



CITY OF SNYDER, TEXAS

Comprehensive Annual Financial Report

For the Year Ended September 30, 2017

**Prepared by: Finance Department
Patricia Warren
Director of Finance**

CITY OF SNYDER, TEXAS
Comprehensive Annual Financial Report
Year Ended September 30, 2017

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THE CITY OF SNYDER, TEXAS

P.O. Box 1341 • 1925 24th Street • 79550-1341
325/573-4957 • 325/573-7505 Fax

March 6, 2018

Honorable Mayor, Members of the City Council,
and City Manager, and Citizens of the City of Snyder

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Snyder for the fiscal year ended September 30, 2017.

This report consists of management's representations concerning the finances of the City of Snyder. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Snyder has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Snyder's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Snyder's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. 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 City of Snyder's financial statements have been audited by Eide Bailly LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Snyder for the fiscal year ended September 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Snyder's financial statements for the fiscal year ended September 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require 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 letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Snyder's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Snyder, incorporated in 1907, is in the northwestern part of the state. The City of Snyder currently occupies a land area of 8.73 square miles and serves a population of 11,768. The City of Snyder is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Snyder is a home rule city that operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The government's manager is responsible for carrying out the policies and ordinances of the governing council,

for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve two-year staggered terms, with four single-member district council members elected every two years, and the mayor and two at-large council members elected every two years also.

The City of Snyder provides a full range of services, including police and fire protection; animal control; the maintenance of highways, streets, and other infrastructure; water and sewer services; and sanitation services. The City of Snyder is also financially accountable for the Development Corporation of Snyder, which is funded by the City's additional sales tax of 3/8% to be used for economic development. The Development Corporation is reported separately within the City of Snyder's financial statements.

The annual budget serves as the foundation for the City of Snyder's financial planning and control. All agencies of the City of Snyder are required to submit requests for appropriation to the government's manager on or before the first Monday in May each year. The government's manager uses these requests as the starting point for developing a proposed budget. The government's manager then presents this proposed budget to the council for review prior to August 1. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 1. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the City Manager's approval. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as Exhibit B-3 as part of the basic financial statements for the governmental funds.

Factors Affecting Financial Condition

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

Local economy. Snyder is approximately 100 miles from four major cities: Lubbock, Abilene, Midland and San Angelo. The Price Daniel State Prison is now in its twenty-eight year of operation. This facility has provided employment for approximately 224 full time people. The Texas Department of Criminal Justice operates the Snyder Distribution Center, a distribution site for multiple prisons in the West Texas area. Snyder is also supported by the wind energy. Snyder and Scurry County are already home to a section of the second largest wind farm in the United States, the Roscoe Wind Farm. There are six wind farms located in the local area. There are approximately 400 wind turbines in the surrounding area, which would provide enough electricity to support 140,000 homes. There are plans to develop the first solar farm in this area. Ranching and cotton farming also continue to employ a large part of the population.

The sales tax received for the fiscal year ending 2017 was 21.88% less than the budgeted amount. The actual amount received was \$30,721 more than 2016. The decline in the local oil industry has played a huge part in lower sales tax revenue and the unemployment rate increasing. There have been several large companies that have closed either relocating their business to another town or closing completely. This has reduced the number of people spending money in Snyder. Motel occupancy tax increased 16.27% compared to the previous year. Property valuations were approximately 2.01% lower than 2016. The tax rate remained .4410 per \$100 on property taxes. The water sales in the enterprise fund did increase this year, less restrictions on watering account for this increase.

A new junior high school opened for the school year 2016-2017. There are sixteen hotels in Snyder with a total of eight hundred rooms. Western Texas College has finished the final stages of their \$30,000,000 update to their infrastructure and their HV/AC. Cogdell Memorial Hospital has remodeled their facility with a new surgical floor along with a new ob/gyn department.

West Texas State Bank now occupies the building that previously housed the family medical clinic. The bank did a complete renovation to the facility. Snyder is the home to five different banking institutions; Community Bank of Snyder, West Texas State Bank, Prosperity Bank, Aim Bank and First Bank and Trust.

A new retail shopping center has opened. Currently there is one new tenant with plans soon for a fitness gym and a pizza restaurant. The old Walmart building has been sold and will reopen this spring as West Texas Home and Garden, a subsidiary of Sutherland's Southwest. There have been three new restaurants within the city limits open in the past year.

The water supplier for the City of Snyder is the Colorado River Municipal Water District; the main source of water for Snyder is Lake Thomas. The lake is currently 52% full. This lake offers boating, fishing and camping for this area.

Snyder is fortunate to have an assisted living facility with 30 apartments along with a new facility for memory care that will house 15 apartments for patients with Alzheimer's disease.

A new automobile dealership has recently moved to Snyder with the intention of breaking ground on the new facility in 2018.

The Economic Development Corporation developed a \$2.9 million-dollar industrial rail park in 2012. This investment attracted W.L. Plastics to open their sixth North American location in Snyder. Additional acreage is available in the rail park. The Economic Development Corporation has sold eleven industrial lots to potential new companies in Snyder's Industrial Park.

The region (which includes the City of Snyder and the surrounding unincorporated area within the same county) has an employed labor force of approximately 5,948 with an unemployment rate of 3.4%. If the current level of services is to be maintained, the City will need to explore new methods of obtaining financial resources.

Long-term financial planning. The governing council awarded contracts for the replacement of the cast iron water lines, and for the construction of two new water storage tanks. These projects are being funded with \$9,000,000 Certificate of Obligation that was issued in 2013.

Phase I and Phase II of the water line replacement project was completed in 2017. The contract for the renovation of the old water treatment plant was also completed in 2017. This will produce an additional 4.5 million gallons of water a day. A portion of this cost was funded through a loan from the General Fund to the Enterprise Fund.

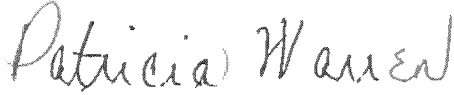
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financing Reporting to the City of Snyder for its comprehensive annual financial report for the fiscal year ending September 30, 2016. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. I would also like to thank the Mayor and City Council for their interest and unfailing support for maintaining the highest standards of professionalism in the management of the City of Snyder's finances.

Respectfully submitted,

A handwritten signature in cursive script that reads "Patricia Warren". The ink is dark and the signature is fluid.

Patricia Warren

Finance Director



Government Finance Officers Association

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

Presented to

**City of Snyder
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

CITY OF SNYDER, TEXAS
ORGANIZATIONAL CHART

MAYOR & COUNCIL (7) ----- BOARDS AND COMMISSIONS

- CITY MANAGER (1)
 - SECRETARY (1)
- FINANCE (1)
 - HUMAN RESOURCES/RISK MANAGEMENT (1)
 - SENIOR CLERK (1)
 - LABORER (1)
- PLANNING & ZONING (1)
 - INSPECTOR (2)
- MUNICIPAL COURT (1)
 - SENIOR CLERK (1)
 - CLERK 2 (1)
- CITY SECRETARY/RECORDS MANAGEMENT (1)
 - SENIOR CLERK/DEPUTY CITY SECRETARY (1)
- INFORMATION TECHNOLOGY/PURCHASING (1)
- POLICE (25)
- ANIMAL CONTROL (3)
- FIRE (11)
- PUBLIC WORKS (1)
 - STREETS (5)
 - SANITATION COLLECTION (5)
 - LANDFILL (5)
 - SANITARY SEWER (2)
 - WATER DISTRIBUTION (2)
 - INTERNAL SERVICE (1)
- WATER & WASTEWATER (1)
 - SEWAGE TREATMENT (3)
 - WATER PRODUCTION (6)
- UTILITY (1)
 - SENIOR CLERK (1)
 - CLERK (2)
 - METER CREW (2)

(90) NUMBER OF FULL TIME EQUIVALENT POSITIONS, EXCLUDING COMMISSION

CITY OF SNYDER, TEXAS

Principal Officials

City Council

Tony Wofford, Mayor
Stephen Highfield, Mayor Pro-Tem
Luann Burleson, Councilmember
Vernon Clay, Councilmember
Tom Strayhorn, Councilmember
Steve Rich, Councilmember
Ben Martin, Councilmember

Administrative Staff

Merle Taylor, City Manager
Patricia Warren, Director of Finance
Shai Green, City Secretary
Earl Morrison, Police Chief
Perry Westmoreland, Fire Chief
Underwood Law Firm, City Attorney



CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Honorable Mayor
Members of the City Council
City of Snyder, Texas:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Snyder, Texas (the City), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund 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 on pages 3-10 and 45-46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary schedules, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Report on Summarized Comparative Information

The 2016 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Snyder, Texas were audited by Davis Kinard & Co., PC whose report dated February 27, 2017, expressed unmodified audit opinions on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Abilene, Texas
March 9, 2018

CITY OF SNYDER, TEXAS MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Snyder, we offer readers of the City of Snyder's financial statements this narrative overview and analysis of the financial activities of the City of Snyder for the fiscal year ended September 30, 2017. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

Entity-Wide

- The assets of the City of Snyder exceeded its liabilities at the close of the most recent fiscal year by \$21,460 (*net position*). Of this amount, \$4,122 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$1,284. 77% of this decrease is from governmental activities and a decrease of 23% from the business-type activities.

Fund Statements

- As of the close of the current fiscal year, the City of Snyder's governmental funds reported combined ending fund balances of \$7,112, a decrease of \$1,171 in comparison with the prior year. Approximately 85.44% of this total amount, \$6,076, is unassigned and *available for spending* at the government's discretion, and 14.56% is non-spendable for prepaid items, inventories, and advances to other funds, committed to economic development through Chapter 380 agreements or restricted for various purposes.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,080 or 74.40% of total general fund expenditures, excluding capital outlay.
- The City of Snyder's total bond debt decreased by \$405 (3.64%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Snyder's basic financial statements. The City of Snyder's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *statement of net position* presents information on all the City of Snyder's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Snyder is improving or deteriorating.

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

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

The government-wide financial statements can be found on pages 11-12 of this report.

**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FUND FINANCIAL STATEMENTS

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

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

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

The City of Snyder maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund which is considered to be a major fund. Individual fund data for the nonmajor governmental fund is provided in the form of *combining statements* elsewhere in this report.

The governmental fund financial statements can be found on pages 13-16 of this report.

The City of Snyder adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget on page 17.

Proprietary funds. The City of Snyder maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Snyder uses enterprise funds to account for its Water and Sewer Authority and for its sanitation operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Snyder's various functions. The City of Snyder uses an internal service fund to account for its garage. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise fund financial statements provide separate information for the Water and Sewer Authority and for the sanitation operation, both of which are major funds of the City of Snyder. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. The City only has one internal service fund.

The basic proprietary fund financial statements can be found on pages 18-22 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-44 of this report.

**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Snyder's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 45-46 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Additional schedules related to major governmental and business-type funds are also included as supplementary information. Combining and individual fund statements and schedules can be found on pages 47-60 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Snyder, assets exceeded liabilities by \$21,460 at the close of the most recent fiscal year.

By far the largest portion of the City of Snyder's net position (80%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are outstanding. The City of Snyder uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Snyder's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF SNYDER'S Net Position

	Governmental Activities		Business Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Current and other assets	\$8,941	\$7,753	\$5,338	\$4,693	\$14,279	\$12,446
Capital assets	3,780	4,314	27,564	25,954	31,344	30,268
Total assets	12,721	12,067	32,902	30,647	45,623	42,714
Deferred outflows for pension	1,559	1,303	692	524	2,251	1,827
Long-term liabilities outstanding	3,475	3,513	17,215	16,656	20,690	20,168
Other liabilities	1,069	1,180	3,048	1,519	4,117	2,699
Total liabilities	4,544	4,693	20,263	18,175	24,807	22,868
Deferred inflow of resources	224	157	99	56	323	213
Net investment in capital assets	3,780	4,315	14,850	12,852	18,630	17,167
Restricted	112	171	-	-	112	171
Unrestricted	5,621	4,033	(1,618)	89	4,003	4,122
Total net position	\$9,513	\$8,519	\$13,232	\$12,941	\$22,745	\$21,460

The remaining balance of *unrestricted net position*, \$4,122 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Snyder is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its governmental and business-type activities.

The government's net position decreased by \$1,284 during the current fiscal year.

**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

CITY OF SNYDER'S Changes in Net Position

	Governmental Activities		Business Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,636	1,525	\$9,674	\$ 9,873	\$11,452	\$11,398
Operating grants and Contributions	134	131	-	-	134	108
Capital grants and Contributions	-	-	517	23	517	23
General revenues:						
Property taxes	2,448	2,414		-	2,448	2,414
Other taxes	3,105	3,199	-	-	3,105	3,199
Other	374	158	221	176	453	334
Total revenues	7,697	7,427	10,412	10,072	18,109	17,499
Expenses:						
General government	2,252	2,478	-	-	2,252	2,478
Public safety	4,208	4,012		-	4,208	4,012
Public works	1,061	1,521	-	-	1,061	1,521
Culture and recreation	356	410	-	-	356	410
Water & sewer	-	-	7,504	7,449	7,504	7,449
Sanitation	-	-	2,948	2,914	2,948	2,914
Total expenses	7,877	8,421	10,452	10,363	18,329	18,784
Change in net position	(180)	(994)	(40)	(290)	(220)	(1,284)
Net position – beginning of year	9,693	9,513	13,272	13,232	22,965	22,745
Net position – ending of year	\$9,513	\$8,519	\$13,232	\$12,941	\$22,745	\$21,460

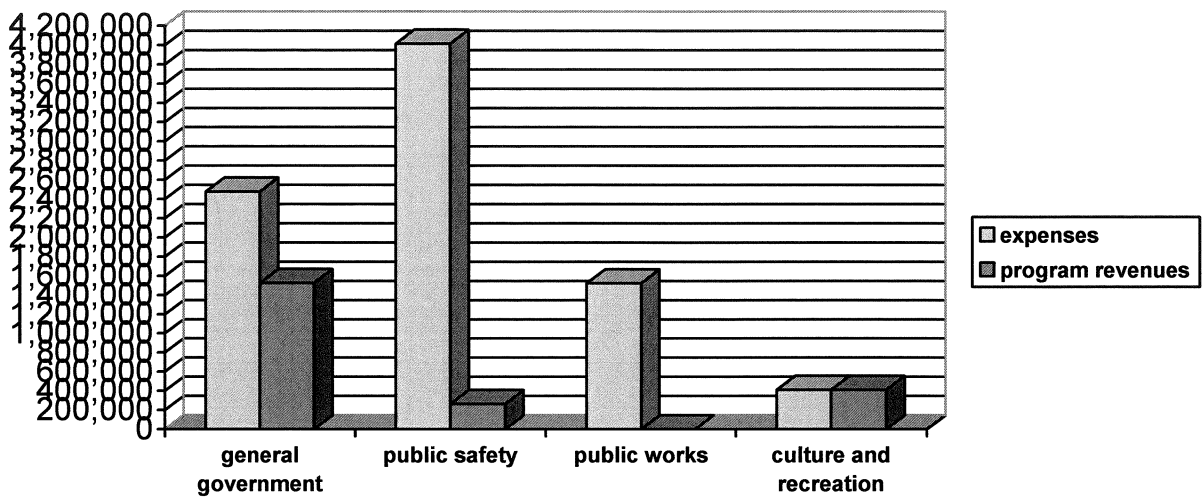
GOVERNMENTAL ACTIVITIES

Governmental activities decreased the City of Snyder's net position by \$994. Key elements of this decrease are as follows:

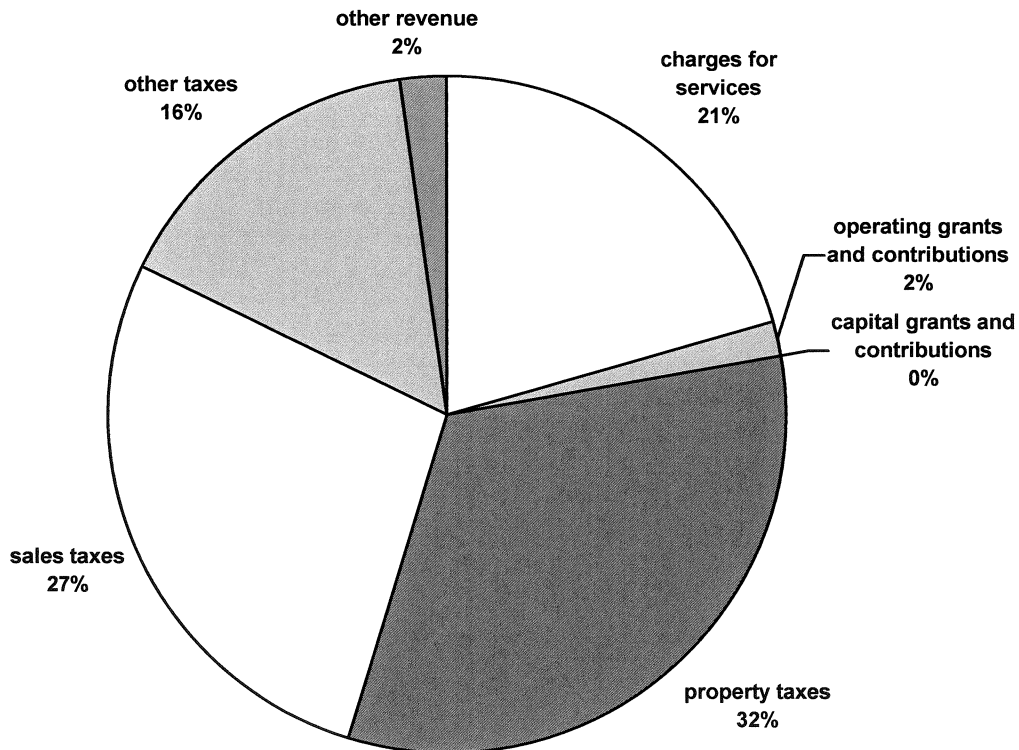
- Charges for services decreased \$111 or 6.8% as administrative fees from the enterprise fund decreased due to a decrease in expenses.
- Property taxes increased \$34 or 1% from prior year. Property tax rates remained the same of .4410 per One Hundred Dollars from 2016 to 2017. Sales taxes decreased (\$31) or 2% from prior year, because of the decline in the oil industry in the local economy
- Public safety expenses were 47.64% of the City's governmental expenses. Public safety expenses decreased \$196 from the prior year due to decrease in capital outlay for animal control and the fire department.
- Public works expenses increased \$460 or 43.36% from prior year due to an increase in maintenance including the seal coating project.

