



CITY OF ALVIN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED 9/30/2014

***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

of the

CITY OF ALVIN, TEXAS

For the Year Ended
September 30, 2014

Official Issuing Report:

**Junru Roland
Interim City Manager/Chief Financial Officer**

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CITY OF ALVIN, TEXAS

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INTRODUCTORY SECTION

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CITY OF ALVIN

216 West Sealy Street • Alvin, Texas 77511 • (281) 388-4212 • FAX (281) 331-7215

February 27, 2015

Honorable Mayor, Members of City Council, and Citizens of the City of Alvin, Texas:

The Comprehensive Annual Financial Report (“CAFR”) of the City of Alvin, Texas (the “City”) for the fiscal year ended September 30, 2014 is hereby submitted. Responsibility for both the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with management. We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to present fairly the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City’s financial activities have been included.

In developing and evaluating the City’s accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the City’s current system of internal controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

As required by the City’s charter, the financial statements have been audited by Belt Harris Pechacek, LLLP, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurances that the financial statements of the City for the fiscal year ended September 30, 2014 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for fiscal year ended September 30, 2014 are presented in conformity with generally accepted accounting principles (“GAAP”).

The CAFR is presented in three sections: Introductory, Financial and Statistical. The introductory section includes this transmittal letter and the City’s organizational chart. The financial section includes the auditors’ report on the financial statements, a narrative introduction, overview and analysis required by GAAP in the form of the Management’s Discussion and Analysis (“MD&A”), the basic financial statements, fund financial statements, and combining and individual financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors. The statistical section includes selected unaudited financial and demographic information generally presented on a multi-year basis.

PROFILE OF THE GOVERNMENT

The City of Alvin is located in the southern part of Texas, which is considered to be one of the fastest growing areas of the state. The City occupies an area of approximately 15 square miles and services a population of 24,236, per the 2010 census. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation.

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing body consisting of the Mayor and seven council members. The governing body is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring both the government's manager and attorney. The governing body also approves the selection of department heads. The government's manager is responsible for carrying out the policies and ordinances of the governing body and for overseeing the day-to-day operations of the government. The council is elected on a non-partisan basis. Council members serve three-year staggered terms. The mayor is elected to serve a three-year term. Five of the council members are elected by single member districts. The Mayor and two remaining council members are elected at large.

The City provides a full range of services including police and fire protection, the construction and maintenance of streets and other infrastructure, and recreational activities. Through enterprise fund operations, the government also provides EMS, water and sewer service and sanitation service.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City submit requests for appropriation to the City Manager each year in June. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents the proposed budget to the council for review by July 31. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 15, fifteen days prior to the close of the fiscal year on September 30. The appropriated budget is prepared by fund and department (e.g., police). Department heads may make transfers of appropriations within a department with approval from the City Manager. Supplemental appropriations for departments, however, require the special approval of the governing body. 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 on page 85 as part of the Required Supplemental Information. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 91.

ECONOMIC CONDITION AND OUTLOOK

"A city government with individuals who, through cooperation, teamwork and pride, serve to provide the highest level of service to its community." This mission statement is what guides the city staff as they go about working for the community. Our strategic partners, from the public to private sector are invaluable to Alvin and volunteer organizations are part of the life blood that continues to bring quality events to the community. Continued park improvements include the addition of new pavilions at National Oak Park. New permanent restroom facilities are in the planning stages for this year. Park projects that include the installation of fencing and amenities for a Dog Park now open at Briscoe Park have been a great addition for our community, The installation of a new large pavilion at Briscoe Park will be used for our spring Rotary BBQ Cook-off and Music Festival. This is estimated to bring thousands to the City over the two-day event.

The community is gaining momentum and many exciting things are underway. Alvin is very fortunate to have long-time businesses expanding in the area. Franks Casing International completed construction on their \$5 million 37,000 sq. ft. manufacturing building; and a 17,000 sq. ft. office building facility that will employ approximately 100 new employees. Southwest Refractory has completed its second facility in their industrial park. Construction is also complete for their own expansion facilities within the industrial park.

