



CITY OF SNYDER, TEXAS

Comprehensive Annual Financial Report

For the Year Ended September 30, 2018

Prepared by: Finance Department
Patricia Warren
Director of Finance

CITY OF SNYDER, TEXAS
Comprehensive Annual Financial Report
Year Ended September 30, 2018

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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

April 30, 2019

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, 2018.

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, 2018, 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 unmodified opinion that the City of Snyder's financial statements for the fiscal year ended September 30, 2018, 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 11,320. 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. Ranching and cotton farming also continue to employ a large part of the population.

The sales tax received for the fiscal year ending 2018 was 7.98% more than the budgeted amount. The actual amount received was \$344,324 more from 2017. An increase in the local oil industry and the additional wind farm has played a huge part in the higher sales tax revenue and the unemployment rate decreasing. Motel occupancy tax increased 20.57% compared to the previous year. Property valuations were approximately 2.01% lower than 2017. The tax rate increased from .4410 to .4700 per \$100 on property taxes. The water sales in the enterprise fund did increase this year, less restrictions on watering account for this increase.

There are sixteen hotels in Snyder with a total of eight hundred rooms. An increase in motel occupancy tax reflects the increase in our local economy. 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 including a retail, fitness gym and a pizza restaurant. West Texas Home and Garden, a subsidiary of Sutherland's Southwest opened this past fall in the old Walmart building.

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 35% full. This lake offers boating, fishing and camping for this area.

The City adopted a Comprehensive Plan that articulates a vision for the future of a community and outlines a set of goals, objectives, and actions to achieve the desired vision. The comprehensive plan provides Snyder with the roadmap for the future.

The City of Snyder and Spectra Solar have partnered together to build the first solar farm in this area. The solar farm is located behind the waste water plant and will provide electricity to this plant. The potential for an additional farm in in the process with hopes for completion in 2019.

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 and is in the process of building their new facility.

The U.S. Corp of Engineers will conduct a study on Deep Creek for a flood plan for the City of Snyder.

A new building located at the City Barn was completed. This 3,000 square foot building will house offices, a break room and meeting rooms for the street department and water and sewer line crew.

The Texas Department of Transportation has awarded a grant to the City of Snyder to replace a bridge located on 27th St. TX Dot has also awarded a grant providing sidewalks to connect two school campuses on West 37th St.

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 3.3%. 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 III of the water line replacement project was completed in 2018. Phase IV will be completed in 2019. The renovations of the two water plants have been completed. These improvements will provide an additional 4.5 million gallons of water a day to the City of Snyder.

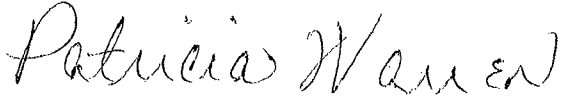
Awards and Acknowledgements

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, 2017. 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 signature is written in dark ink and is positioned above the printed name.

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, 2017

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)

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

CITY OF SNYDER, TEXAS

Principal Officers

City Council

Tony Wofford, Mayor
Stephen Highfield, Mayor Pro-Tem
Luann Burleson, Councilmember
Vernon Clay, Councilmember
Tom Strayhorn, Councilmember
Bill Harris, Councilmember

Administrative Staff

Merle Taylor, City Manager
Patricia Warren, Director of Finance
Shai Green, City Secretary
Bryan Haggard, Police Chief
Perry Westmoreland, Fire Chief
Eli Torress, Public Works Director
Underwood Law Firm, City Attorney



Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Snyder, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities, the business-type activities, the 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Snyder, Texas as of September 30, 2018 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.

Change in Accounting Principle

As discussed in Notes I and IV to the financial statements, the City has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which has resulted in a restatement of the net position as of October 1, 2017. Our opinions are not modified with respect to this matter.

Restatement of Prior Period Financial Statements

As discussed in Note IV to the financial statements, certain errors in the 2017 financial statements related to previously recognized revenue were noted during the current year. Accordingly, amounts reported for beginning fund balance have been restated in the 2018 financial statements to correct those errors. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and OPEB information on pages 3 through 10 and 51 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Snyder, Texas' 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 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken 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.

Prior-Year Comparative Information

We have previously audited the City's 2017 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated March 9, 2018. In our opinion, the summarized comparative information presented herein for the water and sewer and sanitation funds 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
April 30, 2019

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, 2018. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

Entity-Wide

- The assets and deferred outflows of resources of the City of Snyder exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$22,040 (*net position*). Of this amount, \$4,059 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$822. 82% of this increase is from governmental activities and an increase of 18% 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 \$7,800, an increase of \$934 in comparison with the prior year. Approximately 87.10% of this total amount, \$6,794, is unassigned and *available for spending* at the government's discretion, and 12.9% 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 \$6,797 or 97% of total general fund expenditures, excluding capital outlay.
- The City of Snyder's total bond debt decreased by \$415 (3.87%) 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, deferred outflows of resources, liabilities, and deferred inflows of resources with the remainder 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 Water and Sewer and Sanitation services.

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 funds 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 and its sanitation operations. *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 23-50 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 51-54 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. 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 55-93 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$22,040 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	
	2017	2018	2017	2018	2017	2018
Current and other assets	\$7,753	\$8,681	\$4,693	\$4,731	\$12,446	\$13,412
Capital assets	4,314	4,337	25,954	25,878	30,268	30,215
Total assets	12,067	13,018	30,647	30,609	42,714	43,627
Deferred outflows of resources	1,303	464	524	182	1,827	646
Long-term liabilities outstanding	3,513	1,443	16,656	15,167	20,168	16,610
Other liabilities	1,180	1,665	1,519	2,020	2,699	3,685
Total liabilities	4,693	3,108	18,175	17,187	22,868	20,295
Deferred inflow of resources	157	1,351	56	587	213	1,938
Net investment in capital assets	4,315	4,337	12,852	13,388	17,167	17,725
Restricted	171	256	-	-	171	256
Unrestricted	4,033	4,430	89	(371)	4,122	4,059
Total net position	\$8,519	\$9,023	\$12,941	\$13,017	\$21,460	\$22,040

The remaining balance of *unrestricted net position*, \$4,059 may be used to meet the government's ongoing obligations to citizens and creditors.

The government's net position increased by \$822 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	
	2017	2018	2017	2018	2017	2018
Revenues:						
Program revenues:						
Charges for services	\$ 1,525	\$2,009	\$ 9,873	\$ 9,651	\$ 11,398	\$ 11,660
Operating grants and Contributions	131	109		-	108	109
Capital grants and Contributions	-	-	23	-	23	-
General revenues:						
Property Taxes	2,414	2,438	-	-	2,414	2,438
Other taxes	3,199	3,659	-	-	3,199	3,659
Other	158	130	176	417	334	547
Total revenues	7,427	8,345	10,072	10,068	17,499	18,413
Expenses:						
General Government	2,478	2,193	-	-	2,478	2,193
Public Safety	4,012	3,780	-	-	4,012	3,780
Public Works	1,521	1,204	-	-	1,521	1,204
Culture and recreation	410	495	-	-	410	495
Water & Sewer	-	-	7,449	7,097	7,449	7,097
Sanitation	-	-	2,914	2,822	2,914	2,822
Total expenses	8,421	7,672	10,363	9,919	18,784	17,591
Change in net position	(994)	673	(291)	149	(1,284)	822
Net Position - beginning of year	9,513	8,519	13,232	12,941	22,745	21,460
Prior period adjustment	-	(169)	-	(73)	-	(242)
Net Position - ending of year	\$ 8,519	\$9,023	\$ 12,941	\$ 13,017	\$ 21,460	\$ 22,040

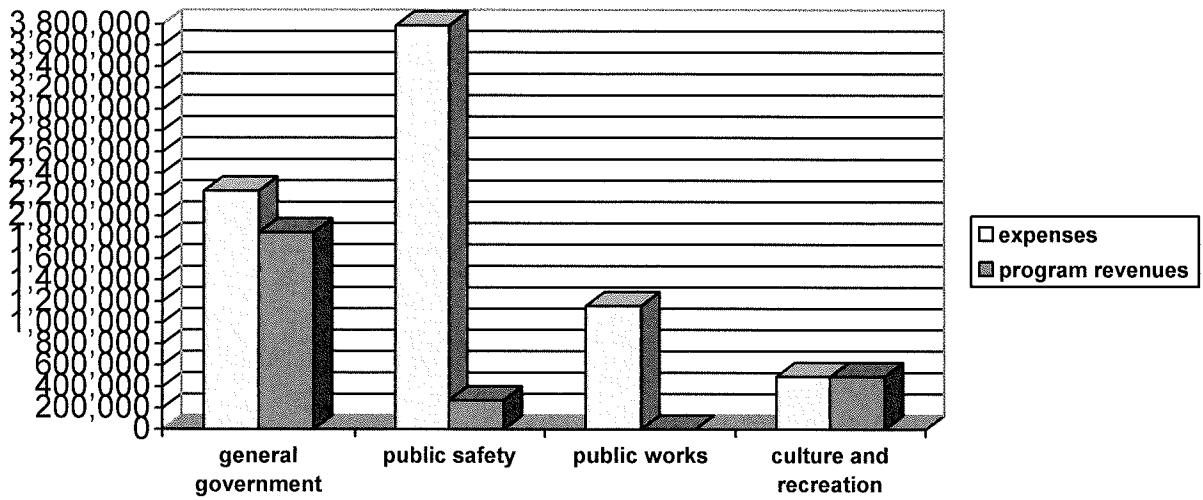
GOVERNMENTAL ACTIVITIES

Governmental activities increased the City of Snyder's net position by \$673. Key elements of this increase are as follows:

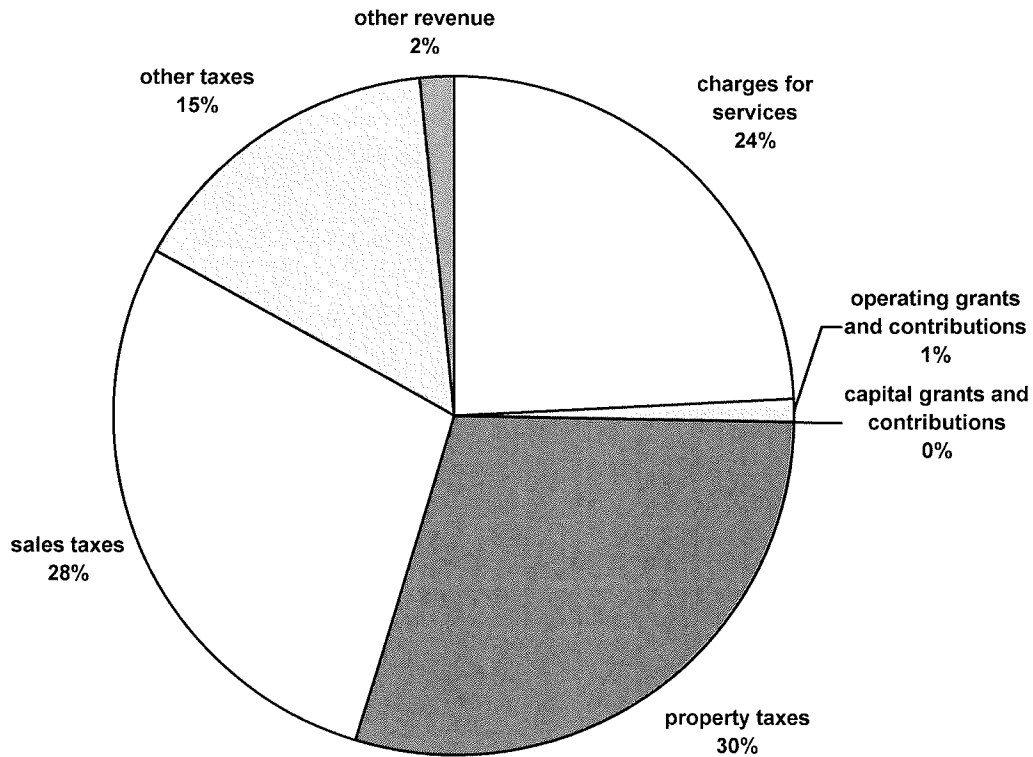
- Charges for services increased \$484 or 31.74% as administrative fees from the enterprise fund increased due to an increase in expenses.
- Property taxes increased \$24 or 1% from prior year. Property tax rates remained the same of .4410 per One Hundred Dollars from 2017 to 2018. Sales taxes increased \$344 or 17% from prior year, because of the change in the local economy within the oil industry.
- Public safety expenses were 49.27% of the City's governmental expenses. Public safety expenses decreased \$232 from the prior year due to decrease in capital outlay and the police department has several openings for officers.
- Public works expenses decreased \$317 or 20.84% from prior year due to a decrease 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

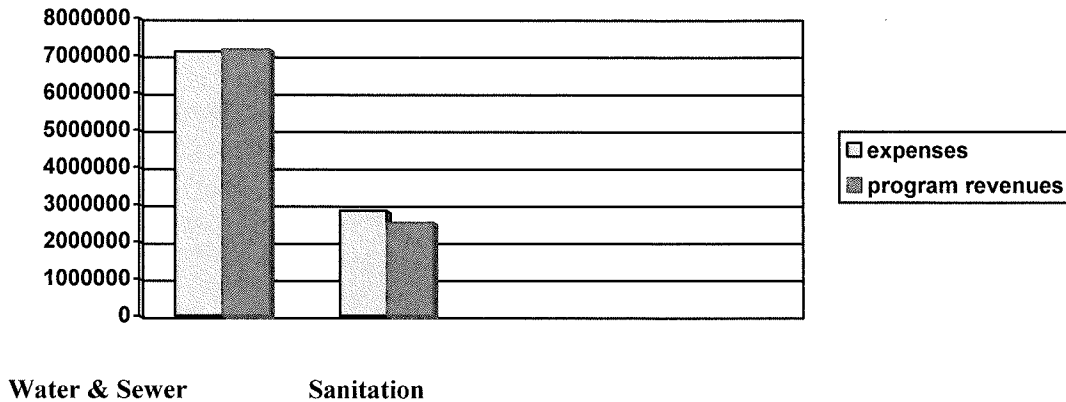


**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City of Snyder's net position by \$149. Key elements of this increase are as follows.