**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities

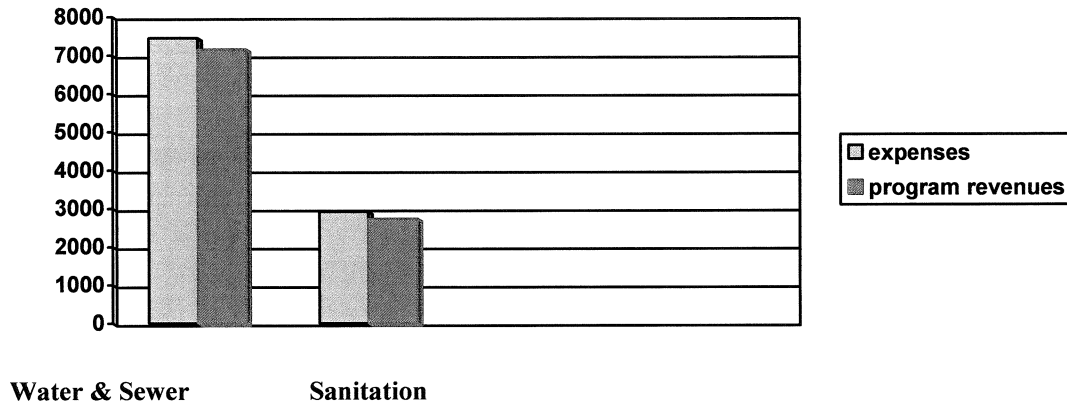


**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

BUSINESS-TYPE ACTIVITIES

Business-type activities decreased the City of Snyder's net position by \$290. Key elements of this decrease are as follows.

- The assets in the enterprise fund decreased due to the completion of the water line project and the renovation of the old water treatment plant, and a decrease in restricted cash.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Snyder uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Snyder's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Snyder's financing requirements. 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 of the end of the current fiscal year, the City of Snyder's governmental funds reported combined ending fund balances of \$7,112, a decrease of \$1,171 in comparison with the prior year. Approximately 85.44% of this total amount, \$6,076, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is made up of \$574 in *nonspendable fund balance* for prepaid items, inventories, and an advance to other funds, \$171 restricted for various purposes and \$290 committed to economic development through Chapter 380 agreements.

The general fund is the chief operating fund of the City of Snyder. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,080 while total fund balance reached \$7,001. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 74% of total general fund expenditures, while total fund balance represents 86% of that same amount. There were no major variances between the original and final budget.

The fund balance of the City of Snyder's general fund decreased by \$1,234 during the current fiscal year and decreased \$154 in the prior fiscal year.

- Budgeted sales tax was decreased by 14.32% from fiscal year 2016 due to the decline in the oil field and several businesses leaving Snyder.
- General fund expenditures increased due to the increase in the seal coating project for streets. This project had been canceled the prior year.

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

**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Unrestricted net position of the Water and Sewer Authority at the end of the year amounted to (\$522), and those for the Sanitation Fund amounted to \$611. The net decrease in unrestricted net position for the Water and Sewer Authority was \$1,247 and the net increase for the Sanitation Fund was \$460. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Snyder's business-type activities.

General Fund Budgetary Highlights

Actual revenues and other financing sources were lower than final budgeted revenues by \$741 and actual expenditures were \$494 higher than final budgeted expenditures.

The key elements of actual revenue below budget were as follows:

- Sales tax \$569 below budget, the oil industry has had a huge impact on the reduction in sales tax for our community.
- Franchise tax \$29 below budget, due to the decrease in land lines for telephones and decrease in cable television.

The key elements of actual expenditures above budget were as follows:

- Planning and Zoning \$264 over budget as a result of an end of year entry to allowance for doubtful collections due to liens that are currently on property resulting from demolition of condemned property.
- Municipal Court \$159 over budget because of end of year entry to allowance for doubtful collections.
- Public works \$174 over budget as result of the seal coating maintenance project for the streets that was canceled from previous year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Snyder's investment in capital assets for its governmental and business type activities as of September 30, 2017, amounts to \$30,268 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

**CITY OF SNYDER'S Capital Assets
(net of depreciation)**

	Governmental Activities		Business Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Land	\$ 553	\$ 553	\$ 307	\$307	\$ 860	\$ 860
Buildings	520	621	3,200	2,867	3,720	3,475
Improvements other than buildings	1,098	1,048	10,407	18,699	11,505	19,786
Machinery and equipment	1,609	2,033	4,936	4,081	6,545	6,088
Construction in progress	-	59	8,714	-	8,714	59
Total	\$3,780	\$4,314	\$27,564	\$25,954	\$31,344	\$30,268

Significant purchases made by the City were mainly vehicles and machinery and equipment. Additional information on the City of Snyder's capital assets can be found in note III.C on pages 31-33 of this report.

**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

LONG-TERM DEBT

Long-term debt. At the end of the current fiscal year, the City of Snyder had bond debt outstanding of \$10,725. Of this amount, \$10,725 comprises debt backed by the full faith and credit of the government. These bonds are paid by revenues of the Water and Sewer Funds.

The City of Snyder's total debt decreased by \$405 (3.64%) during the current fiscal year. The key factors in this decrease were principal payments of \$405.

Additional information on the City of Snyder's long-term debt can be found in note III.F on pages 34-37 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the City of Snyder is currently 3.4 percent. This is below the state's average unemployment rate of 4.8 percent and below the national average rate of 4.8 percent.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Snyder's budget for the 2018 fiscal year.

The budget for general fund total revenue for fiscal year 2018 is \$7,244. This is a decrease of 5.64% from fiscal year 2017. The property tax rate is .4410 for fiscal year 2018. Water and sewer rates along with sanitation rates remained the same for fiscal year 2018.

Requests for Information

This financial report is designed to provide a general overview of the City of Snyder's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, P.O. Box 1341, City of Snyder, Snyder, Texas, 79550.

CITY OF SNYDER, TEXAS

Statement of Net Position

September 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	DCOS
ASSETS				
Cash and cash equivalents	\$ 5,050,154	\$ 207,022	\$ 5,257,176	\$ 905,814
Investments	800,000	500,000	1,300,000	542,351
Receivables (net of allowance for uncollectibles)	1,230,272	1,085,860	2,316,132	428,540
Due from primary government	-	-	-	121,143
Internal balances	543,579	(543,579)	-	-
Inventories	49,508	158,277	207,785	-
Prepaid items	21,423	-	21,423	9,292
Restricted assets:				
Cash and cash equivalents	57,347	906,231	963,578	-
Investments	-	2,379,470	2,379,470	-
Capital assets (net of accumulated depreciation)				
Nondepreciable	611,896	306,521	918,417	698,781
Depreciable	3,702,469	25,647,527	29,349,996	2,706,089
Total assets	12,066,648	30,647,329	42,713,977	5,412,010
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows for pension	1,303,304	524,282	1,827,586	58,821
Total deferred outflows of resources	1,303,304	524,282	1,827,586	58,821
LIABILITIES				
Accounts payable and other liabilities	1,058,433	881,411	1,939,844	78,654
Accrued interest payable	-	36,764	36,764	-
Due to component unit	121,143	-	121,143	-
Customer meter deposits	-	601,167	601,167	-
Noncurrent liabilities:				
Due within one year	29,375	613,429	642,804	354,156
Due in more than one year	3,484,416	16,041,794	19,526,210	3,045,479
Total liabilities	4,693,367	18,174,565	22,867,932	3,478,289
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows for pension	157,385	55,744	213,129	6,860
Total deferred inflows of resources	157,385	55,744	213,129	6,860
NET POSITION				
Net investment in capital assets	4,314,365	12,852,474	17,166,839	1,009,383
Restricted for various purposes	171,441		171,441	-
Unrestricted	4,033,394	88,828	4,122,222	976,299
Total net position	\$ 8,519,200	\$ 12,941,302	\$ 21,460,502	\$ 1,985,682

The notes to the financial statements are an integral part of this statement.

CITY OF SNYDER, TEXAS
Statement of Activities
For the Year ended September 30, 2017

					Net (Expense) Revenue and Changes in Net Position			Component Unit
					Primary Government			
Function/Programs	Expenses	Program Revenues			Governmental Activities	Business-type Activities	Total	DCOS
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				
Primary government:								
Governmental activities:								
General government	\$ 2,477,557	\$ 1,374,720	\$ -	\$ -	\$ (1,102,837)		\$ (1,102,837)	
Public safety	4,011,884	149,967	131,150	-	(3,730,765)		(3,730,765)	
Public works	1,521,418	-	-		(1,521,418)		(1,521,418)	
Culture and recreation	409,911	-	-	-	(409,911)		(409,911)	
Total governmental activities	<u>8,420,770</u>	<u>1,524,687</u>	<u>131,150</u>	<u>-</u>	<u>(6,764,931)</u>		<u>(6,764,931)</u>	
Business-type activities:								
Water and sewer	7,448,996	7,150,421	-	5,000	-	\$ (293,575)	(293,575)	
Sanitation	2,913,815	2,722,754	-	18,393	-	(172,668)	(172,668)	
Total business-type activities	<u>10,362,811</u>	<u>9,873,175</u>	<u>-</u>	<u>23,393</u>	<u>-</u>	<u>(466,243)</u>	<u>(466,243)</u>	
Total primary government	<u>\$ 18,783,581</u>	<u>\$ 11,397,862</u>	<u>\$ 131,150</u>	<u>\$ 23,393</u>	<u>(6,764,931)</u>	<u>(466,243)</u>	<u>(7,231,174)</u>	
Component unit:								
Development Corporation of Snyder	<u>\$ 702,882</u>	<u>\$ 3,490</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ (699,392)</u>
General revenues:								
Property taxes					2,414,445	-	2,414,445	-
Sales taxes					2,031,217	-	2,031,217	677,064
Franchise taxes					745,505	-	745,505	-
Alcoholic beverage taxes					12,191	-	12,191	-
Hotel/motel occupancy taxes					409,911	-	409,911	-
Proceeds from insurance					61,451	81,162	142,613	26,128
Unrestricted investment earnings					61,524	38,125	99,649	18,222
Gain on sale of capital assets					35,000	56,700	91,700	132
Total general revenues					<u>5,771,244</u>	<u>175,987</u>	<u>5,947,231</u>	<u>721,546</u>
Change in net position					(993,687)	(290,256)	(1,283,943)	22,154
Net position - beginning					<u>9,512,887</u>	<u>13,231,558</u>	<u>22,744,445</u>	<u>1,963,528</u>
Net position - ending					<u>\$ 8,519,200</u>	<u>\$ 12,941,302</u>	<u>\$ 21,460,502</u>	<u>\$ 1,985,682</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SNYDER, TEXAS
Balance Sheet
Governmental Funds
September 30, 2017

	General	Nonmajor Governmental	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 4,936,060	\$ 114,094	\$ 5,050,154
Investments	800,000	-	800,000
Receivables (net of allowance for uncollectibles)	- 1,119,741	110,531	1,230,272
Advance to other funds	543,579	-	543,579
Prepaid items	21,423	-	21,423
Inventories	9,431	-	9,431
Restricted cash and cash equivalents	57,347	-	57,347
Total assets	<u>\$ 7,487,581</u>	<u>\$ 224,625</u>	<u>\$ 7,712,206</u>
LIABILITIES			
Accounts payable	\$ 240,546	\$ 113,913	\$ 354,459
Due to component unit	121,143	-	121,143
Total liabilities	<u>361,689</u>	<u>113,913</u>	<u>475,602</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue- property taxes	<u>124,660</u>	<u>-</u>	<u>124,660</u>
FUND BALANCES			
Nonspendable for:			
Prepaid items	21,423	-	21,423
Inventories	9,431	-	9,431
Advance to other funds	543,579	-	543,579
Restricted for various purposes	57,347	114,094	171,441
Committed for economic development	289,933	-	289,933
Unassigned	6,079,519	(3,382)	6,076,137
Total fund balances	<u>7,001,232</u>	<u>110,712</u>	<u>7,111,944</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,487,581</u>	<u>\$ 224,625</u>	<u>\$ 7,712,206</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SNYDER, TEXAS
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
September 30, 2017

Total Fund Balances - Governmental Funds	\$ 7,111,944
Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. At the beginning of the year, the cost of these assets was \$10,613,334 and the accumulated depreciation was \$7,281,492. The net effect of the beginning balance of the net investment in capital assets in the governmental activities is an increase to net position.	3,331,842
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of including capital outlays of \$996,906 is to increase net position.	996,906
Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of the current year depreciation expense of \$610,378 is to decrease net position.	(610,378)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. Deferred property tax revenue of \$124,660 is recognized in the government-wide financial statements. This results in an increase in net position.	124,660
Related to the City's net pension liability are deferred outflows of resources of \$1,281,753 and deferred inflows of resources of \$154,746, whose effect is to increase net position.	1,127,007
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(117,501)
Net pension liability	(3,340,861)
Internal service funds are used by management to charge the costs of the central garage to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. This results in a net decrease to net position.	(104,419)
Net Position of Governmental Activities	<u>\$ 8,519,200</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SNYDER, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2017

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes:			
Property	\$ 2,335,126	\$ 63,180	\$ 2,398,306
Sales	2,031,217	-	2,031,217
Franchise	745,505	-	745,505
Alcoholic beverage	12,191	-	12,191
Occupancy	-	409,911	409,911
Licenses and permits	74,102	-	74,102
Intergovernmental	131,150	-	131,150
Charges for services	1,220,123	-	1,220,123
Fines and forfeitures	149,967	-	149,967
Interest	61,524	-	61,524
Miscellaneous	80,497	-	80,497
Total Revenues	<u>6,841,402</u>	<u>473,091</u>	<u>7,314,493</u>
EXPENDITURES			
Current:			
General government	2,373,391	-	2,373,391
Public safety	3,828,955	-	3,828,955
Public works	1,969,597	-	1,969,597
Culture and recreation	-	409,911	409,911
Total Expenditures	<u>8,171,943</u>	<u>409,911</u>	<u>8,581,854</u>
Excess (deficiency) of revenues over (under) expenditures	(1,330,541)	63,180	(1,267,361)
OTHER FINANCING SOURCES (USES)			
Proceeds from insurance	61,451	-	61,451
Proceeds from sale of equipment	35,000	-	35,000
Total other financing sources and uses	<u>96,451</u>	<u>-</u>	<u>96,451</u>
Net change in fund balances	(1,234,090)	63,180	(1,170,910)
Fund balances -- beginning	8,235,322	47,532	8,282,854
Fund balances -- ending	<u>\$ 7,001,232</u>	<u>\$ 110,712</u>	<u>\$ 7,111,944</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SNYDER, TEXAS
Reconciliation of Statement of Revenues, Expenditures and Changes
In Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2017

Net Change in Fund Balances - Governmental Funds	\$ (1,170,910)
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Amounts reported for governmental activities in the statement of activities (A-2)
are different because:

Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of including capital outlays of \$996,906 is to increase net position.	996,906
--	---------

Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of the current year depreciation expense of \$610,378 is to decrease net position.	(610,378)
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Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the net decrease in compensated absences payable.	1,671
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Internal service funds are used by management to charge the costs of the central garage to individual funds. The change in net position of the internal service funds are included in governmental activities in the statement of activities. This has no effect on net position.	-
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Various other adjustments and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable property taxes of \$124,660 as revenue, reversing prior year's tax collection of \$108,521, and eliminating interfund transactions. The net effect of these adjustments and recognitions is to increase net position.	16,139
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Certain expenditures for the pension that are recorded to the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase. The City's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's proportionate share of the pension expense must be recognized. These cause the change in net position to decrease. The net effect is a decrease in net position.	(227,115)
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Change in net position of governmental activities	\$ <u>(993,687)</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF SNYDER, TEXAS
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2017