Ascend Performance Materials is close to announcing the new \$2.5 billion manufacturing site. This is projected to bring in an additional 100 jobs with average annual wages of \$75,000 -- using the NAICS code multipliers, this will result in an additional 500 indirect jobs to the area.

On the commercial/retail front, the new Memorial Herman Medical Group is under construction for their new physicians' offices. Starbucks is constructing their new restaurant that includes a drive-thru. Sportclips will be locating between these two facilities. Aldi's is building their new grocery store next to Whataburger. Heritage South, the \$80 million dollar commercial, retail, and residential master planned project is constructing the roadway and water/sewer infrastructure; and continues to meet with several end users. On the southeast corner of By-pass 35 and State Highway 6 --next to the Raceway gas station and convenience store-- UTMB completed their new medical offices. This now includes adult primary care along with their established pediatric services. It is part of a 22-acre site under development that is being marketed for several big-box stores. Alvin ISD has the new Bill Hassey primary school under construction on House Street. They will start construction soon on the new AISD Agriculture Center next to Fairway Middle School.

For 2014 there were 125 new residential permits for construction. The value for new residential permits equaled \$20.3 million. The value for commercial and residential repairs/additions/etc. equaled \$2.3 million. In addition, there were 14 new commercial permits issued worth \$5 million in value. All subdivisions are expanding and two of them are planning new sections to be developed.

MAJOR INITIATIVES

City Council Adopted the 2035 Comprehensive Plan last fall and staff is busy addressing several items that are slated to be complete in the 1-2 year time frame. The City's proposed municipal shooting range at the former city landfill -- approximately 5 miles west of the Alvin city limits -- is now in the financial feasibility stage. The City's consultant has communicated that the City could be drawing from a population in the Houston area of 5 million potential patrons; which would provide an economic boom for the City. Some of the amenities at the municipal shooting range would include: a police tactical area for training multiple police departments, a skeet and trap field, a five-stand international bunker trap, several sporting clay fields; and 90-meter / 3-D archery fields.

RELEVANT FINANCIAL POLICIES

It is the goal of the City to achieve and maintain an unassigned general fund balance equal to 25% of expenditures. The City considers a balance of less than \$1,500,000 to be cause for concern, barring unusual or deliberate circumstances. Also, it is the goal of the City to achieve and maintain an unassigned general debt service fund balance equal to 50% of annual debt payments.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alvin for its CAFR for the fiscal year ended September 30, 2013. This was the twenty-ninth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the government also received the GFOA Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2013. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient as a policy document, a financial plan, an operations guide and as a communications device.

