u>\$ 9,997,780</u>	<u>\$ 6,000,533</u>	<u>\$ 3,997,247</u>	<u>\$ -0-</u>

Investments on Statement of Net Position

Current Investments	\$ 9,997,780
Restricted Investments	-0-
Total Investments	<u>\$ 9,997,780</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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

mutual funds. All other investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies, or instrumentalities. State law and the Corporation's adopted Investment Policy requires a procedure to monitor and react to credit ratings and a requirement to verify FDIC insurance weekly.

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

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

By policy and state law, repurchase agreements are limited to those with defined termination dates executed with a Texas bank or primary dealer (as defined by the Federal Reserve). The agreements require an industry standard, written master repurchase agreement, and a minimum 102% margin on collateral as well as 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, 2019 in the Corporation's Portfolio,

- US Government Agency Securities (non-MBS) represented 57.73% of the portfolio, and
- FDIC insured or collateralized bank accounts represented 42.27% 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, 2019, the Corporation's Portfolio was in full compliance with the diversification parameters of the policy.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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.

The portfolio contained four structured notes (quarterly and continuous callables), which could be affected by interest rate changes and with a total fair value of \$9,997,780.

As of September 30, 2019, in the Corporation's Portfolio,

- No holding had a stated maturity date beyond 884 days within the policy limits of five years maximum maturity, and
- The dollar-weighted average of the total portfolio was 225 days.

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, 2019, 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, 2019 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	\$ 3,458,113	\$ -0-	\$ -0-	\$ -0-	\$ 3,458,113
Enforcement	1,093,779	-0-	-0-	-0-	1,093,779
COSADC	149,792	-0-	-0-	8,005	157,797
Demolition	574,162	-0-	-0-	-0-	574,162
Grants	823,483	-0-	-0-	40,658	864,141
Paving	55,971	-0-	-0-	11,690	67,661
Permits	80,712	-0-	-0-	-0-	80,712
Program Loans	-0-	-0-	-0-	139,461	139,461
Miscellaneous	344,801	-0-	-0-	168,428	513,229
Gross Accounts Receivable	\$ 6,580,813	\$ -0-	\$ -0-	\$ 368,242	\$ 6,949,055
Less: Allowance for Uncollectible	(3,156,985)	-0-	-0-	(11,886)	(3,168,871)
Net Accounts Receivable	\$ 3,423,828	\$ -0-	\$ -0-	\$ 356,356	\$ 3,780,184
Internal Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 207,517
Less: Allowance for Uncollectible	-0-	-0-	-0-	-0-	(34,931)
Net Accounts Receivable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 172,586
Total	\$ 3,423,828	\$ -0-	\$ -0-	\$ 356,356	\$ 3,952,770

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

Business-Type Activities

Receivables as of September 30, 2019 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	\$ 7,579,569	\$ 2,990,856	\$ 1,222,963	\$ 11,793,388
Meter Deposits	4,505	-0-	-0-	4,505
Miscellaneous	-0-	-0-	515,704	515,704
Gross Accounts Receivable	\$ 7,584,074	\$ 2,990,856	\$ 1,738,667	\$ 12,313,597
Less: Allowance for Uncollectible	(1,645,897)	(470,973)	(80,064)	(2,196,934)
Net Total Receivable	\$ 5,938,177	\$ 2,519,883	\$ 1,658,603	\$ 10,116,663

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	\$ -0-	\$ 1,743,228	\$ -0-
Deposits Held for Business Development	1,428,051	-0-	-0-
Deposits Held for Purposes Specified by Donors	216,627	953,690	-0-
Deposits Held for Park Improvements	13,925	-0-	-0-
Deposits Held for Lake Nasworthy Improvements	1,433,164	14,202,576	-0-
Total Governmental Activities	\$ 3,091,767	\$ 16,899,494	\$ -0-
Business-type Activities			
Deposits Held for Debt Service	\$ 3,484,670	\$ 619,856	\$ -0-
Deposits Held for Capital Projects	6,874,000	25,194,548	-0-
Deposits Held for Airport Construction	5,147,449	569,430	-0-
Deposits Held for Landfill Closure and Post-Closure	-0-	-0-	5,929,648
Total Business-type Activities	\$ 15,506,119	\$ 26,383,834	\$ 5,929,648

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

IV.D. Capital Assets

Current year changes in capital assets are summarized below:

Governmental Activities

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<u>Assets Not Being Depreciated:</u>					
Land	\$ 4,500,106	\$ 66,027	\$ -0-	\$ -0-	\$ 4,566,133
Construction in Progress	19,018,879	6,731,297	-0-	(3,464,752)	22,285,424
Total Non-Depreciable	<u>\$ 23,518,985</u>	<u>\$ 6,797,324</u>	<u>\$ -0-</u>	<u>(\$ 3,464,752)</u>	<u>\$ 26,851,557</u>
<u>Assets Being Depreciated:</u>					
Buildings	\$ 60,907,361	\$ -0-	\$ -0-	\$ 3,168,235	\$ 64,075,596
Improvements Other Than Buildings	43,889,460	-0-	-0-	296,517	44,185,977
Infrastructure	27,814,848	-0-	-0-	-0-	27,814,848
Machinery and Equipment	43,621,425	3,352,283	(3,526,862)	93,367	43,540,213
Total Depreciable	<u>\$ 176,233,094</u>	<u>\$ 3,352,283</u>	<u>(\$ 3,526,862)</u>	<u>\$ 3,558,119</u>	<u>\$ 179,616,634</u>
<u>Less Accumulated Depreciation:</u>					
Buildings	\$ 37,955,671	\$ 2,034,298	\$ -0-	\$ -0-	\$ 39,989,969
Improvements Other Than Buildings	23,162,158	3,129,938	-0-	-0-	26,292,096
Infrastructure	19,563,403	232,078	-0-	-0-	19,795,481
Machinery and Equipment	34,954,718	5,633,464	(3,428,523)	94,960	37,254,619
Total Accumulated Depreciation	<u>\$ 115,635,950</u>	<u>\$ 11,029,778</u>	<u>(\$ 3,428,523)</u>	<u>\$ 94,960</u>	<u>\$ 123,332,165</u>
Assets Being Depreciated – Net	<u>\$ 60,597,144</u>	<u>(\$ 7,677,495)</u>	<u>(\$ 98,339)</u>	<u>\$ 3,463,159</u>	<u>\$ 56,284,469</u>
Governmental Activities Capital Assets - Net	<u>\$ 84,116,129</u>	<u>(\$ 880,171)</u>	<u>(\$ 98,339)</u>	<u>(\$ 1,593)</u>	<u>\$ 83,136,026</u>

Business-type Activities

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<u>Assets Not Being Depreciated:</u>					
Land	\$ 52,395,980	\$ 105,902	(\$ 35,856)	\$ -0-	\$ 52,466,026
Construction in Progress	136,019,946	8,113,357	-0-	(128,902,311)	15,230,992
Water Rights	36,950,835	-0-	-0-	-0-	36,950,835
Total Non- Depreciable	<u>\$225,366,761</u>	<u>\$ 8,219,259</u>	<u>(\$ 35,856)</u>	<u>(\$128,902,311)</u>	<u>\$104,647,853</u>
<u>Assets Being Depreciated:</u>					
Buildings	\$ 31,431,920	\$ 14,750	\$ -0-	\$ 9,144,076	\$ 40,590,746
Improvements Other Than Buildings	38,488,381	-0-	-0-	4,055,594	42,543,975
Infrastructure	187,919,370	-0-	-0-	115,702,641	303,622,011
Machinery and Equipment	29,222,395	1,566,090	(922,258)	(93,367)	29,772,860
Total Depreciable	<u>\$287,062,066</u>	<u>\$ 1,580,840</u>	<u>(\$ 922,258)</u>	<u>\$ 128,808,944</u>	<u>\$416,529,592</u>
<u>Less Accumulated Depreciation:</u>					
Buildings	\$ 21,046,461	\$ 743,424	\$ -0-	\$ -0-	\$ 21,789,885
Improvements Other Than Buildings	23,908,965	3,618,421	-0-	-0-	27,527,386
Infrastructure	108,601,583	3,549,438	-0-	-0-	112,151,021
Machinery and Equipment	18,424,782	2,377,196	(744,134)	(94,960)	19,962,884
Total Accumulated Depreciation	<u>\$171,981,791</u>	<u>\$ 10,288,479</u>	<u>(\$ 744,134)</u>	<u>(\$ 94,960)</u>	<u>\$181,431,176</u>
Assets Being Depreciated – Net	<u>\$115,080,275</u>	<u>(\$ 8,707,639)</u>	<u>(\$ 178,124)</u>	<u>\$ 128,903,904</u>	<u>\$235,098,416</u>
Business-type Activities Capital Assets - Net	<u>\$340,447,036</u>	<u>(\$ 488,380)</u>	<u>(\$ 213,980)</u>	<u>\$ 1,593</u>	<u>\$339,746,269</u>

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

Discretely Presented Component Unit – Development Corporation

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<u>Assets Not Being Depreciated:</u>					
Land	\$ 85,728	\$ -0-	(\$ 16,333)	\$ -0-	\$ 69,395
Total Non-Depreciable	<u>\$ 85,728</u>	<u>\$ -0-</u>	<u>(\$ 16,333)</u>	<u>\$ -0-</u>	<u>\$ 69,395</u>
<u>Assets Being Depreciated:</u>					
Buildings	\$ 2,004,967	\$ -0-	\$ -0-	\$ -0-	\$ 2,004,967
Improvements Other Than Buildings	792,983	-0-	(166,588)	-0-	626,395
Total Depreciable	<u>\$ 2,797,950</u>	<u>\$ -0-</u>	<u>(\$ 166,588)</u>	<u>\$ -0-</u>	<u>\$ 2,631,362</u>
<u>Less Accumulated Depreciation:</u>					
Buildings	\$ 770,218	\$ 100,247	\$ -0-	\$ -0-	\$ 870,465
Improvements Other Than Buildings	-0-	-0-	-0-	-0-	-0-
Total Accumulated Depreciation	<u>\$ 770,218</u>	<u>\$ 100,247</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 870,465</u>
Assets Being Depreciated – Net	<u>\$ 2,027,732</u>	<u>(\$ 100,247)</u>	<u>(\$ 166,588)</u>	<u>\$ -0-</u>	<u>\$ 1,760,897</u>
Governmental Activities Capital Assets - Net	<u>\$ 2,113,460</u>	<u>(\$ 100,247)</u>	<u>(\$ 182,921)</u>	<u>\$ -0-</u>	<u>\$ 1,830,292</u>

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

<u>Governmental Activities:</u>		
General Government	\$	106,751
Public Safety		1,998,741
Public Works and Transportation		976,772
Public Facilities		2,464,314
Health and Human Services		73,410
Culture, Parks, and Recreation		1,776,115
Urban Redevelopment and Housing		1,508
Capital Assets Held by the City's Internal Service Funds are Charged to the Various Functions on Their Usage of the Assets		<u>3,632,167</u>
Total Depreciation Expense – Governmental Activities	<u>\$</u>	<u>11,029,778</u>
<u>Business-type Activities:</u>		
Water	\$	4,193,409
Sewer		3,275,712
Stormwater		340,944
Solid Waste		15,563
Airport		2,227,149
State Office Building		235,702
Total Depreciation Expense – Business-type Activities	<u>\$</u>	<u>10,288,479</u>
<u>Discretely Presented Component Unit:</u>		
Development Corporation	<u>\$</u>	<u>100,247</u>

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

IV.E. Interfund Receivables, Payables, and Transfers

Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2019 consist of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Sales Tax Capital Project Fund	\$ 233,309
General Fund	Airport Fund	5,284,499
General Fund	Debt Service Fund	1,340,364
General Fund	State Office Building Fund	99,924
General Fund	Communications Fund	828,377
Total Interfund		<u>\$ 7,786,473</u>

Reconciliation to Fund Financial Statements:	Due From Other Funds	Due To Other Funds
Governmental Funds	\$ 7,786,473	\$ 1,573,673
Internal Service Funds	-0-	828,377
Enterprise Funds	-0-	5,384,423
Total	<u>\$ 7,786,473</u>	<u>\$ 7,786,473</u>

Interfund Transfers

Reconciliation to Fund Financial Statements:	Transfers to Other Funds	Transfers from Other Funds
<u>Governmental Funds:</u>		
General Fund	\$ 2,134,615	\$ 9,483,086
Capital Improvement Fund	-0-	-0-
Debt Service Fund	-0-	200,000
Other Governmental Funds	2,730,538	1,523,406
Total Governmental Funds	<u>\$ 4,865,153</u>	<u>\$ 11,206,492</u>
<u>Proprietary Funds:</u>		
Enterprise Funds:		
Water Enterprise Fund	\$ 4,908,442	\$ 1,643,330
Sewer Enterprise Fund	3,177,856	373,534
Other Enterprise Funds	1,122,362	95,000
Total Enterprise Funds	<u>\$ 9,208,660</u>	<u>\$ 2,111,864</u>
Internal Service Funds	\$ 15,068	\$ 770,525
Total Proprietary Funds	<u>\$ 9,223,728</u>	<u>\$ 2,882,389</u>
Totals	<u>\$ 14,088,881</u>	<u>\$ 14,088,881</u>

Reconciliation to Statement of Activities:	Transfers to Other Funds	Transfers From Other Funds	Transfer of Capital Assets	Net Transfers
<u>Net Transfers for Governmental Activities:</u>				
Governmental Funds	(\$ 4,865,153)	\$ 11,206,492	\$ -0-	\$ 6,341,339
Internal Service Fund	(15,068)	770,525	-0-	755,457
Total Net Transfers for Governmental Activities	<u>(\$ 4,880,221)</u>	<u>\$ 11,977,017</u>	<u>\$ -0-</u>	<u>\$ 7,096,796</u>
<u>Net Transfers for Business-type Activities:</u>				
Enterprise Funds	(\$ 9,208,660)	\$ 2,111,864	\$ -0-	(\$ 7,096,796)
Total Net Transfers for Business-type Activities	<u>(\$ 9,208,660)</u>	<u>\$ 2,111,864</u>	<u>\$ -0-</u>	<u>(\$ 7,096,796)</u>

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

Interfund Transfers for the year ended September 30, 2019 were as follows:

Transfer From	Transfer To	Amount	Nature of Interfund Balance
General Fund	Capital Projects Fund	\$ 923,377	Capital Projects
Intergovernmental Fund	General Fund	6,117	Time Clock System
Hotel Tax Fund	Fort Concho Fund	753,709	Hotel Occupancy Tax
Hotel Tax Fund	Civic Events Fund	1,326,924	Hotel Occupancy Tax
Hotel Tax Fund	Texas Bank Sports Complex Fund	50,000	Hotel Occupancy Tax
General Fund	Debt Service Fund	200,000	Debt Service
Sewer Fund	Debt Service Fund	373,534	Debt Service
Sewer Fund	General Fund	819,342	Franchise Fees
Water Fund	General Fund	1,538,644	Franchise Fees
Solid Waste Fund	General Fund	255,000	Franchise Fees
State Office Building Fund	Fort Concho Fund	305,000	Building Rent
Water Fnd	Intergovernmental Fund	117,750	Local Match for MC Park
Home Fund	Capital Projects Fund	200,000	Animal Shelter Improvements
State Office Building Fund	Fort Concho Fund	125,083	Roof Repair Funding
Intergovernmental Fund	General Fund	87,264	Indirect Cost Allocation Plan
Airport Fund	General Fund	82,678	Indirect Cost Allocation Plan
State Office Building Fund	General Fund	19,802	Indirect Cost Allocation Plan
Stormwater Fund	General Fund	233,083	Indirect Cost Allocation Plan
Water Fund	General Fund	2,190,105	Indirect Cost Allocation Plan
Sewer Fund	General Fund	566,957	Indirect Cost Allocation Plan
General Fund	Property/Casualty Fund	340,452	Insurance Liability
Intergovernmental Fund	Property/Casualty Fund	31,549	Insurance Liability
Airport Fund	Property/Casualty Fund	92,612	Insurance Liability
Stormwater Fund	Property/Casualty Fund	3,837	Insurance Liability
Water Fund	Property/Casualty Fund	221,257	Insurance Liability
Sewer Fund	Property/Casualty Fund	60,483	Insurance Liability
State Office Building Fund	Property/Casualty Fund	5,267	Insurance Liability
Employee/Retiree Fund	Property/Casualty Fund	909	Insurance Liability
Vehicle Maintenance Fund	Property/Casualty Fund	14,159	Insurance Liability
Sewer Fund	Water Fund	1,357,540	Maintenance, Engineering, and Billing
General Fund	Intergovernmental	564,970	Local Match for Grants
Lake Nasworthy Fund	Water Fund	285,791	Investment Income for Capital Improvement
General Fund	Stormwater Fund	95,000	Mowing of Right of Ways and Easements
Water Fund	Lake Nasworthy Fund	840,686	Proceeds from Sale of Lake Land
		<u>\$ 14,088,881</u>	

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, 2019 were as follows:

Transfer From	Transfer To	Amount	Nature of Interfund Balance
Development Corporation	General Fund	\$ 208,072	Administrative Staff Services
Development Corporation	General Fund	412,531	Staff Services Contract
Development Corporation	General Fund	170,216	Airport Master Plan – Fire Sprinkler System
Development Corporation	Debt Service Fund	2,561,525	Debt Service Payment for Long-Term Debt
Development Corporation	Water Fund	2,700,000	Debt Service Payment for Long-Term Debt
Development Corporation	Capital Projects Fund	1,500,000	Chadbourne Street Project
Development Corporation	Water Fund	34,510	West Texas Water Partnership
		<u>\$ 7,586,854</u>	

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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 \$10,870,274 leaving the carrying amount at \$3,125,499. Total rent received during the year was \$2,918,298.

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, 2019 was \$585,920.

Operating Leases - City as a Lessee

The City rents copiers on a month-to-month basis. Total rental cost for the year was \$203,382.

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, 2019, the governmental activities long-term debt consisted of the following:

Accrued Compensated Absences:

Current Portion	\$	769,933
Noncurrent Portion		11,244,394
Total Accrued Compensated Absences	\$	<u>12,014,327</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.

\$ 1,460,000

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.

17,655,000

2017B General Refunding Bond, dated October 18, 2017, issued by the City of San Angelo, secured by ad valorem tax revenue, original issue amount of \$11,320,000, interest rate is 2.00%-5.00%, final maturity February 15, 2036, used for capital improvements. The bond's debt service is currently paid with ad valorem tax.

11,175,000

Total General Refunding Bonds \$ 30,290,000

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

Certificates of Obligation:

2011-A Series Certificate of Obligation, dated July 6, 2011, issued by the City of San Angelo, secured by combination tax and surplus revenue, original issue amount of \$13,780,000, interest rates from 2.00%-5.00%, final maturity February 15, 2036, used for capital improvements. The bond's debt service is currently paid with type B sales tax and surplus revenue. \$ 980,000

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. 7,320,000

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. 9,780,000

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. 1,600,000

2019 Series Certificate of Obligation, dated April 10, 2019, issued by the City of San Angelo, secured by pledged sales tax, original issue amount of \$16,500,000, interest rate at 3.00%-5.00%, final maturity February 15, 2038, used for construction projects. This bond's debt service is currently paid with property tax. 14,355,000

Total Certificates of Obligation	\$	34,035,000
Total Bonds Payable	\$	64,325,000
Add: Unamortized Bond Premium		3,880,128
Total Bonds Payable, Net	\$	68,205,128
Current Portion, Net	\$	5,215,000
Noncurrent Portion, Net		62,990,128
Total Bonds Payable, Net	\$	68,205,128

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. \$ 1,179,000

Current Portion	\$	107,000
Noncurrent Portion		1,072,000
Total Note Payable	\$	1,179,000

Changes in Long-Term Debt:

	Balance September 30, 2018	Additions	Deductions	Balance September 30, 2019	Amount Due in One Year
<u>Governmental Activities</u>					
Compensated Absences	\$ 12,719,384	\$ 631,426	\$ 1,336,484	\$ 12,014,326	\$ 769,933
Insurance Claims Payable	3,087,772	540,068	337,044	3,290,796	1,374,258
Bonds Payable	69,270,000	-0-	4,945,000	64,325,000	5,215,000
Unamortized Bond Premium	4,511,231	-0-	631,103	3,880,128	-0-
Note Payable	1,286,000	-0-	107,000	1,179,000	107,000
	\$ 90,874,387	\$ 1,171,494	\$ 7,356,631	\$ 84,689,250	\$ 7,466,191

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

Debt Service Requirements to Maturity:

For the Year Ending September 30,	Principal	Interest
2020	\$ 5,322,000	\$ 2,874,154
2021	4,547,000	2,739,422
2022	4,917,000	2,585,530
2023	4,227,000	2,411,973
2024	4,287,000	2,238,622
2025-2029	17,015,000	6,198,051
2030-2034	15,979,000	3,065,867
2035-2039	9,210,000	507,466
Total	<u>\$ 65,504,000</u>	<u>\$ 22,621,085</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, 2019, the business-type activities long-term debt consisted of the following:

Accrued Compensated Absences:

Current Portion	\$ 137,692
Noncurrent Portion	1,613,205
Total Accrued Compensated Absences	<u>\$ 1,750,897</u>

Landfill Postclosure Care Liability:

Landfill Postclosure Care Liability	<u>\$ 4,568,728</u>
-------------------------------------	---------------------

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. \$ 3,980,000

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. 4,164,200

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. 4,279,380

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. 123,539

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. 292,881

2014 Series General Obligation Refunding Bond, dated December 1, 2014, issued by the City of San Angelo, secured by ad valorem tax revenue, original issue amount of \$7,650,000, interest rates from 2.00% -4.00%, final maturity February 15, 2026, used for water and sewer improvements. 7,270,000

Total General Refunding Bonds	<u>\$ 20,110,000</u>
-------------------------------	----------------------

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

Revenue Bonds:

2017 Series Water and Sewer Revenue Bonds, 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.

	\$ 46,055,000
Total Revenue Bonds	\$ 46,055,000
Total Bonds Payable	\$ 66,165,000
Add: Unamortized Bond Premium	536,370
Total Bonds Payable, Net	\$ 66,701,370
Current Portion, Net	\$ 6,386,370
Noncurrent Portion, Net	60,315,000
Total Bonds Payable, Net	\$ 66,701,370

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.