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Taxes:				
Property	\$ 2,172,255	\$ 2,172,255	\$ 2,335,126	\$ 162,871
Sales	2,600,000	2,600,000	2,031,217	(568,783)
Franchise	775,000	775,000	745,505	(29,495)
Alcoholic beverage	11,500	11,500	12,191	691
Licenses and permits	49,540	49,540	74,102	24,562
Intergovernmental	128,410	128,410	131,150	2,740
Charges for services	1,231,725	1,231,725	1,220,123	(11,602)
Fines and forfeitures	147,000	147,000	149,967	2,967
Interest	45,000	45,000	61,524	16,524
Miscellaneous	62,550	62,550	80,497	17,947
Total Revenues	<u>7,222,980</u>	<u>7,222,980</u>	<u>6,841,402</u>	<u>(381,578)</u>
EXPENDITURES				
Current:				
General government:				
Administration	294,080	294,080	293,075	1,005
Finance and personnel	399,300	399,300	393,517	5,783
Planning and zoning	303,410	303,410	567,700	(264,290)
Municipal court	286,895	286,895	446,418	(159,523)
Community services	349,020	349,020	364,621	(15,601)
City secretary/records	184,470	184,470	177,879	6,591
IT/purchasing	119,030	119,030	130,181	(11,151)
Total general government	<u>1,936,205</u>	<u>1,936,205</u>	<u>2,373,391</u>	<u>(437,186)</u>
Public safety:				
Police	2,552,005	2,489,947	2,406,757	83,190
Animal control	218,795	218,795	198,340	20,455
Fire	1,238,620	1,238,620	1,223,858	14,762
Total public safety	<u>4,009,420</u>	<u>3,947,362</u>	<u>3,828,955</u>	<u>118,407</u>
Public works:				
Street maintenance	1,732,785	1,794,843	1,969,597	(174,754)
Total expenditures	<u>7,678,410</u>	<u>7,678,410</u>	<u>8,171,943</u>	<u>(493,533)</u>
Excess (deficit) of revenues over expenditures	(455,430)	(455,430)	(1,330,541)	(875,111)
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance	-	-	61,451	61,451
Proceeds from sale of equipment	-	-	35,000	35,000
Transfer from reserves	455,430	455,430	-	(455,430)
Total other financing sources and uses	<u>455,430</u>	<u>455,430</u>	<u>96,451</u>	<u>(358,979)</u>
Net change in fund balances	-	-	(1,234,090)	(1,234,090)
Fund balances - beginning	8,389,325	8,389,325	8,235,322	-
Fund balances - ending	<u>\$ 8,389,325</u>	<u>\$ 8,389,325</u>	<u>\$ 7,001,232</u>	<u>\$ (1,234,090)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SNYDER, TEXAS
Statement of Net Position
Proprietary Funds
September 30, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Fund
	Water & Sewer Current Year	(memo only) Water & Sewer Prior Year	Sanitation Current Year	(memo only) Sanitation Prior Year	Totals Current Year	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ -	\$ -	\$ 207,022	\$ -	\$ 207,022	\$ -
Investments	-	-	500,000	500,042	500,000	-
Interest receivable	761	419	6,109	5,579	6,870	-
Accounts receivable, net	773,346	872,263	305,644	350,767	1,078,990	-
Inventories	155,357	141,403	2,920	4,505	158,277	40,077
Restricted cash	895,470	1,744,611	-	-	895,470	-
Restricted investments	400,000	400,000	-	-	400,000	-
Total current assets	<u>2,224,934</u>	<u>3,158,696</u>	<u>1,021,695</u>	<u>860,893</u>	<u>3,246,629</u>	<u>40,077</u>
Noncurrent assets:						
Restricted cash	-	-	10,761	12,846	10,761	-
Restricted investments	-	-	1,979,470	1,966,624	1,979,470	-
Capital assets:						
Land	185,765	185,765	120,756	120,756	306,521	-
Buildings	9,635,634	9,649,480	479,605	430,794	10,115,239	413,187
Improvements other than buildings	25,433,425	16,185,624	3,845,813	3,845,813	29,279,238	-
Machinery and equipment	6,124,384	5,997,222	4,674,850	4,572,858	10,799,234	311,044
Construction in progress	-	8,714,260	-	-	-	58,743
Less accumulated depreciation	<u>(18,259,417)</u>	<u>(16,559,081)</u>	<u>(6,286,767)</u>	<u>(5,579,760)</u>	<u>(24,546,184)</u>	<u>(186,979)</u>
Total capital assets (net of accumulated depreciation)	<u>23,119,791</u>	<u>24,173,270</u>	<u>2,834,257</u>	<u>3,390,461</u>	<u>25,954,048</u>	<u>595,995</u>
Total noncurrent assets	<u>23,119,791</u>	<u>24,173,270</u>	<u>4,824,488</u>	<u>5,369,931</u>	<u>27,944,279</u>	<u>595,995</u>
Total assets	<u>25,344,725</u>	<u>27,331,966</u>	<u>5,846,183</u>	<u>6,230,824</u>	<u>31,190,908</u>	<u>636,072</u>
DEFERRED OUTFLOW OF RESOURCES						
Deferred Outflows of Resources	<u>321,844</u>	<u>447,046</u>	<u>202,438</u>	<u>245,194</u>	<u>524,282</u>	<u>21,551</u>
Total deferred outflows of resources	<u>321,844</u>	<u>447,046</u>	<u>202,438</u>	<u>245,194</u>	<u>524,282</u>	<u>21,551</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SNYDER, TEXAS
Statement of Net Position
Proprietary Funds
September 30, 2017

	Business-type Activities - Enterprise Funds					Governmental
		(memo only)		(memo only)		Activities-
	Water & Sewer	Water & Sewer	Sanitation	Sanitation	Totals	Internal Service
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Fund
LIABILITIES						
Current liabilities:						
Cash overdraft	\$ 650,831	\$ 1,119,475	\$ -	\$ 100,625	\$ 650,831	\$ 696,890
Accounts payable	190,579	542,336	40,001	274,246	230,580	7,084
Accrued compensated absences	8,085	7,910	3,569	4,237	11,654	-
Retainage payable	-	411,616	-	-	-	-
Payable from restricted assets:						
Customer meter deposits	601,167	561,333	-	-	601,167	-
Certificates of obligation payable	415,000	405,000	-	-	415,000	-
Municipal lease agreement payable	186,775	181,617	-	-	186,775	-
Accrued interest payable	36,764	38,156	-	-	36,764	-
Total current liabilities	<u>2,089,201</u>	<u>3,267,443</u>	<u>43,570</u>	<u>379,108</u>	<u>2,132,771</u>	<u>703,974</u>
Noncurrent liabilities:						
Accrued compensated absences	24,254	23,730	10,708	12,711	34,962	-
Certificates of obligation payable	10,438,433	10,863,108	-	-	10,438,433	-
Municipal lease agreement payable	2,061,366	2,248,141	-	-	2,061,366	-
Advances from other funds-General	543,579	660,885	-	-	543,579	-
Net pension liability	982,267	961,899	534,535	527,579	1,516,802	55,429
Landfill closure/post closure care	-	-	1,990,231	1,979,470	1,990,231	-
Total noncurrent liabilities	<u>14,049,899</u>	<u>14,757,763</u>	<u>2,535,474</u>	<u>2,519,760</u>	<u>16,585,373</u>	<u>55,429</u>
Total liabilities	<u>16,139,100</u>	<u>18,025,206</u>	<u>2,579,044</u>	<u>2,898,868</u>	<u>18,718,144</u>	<u>759,403</u>
DEFERRED INFLOW OF RESOURCES						
Deferred Inflows of Resources	31,650	64,191	24,094	35,207	55,744	2,639
Total deferred inflows of resources	<u>31,650</u>	<u>64,191</u>	<u>24,094</u>	<u>35,207</u>	<u>55,744</u>	<u>2,639</u>
NET POSITION						
Net investment in capital assets	10,018,217	11,459,247	2,834,257	3,390,461	12,852,474	595,995
Unrestricted	(522,398)	(1,769,632)	611,226	151,482	88,828	(700,414)
Total net position	<u>\$ 9,495,819</u>	<u>\$ 9,689,615</u>	<u>\$ 3,445,483</u>	<u>\$ 3,541,943</u>	<u>\$ 12,941,302</u>	<u>\$ (104,419)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SNYDER, TEXAS
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund
	Water & Sewer Current Year	(memo only) Water & Sewer Prior Year	Sanitation Current Year	(memo only) Sanitation Prior Year	Totals	
Operating Revenues:						
Water sales	\$ 5,109,466	\$ 4,942,602	\$ -	\$ -	\$ 5,109,466	\$ -
Sewer charges	1,592,854	1,503,102	-	-	1,592,854	-
Charges for billing & collections	351,560	374,948	-	-	351,560	384,258
Sanitation charges	-	-	1,885,312	1,930,374	1,885,312	-
Landfill gate fees	-	-	790,965	801,751	790,965	-
Water & sewer taps	38,821	11,425	-	-	38,821	-
Plumbing permits & inspections	8,260	17,427	-	-	8,260	-
Other services	49,460	58,723	46,477	33,366	95,937	2,080
Total operating revenues	7,150,421	6,908,227	2,722,754	2,765,491	9,873,175	386,338
Operating Expenses:						
Personnel services	1,404,333	1,370,715	823,198	750,545	2,227,531	74,985
Supplies	427,356	583,270	208,684	202,807	636,040	224,236
Maintenance	487,325	598,585	126,859	163,188	614,184	8,310
Services	2,759,396	2,962,302	787,510	841,231	3,546,906	27,400
Sundry charges	124,890	46,012	85,065	69,107	209,955	3,167
Non capitalized equipment	5,071	3,135	1,012	2,217	6,083	-
Depreciation	1,775,622	1,455,654	881,487	919,221	2,657,109	48,240
Total operating expenses	6,983,993	7,019,673	2,913,815	2,948,316	9,897,808	386,338
Operating income (loss)	166,428	(111,446)	(191,061)	(182,825)	(24,633)	-
Nonoperating revenues (expenses):						
Investment earnings	20,236	33,556	17,889	13,536	38,125	-
Interest and fees expense	(465,003)	(484,479)	-	-	(465,003)	-
Gain on sale of assets	1,200	5,300	55,500	142,000	56,700	-
Proceeds from insurance	78,343	27,455	2,819	-	81,162	-
Total nonoperating revenues (expenses)	(365,224)	(418,168)	76,208	155,536	(289,016)	-
Capital grant contributions	5,000	516,708	18,393	-	23,393	-
Change in net position	(193,796)	(12,906)	(96,460)	(27,289)	(290,256)	-
Total net position - beginning	9,689,615	9,702,521	3,541,943	3,569,232	13,231,558	(104,419)
Total net position - ending	\$ 9,495,819	\$ 9,689,615	\$ 3,445,483	\$ 3,541,943	\$ 12,941,302	\$ (104,419)

The notes to the financial statements are an integral part of this statement

CITY OF SNYDER
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water & Sewer Current Year	(memo only) Water & Sewer Prior Year	Sanitation Current Year	(memo only) Sanitation Prior Year	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 6,937,611	\$ 6,468,237	\$ 2,767,877	\$ 2,739,067	\$ 9,705,488	\$ 2,080
Receipts from interfund services provided	351,560	374,948	-	-	351,560	401,396
Payments to suppliers	(3,666,583)	(3,194,267)	(1,079,469)	(655,994)	(4,746,052)	(270,948)
Payments to employees	(1,290,605)	(1,327,385)	(787,270)	(730,543)	(2,077,875)	(72,066)
Payments for interfund services used	(914,782)	(914,782)	(351,560)	(374,948)	(1,266,342)	-
Net cash provided (used) by operating activities	<u>1,417,201</u>	<u>1,406,751</u>	<u>549,578</u>	<u>977,582</u>	<u>1,966,779</u>	<u>60,462</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES						
Interfund loans advanced (paid)	(117,304)	(114,412)	-	-	(117,304)	-
Increase (decrease) in cash overdrafts	(468,645)	1,119,475	(100,625)	(362,746)	(569,270)	136,082
Net cash (used in) provided by noncapital financing activities	<u>(585,949)</u>	<u>1,005,063</u>	<u>(100,625)</u>	<u>(362,746)</u>	<u>(686,574)</u>	<u>136,082</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(722,143)	(5,363,484)	(325,283)	(861,121)	(1,047,426)	(196,544)
Proceeds from sale of capital assets	1,200	5,300	55,500	142,000	56,700	-
Proceeds from insurance	78,343	27,455	2,819	-	81,162	-
Capital grant proceeds	5,000	516,708	18,393	-	23,393	-
Principal paid on certificates of obligation	(586,617)	(586,277)	-	-	(586,617)	-
Interest paid on debt obligations	(476,070)	(485,794)	-	-	(476,070)	-
Net cash provided (used) by capital and related financing activities	<u>(1,700,287)</u>	<u>(5,886,092)</u>	<u>(248,571)</u>	<u>(719,121)</u>	<u>(1,948,858)</u>	<u>(196,544)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	-	200,000	(12,804)	86,434	(12,804)	-
Purchase of investments	-	-	-	-	-	-
Interest received	19,894	34,270	17,361	17,173	37,255	-
Net cash provided (used) by investing activities	<u>19,894</u>	<u>234,270</u>	<u>4,557</u>	<u>103,607</u>	<u>24,451</u>	<u>-</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SNYDER
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water & Sewer Current Year	(memo only) Water & Sewer Prior Year	Sanitation Current Year	(memo only) Sanitation Prior Year	Totals	
Net increase (decrease) in cash and cash equivalents	\$ (849,141)	\$ (3,240,008)	\$ 204,939	\$ (678)	\$ (644,202)	\$ -
Cash and cash equivalents, October 1 (including restricted cash)	1,744,611	4,984,619	12,846	13,524	1,757,457	-
Cash and cash equivalents, September 30 (including restricted cash)	<u>\$ 895,470</u>	<u>\$ 1,744,611</u>	<u>\$ 217,785</u>	<u>\$ 12,846</u>	<u>\$ 1,113,255</u>	<u>\$ -</u>
Reconciliation of Operating Income to net cash provided by operating activities:						
Operating income	\$ 166,428	\$ (111,446)	\$ (191,061)	\$ (182,825)	\$ (24,633)	\$ -
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	1,775,622	1,455,654	881,487	919,221	2,657,109	48,240
(Increase) decrease in accounts receivable	98,916	(83,541)	45,123	(26,424)	144,039	17,138
(Increase) decrease in inventories	(13,954)	33,915	1,585	(2,007)	(12,369)	(5,920)
Increase (decrease) in retainage payable	(411,616)	224,525	-	-	(411,616)	-
Increase (decrease) in customer deposits	39,834	18,499	-	-	39,834	-
Increase (decrease) in accounts payable/cash overdrafts	(351,757)	(174,185)	(234,245)	236,769	(586,002)	(1,915)
Increase (decrease) in payroll liabilities	113,728	43,330	35,928	20,002	149,656	2,919
Increase in landfill closure/post closure cost	-	-	10,761	12,846	10,761	-
Total adjustments	1,250,773	1,518,197	740,639	1,160,407	1,991,412	60,462
Net cash provided by operating activities	<u>\$ 1,417,201</u>	<u>\$ 1,406,751</u>	<u>\$ 549,578</u>	<u>\$ 977,582</u>	<u>\$ 1,966,779</u>	<u>\$ 60,462</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

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CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

I. Summary of Significant Accounting Policies

The accounting and reporting policies of the City of Snyder, Texas, (City) included in the accompanying basic financial statements conform to the generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the City's Comprehensive Annual Financial Report.

A. Reporting Entity The City of Snyder is a municipal corporation governed by an elected mayor and six-member council. As required by generally accepted accounting principles, these financial statements present the City as the primary government and a component unit for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The discretely presented component unit has a September 30 year-end.

Discretely Presented Component Unit

Development Corporation of Snyder. The City adopted (through the election process) an optional sales tax (3/8%) for economic development purposes and the Corporation was established to administer these funds. The Corporation is a non-profit corporation specifically governed by the Texas Development Corporation Act of 1979, as amended. The City is able to impose its will on the organization and DCOS has the potential to impose a financial benefit/burden on the City. The purpose of the Development Corporation of Snyder, Inc. (herein known as D.C.O.S.) is to promote, assist, and enhance economic development. The five-member Board of Directors is appointed by the Mayor, with the approval of the Council. The Board is regularly accountable to the City Council for all activities undertaken by them or on their behalf. The unit is presented as a governmental fund type.

Complete financial statements for the D.C.O.S. may be obtained at the entity's administrative offices:

Development Corporation of Snyder
3610 College Ave., Ste. A
Snyder, TX 79549

B. Government-Wide and Fund Financial Statements

Government-wide financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by the program's revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements. The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

I. Summary of Significant Accounting Policies (continued)

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

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

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.

Property taxes, franchise taxes, licenses, interest revenue and charges for services 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, if available. Sales taxes collected and held by the state at year-end on behalf of the City also are recognized as revenue. 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 government reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

The government reports the following major proprietary funds:

Water and Sewer Fund – This fund accounts for the provision of water and sewer services to the residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, billing and collections.

Sanitation Fund – This fund accounts for the provision of garbage collection and disposal, including landfill operations for the residents of the City and some residents of the County.

Additionally, the City reports the following nonmajor fund types:

Special Revenue Funds – Special Revenue Funds, a governmental fund type, are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are restricted, committed or assigned to expenditures for specified purposes.

Internal Service Funds – Internal Service Funds, a proprietary fund type, are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The internal service fund of the City is the Central Garage Fund.

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 and other charges between the government's water and sewer 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.

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

I. Summary of Significant Accounting Policies (continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund, the sanitation fund, and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

Cash includes amounts that are subject to immediate use by the entity. Examples of cash are as follows:

- a. Cash on hand
- b. Cash on (demand) deposit with financial institutions that can be withdrawn without prior notice or penalty.
- c. Other deposits or cash management pools that have characteristics similar to demand deposit accounts (that is, additional funds may be deposited to the account at any time and withdrawals can be made at any time without prior notice or penalty.)

Cash equivalents are short-term, highly liquid investments that have both of the following characteristics:

- a. Investments that are readily convertible to known amounts of cash.
- b. Investments that mature in such a short period of time (generally original maturity of three months or less from the date of purchase) that their values are effectively immune from changes in interest rates.

State statutes authorize the City to invest in 1) obligations of the U.S. or its agencies and instrumentalities; 2) obligations of the State of Texas or its agencies; 3) other obligations guaranteed by the U.S. or the State of Texas or their agencies and instrumentalities; 4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; 5) guaranteed or secured certificates of deposit issued by state or national banks domiciled in Texas, savings banks domiciled in Texas, or state or federal credit unions domiciled in Texas; 6) fully collateralized repurchase agreements; and 7) other securities as described in the Texas Local Government Code, Chapter 2256, Public Funds Investment Act. The City is authorized by its governing body to invest in all instruments authorized by the State statutes. Investments in public funds investment pools and certificates of deposit are reported at amortized cost.

2. 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 interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2017

I. Summary of Significant Accounting Policies (continued)

Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as “internal balances”.

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

All trade and property tax receivables are shown net of an allowance for uncollectibles.

The City’s property tax is levied each October 1, and payable before the first day of February, on 100 percent of assessed value listed for all real and personal property (business property) located in the City. Assessed values are established by the Scurry County Tax Appraisal District and certified by the Board of Equalization.

Property tax revenues are recognized in the 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 amount of taxes collected in the period 60 days after year-end were deemed immaterial, therefore, the balance of taxes receivable, net of allowance, is reported as deferred inflows of resources. Property taxes attach as an enforceable lien on property as of January 1.

3. Inventories and Prepaid Items

Inventory is valued at cost in the governmental funds and at the lower of cost or market in the proprietary funds. All inventory purchases are recorded as inventory acquisitions (current assets) at the time of purchase. For all funds, the expenditure or expense is recognized when inventory is issued or consumed. Inventory in the General Fund consists of expendable supplies held for consumption.

Prepaid items, recorded in both government-wide and fund financial statements, are goods or services that are paid for in advance and are applicable to future accounting periods. Using the consumption method, prepaid items are recorded as expenditures (governmental fund types) or expenses (proprietary fund types) as the goods or services are used. On the government-wide statement of activities, consumption of prepaid items is recorded as an expense.