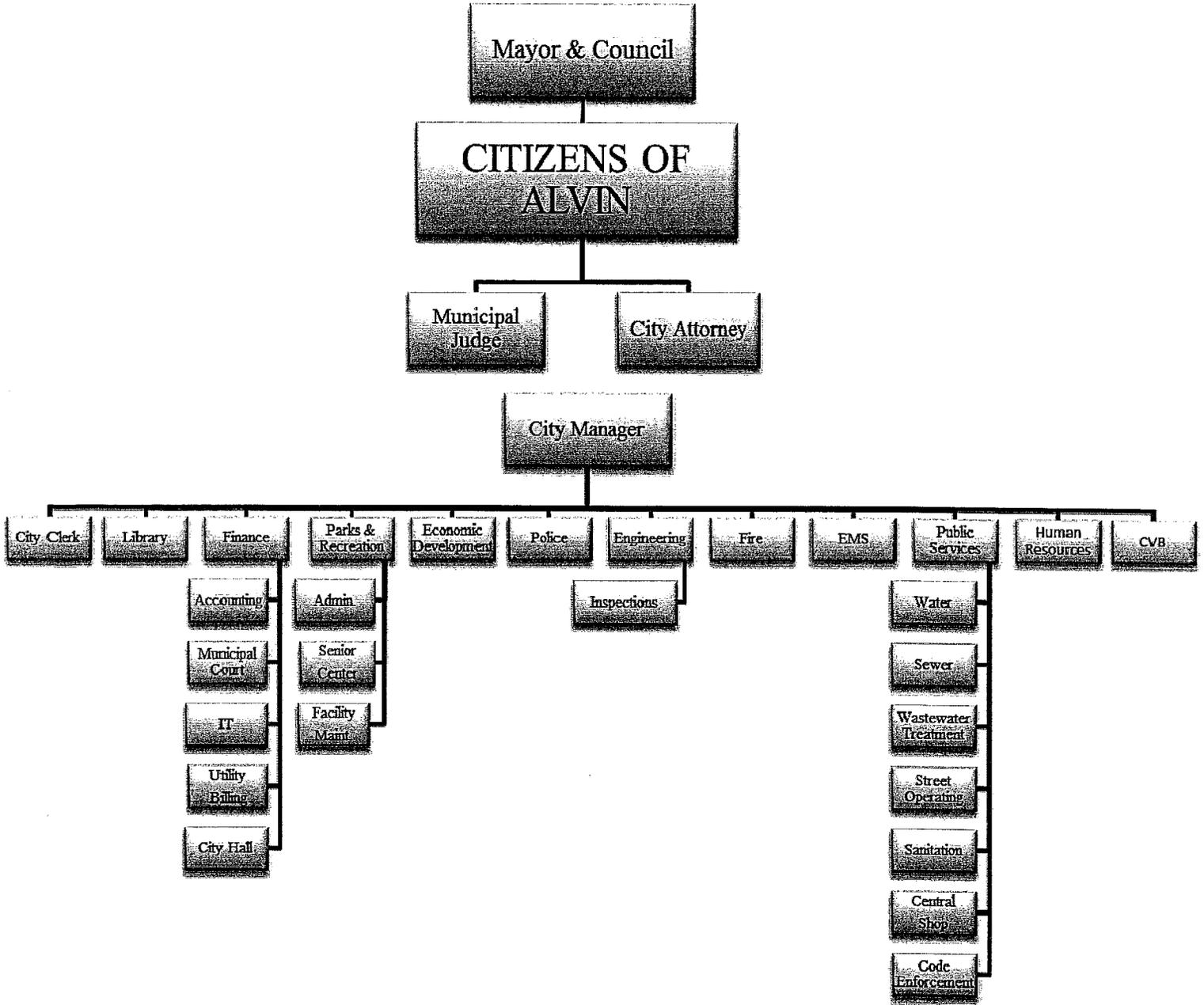
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Alvin's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. Roland', with a stylized flourish at the end.

Junru Roland CPFIM, CGFM, CGFO, CPA
Interim City Manager/Chief Financial Officer

CITY OF ALVIN, TEXAS
ORGANIZATIONAL CHART
 September 30, 2014



CITY OF ALVIN, TEXAS
*CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING*



Government Finance Officers Association

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

Presented to

**City of Alvin
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

A handwritten signature in black ink, reading "Jeffrey R. Emery". The signature is written in a cursive, flowing style.

Executive Director/CEO

CITY OF ALVIN, TEXAS

PRINCIPAL OFFICIALS

September 30, 2014

<u>City Officials</u>	<u>Elective Position</u>	<u>Term Expires</u>
Paul Horn	Mayor	2017
Scott Reed	Council Member - District A	2016
Adam Arendell	Council Member - District B	2015
Keith Thompson	Council Member - District C	2015
Roger E. Stuksa	Council Member - District D	2016
Gabe Adame	Council Member - District E	2017
Brad Richards	Council Member - At Large 1	2015
Terry Droege	Council Member - At Large 2	2016

<u>Key Staff</u>	<u>Position</u>
Junru Roland	Interim City Manager
Dixie Roberts	City Clerk
Junru Roland	Chief Financial Officer
Donna Starkey	Municipal Court Judge
Bobbi Kacz	City Attorney
Rex Klesel	Fire Chief
Brian Smith	Director of Public Services
Michelle H. Segovia	City Engineer
Robert Lee	Police Chief
Dan Kelinske	Director of Parks & Recreation
Ron Schmitz	EMS Director
Larry Buehler	Director of Economic Development

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
City Council Members of the
City of Alvin, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alvin, Texas (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City'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.