	\$ 74,175,000
Promissory Note to City of San Angelo Development Corp.	137,124
	\$ 74,312,124
Current Portion	\$ 5,813,470
Noncurrent Portion, Net	68,498,654
Total Note Payable	\$ 74,312,124

Changes in Long-Term Debt:

	Balance September 30, 2018	Additions	Deductions	Balance September 30, 2019	Amount Due in One Year
<u>Business-type Activities</u>					
Compensated Absences	\$ 1,693,593	\$ 182,010	\$ 124,706	\$ 1,750,897	\$ 137,692
Water Rights Obligation	2,385,998	-0-	753,424	1,632,574	794,307
Landfill Postclosure	4,339,471	229,256	-0-	4,568,727	-0-
Bonds Payable	71,780,000	-0-	5,615,000	66,165,000	5,850,000
Unamortized Bond Premium	808,532	-0-	272,162	536,370	-0-
Note Payable	79,910,000	-0-	5,735,000	74,175,000	5,765,000
Promissory Note to COSADC	183,854	-0-	46,730	137,124	48,470
	\$ 161,101,448	\$ 411,266	\$12,547,022	\$ 148,965,692	\$12,595,469

Debt Service Requirements to Maturity:

For the Year Ending September 30,	Principal	Interest
2020	\$ 11,615,000	\$ 3,640,384
2021	11,980,000	3,356,346
2022	9,530,000	3,116,808
2023	9,615,000	2,933,192
2024	8,350,000	2,756,246
2025-2029	41,540,000	11,035,090
2030-2034	21,060,000	6,926,529
2031-2035	9,435,000	4,850,313
2040-2044	11,745,000	2,541,467
2045-2049	5,470,000	243,375
Total	\$ 140,340,000	\$ 41,399,750

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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, 2019, the balance of defeased bonds outstanding is \$11,480,000.

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 \$4,568,728 represents the cumulative amount to date based on the use of approximately 82.38% care of \$5,546,230 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, deflation, and changes in technology and/or applicable federal and state laws and regulations between now and the actual date of closure.

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, 2019, investments are held for these purposes. The total contributed by Republic Services as of September 30, 2019 is \$5,929,648.

Long-term Water Purchase Contracts

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

Colorado River Municipal Water District (CRMWD)

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

Project Name: Ivie Pipeline – Annual payments of \$717,867 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:

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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:

Fiscal Year	Spence	Ivie Pipeline	Total
2020	\$ 76,440	\$ 717,867	\$ 794,307
2021	76,440	761,827	838,267
Total Commitments	<u>\$ 152,880</u>	<u>\$ 1,479,694</u>	<u>\$ 1,632,574</u>

The City paid \$753,424 under all of these water purchase contracts in the current year.

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	6,018			
Lake Nasworthy				\$ 15,738,208
Sante Fe Park				10,000
Total Nonspendable	<u>\$ 43,322</u>			<u>\$ 15,748,208</u>
Restricted for:				
Economic				\$ 2,680,952
Development				
Grant Expenditures				1,451,501
Law Enforcement	\$ 1,773,777			-
Santa Fe Park				3,925
Designated Purposes				178,717
Total Restricted	<u>\$ 1,773,777</u>			<u>\$ 4,315,095</u>
Committed for:				
Designated Purposes	\$ 181,062			\$ 1,053,262
Debt Service			\$ 506,720	
Capital		\$ 26,278,540		422,668
Improvements				
Total Committed	<u>\$ 181,062</u>	<u>\$ 26,278,540</u>	<u>\$ 506,720</u>	<u>\$ 1,475,930</u>

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

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

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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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	\$ 45,341
Capital Assets	2,509,487
Total Assets	\$ 2,554,828
Deferred Outflows of Resources	
Deferred Amounts Related to Pensions	\$ 43,482
Liabilities	
Current Liabilities	\$ 153,338
Noncurrent Liabilities Due Within One Year	137,710
Noncurrent Liabilities Due After One Year	432,595
Total Liabilities	\$ 723,643
Deferred Inflows of Resources	
Deferred Amounts Related to Pensions	\$ 20,263
Net Position	
Net Investment in Capital Assets	\$ 2,084,061
Unrestricted	(229,657)
Total Net position	\$ 1,854,404

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

Revenues Pledged for Payment of Bonds and COs	\$ 1,230,035
Cost of Sales and Services and Administrative	(455,412)
Depreciation and Amortization	(235,702)
Operating Income	\$ 538,921
Non-Operating Revenues (Expenses)	
Investment Income	7,631
Change in Fair Value of Investments	(4,343)
Interest Expense	(15,791)
Transfer Out	(455,152)
Change in Net Position	\$ 71,266
Net Position – Beginning	1,783,138
Net Position – Ending	\$ 1,854,404

Condensed Statement of Cash Flows

Net Cash Provided (Used) by:	
Operating Activities	\$ 305,616
Non-Capital Financing Activities	(455,152)
Capital and Related Financing Activities	(152,723)
Investing Activities	6,858
Net Increase (Decrease) in Cash	(\$ 295,401)
Cash and Cash Equivalents – Beginning	295,401
Cash and Cash Equivalents – Ending	\$ -0-

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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 \$197,448, \$406,905, and (\$784,786) 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, 2017	\$ 79,928	\$ 775,748	\$ 2,402,362	\$ 3,258,038
FY18 Incurred	51,663	7,127	192,400	251,190
FY18 Paid	-0-	(45,444)	(376,012)	(421,456)
September 30, 2018	\$ 131,591	\$ 737,431	\$ 2,218,750	\$ 3,087,772
FY19 Incurred	94,646	16,736	428,686	540,068
FY19 Paid	-0-	(63,099)	(273,945)	(337,044)
September 30, 2019	\$ 226,237	\$ 691,068	\$ 2,373,491	\$ 3,290,796

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

V.B. Commitments and Contingencies

Construction Commitments

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

Project Descriptions	Funding Source	Budget	Spent to Date	Balance
Bell Street Reconstruction	Future Bond Funding, Water Capital, Wastewater Capital	\$ 23,182,671	\$ 11,690,451	\$11,492,220
College Hills Reconstruction	Future Bond Funding, Water Capital, Wastewater Capital	\$ 14,351,083	\$ 1,236,807	\$13,114,276
Concho Reconstruction	TIRZ	\$ 1,871,736	\$ 1,706,571	\$ 165,165
Chadbourne Reconstruction	Future Bond Funding, Water Capital, Wastewater Capital	\$ 18,451,656	\$ 589,123	\$17,862,533
Sulphur Draw Sewer Project	Wastewater Capital	\$ 4,500,000	\$ 3,923,758	\$ 576,242
Remediation of Drainage Ave. P	Stormwater Capital and General Fund	\$ 2,440,000	\$ 172,298	\$ 2,267,702
Taxiway Reconfiguration	FAA Funds, PFC Funds	\$ 3,587,796	\$ 3,534,619	\$ 53,177
Runway 18-36 Rehabilitation	FAA Funds, PFC Funds	\$ 1,095,000	\$ 168,410	\$ 926,590
City Hall	General Capital Fund	\$ 1,212,128	\$ 155,457	\$ 1,056,671
Fire Station #4	2015 CO Bond, Medicaid Supplement, 2009 CO Bond Type B Sales Tax, Private Donations	\$ 3,763,067	\$ 3,168,235	\$ 594,832
Visitors Center Restoration	Type B Sales Tax	\$ 2,250,000	\$ 260,639	\$ 1,989,362
Brentwood Neighborhood Park Renovation	Type B Sales Tax	\$ 250,000	\$ 136,057	\$ 113,943
Texas Bank Sports Complex Improvements	Type B Sales Tax	\$ 708,744	\$ 429,303	\$ 279,441
South Concho Park and Trail Improvements	TPWD Trail Grant, Type B Sales Tax	\$ 200,000	\$ 59,166	\$ 140,834
Sunken Garden	Type B Sales Tax	\$ 825,000	\$ 70,041	\$ 754,959
29 th Street Sports Complex	Globe Life Texas Rangers Grant, Type B Sales Tax	\$ 1,750,000	\$ 133,192	\$ 1,616,808
Station 618 Parking Lot	General Capital Fund	\$ 297,455	\$ 296,517	\$ 938
Animal Shelter Improvements	General Capital Fund	\$ 769,150	\$ 7,000	\$ 762,150

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, 2019 represented no material adverse financial impact to the City. Any potential judgments or awards related to these lawsuits are included in the loss reserves and estimated claims payable from the City's Self-Insurance Funds.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

VI. EMPLOYEE RETIREMENT BENEFITS

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

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

	Governmental Activities	Business-Type Activities	Plan Totals
Net Pension Liability:			
Firemen's Relief and Retirement	\$ 46,227,125	\$ -0-	\$ 46,227,125
TMRS	42,399,845	10,119,998	52,519,843
Total	<u>\$ 88,626,970</u>	<u>\$ 10,119,998</u>	<u>\$ 98,746,978</u>
Deferred Outflows of Resources:			
Firemen's Relief and Retirement	\$ 11,134,518	\$ -0-	\$ 11,134,518
TMRS	12,585,172	3,228,821	15,813,993
Total	<u>\$ 23,719,690</u>	<u>\$ 3,228,821</u>	<u>\$ 26,948,511</u>
Deferred Inflows of Resources:			
Firemen's Relief and Retirement	\$ 2,792,700	\$ -0-	\$ 2,792,700
TMRS	1,106,013	480,721	1,586,734
Total	<u>\$ 3,898,713</u>	<u>\$ 480,721</u>	<u>\$ 4,379,434</u>
Pension Expense:			
Firemen's Relief and Retirement	\$ 6,182,699	\$ -0-	\$ 6,182,699
TMRS	7,908,139	1,885,313	9,793,452
Total	<u>\$ 14,090,838</u>	<u>\$ 1,885,313</u>	<u>\$ 15,976,151</u>

VI.A. Defined Benefit Plan

Plan Description

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

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan have been determined on the same basis as they are reported by the plan. Detailed information about the plan's net position is available in the separately issued by the San Angelo Firemen's Relief and Retirement Fund financial report.

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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

Benefits Provided

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

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

Employees Covered by Benefit Terms

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

Contributions

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

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

The funding policy of the San Angelo Firemen's Relief and Retirement Fund requires contributions equal to 16.2% of pay by the firefighters and contributions by the City based on a formula, which causes the City's contribution rate to fluctuate from year to year. The December 31, 2018 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 \$2,425,374.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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

The City reported \$6,182,699 in pension expense for the year ended September 30, 2019. At September 30, 2019, 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	\$ 1,479,735	\$ 2,792,700
Changes of Assumptions	1,754,139	-0-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	6,080,005	-0-
City Contributions Subsequent to the Measurement Date	1,820,639	-0-
Total	\$ 11,134,518	\$ 2,792,700

\$1,820,639 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, 2020. 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:	
2020	\$ 2,769,466
2021	1,542,391
2022	1,168,730
2023	1,436,617
2024	(396,026)
Thereafter	-0-
Total	\$ 6,521,178

Actuarial Assumptions

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

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

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

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

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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017, are summarized in the following table:

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

Discount Rate

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

Changes in Net Pension Liability

The total pension liability was determined based on an actuarial valuation performed as of December 31, 2017 with a measurement date of December 31, 2018. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. The following table reports the components of changes in net pension liability:

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

	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	<u>\$ 102,907,475</u>	<u>\$ 66,618,737</u>	<u>\$ 36,288,738</u>
Changes for the Year:			
Service cost	\$ 2,298,120	\$ -0-	\$ 2,298,120
Interest expense	7,937,118	-0-	7,937,118
Differences between expected and actual experience	-0-	-0-	-0-
Changes in benefit terms	-0-	-0-	-0-
Changes of assumptions	-0-	-0-	-0-
Contributions - City	-0-	2,375,378	(2,375,378)
Contributions - buy back	-0-	1,934,894	(1,934,894)
Contributions - Members	-0-	(3,957,401)	3,957,401
Net investment income	-0-	(5,704,822)	5,704,822
Benefits paid	(5,704,822)	(49,838)	(5,654,984)
Plan administrative expenses	-0-	(6,182)	6,182
Net Changes	<u>\$ 4,530,416</u>	<u>(\$ 5,407,971)</u>	<u>\$ 9,938,387</u>
Balances End of Year	<u>\$ 107,437,891</u>	<u>\$ 61,210,766</u>	<u>\$ 46,227,125</u>

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

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

	1% Decrease (6.8%)	Current Discount Rate (7.8%)	1% Increase (8.8%)
Employers' Net Pension Liability	\$ 61,702,895	\$ 46,227,125	\$ 33,260,499

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.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

Benefits Provided

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

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Active Employees	625
Deferred Vested Former Employees	331
Retirees or Retiree Beneficiaries	<u>715</u>
Total	<u>1,671</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 17.61% and 17.46% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019 were \$6,410,024 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018 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, 2018 actuarial valuation was determined using the following actuarial assumptions:

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

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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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

Actuarial assumptions used in the December 31, 2018 valuation were based on the results of actuarial experience studies performed for the 2015 actuarial valuation. This experience study was for the period December 31, 2010 through December 31, 2014. Healthy postretirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Assumptions are reviewed annually. No additional changes were made for the 2018 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%	4.30%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.39%
Real Return	10.00%	3.78%
Real Estate	10.00%	4.44%
Absolute Return	10.00%	3.56%
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.

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

Changes in the Net Pension Liability

	SCHEDULE OF CHANGES IN NET PENSION LIABILITY		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
Balances Beginning of Year	\$ 234,483,573	\$ 198,924,714	\$ 35,558,859
Changes for the Year:			
Service cost	\$ 5,491,969	\$ -0-	\$ 5,491,969
Interest expense	15,606,134	-0-	15,606,134
Difference between expected and actual experience	(1,489,022)	-0-	(1,489,022)
Contributions - City	-0-	6,243,572	(6,243,572)
Contributions - Members	-0-	2,481,845	(2,481,845)
Net investment income	-0-	(5,956,141)	5,956,141
Benefits paid	(12,055,161)	(12,055,161)	-0-
Plan administrative expenses	-0-	(115,163)	115,163
Other Charges	-0-	(6,016)	6,016
Net Changes	\$ 7,553,920	(\$ 9,407,064)	\$ 16,960,984
Balances End of Year	\$ 242,037,493	\$ 189,517,650	\$ 52,519,843

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 84,859,625	\$ 52,519,843	\$ 25,903,287

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.

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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

For the year ended September 30, 2019, the City recognized pension expense of \$9,793,452. At September 30, 2019, 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	\$ 198,924	\$ 1,083,293
Changes of Assumptions	-0-	-0-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,275,925	-0-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	562,570	503,441
City Contributions Subsequent to the Measurement Date	4,776,574	-0-
Total	\$ 15,813,993	\$ 1,586,734

The \$4,776,574 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, 2020. 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:	
2020	\$ 3,505,031
2021	982,406
2022	1,086,536
2023	3,876,712
	\$ 9,450,685

VI.C. Other Post-Employment Benefits

Plan Description

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

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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

Benefits Provided

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

Employees Covered by Benefit Terms

As of September 30, 2019, the following employees were covered by the benefit terms:

Active Employees	147
Inactives or Beneficiaries Currently Receiving Benefit Payments	504
Total	<u>651</u>

Total OPEB Liability

The City's total OPEB liability of \$92,458,374 was measured as of September 30, 2019 and was determined by an actuarial valuation as of September 30, 2018.

Actuarial Assumptions

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

- Actuarial Cost Method - Entry Age Normal Level Percentage of Salary
- Inflation - 2.50%
- Salary Scale - 3.00%
- Discount Rate - 3.83%, based on September 30, 2019 published Fidelity Municipal GO AA 20-year bond index
- Retirement Age - Retirement rates are as shown below and they are based on the City's actual retirement experience:

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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

- Withdraw (Termination) Rates –

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

- Healthcare cost trend rates –

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

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

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

Changes in Total OPEB Liability

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

	Total OPEB Liability (a)
Balances, Beginning of Year	<u>\$ 91,227,298</u>
Changes for the Year:	
Service Cost	\$ 840,187
Interest Expense	3,435,697
Changes of Assumptions	-0-
Benefits Paid	<u>(3,044,808)</u>
Net Changes	<u>(\$ 1,231,076)</u>
Balances, End of Year	<u>\$ 92,458,374</u>

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

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

	1% Decrease (2.83%)	Current Discount Rate (3.83%)	1% Increase (4.83%)
Employers' Total OPEB Liability	<u>\$ 109,971,210</u>	<u>\$ 92,458,374</u>	<u>\$ 78,881,697</u>

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

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

	1% Decrease (7.0% to 3.5%)	Healthcare Cost Trend Rates (8.0% to 4.5%)	1% Increase (9.0% to 5.5%)
Employers' Total OPEB Liability	<u>\$ 79,400,834</u>	<u>\$ 92,458,374</u>	<u>\$ 108,880,669</u>

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

For the year ended September 30, 2019, the City recognized negative OPEB expense of (\$280,818). At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	<u>\$ 230,484</u>	<u>\$ 230,484</u>
Total	<u>\$ 230,484</u>	<u>\$ 230,484</u>

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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 \$9,570.

VII. TAX ABATEMENTS

As of September 30, 2019, the City provides tax abatements through two programs subject to the requirements of GASB Statement No. 77: the abatements awarded through the City of San Angelo Development Corporation (COSADC) and those awarded through the Tax Increment Reinvestment Zone (TIRZ).

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

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

The amount of taxes abated during the year ended September 30, 2019 are:

<u>Program</u>	<u>Amount Abated</u>
COSADC	\$ 77,960
TIRZ	12,653
Total	<u>\$ 90,613</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:

GASB Statement 84, Fiduciary Activities – GASB 84 was issued January 2018, and this Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City has not yet determined the impact that implementation of GASB 84 will have on its net position.

GASB Statement 85, Omnibus 2019 – GASB 85 was issued March 2018, and this Statement address a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The City has not yet determined the impact that implementation of GASB 85 will have on its net position.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

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

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

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements – GASB 88 was issued in April 2018 and improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. At this time, the impact to the City is unknown.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period – GASB 89 was issued in June 2018 and requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of construction period will no longer be included in the historical cost of a capital type activity or proprietary type funds. The requirements for this Statement are effective for reporting periods beginning after December 15, 2019. At this time, the impact to the City is unknown.

GASB Statement No. 90, Majority Interests (an amendment of GASB Statements 14 and 61) – GASB 90 was issued August 2019 and will be effective for periods beginning December 15, 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The City has determined the implementation of GASB 90 will have no impact on its net position.

GASB Statement No. 91, Conduit Debt Obligations – GASB 91 was issued May 2019 and will be effective for periods beginning after December 1, 2020. The primary objectives of this Statement are to provide a single method of reporting and eliminate the option for government issuers to recognize conduit debt obligations. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2019

additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. At this time, the impact to the City is unknown.

GASB Statement No. 92, Omnibus 2020 – GASB 92 was issued January 2020, and this Statement address a variety of topics including issues related to lesases, intra-entity transfers of assets between a primary government and a component until defined benefit pension plan or defined benefit other postemployment benefit plan, pensions and postemployment benefits, fiduciary activities, asset retirement obligations, entity risk pools, fair value measurements, and derivative instruments.. The City has not yet determined the impact that implementation of GASB 85 will have on its net position.

VIII. SUBSEQUENT EVENTS

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

- As a result of surplus sales tax revenue for the year ended September 30, 2019, the City Council was able to subsequently fund \$1,468,444 for street maintenance.
- The City Council approved the purchase of body and vehicle cameras for the Police Department over a five year program which will be funded primarily by the 2015 Certificate of Obligations issue for Public Safety Upgrades. The expected cost for fiscal year 2020 is \$386,482.
- The City Council approved the issuance of \$56,075,000 Texas Waterworks and Sewer System Improvement Revenue Bonds, Series 2019 with the Initial Bond delivered to the Texas Water Development Board, The bond proceeds will be used to further develop the Hickory aquifer water supply.
- The City Council approved a resolution directing publication of notice of intention to issue combination tax and revenue certificates of obligation to provide funds for the reconstruction and improvement of City streets. This opportunity is in line with the planned issuance of debt in the amount of \$17,500,000 every other year for ten years and beginning in fiscal year 2016. This is the third such debt issue.
- The City Council authorized the issuance of City of San Angelo, Texas, General Obligation Refunding Bonds, Series 2020, for the purpose of possibly refinancing Series 2011A Certificates of Obligation and 2011 General Obligation bonds for general and water capital improvement projects. Refinancing will allow the negotiation of a lower interest rate and will create savings for the City. The general debt service fund and the water utility could realize a combined annual savings of approximately \$40,000 per year and a total savings of approximately \$190,000.
- The City Council authorized the issuance and sale of City of San Angelo, Texas Waterworks and Sewer System Revenue Refunding Bonds, Taxable Series 2020, for the purpose of possibly refinancing Series 2017 bonds for water capital improvement projects. Refinancing will allow the negotiation of a lower interest rate and will create savings for the City. The water utility could realize an annual savings in excess of \$150,000 per year and a total savings of approximately \$4 million.
- Due to the uncertainty related to COVID-19, the City does expect to see some impact on sales tax, interest income, and hotel tax for the remainder of fiscal year 2020 and is already taking steps to limit and/or freeze expenditures to compensate for the expected deficiencies. The budget for fiscal year 2021 will be adjusted to conservatively account for any projected economic downturn.