Inventories and prepaid items reported in the General Fund and other governmental funds are offset by nonspendable fund balance, which indicates that these items do not represent available expendable resources even though they are a component of current assets.

4. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Funds set aside to cover landfill closure and post closure costs and customer deposits are also classified as restricted assets. Certain proceeds of the general fund are classified as restricted cash and cash equivalents on the governmental funds for fund balance that is restricted for various purposes.

5. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure and all other tangible and intangible assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the fund financial statements for proprietary funds. Infrastructure acquired beginning in 2004 has been capitalized. Infrastructure acquired prior to this date has not been capitalized. All capital assets are valued at their historical cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at their acquisition value on the date donated. The capitalization threshold for capital assets is \$1,000. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2017

I. Summary of Significant Accounting Policies (continued)

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Depreciable capital assets are depreciated using the straight-line method over the asset's estimated useful life as follows:

Buildings and improvements	25-50 years
Improvements other than buildings	10-50 years
Machinery and equipment	3-10 years

6. *Deferred Outflows/Inflows of Resources*

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

In addition to liabilities, the statement of net 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 City has items that qualify for reporting in this category. They include the unavailable revenue from property taxes and fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows reported in the statement of net position related to the City's pension with the TMRS.

7. *Pension*

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

8. *Fair Value Measurements*

The City adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

Level I inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

The City does not have any investments measured at fair value.

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

I. Summary of Significant Accounting Policies (continued)

9. *Compensated Absences*

Vested or accumulated vacation leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

10. *Long-term Obligations*

In the government-wide financial statements and proprietary fund types in the 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 type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

11. *Comparative Data*

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of those funds.

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended September 30, 2016, from which the summarized information was derived.

II. Stewardship, Compliance, and Accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted for the governmental and proprietary fund types. All annual appropriations lapse at fiscal year-end. Encumbrances represent commitments related to unperformed contracts for goods or services.

Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in all funds. Encumbrances outstanding at year-end are closed and re-budgeted in the following year.

Prior to August 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. The City Council holds public hearings and may add to, subtract from or change appropriations. Any changes in the budget must be within the revenues reserves estimated as available by the City Manager or the revenue estimates must be changed by an affirmative vote of a majority of the City Council.

Prior to September 30, the budget is legally enacted through passage of an ordinance which appropriates totals by fund. Upon written recommendation of the City Manager, the Council may at any time transfer any unencumbered appropriation balance or any portion thereof within a department, office or agency to another department, office or agency. Any supplemental appropriations must be offset by an equal increase in estimated revenues. Management may amend line item budgeted amounts within a department without seeking the approval of the Council. Expenditures exceeded appropriations in the General Fund by \$493,533.

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

II. Stewardship, Compliance, and Accountability (continued)

B. Deficit Fund Equity

The hourly rate charged for services performed by the internal service central garage fund is intended to result in a break-even operation which is reflected in the current year income. The net position is a deficit \$104,419 at September 30, 2017.

Motel tax fund revenue is remitted to the Chamber of Commerce and Western Texas College. Fund balance of the motel tax fund is a deficit \$3,382 at September 30, 2017.

III. Detailed Notes on All Funds

A. Deposits and Investments

Custodial credit risk- deposits. The City's deposits in financial institutions were entirely covered by federal depository insurance and by securities held by the pledging bank's agent for the City in the City's name. The City's investment policy requires that time deposits be collateralized by U.S. Treasury Obligations.

At year end, DCOS' deposits in financial institutions were entirely covered by federal depository insurance and by securities held by the pledging bank's agent for DCOS in DCOS' name.

At September 30, 2017, the City and DCOS had the following investments, all maturing within one year:

	City	DCOS
TexPool	\$ 1,796,013	\$ -
Certificates of Deposit	3,679,470	542,351
	<u>\$ 5,475,483</u>	<u>\$ 542,351</u>
Reported as cash and cash equivalents	\$ 1,796,013	\$ -
Reported as investments	1,300,000	542,351
Reported as restricted investments	2,379,470	-
	<u>\$ 5,475,483</u>	<u>\$ 542,351</u>

Investments included on the statement of net position represent certificates of deposit that have a maturity of more than 90 days.

Interest rate risk. The City's investment policy does not currently limit the weighted average maturity of its investment portfolio; however, the City's time deposits all mature in staggered proportions within six months after yearend. TexPool manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 90 days.

Credit risk – State law limits investments in public funds investment pools to those rated no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2017, the City's investment in TexPool was rated AAAM by Standard & Poor's, the highest rating a local government investment pool can achieve. Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool.

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

III. Detailed Notes on All Funds (continued)

Concentration of credit risk. The City's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified by security type and institution.

B. Receivables

Receivables in the fund financial statements at September 30, 2017 consist of the following:

	General Fund	Water & Sewer Fund	Sanitation Fund	Nonmajor & Other Funds	Total
Delinquent Taxes Receivable	\$ 168,086	\$ -	\$ -	\$ -	\$ 168,086
Less: Allowance for Uncollectibles	(43,426)	-	-	-	(43,426)
Delinquent Taxes Receivable, net	124,660				124,660
 Sales Tax Receivable	484,657	-	-	-	484,657
Franchise Tax Receivable	201,039	-	-	-	201,039
Other Receivables	308,220	773,346	305,644	110,531	1,497,741
Accrued Interest Receivable	1,165	761	6,109	-	8,035
 Total Receivables, Net	<u>\$ 1,119,741</u>	<u>\$ 774,107</u>	<u>\$ 311,753</u>	<u>\$ 110,531</u>	<u>\$ 2,316,132</u>

Receivables for DCOS consist of \$121,143 from the primary government for sales tax, \$889 in interest receivable, and \$427,651 in notes receivables from businesses.

Revenues of the Water and Sewer Fund and Sanitation Fund are reported net of uncollectible amounts. Total estimated uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to water sales:	\$72,443
Uncollectibles related to sewer charges:	<u>16,176</u>
Uncollectibles related to the Water and Sewer Fund:	\$88,619
Uncollectibles related to the Sanitation Fund:	\$38,782

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

II. Detailed Notes on All Funds (continued)

C. Capital Assets

Governmental Activities:	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 553,153	\$ -	\$ -	\$ 553,153
Construction in progress	-	58,743		58,743
Total capital assets, not being depreciated	<u>553,153</u>	<u>58,743</u>	<u>-</u>	<u>611,896</u>
Capital assets, being depreciated:				
Building	994,184	141,051	(18,978)	1,116,257
Improvements other than buildings	3,615,407	-	-	3,615,407
Machinery and equipment	6,039,313	993,657	(313,946)	6,719,024
Total capital assets, being depreciated	<u>10,648,904</u>	<u>1,134,708</u>	<u>(332,924)</u>	<u>11,450,688</u>
Less accumulated depreciation for:				
Building	474,012	40,009	(18,978)	495,043
Improvements other than buildings	2,518,169	49,523	-	2,567,692
Machinery and equipment	4,430,344	569,086	(313,946)	4,685,484
Total accumulated depreciation	<u>7,422,525</u>	<u>658,618</u>	<u>(332,924)</u>	<u>7,748,219</u>
Total capital assets being depreciated, net	<u>3,226,379</u>	<u>476,090</u>	<u>-</u>	<u>3,702,469</u>
				-
Government activities capital assets, net	<u>\$ 3,779,532</u>	<u>\$ 534,833</u>	<u>\$ -</u>	<u>\$ 4,314,365</u>
Business-Type Activities:				
Water and sewer activities:	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 185,765	\$ -	\$ -	\$ 185,765
Construction in progress	8,714,260	-	(8,714,260)	-
Total capital assets, not being depreciated	<u>8,900,025</u>	<u>-</u>	<u>(8,714,260)</u>	<u>185,765</u>
Capital assets, being depreciated:				
Building	9,649,480	-	(13,846)	9,635,634
Improvements other than buildings	16,185,624	9,247,801	-	25,433,425
Machinery and equipment	5,997,222	188,602	(61,440)	6,124,384
Total capital assets, being depreciated	<u>31,832,326</u>	<u>9,436,403</u>	<u>(75,286)</u>	<u>41,193,443</u>
Less accumulated depreciation for:				
Building	6,634,429	371,612	(13,846)	6,992,195
Improvements other than buildings	6,822,440	819,140	-	7,641,580
Machinery and equipment	3,102,212	584,870	(61,440)	3,625,642
Total accumulated depreciation	<u>16,559,081</u>	<u>1,775,622</u>	<u>(75,286)</u>	<u>18,259,417</u>
Total capital assets being depreciated, net	<u>15,273,245</u>	<u>7,660,781</u>	<u>-</u>	<u>22,934,026</u>
				-
Water and sewer activities capital assets, net	<u>\$ 24,173,270</u>	<u>\$ 7,660,781</u>	<u>\$ (8,714,260)</u>	<u>\$ 23,119,791</u>

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

III. Detailed Notes on All Funds (continued)

C. Capital Assets

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Sanitation activities:				
Capital assets, not being depreciated:				
Land	\$ 120,756	\$ -	\$ -	\$ 120,756
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	120,756	-	-	120,756
Capital assets, being depreciated:				-
Building	430,794	48,811	-	479,605
Improvements other than buildings	3,845,813	-	-	3,845,813
Machinery and equipment	4,572,858	276,472	(174,480)	4,674,850
Total capital assets, being depreciated	8,849,465	325,283	(174,480)	9,000,268
Less accumulated depreciation for:				
Building	246,220	9,752	-	255,972
Improvements other than buildings	2,802,125	136,377	-	2,938,502
Machinery and equipment	2,531,415	735,358	(174,480)	3,092,293
Total accumulated depreciation	5,579,760	881,487	(174,480)	6,286,767
Total capital assets being depreciated, net	3,269,705	(556,204)	-	2,713,501
				-
Government activities capital assets, net	\$ 3,390,461	\$ (556,204)	\$ -	\$ 2,834,257
Total Business-Type Activities:	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 306,521	\$ -	\$ -	\$ 306,521
Construction in progress	8,714,260	-	(8,714,260)	-
Total capital assets, not being depreciated	9,020,781	-	(8,714,260)	306,521
Capital assets, being depreciated:				
Building	10,080,274	48,811	(13,846)	10,115,239
Improvements other than buildings	20,031,437	9,247,801	-	29,279,238
Machinery and equipment	10,570,080	465,074	(235,920)	10,799,234
Total capital assets, being depreciated	40,681,791	9,761,686	(249,766)	50,193,711
Less accumulated depreciation for:				
Building	6,880,649	381,364	(13,846)	7,248,167
Improvements other than buildings	9,624,565	955,517	-	10,580,082
Machinery and equipment	5,633,627	1,320,228	(235,920)	6,717,935
Total accumulated depreciation	22,138,841	2,657,109	(249,766)	24,546,184
Total capital assets being depreciated, net	18,542,950	7,104,577	-	25,647,527
				-
Business-Type activities capital assets, net	\$ 27,563,731	\$ 7,104,577	\$ (8,714,260)	\$ 25,954,048

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

III. Detailed Notes on All Funds (continued)

C. Capital Assets

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 54,186
Public safety	365,284
Public works	190,908
Capital assets held by the government's internal service fund are charged to the various functions based on their usage of assets	
	48,240
Total depreciation expense - governmental activities	<u>\$ 658,618</u>
Business-type activities:	
Water & Sewer	\$ 1,775,622
Sanitation	881,487
Total depreciation expense - business type activities	<u>\$ 2,657,109</u>

Discretely presented component unit

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Development Corporation of Snyder:				
Capital assets, not being depreciated:				
Land	\$ 740,892	\$ -	\$ 42,111	\$ 698,781
Total capital assets, not being depreciated	<u>740,892</u>	<u>-</u>	<u>42,111</u>	<u>698,781</u>
Capital assets, being depreciated:				
Buildings and improvements	3,065,518	15,211	-	3,080,729
Furniture and equipment	201,971	-	-	201,971
Total capital assets, being depreciated	<u>3,267,489</u>	<u>15,211</u>	<u>-</u>	<u>3,282,700</u>
Less accumulated depreciation for:				
Buildings and improvements	368,787	122,888	-	491,675
Furniture and equipment	53,000	31,936	-	84,936
Total accumulated depreciation	<u>421,787</u>	<u>154,824</u>	<u>-</u>	<u>576,611</u>
Total capital assets being depreciated, net	<u>2,845,702</u>	<u>(139,613)</u>	<u>-</u>	<u>2,706,089</u>
DCOS capital assets, net	<u>\$ 3,586,594</u>	<u>\$ (139,613)</u>	<u>\$ 42,111</u>	<u>\$ 3,404,870</u>

D. Interfund Balances

The General fund loaned the Water and Sewer fund \$850,000 at 2.5% interest, payable monthly in the amount of \$11,040.79, to assist with the cost of renovations to the water plant. The loan matures January 1, 2022. At September 30, 2017, the interfund loan totaled \$543,579.

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2017

III. Detailed Notes on All Funds (continued)

E. Restricted Assets

Restricted assets in the proprietary fund financial statements at September 30, 2017 consist of the following:

Water & sewer fund

Customer deposits	\$	601,167
Municipal lease escrow reserve		400,000
C.O. debt service reserve fund		294,303
	\$	<u>1,295,470</u>

Sanitation fund:

Landfill closure/post closure	\$	1,990,231
	\$	<u>1,990,231</u>

F. Long-Term Debt

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2017 was as follows:

	October 1, 2016	Increase	Decrease	September 30, 2017	Due Within One Year
Governmental Type Activities:					
Compensated absences	\$ 119,787	\$	\$ (2,286)	\$ 117,501	\$ 29,375
Net pension liability	<u>3,355,133</u>	<u>41,157</u>		<u>3,396,290</u>	
Governmental activity				-	
Long-term liabilities	<u>\$ 3,474,920</u>	<u>\$ 41,157</u>	<u>\$ (2,286)</u>	<u>\$ 3,513,791</u>	<u>\$ 29,375</u>
Business Type Activities:					
Revenue bonds	\$ 11,130,000	\$	\$ (405,000)	\$ 10,725,000	\$ 415,000
Unamortized bond premiums	138,108		(9,675)	128,433	
Municipal lease purchase	2,429,758		(181,617)	2,248,141	186,775
Closure/post closure care	1,979,470	10,761		1,990,231	
Compensated absences	48,588	699	(2,671)	46,616	11,654
Net pension liability	<u>1,489,478</u>	<u>27,324</u>	<u>-</u>	<u>1,516,802</u>	
Business-type activity					
Long-term liabilities	<u>\$ 17,215,402</u>	<u>\$ 38,784</u>	<u>\$ (598,963)</u>	<u>\$ 16,655,223</u>	<u>\$ 613,429</u>

For the governmental activities, the general fund has typically been used to liquidate the liability for compensated absences.

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

III. Detailed Notes on All Funds (continued)

Revenue bonds

The annual requirements to retire all revenue bonds outstanding as of September 30, 2017 including interest payments are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
2018	\$ 415,000	\$ 371,545	\$ 786,545
2019	425,000	358,765	783,765
2020	435,000	345,317	780,317
2021	445,000	331,177	776,177
2022	455,000	316,374	771,374
2023-2027	2,510,000	1,335,867	3,845,867
2028-2032	4,070,000	777,834	4,847,834
2033-2034	1,970,000	77,911	2,047,911
	<u>\$ 10,725,000</u>	<u>\$ 3,914,790</u>	<u>\$ 14,639,790</u>

A summary of Revenue Bonds outstanding at September 30, 2017 follows:

\$3,495,000, 2010 Combination Tax and Surplus Revenue Certificates of
Obligation due in annual installments of \$165,000 to \$295,000 through March 1, 2025;
interest at 0.75 – 4.0%; payable from income derived from the water and sewer
enterprise fund; tax revenues serve as collateral \$ 2,085,000

\$9,000,000, 2013 Combination Tax and Surplus Revenue Certificates of
Obligation due in annual installments of \$180,000 to \$1,005,000 through March 1,
2034; interest at 3 – 4.0%; payable from income derived from the water and sewer
enterprise fund; tax revenues serve as collateral \$ 8,640,000

Total outstanding Revenue Bonds \$10,725,000

Municipal lease agreement

In August 2012, the City acquired \$2,985,314 in energy-saving equipment for use in the Water and Sewer enterprise fund through a lease purchase agreement. Related amortization expense is included in depreciation expense. The annual requirements to retire the municipal lease agreement outstanding as of September 30, 2017 including interest payments are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
2018	\$ 186,775	\$ 62,090	\$ 248,865
2019	192,079	56,786	248,865
2020	197,533	51,331	248,864
2021	203,144	45,722	248,866
2022	208,912	39,952	248,864
2023-2027	1,136,998	107,325	1,244,323
2028	122,700	1,730	124,430
	<u>\$ 2,248,141</u>	<u>\$ 364,936</u>	<u>\$ 2,613,077</u>

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

III. Detailed Notes on All Funds (continued)

A summary of the Municipal Lease Agreement outstanding at September 30, 2017 follows:

\$2,985,314, Municipal Lease Purchase Agreement due in semi-annual installments of \$40,246 to \$122,702 through February 2028; interest at 2.82%; payable from income derived from the water and sewer enterprise fund	<u>\$2,248,141</u>
Total outstanding Municipal Lease Agreement	<u>\$2,248,141</u>

Discretely Presented Component Unit

The following is a summary of long-term debt activity of the Development Corporation of Snyder for the fiscal year ended September 30, 2017:

	October 1, 2016	Additions	Retirements	September 30, 2017	Due Within One Year
Notes payable	\$ 3,483,578	\$ 112,362	\$ (354,433)	\$ 3,241,507	\$ 354,156
Net pension liability	<u>155,453</u>	<u>2,675</u>	<u>-</u>	<u>158,128</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 3,639,031</u>	<u>\$ 115,037</u>	<u>\$ (354,433)</u>	<u>\$ 3,399,635</u>	<u>\$ 354,156</u>

The annual requirements to retire notes payable of the Development Corporation of Snyder as of September 30, 2017 including interest payments are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2018	\$ 354,156	\$ 68,125	\$ 422,281
2019	353,435	70,034	423,469
2020	360,955	62,413	423,368
2021	368,723	54,543	423,266
2022	341,069	46,416	387,485
2023-2027	1,268,056	102,014	1,370,070
2028-2032	51,165	8,698	59,863
2033-2037	51,165	6,140	57,305
2038-2042	51,165.00	3,582	54,747
2043-2046	41,618	1,023	42,641
	<u>\$ 3,241,507</u>	<u>\$ 422,988</u>	<u>\$ 3,664,495</u>

Notes Payable

The Development Corporation of Snyder entered into an agreement with Big Country Electric Cooperative to provide services to improve the utility infrastructure for the UCO Spinning Plant. The Development Corporation agreed to reimburse Big Country \$279,000 through a non-interest-bearing note. The note is payable in annual installments of \$22,500 for the first six years followed by nine annual installments of \$16,000 each, maturing in 2018. The payments are due annually on January 31 and the note is secured by the gross revenues and receipts of the 3/8% Sales Tax.