Partners

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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, each major fund, and the aggregate remaining fund information of the City as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and schedule of funding progress, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and schedules, other statements, and statistical section, as noted on the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
February 27, 2015

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***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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CITY OF ALVIN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2014

The Statement of Activities presents information showing how the City's net position changed during the most recent 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 – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City into two classes of activities:

1. Governmental Activities – Most of the City's basic services are reported here including police and fire protection, municipal court, streets, drainage, leisure services, community development, and general administrative services. Interest payments on the City's debt are also reported here. Sales tax, property tax, franchise taxes, municipal court fines, and permit fees finance most of these activities.
2. Business-Type Activities – Services involving a fee for those services are reported here. These services include the City's water and sewer services, solid waste collection, and emergency medical services.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of City funds are governmental and proprietary.

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 year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of 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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund (considered a nonmajor fund for reporting purposes, but the City has elected to present as major due to its significance), and the sales tax capital projects fund, which are considered to be major funds.

CITY OF ALVIN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2014

The City adopts an annual appropriated budget for its general fund, debt service fund, and select special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Funds

The City maintains two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer system, sanitation, and emergency medical services. The proprietary fund financial statements provide separate information for the water and sewer system, sanitation, and emergency medical services. The proprietary basic fund financial statements can be found in the basic financial statements of this report.

The City also uses internal service funds to account for its equipment replacement, equipment maintenance, vehicle replacement, and computer replacement services. These internal service funds have been included within governmental activities in the government-wide financial statements.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund and a schedule of funding progress for the Texas Municipal Retirement System. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities by \$66,185,261 as of September 30, 2014. The largest portion of the City's net position, 62 percent, reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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 assets themselves cannot be used to liquidate these liabilities.

CITY OF ALVIN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2014

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 16,526,411	\$ 18,581,132	\$ 13,964,332	\$ 13,453,003	\$ 30,490,743	\$ 32,034,135
Capital assets, net	37,060,472	33,947,351	27,912,858	27,584,312	64,973,330	61,531,663
Total Assets	<u>53,586,883</u>	<u>52,528,483</u>	<u>41,877,190</u>	<u>41,037,315</u>	<u>95,464,073</u>	<u>93,565,798</u>
Deferred Outflows of Resources	204,642	231,691	804,570	823,870	1,009,212	1,055,561
Total Deferred Outflows of Resources	<u>204,642</u>	<u>231,691</u>	<u>804,570</u>	<u>823,870</u>	<u>1,009,212</u>	<u>1,055,561</u>
Long-term liabilities	11,865,524	13,063,627	15,764,515	17,092,580	27,630,039	30,156,207
Other liabilities	1,103,736	1,085,384	1,554,249	1,493,746	2,657,985	2,579,130
Total Liabilities	<u>12,969,260</u>	<u>14,149,011</u>	<u>17,318,764</u>	<u>18,586,326</u>	<u>30,288,024</u>	<u>32,735,337</u>
Net Position:						
Net investment in capital assets	27,186,272	25,768,481	13,841,547	13,035,321	41,027,819	38,803,802
Restricted	7,224,941	9,229,378	-	423,744	7,224,941	9,653,122
Unrestricted	6,411,052	3,613,304	11,521,449	9,815,794	17,932,501	13,429,098
Total Net Position	<u>\$ 40,822,265</u>	<u>\$ 38,611,163</u>	<u>\$ 25,362,996</u>	<u>\$ 23,274,859</u>	<u>\$ 66,185,261</u>	<u>\$ 61,886,022</u>

A portion of the City's net position, \$7,224,941 or 11 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$17,932,501 or 27 percent, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$4,299,239 as compared to the prior year. This increase is the result of multiple factors. Grants and contributions revenue increased compared to the prior year as a result of new projects related to capital grants. Property taxes increased as the result of an increase in the assessed property values. Payments in lieu of taxes increased due to a new agreement. These revenue increases were offset slightly by an increase in total operating expenses during the current year.