- Business type total revenues decreased by less than 0.04% and expenditures by 4.28%.



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 \$7,800, an increase of \$934 in comparison with the prior year. Approximately 87.10% of this total amount, \$6,794, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is made up of \$460 in *nonspendable fund balance* for prepaid items, inventories, and an advance to other funds, \$256 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 \$6,797 while total fund balance reached \$7,612. 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 97% of total general fund expenditures, while total fund balance represents 109% 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 increased by \$857 during the current fiscal year and decreased \$1,234 in the prior fiscal year.

- Budgeted sales tax was decreased by 15.38% from fiscal year 2017 due to the decline in the oil field and several businesses leaving Snyder. Actual sales tax increased 7.98% from budgeted amount in 2018.
- General fund expenditures decreased 14.38% from fiscal year 2017 due to the postponement of the 37th St project, and the cancellation of the seal coating project.

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

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.

Unrestricted net position of the Water and Sewer Authority at the end of the year amounted to (\$571), and those for the Sanitation Fund amounted to \$201. The net decrease in unrestricted net position for the Water and Sewer Authority was \$49 and the net decrease for the Sanitation Fund was \$410. 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 higher than final budgeted revenues by \$609 and actual expenditures were \$248 lower than final budgeted expenditures.

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

- Sales tax \$175 above budget, ad valorem taxes were \$239 above budget. The increase in the local economy has had a positive impact on the sales tax. Increase in valuations also increased ad valorem taxes.
- Franchise tax \$13 above budget. Overall taxes were \$443 above budget.
- Increase in miscellaneous revenue \$125 from Oncor for Solar Energy rebate.

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

- Planning and Zoning \$174 over budget as a result of an end of year entry to increase allowance for doubtful collections due to liens that are currently on property resulting from demolition of condemned property.
- Municipal Court \$70 over budget because of end of year entry to increase allowance for doubtful collections.
- Police was \$100 below budget due to the number of openings within the police department.
- Public works \$332 below budget as result of the seal coating maintenance project for the streets that was canceled and the postponement of the 37th St project.

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, 2018, amounts to \$30,215 (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	
	2017	2018	2017	2018	2017	2018
Land	\$ 553	\$ 553	\$ 307	\$307	\$ 860	\$ 860
Buildings	621	1,032	2,867	4,807	3,475	5,839
Improvements other than buildings	1,048	1,165	18,699	15,751	19,786	16,916
Machinery and equipment	2,033	1,586	4,081	4,126	6,088	5,712
Construction in progress	59			887	59	887
Total	\$4,314	\$4,337	\$25,954	\$25,878	\$30,268	\$30,215

Significant purchases made by the City were in the new building at the City Barn which will be used for offices and a breakroom, and conference room and also renovations of the water treatment plant. 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 \$10,310. Of this amount, \$10,310 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 \$415 (3.87%) during the current fiscal year. The key factors in this decrease were principal payments of \$415.

The City of Snyder maintains a "AA-" rating from Standard & Poor's for its revenue and tax certificates of obligation debt.

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 3.6 percent. This is below the state's average unemployment rate of 3.7 percent and below the national average rate of 4.1 percent.
- Inflationary trends in the region compare favorably to national indexes.

All of these factors were considered in preparing the City of Snyder's budget for the 2019 fiscal year.

The budget for general fund total revenue for fiscal year 2019 is \$7,541. This is an increase of 4.10% from fiscal year 2018. The property tax rate is .4700 for fiscal year 2019. Water and sewer rates along with sanitation rates remained the same for fiscal year 2019.

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, 2018

	Primary Government			Component Unit
	Governmental	Business-type		
	Activities	Activities	Total	DCOS
ASSETS				
Cash and cash equivalents	\$ 6,034,254	\$ 299,099	\$ 6,333,353	\$ 1,003,297
Investments	800,000	900,000	1,700,000	545,819
Receivables (net of allowance)	1,281,256	1,106,980	2,388,236	322,467
Due from primary government	-	-	-	147,183
Internal balances	423,308	(423,308)	-	-
Inventories	56,393	188,592	244,985	-
Prepaid items	21,423	-	21,423	-
Restricted assets:				
Cash and cash equivalents	64,891	669,143	734,034	31,695
Investments	-	1,990,231	1,990,231	-
Capital assets (net of accumulated depreciation)				
Nondepreciable	553,153	1,193,408	1,746,561	698,781
Depreciable	3,783,554	24,684,931	28,468,485	2,551,456
Total assets	13,018,232	30,609,076	43,627,308	5,300,698
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows for pension and OPEB	463,933	182,684	646,617	21,275
Total deferred outflows of resources	463,933	182,684	646,617	21,275
LIABILITIES				
Accounts payable and other liabilities	1,517,473	1,253,831	2,771,304	5,411
Accrued interest payable	-	35,287	35,287	-
Due to component unit	147,183	-	147,183	-
Retainage payable	-	71,817	71,817	-
Customer meter deposits	-	658,487	658,487	-
Noncurrent liabilities:				
Due within one year	28,005	628,661	656,666	332,452
Due in more than one year	1,415,422	14,538,715	15,954,137	2,675,889
Total liabilities	3,108,083	17,186,798	20,294,881	3,013,752
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows for pension	1,351,253	587,330	1,938,583	64,950
Total deferred inflows of resources	1,351,253	587,330	1,938,583	64,950
NET POSITION				
Net investment in capital assets	4,336,707	13,388,214	17,724,921	1,014,004
Restricted for:				
Public safety	64,891	-	64,891	-
Tax Increment Financing	191,096	-	191,096	-
Unrestricted	4,430,135	(370,582)	4,059,553	1,229,267
Total net position	\$ 9,022,829	\$ 13,017,632	\$ 22,040,461	\$ 2,243,271

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, 2018

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
DCOS								
Primary government:								
Governmental activities:								
General government	\$ 2,193,133	\$ 1,847,089	\$ -	\$ -	\$ (346,044)		\$ (346,044)	
Public safety	3,780,316	162,808	108,519	-	(3,508,989)		(3,508,989)	
Public works	1,203,857	-	-	-	(1,203,857)		(1,203,857)	
Culture and recreation	495,243	-	-	-	(495,243)		(495,243)	
Total governmental activities	<u>7,672,549</u>	<u>2,009,897</u>	<u>108,519</u>	<u>-</u>	<u>(5,554,133)</u>		<u>(5,554,133)</u>	
Business-type activities:								
Water and sewer	7,096,928	7,147,397	-	-	-	\$ 50,470	50,470	
Sanitation	<u>2,822,241</u>	<u>2,503,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(318,745)</u>	<u>(318,745)</u>	
Total business-type activities	<u>9,919,169</u>	<u>9,650,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(268,275)</u>	<u>(268,275)</u>	
Total primary government	<u>\$ 17,591,718</u>	<u>\$ 11,660,790</u>	<u>\$ 108,519</u>	<u>\$ -</u>	<u>(5,554,133)</u>	<u>(268,275)</u>	<u>(5,822,408)</u>	
Component unit:								
Development Corporation of Snyder	<u>\$ 543,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ (543,554)</u>
General revenues:								
Property taxes					2,437,856	-	2,437,856	-
Sales taxes					2,375,541	-	2,375,541	792,396
Franchise taxes					763,172	-	763,172	-
Alcoholic beverage taxes					24,981	-	24,981	-
Hotel/motel occupancy taxes					495,243	-	495,243	-
Proceeds from insurance					9,700	241	9,941	-
Unrestricted investment earnings					118,708	69,351	188,059	16,672
Gain on sale of capital assets					1,328	347,500	348,828	-
Total general revenues					<u>6,226,529</u>	<u>417,092</u>	<u>6,643,621</u>	<u>809,068</u>
Change in net position					672,396	148,817	821,213	265,514
Net position - beginning					8,519,200	12,941,302	21,460,502	1,985,682
Prior period adjustment					<u>(168,767)</u>	<u>(72,487)</u>	<u>(241,254)</u>	<u>(7,925)</u>
Net position, as restated					<u>8,350,433</u>	<u>12,868,815</u>	<u>21,219,248</u>	<u>1,977,757</u>
Net position - ending					<u>\$ 9,022,829</u>	<u>\$ 13,017,632</u>	<u>\$ 22,040,461</u>	<u>\$ 2,243,271</u>

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

CITY OF SNYDER, TEXAS
Balance Sheet
Governmental Funds
September 30, 2018

	General	Nonmajor Governmental	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 5,843,158	\$ 191,096	\$ 6,034,254
Investments	800,000	-	800,000
Receivables (net of allowance)	1,121,752	159,504	1,281,256
Advance to other funds	423,308	-	423,308
Prepaid items	21,423	-	21,423
Inventories	15,678	-	15,678
Restricted cash and cash equivalents	64,891	-	64,891
Total assets	<u>\$ 8,290,210</u>	<u>\$ 350,600</u>	<u>\$ 8,640,810</u>
LIABILITIES			
Accounts payable	\$ 243,160	\$ 162,886	\$ 406,046
Due to component unit	147,183	-	147,183
Total liabilities	<u>390,343</u>	<u>162,886</u>	<u>553,229</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue- property taxes	<u>287,311</u>	<u>-</u>	<u>287,311</u>
FUND BALANCES			
Nonspendable for:			
Prepaid items	21,423	-	21,423
Inventories	15,678	-	15,678
Advance to other funds	423,308	-	423,308
Restricted for various purposes	64,891	191,096	255,987
Committed for economic development	289,933	-	289,933
Unassigned	6,797,323	(3,382)	6,793,941
Total fund balances	<u>7,612,556</u>	<u>187,714</u>	<u>7,800,270</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 8,290,210</u>	<u>\$ 350,600</u>	<u>\$ 8,640,810</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, 2018

Total Fund Balances - Governmental Funds	\$ 7,800,270
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 \$11,279,611 and the accumulated depreciation was \$7,561,238. The net effect of the beginning balance of the net investment in capital assets in the governmental activities is an increase to net position.	3,718,370
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 \$175,413 is to increase net position.	175,413
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 \$559,888 is to decrease net position.	(559,888)
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 \$287,311 is recognized in the government-wide financial statements. This results in an increase in net position.	287,311
Related to the City's net pension liability are deferred outflows of resources of \$449,433 and deferred inflows of resources of \$1,350,200, whose effect is to increase net position.	(900,767)
Related to the City's OPEB liability are deferred outflows of resources of \$12,039, whose effect is to decrease net position.	12,039
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(112,021)
Net pension liability	(1,101,417)
Net OPEB liability	(192,344)
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.	(104,137)
Net Position of Governmental Activities	<u>\$ 9,022,829</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, 2018

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes:			
Property	\$ 2,360,736	\$ 77,120	\$ 2,437,856
Sales	2,375,541	-	2,375,541
Franchise	763,170	-	763,170
Alcoholic beverage	24,981	-	24,981
Occupancy	-	495,243	495,243
Licenses and permits	75,328	-	75,328
Intergovernmental	108,519	-	108,519
Charges for services	1,496,836	-	1,496,836
Fines and forfeitures	189,896	-	189,896
Interest	118,708	-	118,708
Miscellaneous	329,340	-	329,340
Total Revenues	<u>7,843,055</u>	<u>572,363</u>	<u>8,415,418</u>
EXPENDITURES			
Current:			
General government	2,226,801	118	2,226,919
Public safety	3,757,990	-	3,757,990
Public works	1,011,977	-	1,011,977
Culture and recreation	-	495,243	495,243
Total Expenditures	<u>6,996,768</u>	<u>495,361</u>	<u>7,492,129</u>
Excess (deficiency) of revenues over (under) expenditures	846,287	77,002	923,289
OTHER FINANCING SOURCES (USES)			
Proceeds from insurance	9,700	-	9,700
Proceeds from sale of equipment	1,328	-	1,328
Total other financing sources and uses	<u>11,028</u>	<u>-</u>	<u>11,028</u>
Net change in fund balances	857,315	77,002	934,317
Fund balances -- beginning, restated	6,755,241	110,712	6,865,953
Fund balances -- ending	<u>\$ 7,612,556</u>	<u>\$ 187,714</u>	<u>\$ 7,800,270</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, 2018

Net Change in Fund Balances - Governmental Funds	\$ 934,317
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 \$175,413 is to increase net position.	175,413
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 \$559,888 is to decrease net position.	(559,888)
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.	5,480
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 increases net position.	1,727
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 an increase in net position.	211,670
Various other reclassifications are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. This adjustment is to recognize the net change in 'unavailable' revenue. This adjustment results in a decrease in net position.	(83,340)
Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of \$283. 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 OPEB expense must be recognized. These cause the change in net position to decrease in the amount of \$13,265.	(12,982)
Change in net position of governmental activities	\$ <u>672,396</u>

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, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Property	\$ 2,122,145	\$ 2,122,145	\$ 2,360,736	\$ 238,591
Sales	2,200,000	2,200,000	2,375,541	175,541
Franchise	750,000	750,000	763,170	13,170
Alcoholic beverage	9,600	9,600	24,981	15,381
Licenses and permits	57,370	57,370	75,328	17,958
Intergovernmental	134,360	134,360	108,519	(25,841)
Charges for services	1,475,695	1,475,695	1,496,836	21,141
Fines and forfeitures	156,000	156,000	189,896	33,896
Interest	59,215	59,215	118,708	59,493
Miscellaneous	113,050	113,050	329,340	216,290
Total Revenues	7,077,435	7,077,435	7,843,055	765,620
EXPENDITURES				
Current:				
General government:				
Administration	290,155	290,155	276,249	13,906
Finance and personnel	408,150	408,150	399,648	8,502
Planning and zoning	313,835	313,835	487,933	(174,098)
Municipal court	288,560	288,560	358,591	(70,031)
Community services	343,930	343,930	384,819	(40,889)
City secretary/records	180,390	180,390	176,773	3,617
IT/purchasing	125,990	125,990	142,788	(16,798)
Total general government	1,951,010	1,951,010	2,226,801	(275,791)
Public safety:				
Police	2,535,520	2,470,700	2,370,538	100,162
Animal control	224,265	197,565	179,218	18,347
Fire	1,061,600	1,061,600	1,081,510	(19,910)
Fire Marshall	220,385	220,385	126,724	93,661
Total public safety	4,041,770	3,950,250	3,757,990	192,260
Public works:				
Street maintenance	1,252,050	1,343,570	1,011,977	331,593
Total expenditures	7,244,830	7,244,830	6,996,768	248,062
Excess (deficit) of revenues over expenditures	(167,395)	(167,395)	846,287	1,013,682
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance	-	-	9,700	9,700
Proceeds from sale of equipment	-	-	1,328	1,328
Transfer from reserves	167,395	167,395	-	(167,395)
Total other financing sources and uses	167,395	167,395	11,028	(156,367)
Net change in fund balances	-	-	857,315	857,315
Fund balances - beginning, restated	6,755,241	6,755,241	6,755,241	-
Fund balances - ending	\$ 6,755,241	\$ 6,755,241	\$ 7,612,556	\$ 857,315