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2017

III. Detailed Notes on All Funds (continued)

The note provides for alternate payment schedules if the property known as UCO Spinning Plant is vacant for a period exceeding six months. The outstanding balance of this note is \$8,000.

In February 2012, DCOS authorized the issuance of a loan through the Office of the Governor Economic Development and Tourism Division in the aggregate principal amount of \$3,500,000 to fund land acquisition, rail spur construction, infrastructure improvements and a program loan to WLP Holdings. The loan is scheduled to mature on March 20, 2027 and bears a variable interest rate of the federal funds rate plus 3%. The loan is secured by sales tax revenues. The outstanding balance of the loan is \$2,395,487.

In November 2012, DCOS entered into two agreements with Big Country Electric Cooperative to provide services in order to develop 74 acres of the Rail Park. The Corporation agreed to reimburse Big Country \$740,000 and \$300,000 through a non-interest-bearing note. The note is payable in One Hundred eight (108) monthly installments of \$6,852 and \$2,752.29 each and a One Hundred Ninth (109th) final installment of remaining principal and interest, if any. The first installment was due June 20, 2013 and subsequent installments are due on or before the same day of each month thereafter until the principal amount (and any default interest) is paid in full with the final installment of principal and any default interest being due on or before June 20, 2022. The outstanding balance of this note is \$540,577.

In December 17, 2015, DCOS entered into an agreement with the United States Department of Agriculture (USDA) through the intermediary relending program. The DCOS agreed to reimburse the USDA \$194,638 with an interest-bearing note of 1.0%. In 2017, two additional draws of \$49,000 and \$63,362 were made, and the DCOS became fully drawn on the USDA IRP commitment totaling \$370,000. The note is payable in thirty (30) annual installments of \$10,233 and a final installment of remaining principal and interest, if any. The first installment is due December 17, 2016 and subsequent installments are due on or before the same day of each year thereafter until the principal amount (and any default interest) is paid in full. The final installment of principal and any default interest being due on or before December 17, 2046. The outstanding balance of this note is \$297,443.

Conduit Debt Obligations

In December 2011, DCOS issued Industrial Development Revenue Bonds, Series 2011A and 2011B, in the amounts of \$7.5 million and \$2.5 million, to provide funds to WL Plastics Corporation ("Corporation") to finance the construction and equipping of a manufacturing facility to be in the City. The bonds are secured by the property financed and are payable solely from payments received from Corporation on the underlying mortgage loans. Neither DCOS, the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

IV. Other Information

A. Risk Management

The City's insurance protection includes multi-peril coverage for building and valuable papers, general liability, auto general liability coverage for bodily injury and property damage, public officials' liability, police liability, volunteer fire and police reserve accidental death and disability, and airport bodily injury and property damage.

In February 2012, the City became fully insured by the Texas Municipal League (TML). The City purchases worker's compensation insurance and is a tax paying employer for unemployment insurance. Medical benefits are provided through a fully funded Intergovernmental Employee Benefits Pool administered by the Texas Municipal League.

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2017

IV. Other Information (continued)

B. Contingent Liabilities

The City participates in many federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of September 30, 2017, no significant amounts of grant expenditures are open to grantor review, and the City believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City.

In the ordinary course of business, the City may at times be involved in lawsuits pending against the City. In the opinion of management, any liabilities resulting from such litigation would not have a material adverse effect on the City's financial statements.

C. Landfill Closure Costs

State and federal laws and regulations require that the City of Snyder place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post closure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and post closure care costs is \$1,990,231 as of September 30, 2017, which is based on 14.41% usage (filled) of the landfill. It is estimated that an additional \$2,403,652 will be recognized as closure and post closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2155). The current estimated total cost of the landfill closure and post closure care (\$4,393,883) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2017. However, the actual cost of closure and post closure care may be different due to inflation, changes in technology, or changes in landfill laws and regulations.

The City of Snyder is required by state and federal laws and regulations to make annual contributions to finance closure and post closure care; however, the City began using the landfill on July 1, 1995; and therefore, the first annual contribution was not made until Fiscal Year 1995 – 1996. Investments of \$1,990,231 are held for these purposes. These investments are reported as restricted assets. It is anticipated that future inflation costs will be financed in part from earnings on investments. The remaining portion of anticipated future installation costs (including inadequate earnings on investments, if any) and additional costs that may arise from changes in post closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

D. Texas Municipal Retirement System (TMRS)

Plan Description

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2017

IV. Other Information (continued)

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. The City has elected that members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

Employees covered by benefit terms: At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	51
Inactive employees entitled to but not yet receiving benefits	50
Active employees	89
Total	<u>190</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 rates for the City were 16.11% and 15.77% in calendar years 2016 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2017, were \$769,455 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

IV. Other Information (continued)

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	4.15%
Real Return	10.00%	4.15%
Real Estate	10.00%	4.75%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	7.75%
Total	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute.

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

IV. Other Information (continued)

Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension	Plan	Net Pension
	Liability	Fiduciary	Liability/(Asset)
	(a)	Net Position	(a) - (b)
	(b)		
Balance at 12/31/2015	\$ 29,515,509	\$ 24,515,445	\$ 5,000,064
Changes for the year:			
Service Cost	832,584	-	832,584
Interest	1,972,230	-	1,972,230
Changes of benefit terms	-	-	-
Difference between expected and actual experience	39,512	-	39,512
Changes of assumptions	-	-	-
Contributions - employer	-	793,194	(793,194)
Contributions - employee	-	344,653	(344,653)
Net investment income	-	1,655,043	(1,655,043)
Benefit payments, including refunds			
of employee contributions	(1,427,151)	(1,427,151)	-
Administrative expense	-	(18,711)	18,711
Other changes	-	(1,008)	1,008
Net changes	1,417,175	1,346,020	71,155
Balance at 12/31/2016	<u>\$ 30,932,684</u>	<u>\$ 25,861,465</u>	<u>\$ 5,071,219</u>

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

	1% Decrease in		1% Increase in
	Discount Rate	Discount Rate	Discount Rate
	5.75%	6.75%	7.75%
City's net pension liability	\$ 9,218,916	\$ 5,071,219	\$ 1,654,980
Reported by Governmental Activities		3,396,289	
Reported by Business-Type Activities		1,516,802	
Reported by Component Unit		158,128	
		<u>\$ 5,071,219</u>	

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2017

IV. Other Information (continued)

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

For the year ended September 30, 2017, the City recognized pension expense of \$1,194,143.

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 82,001	\$ 219,790
Changes in actual assumptions	45,423	
Differences between projected and actual investment earnings	1,139,983	200
Contributions subsequent to the measurement date	619,001	
Total	<u>\$ 1,886,408</u>	<u>\$ 219,990</u>
Reported by Governmental Activities	\$ 1,303,305	\$ 157,386
Reported by Business-Type Activities	524,282	55,744
Reported by Component Unit	58,821	6,860
Total	<u>\$ 1,886,408</u>	<u>\$ 219,990</u>

\$619,001 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended September 30:</u>		
2018	\$	369,056
2019		327,781
2020		348,930
2021		1,650
Total	\$	<u>1,047,417</u>

Supplemental Death Benefits Plan

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). Retired employees are insured for \$7,500. This coverage is an "other postemployment benefit", or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2017

IV. Other Information (continued)

SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended 2017, 2016 and 2015 were \$10,100, \$11,241, and \$10,456, respectively, which equaled the required contributions each year.

E. Fund Balance

The City classifies governmental fund balances in the following categories:

Nonspendable fund balance includes the portion of net resources that cannot be spent because of their form (i.e. inventory, long-term loans, or prepaids) or because they must remain intact such as the principal of an endowment. The City has nonspendable fund balance of \$21,423 for prepaid items, \$9,431 for inventories, and \$543,579 for advances to other funds as of September 30, 2017.

Restricted fund balance includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation.

Municipal court	\$	28,227
LEOSE police		2,435
Police seizures		61
LEOSE fire		130
Building security		5,179
Juvenile cases		17,168
Court efficiency		4,147
TIF Reinvestment Zone No. 1		114,094
Restricted fund balance	\$	<u>171,441</u>

Committed fund balance includes the portion of net resources upon which the City Council, the City's highest level of decision-making authority, has imposed limitations on use. Committed funds can be used only for the specific purposes are determined by a formal action of the City Council in the form of a resolution. Commitments may be changed or lifted only by the Council taking the same formal action that originally imposed the constraint. The formal action must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements. The City has \$289,933 in fund balance committed for Chapter 380 agreements at September 30, 2017.

Assigned fund balance includes the portion of net resources for which an intended use has been established by the City Council or the City Manager authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund.

Unassigned fund balance includes the amounts in the general fund in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Negative residual amounts for all other governmental funds are reported in this classification. The City had \$6,076,137 in unassigned fund balance at September 30, 2017.

The City will typically use restricted, committed and/or assigned fund balance, in that order, prior to using unassigned fund balance, but it reserves the right to deviate from this general strategy when appropriate.

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2017

IV. Other Information (continued)

F. Reinvestment Zones

In December 2011, the City approved the creation of Tax Abatement Reinvestment Zone Number Two ("Zone #2"). The City also approved a seven-year, 100% property tax abatement to WL Plastics Corporation for property in Zone #2. There was no financial activity for Zone #2 in fiscal year 2017.

In November 2013, the City Council approved the creation of Tax Increment Financing (TIF) Reinvestment Zone Number 1 ("Zone #1"). 65% of the ad valorem taxes received from property within the zone will go into a special revenue TIF fund that will be used for economic development within the zone. Zone #1 is reported as a nonmajor special revenue fund.

G. Tax Abatements

The Governmental Accounting Standards Board issued Statement 77, *Tax Abatement Disclosures* (GASB 77). The standard requires local governments for the first time to disclose information about tax abatement agreements for reporting periods beginning after December 15, 2015. Tax abatements result from agreements entered into by the reporting government, as well as those that are initiated by other governments, which reduce the reporting government's tax revenues.

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs rebate property, sales and hotel occupancy taxes and also include incentive payments and reductions in fees that are not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapters 311 (Tax Increment Financing Act) and 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code. Recipients generally commit to building or remodeling real property and related infrastructure, redeveloping properties, expanding operations or bringing targeted business to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has two categories of economic development agreements:

General Economic Development – The City enters into various agreements under Chapter 380 of the Texas Local Government Code and Chapter 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code to stimulate economic development. Agreements rebate a percentage of property, sales or hotel occupancy taxes received by the City or make lump sum payments for infrastructure reimbursements. For fiscal year 2017, the City rebated \$56,814 in property taxes and did not make any infrastructure incentive payments.

Tax Increment Reinvestment Zone – In November 2013, the City Council approved the creation of Tax Increment Financing (TIF) Reinvestment Zone Number 1 ("Zone #1") under Chapter 311 of the Texas Tax Code to stimulate economic development in designated areas. 65% of the ad valorem taxes received from property within the zone will go into a special revenue TIF fund that will be used for economic development within the zone. For fiscal year 2017, Zone #1 received \$63,180 of property tax increment.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SNYDER, TEXAS
Schedule of Changes in Net Pension Liability and Related Ratios
Texas Municipal Retirement System
For the Year Ended September 30, 2017*

	Measurement Date Year Ended December 31, 2014	Measurement Date Year Ended December 31, 2015	Measurement Date Year Ended December 31, 2016
Total Pension Liability			
Service cost	\$ 671,639	\$ 781,297	\$ 832,584
Interest on total pension liability	1,875,915	1,974,321	1,972,230
Changes in benefit terms	-	-	-
Differences between expected and actual experience	201,255	(447,552)	39,512
Changes in assumptions	-	92,493	-
Benefit payments, including refunds of employee contributions	(1,397,701)	(1,397,981)	(1,427,151)
Net change in total pension liability	1,351,108	1,002,578	1,417,175
Total pension liability, beginning	27,161,823	28,512,931	29,515,509
Total pension liability, ending (a)	<u>\$ 28,512,931</u>	<u>\$ 29,515,509</u>	<u>\$ 30,932,684</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 807,274	\$ 790,410	\$ 793,194
Contributions - employee	319,081	335,732	344,653
Net investment income	1,355,840	36,552	1,655,043
Benefit payments, including refunds of employee contributions	(1,397,701)	(1,397,981)	(1,427,151)
Administrative expenses	(14,158)	(22,266)	(18,711)
Other	(1,164)	(1,099)	(1,008)
Net change in plan fiduciary net position	1,069,172	(258,652)	1,346,020
Plan fiduciary net position, beginning	23,704,925	24,774,097	24,515,445
Plan fiduciary net position, ending (b)	<u>\$ 24,774,097</u>	<u>\$ 24,515,445</u>	<u>\$ 25,861,465</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 3,738,834</u>	<u>\$ 5,000,064</u>	<u>\$ 5,071,219</u>
Plan fiduciary net position as a percentage of total pension liability	86.89%	83.06%	83.61%
Covered employee payroll	\$ 4,558,297	\$ 4,796,177	\$ 4,923,619
Net pension liability as a percentage of covered payroll	82.02%	104.25%	103.00%

* A full 10-year schedule will be displayed as it becomes available

CITY OF SNYDER, TEXAS
Schedule of Employer Contributions
Texas Municipal Retirement System
For the Year Ended September 30, 2017*

<u>Fiscal Year Ending</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2015 \$	789,146	\$ 789,146	\$ -	\$ 4,696,337	16.80%
2016	796,144	796,444	-	4,943,785	16.11%
2017	779,635	773,741	-	4,882,328	15.85%

Notes to Required Supplementary Information

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contributions rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation m	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 year updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP-2000 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.

Changes of Benefit Terms

There were no change of benefit terms that affected measurement of the total pension liability during the measurement period.

* A full 10-year schedule will be displayed as it becomes available

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Motel Tax Fund – This fund is used to account for the tax upon the occupancy of any sleeping room furnished by any hotel, where the occupancy is the rate of \$2 or more per day.

Tax Increment Financing – This fund is used to account for 65% of the ad valorem taxes collected within the Tax Increment Financing Reinvestment Zone No. 1.

CITY OF SNYDER, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2017

	Special Revenue		Total
	Motel Tax Fund	Tax Increment Financing	Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 114,094	\$ 114,094
Accounts receivable, net	<u>110,531</u>	<u>-</u>	<u>110,531</u>
Total assets	<u>\$ 110,531</u>	<u>\$ 114,094</u>	<u>\$ 224,625</u>
LIABILITIES			
Cash overdraft	\$ 4,171	\$ -	\$ 4,171
Accounts payable	<u>109,742</u>	<u>-</u>	<u>109,742</u>
Total liabilities	<u>113,913</u>	<u>-</u>	<u>113,913</u>
FUND BALANCES			
Restricted for various purposes		114,094	114,094
Unassigned, designated for tourism	<u>(3,382)</u>	<u>-</u>	<u>(3,382)</u>
Total fund balances	<u>(3,382)</u>	<u>114,094</u>	<u>110,712</u>
Total liabilities and fund balances	<u>\$ 110,531</u>	<u>\$ 114,094</u>	<u>\$ 224,625</u>

CITY OF SNYDER, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2017

	Special Revenue		Total Nonmajor Governmental Funds
	Motel Tax Fund	Tax Increment Financing	
REVENUES			
Occupancy tax	\$ 409,911	\$ -	\$ 409,911
Property taxes	-	63,180	63,180
Total revenues	<u>409,911</u>	<u>63,180</u>	<u>473,091</u>
EXPENDITURES			
Current:			
Culture and recreation	<u>409,911</u>	<u>-</u>	<u>409,911</u>
Total expenditures	<u>409,911</u>	<u>-</u>	<u>409,911</u>
Net change in fund balances	-	63,180	63,180
Fund balances - beginning	<u>(3,382)</u>	<u>50,914</u>	<u>47,532</u>
Fund balances - ending	\$ <u><u>(3,382)</u></u>	\$ <u><u>114,094</u></u>	\$ <u><u>110,712</u></u>

CITY OF SNYDER, TEXAS
Motel Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2017

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES				
Occupancy tax	\$ <u>375,000</u>	\$ <u>375,000</u>	\$ <u>409,911</u>	\$ <u>34,911</u>
Total revenues	<u>375,000</u>	<u>375,000</u>	<u>409,911</u>	<u>34,911</u>
EXPENDITURES				
Culture and recreation	<u>375,000</u>	<u>375,000</u>	<u>409,911</u>	<u>(34,911)</u>
Total expenditures	<u>375,000</u>	<u>375,000</u>	<u>409,911</u>	<u>(34,911)</u>
Net change in fund balance	-	-	-	-
Fund balances - beginning	<u>(3,382)</u>	<u>(3,382)</u>	<u>(3,382)</u>	<u>-</u>
Fund balances - ending	\$ <u><u>-</u></u>	\$ <u><u>(3,382)</u></u>	\$ <u><u>(3,382)</u></u>	\$ <u><u>-</u></u>

CITY OF SNYDER, TEXAS
Tax Increment Financing Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2017

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES				
Property taxes	\$ <u>65,000</u>	\$ <u>65,000</u>	\$ <u>63,180</u>	\$ <u>(1,820)</u>
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>63,180</u>	<u>(1,820)</u>
EXPENDITURES				
General government	<u>65,000</u>	<u>65,000</u>	<u>-</u>	<u>65,000</u>
Total expenditures	<u>65,000</u>	<u>65,000</u>	<u>-</u>	<u>65,000</u>
Net change in fund balance	-	-	63,180	63,180
Fund balances - beginning	<u>50,914</u>	<u>50,914</u>	<u>50,914</u>	<u>-</u>
	-			
Fund balances - ending	\$ <u><u>50,914</u></u>	\$ <u><u>50,914</u></u>	\$ <u><u>114,094</u></u>	\$ <u><u>63,180</u></u>

Supplementary Individual Fund Financial Statements and Schedules

General Fund

These supplementary statements and schedules are included to provide management and readers additional information for financial analysis.