CITY OF ALVIN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2014

Statement of Activities:

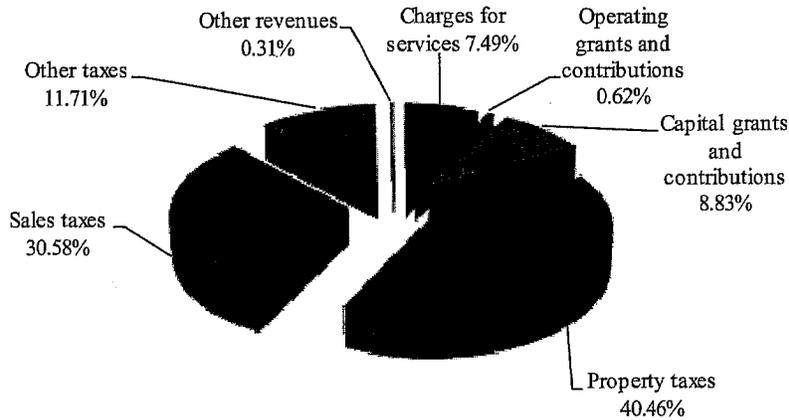
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	\$ 1,515,565	\$ 1,396,235	\$ 11,010,701	\$ 12,086,370	\$ 12,526,266	\$ 13,482,605
Operating grants and contributions	125,138	482,603	230,308	254,710	355,446	737,313
Capital grants and contributions	1,785,962	-	-	-	1,785,962	-
General revenues:						
Property taxes	8,187,335	7,703,857	-	-	8,187,335	7,703,857
Sales taxes	6,188,081	6,039,358	-	-	6,188,081	6,039,358
Other taxes	2,369,728	1,828,115	-	-	2,369,728	1,828,115
Other revenues	62,629	208,120	30,163	18,898	92,792	227,018
Total Revenues	20,234,438	17,658,288	11,271,172	12,359,978	31,505,610	30,018,266
Expenses						
General government	4,302,665	3,568,941	-	-	4,302,665	3,568,941
Public safety	7,371,478	7,605,752	-	-	7,371,478	7,605,752
Public services	1,357,311	1,602,661	-	-	1,357,311	1,602,661
Community services	3,109,731	2,937,559	-	-	3,109,731	2,937,559
Culture, parks, and recreation	1,554,800	1,526,973	-	-	1,554,800	1,526,973
Interest and fiscal agent fees	317,321	357,208	-	-	317,321	357,208
Water and sewer	-	-	5,386,508	5,409,975	5,386,508	5,409,975
Sanitation	-	-	2,150,276	2,121,232	2,150,276	2,121,232
EMS	-	-	1,656,281	1,883,560	1,656,281	1,883,560
Total Expenses	18,013,306	17,599,094	9,193,065	9,414,767	27,206,371	27,013,861
Increase in Net Position						
Before Transfers	2,221,132	59,194	2,078,107	2,945,211	4,299,239	3,004,405
Transfers in (out)	(10,030)	538,555	10,030	(538,555)	-	-
Change in Net Position	2,211,102	597,749	2,088,137	2,406,656	4,299,239	3,004,405
Beginning net position	38,611,163	38,013,414	23,274,859	20,868,203	61,886,022	58,881,617
Ending Net Position	\$ 40,822,265	\$ 38,611,163	\$ 25,362,996	\$ 23,274,859	\$ 66,185,261	\$ 61,886,022

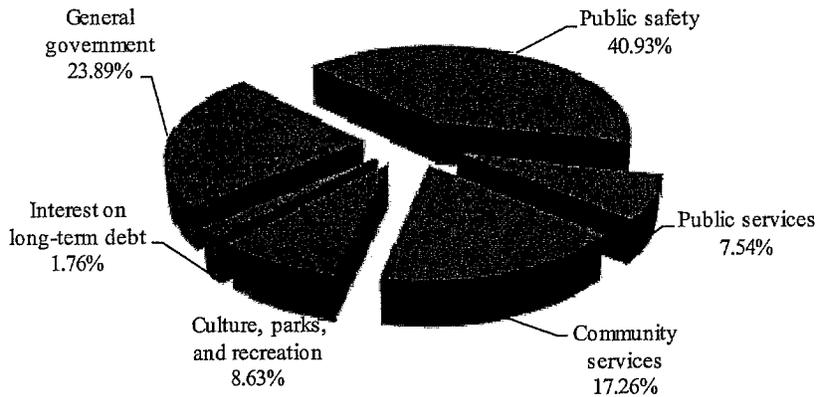
CITY OF ALVIN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 For the Year Ended September 30, 2014

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities.