Required Supplementary Information

CITY OF SAN ANGELO, TEXAS

Budgetary Comparison Schedule - General Fund

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Modified Accrual	Adjustments	Budget Basis	
REVENUES						
Taxes:						
Property	\$ 34,356,663	\$ 34,356,663	\$ 34,290,832	\$ 39,408	\$ 34,330,240	(\$ 26,423)
Sales	18,440,602	18,440,602	19,962,832	(53,785)	19,909,047	1,468,445
Franchise	4,805,015	4,555,015	4,232,646	-0-	4,232,646	(322,369)
Motel	-0-	-0-	-0-	-0-	-0-	-0-
Mixed Drink	364,307	364,307	399,016	-0-	399,016	34,709
Bingo	43,095	43,095	44,149	-0-	44,149	1,054
Licenses and Permits	876,843	889,845	922,653	-0-	922,653	32,808
Intergovernmental	644,486	644,486	630,404	-0-	630,404	(14,082)
Charges for Services	6,633,526	6,922,526	9,714,016	(3,247,021)	6,466,995	(455,531)
Fines and Forfeitures	3,259,567	3,212,623	3,088,295	-0-	3,088,295	(124,328)
Investment Income:						
Interest	547,689	717,555	1,009,086	-0-	1,009,086	291,531
Change in Fair Value of Investments	-0-	-0-	4,040,924	-0-	4,040,924	4,040,924
Miscellaneous:						
Gifts and Contributions	55,050	55,050	47,698	-0-	47,698	(7,352)
Other Miscellaneous	542,799	1,467,594	990,378	-0-	990,378	(477,216)
Total Revenues	\$ 70,569,642	\$ 71,669,361	\$ 79,372,929	(\$ 3,261,398)	\$ 76,111,531	\$ 4,442,170
EXPENDITURES						
Current:						
General Government:						
City Council	\$ 187,473	\$ 194,513	\$ 180,186	\$ -0-	\$ 180,186	\$ 14,327
City Manager	730,939	725,996	720,197	-0-	720,197	5,799
Legal	1,226,597	1,249,597	1,143,616	-0-	1,143,616	105,981
Public Information	208,600	249,189	242,893	-0-	242,893	6,296
Construction Management	559,621	558,158	561,174	-0-	561,174	(3,016)
Finance	2,485,144	2,504,179	2,473,036	-0-	2,473,036	31,143
Information Services	616,282	625,385	609,637	-0-	609,637	15,748
Purchasing	183,879	190,764	188,658	-0-	188,658	2,106
Personnel	2,435,977	2,618,368	2,816,434	-0-	2,816,434	(198,066)
Non-Departmental	4,368,680	2,118,818	1,493,219	-0-	1,493,219	625,599
Total General Government	\$ 13,003,192	\$ 11,034,967	\$ 10,429,050	\$ -0-	\$ 10,429,050	\$ 605,917
Public Safety:						
Municipal Court	\$ 2,588,845	\$ 3,683,030	\$ 2,392,219	\$ -0-	\$ 2,392,219	\$ 1,290,811
Police	19,312,408	19,745,135	20,101,725	-0-	20,101,725	(356,590)
Fire	18,301,757	18,614,925	18,517,096	-0-	18,517,096	97,829
Communications	1,558,305	1,589,255	1,485,096	-0-	1,485,096	104,159
School Crossing Guards	120,517	137,985	124,641	-0-	124,641	13,344
Total Public Safety	\$ 41,881,832	\$ 43,770,330	\$ 42,620,777	\$ -0-	\$ 42,620,777	\$ 1,149,553
Public Works and Transportation:						
Public Works	\$ 388,918	\$ 383,070	\$ 368,984	\$ -0-	\$ 368,984	\$ 14,086
Signal Control	865,822	852,275	812,574	-0-	812,574	39,701
Streets and Bridges	7,409,029	9,163,184	6,766,660	-0-	6,766,660	2,396,524
Planning and Zoning	2,266,960	2,217,604	2,136,225	-0-	2,136,225	81,379
Permits and Inspections	900,941	900,941	872,600	-0-	872,600	28,341
Total Public Works and Transportation	\$ 11,831,670	\$ 13,517,074	\$ 10,957,043	\$ -0-	\$ 10,957,043	\$ 2,560,031

CITY OF SAN ANGELO, TEXAS

Budgetary Comparison Schedule - General Fund

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Modified Accrual	Adjustments	Budget Basis	
Public Facilities:						
City Hall	\$ 665,356	\$ 776,878	\$ 665,992	\$ -0-	\$ 665,992	\$ 110,886
Fairmount Cemetery	416,327	417,902	367,862	-0-	367,862	50,040
Total Public Facilities	<u>\$ 1,081,683</u>	<u>\$ 1,194,780</u>	<u>\$ 1,033,854</u>	<u>\$ -0-</u>	<u>\$ 1,033,854</u>	<u>\$ 160,926</u>
Health and Human Services:						
Health Department	\$ 179,282	\$ 179,282	\$ 174,708	\$ -0-	\$ 174,708	\$ 4,574
Animal Control	880,980	1,016,525	872,321	-0-	872,321	144,204
Code Compliance	471,756	561,564	511,097	-0-	511,097	50,467
Social Services	55,500	55,500	55,499	-0-	55,499	1
Total Health and Human Services	<u>\$ 1,587,518</u>	<u>\$ 1,812,871</u>	<u>\$ 1,613,625</u>	<u>\$ -0-</u>	<u>\$ 1,613,625</u>	<u>\$ 199,246</u>
Culture, Parks and Recreation:						
Parks	\$ 4,520,620	\$ 4,837,120	\$ 3,905,534	\$ -0-	\$ 3,905,534	\$ 931,586
Recreation	958,612	1,034,857	868,820	-0-	868,820	166,037
Swimming Pool	184,038	254,368	151,555	-0-	151,555	102,813
Fort Concho Museum	1,095,201	2,232,732	1,086,592	-0-	1,086,592	1,146,140
Total Culture, Parks and Recreation	<u>\$ 6,758,471</u>	<u>\$ 8,359,077</u>	<u>\$ 6,012,501</u>	<u>\$ -0-</u>	<u>\$ 6,012,501</u>	<u>\$ 2,346,576</u>
Total Current Expenditures	\$ 76,144,366	\$ 79,689,099	\$ 72,666,850	\$ -0-	\$ 72,666,850	\$ 7,022,249
Capital Outlay	775,000	13,555,743	5,074,661	-0-	5,074,661	8,481,082
Debt Service:						
Principal	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	-0-	-0-	-0-	-0-	-0-
Total Expenditures	<u>\$ 76,919,366</u>	<u>\$ 93,244,842</u>	<u>\$ 77,741,511</u>	<u>\$ -0-</u>	<u>\$ 77,741,511</u>	<u>\$ 15,503,331</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>(\$ 6,349,724)</u>	<u>(\$ 21,575,481)</u>	<u>\$ 1,631,418</u>	<u>(\$ 3,261,398)</u>	<u>(\$ 1,629,980)</u>	<u>\$ 19,945,501</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	\$ 5,901,440	\$ 7,034,033	\$ 9,483,086	\$ -0-	\$ 9,483,086	\$ 2,449,053
Bonds Issued	-0-	-0-	-0-	-0-	-0-	-0-
Premium on Bonds Issued	-0-	-0-	-0-	-0-	-0-	-0-
Sale of Capital Assets	2,000	2,000	43	-0-	43	(1,957)
Transfers Out	(1,143,237)	(1,989,664)	(2,134,615)	-0-	(2,134,615)	(144,951)
Total Other Financing Sources (Uses)	<u>\$ 4,760,203</u>	<u>\$ 5,046,369</u>	<u>\$ 7,348,514</u>	<u>\$ -0-</u>	<u>\$ 7,348,514</u>	<u>\$ 2,302,145</u>
Net Change in Fund Balance	<u>(\$ 1,589,521)</u>	<u>(\$ 16,529,112)</u>	<u>\$ 8,979,932</u>	<u>(\$ 3,261,398)</u>	<u>\$ 5,718,534</u>	<u>\$ 22,247,646</u>
Fund Balance - Beginning	9,621,381	(45,098,800)	54,104,239	(12,506,243)	19,147,436	64,246,236
Restatement of Beginning Fund Balance	-0-	-0-	(16,261,705)	-0-	(16,261,705)	(16,261,705)
Fund Balance - Ending	<u>\$ 8,031,860</u>	<u>(\$ 61,627,912)</u>	<u>\$ 46,822,466</u>	<u>(\$ 15,767,641)</u>	<u>\$ 8,604,265</u>	<u>\$ 70,232,177</u>

CITY OF SAN ANGELO, TEXAS

Required Supplementary Information

For the Year Ended September 30, 2019

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, 2019

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

Last Fiscal Year

	2015	2016	2017	2018	*2019
Total pension liability					
Service cost	\$ 4,231,932	\$ 4,877,309	\$ 5,329,787	\$ 5,416,244	\$ 5,491,969
Interest	13,765,927	14,190,598	14,439,741	15,033,601	15,606,133
Differences between expected and actual experience	(1,528,383)	253,147	827,202	120,491	(1,489,022)
Changes of assumptions	-0-	2,707,629	-0-	-0-	-0-
Benefit payments, including refunds of member contributions	(10,826,257)	(10,624,607)	(11,486,726)	(12,197,321)	(12,055,161)
Net change in total pension liability	\$ 5,643,219	\$ 11,404,076	\$ 9,110,004	\$ 8,373,015	\$ 7,553,919
Total pension liability - beginning	199,953,259	205,596,478	217,000,554	226,110,558	234,483,573
Total pension liability - ending (a)	<u>\$ 205,596,478</u>	<u>\$ 217,000,554</u>	<u>\$ 226,110,558</u>	<u>\$ 234,483,573</u>	<u>\$ 242,037,492</u>
Plan fiduciary net position					
Contributions - employer	\$ 5,576,688	\$ 5,728,465	\$ 5,856,113	\$ 6,159,661	\$ 6,243,572
Contributions - member	2,132,065	2,265,505	2,399,261	2,442,228	2,481,844
Net investment income	9,503,498	254,398	11,478,572	24,663,190	(5,956,141)
Benefit payments, including refunds of member contributions	(10,826,257)	(10,624,607)	(11,486,726)	(12,197,321)	(12,055,161)
Administrative expense	(99,229)	(154,965)	(129,662)	(127,845)	(115,163)
Other	(8,158)	(7,652)	(6,986)	(6,479)	(6,016)
Net change in plan fiduciary net position	\$ 6,278,607	(\$ 2,538,856)	\$ 8,110,572	\$ 20,933,434	(\$ 9,407,065)
Plan fiduciary net position - beginning	166,140,957	172,419,564	169,880,708	177,991,280	198,924,714
Plan fiduciary net position - ending (b)	<u>\$ 172,419,564</u>	<u>\$ 169,880,708</u>	<u>\$ 177,991,280</u>	<u>\$ 198,924,714</u>	<u>\$ 189,517,649</u>
Net pension liability - ending (a) - (b)	<u>\$ 33,176,914</u>	<u>\$ 47,119,846</u>	<u>\$ 48,119,278</u>	<u>\$ 35,558,859</u>	<u>\$ 52,519,843</u>
Plan fiduciary net position as a percentage of the total pension liability	83.86%	78.29%	78.72%	84.84%	78.30%
Covered payroll	\$ 30,458,079	\$ 31,518,849	\$ 34,655,009	\$ 34,745,984	\$ 35,305,734
Net pension liability as a percentage of covered payroll	108.93%	149.50%	138.85%	102.34%	148.76%

Notes to Schedule:

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

*The information presented for fiscal year 2018 are based on a measurement date of December 31, 2017.

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

CITY OF SAN ANGELO, TEXAS

Required Supplementary Information

For the Year Ended September 30, 2019

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

Last Fiscal Year

	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 5,688,038	\$ 5,974,012	\$ 6,067,440	\$ 6,215,573	\$ 6,410,024
Contributions in relation to the actuarially determined contribution	5,688,038	5,974,012	6,067,440	6,215,573	6,410,024
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered payroll	\$ 31,518,849	\$ 34,655,009	\$ 34,745,984	\$ 35,305,734	\$ 36,644,791
Contributions as a percentage of covered payroll	18.05%	17.24%	17.46%	17.60%	17.49%

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

Notes to Schedule:

Methods and Assumptions Used to Determine Contribution Rates:

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

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

CITY OF SAN ANGELO, TEXAS

Required Supplementary Information

For the Year Ended September 30, 2019

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

Last Fiscal Year

	2015	2016	2017	2018	*2019
Total pension liability					
Service cost	\$ 2,438,145	\$ 2,002,372	\$ 2,160,559	\$ 2,347,801	\$ 2,298,123
Interest	6,609,094	6,772,296	7,510,752	7,941,043	7,937,118
Changes of benefit terms	-0-	-0-	-0-	473,900	-0-
Differences between expected and actual experience	-0-	3,449,753	-0-	(3,909,779)	-0-
Changes of assumptions	-0-	2,215,105	-0-	1,137,592	-0-
Contributions - buy back	-0-	-0-	-0-	22,656	-0-
Benefit payments, including refunds of member contributions	(4,391,400)	(4,695,087)	(6,039,371)	(6,554,930)	(5,704,822)
Net change in total pension liability	\$ 4,655,839	\$ 9,744,439	\$ 3,631,940	\$ 1,458,283	\$ 4,530,419
Total pension liability - beginning	83,416,973	88,072,812	97,817,251	101,449,191	102,907,474
Total pension liability - ending (a)	\$ 88,072,812	\$ 97,817,251	\$ 101,449,191	\$ 102,907,474	\$ 107,437,893
Plan fiduciary net position					
Contributions - employer	\$ 2,044,568	\$ 2,086,618	\$ 2,239,456	\$ 2,293,931	\$ 2,375,378
Contributions - member	1,432,875	1,462,906	1,590,202	1,755,034	1,934,896
Contributions - buy back	-0-	-0-	-0-	22,656	-0-
Net investment income	3,264,867	(1,262,749)	4,199,126	8,954,582	(3,957,401)
Benefit payments, including refunds of member contributions	(4,391,400)	(4,695,087)	(6,039,371)	(6,554,930)	(5,704,822)
Administrative expense	(62,491)	(48,866)	(55,543)	(59,338)	(56,020)
Other	-0-	-0-	-0-	-0-	-0-
Net change in plan fiduciary net position	\$ 2,288,419	(\$ 2,457,178)	\$ 1,933,870	\$ 6,411,935	(\$ 5,407,969)
Plan fiduciary net position - beginning	58,441,691	60,730,110	58,272,932	60,206,802	66,618,737
Plan fiduciary net position - ending (b)	\$ 60,730,110	\$ 58,272,932	\$ 60,206,802	\$ 66,618,737	\$ 61,210,768
Net pension liability - ending (a) - (b)	\$ 27,342,702	\$ 39,544,319	\$ 41,242,389	\$ 36,288,737	\$ 46,227,125
Plan fiduciary net position as a percentage of the total pension liability	68.95%	59.57%	59.35%	64.74%	56.97%
Covered payroll	\$ 10,090,669	\$ 10,246,197	\$ 10,965,035	\$ 10,754,438	\$ 11,682,741
Net pension liability as a percentage of covered payroll	270.97%	385.94%	376.13%	337.43%	395.69%

Notes to Schedule:

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

CITY OF SAN ANGELO, TEXAS

Required Supplementary Information

For the Year Ended September 30, 2019

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

Last Fiscal Year

	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 2,075,551	\$ 2,219,315	\$ 2,173,090	\$ 2,360,039	\$ 2,425,374
Contributions in relation to the actuarially determined contribution	2,075,551	2,219,315	2,173,090	2,360,039	2,425,374
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered payroll	\$ 10,246,197	\$ 10,965,035	\$ 10,754,438	\$ 11,682,741	\$ 12,007,512
Contributions as a percentage of covered payroll	20.26%	20.24%	20.21%	20.20%	20.20%

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

Notes to Schedule:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Open period, level percentage of projected payroll
Amortization Period	98.8 years
Contributions	20.20% -Firefighters hired on or after May 1, 1986 21.65% -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

Required Supplementary Information

For the Year Ended September 30, 2019

Other Postemployment Benefit Schedule of Changes in Total OPEB Liability and Related Ratios	Last 10 Fiscal Years	
	2018	*2019
Total OPEB liability		
Service cost	\$ 989,000	\$ 840,187
Interest	3,817,000	3,435,697
Change in assumptions	(20,271,000)	-0-
Benefit payments, including refunds of member contributions	(2,768,626)	(3,044,808)
Net change in total OPEB liability	(\$ 18,233,626)	\$ 1,231,076
Total OPEB liability - beginning	109,460,000	91,226,374
Total OPEB liability - ending	\$ 91,226,374	\$ 92,457,450
Covered employee payroll	\$ 47,961,000	\$ 49,234,000
Net OPEB liability as a percentage of covered employee payroll	190.21%	187.79%

Notes to Schedule:

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

The discount rate was changed from 3.5% to 3.83% for the 2018 actuarial valuation; no change for 2019 measurement date.

Other Supplementary Information

CITY OF SAN ANGELO, TEXAS

General Fund Descriptions

For the Year Ended September 30, 2019

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 Projects 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, 2019

	General	Texas Sports Complex	Civic Events	Equipment Replacement	General Capital Projects	Fort Concho	Fairmount Cemetery	Payroll	Total General Fund
ASSETS									
Cash and Cash Equivalents	\$ 13,185,494	\$ 762,806	\$ 1,297,702	\$ 764,401	\$ -0-	\$ 1,413,973	\$ -0-	\$ -0-	\$ 17,424,376
Investments	12,941,521	-0-	312,707	42,946	6,586,779	85	-0-	-0-	19,884,038
Receivables:									
Accrued Interest	87,430	3,093	-0-	1,703	19,675	1,908	-0-	-0-	113,809
Property Taxes	1,187,159	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,187,159
Accounts	6,434,001	30,497	-0-	1,382	55,971	366	58,596	-0-	6,580,813
Less: Allowance for Uncollectibles	(3,156,985)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(3,156,985)
Due from Other Governments	3,371,296	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,371,296
Due from Other Funds (Interfund)	499,447	-0-	-0-	-0-	-0-	-0-	-0-	-0-	499,447
Due from Other Funds	7,786,473	-0-	-0-	-0-	-0-	-0-	-0-	-0-	7,786,473
Inventories	19,915	-0-	-0-	-0-	-0-	17,389	-0-	-0-	37,304
Prepays	6,018	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,018
Total Assets	\$ 42,361,769	\$ 796,396	\$ 1,610,409	\$ 810,432	\$ 6,662,425	\$ 1,433,721	\$ 58,596	\$ -0-	\$ 53,733,748
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	\$ 3,107,577	\$ -0-	\$ 58,194	\$ 66,434	\$ 112,734	\$ 66,887	\$ 56,011	-0-	\$ 3,467,837
Deposits	184,994	-0-	-0-	-0-	-0-	36,351	-0-	-0-	221,345
Due to Other Funds (Interfund)	-0-	-0-	-0-	-0-	476,389	-0-	23,058	-0-	499,447
Due to Other Governments	78,181	-0-	-0-	-0-	-0-	-0-	-0-	-0-	78,181
Unearned Revenue	-0-	86,250	-0-	-0-	-0-	-0-	-0-	-0-	86,250
Arbitrage Rebates Payable	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Liabilities	\$ 3,370,752	\$ 86,250	\$ 58,194	\$ 66,434	\$ 589,123	\$ 103,238	\$ 79,069	\$ -0-	\$ 4,353,060
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Property Taxes	\$ 1,002,251	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,002,251
Deferred Revenues	-0-	-0-	-0-	-0-	55,971	-0-	-0-	-0-	55,971
Total Deferred Inflows of Resources	\$ 1,002,251	\$ -0-	\$ -0-	\$ -0-	\$ 55,971	\$ -0-	\$ -0-	\$ -0-	\$ 1,058,222
FUND BALANCES									
Nonspendable	\$ 25,933	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 17,389	\$ -0-	\$ -0-	\$ 43,322
Restricted	1,773,777	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,773,777
Committed	93,702	14,376	11,415	-0-	-0-	-0-	61,569	-0-	181,062
Unassigned	36,095,354	695,770	1,540,800	743,998	6,017,331	1,313,094	(82,042)	-0-	46,324,305
Total Fund Balances	\$ 37,988,766	\$ 710,146	\$ 1,552,215	\$ 743,998	\$ 6,017,331	\$ 1,330,483	(\$ 20,473)	\$ -0-	\$ 48,322,466