CITY OF SNYDER, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016

	2017			2016
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Taxes:				
Sales Taxes	\$ 2,600,000	\$ 2,031,217	\$ (568,783)	\$ 2,000,496
Ad valorem Taxes	2,172,255	2,335,126	162,871	2,301,650
Franchise Taxes	775,000	745,504	(29,496)	742,578
Liquor Taxes	11,500	12,191	691	9,595
Total Taxes	5,558,755	5,124,038	(434,717)	5,054,319
Licenses and Permits	49,540	74,102	24,562	36,967
Intergovernmental:				
LEOSE - Police	1,860	1,919	59	2,013
School Resource Officer	81,975	82,500	525	82,500
Emergency Management	34,315	32,004	(2,311)	34,184
Bullet Proof Vest Program	-	4,261	4,261	4,373
Juvenile Case Manager Fee	9,600	9,783	183	10,521
LEOSE - Fire	660	683	23	665
Total Intergovernmental	128,410	131,150	2,740	134,256
Charges for Services:				
Administrative Fees	1,154,510	1,141,398	(13,112)	1,251,768
Municipal Court Fees	65,715	66,787	1,072	80,849
Other Charges	11,500	6,998	(4,502)	14,210
Total Charges for Services	1,231,725	1,215,183	(16,542)	1,346,827
Fines and Forfeitures	147,000	154,908	7,908	158,744
Miscellaneous:				
Interest	45,000	61,524	16,524	44,837
Proceeds from insurance	-	61,451	61,451	169,109
Miscellaneous	62,550	115,497	52,947	252,685
Total Miscellaneous	107,550	238,472	130,922	466,631
Transfer from Reserves	455,430	-	(455,430)	-
Total Revenues	\$ 7,678,410	\$ 6,937,853	\$ (740,557)	\$ 7,197,744

CITY OF SNYDER, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016

	2017			2016
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual
GENERAL GOVERNMENT:				
Administration:				
Personnel Services	\$ 241,645	\$ 243,978	\$ (2,333)	\$ 237,406
Supplies	3,500	4,451	(951)	3,665
Maintenance	3,350	2,555	795	54,016
Services	40,945	38,577	2,368	159,317
Sundry Charges	3,640	3,219	421	3,674
Non capitalized Equipment	-	295	(295)	671
Capital Outlay	1,000	-	1,000	-
Totals	294,080	293,075	1,005	458,749
Finance:				
Personnel Services	321,840	319,183	2,657	315,733
Supplies	5,100	3,984	1,116	4,958
Maintenance	20,115	20,700	(585)	18,729
Services	45,840	44,606	1,234	46,614
Sundry Charges	3,405	886	2,519	3,457
Non capitalized Equipment	-	892	(892)	-
Capital Outlay	3,000	3,266	(266)	-
Totals	399,300	393,517	5,783	389,491
Planning & Zoning				
Personnel Services	262,170	272,108	(9,938)	260,492
Supplies	7,655	5,884	1,771	7,730
Maintenance	14,210	21,830	(7,620)	14,206
Services	17,735	23,038	(5,303)	18,583
Sundry Charges	1,640	244,545	(242,905)	1,419
Non capitalized Equipment	-	295	(295)	-
Totals	303,410	567,700	(264,290)	302,430
Municipal Court:				
Personnel Services	229,615	247,280	(17,665)	243,792
Supplies	4,490	4,531	(41)	3,783
Maintenance	14,500	13,914	586	18,080
Services	30,340	27,051	3,289	36,892
Sundry Charges	7,950	149,126	(141,176)	1,338
Non capitalized Equipment	-	928	(928)	514
Capital Outlay	-	3,588	(3,588)	-
Totals	286,895	446,418	(159,523)	304,399

CITY OF SNYDER, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016

	2017			2016
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Community Services:				
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies	6,250	14,647	(8,397)	3,424
Maintenance	1,640	13,262	(11,622)	19,933
Services	332,520	329,243	3,277	348,599
Sundry Charges	5,110	5,011	99	5,301
Non Capitalized Equipment	3,500	138	3,362	-
Capital Outlay	-	2,320	(2,320)	57,085
Totals	349,020	364,621	(15,601)	434,342
City Secretary/Records				
Personnel Services	158,415	155,544	2,871	150,290
Supplies	4,325	1,460	2,865	2,502
Maintnenace	6,590	8,540	(1,950)	6,313
Services	7,800	5,379	2,421	8,170
Sundry Charges	740	422	318	669
Non capitalized Equipement	5850	778	5,072	288
Capital Outlay	750	5,756	(5,006)	5,462
Totals	184,470	177,879	6,591	173,694
IT/Purchasing				
Personnel Services	93,360	95,489	(2,129)	95,484
Supplies	2,250	1,760	490	961
Maintenance	15,830	20,923	(5,093)	13,906
Services	6,560	10,689	(4,129)	46,390
Sundry Charges	530	572	(42)	608
Non capitalized Equipment	500	748	(248)	482
Capital Outlay	-	-	-	-
Totals	119,030	130,181	(11,151)	157,831
TOTAL GENERAL GOVERNMENT	1,936,205	2,373,391	(437,186)	2,220,936

CITY OF SNYDER, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016

	2017			2016
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual
PUBLIC SAFETY:				
Police:				
Personnel Services	\$ 1,972,747	\$ 1,900,382	\$ 72,365	\$ 1,873,060
Supplies	99,350	74,216	25,134	90,498
Maintenance	68,765	85,239	(16,474)	63,195
Services	72,105	94,709	(22,604)	86,954
Sundry Charges	116,680	126,056	(9,376)	210,444
Non capitalized Equipment	158,800	1,393	157,407	1,418
Capital Outlay	1,500	124,762	(123,262)	140,358
Totals	2,489,947	2,406,757	83,190	2,465,927
Animal Control:				
Personnel Services	166,750	155,585	11,165	165,257
Supplies	21,400	16,066	5,334	14,421
Maintenance	8,155	8,673	(518)	6,876
Services	18,200	14,222	3,978	15,413
Sundry Charges	4,290	3,544	746	5,274
Non capitalized equipment	-	250	(250)	-
Capital Outlay	-	-	-	29,948
Totals	218,795	198,340	20,455	237,189
Fire:				
Personnel Services	919,910	933,882	(13,972)	908,278
Supplies	79,700	67,982	11,718	65,461
Maintenance	68,900	71,294	(2,394)	102,742
Services	109,305	101,726	7,579	104,326
Sundry Charges	23,805	24,092	(287)	25,793
Non capitalized equipment	-	6,274	(6,274)	3,018
Capital Outlay	37,000	18,608	18,392	66,161
Totals	1,238,620	1,223,858	14,762	1,275,779
TOTAL PUBLIC SAFETY	3,947,362	3,828,955	118,407	3,978,895

CITY OF SNYDER, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016

	2017			2016
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual
PUBLIC WORKS:				
Street Maintenance:				
Personnel Services	\$ 354,415	\$ 312,927	\$ 41,488	\$ 281,322
Supplies	67,350	97,441	(30,091)	91,401
Maintenance	480,925	540,034	(59,109)	199,731
Services	348,593	348,604	(11)	309,683
Sundry Charges	17,560	16,986	574	31,714
Capital Outlay	526,000	653,605	(127,605)	238,065
Totals	<u>1,794,843</u>	<u>1,969,597</u>	<u>(174,754)</u>	<u>1,151,916</u>
TOTAL PUBLIC WORKS	<u>1,794,843</u>	<u>1,969,597</u>	<u>(174,754)</u>	<u>1,151,916</u>
TOTAL EXPENDITURES	<u>\$ 7,678,410</u>	<u>\$ 8,171,943</u>	<u>\$ (493,533)</u>	<u>\$ 7,351,747</u>

Supplementary Individual Fund Financial Statements and Schedules

Enterprise Funds

These supplementary statements and schedules are included to provide management and readers additional information for financial analysis.

CITY OF SNYDER, TEXAS
WATER AND SEWER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (GAAP BASIS) AND ACTUAL

Year Ended September 30, 2017

With Comparative Actual Amounts for Year Ended September 30, 2016

	2017			2016
	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Revenues:				
Water sales	\$ 4,665,330	\$ 5,109,466	\$ 444,136	\$ 4,942,602
Sewer charges	1,660,000	1,592,854	(67,146)	1,503,102
Charges for billing & collections	397,910	351,560	(46,350)	374,948
Water taps	20,000	24,921	4,921	6,275
Sewer taps	10,000	13,900	3,900	5,150
Plumbing permits & inspections	14,000	8,260	(5,740)	17,427
Miscellaneous	41,000	49,460	8,460	58,723
Interest	35,000	20,236	(14,764)	33,556
Proceeds from insurance	-	78,343	78,343	27,455
Grants	-	5,000	5,000	516,708
Gain (loss) on sale of assets	-	1,200	1,200	5,300
Total Revenues	6,843,240	7,255,200	411,960	7,491,246
Expenses:				
Personnel services	1,357,945	1,404,333	(46,388)	1,370,715
Supplies	427,370	427,356	14	583,270
Maintenance	534,865	487,325	47,540	598,585
Services	2,636,245	2,759,396	(123,151)	2,962,302
Sundry charges	90,545	124,890	(34,345)	46,012
Non capitalized equipment	740	5,071	(4,331)	3,135
Depreciation	1,732,945	1,775,622	(42,677)	1,455,654
Interest expense	466,695	465,003	1,692	484,479
Total Expenses	7,247,350	7,448,996	(201,646)	7,504,152
Net Income (Loss)	\$ (404,110)	\$ (193,796)	\$ 210,314	\$ (12,906)

CITY OF SNYDER, TEXAS
WATER AND SEWER ENTERPRISE FUND
SCHEDULE OF EXPENSES COMPARED TO BUDGET
Year Ended September 30, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016

	2017			2016
	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
SEWER:				
Sanitary Sewer:				
Personnel Services	\$ 155,375	\$ 165,426	\$ (10,051)	\$ 163,901
Supplies	26,500	83,456	(56,956)	82,904
Maintenance	37,090	28,822	8,268	27,130
Services	61,310	64,538	(3,228)	68,011
Sundry Charges	19,100	27,136	(8,036)	11,384
Depreciation	87,330	93,983	(6,653)	84,042
Totals	386,705	463,361	(76,656)	437,372
Sewage Treatment:				
Personnel Services	217,645	230,250	(12,605)	204,115
Supplies	51,500	46,976	4,524	44,691
Maintenance	99,825	101,850	(2,025)	98,040
Services	285,060	267,335	17,725	323,734
Sundry Charges	9,760	9,076	684	4,569
Non capitalized equipment	-	1,341	(1,341)	-
Depreciation	307,285	270,820	36,465	265,272
Totals	971,075	927,648	43,427	940,421
WATER:				
Water Production:				
Personnel Services	428,070	447,261	(19,191)	435,778
Supplies	227,100	159,239	67,861	301,865
Maintenance	140,995	201,734	(60,739)	171,615
Services	1,990,930	2,036,674	(45,744)	2,235,729
Sundry Charges	16,975	12,406	4,569	19,459
Non capitalized equipment	-	997	(997)	3,013
Depreciation	506,305	493,909	12,396	434,827
Totals	3,310,375	3,352,220	(41,845)	3,602,286

CITY OF SNYDER, TEXAS
WATER AND SEWER ENTERPRISE FUND
SCHEDULE OF EXPENSES COMPARED TO BUDGET
Year Ended September 30, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016

	2017			2016
	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Water Distribution:				
Personnel Services	\$ 155,375	\$ 165,428	\$ (10,053)	\$ 163,903
Supplies	78,070	100,245	(22,175)	111,263
Maintenance	145,690	87,844	57,846	198,011
Services	127,575	227,038	(99,463)	155,829
Sundry Charges	4,830	5,505	(675)	4,975
Depreciation	468,175	554,150	(85,975)	310,394
Totals	979,715	1,140,210	(160,495)	944,375
Utility Department:				
Personnel Services	401,480	395,968	5,512	403,018
Supplies	44,200	37,440	6,760	42,547
Maintenance	111,265	67,075	44,190	103,789
Services	171,370	163,811	7,559	178,999
Sundry Charges	39,880	70,767	(30,887)	5,625
Non capitalized equipment	740	2,733	(1,993)	122
Depreciation	363,850	362,760	1,090	361,119
Totals	1,132,785	1,100,554	32,231	1,095,219
Non-Operating:				
Interest and fees	466,695	465,003	1,692	484,479
Bond issuance costs	-	-	-	-
Totals	466,695	465,003	1,692	484,479
TOTAL EXPENSES	\$ 7,247,350	\$ 7,448,996	\$ (201,646)	\$ 7,504,152

CITY OF SNYDER, TEXAS
SANITATION ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 2017

With Comparative Actual Amounts for Year Ended September 30, 2016

	2017			2016
	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Revenues:				
Sanitation charges	\$ 2,000,000	\$ 1,885,312	\$ (114,688)	\$ 1,930,374
Landfill gate fees	993,000	790,965	(202,035)	801,751
Roll-off containers	66,050	44,309	(21,741)	-
Miscellaneous	3,000	2,168	(832)	33,366
Proceeds from insurance	-	2,819	2,819	-
Interest	6,000	17,889	11,889	13,536
Grant - COG	-	18,393	18,393	-
Gain (loss) on sale of asset	200,000	55,500	(144,500)	142,000
Total Revenues	3,268,050	2,817,355	(450,695)	2,921,027
Expenses:				
Personnel	795,625	823,198	(27,573)	750,545
Supplies	237,875	208,684	29,191	202,807
Maintenance	129,685	126,859	2,826	163,188
Services	922,705	787,510	135,195	841,231
Sundry charges	59,470	85,065	(25,595)	69,107
Non capitalized equipment	-	1,012	(1,012)	2,217
Depreciation	1,138,755	881,487	257,268	919,221
Total Expenses	3,284,115	2,913,815	370,300	2,948,316
Net Income (Loss)	\$ (16,065)	\$ (96,460)	\$ (80,395)	\$ (27,289)

CITY OF SNYDER, TEXAS
SANITATION ENTERPRISE FUND
SCHEDULE OF EXPENSES COMPARED TO BUDGET
Year Ended September 30, 2017

With Comparative Actual Amounts for Year Ended September 30, 2016

	2017			2016
	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Collection:				
Personnel Services	\$ 371,680	\$ 356,259	\$ 15,421	\$ 322,749
Supplies	109,575	87,884	21,691	105,240
Maintenance	55,960	59,886	(3,926)	82,532
Services	320,490	285,896	34,594	309,714
Sundry Charges	13,660	10,259	3,401	34,030
Non capitalized Equipment	-	952	(952)	-
Depreciation	207,990	223,867	(15,877)	209,874
Total Expenses	1,079,355	1,025,003	54,352	1,064,139
Landfill:				
Personnel Services	423,945	466,939	(42,994)	427,796
Supplies	128,300	120,800	7,500	97,567
Maintenance	73,725	66,973	6,752	80,656
Services	602,215	501,614	100,601	531,517
Sundry Charges	45,810	74,806	(28,996)	35,077
Non capitalized Equipment	-	60	(60)	2,217
Depreciation	930,765	657,620	273,145	709,347
Total Expenses	2,204,760	1,888,812	315,948	1,884,177
Interest expense	-	-	-	-
TOTAL EXPENSES	\$ 3,284,115	\$ 2,913,815	\$ 370,300	\$ 2,948,316

CITY OF SNYDER, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source¹
September 30, 2017 and 2016

Governmental funds capital assets:	<u>2017</u>	<u>2016</u>
Land	\$ 553,153	\$ 553,153
Buildings	703,073	718,798
Improvements Other than Buildings	3,615,407	3,615,407
Machinery and Equipment	<u>6,407,977</u>	<u>5,725,976</u>
Total governmental funds capital assets	<u>\$ 11,279,610</u>	<u>\$ 10,613,334</u>
Investments in governmental funds capital assets by source:		
General fund	\$ <u>11,279,610</u>	\$ <u>10,613,334</u>
Total governmental funds capital assets	<u>\$ 11,279,610</u>	<u>\$ 10,613,334</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF SNYDER, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity¹
September 30, 2017

Function and Activity	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Total
General Government:					
Manager	\$ -	\$ 1,812	\$ -	\$ 38,434	\$ 40,246
City Clerk/Finance	-	-	-	20,966	20,966
Records / City Secretary	-	-	-	56,016	56,016
Data Processing	-	-	-	47,351	47,351
Community Service/Council	389,937	399,836	496,537	113,593	1,399,903
Municipal Court	-	-	-	27,652	27,652
Total general government	<u>389,937</u>	<u>401,648</u>	<u>496,537</u>	<u>304,012</u>	<u>1,592,134</u>
Public Safety:					
Police	-	25,260	-	1,590,800	1,616,060
Animal Control	-	135,051	-	95,668	230,719
Fire	-	137,317	-	2,252,852	2,390,169
Inspection	-	-	-	70,663	70,663
Total public safety	<u>-</u>	<u>297,628</u>	<u>-</u>	<u>4,009,983</u>	<u>4,307,611</u>
Public Works:					
Street system	<u>163,216</u>	<u>3,797</u>	<u>3,118,870</u>	<u>2,093,982</u>	<u>5,379,865</u>
Total public works	<u>163,216</u>	<u>3,797</u>	<u>3,118,870</u>	<u>2,093,982</u>	<u>5,379,865</u>
Total governmental funds capital assets	\$ <u>553,153</u>	\$ <u>703,073</u>	\$ <u>3,615,407</u>	\$ <u>6,407,977</u>	\$ <u>11,279,610</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF SNYDER, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity ¹
For the Year Ended September 30, 2017