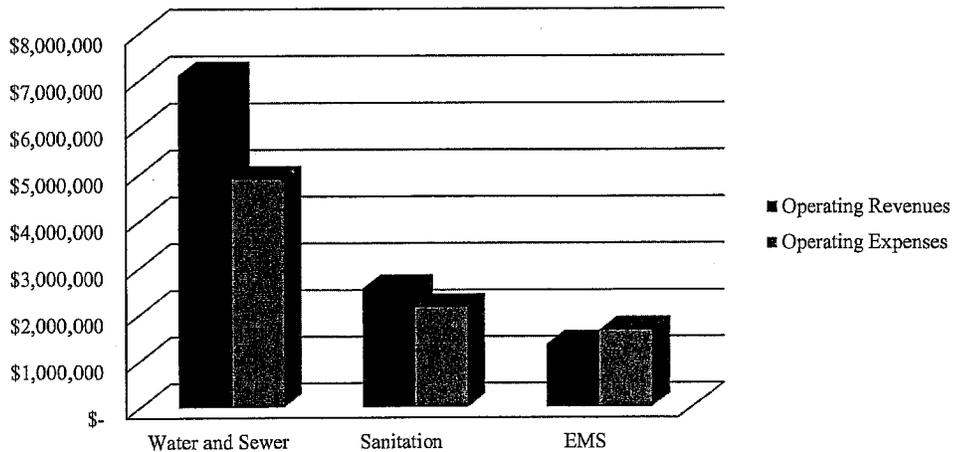
Governmental Revenues



Governmental Expenses



Business-Type Activities



CITY OF ALVIN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2014

For the year ended September 30, 2014, revenues from governmental activities totaled \$20,234,438, which is an increase of \$2,576,150 from last year. This is primarily due to an increase in grant revenues, property taxes, and sales tax revenues.

For the year ended September 30, 2014, expenses for governmental activities totaled \$18,013,306. Overall governmental expenses increased by two percent. This is related primarily to an increase in personnel costs and planned repair/maintenance projects.

The increase in net position before transfers for business-type activities decreased \$867,104 compared to the prior year. This was primarily due to a decrease in emergency medical services revenues from a significant decrease in billing charges.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds – The focus of the City'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's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

The City's governmental funds reflect a combined fund balance of \$13,316,658. Of this, \$17,073 is nonspendable, \$7,224,941 is restricted for various purposes, and \$1,136,538 is assigned for various projects. The remaining balance of \$4,938,106 is unassigned in the general fund.

There was a net decrease in the combined fund balance of \$2,111,898 compared to the prior year, due mainly to increases in personnel costs and capital projects.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$4,938,106, while total fund balance reached \$5,482,259. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37 percent of total general fund expenditures while total fund balance represents 41 percent of the same amount. The general fund demonstrated an overall decrease of \$49,239 due to the operating results of the current year.

The debt service fund has a total fund balance of \$79,394, all of which is restricted for the payment of debt service. The net decrease in fund balance during the year was \$22,773. This decrease can be attributed to the debt service expenditures in excess of property tax collections.

The sales tax capital projects fund recorded a decrease of \$409,046 in fund balance. This is primarily due to an increase in expenditures related to capital projects and payments to internal service funds for services provided.

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

CITY OF ALVIN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2014

GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned decrease in budgeted fund balance in the amount of \$783,862 in the general fund. However, the net change in fund balance only decreased by \$49,239, resulting in a positive variance of \$734,623 from budgeted as amended over actual. This was due to fewer expenditures than anticipated across the majority of the departments.