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, 2018

	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	\$ 299,099	\$ 294,303	\$ -	\$ 207,022	\$ 299,099	\$ -
Investments	400,000	400,000	500,000	500,000	900,000	-
Interest receivable	1,534	761	19,075	6,109	20,609	-
Accounts receivable, net	785,743	773,346	300,628	305,644	1,086,371	-
Inventories	183,197	155,357	5,395	2,920	188,592	40,715
Restricted cash	658,487	601,167	-	-	658,487	-
Restricted investments	-	-	-	-	-	-
Total current assets	<u>2,328,060</u>	<u>2,224,934</u>	<u>825,098</u>	<u>1,021,695</u>	<u>3,153,158</u>	<u>40,715</u>
Noncurrent assets:						
Restricted cash	-	-	10,656	10,761	10,656	-
Restricted investments	-	-	1,990,231	1,979,470	1,990,231	-
Capital assets:						
Land	185,765	185,765	120,756	120,756	306,521	-
Buildings	9,851,224	9,635,634	479,605	479,605	10,330,829	885,104
Improvements other than buildings	25,568,284	25,433,425	3,845,813	3,845,813	29,414,097	-
Machinery and equipment	6,037,462	6,124,384	4,980,023	4,674,850	11,017,485	370,000
Construction in progress	886,887	-	-	-	886,887	-
Less accumulated depreciation	<u>(19,948,856)</u>	<u>(18,259,417)</u>	<u>(6,128,624)</u>	<u>(6,286,767)</u>	<u>(26,077,480)</u>	<u>(252,292)</u>
Total capital assets (net of accumulated depreciation)	<u>22,580,766</u>	<u>23,119,791</u>	<u>3,297,573</u>	<u>2,834,257</u>	<u>25,878,339</u>	<u>1,002,812</u>
Total noncurrent assets	<u>22,580,766</u>	<u>23,119,791</u>	<u>5,298,460</u>	<u>4,824,488</u>	<u>27,879,226</u>	<u>1,002,812</u>
Total assets	<u>24,908,826</u>	<u>25,344,725</u>	<u>6,123,558</u>	<u>5,846,183</u>	<u>31,032,384</u>	<u>1,043,527</u>
DEFERRED OUTFLOW OF RESOURCES						
Deferred outflows of resources	<u>104,940</u>	<u>321,844</u>	<u>77,744</u>	<u>202,438</u>	<u>182,684</u>	<u>2,461</u>
Total deferred outflows of resources	<u>104,940</u>	<u>321,844</u>	<u>77,744</u>	<u>202,438</u>	<u>182,684</u>	<u>2,461</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, 2018

	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	
LIABILITIES						
Current liabilities:						
Cash overdraft	\$ 653,835	\$ 650,831	\$ 231,851	\$ -	\$ 885,686	\$ 1,106,996
Accounts payable	341,164	190,579	26,981	40,001	368,145	4,431
Accrued compensated absences	8,110	8,085	3,472	3,569	11,582	-
Retainage payable	71,817	-	-	-	71,817	-
Payable from restricted assets:						
Customer meter deposits	658,487	601,167	-	-	658,487	-
Certificates of obligation payable	425,000	415,000	-	-	425,000	-
Municipal lease agreement payable	192,079	186,775	-	-	192,079	-
Accrued interest payable	35,287	36,764	-	-	35,287	-
Total current liabilities	<u>2,385,779</u>	<u>2,089,201</u>	<u>262,304</u>	<u>43,570</u>	<u>2,648,083</u>	<u>1,111,427</u>
Noncurrent liabilities:						
Accrued compensated absences	24,330	24,254	10,415	10,708	34,745	-
Certificates of obligation payable	10,003,758	10,438,433	-	-	10,003,758	-
Municipal lease agreement payable	1,869,288	2,061,366	-	-	1,869,288	-
Advances from other funds-General	423,308	543,579	-	-	423,308	-
Net pension liability	335,015	982,267	211,696	534,535	546,711	35,984
Net OPEB liability	55,598	-	27,728	-	83,326	1,661
Landfill closure/post closure care	-	-	2,000,887	1,990,231	2,000,887	-
Total noncurrent liabilities	<u>12,711,297</u>	<u>14,049,899</u>	<u>2,250,726</u>	<u>2,535,474</u>	<u>14,962,023</u>	<u>37,645</u>
Total liabilities	<u>15,097,076</u>	<u>16,139,100</u>	<u>2,513,030</u>	<u>2,579,044</u>	<u>17,610,106</u>	<u>1,149,072</u>
DEFERRED INFLOW OF RESOURCES						
Deferred inflows of resources	397,341	31,650	189,989	24,094	587,330	1,053
Total deferred inflows of resources	<u>397,341</u>	<u>31,650</u>	<u>189,989</u>	<u>24,094</u>	<u>587,330</u>	<u>1,053</u>
NET POSITION						
Net investment in capital assets	10,090,641	10,018,217	3,297,573	2,834,257	13,388,214	1,002,812
Unrestricted	(571,292)	(522,398)	200,710	611,226	(370,582)	(1,106,949)
Total net position	<u>\$ 9,519,349</u>	<u>\$ 9,495,819</u>	<u>\$ 3,498,283</u>	<u>\$ 3,445,483</u>	<u>\$ 13,017,632</u>	<u>\$ (104,137)</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, 2018

	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	\$ 5,104,238	\$ 5,109,466	\$ -	\$ -	\$ 5,104,238	\$ -
Sewer charges	1,536,830	1,592,854	-	-	1,536,830	-
Charges for billing & collections	424,667	351,560	-	-	424,667	401,065
Sanitation charges	-	-	1,885,355	1,885,312	1,885,355	-
Landfill gate fees	-	-	516,813	790,965	516,813	-
Water & sewer taps	12,800	38,821	-	-	12,800	-
Plumbing permits & inspections	9,691	8,260	-	-	9,691	-
Other services	59,171	49,460	101,329	46,477	160,500	5,885
Total operating revenues	<u>7,147,397</u>	<u>7,150,421</u>	<u>2,503,497</u>	<u>2,722,754</u>	<u>9,650,894</u>	<u>406,950</u>
Operating Expenses:						
Personnel services	1,300,806	1,404,333	642,572	823,198	1,943,378	42,397
Supplies	324,651	427,356	206,689	208,684	531,340	253,698
Maintenance	316,003	487,325	134,906	126,859	450,909	10,414
Services	2,866,603	2,759,396	953,169	787,510	3,819,772	31,233
Sundry charges	52,198	124,890	53,091	85,065	105,289	1,498
Non capitalized equipment	3,840	5,071	622	1,012	4,462	-
Depreciation	1,787,751	1,775,622	831,192	881,487	2,618,943	65,983
Total operating expenses	<u>6,651,852</u>	<u>6,983,993</u>	<u>2,822,241</u>	<u>2,913,815</u>	<u>9,474,093</u>	<u>405,223</u>
Operating income (loss)	495,545	166,428	(318,744)	(191,061)	176,801	1,727
Nonoperating revenues (expenses):						
Investment earnings	21,186	20,236	48,165	17,889	69,351	-
Interest and fees expense	(445,076)	(465,003)	-	-	(445,076)	-
Gain on sale of assets	-	1,200	347,500	55,500	347,500	-
Proceeds from insurance	241	78,343	-	2,819	241	-
Total nonoperating revenues (expenses)	<u>(423,649)</u>	<u>(365,224)</u>	<u>395,665</u>	<u>76,208</u>	<u>(27,984)</u>	<u>-</u>
Capital grant contributions	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>18,393</u>	<u>-</u>	<u>-</u>
Change in net position	71,896	(193,796)	76,921	(96,460)	148,817	1,727
Total net position - beginning, as restated	9,447,453	9,689,615	3,421,362	3,541,943	12,868,815	(105,864)
Total net position - ending	<u>\$ 9,519,349</u>	<u>\$ 9,495,819</u>	<u>\$ 3,498,283</u>	<u>\$ 3,445,483</u>	<u>\$ 13,017,632</u>	<u>\$ (104,137)</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, 2018

	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	\$ 6,767,654	\$ 6,937,611	\$ 2,508,513	\$ 2,767,877	\$ 9,276,167	\$ 5,885
Receipts from interfund services provided	424,667	351,560	-	-	424,667	401,065
Payments to suppliers	(2,335,524)	(3,666,583)	(928,649)	(1,079,469)	(3,264,173)	(300,135)
Payments to employees	(1,358,130)	(1,290,605)	(671,605)	(787,270)	(2,029,735)	(44,122)
Payments for interfund services used	(1,033,208)	(914,782)	(424,667)	(351,560)	(1,457,875)	-
Net cash provided (used) by operating activities	<u>2,465,459</u>	<u>1,417,201</u>	<u>483,592</u>	<u>549,578</u>	<u>2,949,051</u>	<u>62,693</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES						
Interfund loans advanced (paid)	(120,272)	(117,304)	-	-	(120,272)	-
Increase (decrease) in cash overdrafts	3,004	(468,645)	231,851	(100,625)	234,855	410,106
Net cash (used in) provided by noncapital financing activities	<u>(117,268)</u>	<u>(585,949)</u>	<u>231,851</u>	<u>(100,625)</u>	<u>114,583</u>	<u>410,106</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(1,248,727)	(722,143)	(1,294,508)	(325,283)	(2,543,235)	(472,799)
Proceeds from sale of capital assets	-	1,200	347,500	55,500	347,500	-
Proceeds from insurance	241	78,343	-	2,819	241	-
Capital grant proceeds	-	5,000	-	18,393	-	-
Principal paid on certificates of obligation	(601,774)	(586,617)	-	-	(601,774)	-
Interest paid on debt obligations	<u>(456,228)</u>	<u>(476,070)</u>	<u>-</u>	<u>-</u>	<u>(456,228)</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(2,306,488)</u>	<u>(1,700,287)</u>	<u>(947,008)</u>	<u>(248,571)</u>	<u>(3,253,496)</u>	<u>(472,799)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	-	-	(10,761)	(12,804)	(10,761)	-
Purchase of investments	-	-	-	-	-	-
Interest received	<u>20,413</u>	<u>19,894</u>	<u>35,199</u>	<u>17,361</u>	<u>55,612</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>20,413</u>	<u>19,894</u>	<u>24,438</u>	<u>4,557</u>	<u>44,851</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, 2018

	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	\$ 62,116	\$ (849,141)	\$ (207,127)	\$ 204,939	\$ (145,011)	\$ -
Cash and cash equivalents, October 1 (including restricted cash)	895,470	1,744,611	217,783	12,846	1,113,253	-
Cash and cash equivalents, September 30 (including restricted cash)	<u>\$ 957,586</u>	<u>\$ 895,470</u>	<u>\$ 10,656</u>	<u>\$ 217,785</u>	<u>\$ 968,242</u>	<u>\$ -</u>
Reconciliation of Operating Income to net cash provided by operating activities:						
Operating income	\$ 495,545	\$ 166,428	\$ (318,744)	\$ (191,061)	\$ 176,801	\$ 1,727
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	1,787,752	1,775,622	831,192	881,487	2,618,944	65,983
(Increase) decrease in accounts receivable	(12,396)	98,916	5,016	45,123	(7,380)	-
(Increase) decrease in inventories	(27,840)	(13,954)	(2,475)	1,585	(30,315)	(639)
Increase (decrease) in retainage payable	71,817	(411,616)	-	-	71,817	-
Increase (decrease) in customer deposits	57,320	39,834	-	-	57,320	-
Increase (decrease) in accounts payable/cash overdrafts	150,585	(351,757)	(13,020)	(234,245)	137,565	(2,653)
Increase (decrease) in payroll liabilities	(57,324)	113,728	(29,033)	35,928	(86,357)	(1,725)
Increase in landfill closure/post closure cost	-	-	10,656	10,761	10,656	-
Total adjustments	1,969,914	1,250,773	802,336	740,639	2,772,250	60,966
Net cash provided by operating activities	<u>\$ 2,465,459</u>	<u>\$ 1,417,201</u>	<u>\$ 483,592</u>	<u>\$ 549,578</u>	<u>\$ 2,949,051</u>	<u>\$ 62,693</u>

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

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2018

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CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2018

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 DCOS) 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 Corporation is presented as a governmental fund type.

Complete financial statements for the DCOS 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, 2018

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, 2018

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, 2018

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 net realizable value 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 public safety 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, 2018

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. No interest was capitalized during the fiscal year ended September 30, 2018.

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 and OPEB liability 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. *OPEB*

The fiduciary net position of the TMRS Supplemental Death Benefits Plan (SDBP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from SDBP's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

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.

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2018

I. Summary of Significant Accounting Policies (continued)

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, 2017, from which the summarized information was derived.

12. Implementation of GASB Statement No. 75

As of October 1, 2017, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The implementation of this standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, and requires governments calculate and report the costs and obligations associated with postemployment benefits other than pensions (OPEB) in their basic financial statements. Employers are required to recognize OPEB amounts for all benefits provided through the plan which include the total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expenses. The effect of implementation of this standard on beginning net position is disclosed in Note IV.H. and the additional disclosures required by this standard are included in Note IV.D.

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 revenue's 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.

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2018

II. Stewardship, Compliance, and Accountability (continued)

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 Motel Tax Special Revenue Fund by \$130,243. However, excess revenues over budget were available to fund the overage.