CITY OF SAN ANGELO, TEXAS

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

For the Year Ended September 30, 2019

	General	Texas Sports Complex	Civic Events	Equipment Replacement	General Capital Projects	Fort Concho Museum	Fairmount Cemetery	Payroll	Total General Fund
REVENUES									
Taxes:									
Property	\$ 34,290,832	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 34,290,832
Sales	19,962,832	-0-	-0-	-0-	-0-	-0-	-0-	-0-	19,962,832
Franchise	4,232,646	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,232,646
Mixed Drink	399,016	-0-	-0-	-0-	-0-	-0-	-0-	-0-	399,016
Bingo	44,149	-0-	-0-	-0-	-0-	-0-	-0-	-0-	44,149
Licenses and Permits	922,653	-0-	-0-	-0-	-0-	-0-	-0-	-0-	922,653
Intergovernmental	630,404	-0-	-0-	-0-	1,500,000	-0-	-0-	-0-	2,130,404
Charges for Services	8,406,291	111,993	624,330	50,500	-0-	294,652	226,250	-0-	9,714,016
Fines and Forfeits	3,088,295	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,088,295
Investment Income:									
Interest	937,799	21,248	25,154	4,398	4,835	11,272	4,380	-0-	1,009,086
Change in Fair Value of Investments	5,000,129	-0-	(43,205)	(5,934)	(910,054)	(12)	-0-	-0-	4,040,924
Miscellaneous:									
Gifts and Contributions	-0-	-0-	-0-	-0-	-0-	4,112	43,586	-0-	47,698
Other Miscellaneous	900,292	1,051	22,903	39,999	-0-	24,353	1,780	-0-	990,378
Total Revenues	\$ 78,815,338	\$ 134,292	\$ 629,182	\$ 88,963	\$ 594,781	\$ 334,377	\$ 275,996	\$ -0-	\$ 80,872,929
EXPENDITURES									
Current:									
General Government	\$ 9,254,341	\$ -0-	\$ 1,174,709	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,429,050
Public Safety	42,620,777	-0-	-0-	-0-	-0-	-0-	-0-	-0-	42,620,777
Public Works and Transportation	10,957,043	-0-	-0-	-0-	-0-	-0-	-0-	-0-	10,957,043
Public Facilities	665,992	-0-	-0-	-0-	-0-	-0-	367,862	-0-	1,033,854
Health and Human Services	1,596,076	-0-	-0-	17,549	-0-	-0-	-0-	-0-	1,613,625
Culture, Parks and Recreation	4,250,705	675,204	-0-	-0-	-0-	1,086,592	-0-	-0-	6,012,501
Total Current Expenditures	\$ 69,344,934	\$ 675,204	\$ 1,174,709	\$ 17,549	\$ -0-	\$ 1,086,592	\$ 367,862	\$ -0-	\$ 72,666,850
Capital Outlay	838,087	17,089	135,783	2,063,147	1,996,457	-0-	24,098	-0-	5,074,661
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 Expenditures	\$ 70,183,021	\$ 692,293	\$ 1,310,492	\$ 2,080,696	\$ 1,996,457	\$ 1,086,592	\$ 391,960	\$ -0-	\$ 77,741,511
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 8,632,317	(\$ 558,001)	(\$ 681,310)	(\$ 1,991,733)	(\$ 1,401,676)	(\$ 752,215)	(\$ 115,964)	\$ -0-	\$ 3,131,418
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ 5,798,993	\$ 50,000	\$ 1,326,924	\$ -0-	\$ 1,123,377	\$ 1,183,792	\$ -0-	\$ -0-	\$ 9,483,086
Transfer In (Interfund)	130,432	707,532	-0-	1,265,086	-0-	593,400	119,686	-0-	2,816,136
Bonds Issued	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Premium on Bonds Issued	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sale of Capital Assets	43	-0-	-0-	-0-	-0-	-0-	-0-	-0-	43
Transfers Out	(2,000,480)	(363)	(69,880)	-0-	-0-	(62,877)	(1,015)	-0-	(2,134,615)
Transfer Out (Interfund)	(2,685,704)	-0-	(130,432)	-0-	-0-	-0-	-0-	-0-	(2,816,136)
Total Other Financing Sources (Uses)	\$ 1,243,284	\$ 757,169	\$ 1,126,612	\$ 1,265,086	\$ 1,123,377	\$ 1,714,315	\$ 118,671	\$ -0-	\$ 7,348,514
Net Change in Fund Balances	\$ 9,875,601	\$ 199,168	\$ 445,302	(\$ 726,647)	(\$ 278,299)	\$ 962,100	\$ 2,707	\$ -0-	\$ 10,479,932
Fund Balances - Beginning	44,374,870	510,978	1,106,913	1,470,645	6,295,630	368,383	(23,180)	-0-	54,104,239
Restatements	(16,261,705)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(16,261,705)
Fund Balances - Ending	\$ 37,988,766	\$ 710,146	\$ 1,552,215	\$ 743,998	\$ 6,017,331	\$ 1,330,483	(\$ 20,473)	\$ -0-	\$ 48,322,466

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, 2019

	General			Texas Sports Complex			Civic Events		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes:									
Property	\$ 34,356,663	\$ 34,290,832	(\$ 65,831)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sales	18,440,602	19,962,832	1,522,230	-0-	-0-	-0-	-0-	-0-	-0-
Franchise	4,555,015	4,232,646	(322,369)	-0-	-0-	-0-	-0-	-0-	-0-
Mixed Drink	364,307	399,016	34,709	-0-	-0-	-0-	-0-	-0-	-0-
Bingo	43,095	44,149	1,054	-0-	-0-	-0-	-0-	-0-	-0-
Licenses and Permits	889,845	922,653	32,808	-0-	-0-	-0-	-0-	-0-	-0-
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Charges for Services	5,519,026	8,406,291	2,887,265	179,700	111,993	(67,707)	522,650	624,330	101,680
Fines and Forfeits	3,212,623	3,088,295	(124,328)	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:									
Interest	668,336	937,799	269,463	15,155	21,248	6,093	18,195	25,154	6,959
Change in Fair Value of Investments	-0-	5,000,129	5,000,129	-0-	-0-	-0-	-0-	(43,205)	(43,205)
Miscellaneous:									
Gifts and Contributions	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other Miscellaneous	1,355,694	900,292	(455,402)	-0-	1,051	1,051	12,400	22,903	10,503
Total Revenues	<u>\$ 69,405,206</u>	<u>\$ 78,184,934</u>	<u>\$ 8,779,728</u>	<u>\$ 194,855</u>	<u>\$ 134,292</u>	<u>(\$ 60,563)</u>	<u>\$ 553,245</u>	<u>\$ 629,182</u>	<u>\$ 75,937</u>
EXPENDITURES									
Current:									
General Government	\$ 9,520,104	\$ 9,254,341	\$ 265,763	\$ -0-	\$ -0-	\$ -0-	\$ 1,433,814	\$ 1,174,709	\$ 259,105
Public Safety	43,770,330	42,620,777	1,149,553	-0-	-0-	-0-	-0-	-0-	-0-
Public Works and Transportation	13,511,870	10,957,043	2,554,827	-0-	-0-	-0-	5,204	-0-	5,204
Public Facilities	723,085	665,992	57,093	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	1,795,026	1,596,076	198,950	-0-	-0-	-0-	-0-	-0-	-0-
Culture, Parks and Recreation	5,153,076	4,250,705	902,371	973,269	675,204	298,065	-0-	-0-	-0-
Total Current Expenditures	<u>\$ 74,473,491</u>	<u>\$ 69,344,934</u>	<u>\$ 5,128,557</u>	<u>\$ 973,269</u>	<u>\$ 675,204</u>	<u>\$ 298,065</u>	<u>\$ 1,439,018</u>	<u>\$ 1,174,709</u>	<u>\$ 264,309</u>
Capital Outlay	2,513,642	838,087	1,675,555	31,464	17,089	14,375	228,959	135,783	93,176
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 Expenditures	<u>\$ 76,987,133</u>	<u>\$ 70,183,021</u>	<u>\$ 6,804,112</u>	<u>\$ 1,004,733</u>	<u>\$ 692,293</u>	<u>\$ 312,440</u>	<u>\$ 1,667,977</u>	<u>\$ 1,310,492</u>	<u>\$ 357,485</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$ 7,581,927)</u>	<u>\$ 8,001,913</u>	<u>(\$ 15,583,840)</u>	<u>(\$ 809,878)</u>	<u>(\$ 558,001)</u>	<u>(\$ 251,877)</u>	<u>(\$ 1,114,732)</u>	<u>(\$ 681,310)</u>	<u>(\$ 433,422)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ 5,907,557	\$ 5,798,993	\$ 108,564	\$ 50,000	\$ 50,000	\$ -0-	\$ 1,076,476	\$ 1,326,924	(\$ 250,448)
Transfer In (Interfund)	-0-	130,432	130,432	707,532	707,532	-0-	-0-	-0-	-0-
Bonds Issued	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Premium on Bonds Issued	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sale of Capital Assets	2,000	43	1,957	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	(1,989,664)	(2,000,480)	10,816	-0-	(363)	363	(69,880)	(69,880)	-0-
Transfers Out (Interfund)	(2,696,520)	(2,685,704)	(10,816)	-0-	-0-	-0-	(130,432)	(130,432)	-0-
Total Other Financing Sources (Uses)	<u>\$ 1,223,373</u>	<u>\$ 1,243,284</u>	<u>\$ 240,953</u>	<u>\$ 757,532</u>	<u>\$ 757,169</u>	<u>\$ 363</u>	<u>\$ 876,164</u>	<u>\$ 1,126,612</u>	<u>(\$ 250,448)</u>
Net Change in Fund Balance	<u>(\$ 6,358,554)</u>	<u>\$ 9,245,197</u>	<u>\$ 15,603,751</u>	<u>(\$ 52,346)</u>	<u>\$ 199,168</u>	<u>\$ 251,514</u>	<u>(\$ 238,568)</u>	<u>\$ 445,302</u>	<u>\$ 683,870</u>
Fund Balance - Beginning	-0-	44,374,870	44,374,870	-0-	510,978	510,978	-0-	1,106,913	1,106,913
Restatement of Beginning Fund Balance	-0-	(16,261,705)	(16,261,705)	-0-	-0-	-0-	-0-	-0-	-0-
Fund Balance - Ending	<u>(\$ 6,358,554)</u>	<u>\$ 37,358,362</u>	<u>\$ 43,716,916</u>	<u>(\$ 52,346)</u>	<u>\$ 710,146</u>	<u>\$ 762,492</u>	<u>(\$ 238,568)</u>	<u>\$ 1,552,215</u>	<u>\$ 1,790,783</u>

(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, 2019

	Equipment Replacement			General Capital Projects			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-	644,486	630,404	(14,082)	-0-	-0-	-0-
Charges for Services	40,000	50,500	10,500	-0-	-0-	-0-	345,850	294,652	(51,198)
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:									
Interest	-0-	4,398	4,398	2,852	4,835	1,983	11,017	11,272	255
Change in Fair Value of Investments	-0-	(5,934)	(5,934)	-0-	(910,054)	(910,054)	-0-	(12)	(12)
Miscellaneous:									
Gifts and Contributions	-0-	-0-	-0-	-0-	-0-	-0-	5,050	4,112	(938)
Other Miscellaneous	55,000	39,999	(15,001)	-0-	-0-	-0-	39,500	24,353	(15,147)
Total Revenues	\$ 95,000	\$ 88,963	(\$ 6,037)	\$ 647,338	(\$ 274,815)	(\$ 922,153)	\$ 401,417	\$ 334,377	(\$ 67,040)
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-	-0-	-0-	-0-	-0-	-0-	-0-
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	17,845	17,549	296	-0-	-0-	-0-	-0-	-0-	-0-
Culture, Parks and Recreation	-0-	-0-	-0-	-0-	-0-	-0-	2,232,732	1,086,592	1,146,140
Total Current Expenditures	\$ 17,845	\$ 17,549	\$ 296	\$ -0-	\$ -0-	\$ -0-	\$ 2,232,732	\$ 1,086,592	\$ 1,146,140
Capital Outlay	2,498,156	2,063,147	435,009	8,257,272	1,996,457	6,260,815	-0-	-0-	-0-
Debt Service:									
Principal	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Expenditures	\$ 2,516,001	\$ 2,080,696	\$ 435,305	\$ 8,257,272	\$ 1,996,457	\$ 6,260,815	\$ 2,232,732	\$ 1,086,592	\$ 1,146,140
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 2,421,001)	(\$ 1,991,733)	(\$ 429,268)	(\$ 7,609,934)	(\$ 2,271,272)	(\$ 5,338,662)	(\$ 1,831,315)	(\$ 752,215)	(\$ 1,079,100)
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,123,377	(\$ 1,123,377)	\$ -0-	\$ 1,183,792	(\$ 1,183,792)
Transfer In (Interfund)	1,265,086	1,265,086	-0-	1,123,377	-0-	(1,123,377)	593,400	593,400	-0-
Bonds Issued	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Premium on Bonds Issued	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(62,877)	62,877
Transfers Out (Interfund)	-0-	-0-	-0-	(23,181)	-0-	(23,181)	-0-	-0-	-0-
Total Other Financing Sources (Uses)	\$ 1,265,086	\$ 1,265,086	\$ -0-	\$ 1,100,196	\$ 1,123,377	(\$ 2,269,935)	\$ 593,400	\$ 1,714,315	(\$ 1,120,915)
Net Change in Fund Balance	(\$ 1,155,915)	(\$ 726,647)	\$ 429,268	(\$ 6,509,738)	(\$ 1,147,895)	\$ 5,361,843	(\$ 1,237,915)	\$ 962,100	\$ 2,200,015
Fund Balance - Beginning	-0-	1,470,645	1,470,645	-0-	6,295,630	6,295,630	-0-	368,383	368,383
Restatement of Beginning Fund Balance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fund Balance - Ending	(\$ 1,155,915)	\$ 743,998	\$ 1,899,913	(\$ 6,509,738)	\$ 5,147,735	\$ 11,657,473	(\$ 1,237,915)	\$ 1,330,483	\$ 2,568,398

(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, 2019

	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-	\$ 34,356,663	\$ 34,290,832	(\$ 65,831)
Sales	-0-	-0-	-0-	-0-	-0-	-0-	18,440,602	19,962,832	1,522,230
Franchise	-0-	-0-	-0-	-0-	-0-	-0-	4,555,015	4,232,646	(322,369)
Mixed Drink	-0-	-0-	-0-	-0-	-0-	-0-	364,307	399,016	34,709
Bingo	-0-	-0-	-0-	-0-	-0-	-0-	43,095	44,149	1,054
Licenses and Permits	-0-	-0-	-0-	-0-	-0-	-0-	889,845	922,653	32,808
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-	644,486	630,404	(14,082)
Charges for Services	315,300	226,250	(89,050)	-0-	-0-	-0-	6,922,526	9,714,016	2,791,490
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-	3,212,623	3,088,295	(124,328)
Investment Income:									
Interest	2,000	4,380	2,380	-0-	-0-	-0-	717,555	1,009,086	291,531
Change in Fair Value of Investments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,040,924	4,040,924
Miscellaneous:									
Gifts and Contributions	50,000	43,586	(6,414)	-0-	-0-	-0-	55,050	47,698	(7,352)
Other Miscellaneous	5,000	1,780	(3,220)	-0-	-0-	-0-	1,467,594	990,378	(477,216)
Total Revenues	\$ 372,300	\$ 275,996	(\$ 96,304)	\$ -0-	\$ -0-	\$ -0-	\$ 71,669,361	\$ 79,372,929	\$ 7,703,568
EXPENDITURES									
Current:									
General Government	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,953,918	\$ 10,429,050	\$ 524,868
Public Safety	-0-	-0-	-0-	-0-	-0-	-0-	43,770,330	42,620,777	1,149,553
Public Works and Transportation	-0-	-0-	-0-	-0-	-0-	-0-	13,517,074	10,957,043	2,560,031
Public Facilities	471,695	367,862	103,833	-0-	-0-	-0-	1,194,780	1,033,854	160,926
Health and Human Services	-0-	-0-	-0-	-0-	-0-	-0-	1,812,871	1,613,625	199,246
Culture, Parks and Recreation	-0-	-0-	-0-	-0-	-0-	-0-	8,359,077	6,012,501	2,346,576
Total Current Expenditures	\$ 471,695	\$ 367,862	\$ 103,833	\$ -0-	\$ -0-	\$ -0-	\$ 79,608,050	\$ 72,666,850	\$ 6,941,200
Capital Outlay	26,250	24,098	2,152	-0-	-0-	-0-	13,555,743	5,074,661	8,481,082
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 Expenditures	\$ 497,945	\$ 391,960	\$ 105,985	\$ -0-	\$ -0-	\$ -0-	\$ 93,163,793	\$ 77,741,511	\$ 15,422,282
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 125,645)	(\$ 115,964)	(\$ 9,681)	\$ -0-	\$ -0-	\$ -0-	(\$ 21,494,432)	\$ 1,631,418	(\$ 23,125,850)
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 7,034,033	\$ 9,483,086	(\$ 2,449,053)
Transfer In (Interfund)	119,686	119,686	-0-	-0-	-0-	-0-	3,809,081	2,816,136	(992,945)
Bonds Issued	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Premium on Bonds Issued	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	2,000	43	1,957
Transfers Out	-0-	(1,015)	1,015	-0-	-0-	-0-	(2,059,544)	(2,134,615)	75,071
Transfers Out (Interfund)	-0-	-0-	-0-	-0-	-0-	-0-	(2,850,133)	(2,816,136)	(33,997)
Total Other Financing Sources (Uses)	\$ 119,686	\$ 118,671	\$ 1,015	\$ -0-	\$ -0-	\$ -0-	\$ 5,935,437	\$ 7,348,514	(\$ 3,398,967)
Net Change in Fund Balance	(\$ 5,959)	\$ 2,707	\$ 8,666	\$ -0-	\$ -0-	\$ -0-	(\$ 15,558,995)	\$ 8,979,932	\$ 24,538,927
Fund Balance - Beginning	-0-	(23,180)	(23,180)	-0-	-0-	-0-	-0-	54,104,239	54,104,239
Restatement of Beginning Fund Balance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(16,261,705)	(16,261,705)
Fund Balance - Ending	(\$ 5,959)	(\$ 20,473)	(\$ 14,514)	\$ -0-	\$ -0-	\$ -0-	(\$ 15,558,995)	\$ 46,822,466	\$ 62,381,461

(Continued)

CITY OF SAN ANGELO, TEXAS

Nonmajor Governmental Funds Description

For the Year Ended September 30, 2019

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/HOT 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.

Keep San Angelo Beautiful – To account for the expenditure of funds contributed by the City and San Angelo citizens.

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, 2019

	Special Revenue Funds							Capital Projects Fund	Permanent Funds			Total Nonmajor Governmental Funds
	Community Development	Intergovernmental	HOME Program	Designated Revenue/HOT	Tax	Keep	Total	Sales Tax Projects	Santa Fe	Lake	Total	
					Increment Reinv. Zone	San Angelo Beautiful			Park Trust	Nasworthy Trust		
ASSETS												
Cash and Cash Equivalents	\$ 101,982	\$ 671,835	\$ 67,706	\$ -0-	\$ -0-	\$ -0-	\$ 841,523	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 841,523
Investments	40	197	-0-	-0-	439,436	-0-	439,673	659,758	-0-	-0-	-0-	1,099,431
Receivables:												
Accrued Interest	1,377	1,679	-0-	74,300	5,947	-0-	83,303	-0-	-0-	66,763	66,763	150,066
Property Taxes	-0-	-0-	-0-	-0-	360,139	-0-	360,139	-0-	-0-	-0-	-0-	360,139
Accounts	190,193	-0-	178,049	-0-	-0-	-0-	368,242	-0-	-0-	-0-	-0-	368,242
Less: Allowance for Uncollectibles	(11,886)	-0-	-0-	-0-	-0-	-0-	(11,886)	-0-	-0-	-0-	-0-	(11,886)
Due from Other Governments	29,363	1,119,452	(1,199)	-0-	-0-	-0-	1,147,616	-0-	-0-	-0-	-0-	1,147,616
Restricted Assets:												
Cash and Cash Equivalents	-0-	-0-	-0-	215,541	1,428,051	1,086	1,644,678	-0-	13,925	1,433,164	1,447,089	3,091,767
Investments	-0-	-0-	-0-	953,690	-0-	-0-	953,690	-0-	-0-	14,202,576	14,202,576	15,156,266
Total Assets	\$ 311,069	\$ 1,793,163	\$ 244,556	\$ 1,243,531	\$ 2,233,573	\$ 1,086	\$ 5,826,978	\$ 659,758	\$ 13,925	\$ 15,702,503	\$ 15,716,428	\$ 22,203,164
DEFERRED OUTFLOWS OF RESOURCES												
Deferred Charges on Refunding	\$ -0-	\$ -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-	\$ -0-
LIABILITIES												
Accounts Payable	\$ 80	\$ 341,669	\$ 325	\$ 12,638	\$ 106,142	\$ -0-	\$ 460,854	\$ 3,781	\$ -0-	\$ 11,200	\$ 11,200	\$ 475,835
Due to Other Funds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	233,309	-0-	-0-	-0-	233,309
Deposits	-0-	-0-	1,700	-0-	-0-	-0-	1,700	-0-	-0-	-0-	-0-	1,700
Total Liabilities	\$ 80	\$ 341,669	\$ 2,025	\$ 12,638	\$ 106,142	\$ -0-	\$ 462,554	\$ 237,090	\$ -0-	\$ 11,200	\$ 11,200	\$ 710,844
DEFERRED INFLOWS OF RESOURCES												
Unavailable Revenue - Property Taxes	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Deferred Inflows of Resources	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
FUND BALANCES												
Nonspendable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,000	\$ 15,738,208	\$ 15,748,208	\$ 15,748,208
Restricted	310,989	1,451,494	242,531	178,717	2,127,431	-0-	4,311,162	-0-	3,925	-0-	3,925	4,315,087
Committed	-0-	-0-	-0-	1,052,176	-0-	1,086	1,053,262	422,668	-0-	-0-	-0-	1,475,930
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(46,905)	(46,905)	(46,905)
Total Fund Balances	\$ 310,989	\$ 1,451,494	\$ 242,531	\$ 1,230,893	\$ 2,127,431	\$ 1,086	\$ 5,364,424	\$ 422,668	\$ 13,925	\$ 15,691,303	\$ 15,705,228	\$ 21,492,320