Actual general fund revenues were more than original and amended budgeted revenues by \$239,993 during 2014. This is mainly due to more revenues from other taxes and licenses and permits than anticipated.

Actual expenditures were less than budgeted amounts by \$368,454 for the fiscal year. The greatest positive variances were in the administrative, finance, public services, and culture, parks, and recreation departments.

CAPITAL ASSETS

At the end of the current year, the City's governmental and business-type activities had invested \$64,973,330 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$3,441,667.

Major capital asset events during the current year include the following:

- Roof replacement for \$389,426
- Generators for \$420,001
- Supervisory Control and Data Acquisition (SCADA) for \$328,097
- Purchase of a commercial cutway van for \$157,721
- Completion of the animal shelter building for \$2,468,776
- Completion of the Stadium Street projects for \$184,786
- Completion of the Southbend drainage project for \$276,797
- Completion of the asphalt overlay project for \$178,435
- Completion of the Kost drainage project for \$102,787
- Purchase of a gradall truck mounted telescopic excavator for \$288,004
- Purchase of a rescue fire truck for \$449,817
- Received a donated mine resistant vehicle from the Texas Department of Public Safety valued at \$773,000
- Purchase of 17 vehicles for \$500,225

More detailed information about the City's capital assets is presented in note III. C. to the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had total bonds and certificates of obligation outstanding of \$24,710,008. Of this amount, \$19,715,008 was general obligation debt and certificates of obligation accounted for \$4,995,000.

More detailed information about the City's long-term liabilities is presented in note III. D. to the financial statements.

CITY OF ALVIN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2014

Current underlying ratings on debt issues are as follows:

	Moody's	
	Investors	Standard and
	Services	Poor's
Tax and revenue certificates of obligation	Aa3	AA
General obligation bonds	Aa3	AA

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City adopted a fiscal year 2014-15 expenditure budget of \$35,164,392, which is a decrease of 2.5 percent from the prior year amended budget. The City budgeted for fiscal year 2014-15 revenues of \$34,526,049, which is an increase of 4.85 percent from the prior year amended budget. The 2014 certified taxable value is \$1,006,033,215, an increase of five percent from the previous year. Inflationary trends in the region compare favorably to national indices. All of these factors were considered in preparing the City's budget for the 2014-15 fiscal year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Junru Roland, Chief Financial Officer, 216 West Sealy, Alvin, Texas 77511.

BASIC FINANCIAL STATEMENTS

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CITY OF ALVIN, TEXAS

STATEMENT OF NET POSITION

September 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and equity in pooled cash and investments	\$ 10,725,053	\$ 9,594,052	\$ 20,319,105
Investments	2,521,273	499,495	3,020,768
Receivables, net of allowances	3,213,331	2,703,119	5,916,450
Internal balances	17,652	(17,652)	-
Inventory	32,455	116,258	148,713
Prepays and other assets	16,647	-	16,647
Restricted assets:			
Temporarily restricted cash and cash equivalents	-	1,069,060	1,069,060
	16,526,411	13,964,332	30,490,743
Capital assets:			
Non-depreciable capital assets	4,809,252	2,522,955	7,332,207
Depreciable capital assets, net	32,251,220	25,389,903	57,641,123
	37,060,472	27,912,858	64,973,330
Total Assets	53,586,883	41,877,190	95,464,073
<u>Deferred Outflows of Resources</u>			
Deferred charge on refunding	204,642	804,570	1,009,212
<u>Liabilities</u>			
Accounts payable and accrued liabilities	1,032,356	1,416,879	2,449,235
Accrued bond interest	71,380	137,370	208,750
Noncurrent liabilities:			
Portion due within one year:			
Compensated absences	474,597	67,620	542,217
Bonds payable	1,192,823	1,452,178	2,645,001
Capital leases payable	34,664	-	34,664
Portion due in more than one year:			
Compensated absences	52,733	7,514	60,247
Bonds payable (net of deferred charges)	8,548,462	13,927,726	22,476,188
Capital leases payable	437,826	-	437,826
Net pension obligation	1,124,419	309,477	1,433,896
Total Liabilities	12,969,260	17,318,764	30,288,024
<u>Net Position</u>			
Net investment in capital assets	27,186,272	13,841,547	41,027,819
Restricted for:			
Nonexpendable			
Perpetual care	50,000	-	50,000
Expendable			
Debt service	79,394	-	79,394
Enabling legislation	915,399	-	915,399
Tax increment reinvestment zone	148,049	-	148,049
Capital projects	6,032,099	-	6,032,099
Unrestricted	6,411,052	11,521,449	17,932,501
Total Net Position	\$ 40,822,265	\$ 25,362,996	\$ 66,185,261