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 \$104,137 at September 30, 2018.

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, 2018.

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 undersecured by \$10,794. At September 30, 2018, the City and DCOS had the following investments, all maturing within one year:

	City	DCOS
	<u>Amortized Cost</u>	<u>Amortized Cost</u>
Tex Pool	\$ 1,823,785	\$ -
Certificates of Deposit	<u>3,690,231</u>	<u>545,819</u>
	<u>\$ 5,514,016</u>	<u>\$ 545,819</u>
Reported as cash and cash equivalents	\$ 1,823,785	\$ -
Reported as investments	1,300,000	545,819
Reported as restricted investments	<u>2,390,231</u>	<u>-</u>
	<u>\$ 5,514,016</u>	<u>\$ 545,819</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.

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2018

III. Detailed Notes on All Funds (continued)

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, 2018, 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.

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, 2018 consist of the following:

	General Fund	Water & Sewer Fund	Sanitation Fund	Nonmajor Govt Funds	Total
Delinquent Taxes Receivable	\$ 168,086	\$ -	\$ -	\$ -	\$ 168,086
Less: Allowance for Uncollectibles	(43,426)	-	-	-	(43,426)
Delinquent Taxes Receivable, net	<u>124,660</u>				<u>124,660</u>
 Sales Tax Receivable	 588,731	 -	 -	 -	 588,731
Franchise Tax Receivable	206,816	-	-	-	206,816
Accounts Receivable	1,114,367	812,596	310,059	159,504	2,396,526
Less: Allowance for Uncollectibles	(917,540)	(26,853)	(9,431)		(953,824)
Accrued Interest Receivable	<u>4,718</u>	<u>1,534</u>	<u>19,075</u>	<u>-</u>	<u>25,327</u>
 Total Receivables, Net	 <u>\$ 1,121,752</u>	 <u>\$ 787,277</u>	 <u>\$ 319,703</u>	 <u>\$ 159,504</u>	 <u>\$ 2,388,236</u>

Receivables for DCOS consist of \$147,183 from the primary government for sales tax, \$695 in interest receivable, and \$321,772 in notes receivables from businesses.

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2018

II. Detailed Notes on All Funds (continued)

C. Capital Assets

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 553,153	\$ -	\$ -	\$ 553,153
Construction in progress	58,743	-	(58,743)	-
Total capital assets, not being depreciated	611,896	-	(58,743)	553,153
Capital assets, being depreciated:				
Buildings	1,116,257	471,917	-	1,588,174
Improvements other than buildings	3,615,407	-	-	3,615,407
Machinery and equipment	6,719,024	235,039	(409,214)	6,544,849
Total capital assets, being depreciated	11,450,688	706,956	(409,214)	11,748,430
Less accumulated depreciation for:				
Buildings	485,044	58,011	-	543,055
Improvements other than buildings	2,577,635	49,525	-	2,627,160
Machinery and equipment	4,685,540	518,335	(409,214)	4,794,661
Total accumulated depreciation	7,748,219	625,871	(409,214)	7,964,876
Total capital assets being depreciated, net	3,702,469	81,085	-	3,783,554
Governmental activities capital assets, net	\$ 4,314,365	\$ 81,085	\$ (58,743)	\$ 4,336,707
Business-Type Activities:				
Water and sewer activities:				
Capital assets, not being depreciated:				
Land	\$ 185,765	\$ -	\$ -	\$ 185,765
Construction in progress	-	886,887	-	886,887
Total capital assets, not being depreciated	185,765	886,887	-	1,072,652
Capital assets, being depreciated:				
Buildings	9,635,634	215,591	-	9,851,224
Improvements other than buildings	25,433,425	134,859	-	25,568,284
Machinery and equipment	6,124,384	11,390	(98,313)	6,037,462
Total capital assets, being depreciated	41,193,443	361,840	(98,313)	41,456,970
Less accumulated depreciation for:				
Buildings	6,992,195	376,955	-	7,369,150
Improvements other than buildings	7,641,580	833,828	-	8,475,408
Machinery and equipment	3,625,642	576,969	(98,313)	4,104,298
Total accumulated depreciation	18,259,417	1,787,752	(98,313)	19,948,856
Total capital assets being depreciated, net	22,934,026	(1,425,912)	-	21,508,114
Water and sewer activities capital assets, net	\$ 23,119,791	\$ (539,025)	\$ -	\$ 22,580,766

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2018

III. Detailed Notes on All Funds (continued)

	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:				
Buildings	479,605	-	-	479,605
Improvements other than buildings	3,845,813	-	-	3,845,813
Machinery and equipment	4,674,850	1,294,508	(989,335)	4,980,023
Total capital assets, being depreciated	9,000,268	1,294,508	(989,335)	9,305,441
Less accumulated depreciation for:				
Buildings	255,972	11,544	-	267,516
Improvements other than buildings	2,938,502	136,034	-	3,074,536
Machinery and equipment	3,092,293	683,614	(989,335)	2,786,572
Total accumulated depreciation	6,286,767	831,192	(989,335)	6,128,624
Total capital assets being depreciated, net	2,713,501	463,316	-	3,176,817
Sanitation activities capital assets, net	\$ 2,834,257	\$ 463,316	\$ -	\$ 3,297,573
Total Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ 306,521	\$ -	\$ -	\$ 306,521
Construction in progress	-	886,887	-	886,887
Total capital assets, not being depreciated	306,521	886,887	-	1,193,408
Capital assets, being depreciated:				
Buildings	10,115,239	215,591	-	10,330,830
Improvements other than buildings	29,279,238	134,859	-	29,414,097
Machinery and equipment	10,799,234	1,305,898	(1,087,648)	11,017,484
Total capital assets, being depreciated	50,193,711	1,656,348	(1,087,648)	50,762,411
Less accumulated depreciation for:				
Buildings	7,248,167	388,499	-	7,636,666
Improvements other than buildings	10,580,082	969,862	-	11,549,944
Machinery and equipment	6,717,935	1,260,583	(1,087,648)	6,890,870
Total accumulated depreciation	24,546,184	2,618,944	(1,087,648)	26,077,480
Total capital assets being depreciated, net	25,647,527	(962,596)	-	24,684,931
Business-Type activities capital assets, net	\$ 25,954,048	\$ (75,709)	\$ -	\$ 25,878,339

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2018

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	\$ 50,950
Public safety	300,266
Public works	208,672
Capital assets held by the government's internal service fund are charged to the various functions based on their usage of assets	65,983
Total depreciation expense – governmental activities	<u>\$ 625,871</u>

Business-type activities:

Water and sewer	\$ 1,787,752
Sanitation	831,192
Total depreciation expense – business-type activities	<u>\$ 2,618,944</u>

Discretely presented component unit

Development Corporation of Snyder:	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 698,781	\$ -	\$ -	\$ 698,781
Total capital assets, not being depreciated	<u>698,781</u>	<u>-</u>	<u>-</u>	<u>698,781</u>
Capital assets, being depreciated:				
Buildings and improvements	3,080,729	-	-	3,080,729
Furniture and equipment	201,971	-	-	201,971
Total capital assets, being depreciated	<u>3,282,700</u>	<u>-</u>	<u>-</u>	<u>3,282,700</u>
Less accumulated depreciation for:				
Buildings and improvements	491,675	122,888	-	614,563
Furniture and equipment	84,936	31,745	-	116,681
Total accumulated depreciation	<u>576,611</u>	<u>154,633</u>	<u>-</u>	<u>731,244</u>
Total capital assets being depreciated, net	<u>2,706,089</u>	<u>(154,633)</u>	<u>-</u>	<u>2,551,456</u>
DCOS capital assets, net	<u>\$ 3,404,870</u>	<u>\$ (154,633)</u>	<u>\$ -</u>	<u>\$ 3,250,237</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, 2018, the interfund loan totaled \$423,308.

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2018

III. Detailed Notes on All Funds (continued)

E. Restricted Assets

Restricted assets in the proprietary fund financial statements at September 30, 2018 consist of the following:

Water & sewer fund	
Customer deposits	\$ 658,487
	<u>\$ 658,487</u>
Sanitation fund:	
Landfill closure/post closure	\$ 2,000,887
	<u>\$ 2,000,887</u>

F. Long-Term Debt

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2018 was as follows:

	October 1, 2017	Increase	Decrease	September 30, 2018	Due Within One year
Governmental Type Activities:					
Compensated absences	\$ 117,501	\$ 7,672	\$ (13,152)	\$ 112,021	\$ 28,005
Net pension liability	3,396,290	-	(2,258,889)	1,137,401	-
OPEB liability	<u>167,824</u>	<u>26,181</u>	<u>-</u>	<u>194,005</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 3,681,615</u>	<u>\$ 33,853</u>	<u>\$ (2,272,041)</u>	<u>\$ 1,443,427</u>	<u>\$ 28,005</u>
Business Type Activities:					
Revenue bonds	\$ 10,725,000	\$ -	\$ (415,000)	\$ 10,310,000	\$ 425,000
Unamortized bond premiums	128,433	-	(9,675)	118,758	-
Municipal lease purchase	2,248,141	-	(186,774)	2,061,367	192,079
Closure/postclosure care	1,990,231	10,656	-	2,000,887	-
Compensated absences	46,616	5,070	(5,359)	46,327	11,582
Net pension liability	1,516,802	-	(970,091)	546,711	-
OPEB liability	<u>72,081</u>	<u>11,245</u>	<u>-</u>	<u>83,326</u>	<u>-</u>
Business-type activity					
Long-term liabilities	<u>\$ 16,727,304</u>	<u>\$ 26,971</u>	<u>\$ (1,586,899)</u>	<u>\$ 15,167,376</u>	<u>\$ 628,661</u>

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

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2018

III. Detailed Notes on All Funds (continued)

Revenue bonds

The annual requirements to retire all revenue bonds outstanding as of September 30, 2018 including interest payments are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
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	470,000	300,893	770,893
2024-2028	2,595,000	1,248,406	3,843,406
2029-2033	4,480,000	622,212	5,102,212
2034	1,005,000	20,100	1,025,100
	<u>\$ 10,310,000</u>	<u>\$ 3,543,244</u>	<u>\$ 13,853,244</u>

A summary of Revenue Bonds outstanding at September 30, 2018 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 \$ 1,855,000

\$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 \$ 8,455,000

Total outstanding Revenue Bonds \$10,310,000

The Certificates of Obligation are payable from income derived from the water and sewer enterprise fund. Annual principal and interest payments on the certificates are expected to require approximately 34.1% of pledged revenues. For the current year, total principal and interest paid and available water and sewer revenues were \$780,995 and \$2,291,923, respectively.

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, 2018 including interest payments are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
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	214,846	34,019	248,865
2024-2028	1,044,853	75,037	1,119,890
	<u>\$ 2,061,367</u>	<u>\$ 302,847</u>	<u>\$ 2,364,214</u>

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2018

III. Detailed Notes on All Funds (continued)

A summary of the Municipal Lease Agreement outstanding at September 30, 2018 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>\$2,061,367</u>
Total outstanding Municipal Lease Agreement	<u>\$2,061,367</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, 2018:

	October 1, 2017	Increase	Decrease	September 30, 2018	Due Within One year
Notes payable	\$ 3,241,507	\$ -	\$ (2,530,388)	\$ 711,119	\$ 125,484
Sales tax refunding bond, taxable series 2018	-	2,345,000	(108,767)	2,236,233	206,968
Net pension liability	158,128	-	(106,248)	51,880	-
OPEB liability	7,892	1,217	-	9,109	-
Long-term liabilities	<u>\$ 3,407,527</u>	<u>\$ 2,346,217</u>	<u>\$ (2,745,403)</u>	<u>\$ 3,008,341</u>	<u>\$ 332,452</u>

The annual requirements to retire notes payable of the Development Corporation of Snyder as of September 30, 2018 including interest payments are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
2019	\$ 125,484	\$ 2,865	\$ 128,349
2020	125,484	2,763	128,247
2021	125,484	2,661	128,145
2022	89,806	2,558	92,364
2023	10,233	2,546	12,779
2024-2028	51,165	10,745	61,910
2029-2033	51,165	8,187	59,352
2034-2038	51,165	5,628	56,793
2039-2043	51,165	3,070	54,235
2044-2046	29,968	524	30,492
	<u>\$ 711,119</u>	<u>\$ 41,547</u>	<u>\$ 752,666</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, 2018

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 note was retired in the current year.

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 bears a variable interest rate of the federal funds rate plus 3%. The loan is secured by sales tax revenues. This loan was retired through a refunding bond in March 2018.

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 of the final installment of principal and any default interest being due on or before June 20, 2022. The outstanding balance of this note is \$425,326.

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 is due on or before December 17, 2046. The outstanding balance of this note is \$285,793.

Bond Payable

In March 29, 2018, DCOS issued Sales Tax Revenue Refunding Bond, Taxable Series 2018 in the amount of \$2,345,000 to refund the Office of the Governor Economic Development and Tourism Division note payable. The interest rate is 4.5%. The first payment begins May 1, 2018 in the amount of \$26,850.96 until maturity in February 1, 2027. DCOS realized an estimated economic gain and cash flow savings of \$20,372. The outstanding balance of this bond is \$2,236,233. The bond is payable solely from the pledged sales and use tax revenues of DCOS. Annual principal and interest payments on the bond are expected to require approximately 40.7% of pledged revenues. For the current year, total principal and interest paid and total sales and use tax revenues were \$134,255 and \$792,396, respectively.

Fiscal Year Ending September 30	Principal	Interest	Total
2019	\$ 206,968	\$ 88,393	\$ 295,361
2020	235,717	86,495	322,212
2021	246,546	75,666	322,212
2022	257,872	64,340	322,212
2023	269,718	52,493	322,211
2024-2027	<u>1,019,412</u>	<u>82,345</u>	<u>1,101,757</u>
	<u>\$ 2,236,233</u>	<u>\$ 449,732</u>	<u>\$ 2,685,965</u>

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2018

III. Detailed Notes on All Funds (continued)

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.

The City is 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.

B. Contingent Liabilities

The City participates in 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, 2018, 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.