CITY OF SAN ANGELO, TEXAS

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

For the Year Ended September 30, 2019

	Special Revenue Funds							Capital Projects Fund	Permanent Funds			Total Nonmajor Governmental Funds
	Community Development	Intergovernmental	HOME Program	Designated Revenue/HOT	Tax Increment Reinv. Zone	Keep San Angelo Beautiful	Total	Sales Tax Projects	Santa Fe Park Trust	Lake Nasworthy Trust	Total	
REVENUES												
Taxes:												
Property	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 865,793	\$ -0-	\$ 865,793	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 865,793
Hotel Occupancy	-0-	-0-	-0-	2,962,173	-0-	-0-	2,962,173	-0-	-0-	-0-	-0-	2,962,173
Licenses and Permits	-0-	91,645	-0-	-0-	-0-	-0-	91,645	-0-	-0-	-0-	-0-	91,645
Intergovernmental	799,377	2,266,152	225,751	-0-	-0-	-0-	3,291,280	-0-	-0-	-0-	-0-	3,291,280
Charges for Services	-0-	169,757	-0-	-0-	-0-	-0-	169,757	-0-	-0-	33,679	33,679	203,436
Investment Income:												
Interest	-0-	10,222	-0-	56,487	17,695	-0-	84,404	1,461	-0-	321,143	321,143	407,008
Change in Fair Value of Investments	-0-	-0-	-0-	(131,765)	(60,714)	-0-	(192,479)	(91,155)	-0-	187,840	187,840	(95,794)
Miscellaneous:												
Gifts and Contributions	-0-	194,278	-0-	101,191	-0-	1,086	296,555	-0-	-0-	-0-	-0-	296,555
Program Income	-0-	-0-	2,533	-0-	-0-	-0-	2,533	-0-	-0-	-0-	-0-	2,533
Other Miscellaneous	-0-	65,683	58,549	-0-	-0-	-0-	124,232	-0-	-0-	-0-	-0-	124,232
Total Revenues	\$ 799,377	\$ 2,797,737	\$ 286,833	\$ 2,988,086	\$ 822,774	\$ 1,086	\$ 7,695,893	(\$ 89,694)	\$ -0-	\$ 542,662	\$ 542,662	\$ 8,148,861
EXPENDITURES												
Current:												
Public Safety	\$ -0-	\$ 507,174	\$ -0-	\$ 1,361	\$ -0-	\$ -0-	\$ 508,535	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 508,535
Public Works and Transportation	-0-	355,719	-0-	1,211	-0-	-0-	356,930	-0-	-0-	-0-	-0-	356,930
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	38,000	1,601,815	-0-	6,647	-0-	-0-	1,646,462	-0-	-0-	-0-	-0-	1,646,462
Culture, Parks and Recreation	-0-	-0-	-0-	1,105,554	-0-	-0-	1,105,554	-0-	-0-	-0-	-0-	1,105,554
Economic Development	57,315	-0-	-0-	-0-	774,308	-0-	831,623	-0-	-0-	-0-	-0-	831,623
Urban Redevelopment and Housing	605,342	-0-	333,621	-0-	-0-	-0-	938,963	-0-	-0-	-0-	-0-	938,963
Total Current Expenditures	\$ 700,657	\$ 2,464,708	\$ 333,621	\$ 1,114,773	\$ 774,308	\$ -0-	\$ 5,388,067	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 5,388,067
Capital Outlay	1,157	579,488	-0-	27,451	-0-	-0-	608,096	31,039	-0-	-0-	-0-	639,135
Debt Service:												
Principal	107,000	-0-	-0-	-0-	-0-	-0-	107,000	-0-	-0-	-0-	-0-	107,000
Interest and Fiscal Charges	37,153	-0-	-0-	-0-	-0-	-0-	37,153	-0-	-0-	-0-	-0-	37,153
Total Expenditures	\$ 845,967	\$ 3,044,196	\$ 333,621	\$ 1,142,224	\$ 774,308	\$ -0-	\$ 6,140,316	\$ 31,039	\$ -0-	\$ -0-	\$ -0-	\$ 6,171,355
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 46,590)	(\$ 246,459)	(\$ 46,788)	\$ 1,845,862	\$ 48,466	\$ 1,086	\$ 1,555,577	(\$ 120,733)	\$ -0-	\$ 542,662	\$ 542,662	\$ 1,977,506
OTHER FINANCING SOURCES (USES)												
Transfers In	\$ -0-	\$ 682,720	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 682,720	\$ -0-	\$ -0-	\$ 840,686	\$ 840,686	\$ 1,523,406
Sale of Capital Assets	(5)	(27)	-0-	-0-	-0-	-0-	(32)	-0-	-0-	76,501	76,501	76,469
Proceeds from Long-Term Debt	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	-0-	(114,114)	(200,000)	(2,130,633)	-0-	-0-	(2,444,747)	-0-	-0-	(285,791)	(285,791)	(2,730,538)
Total Other Financing Sources (Uses)	(\$ 5)	\$ 568,579	(\$ 200,000)	(\$ 2,130,633)	\$ -0-	\$ -0-	(\$ 1,762,059)	\$ -0-	\$ -0-	\$ 631,396	\$ 631,396	(\$ 1,130,663)
Net Change in Fund Balances	(\$ 46,595)	\$ 322,120	(\$ 246,788)	(\$ 284,771)	\$ 48,466	\$ 1,086	(\$ 206,482)	(\$ 120,733)	\$ -0-	\$ 1,174,058	\$ 1,174,058	\$ 846,843
Fund Balances - Beginning	357,584	1,129,374	489,319	1,515,664	2,078,965	-0-	5,570,906	543,401	13,925	14,517,245	14,531,170	20,645,477
Fund Balances - Ending	\$ 310,989	\$ 1,451,494	\$ 242,531	\$ 1,230,893	\$ 2,127,431	\$ 1,086	\$ 5,364,424	\$ 422,668	\$ 13,925	\$ 15,691,303	\$ 15,705,228	\$ 21,492,320

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, 2019

	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-	84,700	91,645	6,945	-0-	-0-	-0-
Intergovernmental	927,839	799,377	(128,462)	3,981,059	2,266,152	(1,714,907)	478,517	225,751	(252,766)
Charges for Services	-0-	-0-	-0-	177,423	169,757	(7,666)	-0-	-0-	-0-
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:									
Interest	-0-	-0-	-0-	6,117	10,222	4,105	-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-	211,370	194,278	(17,092)	-0-	-0-	-0-
Program Income	-0-	-0-	-0-	-0-	-0-	-0-	154,300	2,533	(151,767)
Other Miscellaneous	-0-	-0-	-0-	90,300	65,683	(24,617)	78,547	58,549	(19,998)
Total Revenues	\$ 927,839	\$ 799,377	(\$ 128,462)	\$ 4,550,969	\$ 2,797,737	(\$ 1,753,232)	\$ 711,364	\$ 286,833	(\$ 424,531)
EXPENDITURES									
Current:									
Public Safety	\$ -0-	\$ -0-	\$ -0-	\$ 817,914	\$ 507,174	\$ 310,740	\$ -0-	\$ -0-	\$ -0-
Public Works and Transportation	-0-	-0-	-0-	395,661	355,719	39,942	-0-	-0-	-0-
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	38,000	38,000	-0-	2,320,231	1,601,815	718,416	-0-	-0-	-0-
Culture, Parks and Recreation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Economic Development	57,315	57,315	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Urban Redevelopment and Housing	476,346	605,342	(128,996)	-0-	-0-	-0-	722,300	333,621	388,679
Total Current Expenditures	\$ 571,661	\$ 700,657	(\$ 128,996)	\$ 3,533,806	\$ 2,464,708	\$ 1,069,098	\$ 722,300	\$ 333,621	\$ 388,679
Capital Outlay	1,200	1,157	43	2,137,607	579,488	1,558,119	-0-	-0-	-0-
Debt Service:									
Principal	144,154	107,000	37,154	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	37,153	(37,153)	-0-	-0-	-0-	-0-	-0-	-0-
Total Debt Service	\$ 144,154	\$ 144,153	\$ 1	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Expenditures	\$ 717,015	\$ 845,967	(\$ 128,952)	\$ 5,671,413	\$ 3,044,196	\$ 2,627,217	\$ 722,300	\$ 333,621	\$ 388,679
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 210,824	(\$ 46,590)	\$ 257,414	(\$ 1,120,444)	(\$ 246,459)	(\$ 873,985)	(\$ 10,936)	(\$ 46,788)	\$ 35,852
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ 682,720	\$ 682,720	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sale of Capital Assets	-0-	(5)	5	-0-	(27)	27	-0-	-0-	-0-
Transfers Out	-0-	-0-	-0-	(122,822)	(114,114)	(8,708)	-0-	(200,000)	200,000
Total Other Financing Sources (Uses)	\$ -0-	(\$ 5)	\$ 5	\$ 559,898	\$ 568,579	(\$ 8,681)	\$ -0-	(\$ 200,000)	\$ 200,000
Net Change in Fund Balance	\$ 210,824	(\$ 46,595)	\$ 257,419	(\$ 560,546)	\$ 322,120	(\$ 882,666)	(\$ 10,936)	(\$ 246,788)	\$ 235,852
Fund Balance - Beginning	-0-	357,584	(357,584)	-0-	1,129,374	(1,129,374)	-0-	489,319	(489,319)
Fund Balance - Ending	\$ 210,824	\$ 310,989	(\$ 100,165)	(\$ 560,546)	\$ 1,451,494	(\$ 2,012,040)	(\$ 10,936)	\$ 242,531	(\$ 253,467)

(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, 2019

	Designated Revenue/HOT Special Revenue Fund			Tax Increment Reinvestment Zone Special Revenue Fund (TIRZ)			Sales Tax Projects		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
			Positive (Negative)			Positive (Negative)			Positive (Negative)
REVENUES									
Taxes:									
Property	\$ -0-	\$ -0-	\$ -0-	\$ 784,996	\$ 865,793	\$ 80,797	\$ -0-	\$ -0-	\$ -0-
Motel	-0-	2,962,173	2,962,173	-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	29,080	56,487	27,407	10,634	17,695	7,061	-0-	1,461	1,461
Change in Fair Value of Investments	-0-	(131,765)	(131,765)	-0-	(60,714)	(60,714)	-0-	(91,155)	(91,155)
Miscellaneous:									
Gifts and Contributions	45,100	101,191	56,091	-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	\$ 74,180	\$ 2,988,086	\$ 2,913,906	\$ 795,630	\$ 822,774	\$ 27,144	\$ -0-	(\$ 89,694)	(\$ 89,694)
EXPENDITURES									
Current:									
Public Safety	\$ 45,276	\$ 1,361	\$ 43,915	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Public Works and Transportation	1,211	1,211	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	51,094	6,647	44,447	-0-	-0-	-0-	-0-	-0-	-0-
Culture, Parks and Recreation	1,191,501	1,105,554	85,947	-0-	-0-	-0-	-0-	-0-	-0-
Economic Development	-0-	-0-	-0-	2,477,232	774,308	1,702,924	-0-	-0-	-0-
Urban Redevelopment and Housing	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Current Expenditures	\$ 1,289,082	\$ 1,114,773	\$ 174,309	\$ 2,477,232	\$ 774,308	\$ 1,702,924	\$ -0-	\$ -0-	\$ -0-
Capital Outlay	61,151	27,451	33,700	-0-	-0-	-0-	-0-	31,039	(31,039)
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	\$ 1,350,233	\$ 1,142,224	\$ 208,009	\$ 2,477,232	\$ 774,308	\$ 1,702,924	\$ -0-	\$ 31,039	(\$ 31,039)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 1,276,053)	\$ 1,845,862	(\$ 3,121,915)	(\$ 1,681,602)	\$ 48,466	(\$ 1,730,068)	\$ -0-	(\$ 120,733)	\$ 120,733
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ 65,000	\$ -0-	\$ 65,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	(2,117,950)	(2,130,633)	12,683	-0-	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	(\$ 2,052,950)	(\$ 2,130,633)	\$ 77,683	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Net Change in Fund Balance	(\$ 3,329,003)	(\$ 284,771)	(\$ 3,044,232)	(\$ 1,681,602)	\$ 48,466	(\$ 1,730,068)	\$ -0-	(\$ 120,733)	\$ 120,733
Fund Balance - Beginning	-0-	1,515,664	(1,515,664)	-0-	2,078,965	(2,078,965)	-0-	543,401	(543,401)
Fund Balance - Ending	(\$ 3,329,003)	\$ 1,230,893	(\$ 4,559,896)	(\$ 1,681,602)	\$ 2,127,431	(\$ 3,809,033)	\$ -0-	\$ 422,668	(\$ 422,668)

(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, 2019

	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-	36,000	33,679	(2,321)
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:						
Interest	-0-	-0-	-0-	195,000	321,143	126,143
Change in Fair Value of Investments	-0-	-0-	-0-	-0-	187,840	187,840
Miscellaneous:						
Gifts and Contributions	-0-	-0-	-0-	-0-	-0-	-0-
Program Income	-0-	-0-	-0-	-0-	-0-	-0-
Other Miscellaneous	-0-	-0-	-0-	-0-	-0-	-0-
Total Revenues	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 231,000</u>	<u>\$ 542,662</u>	<u>\$ 311,662</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>\$ 231,000</u>	<u>\$ 542,662</u>	<u>(\$ 311,662)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 840,686	(\$ 840,686)
Sale of Capital Assets	-0-	-0-	-0-	470,000	76,501	393,499
Transfers Out	-0-	-0-	-0-	(175,500)	(285,791)	110,291
Total Other Financing Sources (Uses)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 294,500</u>	<u>\$ 631,396</u>	<u>(\$ 336,896)</u>
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 525,500</u>	<u>\$ 1,174,058</u>	<u>(\$ 648,558)</u>
Fund Balance - Beginning	-0-	13,925	(13,925)	-0-	14,517,245	(14,517,245)
Fund Balance - Ending	<u>\$ -0-</u>	<u>\$ 13,925</u>	<u>(\$ 13,925)</u>	<u>\$ 525,500</u>	<u>\$ 15,691,303</u>	<u>(\$ 15,165,803)</u>

CITY OF SAN ANGELO, TEXAS

Major Governmental Capital Projects Fund Description

For the Year Ended September 30, 2019

CAPITAL PROJECTS FUND

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

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

CITY OF SAN ANGELO, TEXAS

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

For the Year Ended September 30, 2019

	Capital Improvement Fund		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment Income:			
Interest	\$ -0-	\$ 853,516	\$ 853,516
Change in Fair Value of Investments	-0-	744,122	744,122
Taxes:			
Property	-0-	-0-	-0-
Other Miscellaneous	-0-	-0-	-0-
Total Revenues	<u>\$ -0-</u>	<u>\$ 1,597,638</u>	<u>\$ 1,597,638</u>
EXPENDITURES			
Current:			
Public Safety	\$ -0-	\$ 10,000	(\$ 10,000)
Total Current Expenditures	<u>\$ -0-</u>	<u>\$ 10,000</u>	<u>(\$ 10,000)</u>
Capital Outlay	27,571,152	5,748,695	21,822,457
Debt Service:			
Principal	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	-0-	-0-
Total Expenditures	<u>\$ 27,571,152</u>	<u>\$ 5,758,695</u>	<u>\$ 21,812,457</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$ 27,571,152)</u>	<u>(\$ 4,161,057)</u>	<u>\$ 23,410,095</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-Term Debt	\$ -0-	\$ -0-	\$ -0-
Issuance of Debt Premium	-0-	-0-	-0-
Settlement Proceeds	-0-	-0-	-0-
Transfer Out	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Net Change in Fund Balance	<u>(\$ 27,571,152)</u>	<u>(\$ 4,161,057)</u>	<u>\$ 23,410,095</u>
Fund Balance - Beginning	-0-	14,177,892	14,177,892
Restatement of Beginning Fund Balance	-0-	16,261,705	16,261,705
Fund Balance - Ending	<u>(\$ 27,571,152)</u>	<u>\$ 26,278,540</u>	<u>\$ 53,849,692</u>

CITY OF SAN ANGELO, TEXAS

Major Governmental Debt Service Fund Description

For the Year Ended September 30, 2019

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, 2019

	Debt Service Fund		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment Income:			
Interest	\$ 49,150	\$ 83,339	\$ 34,189
Change in Fair Value of Investments	-0-	(240,851)	(240,851)
Taxes:			
Property	4,642,049	4,749,309	107,260
Other Miscellaneous	2,709,922	2,499,452	(210,470)
Total Revenues	<u>\$ 7,401,121</u>	<u>\$ 7,091,249</u>	<u>(\$ 309,872)</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	4,945,000	4,945,000	-0-
Interest and Fiscal Charges	2,656,021	2,467,252	188,769
Total Expenditures	<u>\$ 7,601,021</u>	<u>\$ 7,412,252</u>	<u>\$ 188,769</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$ 199,900)</u>	<u>(\$ 321,003)</u>	<u>(\$ 121,103)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-Term Debt	\$ -0-	\$ -0-	\$ -0-
Issuance of Debt	-0-	-0-	-0-
Issuance of Debt Premium	-0-	-0-	-0-
Payment to Advance Refunding Escrow Agent	-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>\$ 100</u>	<u>(\$ 121,003)</u>	<u>(\$ 121,103)</u>
Fund Balance - Beginning	-0-	627,723	627,723
Fund Balance - Ending	<u>\$ 100</u>	<u>\$ 506,720</u>	<u>\$ 506,620</u>

CITY OF SAN ANGELO, TEXAS

Nonmajor Enterprise Funds Description

For the Year Ended September 30, 2019

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, 2019

	Airport	State Office Building	Solid Waste	Stormwater	Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ -0-	\$ -0-	\$ 3,657,107	\$ 1,749,299	\$ 5,406,406
Investments	127,414	31,432	3,367,540	2,236,555	5,762,941
Receivables:					
Accrued Interest	7,562	1,157	31,773	19,399	59,891
Accounts	157,020	12,752	1,083,161	485,734	1,738,667
Less: Allowance for Uncollectibles	-0-	-0-	-0-	(80,064)	(80,064)
Due From Other Governments	65,116	-0-	-0-	-0-	65,116
Restricted Assets:					
Cash and Cash Equivalents	5,147,448	-0-	-0-	-0-	5,147,448
Investments	569,430	-0-	-0-	-0-	569,430
Closure and Post-Closure Trust Fund	-0-	-0-	5,929,648	-0-	5,929,648
Total Current Assets	\$ 6,073,990	\$ 45,341	\$ 14,069,229	\$ 4,410,923	\$ 24,599,483
Noncurrent Assets:					
Capital Assets:					
Land	\$ 1,568,591	\$ 275,412	\$ 480,310	\$ 760,314	\$ 3,084,627
Buildings	24,836,856	6,051,542	-0-	160,357	31,048,755
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	1,749,992	17,039	1,289,337	2,792,231	5,848,599
Construction in Progress	3,735,254	-0-	-0-	172,298	3,907,552
Less: Accumulated Depreciation	(44,542,023)	(4,302,082)	(1,198,081)	(1,480,519)	(51,522,705)
Net Capital Assets	\$ 23,863,384	\$ 2,509,487	\$ 571,566	\$ 2,835,770	\$ 29,780,207
Total Noncurrent Assets	\$ 23,863,384	\$ 2,509,487	\$ 571,566	\$ 2,835,770	\$ 29,780,207
Total Assets	\$ 29,937,374	\$ 2,554,828	\$ 14,640,795	\$ 7,246,693	\$ 54,379,690
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amounts Related to Pensions	\$ 216,985	\$ 43,482	\$ 64,553	\$ 439,510	\$ 764,530
Total Deferred Outflows of Resources	\$ 216,985	\$ 43,482	\$ 64,553	\$ 439,510	\$ 764,530
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 115,243	\$ 48,828	\$ 993,314	\$ 181,178	\$ 1,338,563
Accrued Interest Payable	-0-	4,586	1,031	-0-	5,617
Due to Other Funds	5,284,499	99,924	-0-	-0-	5,384,423
Non Current Liabilities Due Within One Year	72,982	137,710	-0-	13,350	224,042
Total Current Liabilities	\$ 5,472,724	\$ 291,048	\$ 994,345	\$ 194,528	\$ 6,952,645
Noncurrent Liabilities:					
Net Pension Liability	\$ 673,723	\$ 119,232	\$ 196,194	\$ 1,252,245	\$ 2,241,394
Total OPEB Liability	824,857	-0-	-0-	1,030,633	1,855,490
Non Current Liabilities Due After One Year	174,698	313,363	4,641,389	192,488	5,321,938
Total Noncurrent Liabilities	\$ 1,673,278	\$ 432,595	\$ 4,837,583	\$ 2,475,366	\$ 9,418,822
Total Liabilities	\$ 7,146,002	\$ 723,643	\$ 5,831,928	\$ 2,669,894	\$ 16,371,467
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts Related to Pensions	\$ 59,407	\$ 20,263	\$ 27,842	\$ 63,535	\$ 171,047
Deferred Amounts Related to OPEB	2,352	-0-	-0-	58,300	60,652
Total Deferred Inflows of Resources	\$ 61,759	\$ 20,263	\$ 27,842	\$ 121,835	\$ 231,699
NET POSITION					
Net Investment in Capital Assets	\$ 23,863,384	\$ 2,088,647	\$ 571,566	\$ 2,835,770	\$ 29,359,367
Unrestricted	(916,786)	(234,243)	8,274,012	2,058,704	9,181,687
Total Net Position	\$ 22,946,598	\$ 1,854,404	\$ 8,845,578	\$ 4,894,474	\$ 38,541,054

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, 2019

	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-	\$ 2,792,591	\$ 2,792,591
Solid Waste Service	-0-	-0-	1,972,294	-0-	1,972,294
Rents, Leases and Fees	-0-	1,230,022	-0-	-0-	1,230,022
Other	17,652	13	-0-	-0-	17,665
Unpledged:					
Rents, Leases, and Fees	1,635,190	-0-	-0-	-0-	1,635,190
Other	21,687	-0-	208,112	46,801	276,600
Total Operating Revenues	\$ 1,674,529	\$ 1,230,035	\$ 2,180,406	\$ 2,839,392	\$ 7,924,362
OPERATING EXPENSES					
Cost of Sales and Services	\$ 1,841,437	\$ 455,412	\$ 1,304,816	\$ 1,943,613	\$ 5,545,278
Administrative	-0-	-0-	6,906	-0-	6,906
Depreciation	2,227,149	235,702	15,563	340,944	2,819,358
Total Operating Expenses	\$ 4,068,586	\$ 691,114	\$ 1,327,285	\$ 2,284,557	\$ 8,371,542
Operating Income (Loss)	(\$ 2,394,057)	\$ 538,921	\$ 853,121	\$ 554,835	(\$ 447,180)
NON-OPERATING REVENUES (EXPENSES)					
Investment Income:					
Interest	\$ 56,120	\$ 7,631	\$ 256,709	\$ 88,848	\$ 409,308
Gain (Loss) on Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-
Change in Fair Value of Investments	(96,279)	(4,343)	(465,272)	(309,011)	(874,905)
Interest Expense and Fiscal Agent Fees	-0-	(15,791)	-0-	-0-	(15,791)
Total Non-Operating Revenues (Expenses)	(\$ 40,159)	(\$ 12,503)	(\$ 208,563)	(\$ 220,163)	(\$ 481,388)
Income (Loss) Before Contributions and Transfers	(\$ 2,434,216)	\$ 526,418	\$ 644,558	\$ 334,672	(\$ 928,568)
Contributions:					
Federal Grants	\$ 1,163,654	\$ -0-	\$ -0-	\$ -0-	\$ 1,163,654
Capital	-0-	-0-	-0-	6,708	6,708
Total Contributions	\$ 1,163,654	\$ -0-	\$ -0-	\$ 6,708	\$ 1,170,362
Transfers In (Out)	(175,290)	(455,152)	(255,000)	(141,920)	(1,027,362)
Total Contributions and Transfers	\$ 988,364	(\$ 455,152)	(\$ 255,000)	(\$ 135,212)	\$ 143,000
Change in Net Position	(\$ 1,445,852)	\$ 71,266	\$ 389,558	\$ 199,460	(\$ 785,568)
Net Position - Beginning	24,392,450	1,783,138	8,456,020	4,695,014	39,326,622
Net Position - Ending	\$ 22,946,598	\$ 1,854,404	\$ 8,845,578	\$ 4,894,474	\$ 38,541,054