Function and Activity	Governmental Funds Capital Assets October 1, 2016	Additions	Deductions	Governmental Funds Capital Assets September 30, 2017
General Government:				
Manager	\$ 60,637	\$ -	\$ 19,890	\$ 40,747
City Clerk/Finance	15,713			15,713
Accounting/Personnel	21,282	3,266	433	24,115
Records	43,827	5,756	912	48,671
Data Processing	91,635		10,024	81,611
Community Service/Council	1,339,677	2,320	31,485	1,310,512
Municipal Court	39,638	3,588	-	43,226
Total general government	<u>1,612,409</u>	<u>14,930</u>	<u>62,744</u>	<u>1,564,595</u>
Public Safety:				
Police	1,546,364	124,763	114,567	1,556,560
Animal Control	250,337	-	-	250,337
Fire	2,407,408	203,607	152,498	2,458,517
Inspection	70,482	-	245	70,237
Total public safety	<u>4,274,591</u>	<u>328,370</u>	<u>267,310</u>	<u>4,335,651</u>
Public Works:				
Street system	<u>4,726,334</u>	<u>653,605</u>	<u>575</u>	<u>5,379,364</u>
Total public works	<u>4,726,334</u>	<u>653,605</u>	<u>575</u>	<u>5,379,364</u>
Total governmental funds capital assets	\$ <u>10,613,334</u>	\$ <u>996,905</u>	\$ <u>330,629</u>	\$ <u>11,279,610</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Statistical Section

This part of the City of Snyder, Texas' 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 government's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	64
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the sales tax.	70
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	76
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	80
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	83

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

City of Snyder, Texas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 2,304,225	\$ 2,705,813	\$ 2,662,052	\$ 2,705,813	\$ 2,932,876	\$ 3,126,495	\$ 3,241,249	\$ 3,717,131	\$ 3,779,532	\$ 4,314,365
Restricted	18,109	28,940	38,875	28,940	-	-	63,556	82,633	112,347	171,441
Unrestricted	5,328,134	5,496,272	5,269,815	5,496,272	6,057,594	6,842,848	7,896,426	5,893,694	5,621,007	4,033,394
Total governmental activities net position	<u>\$ 7,650,468</u>	<u>\$ 8,231,025</u>	<u>\$ 7,970,742</u>	<u>\$ 8,231,025</u>	<u>\$ 8,990,470</u>	<u>\$ 9,969,343</u>	<u>\$ 11,201,231</u>	<u>\$ 9,693,458</u>	<u>\$ 9,512,886</u>	<u>\$ 8,519,200</u>
Business-type activities										
Net investment in capital assets	\$ 9,714,522	\$ 10,405,374	\$ 10,278,269	\$ 10,405,374	\$ 10,174,101	\$ 10,384,788	\$ 12,112,688	\$ 13,620,030	\$ 14,849,708	\$ 12,852,474
Unrestricted	3,685,041	2,820,996	2,931,718	2,820,996	4,259,152	3,851,239	2,367,658	(348,277)	(1,618,150)	88,828
Total business-type activities net position	<u>\$ 13,399,563</u>	<u>\$ 13,226,370</u>	<u>\$ 13,209,987</u>	<u>\$ 13,226,370</u>	<u>\$ 14,433,253</u>	<u>\$ 14,236,027</u>	<u>\$ 14,480,346</u>	<u>\$ 13,271,753</u>	<u>\$ 13,231,558</u>	<u>\$ 12,941,302</u>
Primary government										
Net investment in capital assets	\$ 12,018,747	\$ 13,111,187	\$ 12,940,321	\$ 13,111,187	\$ 13,106,977	\$ 13,511,283	\$ 15,353,937	\$ 17,337,161	\$ 18,629,240	\$ 17,166,839
Restricted	18,109	28,940	38,875	28,940	--	--	63,556	82,633	112,347	171,441
Unrestricted	9,013,175	8,317,268	8,201,533	8,317,268	10,316,746	10,694,087	10,264,084	5,545,417	4,002,857	4,122,222
Total primary government net position	<u>\$ 21,050,031</u>	<u>\$ 21,457,395</u>	<u>\$ 21,180,729</u>	<u>\$ 21,457,395</u>	<u>\$ 23,423,723</u>	<u>\$ 24,205,370</u>	<u>\$ 25,681,577</u>	<u>\$ 22,965,211</u>	<u>\$ 22,744,444</u>	<u>\$ 21,460,502</u>

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

City of Snyder, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Expenses	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
General government	\$ 1,046,631	\$ 1,175,111	\$ 1,462,938	\$ 1,613,685	\$ 1,584,187	\$ 1,851,500	\$ 1,879,404	\$ 2,347,070	\$ 2,252,281	\$ 2,477,557
Public safety	2,457,143	2,557,987	2,889,310	3,334,049	3,262,081	3,378,246	3,691,936	3,634,361	4,207,512	4,011,884
Public works	733,408	829,240	988,021	1,057,328	1,074,849	1,197,706	902,713	1,230,913	1,061,527	1,521,418
Culture and recreation	249,778	269,714	249,666	330,846	409,941	433,360	432,968	438,425	355,908	409,911
Total governmental activities expenses	<u>4,486,960</u>	<u>4,832,052</u>	<u>5,589,935</u>	<u>6,335,907</u>	<u>6,331,058</u>	<u>6,860,812</u>	<u>6,907,021</u>	<u>7,650,769</u>	<u>7,877,228</u>	<u>8,420,770</u>
Business-type activities:										
Water and sewer	4,070,465	4,202,249	4,453,234	4,840,082	5,359,047	5,959,164	6,570,359	6,686,015	7,019,673	7,448,996
Sanitation	1,988,643	2,185,031	2,143,949	2,478,742	2,473,142	2,678,390	2,409,061	2,811,828	2,948,316	2,448,812
Interest expense	159,727	159,896	139,842	55,728	147,973	214,530	435,359	500,505	484,479	465,003
Total business-type activities expenses	<u>6,218,835</u>	<u>6,547,176</u>	<u>6,737,025</u>	<u>7,374,552</u>	<u>7,980,162</u>	<u>8,852,084</u>	<u>9,414,779</u>	<u>9,998,348</u>	<u>10,452,468</u>	<u>10,362,811</u>
Total primary government expenses	<u><u>\$ 10,705,795</u></u>	<u><u>\$ 11,379,228</u></u>	<u><u>\$ 12,326,960</u></u>	<u><u>\$ 13,710,459</u></u>	<u><u>\$ 14,311,220</u></u>	<u><u>\$ 15,712,896</u></u>	<u><u>\$ 16,321,800</u></u>	<u><u>\$ 17,649,117</u></u>	<u><u>\$ 18,329,696</u></u>	<u><u>\$ 18,783,581</u></u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 740,131	\$ 881,765	\$ 694,770	\$ 1,050,803	\$ 1,034,499	\$ 1,278,267	\$ 1,357,010	\$ 1,580,185	\$ 1,477,484	\$ 1,374,720
Public safety	89,598	64,408	102,716	110,432	107,594	108,867	108,421	143,898	158,744	149,967
Public works	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	71,731	80,124	93,355	88,371	127,482	328,534	125,681	142,942	134,256	131,150
Capital grants and contributions	-	-	-	-	496,536	-	23,000	23,000	-	-
Total governmental activities program revenues	<u>\$ 901,460</u>	<u>\$ 1,026,297</u>	<u>\$ 890,841</u>	<u>\$ 1,249,606</u>	<u>\$ 1,766,111</u>	<u>\$ 1,715,668</u>	<u>\$ 1,614,112</u>	<u>\$ 1,890,025</u>	<u>\$ 1,770,484</u>	<u>\$ 1,655,837</u>
Business-type activities:										
Charges for services:										
Water and sewer	\$ 4,439,340	\$ 4,323,192	\$ 4,642,289	\$ 5,397,767	\$ 6,023,918	\$ 5,999,504	\$ 6,592,796	\$ 6,601,615	\$ 6,908,227	\$ 7,150,421
Sanitation	2,062,580	1,991,976	2,018,784	2,251,576	2,312,820	2,680,803	2,852,578	2,779,075	2,765,491	2,722,754
Operating grants and contributions	-	400	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	27,000	252,092	37,908	-	-	23,740	516,708	23,393
Total business-type activities program revenues	<u>6,501,920</u>	<u>6,315,568</u>	<u>6,688,073</u>	<u>7,901,435</u>	<u>8,374,646</u>	<u>8,680,307</u>	<u>9,445,374</u>	<u>9,404,430</u>	<u>10,190,426</u>	<u>9,896,568</u>
Total primary government program revenues	<u><u>\$ 7,403,380</u></u>	<u><u>\$ 7,341,865</u></u>	<u><u>\$ 7,578,914</u></u>	<u><u>\$ 9,151,041</u></u>	<u><u>\$ 10,140,757</u></u>	<u><u>\$ 10,395,975</u></u>	<u><u>\$ 11,059,486</u></u>	<u><u>\$ 11,294,455</u></u>	<u><u>\$ 11,960,910</u></u>	<u><u>\$ 11,552,405</u></u>

City of Snyder, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (expense) revenue										
Governmental activities	\$ (3,585,500)	\$ (3,805,755)	\$ (4,699,094)	\$ (5,086,301)	\$ (4,564,947)	\$ (5,145,144)	\$ (5,292,909)	\$ (5,760,744)	\$ (6,106,744)	\$ (6,764,929)
Business-type activities	283,085	(231,608)	(48,952)	526,883	394,484	(171,777)	30,595	(593,918)	(262,042)	(466,243)
Total primary government net expense	<u>\$ (3,302,415)</u>	<u>\$ (4,037,363)</u>	<u>\$ (4,748,046)</u>	<u>\$ (4,559,418)</u>	<u>\$ (4,170,463)</u>	<u>\$ (5,316,921)</u>	<u>\$ (5,262,314)</u>	<u>\$ (6,354,662)</u>	<u>\$ (6,368,786)</u>	<u>\$ (7,231,172)</u>
General Revenues and Other Changes in Net Position	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Taxes										
Property taxes	\$ 1,331,243	\$ 1,416,014	\$ 1,499,673	\$ 1,667,672	\$ 1,761,229	\$ 1,895,078	\$ 1,961,319	\$ 2,173,091	\$ 2,447,999	\$ 2,414,445
Sales taxes	2,106,473	1,888,290	1,951,708	2,375,209	2,511,844	3,069,630	3,255,941	2,710,301	2,000,496	2,031,217
Franchise taxes	700,267	753,814	699,926	842,262	757,649	758,122	816,773	778,439	742,578	745,505
Alcoholic beverage	8,146	8,007	6,112	5,384	5,359	11,903	12,082	11,461	9,595	12,191
Hotel/motel occupancy taxes	255,449	280,544	259,601	327,731	371,089	435,612	432,968	439,227	352,564	409,911
Investment earnings	167,299	41,632	21,791	23,901	23,223	24,677	24,012	49,732	44,837	61,524
Gain on sale of capital assets	52,335	(1,991)	-	(1,479)	(98)	4,977	21,702	-	142,008	35,000
Miscellaneous	-	-	-	-	-	-	-	9,408	186,096	61,449
Total governmental activities	<u>4,621,212</u>	<u>4,386,310</u>	<u>4,438,811</u>	<u>5,240,680</u>	<u>5,430,295</u>	<u>6,199,999</u>	<u>6,524,797</u>	<u>6,171,659</u>	<u>5,926,173</u>	<u>5,771,242</u>
Business-type activities:										
Investment earnings	127,894	39,235	33,311	31,296	13,206	14,588	55,934	60,969	47,092	38,125
Miscellaneous	-	-	-	-	-	-	-	-	27,455	81,162
Gain on sales of capital assets	127,710	19,179	(741)	1,456	171,424	4,300	249,106	185,000	147,300	56,700
Total business-type activities	<u>255,604</u>	<u>58,414</u>	<u>32,570</u>	<u>32,752</u>	<u>184,630</u>	<u>18,888</u>	<u>305,040</u>	<u>245,969</u>	<u>221,847</u>	<u>175,987</u>
Total primary government	<u>\$ 4,876,816</u>	<u>\$ 4,444,724</u>	<u>\$ 4,471,381</u>	<u>\$ 5,273,432</u>	<u>\$ 5,614,925</u>	<u>\$ 6,218,887</u>	<u>\$ 6,829,837</u>	<u>\$ 6,417,628</u>	<u>\$ 6,148,020</u>	<u>\$ 5,947,229</u>
Change in Net Position										
Governmental activities	\$ 1,035,712	\$ 580,555	\$ (260,283)	\$ 154,379	\$ 865,349	\$ 1,054,855	\$ 1,231,888	\$ 410,915	\$ (180,571)	\$ (993,687)
Business-type activities	538,689	(173,194)	(16,382)	559,635	579,114	(152,889)	335,635	(347,949)	(40,195)	(290,256)
Total primary government	<u>\$ 1,574,401</u>	<u>\$ 407,361</u>	<u>\$ (276,665)</u>	<u>\$ 714,014</u>	<u>\$ 1,444,463</u>	<u>\$ 901,966</u>	<u>\$ 1,567,523</u>	<u>\$ 62,966</u>	<u>\$ (220,766)</u>	<u>\$ (1,283,943)</u>

City of Snyder, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Nonspendable	\$ 237	\$ 232	\$ 232	\$ 232	\$ 233	\$ 230	\$ 67	\$ 833	\$ 696	\$ 574
Restricted	-	-	-	-	-	-	64	79	61	57
Committed	-	-	-	-	-	251	506	400	295	290
Unassigned	3,865	4,114	3,921	4,574	5,518	6,328	7,623	7,077	7,183	6,080
Total general fund	<u>\$ 4,102</u>	<u>\$ 4,346</u>	<u>\$ 4,153</u>	<u>\$ 4,806</u>	<u>\$ 5,751</u>	<u>\$ 6,809</u>	<u>\$ 8,260</u>	<u>\$ 8,389</u>	<u>\$ 8,235</u>	<u>\$ 7,001</u>
 All other governmental funds										
Restricted								\$ 3	\$ 51	\$ 114
Unassigned									\$ (3)	\$ (4)
Unreserved, reported in:										
Special revenue funds	\$ 18	\$ 29	\$ 39	\$ -	\$ -	\$ (1)	\$ (1)	-	-	-
Total other governmental funds	<u>\$ 18</u>	<u>\$ 29</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 3</u>	<u>\$ 48</u>	<u>\$ 110</u>

Note: The substantial decrease in unassigned fund balance is explained in the Management's Discussion and Analysis.

City of Snyder, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 4,402	\$ 4,347	\$ 4,417	\$ 5,218	\$ 5,407	\$ 6,171	\$ 6,479	\$ 6,112	\$ 5,455	\$ 5,597
Licenses and permits	43	37	23	30	34	146	56	144	37	74
Intergovernmental	72	80	93	88	127	106	126	143	134	131
Charges for services	679	778	641	966	945	1,069	1,150	1,299	1,332	1,220
Fines and forfeitures	102	79	103	110	108	108	108	144	159	150
Interest	134	34	20	23	22	24	24	50	45	62
Contributions and donations	-	-	-	-	497	223	23	23	0	0
Miscellaneous	65	55	42	55	55	63	151	137	267	80
Total Revenues	5,497	5,410	5,339	6,490	7,195	7,910	8,117	8,052	7,429	7,314
Expenditures										
General government	1,016	1,118	1,446	1,474	1,438	1,731	1,826	2,310	2,158	2,358
Public safety	1,924	2,325	2,896	2,816	2,744	2,914	3,370	3,334	3,743	3,501
Public works	698	737	934	915	892	1,063	793	1,101	914	1,316
Culture and recreation	250	270	250	331	410	433	433	438	356	410
Capital outlay	538	708	362	302	806	639	512	745	537	997
Debt service										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	4,426	5,158	5,888	5,838	6,290	6,780	6,934	7,928	7,708	8,582
Excess of revenues over (under) expenditures	1,071	252	(549)	652	905	1,130	1,183	124	(279)	(1,268)

City of Snyder, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Other financing sources (uses)										
Proceeds from sale of assets	52	8	(1)	(1)	-	5	22	9	-	35
Proceeds from insurance	-	-	-	-	-	-	-	-	169	62
Transfers in	-	-	-	-	-	-	246	-	-	-
Total other financing sources (uses)	<u>52</u>	<u>8</u>	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>5</u>	<u>268</u>	<u>9</u>	<u>169</u>	<u>97</u>
Net change in fund balances	<u>\$ 1,123</u>	<u>\$ 260</u>	<u>\$ (550)</u>	<u>\$ 651</u>	<u>\$ 905</u>	<u>\$ 1,135</u>	<u>\$ 1,451</u>	<u>\$ 133</u>	<u>\$ (110)</u>	<u>\$ (1,171)</u>
Debt service as a percentage of noncapital expenditures	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>

City of Snyder, Texas
Tax Revenue by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property</u>	<u>Sales & Use</u>	<u>Occupancy</u>	<u>Franchise</u>	<u>Alcoholic Beverage</u>	<u>Total</u>
2008	\$ 1,331	\$ 2,106	\$ 255	\$ 700	\$ 8	\$ 4,400
2009	1,416	1,888	281	754	8	4,347
2010	1,500	1,952	260	700	6	4,418
2011	1,668	2,375	328	842	5	5,218
2012	1,761	2,512	371	758	5	5,407
2013	1,895	3,070	436	758	12	6,171
2014	1,961	3,256	433	817	12	6,479
2015	2,173	2,710	439	778	12	6,112
2016	2,349	2,000	353	743	10	5,455
2017	2,335	2,031	410	746	12	5,534

City of Snyder, Texas
Assessed Value and Estimated Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended		Total Assessed	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value¹ as a Percentage of Actual Value
2008	\$	309,480,644	\$ 46,857,621	\$ 262,623,023	0.4123	\$ 262,623,023	117.84%
2009		294,652,169	4,949,824	289,702,345	0.4038	289,702,345	101.71%
2010		336,212,168	10,236,424	325,975,744	0.4310	325,975,744	103.14%
2011		332,838,865	4,636,829	328,202,036	0.4445	328,202,036	101.41%
2012		343,818,578	1,696,835	342,121,743	0.4445	342,121,743	100.50%
2013		365,340,602	14,487,492	350,853,110	0.4445	350,853,110	104.13%
2014		385,179,707	4,232,603	380,947,104	0.4445	380,947,104	101.11%
2015		463,792,092	10,728,810	453,063,282	0.4387	453,063,282	102.37%
2016		472,053,602	8,833,423	463,220,179	0.4410	463,220,179	101.91%
2017		462,576,991	3,965,258	458,611,733	0.4410	458,611,733	100.86%

Source: Scurry County Appraisal District

Note: Assessed values are determined as of January 1, and relate to taxes levied on the first day of the following fiscal year.
Assessed value is equal to 100% of estimated value. All property is assessed the same rate regardless of real or personal property, commercial, residential, or industrial.