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2018

IV. Other Information (continued)

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 \$2,000,887 as of September 30, 2018, which is based on 14.41% usage (filled) of the landfill. It is estimated that an additional \$2,098,000 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 (\$4,098,887) 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, 2018. 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. 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 \$2,000,887 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 883 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.tmr.com.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven 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.

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2018

IV. Other Information (continued)

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.

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

Inactive employees or beneficiaries currently receiving benefits	52
Inactive employees entitled to but not yet receiving benefits	54
Active employees	86
Total	<u>192</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 15.74% and 15.74% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018, were \$793,816 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% 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.

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2018

IV. Other Information (continued)

Actuarial assumptions used in the December 31, 2017, 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>
U.S. Equities	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.90%
Real Return	10.00%	3.80%
Real Estate	10.00%	4.50%
Absolute Return	10.00%	3.75%
Private Equity	5.00%	7.50%
Total	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2018

IV. Other Information (continued)

Changes in the Net Pension Liability:

Entity-Wide	Increase (Decrease)		
	Plan		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 12/31/2016	\$30,932,684	\$25,861,465	\$ 5,071,219
Changes for the year:			
Service Cost	851,201	-	851,201
Interest	2,068,491	-	2,068,491
Changes of benefit terms	-	-	-
Difference between expected/actual experience	(1,547,464)	-	(1,547,464)
Changes of assumptions	-	-	-
Contributions - employer	-	793,816	(793,816)
Contributions - employee	-	352,360	(352,360)
Net investment income	-	3,580,795	(3,580,795)
Benefit payments, including refunds of employee contributions	(1,427,946)	(1,427,946)	-
Administrative expense	-	(18,575)	18,575
Other changes	-	(941)	941
Net changes	(55,718)	3,279,509	(3,335,227)
Balance at 12/31/2017	<u>\$30,876,966</u>	<u>\$29,140,974</u>	<u>\$ 1,735,992</u>

Primary Government	Increase (Decrease)		
	Plan		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 12/31/2016	\$29,947,292	\$25,037,622	\$ 4,909,670
Changes for the year:			
Service Cost	824,085	-	824,085
Interest	2,002,597	-	2,002,597
Changes of benefit terms	-	-	-
Difference between expected/actual experience	(1,498,168)	-	(1,498,168)
Changes of assumptions	-	-	-
Contributions - employer	-	768,528	(768,528)
Contributions - employee	-	341,135	(341,135)
Net investment income	-	3,463,303	(3,463,303)
Benefit payments, including refunds of employee contributions	(1,382,457)	(1,382,457)	-
Administrative expense	-	(17,983)	17,983
Other changes	-	(911)	911
Net changes	(53,943)	3,171,615	(3,225,558)
Balance at 12/31/2017	<u>\$29,893,349</u>	<u>\$28,209,237</u>	<u>\$ 1,684,112</u>

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2018

IV. Other Information (continued)

	Increase (Decrease)		
	Plan		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
DCOS	\$ 985,392	\$ 823,843	\$ 161,549
Changes for the year:			
Service Cost	27,116	-	27,116
Interest	65,894	-	65,894
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(49,296)	-	(49,296)
Changes of assumptions	-	-	-
Contributions - employer	-	25,288	(25,288)
Contributions - employee	-	11,225	(11,225)
Net investment income	-	117,492	(117,492)
Benefit payments, including refunds of employee contributions	(45,489)	(45,489)	-
Administrative expense	-	(592)	592
Other changes	-	(30)	30
Net changes	(1,775)	107,894	(109,669)
Balance at 12/31/2017	<u>\$ 983,617</u>	<u>\$ 931,737</u>	<u>\$ 51,880</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 Discount Rate 5.75%	Discount Rate 6.75%	1% Increase in Discount Rate 7.75%
City's net pension liability (asset)	<u>\$ 5,886,397</u>	<u>\$ 1,735,992</u>	<u>\$ (1,675,622)</u>
Reported by Governmental Activities	3,856,696	1,137,401	(1,097,847)
Reported by Business-Type Activities	1,853,786	546,711	(527,699)
Reported by Component Unit, DCOS	175,915	51,880	(50,076)
	<u>\$ 5,886,397</u>	<u>\$ 1,735,992</u>	<u>\$ (1,675,622)</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.

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

For the year ended September 30, 2018, the City recognized pension expense of \$464,872 (\$450,979 Primary Government; \$13,893 DCOS).

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2018

IV. Other Information (continued)

Entity-Wide	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 22,777	\$ 1,275,020
Changes in actual assumptions	21,888	-
Differences between projected and actual investment earnings	-	728,513
Contributions subsequent to the measurement date	605,299	-
Total	<u>\$ 649,964</u>	<u>\$ 2,003,533</u>
Reported by Governmental Activities	451,790	1,351,253
Reported by Business-Type Activities	177,469	587,330
Reported by Component Unit	20,705	64,950
Total	<u>\$ 649,964</u>	<u>\$ 2,003,533</u>
 Primary Government	 Deferred Outflows of Resources	 Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 22,051	\$ 1,234,403
Changes in actual assumptions	21,191	-
Differences between projected and actual investment earnings	-	704,180
Contributions subsequent to the measurement date	586,017	-
Total	<u>\$ 629,259</u>	<u>\$ 1,938,583</u>
 DCOS	 Deferred Outflows of Resources	 Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 726	\$ 40,617
Changes in actual assumptions	697	-
Differences between projected and actual investment earnings	-	24,333
Contributions subsequent to the measurement date	19,282	-
Total	<u>\$ 20,705</u>	<u>\$ 64,950</u>

\$605,299 (\$586,017 Primary Government; \$19,282 DCOS) 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, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	Entity-Wide	Primary Government	DCOS
2019	\$ (417,602)	\$ (404,299)	\$ (13,303)
2020	(396,453)	(383,824)	(12,629)
2021	(743,733)	(718,915)	(24,818)
2022	(401,080)	(388,304)	(12,776)
Thereafter	-	-	-
Total	<u>\$ (1,958,868)</u>	<u>\$ (1,895,341)</u>	<u>\$ (63,527)</u>

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2018

IV. Other Information (continued)

Other Post Employment Benefits

Plan Description

The City also participates in a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage (Supplemental Death Benefits) for their active members, including or not including retirees.

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree employees, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. Texas Local Government Code Section 177.001 assigns the authority to establish and amend benefit provisions to the City Council.

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

The City's membership in the SDBF plan at December 31, 2017 consisted of the following:

Inactive employees currently receiving benefits	37
Inactive employees entitled to but not yet receiving benefits	19
Active employees	<u>86</u>
Total	142

Membership counts for inactive employees currently receiving or entitled to but not yet receiving benefits will differ from GASB 68 as they include only those eligible for a SDBF benefit (i.e. excludes beneficiaries, non-vested terminations due a refund, etc.).

Contributions

The City contributes to the SDBF program at a contractually required rate. An annual actuarial valuation is performed, and the contractual rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered payroll of members employed by the participating employer. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

The SDBF program is voluntary and employers can cease participation by adopting an ordinance before November 1 of any year to be effective the following January 1. Therefore, the funding policy of the program is to ensure that adequate resources are available to meet all insurance benefit payments for the upcoming year. It is not the intent of the funding policy to pre-fund retiree term life insurance during employees' entire careers. The City's contribution, which equaled the required contribution, was as follows for the year ended September 30, 2018:

Employer Rate	0.23%
Employer Contributions	\$ 11,380

Actuarial Assumptions

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5%
Salary increases	3.50% to 10.5%, including inflation
Discount rate	3.31%

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2018

IV. Other Information (continued)

Mortality rates for service retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Mortality rates for disabled retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a three-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2017, 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.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. A discount rate of 3.31% was based on the 20-Year Municipal GO AA Index as of December 31, 2017.

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

At September 30, 2018, the City reported a total OPEB liability of \$286,440 measured at December 31, 2017. For the year ended September 30, 2018, the City recognized OPEB expense of \$23,666 (\$22,913 Primary Government; \$753 DCOS).

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the total OPEB liability for the measurement year ended December 31, 2017:

	Total OPEB Liability		
	Entity-Wide	Primary Government	DCOS
Balance at 12/31/16	\$ 247,785	\$ 239,893	\$ 7,892
Changes for the year			
Service cost	10,067	9,746	321
Interest on total OPEB Liability	9,509	9,206	303
Changes of benefit terms	-	-	-
Differences between expected/actual experience	-	-	-
Changes in assumptions or other inputs	21,596	20,923	673
Benefit payments*	(2,517)	(2,437)	(80)
Net Changes	38,655	37,438	1,217
Total OPEB Liability - end of year	\$ 286,440	\$ 277,331	\$ 9,109

*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the City calculated using the discount rate of 3.31%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.31%) or 1 percentage point higher (4.31%) than the current rate.

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2018

IV. Other Information (continued)

Sensitivity of the total OPEB Liability to Changes in the Discount Rate:

	1% Decrease in Discount Rate (2.31%)	Current Discount Rate (3.31%)	1% Increase in Discount Rate (4.31%)
Total OPEB liability	\$ 341,425	\$ 286,440	\$ 243,342
Reported by Governmental Activities	231,246	194,005	164,815
Reported by Business-Type Activities	99,321	83,326	70,789
Reported by Component Unit, DCOS	10,858	9,109	7,738
	<u>\$ 341,425</u>	<u>\$ 286,440</u>	<u>\$ 243,342</u>

At December 31, 2017, the City reported its deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		
	Primary		
	Entity-Wide	Government	DCOS
Differences between expected and actual experience	\$ -	\$ -	\$ -
Changes in assumptions and other inputs	17,506	16,949	557
Contributions made subsequent to measurement date	422	409	13
Total	<u>\$ 17,928</u>	<u>\$ 17,358</u>	<u>\$ 570</u>

Deferred outflows of resources related to OPEB resulting from contribution subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended September 30, 2019 in the amount of \$422 (\$409 Primary Government; \$13 DCOS). The other net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year Ended September 30:	Entity-Wide	Primary Government	DCOS
2019	\$ 4,090	\$ 3,960	\$ 130
2020	4,090	3,960	130
2021	4,090	3,960	130
2022	4,090	3,960	130
2023	1,146	-	37
Total	<u>\$ 17,506</u>	<u>\$ 15,840</u>	<u>\$ 557</u>

CITY OF SNYDER, TEXAS

Notes to Financial Statements

September 30, 2018

IV. Other Information (continued)

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, \$15,678 for inventories, and \$423,308 for advances to other funds as of September 30, 2018.

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	\$	31,242
LEOSE police		3,686
LEOSE fire		69
Building security		8,303
Juvenile cases		6,772
Court efficiency		5,553
Unclaimed currency police dept		9,266
TIF Reinvestment Zone No. 1		191,096
Restricted fund balance	\$	<u>255,987</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, 2018.

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 \$6,956,592 in unassigned fund balance at September 30, 2018.

The City has established a general fund minimum fund balance policy. It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equivalent to no less than three months of operating expenses.

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, 2018

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 2018.

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

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 2018, the City rebated \$61,420 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 2018, Zone #1 received \$76,205 of property tax increment.

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2018

IV. Other Information (continued)

H. Prior Period Adjustments

Adoption of New Standard

As of October 1, 2017, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and requires governments calculate and report the cost and obligations associated with other postemployment benefits other than pensions in their financial statements, including additional note disclosures and required supplementary information. As a result, beginning net position was restated to adopt the provisions of GASB Statement No. 75 to report the beginning total OPEB liability and deferred outflow of resources.

Correction of Errors

It was discovered that municipal fines and certain other revenues were recognized on the full accrual basis of accounting in the general fund rather than modified accrual basis of accounting. As a result, beginning fund balance in the general fund was restated to correct these errors.

The impact of the adoption of the new standard and the correction of errors is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>DCOS</u>
Net position at September 30, 2017, as previously reported	\$ 8,519,200	\$ 12,941,302	\$ 1,985,682
Add total OPEB liability and deferred outflow of resources under GASB Statement No. 75 at October 1, 2017	(168,767)	(72,487)	(7,925)
Net position at October 1, 2017 as restated	<u>\$ 8,350,433</u>	<u>\$ 12,868,815</u>	<u>\$ 1,977,757</u>
	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Internal Service Fund</u>
Net position at September 30, 2017, as previously reported	\$ 9,495,819	\$ 3,445,483	\$ (104,419)
Add total OPEB liability and deferred outflow of resources under GASB Statement No. 75 at October 1, 2017	(48,366)	(24,121)	(1,445)
Net position at October 1, 2017 as restated	<u>\$ 9,447,453</u>	<u>\$ 3,421,362</u>	<u>\$ (105,864)</u>
	<u>General Fund</u>		
Fund balance at September 30, 2017, as previously reported	\$ 7,001,232		
Reverse revenues previously recognized in error	(245,991)		
Fund balance at October 1, 2017 as restated	<u>\$ 6,755,241</u>		

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, 2018*

	Measurement Date Year Ended December 31, 2014	Measurement Date Year Ended December 31, 2015	Measurement Date Year Ended December 31, 2016	Measurement Date Year Ended December 31, 2017
Total Pension Liability				
Service cost	\$ 671,639	\$ 781,297	\$ 832,584	\$ 851,201
Interest on total pension liability	1,875,915	1,974,321	1,972,230	2,068,491
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	201,255	(447,552)	39,512	(1,547,464)
Changes in assumptions	-	92,493	-	-
Benefit payments, including refunds of employee contributions	(1,397,701)	(1,397,981)	(1,427,151)	(1,427,946)
Net change in total pension liability	1,351,108	1,002,578	1,417,175	(55,718)
Total pension liability, beginning	27,161,823	28,512,931	29,515,509	30,932,684
Total pension liability, ending (a)	<u>\$ 28,512,931</u>	<u>\$ 29,515,509</u>	<u>\$ 30,932,684</u>	<u>\$ 30,876,966</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 807,274	\$ 790,410	\$ 793,194	\$ 793,816
Contributions - employee	319,081	335,732	344,653	352,360
Net investment income	1,355,840	36,552	1,655,043	3,580,797
Benefit payments, including refunds of employee contributions	(1,397,701)	(1,397,981)	(1,427,151)	(1,427,946)
Administrative expenses	(14,158)	(22,266)	(18,711)	(18,575)
Other	(1,164)	(1,099)	(1,008)	(941)
Net change in plan fiduciary net position	1,069,172	(258,652)	1,346,020	3,279,509
Plan fiduciary net position, beginning	23,704,925	24,774,097	24,515,445	25,861,465
Plan fiduciary net position, ending (b)	<u>\$ 24,774,097</u>	<u>\$ 24,515,445</u>	<u>\$ 25,861,465</u>	<u>\$ 29,140,974</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 3,738,834</u>	<u>\$ 5,000,064</u>	<u>\$ 5,071,219</u>	<u>\$ 1,735,992</u>
Plan fiduciary net position as a percentage of total pension liability	86.89%	83.06%	83.61%	94.38%
Covered payroll	\$ 4,558,297	\$ 4,796,177	\$ 4,923,619	\$ 5,033,713
Net pension liability as a percentage of covered payroll	82.02%	104.25%	103.00%	34.49%

* 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, 2018*

<u>Fiscal Year Ending</u>		<u>Actuarially Determined Contribution</u>		<u>Actual Employer Contribution</u>		<u>Contribution Deficiency (Excess)</u>		<u>Covered 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		5,894		4,882,328		15.85%
2018		771,191		790,149		(18,958)		4,856,842		16.27%

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	28 years
Asset valuation method	10-year smoothed market; 15% soft corridor
Inflation	2.50%
Salary increases	3.50% to 10.50%, including inflation
Investment rate of return	6.75%
Retirement age	Experience -based table of rates that are specific to the City's plan of benefits. Last 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.