CITY OF SAN ANGELO, TEXAS

Combining Statement of Cash Flows - Nonmajor Enterprise Funds

For the Year Ended September 30, 2019

	Airport	State Office Building	Solid Waste	Stormwater	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 1,637,248	\$ 1,247,102	\$ 1,865,560	\$ 2,837,415	\$ 7,587,325
Cash Received from Other Governments	148,640	-0-	-0-	-0-	148,640
Cash Paid to Suppliers for Goods and Services	(1,590,462)	(295,145)	(774,389)	(690,762)	(3,350,758)
Cash Paid for Employee Services and Benefits	(682,934)	(118,597)	(196,403)	(1,319,222)	(2,317,156)
Interfund Receipts/Payments	346,685	(527,744)	-0-	-0-	(181,059)
Net Cash Provided (Used) by Operating Activities	(\$ 140,823)	\$ 305,616	\$ 894,768	\$ 827,431	\$ 1,886,992
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Transfers Out	(175,290)	(455,152)	(255,000)	(141,920)	(1,027,362)
Net Cash Provided (Used) by Noncapital Financing Activities	(\$ 175,290)	(\$ 455,152)	(\$ 255,000)	(\$ 141,920)	(\$ 1,027,362)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(\$ 550,719)	\$ -0-	(\$ 89,995)	(\$ 506,891)	(\$ 1,147,605)
Capital Contributions Received	1,163,654	-0-	-0-	6,708	1,170,362
Principal Paid on Debt	(48,470)	(132,305)	-0-	-0-	(180,775)
Interest Paid on Debt	-0-	(20,418)	-0-	-0-	(20,418)
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ 564,465	(\$ 152,723)	(\$ 89,995)	(\$ 500,183)	(\$ 178,436)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investments	(\$ 9,654)	(\$ 435)	(\$ 46,655)	(\$ 30,986)	(\$ 87,730)
Interest Received on Investments	53,633	7,293	250,488	84,910	396,324
Net Cash Provided (Used) by Investing Activities	\$ 43,979	\$ 6,858	\$ 203,833	\$ 53,924	\$ 308,594
Net Increase (Decrease) in Cash	\$ 292,331	(\$ 295,401)	\$ 753,606	\$ 239,252	\$ 989,788
Cash - Beginning	4,855,117	295,401	2,903,501	1,510,047	9,564,066
Cash - Ending	\$ 5,147,448	\$ -0-	\$ 3,657,107	\$ 1,749,299	\$ 10,553,854
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	(\$ 2,394,034)	\$ 538,921	\$ 853,121	\$ 561,549	(\$ 440,443)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	2,227,149	235,702	15,563	340,944	2,819,358
(Increase) Decrease in:					
Accounts Receivable	-0-	17,067	(660)	(1,977)	14,430
Other Receivable	(37,281)	-0-	(314,186)	-0-	(351,467)
Due from other governments	148,640				148,640
Postclosure liability		-0-	229,257		229,257
Deferred Outflows Related to Pensions	(113,242)	(16,622)	(18,548)	(310,301)	(458,713)
Increase (Decrease) in:					
Accounts Payable	(402,756)	36,799	67,976	30,524	(267,457)
Due To Other Funds	346,685	(527,744)	-0-	-0-	(181,059)
Due To Component Unit	1,741	-0-	-0-	-0-	1,741
Compensated Absences	(26,105)	(36)	24,490	48,580	46,929
Pension Liability	163,754	17,726	40,259	491,732	713,471
OPEB Liability	1,021	-0-	-0-	(233,269)	(232,248)
Deferred Inflows Related to Pension	(17,594)	3,803	(2,504)	(95,516)	(111,811)
Deferred Inflows Related to OPEB	(38,801)	-0-	-0-	(4,835)	(43,636)
Net Cash Provided (Used) by Operating Activities	(\$ 140,823)	\$ 305,616	\$ 894,768	\$ 827,431	\$ 1,886,992
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Amortization of Premiums and Discounts	\$ -0-	(\$ 4,627)	\$ -0-	\$ -0-	(\$ 4,627)
Change in Fair Value of Investments	(\$ 96,279)	(\$ 4,343)	(\$ 465,272)	(\$ 309,011)	(\$ 874,905)

CITY OF SAN ANGELO, TEXAS

Internal Service Funds Description

For the Year Ended September 30, 2019

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 internal communications system.

CITY OF SAN ANGELO, TEXAS

Combining Statement of Net Position - Internal Service Funds

As of September 30, 2019

	Vehicle Maintenance	Employee/ Retiree Health	Property and Casualty Insurance	Workers' Compensation Insurance	Communications	Total
ASSETS AND DEFERRED OUTFLOWS						
Current Assets:						
Cash and Cash Equivalents	\$ 793,075	\$ 1,297,540	\$ 114,988	\$ 1,692,054	\$ -0-	\$ 3,897,657
Investments	64,827	274	1,085,016	904,377	132	2,054,626
Receivables:						
Accrued Interest	3,823	-0-	1,764	-0-	2,241	7,828
Accounts	124,768	82,749	-0-	-0-	-0-	207,517
Less: Allowance for Uncollectibles	-0-	(34,931)	-0-	-0-	-0-	(34,931)
Due from Other Funds	-0-	-0-	-0-	-0-	-0-	-0-
Inventories	47,813	-0-	-0-	-0-	3,424	51,237
Total Current Assets	\$ 1,034,306	\$ 1,345,632	\$ 1,201,768	\$ 2,596,431	\$ 5,797	\$ 6,183,934
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	822,797	-0-	-0-	1,278	8,955,168	9,779,243
Construction in Progress	-0-	-0-	-0-	-0-	-0-	-0-
Less: Accumulated Depreciation	(1,191,519)	-0-	-0-	(1,278)	(13,398,574)	(14,591,371)
Total Noncurrent Assets	\$ 87,640	\$ -0-	\$ -0-	\$ -0-	\$ 793,906	\$ 881,546
Total Assets	\$ 1,121,946	\$ 1,345,632	\$ 1,201,768	\$ 2,596,431	\$ 799,703	\$ 7,065,480
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amounts Related to Pensions	\$ 254,193	\$ 67,363	\$ 103,934	\$ 66,551	\$ 58,380	\$ 550,421
Deferred Amounts Related to OPEB	5,245	-0-	-0-	34,687	-0-	39,932
Total Deferred Outflows of Resources	\$ 259,438	\$ 67,363	\$ 103,934	\$ 101,238	\$ 58,380	\$ 590,353
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 161,096	\$ 94,041	\$ 1,560	\$ 20,956	\$ 59,710	\$ 337,363
Due to Other Funds	-0-	-0-	-0-	-0-	828,377	828,377
Noncurrent Liabilities Due Within One Year	60	231,992	197,784	950,237	-0-	1,380,073
Total Current Liabilities	\$ 161,156	\$ 326,033	\$ 199,344	\$ 971,193	\$ 888,087	\$ 2,545,813
Noncurrent Liabilities Due After One Year	158,094	19,990	526,507	1,470,037	54,348	2,228,976
Total OPEB Liability	2,128,646	691,428	-0-	789,650	-0-	3,609,724
Net Pension Obligation	863,365	165,520	146,237	169,907	177,886	1,522,915
Total Liabilities	\$ 3,311,261	\$ 1,202,971	\$ 872,088	\$ 3,400,787	\$ 1,120,321	\$ 9,907,428
DEFERRED INFLOWS OF RESOURCES						
Deferred Amounts Related to Pensions	\$ 27,126	\$ 5,690	\$ 26,709	\$ 81,668	\$ 16,129	\$ 157,322
Deferred Amounts Related to OPEB	-0-	7,236	-0-	-0-	-0-	7,236
Total Deferred Inflows of Resources	\$ 27,126	\$ 12,926	\$ 26,709	\$ 81,668	\$ 16,129	\$ 164,558
NET POSITION						
Net Investment in Capital Assets	\$ 87,640	\$ -0-	\$ -0-	\$ -0-	\$ 793,906	\$ 881,546
Unrestricted	(2,044,643)	197,098	406,905	(784,786)	(1,072,273)	(3,297,699)
Total Net Position	(\$ 1,957,003)	\$ 197,098	\$ 406,905	(\$ 784,786)	(\$ 278,367)	(\$ 2,416,153)

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, 2019

	Vehicle Maintenance	Employee/ Retiree Health	Property and Casualty Insurance	Workers' Compensation Insurance	Communications	Total
OPERATING REVENUES						
Charges for Sales and Services:						
Sales and Service	\$ 4,067,707	\$ 9,222,136	\$ 201,082	\$ 1,428,325	\$ 583,847	\$ 15,503,097
Other	126,085	60,431	-0-	-0-	160,003	346,519
Total Operating Revenues	<u>\$ 4,193,792</u>	<u>\$ 9,282,567</u>	<u>\$ 201,082</u>	<u>\$ 1,428,325</u>	<u>\$ 743,850</u>	<u>\$ 15,849,616</u>
OPERATING EXPENSES						
Cost of Sales and Services:						
Administrative	\$ 4,147,234	\$ 8,904,071	\$ 1,423,239	\$ 1,032,247	\$ 750,731	\$ 16,257,522
Depreciation	27,350	-0-	-0-	-0-	3,604,817	3,632,167
Total Operating Expenses	<u>\$ 4,174,584</u>	<u>\$ 8,904,071</u>	<u>\$ 1,423,239</u>	<u>\$ 1,032,247</u>	<u>\$ 4,355,548</u>	<u>\$ 19,889,689</u>
Operating Income (Loss)	<u>\$ 19,208</u>	<u>\$ 378,496</u>	<u>(\$ 1,222,157)</u>	<u>\$ 396,078</u>	<u>(\$ 3,611,698)</u>	<u>(\$ 4,040,073)</u>
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Interest	34,172	-0-	28,374	16,541	8,148	87,235
Change in Fair Value of Investments	(8,957)	(38)	(149,910)	(124,952)	(18)	(283,875)
Gain (Loss) on Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-
Total Nonoperating Revenues (Expenses)	<u>\$ 25,215</u>	<u>(\$ 38)</u>	<u>(\$ 121,536)</u>	<u>(\$ 108,411)</u>	<u>\$ 8,130</u>	<u>(\$ 196,640)</u>
Income (Loss) Before Contributions, Special Items, and Transfers	<u>\$ 44,423</u>	<u>\$ 378,458</u>	<u>(\$ 1,343,693)</u>	<u>\$ 287,667</u>	<u>(\$ 3,603,568)</u>	<u>(\$ 4,236,713)</u>
CONTRIBUTIONS AND TRANSFERS						
Transfers In	\$ -0-	\$ -0-	\$ 770,525	\$ -0-	\$ -0-	\$ 770,525
Transfers Out	(14,159)	(909)	-0-	-0-	-0-	(15,068)
Capital Contributions	123,070	-0-	-0-	-0-	-0-	123,070
Total Contributions and Transfers	<u>\$ 108,911</u>	<u>(\$ 909)</u>	<u>\$ 770,525</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 878,527</u>
Change in Net Position	<u>\$ 153,334</u>	<u>\$ 377,549</u>	<u>(\$ 573,168)</u>	<u>\$ 287,667</u>	<u>(\$ 3,603,568)</u>	<u>(\$ 3,358,186)</u>
Net Position - Beginning	(2,110,337)	(180,451)	980,073	(1,072,453)	3,325,201	942,033
Net Position - Ending	<u>(\$ 1,957,003)</u>	<u>\$ 197,098</u>	<u>\$ 406,905</u>	<u>(\$ 784,786)</u>	<u>(\$ 278,367)</u>	<u>(\$ 2,416,153)</u>

CITY OF SAN ANGELO, TEXAS

Combining Statement of Cash Flows - Internal Service Funds

For the Year Ended September 30, 2019

	Vehicle Maintenance	Employee/ Retiree Health	Property and Casualty Insurance	Workers' Compensation Insurance	Communications	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Receipts from Interfund Services Provided	\$ 4,213,540	\$ 9,315,892	\$ -0-	\$ -0-	\$ 743,850	\$ 14,273,282
Cash Received from Reinsurance	-	-	201,082	1,396,746	-	1,597,828
Cash Paid to Suppliers for Goods and Services	(3,228,719)	(1,844,562)	(1,240,371)	(745,067)	(566,609)	(7,625,328)
Cash Paid for Insurance Claims and Premiums	-	(6,807,720)	-	154,741	-	(6,652,979)
Cash Paid for Employee Services and Benefits	(930,479)	(176,625)	(170,680)	(178,038)	(168,050)	(1,623,872)
Net Cash Provided (Used) by Operating Activities	\$ 54,342	\$ 486,985	(\$ 1,209,969)	\$ 628,382	\$ 9,191	(\$ 31,069)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers In	\$ -0-	\$ -0-	\$ 770,525	\$ -0-	\$ -0-	\$ 770,525
Transfers Out	(14,159)	(909)	-	-	-	(15,068)
Short-Term Interfund Loans Received	-	-	-	-	6,697	6,697
Net Cash Provided (Used) by Non-Capital Financing Activities	(\$ 14,159)	(\$ 909)	\$ 770,525	\$ -0-	\$ 6,697	\$ 762,154
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of Capital Assets	(\$ 28,539)	\$ -0-	\$ -0-	\$ -0-	(\$ 23,743)	(\$ 52,282)
Net Cash Provided (Used) by Capital and Related Financing Activities	(\$ 28,539)	\$ -0-	\$ -0-	\$ -0-	(\$ 23,743)	(\$ 52,282)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of Investments	(\$ 898)	(\$ 4)	(\$ 15,032)	(\$ 12,529)	(\$ 2)	(\$ 28,465)
Interest Received on Investments	32,658	-	27,117	16,541	7,787	84,103
Net Cash Provided (Used) by Investing Activities	\$ 31,760	(\$ 4)	\$ 12,085	\$ 4,012	\$ 7,785	\$ 55,638
Net Increase (Decrease) in Cash	\$ 43,404	\$ 486,072	(\$ 427,359)	\$ 632,394	(\$ 70)	\$ 734,441
Cash - Beginning	749,671	811,468	542,347	1,059,660	70	3,163,216
Cash - Ending	\$ 793,075	\$ 1,297,540	\$ 114,988	\$ 1,692,054	\$ -0-	\$ 3,897,657
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 142,297	\$ 378,496	(\$ 1,222,157)	\$ 396,078	(\$ 3,611,698)	(\$ 3,916,984)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities						
Depreciation	27,350	-	-	-	3,604,817	3,632,167
(Increase) Decrease in Accounts Receivable	19,748	33,325	-	-	-	53,073
(Increase) Decrease in Inventories	13,453	-	-	-	607	12,846
(Increase) Decrease in Deferred Outflows Related to Pension	(160,209)	(39,915)	9,523	(13,504)	(37,009)	(241,114)
(Increase) Decrease in Deferred Outflows Related to OPEB	-	-	-	(34,687)	-	(34,687)
Increase (Decrease) in Accounts Payable	(163,409)	(13,112)	(9,651)	10,643	(12,562)	(188,091)
Increase (Decrease) in Insurance Claims Payable	-	94,646	(13,140)	154,741	-	236,247
Increase (Decrease) in OPEB Liability	50,572	(21,447)	-	157,475	-	186,600
Increase (Decrease) in Net Pension Liability	279,084	69,213	26,743	36,268	62,851	474,159
Increase (Decrease) in Compensated Absences	17,975	25,745	-	(1,746)	29,561	71,535
Increase (Decrease) in Deferred Inflows Related to Pension	(68,714)	(11,593)	(1,287)	(31,579)	(26,162)	(139,335)
Increase (Decrease) in Deferred Inflows related to OPEB	(103,805)	(28,373)	-	(45,307)	-	(177,485)
Net Cash Provided (Used) by Operating Activities	\$ 54,342	\$ 486,985	(\$ 1,209,969)	\$ 628,382	\$ 9,191	(\$ 31,069)
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Change in Fair Value of Investments	(\$ 8,957)	(\$ 38)	(\$ 149,910)	(\$ 124,952)	(\$ 18)	(\$ 283,875)

CITY OF SAN ANGELO, TEXAS

Agency Fund Description

For the Year Ended September 30, 2019

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, 2019

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash and Cash Equivalents	\$ 382,940	\$ 1,902,350	\$ 1,938,815	\$ 346,475
Total Assets	\$ 382,940	\$ 1,902,350	\$ 1,938,815	\$ 346,475
LIABILITIES				
Accounts Payable	\$ 190	\$ 378,612	\$ 378,802	\$ -0-
Due to Other Governments	382,750	1,902,350	1,938,625	346,475
Total Liabilities	\$ 382,940	\$ 2,280,962	\$ 2,317,427	\$ 346,475

CITY OF SAN ANGELO, TEXAS

Discretely Presented Component Unit Description

For the Year Ended September 30, 2019

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, 2019

	Development Corporation
ASSETS	
Assets:	
Cash and Cash Equivalents	\$ 7,149,933
Investments	9,997,780
Accounts Receivable	343,026
Due from Other Governments	1,685,648
Advances to Other Funds	242,528
Prepays	29,633
Total Assets	<u>\$ 19,448,548</u>
LIABILITIES	
Accounts Payable	\$ 117,880
Total Liabilities	<u>\$ 117,880</u>
FUND BALANCE	
Nonspendable	\$ 29,633
Restricted	19,301,035
Committed	-0-
Assigned	-0-
Unassigned	-0-
Total Fund Balance	<u>\$ 19,330,668</u>
Total Liabilities and Fund Balance	<u>\$ 19,448,548</u>

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

Fund Balance - Component Unit	\$ 19,330,668
Capital assets used in component unit are not financial resources, and therefore, are not reported in the balance sheet. The net effect - increases (decrease) in net position - of including capital assets are:	
Beginning of the Year Cost	2,883,678
Beginning of the Year Accumulated Depreciation	(770,217)
Current Year Capital Disposals	(182,921)
Current Year Depreciation	(100,248)
Net Position of Component Units	<u>\$ 21,160,960</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, 2019

	Development Corporation
	<hr/>
REVENUES	
Taxes:	
Sales	\$ 10,096,924
Charges for Services	103,989
Investment Income - Interest	462,988
Total Revenues	<hr/> \$ 10,663,901 <hr/>
 EXPENDITURES	
Operating Expenditures	\$ 9,073,481
Total Expenditures	<hr/> \$ 9,073,481 <hr/>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	<hr/> \$ 1,590,420 <hr/>
 Net Change in Fund Balance	 \$ 1,590,420
 Fund Balance - Beginning	 17,740,248
Fund Balance - Ending	<hr/> \$ 19,330,668 <hr/>

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

Total Net Change in Fund Balances - Component Unit	\$ 1,590,420
 Loss on disposal of assets	 (182,920)
 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)
 Change in Net Position of Component Unit	 <hr/> \$ 1,307,252 <hr/>

CITY OF SAN ANGELO, TEXAS

Statistical Section Narrative

For the Year Ended September 30, 2019

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
	<i>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>
	Entity-wide information:
1	Net position by component, last ten fiscal years
2	Changes in net position, last ten fiscal years
	Governmental Funds Information:
3	Fund balances, last ten fiscal years
4	Changes in fund balances, last ten fiscal years
	Revenue Capacity
	<i>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.</i>
5	Assessed value and actual value of taxable property, last ten fiscal years
6	Direct and overlapping property tax rates, last ten fiscal years
7	Principal property taxpayers, current year and nine years ago
8	Property tax levies and collections, last ten fiscal years
9	Direct and overlapping sales tax rates, last ten fiscal years
10	Sales tax revenue by industry, current year and five years ago
	Debt Capacity
	<i>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.</i>
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
	<i>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.</i>
15	Demographic and economic statistics, last ten calendar years
16	Principal employers, current year and five years ago
	Operating Information
	<i>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.</i>
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 report for the relevant year.