¹Includes tax-exempt property.

**City of Snyder, Texas
Property Tax Rates¹
Direct and Overlapping² Governments
Last Ten Fiscal Years**

Fiscal Year	Overlapping Tax Rates															Total Direct & Overlapping Rates
	City of Snyder Tax Rate			Scurry County			S I S D			Western Texas College			Scurry County Hospital			
	Operating	Debt Service	Total	Operating	Debt Service	Total	Operating	Debt Service	Total	Operating	Debt Service	Total	Operating	Debt Service	Total	
2008	0.4123	0.000	0.4123	0.2470	0.000	0.2470	1.1015	0.0615	1.1630	0.1174	0.0000	0.1174				1.9397
2009	0.4038	0.000	0.4038	0.5910	0.0467	0.6377	1.0400	0.1240	1.1640	0.1520	0.0000	0.1520	0.2700	0.0000	0.2700	2.6275
2010	0.4310	0.000	0.4310	0.3375	0.0435	0.3810	1.0400	0.1240	1.1640	0.1523	0.0000	0.1523	0.2700	0.0000	0.2700	2.3983
2011	0.4445	0.000	0.4445	0.3559	0.0430	0.3989	1.0400	0.1240	1.1640	0.2114	0.0000	0.2114	0.2700	0.0000	0.2700	2.4888
2012	0.4445	0.000	0.4445	0.2790	0.0346	0.3136	1.0400	0.1240	1.1640	0.1858	0.0000	0.1858	0.2100	0.0000	0.2100	2.3179
2013	0.4445	0.000	0.4445	0.2790	0.0346	0.3136	1.0400	0.1240	1.1640	0.1858	0.0000	0.2000	0.2064	0.0000	0.2064	2.3285
2014	0.4387	0.000	0.4387	0.2841	0.0287	0.3128	1.0400	0.1240	1.1640	0.2457	0.0000	0.2457	0.2064	0.0000	0.2064	2.3676
2015	0.4387	0.000	0.4387	0.2843	0.0357	0.3200	1.0400	0.1240	1.1640	0.3275	0.0000	0.3275	0.2538	0.0000	0.2538	2.5040
2016	0.4410	0.000	0.4410	0.3800	0.0000	0.3800	1.0400	0.1240	1.1640	0.3300	0.0000	0.3300	0.2803	0.0144	0.2947	2.6097
2017	0.4410	0.000	0.4410	0.3800	0.0000	0.3800	1.0400	0.1240	1.1640	0.3300	0.0000	0.3300	0.2774	0.0146	0.2920	2.6070

Source: Scurry County Tax Collector, Snyder Independent School District, and Western Texas College

¹Tax rate is per \$100 of taxable assessed value

²Overlapping rates are those of local and county governments that apply to property owners within the City of Snyder. Not all overlapping rates apply to all City of Snyder property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

The Hospital District's M&O is included in with Scurry County in 2009. Their rate was 0.2700 and they had no debt service.

City of Snyder, Texas
Principal Property Taxpayers
Fiscal Year End 2017 and 2008
(amounts expressed in thousands)

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart Real Estate Bus	\$ 8,367	1	1.8%			
Wal-Mart Stores	4,622	2	1.0%	2,724	8	1.0%
Walton, ED Const.	4,101	3	0.9%			
Oncor Electric Delivery LLC	3,897	4	0.8%	3,584	1	1.4%
Baker Hughes Oilfield Sol.	3,762	5	0.8%			
Baar, Michael, LLC	3,670	6	0.8%			
Cudd Pumping Services	3,518	7	0.8%	2,034	10	0.8%
Grimmet Bros, Inc.	3,413	8	0.7%	2,261	9	0.9%
Commercial Leasing Corp.	3,410	9	0.7%			
Enterprise Fleet Management, Inc.	3,385	10	0.7%			
Basic Energy Services				3,464	2	1.3%
SW Bell Telephone				3,099	3	1.2%
Spirit SPE US Snyder, LP				3,059	4	1.2%
Weatherford US, LP				2,972	5	1.1%
Centrilift Div of Baker Hughes				2,882	6	1.1%
Merrill Lynch Business Financial				2,875	7	1.1%
Totals	\$ 42,145		9.1%	\$ 28,954		11.0%

Source: Scurry County Appraisal District

**City of Snyder, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended	Total Tax Levy for Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 1,274,579	\$ 1,243,278	\$ 97.54%	\$ 29,110	\$ 1,272,388	\$ 99.8%
2009	1,383,865	1,347,968	97.41%	32,435	1,380,403	99.7%
2010	1,618,718	1,431,099	88.41%	184,371	1,615,470	99.8%
2011	1,719,293	1,569,380	91.28%	146,498	1,715,878	99.8%
2012	1,719,042	1,676,668	97.54%	37,941	1,714,609	99.7%
2013	1,822,737	1,781,214	97.72%	39,687	1,820,901	99.9%
2014	1,918,640	1,875,104	97.73%	33,010	1,908,114	99.5%
2015	2,150,281	2,102,723	97.79%	22,062	2,124,785	98.8%
2016	2,353,019	2,280,256	96.91%	66,962	2,347,218	99.8%
2017	2,380,231	2,245,243	94.33%	-	2,245,243	94.3%

City of Snyder, Texas
Taxable Sales by Category
Last Ten Calendar Years
(amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Construction	\$ 5,940	\$ 5,310	\$ 6,444	\$ 7,441	\$ 7,759	\$ 8,695	\$ 9,976	\$ 6,578	\$ 5,961	2,806
Mining/Quarrying/Oil & Gas Extraction	389,733	158,386	588,193	703,643	733,093	508,852	773,350	479,591	91,514	128,276
Manufacturing	7,422	7,407	85,262	13,818	16,898	21,513	19,919	15,244	9,502	7,401
Wholesale Trade	12,946	9,475	8,341	12,003	11,730	12,167	13,330	7,441	3,918	2,617
Transportation/Warehousing	-	251	70	123	56	130	35	14	13	-
Retail Trade	71,108	63,205	66,797	73,668	78,338	82,832	88,604	80,363	73,346	37,823
Information	3,661	3,279	3,292	3,765	4,005	4,315	4,737	4,805	4,765	1,990
Finance/Insurance	36	35	41	92	130	1,947	77	112	86	40
Real Estate/Rental/Leasing	4,894	4,458	4,215	5,096	6,508	8,336	8,664	3,717	1,731	937
Professional/Scientific/Technical Services	507	386	354	557	561	626	1,081	683	823	443
Admin/Support/Waste mgmt/Remediation Serv.	1,435	1,089	1,274	1,157	762	681	1,034	849	701	420
Educational Services	23	13	9	6	3	2	3	1	-	-
Health Care/Social Assistance	177	185	238	150	186	126	322	384	412	205
Arts/Entertainment/Recreation	139	216	120	109	308	431	432	329	275	135
Accommodation/Food Services	16,949	16,069	17,044	18,293	20,077	21,445	22,184	21,824	20,181	10,818
Other Services (except Public Administration)	8,047	6,819	7,934	8,717	9,535	9,692	9,758	8,825	7,960	4,131
Total	<u>\$ 523,017</u>	<u>\$ 276,583</u>	<u>\$ 789,628</u>	<u>\$ 848,638</u>	<u>\$ 889,949</u>	<u>\$ 681,790</u>	<u>\$ 953,506</u>	<u>\$ 630,760</u>	<u>\$ 221,188</u>	<u>198,042</u>
City direct sales tax	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

Source: State Comptroller of Texas
(information available for current year is only for first two quarters)

City of Snyder, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income¹	Per Capita¹
	General Obligation Bonds	Capital Leases	Water Sewer Bonds	Capital Leases			
2008	-	-	\$ 3,545	-	\$ 3,545	1.97%	\$ 329
2009	-	-	2,905	-	2,905	1.62%	269
2010	-	-	5,812	-	5,812	2.59%	519
2011	-	-	5,063	-	5,063	2.25%	452
2012	-	-	4,304	2,985	7,289	2.68%	639
2013	-	-	3,514	2,945	6,459	2.38%	567
2014	-	-	12,172	2,778	14,950	5.60%	1,335
2015	-	-	11,678	2,606	14,284	5.28%	1,257
2016	-	-	11,268	2,430	13,698	4.81%	1,164
2017	-	-	10,725	2,248	12,973	4.56%	1,102

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

¹See the Schedule of Demographic and Economic Statistics for personal income and population data.

City of Snyder, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligations Bonds	Percentage of Estimated Actual Taxable Value¹ of Property	Per Capita²
2008	-	0.00%	-
2009	-	0.00%	-
2010	-	0.00%	-
2011	-	0.00%	-
2012	-	0.00%	-
2013	-	0.00%	-
2014	-	0.00%	-
2015	-	0.00%	-
2016	-	0.00%	-
2017	-	0.00%	-

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

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

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

City of Snyder, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2017
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
City of Snyder direct debt	\$ -	100.00%	\$ -
Scurry County	13,195	19.60%	2,586
Scurry County JCD	12,405	19.72%	2,446
Snyder Independent School District	22,226	23.32%	5,183
Scurry County Hospital District	<u>-</u>	19.23%	<u>-</u>
Total direct and overlapping debt	\$ <u><u>47,826</u></u>		\$ <u><u>10,215</u></u>

Sources:

- Assessed value data used to estimate applicable percentages provided by the Scurry County Appraisal District.
- Debt outstanding data provided by the individual entities.

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the city of Snyder. This process recognizes that, when considering the government'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.

¹The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the governments boundaries and dividing it by the county's total taxable assessed value.

City of Snyder, Texas
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 31,886	\$ 35,020	\$ 34,645	\$ 33,748	\$ 34,552	\$ 36,534	\$ 38,518	\$ 46,679	\$ 47,205	\$ 46,258
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 31,886</u>	<u>\$ 35,020</u>	<u>\$ 34,645</u>	<u>\$ 33,748</u>	<u>\$ 34,552</u>	<u>\$ 36,534</u>	<u>\$ 38,518</u>	<u>\$ 46,679</u>	<u>\$ 47,205</u>	<u>\$ 46,258</u>
Total net debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value	\$458,612
Add Back: exempt property	<u>3,965</u>
Total Assessed Value	\$462,577
Debt limit (10% of total assessed value)	46,258
Debt applicable to limit:	
General obligation bonds	-
Legal debt margin	<u>\$ 46,258</u>

Note: Under state finance law, the City of Snyder's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

City of Snyder, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years

Water & Sewer Revenue Bonds											
Fiscal Year	Water & Sewer Charges and Other		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
					Principal	Interest					
2008	\$	4,521,210	\$	3,299,151	\$	1,222,059	\$	610,000	\$	159,282	1.59
2009		4,320,129		3,473,424		846,705		640,000		137,786	1.09
2010		4,647,640		3,617,898		1,029,742		325,000		42,218	2.80
2011		5,399,028		4,055,157		1,343,871		755,000		188,560	1.42
2012		6,012,799		4,188,779		1,824,020		755,000		138,303	2.04
2013		5,957,620		4,780,613		1,177,007		785,000		116,281	1.31
2014		6,602,087		5,122,274		1,479,813		465,000		327,237	1.87
2015		6,625,686		5,296,161		1,329,525		485,000		408,948	1.49
2016		6,930,358		5,564,019		1,366,339		400,000		394,753	1.72
2017		7,211,379		5,208,371		2,003,008		405,000		383,564	2.54

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Water & Sewer Charges and Other includes investment earnings but not tap fees. Operating expenses do not include interest or depreciation.

**City of Snyder, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population	(in thousands) Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2008	10,783	\$ 179,505	\$ 16,647	36.0	5,306	4.10%
2009	10,783	179,505	16,647	36.0	5,244	6.80%
2010	11,202	224,813	20,069	34.5	5,066	6.42%
2011	11,202	224,813	20,069	34.5	5,027	5.40%
2012	11,400	271,913	23,852	33.9	7,216	4.30%
2013	11,400	271,913	23,852	33.6	7,573	4.60%
2014	11,202	267,190	23,852	33.0	5,017	3.20%
2015	11,368	270,297	23,777	33.0	5,039	4.10%
2016	11,768	284,715	24,194	36.0	5,037	6.70%
2017	11,768	284,185	24,149	36.0	4,763	3.40%

Data Sources: U.S. Census, Snyder Independent School District, Western Texas College, Texas Workforce Commission.

Note: Population, median age, education level information and personal income are based on 2010 census.

Unemployment rate information is an adjusted yearly average. School enrollment is based on the census as of September 30.

**City of Snyder, Texas
Principal Employers
Fiscal Year End 2017 and 2008**

2017			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment¹</u>
Texas Department of Criminal Justice	369	1	7.65%
Snyder ISD	349	2	7.24%
Patterson UTI	242	3	5.02%
Cogdell Memorial Hospital	176	4	3.65%
Wal-Mart	130	5	2.70%
Walton Construction	130	6	2.70%
United Supermarket	128	7	2.65%
Scurry County	126	8	2.61%
Western Texas College	126	9	2.61%
Key Energy Services, Inc.	120	10	2.49%
Total	1,527		31.67%

2008			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Snyder ISD	349	1	2.12%
Texas Department of Corrections	339	2	2.06%
Kinder Morgan CO2 Co.	250	3	1.52%
Patterson-UTI Energy, Inc.	232	4	1.41%
Cogdell Memorial Hospital	220	5	1.34%
United Supermarket	200	6	1.22%
Basic Energy Service	150	7	0.91%
Scurry County	150	8	0.91%
Walton Construction	130	9	0.79%
Key Energy Services	120	10	0.73%
Total	2,140		13.01%

Source: Texas Workforce Commission

City of Snyder, Texas
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GENERAL FUND										
Administration	2	2	2	2	2	2	2	2	2	2
Finance	5	2	2	2	2	4	4	4	4	4
Planning & Zoning	2	2	2	2	2	2	3	3	3	3
Municipal Court	3	3	3	3	3	3	3	3	3	3
Community Service	0	0	0	0	0	0	0	0	0	0
Accounting	0	3	3	3	2	0	0	0	0	0
Data Processing	0	2	2	2	2	1	1	1	1	1
City Sec./Records Management	0	2	2	2	0	0	2	2	2	2
Police	21	22	22	22	22	22	23	27	25	25
Animal Control	3	3	3	3	3	3	3	3	3	3
Fire	9	9	10	10	10	10	10	10	11	11
Street	4	4	4	4	4	4	4	5	6	6
Total General Fund	48	52	53	53	52	51	55	60	60	60
WATER & SEWER										
Sanitary Sewer	2	2	2	2	2	2	2	2	2	2
Wastewater Treatment	5	5	5	5	5	5	5	3	3	3
Treatment - Water	5	5	5	5	5	5	5	6	6	6
Distribution - Water	2	2	2	2	2	2	2	3	2	2
Utility	9	7	7	7	6	6	6	6	6	6
Total Water & Sewer Fund	23	21	21	21	20	20	20	20	19	19
SANITATION										
Sanitation/Collection	5	5	5	5	5	5	5	6	6	6
Sanitation/Landfill	6	6	6	6	6	6	6	5	5	5
Total Sanitation Fund	11	11	11	11	11	11	11	11	11	11
INTERNAL SERVICE										
Central Garage	1	1	1	1	1	1	1	1	1	1
Total Central Garage	1	1	1	1	1	1	1	1	1	1
TOTAL	83	85	86	86	86	86	87	92	91	91

Source: City of Snyder Human Resources Office

City of Snyder, Texas
Operating Indicators by Function
Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Physical arrests	827	884	812	868	535	478	588	478	731	616
Traffic violations	6,057	5180	6,157	4,829	6,434	5,601	5,299	4,949	3,781	2,050
Fire										
Number of calls answered	523	407	393	550	372	439	452	463	500	412
Inspections	132	149	115	87	63	113	72	77	153	56
Public Education Programs	-		-	-	-	-	-	21	25	28
Highways and streets										
Street resurfacing (blocks)	115	144	-	-	80	100	-	50	-	163
Sanitation										
Refuse collected (tons/day)	119	125	144	114	117	150	175	175	170	162
Recyclables collected (tons/mo)	29	30	20	29	27	27	24	25	20	21
Water										
New connections	1,562	1192	1,033	1,156	1,325	1,510	1,561	1,723	1,736	1,882
Water mains breaks	46	37	55	82	33	25	48	80	32	18
Average daily consumption (millions of gallons)	2	2	2	2	2	2	2	2	2	2
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,094	1089	1,184	984	923	991	1,400	1,454	1,454	1,221

Sources: Various government departments.

City of Snyder, Texas
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	19	19	20	21	21	21	21	22	22	22
Fire stations	1	1	1	1	1	1	1	1	1	1
Sanitation										
Collection trucks	6	6	6	6	6	6	6	6	6	6
Highways and streets										
Streets (miles)	111	111	111	111	111	111	111	111	111	111
Streetlights	1,168	1,180	1,180	1,177	1,177	1,177	1,177	1,177	1,177	1,177
Traffic signals (controlled by City)	1	-	-	-	-	-	-	-	-	-
Culture and recreation										
Parks acreage	126	126	126	126	126	126	126	126	126	126
Swimming pools	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	91	91	91	91	91	91	91	91	91	91
Fire hydrants	330	331	334	424	424	424	424	424	424	424
Maximum daily capacity (thousands of gallons)	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Sewer										
Sanitary sewers (miles)	87	87	87	87	87	87	87	87	87	87
Storm sewers (miles)	2	2	2	2	2	2	2	2	2	2
Maximum daily treatment capacity (thousands of gallons)	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310

Sources: Various city departments.