Other Information

There were no benefit changes during the year.

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

CITY OF SNYDER, TEXAS
Schedule of Changes in Total OPEB Liability and Related Ratios
Texas Municipal Retirement System
For the Year Ended September 30, 2018*

	Measurement Date <u>Year Ended December 31, 2017</u>
Total OPEB Liability	
Service cost	\$ 10,067
Interest on total OPEB liability	9,509
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	21,596
Benefit payments	<u>(2,517)</u>
Net change in total OPEB liability	38,655
 Total OPEB liability, beginning	 <u>247,785</u>
Total OPEB liability, ending	<u>\$ 286,440</u>
 Covered payroll	 \$ 5,033,713
 Total OPEB liability as a percentage of covered payroll	 5.69%

No assets are accumulated in a trust as defined by GASB 75. Benefits are on a pay as you go basis.

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

CITY OF SNYDER, TEXAS
Notes to Required Supplementary Information
September 30, 2018

Note B: Total OPEB Liability – Texas Municipal Retirement System

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

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Inflation	2.5%
Salary increases	3.50% to 10.5%, including inflation
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the 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.

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, 2018

	Special Revenue		Total
	Motel Tax Fund	Tax Increment Financing	Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 191,096	\$ 191,096
Accounts receivable, net	<u>159,504</u>	<u>-</u>	<u>159,504</u>
Total assets	<u>\$ 159,504</u>	<u>\$ 191,096</u>	<u>\$ 350,600</u>
LIABILITIES			
Cash overdraft	\$ 7,004	\$ -	\$ 7,004
Accounts payable	<u>155,882</u>	<u>-</u>	<u>155,882</u>
Total liabilities	<u>162,886</u>	<u>-</u>	<u>162,886</u>
FUND BALANCES			
Restricted for various purposes	-	191,096	191,096
Unassigned, designated for tourism	<u>(3,382)</u>	<u>-</u>	<u>(3,382)</u>
Total fund balances	<u>(3,382)</u>	<u>191,096</u>	<u>187,714</u>
Total liabilities and fund balances	<u>\$ 159,504</u>	<u>\$ 191,096</u>	<u>\$ 350,600</u>

CITY OF SNYDER, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2018

	Special Revenue		Total
	Motel Tax Fund	Tax Increment Financing	Nonmajor Governmental Funds
REVENUES			
Occupancy tax	\$ 495,243	\$ -	\$ 495,243
Property taxes	-	77,120	77,120
Total revenues	<u>495,243</u>	<u>77,120</u>	<u>572,363</u>
EXPENDITURES			
Current:			
General government	-	118	118
Culture and recreation	495,243	-	495,243
Total expenditures	<u>495,243</u>	<u>118</u>	<u>495,361</u>
Net change in fund balances	-	77,002	77,002
Fund balances - beginning	<u>(3,382)</u>	<u>114,094</u>	<u>110,712</u>
Fund balances - ending	\$ <u><u>(3,382)</u></u>	\$ <u><u>191,096</u></u>	\$ <u><u>187,714</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, 2018

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES				
Occupancy tax	\$ 365,000	\$ 365,000	\$ 495,243	\$ 130,243
Total revenues	365,000	365,000	495,243	130,243
EXPENDITURES				
Culture and recreation	365,000	365,000	495,243	(130,243)
Total expenditures	365,000	365,000	495,243	(130,243)
Net change in fund balance	-	-	-	-
Fund balances - beginning	(3,382)	(3,382)	(3,382)	-
Fund balances - ending	<u>\$ (3,382)</u>	<u>\$ (3,382)</u>	<u>\$ (3,382)</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, 2018

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES				
Property taxes	\$ <u>65,860</u>	\$ <u>65,860</u>	\$ <u>77,120</u>	\$ <u>11,260</u>
Total revenues	<u>65,860</u>	<u>65,860</u>	<u>77,120</u>	<u>11,260</u>
EXPENDITURES				
General government	<u>65,860</u>	<u>65,860</u>	<u>118</u>	<u>65,742</u>
Total expenditures	<u>65,860</u>	<u>65,860</u>	<u>118</u>	<u>65,742</u>
Net change in fund balance	-	-	77,002	77,002
Fund balances - beginning	<u>114,094</u>	<u>114,094</u>	<u>114,094</u>	<u>-</u>
Fund balances - ending	\$ <u><u>114,094</u></u>	\$ <u><u>114,094</u></u>	\$ <u><u>191,096</u></u>	\$ <u><u>77,002</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, 2018
With Comparative Actual Amounts for Year Ended September 30, 2017

	2018			2017
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Taxes:				
Sales Taxes	\$ 2,200,000	\$ 2,375,541	\$ 175,541	\$ 2,031,217
Ad valorem Taxes	2,122,145	2,360,736	238,591	2,335,126
Franchise Taxes	750,000	763,170	13,170	745,504
Liquor Taxes	9,600	24,981	15,381	12,191
Total Taxes	5,081,745	5,524,428	442,683	5,124,038
Licenses and Permits	57,370	75,328	17,958	74,102
Intergovernmental:				
LEOSE - Police	2,015	1,901	(114)	1,919
School Resource Officer	82,500	85,593	3,093	82,500
Emergency Management	34,315	7,823	(26,492)	32,004
Texas Seat Belt - Grant	4,370	3,814	(556)	4,261
Juvenile Case Manager Fee	10,500	8,710	(1,790)	9,783
LEOSE - Fire	660	678	18	683
Total Intergovernmental	134,360	108,519	(25,841)	131,150
Charges for Services:				
Administrative Fees	1,397,335	1,406,776	9,441	1,141,398
Municipal Court Fees	78,360	90,060	11,700	66,787
Other Charges	-	-	-	6,998
Total Charges for Services	1,475,695	1,496,836	21,141	1,215,183
Fines and Forfeitures	156,000	189,896	33,896	154,908
Miscellaneous:				
Interest	59,215	118,708	59,493	61,524
Proceeds from insurance	-	9,700	9,700	61,451
Miscellaneous	113,050	319,640	206,590	115,497
Total Miscellaneous	172,265	448,048	275,783	238,472
Transfer from Reserves	167,395	-	(167,395)	-
Total Revenues	\$ 7,244,830	\$ 7,843,055	\$ 598,225	\$ 6,937,853

CITY OF SNYDER, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 2018
With Comparative Actual Amounts for Year Ended September 30, 2017

	2018		Variance- Favorable (Unfavorable)	2017
	Budget	Actual		Actual
GENERAL GOVERNMENT:				
Administration:				
Personnel Services	\$ 246,865	\$ 246,332	\$ 533	\$ 243,978
Supplies	3,700	3,934	(234)	4,451
Maintenance	3,020	2,425	595	2,555
Services	30,570	18,059	12,511	38,577
Sundry Charges	4,000	2,817	1,183	3,219
Non capitalized Equipment	-	-	-	295
Capital Outlay	2,000	2,682	(682)	-
Totals	290,155	276,249	13,906	293,075
Finance:				
Personnel Services	329,510	328,894	616	319,183
Supplies	4,965	3,939	1,026	3,984
Maintenance	24,810	20,782	4,028	20,700
Services	45,115	42,553	2,562	44,606
Sundry Charges	3,750	2,911	839	886
Non capitallized Equipment	-	569	(569)	892
Capital Outlay	-	-	-	3,266
Totals	408,150	399,648	8,502	393,517
Planning & Zoning				
Personnel Services	276,745	278,306	(1,561)	272,108
Supplies	6,905	4,959	1,946	5,884
Maintenance	9,650	12,618	(2,968)	21,830
Services	16,340	16,540	(200)	23,038
Sundry Charges	2,195	172,828	(170,633)	244,545
Capital Outlay	2,000	2,682	(682)	295
Totals	313,835	487,933	(174,098)	567,700
Municipal Court:				
Personnel Services	236,405	252,276	(15,871)	247,280
Supplies	4,100	2,947	1,153	4,531
Maintenance	13,160	13,859	(699)	13,914
Services	31,010	29,084	1,926	27,051
Sundry Charges	3,885	55,864	(51,979)	149,126
Non capitalized Equipment	-	340	(340)	928
Capital Outlay	-	4,221	(4,221)	3,588
Totals	288,560	358,591	(70,031)	446,418

CITY OF SNYDER, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 2018
With Comparative Actual Amounts for Year Ended September 30, 2017

	2018			2017
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Community Services:				
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies	16,560	1,524	15,036	14,647
Maintenance	1,605	3,913	(2,308)	13,262
Services	320,650	374,554	(53,904)	329,243
Sundry Charges	5,115	4,828	287	5,011
Non Capitalized Equipment	-	-	-	138
Capital Outlay	-	-	-	2,320
Totals	343,930	384,819	(40,889)	364,621
City Secretary/Records				
Personnel Services	161,685	160,774	911	155,544
Supplies	3,050	1,500	1,550	1,460
Maintnenace	6,145	6,673	(528)	8,540
Services	8,660	7,098	1,562	5,379
Sundry Charges	850	728	122	422
Non capitalized Equipment	-	-	-	778
Capital Outlay	-	-	-	5,756
Totals	180,390	176,773	3,617	177,879
IT/Purchasing				
Personnel Services	93,480	95,317	(1,837)	95,489
Supplies	1,550	1,129	421	1,760
Maintenance	18,580	28,015	(9,435)	20,923
Services	6,650	4,627	2,023	10,689
Sundry Charges	630	847	(217)	572
Non capitalized Equipment	-	246	(246)	748
Capital Outlay	5,100	12,608	(7,508)	-
Totals	125,990	142,789	(16,799)	130,181
TOTAL GENERAL GOVERNMENT	1,951,010	2,226,801	(275,792)	2,373,391

CITY OF SNYDER, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 2018
With Comparative Actual Amounts for Year Ended September 30, 2017

	2018			2017
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual
PUBLIC SAFETY:				
Police:				
Personnel Services	\$ 1,958,810	\$ 1,908,007	\$ 50,803	\$ 1,900,382
Supplies	92,350	86,115	6,235	74,216
Maintenance	71,000	65,747	5,253	85,239
Services	110,490	95,849	14,641	94,709
Sundry Charges	117,600	97,284	20,316	126,056
Non capitalized Equipment	-	10,470	(10,470)	1,393
Capital Outlay	120,450	107,066	13,384	124,762
Totals	2,470,700	2,370,538	100,162	2,406,757
Animal Control:				
Personnel Services	145,260	143,159	2,101	155,585
Supplies	17,550	12,871	4,679	16,066
Maintenance	9,080	4,078	5,002	8,673
Services	16,445	12,055	4,390	14,222
Sundry Charges	5,830	5,655	175	3,544
Non capitalized equipment	-	-	-	250
Capital Outlay	3,400	1,400	2,000	-
Totals	197,565	179,218	18,347	198,340
Fire:				
Personnel Services	752,060	805,435	(53,375)	933,882
Supplies	82,920	45,095	37,825	67,982
Maintenance	63,475	63,442	33	71,294
Services	100,350	98,466	1,884	101,726
Sundry Charges	23,495	25,122	(1,627)	24,092
Non capitalized equipment	-	537	(537)	6,274
Capital Outlay	39,300	43,413	(4,113)	18,608
Totals	1,061,600	1,081,510	(19,910)	1,223,858
Fire Marshall:				
Personnel Services	193,450	113,657	79,793	-
Supplies	10,080	5,965	4,115	-
Maintenance	5,335	2,577	2,758	-
Services	4,000	1,354	2,646	-
Sundry Charges	7,520	3,171	4,349	-
Totals	220,385	126,724	93,661	-
TOTAL PUBLIC SAFETY	3,950,250	3,757,990	192,260	3,828,955

CITY OF SNYDER, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 2018
With Comparative Actual Amounts for Year Ended September 30, 2017

	2018			2017
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual
PUBLIC WORKS:				
Street Maintenance:				
Personnel Services	\$ 430,365	\$ 432,327	\$ (1,962)	\$ 312,927
Supplies	68,250	70,367	(2,117)	97,441
Maintenance	533,480	139,808	393,672	540,034
Services	284,410	334,380	(49,970)	348,604
Sundry Charges	26,065	32,367	(6,302)	16,986
Capital Outlay	1,000	2,728	(1,728)	653,605
Totals	<u>1,343,570</u>	<u>1,011,977</u>	<u>331,593</u>	<u>1,969,597</u>
TOTAL PUBLIC WORKS	<u>1,343,570</u>	<u>1,011,977</u>	<u>331,593</u>	<u>1,969,597</u>
 TOTAL EXPENDITURES	 \$ <u>7,244,830</u>	 \$ <u>6,996,768</u>	 \$ <u>248,061</u>	 \$ <u>8,171,943</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, 2018