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

	Fiscal Year									
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Governmental Activities:										
Net investment in capital assets	\$ 42,032,400	\$ 43,930,391	\$ 40,735,612	\$ 47,251,737	\$ 22,683,705	\$ 36,872,153	\$ 37,922,031	\$ 27,779,895	\$ 33,286,143	\$ 28,137,141
Restricted	26,659,496	17,767,899	16,874,203	34,668,116	16,248,477	11,346,760	11,346,760	21,358,553	24,796,775	24,383,653
Unrestricted	(114,292,280)	(115,842,937)	(44,678,753)	(63,955,519)	(16,545,241)	18,705,893	1,809,832	11,860,302	12,762	(4,917,254)
Total Governmental Activities Net Position	<u>(\$ 45,600,384)</u>	<u>(\$ 54,144,647)</u>	<u>\$ 12,931,062</u>	<u>\$ 17,964,334</u>	<u>\$ 22,386,941</u>	<u>\$ 66,924,806</u>	<u>\$ 51,078,623</u>	<u>\$ 60,998,750</u>	<u>\$ 58,095,680</u>	<u>\$ 47,603,540</u>
Business-Type Activities:										
Net investment in capital assets	\$ 200,960,575	\$ 150,891,275	\$ 190,198,520	\$ 168,098,952	\$ 161,562,185	\$ 137,816,767	\$ 59,580,126	\$ 111,718,102	\$ 133,918,235	\$ 135,862,187
Restricted	28,716,100	42,764,885	34,722,814	25,759,916	59,362,529	23,471,674	23,485,718	57,337,080	9,934,203	7,845,711
Unrestricted	18,841,138	40,902,089	(6,224,795)	9,725,257	(28,886,311)	25,651,846	91,981,182	(4,216,773)	13,994,167	10,016,280
Total Business-Type Activities Net Position	<u>\$ 248,517,813</u>	<u>\$ 234,558,249</u>	<u>\$ 218,696,539</u>	<u>\$ 203,584,125</u>	<u>\$ 192,038,403</u>	<u>\$ 186,940,287</u>	<u>\$ 175,047,026</u>	<u>\$ 164,838,409</u>	<u>\$ 157,846,605</u>	<u>\$ 153,724,178</u>
Primary Government:										
Net investment in capital assets	\$ 242,992,975	\$ 194,821,666	\$ 230,934,132	\$ 215,350,689	\$ 184,245,890	\$ 174,688,920	\$ 97,502,157	\$ 139,497,997	\$ 167,204,378	\$ 163,999,328
Restricted	55,375,596	60,532,784	51,597,017	60,428,032	75,611,006	34,818,434	34,832,478	78,695,633	34,730,978	32,229,364
Unrestricted	(95,451,142)	(74,940,848)	(50,903,548)	(54,230,262)	(45,431,552)	44,357,739	93,791,014	7,643,529	14,006,929	5,099,026
Total Primary Government Net Position	<u>\$ 202,917,429</u>	<u>\$ 180,413,602</u>	<u>\$ 231,627,601</u>	<u>\$ 221,548,459</u>	<u>\$ 214,425,344</u>	<u>\$ 253,865,093</u>	<u>\$ 226,125,649</u>	<u>\$ 225,837,159</u>	<u>\$ 215,942,285</u>	<u>\$ 201,327,718</u>

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

	Fiscal Year									
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Expenses										
Governmental Activities:										
General Government	\$ 11,191,578	\$ 9,742,037	\$ 11,617,429	\$ 15,503,820	\$ 14,693,548	\$ 9,351,776	\$ 12,180,551	\$ 10,863,197	\$ 10,965,462	\$ 7,619,436
Public Safety	51,306,625	45,099,899	53,883,378	45,843,672	40,093,771	37,912,268	36,925,673	36,379,803	33,867,601	37,296,403
Public Works and Transportation	13,172,331	10,931,292	10,088,428	12,554,602	10,151,004	7,271,354	9,379,877	8,123,640	7,863,396	10,034,118
Public Facilities	3,607,237	3,882,536	3,571,629	3,790,497	2,742,085	2,574,982	2,616,279	2,468,554	2,261,854	4,315,945
Health and Human Services	3,575,627	2,771,095	3,455,935	3,697,454	3,222,433	2,989,869	3,033,911	3,288,315	4,112,967	4,202,814
Culture Parks and Recreation	9,402,480	8,358,240	10,941,795	8,076,896	7,147,927	6,513,566	7,619,225	5,999,809	4,534,751	6,016,419
Economic Development	821,214	551,388	609,428	392,494	368,283	495,557	1,211,080	3,463,923	4,193,681	4,974,088
Urban Redevelopment and Housing	979,075	853,174	926,648	1,051,058	938,418	970,756	1,552,520	2,163,356	3,084,266	2,491,213
Interest and Fiscal Charges	2,096,755	2,442,020	2,235,720	2,153,962	2,350,993	2,539,485	840,512	1,878,828	1,371,616	2,110,568
Total Governmental Activities Expenses	\$ 96,152,922	\$ 84,631,681	\$ 97,330,390	\$ 93,064,455	\$ 81,708,462	\$ 70,619,613	\$ 75,359,628	\$ 74,629,425	\$ 72,255,594	\$ 79,061,004
Business-Type Activities:										
Water	\$ 19,194,724	\$ 18,271,162	\$ 18,722,506	\$ 17,183,317	\$ 16,783,235	\$ 16,064,612	\$ 15,711,368	\$ 18,985,682	\$ 15,680,907	\$ 17,863,109
Sewer	8,540,855	7,926,154	8,778,915	8,873,695	8,170,739	7,268,532	7,564,628	10,742,627	9,732,614	10,820,699
Airport	4,068,586	3,478,293	4,283,374	4,506,411	3,813,818	3,783,952	2,938,311	4,171,162	3,665,909	2,824,518
State Office Building	706,905	985,971	1,031,980	1,127,308	993,803	1,140,737	1,061,772	1,272,338	1,671,974	1,046,448
Solid Waste	1,327,285	691,372	930,399	786,709	491,075	1,876,321	-0-	-0-	-0-	-0-
Stormwater	2,284,557	1,989,444	1,772,384	2,032,021	1,952,448	2,069,601	1,454,672	-0-	-0-	-0-
Total Business-Type Activities Expenses	\$ 36,122,912	\$ 33,342,396	\$ 35,519,558	\$ 34,509,461	\$ 32,205,118	\$ 32,203,755	\$ 28,730,751	\$ 35,171,809	\$ 30,751,404	\$ 32,554,774
Total Primary Government Expenses	\$ 132,275,834	\$ 117,974,077	\$ 132,849,948	\$ 127,573,916	\$ 113,913,580	\$ 102,823,368	\$ 104,090,379	\$ 109,801,234	\$ 103,006,998	\$ 111,615,778
Program Revenues										
Governmental Activities:										
Charges for services:										
General Government	\$ 1,691,966	\$ 1,652,711	\$ 1,470,249	\$ 1,263,453	\$ 1,175,801	\$ 1,127,007	\$ 1,255,367	\$ 1,341,469	\$ 1,231,983	\$ 3,261,098
Public Safety	8,674,161	7,648,482	7,459,560	6,503,328	6,027,415	5,777,959	6,436,072	6,877,504	6,316,188	6,078,350
Public Works and Transportation	1,458,128	1,294,594	1,264,891	1,096,279	1,011,878	971,276	1,081,898	1,156,103	1,061,746	135,554
Public Facilities	852,678	760,856	744,368	642,393	591,151	676,979	632,669	676,062	620,884	410,061
Health and Human Services	1,161,767	1,114,913	1,110,551	902,281	793,706	773,866	862,005	921,127	845,948	426,735
Culture, Parks and Recreation	536,300	476,852	466,090	403,454	372,065	357,236	397,923	425,215	390,511	286,462
Economic Development	343,550	302,788	295,237	257,524	238,744	228,843	254,907	272,390	250,159	35,336
Urban Redevelopment and Housing	25,368	22,535	22,021	19,077	17,603	16,898	18,823	20,114	18,472	-0-
Operating grants and contributions	4,643,889	4,018,031	3,857,901	3,443,621	3,243,424	3,093,348	3,445,662	3,681,990	3,381,480	5,413,539
Capital grants and contributions	400,708	343,815	372,387	5,167,884	279,866	266,916	297,316	317,708	291,777	1,311,784
Total Governmental Activities Program Revenues	\$ 19,788,515	\$ 17,635,577	\$ 17,063,255	\$ 19,699,294	\$ 13,751,653	\$ 13,181,328	\$ 14,682,642	\$ 15,689,682	\$ 14,409,148	\$ 17,358,919
Business-Type Activities:										
Water	\$ 36,966,360	\$ 38,739,911	\$ 32,891,977	\$ 28,438,454	\$ 24,155,233	\$ 25,255,292	\$ 25,539,687	\$ 27,301,830	\$ 23,324,070	\$ 20,818,217
Sewer	16,660,607	17,542,589	13,944,617	11,808,606	11,062,765	11,169,732	11,282,467	13,435,701	15,033,265	13,585,101
Airport	1,674,529	1,528,475	1,555,945	1,664,125	1,330,236	1,246,710	2,287,792	1,437,400	1,418,125	1,455,673
State Office Building	1,230,035	1,240,281	1,232,054	1,276,717	1,220,429	1,201,085	1,191,259	1,161,119	1,157,281	1,160,080
Solid Waste	2,180,406	1,616,886	2,063,568	2,235,398	1,928,017	7,642,056	-0-	-0-	-0-	-0-
Stormwater	2,839,392	2,904,618	2,564,203	2,590,375	2,545,923	2,665,234	2,588,676	-0-	-0-	-0-
Operating grants and contributions	148	-0-	150	-0-	-0-	-0-	1,984	1,658	350	4,530
Capital grants and contributions	1,170,362	3,765,372	970,516	1,024,628	876,929	1,527,019	980,899	1,117,448	1,715,694	4,228,460
Total Business-Type Activities Program Revenues	\$ 62,721,839	\$ 67,338,132	\$ 55,223,030	\$ 49,038,303	\$ 43,119,532	\$ 50,707,128	\$ 43,872,764	\$ 44,455,156	\$ 42,648,785	\$ 41,252,061
Total Primary Government Program Revenues	\$ 82,510,354	\$ 84,973,709	\$ 72,286,285	\$ 68,737,597	\$ 56,871,185	\$ 63,888,456	\$ 58,555,406	\$ 60,144,838	\$ 57,057,933	\$ 58,610,980
Net (Expense) / Revenue										
Governmental Activities	(\$ 76,364,407)	(\$ 66,996,104)	(\$ 80,267,135)	(\$ 73,365,162)	(\$ 67,956,809)	(\$ 57,438,285)	(\$ 60,676,986)	(\$ 58,939,743)	(\$ 57,846,446)	(\$ 61,702,085)
Business-Type Activities	26,598,927	33,995,736	19,703,472	14,528,842	10,914,414	18,503,373	15,142,013	9,283,347	11,897,381	8,697,287
Total Primary Government Net Expense	(\$ 49,765,480)	(\$ 33,000,368)	(\$ 60,563,663)	(\$ 58,836,320)	(\$ 57,042,395)	(\$ 38,934,912)	(\$ 45,534,973)	(\$ 49,656,396)	(\$ 45,949,065)	(\$ 53,004,798)

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

	Fiscal Year									
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 39,235,072	\$ 39,181,491	\$ 36,675,045	\$ 38,061,931	\$ 36,040,174	\$ 35,886,552	\$ 31,726,116	\$ 28,675,344	\$ 28,515,143	\$ 27,818,552
Sales Taxes	19,962,832	19,812,694	17,676,790	17,147,214	19,253,436	18,948,114	17,257,554	22,633,111	20,200,646	18,757,222
Franchise Taxes	4,232,646	4,586,508	5,012,040	4,349,480	4,472,891	4,362,554	3,934,338	3,885,969	3,841,056	4,947,607
Other Taxes	3,405,338	2,884,378	2,433,101	2,334,928	2,780,823	3,599,661	3,168,436	2,489,412	1,908,202	1,709,757
Penalty, Interest and Fees on Delinquent Taxes	778,519	-0-	890,555	337,978	-0-	336,332	372,288	223,844	342,355	321,794
Investment Income	6,604,710	784,901	914,166	691,470	446,208	222,538	149,045	264,080	589,133	382,714
Miscellaneous	3,614,062	3,939,359	5,411,365	1,235,450	975,710	1,299,586	1,983,470	677,892	239,334	3,252,130
Settlement Proceeds	-0-	-0-	1,000,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Gain (Loss) on Sale of Capital Assets	(19,527)	-0-	-0-	-0-	-0-	519,315	(3,357)	694,080	(154,962)	162,906
Transfers	7,096,796	6,055,653	5,220,801	4,800,468	5,825,678	3,775,844	4,197,654	2,299,082	7,389,201	273,971
Total Governmental Activities	\$ 84,910,448	\$ 77,244,984	\$ 75,233,863	\$ 68,958,919	\$ 69,794,920	\$ 68,950,496	\$ 62,785,544	\$ 61,842,814	\$ 62,870,108	\$ 57,626,653
Business-Type Activities										
Investment Income	(\$ 2,034,103)	\$ 474,918	\$ 612,318	\$ 582,468	\$ 411,913	\$ 147,684	\$ 118,321	\$ 183,002	\$ 129,755	\$ 249,049
Unrestricted Grants and Contributions	-0-	-0-	-0-	-0-	-0-	4,225	-0-	-0-	-0-	-0-
Gain (Loss) on Sale of Capital Assets	993,389	113,364	17,425	663,072	24,947	157,227	(30,138)	50,245	14,074	53,218
Transfers	(7,096,796)	(5,654,599)	(5,220,801)	(4,800,468)	(5,825,678)	(3,775,844)	(4,197,654)	(2,299,082)	(7,389,201)	275,380
Total Business-Type Activities	(\$ 8,137,510)	(\$ 5,066,317)	(\$ 4,591,058)	(\$ 3,554,928)	(\$ 5,388,818)	(\$ 3,466,708)	(\$ 4,109,471)	(\$ 2,065,835)	(\$ 7,245,372)	\$ 577,647
Total Primary Government	\$ 76,772,938	\$ 72,178,667	\$ 70,642,805	\$ 65,403,991	\$ 64,406,102	\$ 65,483,788	\$ 58,676,073	\$ 59,776,979	\$ 55,624,736	\$ 58,204,300
Change in Net Position										
Governmental Activities	\$ 8,546,041	\$ 10,248,880	(\$ 5,033,272)	(\$ 4,406,243)	\$ 1,838,111	\$ 11,512,211	\$ 2,108,558	\$ 2,903,071	\$ 5,023,662	(\$ 4,075,432)
Business-Type Activities	18,461,417	28,929,419	15,112,414	10,973,914	5,525,596	15,036,665	11,032,542	7,217,512	4,652,009	9,274,934
Total Primary Government	\$ 27,007,458	\$ 39,178,299	\$ 10,079,142	\$ 6,567,671	\$ 7,363,707	\$ 26,548,876	\$ 13,141,100	\$ 10,120,583	\$ 9,675,671	\$ 5,199,502

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

	Fiscal Year									
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
General Fund:										
Nonspendable	\$ 43,322	\$ 50,822	\$ 43,778	\$ 44,988	\$ 23,407	\$ 18,724	\$ 18,724	\$ -0-	\$ -0-	\$ -0-
Restricted	1,773,777	1,437,802	-0-	-0-	-0-	-0-	-0-	-0-	554,938	-0-
Committed	181,062	161,594	-0-	-0-	-0-	-0-	375,219	-0-	-0-	-0-
Assigned	-0-	-0-	-0-	13,950,805	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	46,324,305	52,454,021	35,424,429	24,846,560	35,932,736	30,347,858	21,450,995	15,552,359	12,055,562	5,936,110
Total General Fund	\$ 48,322,466	\$ 54,104,239	\$ 35,468,207	\$ 38,842,353	\$ 35,956,143	\$ 30,366,582	\$ 21,844,938	\$ 15,552,359	\$ 12,610,500	\$ 5,936,110
Other Governmental Funds:										
Nonspendable	\$ 15,748,208	\$ 14,739,825	\$ 14,201,260	\$ 12,747,748	\$ 12,747,748	(\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,845,080
Restricted	4,315,087	4,152,586	3,470,316	3,355,777	3,500,930	14,754,510	13,112,031	12,580,265	11,967,745	-0-
Committed	1,982,650	16,737,775	2,462,163	224,988	210,128	214,544	195,544	195,409	274,426	-0-
Assigned	-0-	-0-	-0-	-0-	3,876,293	2,174,422	1,383,199	701,355	501,489	-0-
Unassigned, reported in:										
Special Revenue Funds	(46,905)	(179,094)	-0-	-0-	-0-	857,949	(386,968)	(102,430)	-0-	757,627
Capital Projects Funds	26,278,540	-0-	20,547,466	29,968,800	16,889,602	4,312,945	5,953,205	9,690,599	19,926,627	19,140,068
Permanent Funds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,030
Total Other Governmental Funds	\$ 48,277,580	\$ 35,451,092	\$ 40,681,205	\$ 46,297,313	\$ 37,224,701	\$ 22,314,370	\$ 20,257,011	\$ 23,065,198	\$ 32,670,287	\$ 30,750,805
Total All Governmental Funds	\$ 96,600,046	\$ 89,555,331	\$ 76,149,412	\$ 85,139,666	\$ 73,180,844	\$ 52,680,952	\$ 42,101,949	\$ 38,617,557	\$ 45,280,787	\$ 36,686,915

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

	Fiscal Year									
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Revenues										
Taxes	\$ 67,506,750	\$ 66,563,532	\$ 62,687,528	\$ 62,298,826	\$ 62,509,576	\$ 63,784,662	\$ 56,905,030	\$ 58,034,537	\$ 54,701,851	\$ 53,360,648
Licenses and Permits	1,014,298	895,056	954,157	956,392	826,482	916,819	806,257	787,612	788,344	749,994
Intergovernmental	5,421,684	3,116,193	3,795,934	7,090,325	2,484,974	2,247,654	3,015,193	3,495,356	4,935,935	5,802,593
Charges for Services	9,917,452	9,519,878	8,470,254	8,387,995	6,609,817	6,233,192	7,522,933	7,964,663	6,587,116	6,507,228
Fines and Forfeits	3,088,295	3,043,918	2,848,276	2,621,105	2,995,256	3,209,901	2,813,772	2,994,371	3,360,423	3,376,374
Investment Income	6,801,350	783,199	883,366	643,833	424,050	211,041	135,729	247,146	571,502	355,807
Other Revenues	3,960,848	4,376,724	5,821,517	1,724,315	1,884,996	1,873,348	2,989,974	1,321,283	1,064,749	3,761,586
Total revenues	\$ 97,710,677	\$ 88,298,500	\$ 85,461,032	\$ 83,722,791	\$ 77,735,151	\$ 78,476,617	\$ 74,188,888	\$ 74,844,968	\$ 72,009,920	\$ 73,914,230
Expenditures										
General Government	\$ 10,429,050	\$ 10,391,827	\$ 9,945,155	\$ 10,869,576	\$ 10,011,264	\$ 9,477,008	\$ 9,366,929	\$ 9,870,672	\$ 9,213,186	\$ 6,980,931
Public Safety	43,139,312	45,308,143	42,501,940	38,904,221	36,350,918	35,320,291	34,062,079	33,814,811	32,602,167	32,343,040
Public Works and Transportation	11,313,973	10,556,255	10,058,424	11,523,740	9,540,184	6,913,690	8,767,928	7,610,698	7,424,858	9,401,330
Public Facilities	1,033,854	1,010,503	967,170	998,644	914,595	1,013,884	889,044	674,273	676,047	2,294,330
Health and Human Services	3,260,087	3,176,408	3,097,989	3,334,684	3,009,616	2,848,160	2,842,001	3,120,047	3,931,698	3,815,320
Culture, Parks and Recreation	7,118,055	7,073,447	6,878,803	6,121,336	5,414,918	5,311,249	6,292,490	4,748,136	3,902,147	4,737,786
Economic Development	831,623	531,555	609,428	392,494	368,283	495,557	747,629	3,417,503	4,158,511	4,936,385
Urban Redevelopment and Housing	938,963	857,450	892,762	1,018,949	913,145	932,510	1,498,100	2,249,530	3,003,707	2,462,664
Capital Outlay	11,462,491	10,759,766	13,012,354	9,283,468	5,738,482	4,217,544	5,795,660	17,642,496	15,097,659	9,112,226
Debt service:										
Principal	5,052,000	5,721,047	8,492,000	5,409,500	2,292,000	2,862,000	9,401,601	3,370,218	2,679,000	3,616,500
Interest and fees	2,504,405	2,599,386	2,502,164	2,381,580	2,138,538	2,159,487	2,133,148	2,314,013	2,211,093	2,155,932
Total expenditures	\$ 97,083,813	\$ 97,985,787	\$ 98,958,189	\$ 90,238,192	\$ 76,691,943	\$ 71,551,380	\$ 81,796,609	\$ 88,832,397	\$ 84,900,073	\$ 81,856,444
Excess revenues over (under) expenditures	\$ 626,864	(\$ 9,687,287)	(\$ 13,497,157)	(\$ 6,515,401)	\$ 1,043,208	\$ 6,925,237	(\$ 7,607,721)	(\$ 13,987,429)	(\$ 12,890,153)	(\$ 7,942,214)
Other financing sources (uses)										
Transfers In	\$ 11,206,492	\$ 8,252,955	\$ 8,583,538	\$ 5,912,120	\$ 6,638,763	\$ 4,488,533	\$ 4,703,287	\$ 12,269,292	\$ 11,474,122	\$ 3,657,344
Debt Issue Proceeds	-0-	16,920,760	3,216,365	16,458,568	13,641,008	-0-	6,472,462	-0-	13,780,000	-0-
Capitalized Leases	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(184,620)
Sale of Capital Assets	76,512	480,484	568,474	159,447	752,083	552,491	754,582	845,727	870,727	226,361
Transfers Out	(4,865,153)	(2,598,356)	(7,861,474)	(1,172,702)	(813,085)	(896,391)	(505,633)	(9,970,210)	(4,084,921)	(3,218,086)
Total other financing sources (uses)	\$ 6,417,851	\$ 23,055,843	\$ 4,506,903	\$ 21,357,433	\$ 20,218,769	\$ 4,144,633	\$ 11,424,698	\$ 3,144,809	\$ 22,039,928	\$ 480,999
Net change in fund balances	\$ 7,044,715	\$ 13,368,556	(\$ 8,990,254)	\$ 14,842,032	\$ 21,261,977	\$ 11,069,870	\$ 3,816,977	(\$ 10,842,620)	\$ 9,149,775	(\$ 7,461,215)
Debt service as a percentage of noncapital expenditures	8.7%	9.5%	12.4%	9.7%	6.6%	8.2%	16.1%	7.2%	6.5%	8.0%