With Comparative Actual Amounts for Year Ended September 30, 2017

	2018			2017
	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Revenues:				
Water sales	\$ 5,000,000	\$ 5,104,238	\$ 104,238	\$ 5,109,466
Sewer charges	1,595,000	1,536,830	(58,170)	1,592,854
Charges for billing & collections	450,205	424,667	(25,538)	351,560
Water taps	20,000	6,750	(13,250)	24,921
Sewer taps	10,000	6,050	(3,950)	13,900
Plumbing permits & inspections	15,500	9,691	(5,809)	8,260
Miscellaneous	36,150	59,171	23,021	49,460
Interest	15,000	21,186	6,186	20,236
Proceeds from insurance	-	241	241	78,343
Grants	-	-	-	5,000
Gain (loss) on sale of assets	-	-	-	1,200
Total Revenues	7,141,855	7,168,824	26,969	7,255,200
Expenses:				
Personnel services	1,403,545	1,300,806	102,739	1,404,333
Supplies	383,170	324,651	58,519	427,356
Maintenance	523,145	316,003	207,142	487,325
Services	2,823,000	2,866,603	(43,603)	2,759,396
Sundry charges	78,720	52,198	26,522	124,890
Non capitalized equipment	-	3,840	(3,840)	5,071
Depreciation	1,884,255	1,787,751	96,504	1,775,622
Interest expense	446,550	445,076	1,474	465,003
Total Expenses	7,542,385	7,096,928	445,457	7,448,996
Net Income (Loss)	\$ (400,530)	\$ 71,896	\$ 472,426	\$ (193,796)

CITY OF SNYDER, TEXAS
WATER AND SEWER ENTERPRISE FUND
SCHEDULE OF EXPENSES COMPARED TO BUDGET
Year Ended September 30, 2018

With Comparative Actual Amounts for Year Ended September 30, 2017

	2018			2017
	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
SEWER:				
Sanitary Sewer:				
Personnel Services	\$ 164,645	\$ 134,595	\$ 30,050	\$ 165,426
Supplies	82,600	34,157	48,443	83,456
Maintenance	38,860	14,991	23,869	28,822
Services	99,950	81,246	18,704	64,538
Sundry Charges	12,590	7,897	4,693	27,136
Non capitalized equipment	-	280	(280)	-
Depreciation	94,980	95,018	(38)	93,983
Totals	493,625	368,184	125,441	463,361
Sewage Treatment:				
Personnel Services	224,895	222,920	1,975	230,250
Supplies	45,700	41,940	3,760	46,976
Maintenance	96,340	52,170	44,170	101,850
Services	315,745	258,645	57,100	267,335
Sundry Charges	9,500	6,306	3,194	9,076
Non capitalized equipment	-	364	(364)	1,341.00
Depreciation	296,980	274,189	22,791	270,820
Totals	989,160	856,534	132,626	927,648
WATER:				
Water Production:				
Personnel Services	437,795	406,481	31,314	447,261
Supplies	134,600	175,592	(40,992)	159,239
Maintenance	143,180	136,305	6,875	201,734
Services	2,023,760	2,088,049	(64,289)	2,036,674
Sundry Charges	25,800	25,227	573	12,406
Non capitalized equipment	-	3,029	(3,029)	997
Depreciation	546,205	501,010	45,195	493,909
Totals	3,311,340	3,335,693	(24,353)	3,352,220

CITY OF SNYDER, TEXAS
WATER AND SEWER ENTERPRISE FUND
SCHEDULE OF EXPENSES COMPARED TO BUDGET
Year Ended September 30, 2018
With Comparative Actual Amounts for Year Ended September 30, 2017

	2018			2017
	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Water Distribution:				
Personnel Services	\$ 164,620	\$ 134,595	\$ 30,025	\$ 165,428
Supplies	78,570	36,254	42,316	100,245
Maintenance	131,835	51,502	80,333	87,844
Services	168,710	211,552	(42,842)	227,038
Sundry Charges	8,040	5,696	2,344	5,505
Depreciation	580,870	553,853	27,017	554,150
Totals	<u>1,132,645</u>	<u>993,452</u>	<u>139,193</u>	<u>1,140,210</u>
Utility Department:				
Personnel Services	411,590	402,215	9,375	395,968
Supplies	41,700	36,708	4,992	37,440
Maintenance	112,930	61,035	51,895	67,075
Services	214,835	227,111	(12,276)	163,811
Sundry Charges	22,790	7,072	15,718	70,767
Non capitalized equipment	-	167	(167)	2,733
Depreciation	365,220	363,681	1,539	362,760
Totals	<u>1,169,065</u>	<u>1,097,989</u>	<u>71,076</u>	<u>1,100,554</u>
Non-Operating:				
Interest and fees	446,550	445,076	1,474	465,003
Bond issuance costs	-	-	-	-
Totals	<u>446,550</u>	<u>445,076</u>	<u>1,474</u>	<u>465,003</u>
TOTAL EXPENSES	<u>\$ 7,542,385</u>	<u>\$ 7,096,928</u>	<u>\$ 445,457</u>	<u>\$ 7,448,996</u>

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

Year Ended September 30, 2018

With Comparative Actual Amounts for Year Ended September 30, 2017

	2018			2017
	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Revenues:				
Sanitation charges	\$ 1,950,000	\$ 1,885,355	\$ (64,645)	\$ 1,885,312
Landfill gate fees	925,000	516,813	(408,187)	790,965
Roll-off containers	25,000	90,184	65,184	44,309
Miscellaneous	3,000	11,145	8,145	2,168
Proceeds from insurance	-	-	-	2,819
Interest	11,000	48,165	37,165	17,889
Grant - COG	-	-	-	18,393
Gain (loss) on sale of asset	200,000	347,500	147,500	55,500
Total Revenues	3,114,000	2,899,162	(214,838)	2,817,355
Expenses:				
Personnel	784,270	642,572	141,698	823,198
Supplies	214,575	206,689	7,886	208,684
Maintenance	137,380	134,906	2,474	126,859
Services	1,055,845	953,169	102,676	787,510
Sundry charges	59,330	53,091	6,239	85,065
Non capitalized equipment	-	622	(622)	1,012
Depreciation	1,100,045	831,192	268,853	881,487
Total Expenses	3,351,445	2,822,241	529,204	2,913,815
Net Income (Loss)	\$ (237,445)	\$ 76,921	\$ 314,366	\$ (96,460)

CITY OF SNYDER, TEXAS
SANITATION ENTERPRISE FUND
SCHEDULE OF EXPENSES COMPARED TO BUDGET
Year Ended September 30, 2018
With Comparative Actual Amounts for Year Ended September 30, 2017

	2018			2017
	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Collection:				
Personnel Services	\$ 348,495	\$ 224,958	\$ 123,537	\$ 356,259
Supplies	109,575	96,715	12,860	87,884
Maintenance	61,960	68,786	(6,826)	59,886
Services	401,335	380,310	21,025	285,896
Sundry Charges	20,530	21,387	(857)	10,259
Non capitalized Equipment	-	-	-	952
Depreciation	233,470	185,696	47,774	223,867
Total Expenses	1,175,365	977,852	197,513	1,025,003
Landfill:				
Personnel Services	435,775	417,614	18,161	466,939
Supplies	105,000	109,976	(4,976)	120,800
Maintenance	75,420	66,119	9,301	66,973
Services	654,510	572,859	81,651	501,614
Sundry Charges	38,800	31,704	7,096	74,806
Non capitalized Equipment	-	622	(622)	60
Depreciation	866,575	645,496	221,079	657,620
Total Expenses	2,176,080	1,844,390	331,690	1,888,812
Interest expense	-	-	-	-
TOTAL EXPENSES	\$ 3,351,445	\$ 2,822,242	\$ 529,203	\$ 2,913,815

CITY OF SNYDER, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source¹
September 30, 2018 and 2017

Governmental funds capital assets:	<u>2018</u>	<u>2017</u>
Land	\$ 553,153	\$ 553,153
Buildings	703,073	703,073
Improvements Other than Buildings	3,615,406	3,615,407
Machinery and Equipment	<u>6,174,847</u>	<u>6,407,977</u>
Total governmental funds capital assets	<u>\$ 11,046,479</u>	<u>\$ 11,279,610</u>
Investments in governmental funds capital assets by source:		
General fund	\$ <u>11,046,479</u>	\$ <u>11,279,610</u>
Total governmental funds capital assets	<u>\$ 11,046,479</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 By Function and Activity¹
September 30, 2018

Function and Activity	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Total
General Government:					
Manager	\$ -	\$ 1,812	\$ -	\$ 41,117	\$ 42,929
City Clerk/Finance	-	-	-	16,808	16,808
Records / City Secretary	-	-	-	56,016	56,016
Data Processing	-	-	-	59,884	59,884
Community Service/Council	389,937	399,836	496,536	113,593	1,399,902
Municipal Court	-	-	-	31,872	31,872
Total general government	<u>389,937</u>	<u>401,648</u>	<u>496,536</u>	<u>319,290</u>	<u>1,607,411</u>
Public Safety:					
Police	-	25,260	-	1,703,113	1,728,373
Animal Control	-	135,051	-	97,068	232,119
Fire	-	137,317	-	2,262,595	2,399,912
Inspection	-	-	-	73,345	73,345
Total public safety	<u>-</u>	<u>297,628</u>	<u>-</u>	<u>4,136,121</u>	<u>4,433,749</u>
Public Works:					
Street system	<u>163,216</u>	<u>3,797</u>	<u>3,118,871</u>	<u>1,719,435</u>	<u>5,005,319</u>
Total public works	<u>163,216</u>	<u>3,797</u>	<u>3,118,871</u>	<u>1,719,435</u>	<u>5,005,319</u>
Total governmental funds capital assets	\$ <u>553,153</u>	\$ <u>703,073</u>	\$ <u>3,615,407</u>	\$ <u>6,174,846</u>	\$ <u>11,046,479</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, 2018

Function and Activity	Governmental Funds Capital Assets October 1, 2017	Additions	Deductions	Governmental Funds Capital Assets September 30, 2018
General Government:				
Manager	\$ 40,747	\$ 2,682	\$ -	\$ 43,429
Finance	15,713	-	4,159	11,554
Accounting/Personnel	24,115	-	-	24,115
Records	48,671	-	-	48,671
Data Processing	81,611	12,608	75	94,144
Community Service/Council	1,310,512	-	-	1,310,512
Municipal Court	43,226	4,221	-	47,447
Total general government	<u>1,564,595</u>	<u>19,511</u>	<u>4,234</u>	<u>1,579,872</u>
Public Safety:				
Police	1,556,560	107,067	-	1,663,627
Animal Control	250,337	1,400	-	251,737
Fire	2,458,517	43,413	28,423	2,473,507
Inspection	70,237	2,682	-	72,919
Total public safety	<u>4,335,651</u>	<u>154,562</u>	<u>28,423</u>	<u>4,461,790</u>
Public Works:				
Street system	5,379,364	1,341	375,888	5,004,817
Total public works	<u>5,379,364</u>	<u>1,341</u>	<u>375,888</u>	<u>5,004,817</u>
Total governmental funds capital assets	\$ <u>11,279,610</u>	\$ <u>175,414</u>	\$ <u>408,545</u>	\$ <u>11,046,479</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.	72
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the sales tax.	78
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.	84
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.	88
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.	91

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 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	\$ 4,336,707
Restricted	28,940	38,875	28,940	-	-	63,556	82,633	112,347	171,441	255,987
Unrestricted	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	4,430,135
Total governmental activities net position	<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>	<u>\$ 9,022,829</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 13,388,214
Unrestricted	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	(370,582)
Total business-type activities net position	<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>	<u>\$ 13,017,632</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 17,724,921
Restricted	28,940	38,875	28,940	--	--	63,556	82,633	112,347	171,441	255,987
Unrestricted	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	4,059,553
Total primary government net position	<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>	<u>\$ 22,040,461</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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
General government	\$ 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	\$ 2,193,133
Public safety	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	3,780,316
Public works	829,240	988,021	1,057,328	1,074,849	1,197,706	902,713	1,230,913	1,061,527	1,521,418	1,203,857
Culture and recreation	269,714	249,666	330,846	409,941	433,360	432,968	438,425	355,908	409,911	495,243
Total governmental activities expenses	<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>	<u>7,672,549</u>
Business-type activities:										
Water and sewer	4,202,249	4,453,234	4,840,082	5,359,047	5,959,164	6,570,359	6,686,015	7,019,673	6,983,993	6,651,852
Sanitation	2,185,031	2,143,949	2,478,742	2,473,142	2,678,390	2,409,061	2,811,828	2,948,316	2,913,815	2,822,241
Interest expense	159,896	139,842	55,728	147,973	214,530	435,359	500,505	484,479	465,003	445,076
Total business-type activities expenses	<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>	<u>9,919,169</u>
Total primary government expenses	<u>\$ 11,379,228</u>	<u>\$ 12,326,960</u>	<u>\$ 13,710,459</u>	<u>\$ 14,311,220</u>	<u>\$ 15,712,896</u>	<u>\$ 16,321,800</u>	<u>\$ 17,649,117</u>	<u>\$ 18,329,696</u>	<u>\$ 18,783,581</u>	<u>\$ 17,591,718</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 1,847,090
Public safety	64,408	102,716	110,432	107,594	108,867	108,421	143,898	158,744	149,967	162,808
Public works	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	80,124	93,355	88,371	127,482	328,534	125,681	142,942	134,256	131,150	108,519
Capital grants and contributions	-	-	-	496,536	-	23,000	23,000	-	-	-
Total governmental activities program revenues	<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>	<u>\$ 2,118,417</u>
Business-type activities:										
Charges for services:										
Water and sewer	\$ 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	\$ 7,147,397
Sanitation	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	2,503,496
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>6,315,568</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>	<u>9,650,893</u>
Total primary government program revenues	<u>\$ 7,341,865</u>	<u>\$ 7,578,914</u>	<u>\$ 9,151,041</u>	<u>\$ 10,140,757</u>	<u>\$ 10,395,975</u>	<u>\$ 11,059,486</u>	<u>\$ 11,294,455</u>	<u>\$ 11,960,910</u>	<u>\$ 11,552,405</u>	<u>\$ 11,769,310</u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (expense) revenue										
Governmental activities	\$ (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)	\$ (5,554,133)
Business-type activities	(231,608)	(48,952)	526,883	394,484	(171,777)	30,595	(593,918)	(262,042)	(466,243)	(268,275)
Total primary government net expense	<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>	<u>\$ (5,822,408)</u>

General Revenues and Other Changes in Net Position

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 2,437,856
Sales taxes	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	2,375,541
Franchise taxes	753,814	699,926	842,262	757,649	758,122	816,773	778,439	742,578	745,505	763,172
Alcoholic beverage	8,007	6,112	5,384	5,359	11,903	12,082	11,461	9,595	12,191	24,981
Hotel/motel occupancy taxes	280,544	259,601	327,731	371,089	435,612	432,968	439,227	352,564	409,911	495,243
Investment earnings	41,632	21,791	23,901	23,223	24,677	24,012	49,732	44,837	61,524	118,708
Gain on sale of capital assets	(1,991)	-	(1,479)	(98)	4,977	21,702	-	142,008	35,000	1,328
Miscellaneous	-	-	-	-	-	-	9,408	186,096	61,449	9,700
Total governmental activities	<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>	<u>6,226,529</u>
Business-type activities:										
Investment earnings	39,235	33,311	31,296	13,206	14,588	55,934	60,969	47,092	38,125	69,351
Miscellaneous	-	-	-	-	-	-	-	27,455	81,162	241
Gain on sales of capital assets	19,179	(741)	1,456	171,424	4,300	249,106	185,000	147,300	56,700	347,500
Total business-type activities	<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>	<u>417,092</u>
Total primary government	<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>	<u>\$ 6,643,621</u>

Change in Net Position

Governmental activities	\$ 580,555	\$ (260,283)	\$ 154,379	\$ 865,349	\$ 1,054,855	\$ 1,231,888	\$ 410,915	\$ (180,571)	\$ (993,687)	\$ 672,396
Business-type activities	(173,194)	(16,382)	559,635	579,114	(152,889)	335,635	(347,949)	(40,195)	(290,256)	148,817
Total primary government	<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>	<u>\$ 821,213</u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 *
General Fund										
Nonspendable	\$ 232	\$ 232	\$ 232	\$ 233	\$ 230	\$ 67	\$ 833	\$ 696	\$ 574	\$ 460
Restricted	-	-	-	-	-	64	79	61	57	65
Committed	-	-	-	-	251	506	400	295	290	290
Unassigned	4,114	3,921	4,574	5,518	6,328	7,623	7,077	7,183	6,080	6,797
Total general fund	<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>	<u>\$ 7,612</u>
All other governmental funds										
Restricted							\$ 3	\$ 51	\$ 114	\$ 191
Unreserved, reported in:								(3)	(4)	(4)
Special revenue funds	\$ 29	\$ 39	\$ -	\$ -	\$ (1)	\$ (1)	-	-	-	-
Total other governmental funds	<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>	<u>\$ 187</u>

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

* Increase to fund balance was an increase to revenue and a decrease in expenses. The street department was unable to begin a street improvement project that was budgeted. Received a rebate check from Oncor for solar energy.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 4,347	\$ 4,417	\$ 5,218	\$ 5,407	\$ 6,171	\$ 6,479	\$ 6,112	\$ 5,455	\$ 5,597	\$ 6,096
Licenses and permits	37	23	30	34	146	56	144	37	74	75
Intergovernmental	80	93	88	127	106	126	143	134	131	109
Charges for services	778	641	966	945	1,069	1,150	1,299	1,332	1,220	1,497
Fines and forfeitures	79	103	110	108	108	108	144	159	150	190
Interest	34	20	23	22	24	24	50	45	62	119
Contributions and donations	-	-	-	497	223	23	23	-	-	-
Miscellaneous	55	42	55	55	63	151	137	267	80	329
Total Revenues	<u>5,410</u>	<u>5,339</u>	<u>6,490</u>	<u>7,195</u>	<u>7,910</u>	<u>8,117</u>	<u>8,052</u>	<u>7,429</u>	<u>7,314</u>	<u>8,415</u>
Expenditures										
General government	1,118	1,446	1,474	1,438	1,731	1,826	2,310	2,158	2,358	2,205
Public safety	2,325	2,896	2,816	2,744	2,914	3,370	3,334	3,743	3,501	3,606
Public works	737	934	915	892	1,063	793	1,101	914	1,316	1,011
Culture and recreation	270	250	331	410	433	433	438	356	410	495
Capital outlay	708	362	302	806	639	512	745	537	997	175
Debt service										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>5,158</u>	<u>5,888</u>	<u>5,838</u>	<u>6,290</u>	<u>6,780</u>	<u>6,934</u>	<u>7,928</u>	<u>7,708</u>	<u>8,582</u>	<u>7,492</u>
Excess of revenues over (under) expenditures	252	(549)	652	905	1,130	1,183	124	(279)	(1,268)	923

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other financing sources (uses)										
Proceeds from sale of assets	8	(1)	(1)	-	5	22	9	-	35	1
Proceeds from insurance	-	-	-	-	-	-	-	169	62	10
Transfers in	-	-	-	-	-	246	-	-	-	-
Total other financing sources (uses)	8	(1)	(1)	-	5	268	9	169	97	11
Net change in fund balances	<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>	<u>\$ 934</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>
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	2,398	2,031	410	746	12	5,597
2018	2,438	2,376	495	763	25	6,097

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
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%
2018		463,732,398		4,209,905	459,522,493	0.4410	459,522,493	100.92%

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	City of Snyder Tax Rate			Overlapping Tax Rates												Total Direct & Overlapping Rates
				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	
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
2018	0.4410	0.000	0.4410	0.3382	0.0816	0.4498	1.0400	0.0780	1.1180	0.3112	0.0000	0.3112	0.2788	0.0147	0.2935	2.6135

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 2018 and 2009
(amounts expressed in thousands)

Taxpayer	2018			2009		
	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	\$ 8,000	1	1.7%			
Enterprise Fleet Management, Inc.	5,983	2	1.3%			
Oncor Electric Delivery LLC	4,710	3	1.0%	\$ 3,302	5	1.2%
Cudd Pumping Services	4,689	4	1.0%	3,666	4	1.3%
Wal-Mart Stores Texas LP	4,263	5	0.9%	2,724	8	1.0%
Sterling Mgm Co. of New Mexico	3,995	6	0.8%			
Wilson Motors	3,710	7	0.8%			
Baar, Michael LLC	3,670	8	0.8%			
Baker Hughes Oilfield Solution	3,629	9	0.8%			
BSNF Railway Company	3,627	10	0.8%			
H I E Hotel LLC				4,556	1	1.6%
Centrilift Baker Hughes				4,729	2	1.7%
Weatherford Drilling				3,705	3	1.3%
Spirit SPE US				3,059	6	1.1%
Southwestern Bell				2,853	7	1.0%
Basic Energy Service				2,370	9	0.8%
Grimmett Bros. Inc.				2,336	10	0.8%
Totals	\$ 46,276		9.9%	\$ 33,300		11.9%

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
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%	97,271	2,342,514	98.4%
2018	2,396,145	2,322,535	96.93%	-	2,322,535	96.9%

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Construction	\$ 5,310	\$ 6,444	\$ 7,441	\$ 7,759	\$ 8,695	\$ 10,010	\$ 6,578	\$ 5,961	\$ 5,961	\$ 4,365
Mining/Quarrying/Oil & Gas Extraction	158,386	588,193	703,643	733,093	510,406	773,350	478,059	91,514	303,206	235,236
Manufacturing	7,407	85,262	13,818	16,898	21,513	19,919	15,337	9,502	15,572	12,845
Wholesale Trade	9,475	8,341	12,003	11,730	12,167	13,330	7,441	3,918	5,588	4,031
Transportation/Warehousing	251	70	123	56	130	35	14	13	-	-
Retail Trade	63,205	66,797	73,668	78,338	82,832	88,604	80,363	73,346	77,510	40,419
Information	3,279	3,292	3,765	4,005	4,315	4,737	4,805	4,765	4,418	2,519
Finance/Insurance	35	41	92	130	1,947	77	112	86	58	42
Real Estate/Rental/Leasing	4,458	4,215	5,096	6,508	8,336	8,664	3,717	1,731	1,731	920
Professional/Scientific/Technical Services	386	354	557	561	626	1,081	683	823	992	506
Admin/Support/Waste mgmt/Remediation Serv.	1,089	1,274	1,157	762	681	1,034	849	701	794	446
Educational Services	13	9	6	3	2	3	1	-	-	-
Health Care/Social Assistance	185	238	150	186	126	322	384	412	406	179
Arts/Entertainment/Recreation	216	120	109	308	431	432	329	275	247	136
Accommodation/Food Services	16,069	17,044	18,293	20,077	21,445	22,184	21,824	20,181	21,360	11,760
Other Services (except Public Administration)	6,819	7,934	8,717	9,535	9,692	9,758	8,825	7,960	8,114	4,506
Total	\$ <u>276,583</u>	\$ <u>789,628</u>	\$ <u>848,638</u>	\$ <u>889,949</u>	\$ <u>683,344</u>	\$ <u>953,540</u>	\$ <u>629,321</u>	\$ <u>221,188</u>	\$ <u>445,957</u>	\$ <u>317,910</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			
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	-	-	10,853	2,248	13,101	4.61%	1,113
2018	-	-	10,429	2,061	12,490	4.56%	1,103

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.
Details regarding the City's outstanding debt can be found in the notes section page 34.

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
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%	-
2018	-	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, 2018
(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	12,610	24.32%	3,067
Scurry County JCD	11,560	24.32%	2,811
Snyder Independent School District	20,113	27.35%	5,501
Scurry County Hospital District	<u>-</u>	24.32%	<u>-</u>
Total direct and overlapping debt	\$ <u><u>44,283</u></u>		\$ <u><u>11,379</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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 35,020	\$ 34,645	\$ 33,748	\$ 34,552	\$ 36,534	\$ 38,518	\$ 46,679	\$ 47,205	\$ 46,258	\$ 46,373
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 46,373</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 2018

Assessed Value	\$ 459,522
Add Back: exempt property	<u>4,209</u>
Total Assessed Value	\$ 463,731
Debt limit (10% of total assessed value)	46,373
Debt applicable to limit:	
General obligation bonds	<u>-</u>
Legal debt margin	<u>\$ 46,373</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		Less:		Net		Debt Service		Coverage		
	Charges		Operating		Available						
	and Other		Expenses		Revenue		Principal	Interest			
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
2018		7,156,024		4,864,101		2,291,923		415,000		365,995	2.93

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
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%
2018	11,320	273,876	24,194	34.4	4,784	3.60%

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 2018 and 2009**

2018			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment¹</u>
Snyder ISD	400	1	8.16%
Texas Department of Corrections	350	2	7.14%
Cogdell Memorial Hospital	280	3	5.71%
Kinder Morgan	250	4	5.10%
Patterson UTI	232	5	4.73%
Scurry County	170	6	3.47%
United Supermarkets	160	7	3.27%
Western Texas College	130	8	2.65%
Wal-Mart	127	9	2.59%
E.D. Walton	115	10	2.35%
Total	<u>2,214</u>		<u>37.01%</u>

2009			
<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%
Cogdell Memorial Hospital	220	4	1.34%
United Supermarket	200	5	1.22%
Scurry County	150	6	0.91%
BJ Services	150	7	0.91%
Walton Construction	130	8	0.79%
Western Texas College	120	9	0.73%
Key Energy Services	120	10	0.73%
Total	<u>2,028</u>		<u>12.34%</u>

Source: Texas Workforce Commission

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GENERAL FUND										
Administration	2	2	2	2	2	2	2	2	2	2
Finance	2	2	2	2	4	4	4	4	4	4
Planning & Zoning	2	2	2	2	2	3	3	3	3	3
Municipal Court	3	3	3	3	3	3	3	3	3	3
Accounting	3	3	3	2	0	0	0	0	0	0
Data Processing	2	2	2	2	1	1	1	1	1	1
City Sec./Records Management	2	2	2	0	0	2	2	2	2	2
Police	22	22	22	22	22	23	27	25	25	25
Animal Control	3	3	3	3	3	3	3	3	3	3
Fire	9	10	10	10	10	10	10	11	11	11
Street	4	4	4	4	4	4	5	6	6	6
Total General Fund	52	53	53	52	51	55	60	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	3	3	3	3
Treatment - Water	5	5	5	5	5	5	6	6	6	6
Distribution - Water	2	2	2	2	2	2	3	2	2	2
Utility	7	7	7	6	6	6	6	6	6	6
Total Water & Sewer Fund	21	21	21	20	20	20	20	19	19	19
SANITATION										
Sanitation/Collection	5	5	5	5	5	5	6	6	6	6
Sanitation/Landfill	6	6	6	6	6	6	5	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	85	86	86	86	86	87	92	91	91	91

Source: City of Snyder Human Resources Office

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Physical arrests	884	812	868	535	478	588	478	731	616	634
Traffic violations	5,180	6,157	4,829	6,434	5,601	5,299	4,949	3,781	2,050	1,572
Fire										
Number of calls answered	407	393	550	372	439	452	463	500	412	520
Inspections	149	115	87	63	113	72	77	153	56	51
Public Education Programs	-	-	-	-	-	-	21	25	28	10
Highways and streets										
Street resurfacing (blocks)	144			80	100	-	50	-	163	-
Sanitation										
Refuse collected (tons/day)	125	144	114	117	150	175	175	170	162	153
Recyclables collected (tons/mo)	30	20	29	27	27	24	25	20	21	21
Water										
New connections	1,192	1,033	1,156	1,325	1,510	1,561	1,723	1,736	1,882	2,000
Water mains breaks	37	55	82	33	25	48	80	32	18	25
Average daily consumption (millions of gallons)	2	2	2	2	2	2	2	2	2	2
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,089	1,184	984	923	991	1,400	1,454	1,454	1,221	1,156

Sources: Various government departments.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	19	20	21	21	21	21	22	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	1,180	1,180	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177
Traffic signals (controlled by City)	-	-	-	-	-	-	-	-	-	-
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	331	334	424	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.