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

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			
2009-10	2009	2,759,315,091	724,790,790	29,811,000	589,244,647	4,103,161,528	582,142,000	3,521,019,528	0.81750
2010-11	2010	2,843,511,067	704,939,433	30,058,400	584,247,824	4,162,756,724	561,216,519	3,601,540,205	0.81750
2011-12	2011	2,982,354,709	710,198,077	29,633,750	623,792,545	4,345,979,081	584,870,033	3,761,109,048	0.78600
2012-13	2012	3,126,836,948	635,385,879	33,506,700	642,047,015	4,437,776,542	692,309,826	3,745,466,716	0.78100
2013-14	2013	3,157,788,596	662,174,170	31,250,910	704,088,330	4,555,302,006	678,705,787	3,876,596,219	0.77600
2014-15	2014	3,557,375,484	724,622,860	32,217,560	762,652,660	5,076,868,564	844,657,199	4,232,211,365	0.77600
2015-16	2015	3,881,638,165	760,948,870	32,460,990	901,606,440	5,576,654,465	975,159,581	4,601,494,884	0.77600
2016-17	2016	4,107,658,750	809,002,820	32,730,670	869,336,530	5,818,728,770	1,051,989,109	4,766,739,661	0.77600
2017-18	2017	4,325,243,884	843,054,000	34,296,050	881,095,683	6,083,689,617	1,105,783,881	4,977,905,736	0.77600
2018-19	2018	4,388,615,330	845,432,484	37,194,230	902,290,402	6,173,532,446	800,810,406	5,372,722,040	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
2009-10	0.72000	0.09750	0.81750	0.52500	1.35250
2010-11	0.73750	0.08000	0.81750	0.52500	1.31250
2011-12	0.70600	0.08000	0.78600	0.52500	1.28000
2012-13	0.70100	0.08000	0.78100	0.52500	1.26000
2013-14	0.69600	0.08000	0.77600	0.52500	1.26000
2014-15	0.69600	0.08000	0.77600	0.51500	1.24000
2015-16	0.67740	0.09860	0.77600	0.51250	1.23500
2016-17	0.67740	0.09860	0.77600	0.51250	1.22000
2017-18	0.68240	0.09360	0.77600	0.53500	1.21000
2018-19	0.68240	0.09360	0.77600	0.55117	1.13000

* 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 2018-19			Fiscal Year 2009-10		
		Assessed Value	Rank	Percent of Total Assessed Value	Assessed Value	Rank	Percent of Total Assessed Value
AEP Texas Inc.	Utility	\$ 90,167,740	1	1.68%	\$ 45,227,430	2	1.28%
Walmart & Sam's	Retail	85,506,165	2	1.59%	61,124,343	1	1.74%
Ethicon	Manufacturing	69,653,092	3	1.30%	33,191,048	4	0.94%
C & J Spec-Rent & Well Services Inc.	Petroleum	58,506,180	4	1.09%			
Hirschfeld Steel & Energy	Manufacturing	42,449,180	5	0.79%			
San Angelo Hospital LP	Medical	30,070,430	6	0.56%			0.00%
HEB Grocery Company LP	Retail	23,840,290	7	0.44%			0.00%
Southern Glazers Wine & Spirits of Texas LLC	Wholesale	21,471,830	8	0.40%			0.00%
Jim Bass Ford Inc.	Auto Industry	20,645,900	9	0.38%			
MIMG LXXX San Angelo	Apartments	15,951,170	10	0.30%			
Angelo Community Medical	Hospital				38,268,846	3	1.09%
Verizon	Utility				27,750,587	5	0.79%
Shannon Medical Center	Hospital				25,116,550	6	0.71%
Sunset Mall	Real Estate				23,010,830	7	
Suddenlink Communications	Utility				21,148,123	8	0.60%
Alexander Properties	Real Estate				16,660,759	9	0.47%
Lowes Home Improvement	Retail				13,675,585	10	0.39%
		<u>\$ 458,261,977</u>		<u>8.53%</u>	<u>\$ 305,174,101</u>		<u>8.01%</u>
	Total Assessed Value	<u>\$ 5,372,722,040</u>			<u>\$ 3,521,019,528</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
2009-10	27,789,598	-0-	26,871,734	96.70%	502,131	27,373,865	98.50%
2010-11	28,319,334	-0-	27,606,888	97.48%	411,298	28,018,186	98.94%
2011-12	28,356,670	-0-	27,881,820	98.33%	211,413	28,093,233	99.07%
2012-13	29,278,418	-0-	28,570,061	97.58%	515,007	29,085,068	99.34%
2013-14	30,082,389	-0-	29,583,219	98.34%	404,512	29,987,731	99.69%
2014-15	32,771,396	229,083	32,290,409	98.53%	415,937	32,706,346	99.11%
2015-16	35,569,387	214,162	34,998,697	98.40%	416,701	35,415,398	98.97%
2016-17	36,864,006	198,480	36,308,219	98.49%	502,506	36,810,725	99.32%
2017-18	38,416,262	217,733	37,830,580	98.48%	530,136	38,360,716	99.29%
2018-19	39,325,383	118,723	38,600,571	98.16%	445,735	39,046,305	98.99%

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
2009-10	1.50%	0.50%	6.25%
2010-11	1.50%	0.50%	6.25%
2011-12	1.50%	0.50%	6.25%
2012-13	1.50%	0.50%	6.25%
2013-14	1.50%	0.50%	6.25%
2014-15	1.50%	0.50%	6.25%
2015-16	1.50%	0.50%	6.25%
2016-17	1.50%	0.50%	6.25%
2017-18	1.50%	0.50%	6.25%
2018-19	1.50%	0.50%	6.25%

Source: State of Texas Comptroller

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

	Fiscal Years									
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Agriculture, Forestry, Fishing, Hunting	\$ 48,917	\$ 48,150	\$ 44,069	\$ 47,211	\$ 46,385	\$ 37,568	\$ 36,839	\$ 19,527	\$ 12,334	\$ 12,470
Mining, Oil and Gas	305,736	264,833	193,764	346,879	767,728	429,088	402,265	280,351	233,512	136,976
Utilities	81,775	73,572	66,739	58,381	87,880	53,777	41,687	35,275	25,453	27,833
Construction	463,427	477,993	426,851	549,393	522,345	450,768	436,994	386,899	347,833	425,429
Manufacturing	911,053	708,408	602,520	976,073	1,333,468	944,269	710,688	455,474	410,242	377,766
Wholesale Trade	1,899,898	1,486,186	1,269,721	1,609,563	1,735,430	1,219,857	1,075,020	855,832	710,629	689,171
Retail Trade	11,848,681	11,158,794	10,944,922	11,647,853	12,253,082	11,640,218	10,869,678	9,905,872	9,427,001	9,360,450
Transportation, Warehousing	17,944	15,205	20,127	79,455	102,107	91,993	83,802	71,069	45,011	7,083
Information	1,223,809	1,099,011	1,155,833	1,216,797	1,167,114	1,035,657	949,969	878,883	851,731	808,930
Finance, Insurance	43,223	41,040	36,666	36,262	41,043	35,754	34,687	35,805	31,064	29,879
Real Estate, Rental, Leasing	462,728	393,803	278,081	429,211	528,890	392,044	422,161	273,286	188,169	161,881
Professional, Scientific, Technical	408,942	287,056	487,618	352,274	300,996	190,827	181,968	142,006	231,099	149,079
Admin. Support, Waste Management	628,061	599,735	582,506	555,283	517,954	456,665	397,017	403,471	377,877	404,636
Educational Services	2,803	3,506	3,463	3,176	3,838	3,704	4,567	3,820	3,671	4,230
Health Care Social Assistance	77,678	70,730	79,449	81,637	77,685	83,371	79,529	71,754	78,101	62,061
Arts, Entertainment ,Recreation	194,791	188,684	193,750	186,234	170,099	162,358	157,981	139,611	134,153	139,107
Accommodation, Food Service	3,462,505	3,223,943	3,101,476	3,213,328	3,195,109	2,911,178	2,708,992	2,446,771	2,280,349	2,209,333
Other Services	1,044,941	968,228	943,391	1,005,837	899,882	784,784	708,350	631,693	535,614	533,677
	<u>\$ 23,126,912</u>	<u>\$ 21,108,876</u>	<u>\$ 20,430,948</u>	<u>\$ 22,394,848</u>	<u>\$ 23,751,035</u>	<u>\$ 20,923,880</u>	<u>\$ 19,302,193</u>	<u>\$ 17,037,398</u>	<u>\$ 15,923,844</u>	<u>\$ 15,539,990</u>

Source: State of Texas Comptroller

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

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									
2009-10	1,595,592	20,355,000	22,300,000	-0-	345,980	14,915,000	45,649,408	-0-	-0-	105,160,980	3.68%	1,222
2010-11	1,085,608	17,310,000	29,375,000	2,035,000	-0-	-0-	50,945,000	120,496,936	-0-	231,660,000	3.06%	1,128
2011-12	555,428	15,930,000	28,065,000	1,928,000	-0-	-0-	47,125,000	114,647,114	-0-	218,425,001	6.58%	2,471
2012-13	5,895,000	14,450,000	26,710,000	1,821,000	-0-	-0-	48,565,000	108,877,820	-0-	210,755,000	4.79%	2,278
2013-14	5,820,000	13,175,000	25,305,000	1,714,000	-0-	-0-	44,900,000	103,152,899	-0-	192,000,000	4.62%	2,162
2014-15	19,000,000	12,530,000	23,845,000	1,607,000	-0-	-0-	40,145,000	97,390,827	-0-	194,517,827	3.97%	1,969
2015-16	49,355,000	2,165,000	13,185,000	1,500,000	-0-	-0-	35,095,000	91,628,594	-0-	192,928,594	3.69%	1,936
2016-17	41,935,000	3,655,000	12,915,000	1,393,000	-0-	-0-	77,620,000	85,635,000	-0-	223,153,000	4.33%	2,216
2017-18	54,285,000	2,650,000	12,335,000	1,286,000	-0-	47,070,000	24,710,000	79,910,000	-0-	222,246,000	4.34%	2,220
2018-19	54,450,128	1,600,000	12,155,000	1,179,000	-0-	46,591,370	20,110,000	74,312,124	-0-	210,397,622	3.75%	2,099

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.

Table 12

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

Fiscal Year	General Obligation Bonds	Ad Valorem Tax Supported	Total	Percent of Actual Value of Taxable Property	Per Capita
2009-10	1,595,592	20,355,000	21,950,592	0.36%	140.25
2010-11	1,085,608	17,310,000	18,395,608	0.65%	268.78
2011-12	555,428	15,930,000	16,485,428	0.53%	238.21
2012-13	5,895,000	14,450,000	20,345,000	0.48%	213.63
2013-14	5,820,000	13,175,000	18,995,000	0.41%	189.05
2014-15	19,000,000	12,530,000	31,530,000	0.48%	222.08
2015-16	49,355,000	2,165,000	51,520,000	0.89%	491.34
2016-17	41,935,000	3,655,000	45,590,000	0.72%	416.43
2017-18	54,285,000	2,650,000	56,935,000	0.89%	542.20
2018-19	54,450,128	1,600,000	56,050,128	1.04%	559.30

CITY OF SAN ANGELO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2019
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>As of</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
a				
Debt Repaid With Property Taxes				
San Angelo Independent School District	\$ 96,694,982	9/30/2019	100.00%	\$ 96,694,982
Tom Green County	\$ 63,950,000	9/30/2019	82.02%	52,451,790
Grape Creek Independent School District	\$ 11,862,345	9/30/2019	0.24%	28,470
Subtotal Overlapping Debt				<u>\$ 149,175,242</u>
City of San Angelo Direct Debt				b <u>69,384,128</u>
Total Direct & Overlapping Debt				<u>\$ 218,559,370</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	
2008-09	34,524,952	17,440,985	17,083,967	1,565,000	910,617	6.90
2009-10	37,806,196	23,878,347	13,927,849	1,630,000	835,431	5.65
2010-11	n/a	n/a	n/a	n/a	n/a	n/a
2011-12	n/a	n/a	n/a	n/a	n/a	n/a
2012-13	n/a	n/a	n/a	n/a	n/a	n/a
2013-14	n/a	n/a	n/a	n/a	n/a	n/a
2014-15	n/a	n/a	n/a	n/a	n/a	n/a
2015-16	n/a	n/a	n/a	n/a	n/a	n/a
2016-17	n/a	n/a	n/a	n/a	n/a	n/a
2017-18	52,780,139	22,260,705	30,519,434	1,000,000	1,856,083	10.69
2018-19	53,626,969	23,998,872	29,628,097	1,015,000	1,839,742	10.38

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		c
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%
2017	100,119	5,121,700,000	51,156	3.7%
2018	100,215	5,616,169,000	56,041	3.2%

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 2018-19			Fiscal Year 2009-10		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Goodfellow Air Force Base	5,333	1	11.41%	6,688	1	15.67%
Shannon Health System	4,896	2	10.47%	2,467	2	5.78%
San Angelo Independent School Dist.	2,332	3	4.99%	2,069	3	4.85%
Angelo State University	1,323	4	2.83%	1,455	4	3.41%
San Angelo Community Medical Center	1,236	5	2.64%	865	6	2.03%
Walmart	1,079	6	2.31%	-		0.00%
City of San Angelo	995	7	2.13%	909	5	2.13%
San Angelo State Supported Living Cener	770	8	1.65%	-		0.00%
Ethicon (Johnson & Johnson)	665	9	1.42%	-		0.00%
Stripes Convenience Stores	882	10	1.89%	618	9	1.45%
Tom Green County	-		0.00%	764	7	1.79%
Verizon	-		0.00%	645	8	1.51%
SITEL, Inc.	-		0.00%	613	10	1.44%
	<u>19,511</u>		<u>41.74%</u>	<u>17,093</u>		<u>40.06%</u>
Total San Angelo Employment	<u>46,750</u>			<u>42,675</u>		

Sources: San Angelo Chamber of Commerce
Texas Workforce Commission

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

Full-time-Equivalent Employees	Fiscal Year									
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
General Government										
City Manager	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	7.0
Legal, City Clerk	7.0	7.0	7.0	7.0	7.0	9.0	9.0	8.0	8.0	9.0
Real Estate	2.0	2.0	2.0	2.0	2.0	-	-	-	-	-
Public Information	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Development Corporation	4.0	4.0	4.0	4.0	3.0	3.0	2.0	2.0	2.0	-
Human Resources	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Building Maintenance	6.0	6.0	6.0	6.0	7.0	7.0	6.0	6.0	3.0	2.0
Construction Management	1.0	1.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0	-
Emergency Management	2.5	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
City Health Insurance	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	6.0	10.0
Risk Management	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Administration										
Finance, Accounting	12.0	12.0	12.0	12.0	12.0	12.0	13.0	13.0	12.0	14.0
Information Services	6.0	6.0	7.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0
Communications	1.0	1.0	1.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Purchasing	3.0	3.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	4.0
Municipal Court	32.5	32.0	32.0	33.0	34.0	33.0	33.0	34.0	32.0	36.0
Water Billing and Receipts	9.0	9.0	9.0	9.0	8.0	8.0	8.0	8.0	8.0	20.5
Vehicle Maintenance	17.0	17.0	17.0	17.0	18.0	17.0	17.0	19.0	19.0	19.0
Public Safety										
Police	208.0	207.0	203.0	199.0	199.0	199.0	197.0	199.0	191.0	196.0
Public Safety Communications	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	26.0
Fire / Ambulance	176.0	176.0	176.0	169.0	169.0	169.0	169.0	169.0	169.0	169.0
Fire Prevention	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Community Development / Planning										
Planning	13.0	13.0	13.0	13.0	11.0	13.0	12.0	12.0	12.0	13.0
Engineering	15.0	15.0	15.0	15.0	7.0	8.0	8.0	8.0	8.0	8.0
Permits and Inspection	13.5	12.0	14.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0
Code Compliance	6.0	6.0	6.0	6.0	7.0	9.0	7.0	7.0	7.0	7.0
911 Addressing	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Neighborhood & Family Services	4.0	4.0	4.0	4.0	4.0	5.0	6.0	6.0	6.0	6.0
Public Works										
Operations	7.0	7.0	7.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0
Traffic / Signal	11.0	11.0	11.0	11.0	11.0	11.0	12.0	12.0	12.0	12.0
Street and Bridge	37.0	37.0	37.0	33.0	27.0	27.0	27.0	27.0	27.0	46.0
Airport	13.0	13.0	13.0	13.0	13.0	14.0	14.0	14.5	14.5	13.0
Water	107.0	107.0	108.0	109.0	113.0	112.0	113.0	114.0	116.0	108.0
Sewer	39.0	39.0	39.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0
Storm Water	23.0	23.0	23.0	21.0	22.0	21.0	24.0	24.0	21.0	-
Health and Social Services										
Administration	1.0	1.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
Animal Control	14.0	12.0	13.0	13.0	12.0	12.0	12.0	12.0	16.0	16.0
Nursing/Immunization	2.0	3.0	2.0	2.0	3.0	3.0	4.0	5.0	5.0	5.0
Environmental Health	2.5	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
BRLHO	-	-	-	-	-	-	-	-	-	-
Bioterrorism	-	-	-	-	-	-	-	1.0	1.0	1.0
WIC	14.0	14.0	14.0	15.0	15.0	17.0	14.0	18.0	18.0	18.0
Social Services	-	-	-	-	-	-	-	-	-	6.0
Parks and Recreation										
Parks	49.0	49.0	49.0	49.0	46.0	46.0	47.0	47.0	52.0	53.7
Texas Bank Sports Complex	9.0	9.0	9.0	9.0	9.0	9.0	10.0	9.0	7.0	-
Recreation	7.0	8.0	7.0	7.0	7.0	7.0	7.0	10.0	9.0	13.0
Nutrition	3.0	1.0	5.0	5.0	5.0	5.0	4.0	4.7	4.7	4.7
Golf Course	-	-	-	-	-	-	-	-	-	3.5
Civic Events	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	13.0	13.0
Fort Concho	14.0	12.0	14.0	14.0	14.0	14.0	13.0	13.0	13.0	14.0
Fairmount Cemetery	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
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	961.5	953.5	959.5	942.5	926.5	930.5	928.5	943.7	941.7	969.9

Source: City of San Angelo Operating Budget

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

Table 18

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

FUNCTION / PROGRAM	Fiscal Year									
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
<u>General Government</u>										
Building Permits Issued	8,081	7,761	7,337	6,797	7,256	8,219	8,036	8,129	8,430	7,800
<u>Health and Human Services</u>										
Animals Registered	775	1,948	1,942	2146 **	9,552	9,581 *	1,352	600	992	1,494
<u>Police</u>										
Number of Arrests	3,903	4,410	4,159	4,273	5,755	6,458	6,367	6,213	6,741	8,127
Calls for Service	91,325	106,417	92,977	95,966	97,233	102,966	98,076	89,198	89,876	101,003
<u>Fire / Ambulance</u>										
Fire responses	8,137	7,926	7,901	6,997	7,454	8,694	6,766	6,280	6,494	6,632
Ambulance Responses	14,294	13,812	13,663	12,761	12,224	12,543	12,070	11,658	11,325	10,571
Fire Marshall Inspections	812	1,803	2,088	2,418	2,759	3,110	2,807	3,750	4,142	3,730
<u>Municipal Court</u>										
Parking Violations	980	777	1,240	1,183	1,630	1,782	1,859	1,800	2,377	2,371
Traffic Cases	20,882	26,200	20,379	19,860	20,078	23,688	20,731	22,872	22,319	23,548
Criminal Cases	3,932	4,340	5,240	4,613	4,803	6,124	7,485	7,961	10,321	9,206
<u>Water</u>										
Number of Customers	35,268	34,868	34,829	35,320	36,269	35,373	34,175	32,845	31,885	31,721
Average Daily Consumption (millions of gallons)	11.95	12.10	11.90	10.04	8.81	9.15	9.84	11.28	14.00	13.93
<u>Sewer</u>										
Average Daily Treatment (millions of gallons)	8.93	7.87	7.67	8.42	8.55	8.20	7.94	8.46	8.35	8.22
Number of connections	38,025	37,617	42,465	37,247	33,656	31,113	30,880	30,342	29,473	28,920
<u>Parks, Recreation and Nutrition</u>										
Number of Acres Maintained	590	590	590	555	695	695	695	695	723	616
Number of Meals Served	29,336	31,547	35,994	36,013	30,696	33,709	36,945	38,873	43,061	47,316
<u>Coliseum, Auditorium, Convention Center</u>										
Number of Events-Coliseum	35	109	39	140	128	141	124	134	132	84
Number of Events-Convention Center	144	361	480	396	602	449	546	448	476	590

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)

FUNCTION / PROGRAM	Fiscal Year									
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
<u>Number of Fire Stations</u>	8	8	8	8	8	8	8	8	8	8
<u>Public Works</u>										
Miles of Streets	1,169	1,183	1,178	1,689	1,160	1,149 *	707	539	533	530
Miles of Alleys	112	175	174	174	173	287	283	205	205	203
Number of Street Lights	5,646	5,520	5,536	5,536	5,446 **	7,212	7,194	7,214	7,119	6,882
<u>Water</u>										
Miles of Water Mains	797	789	757	752	756	754	750	672	656	655
Number of Fire Hydrants	3,155	3,101	3,090	3,051	3,036	3,030	2,965	2,933	2,713	2,703
<u>Sewer</u>										
Miles of Storm Sewers	17	14	14	14	16	13	13	5	5	5
Miles of Sanitary Sewers	502	491	491	489	484	484	481	471	457	456
<u>Parks</u>										
Number of Acres	590	590	590	555	555	555	555	695	723	616
Number of Playgrounds	16	16	17	18	18	18	18	26	37	29
Number of Tennis Courts	16	16	17	18	18	18	18	20	20	20
Number of Recreation Centers	5	5	5	5	5	5	5	5	5	5
Number of Sports Complexes	6	6	7	7	7	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