See Notes to Financial Statements.

CITY OF ALVIN, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 4,302,665	\$ 234,378	\$ 125,138	\$ -
Public safety	7,371,478	1,281,187	-	773,000
Public services	1,357,311	-	-	1,012,962
Community services	3,109,731	-	-	-
Culture, parks, and recreation	1,554,800	-	-	-
Interest and fiscal agent fees	317,321	-	-	-
Total Governmental Activities	<u>18,013,306</u>	<u>1,515,565</u>	<u>125,138</u>	<u>1,785,962</u>
Business-Type Activities				
Water and sewer	5,386,508	7,112,516	-	-
Sanitation	2,150,276	2,548,700	-	-
EMS	1,656,281	1,349,485	230,308	-
Total Business-Type Activities	<u>9,193,065</u>	<u>11,010,701</u>	<u>230,308</u>	<u>-</u>
Total Primary Government	<u>\$ 27,206,371</u>	<u>\$ 12,526,266</u>	<u>\$ 355,446</u>	<u>\$ 1,785,962</u>

General Revenues:

- Property taxes
- Sales taxes
- Franchise fees and taxes
- Other taxes
- Investment revenue
- Other revenues
- Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net Revenue (Expense) and Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (3,943,149)	\$ -	\$ (3,943,149)
(5,317,291)	-	(5,317,291)
(344,349)	-	(344,349)
(3,109,731)	-	(3,109,731)
(1,554,800)	-	(1,554,800)
(317,321)	-	(317,321)
<u>(14,586,641)</u>	<u>-</u>	<u>(14,586,641)</u>
-	1,726,008	1,726,008
-	398,424	398,424
-	(76,488)	(76,488)
<u>-</u>	<u>2,047,944</u>	<u>2,047,944</u>
<u>(14,586,641)</u>	<u>2,047,944</u>	<u>(12,538,697)</u>
8,187,335	-	8,187,335
6,188,081	-	6,188,081
1,701,814	-	1,701,814
667,914	-	667,914
20,650	15,163	35,813
41,979	15,000	56,979
(10,030)	10,030	-
<u>16,797,743</u>	<u>40,193</u>	<u>16,837,936</u>
2,211,102	2,088,137	4,299,239
<u>38,611,163</u>	<u>23,274,859</u>	<u>61,886,022</u>
<u>\$ 40,822,265</u>	<u>\$ 25,362,996</u>	<u>\$ 66,185,261</u>

CITY OF ALVIN, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2014

	General	Debt Service	Sales Tax Capital Projects	Other Governmental
Assets				
Cash and equity in pooled cash and investments	\$ 2,883,528	\$ 78,771	\$ 4,101,591	\$ 1,899,264
Investments	1,774,976	-	746,297	-
Receivables, net	1,478,027	68,779	1,052,131	597,724
Prepaid items	16,397	-	-	250
Inventory	426	-	-	-
Total Assets	\$ 6,153,354	\$ 147,550	\$ 5,900,019	\$ 2,497,238
Liabilities				
Accounts payable and accrued liabilities	\$ 272,865	\$ -	\$ 77,637	\$ 564,615
Due to others	84,901	-	-	-
Total Liabilities	357,766	-	77,637	564,615
Deferred Inflows of Resources				
Unavailable revenue - property taxes	313,329	68,156	-	-
Fund Balances				
Nonspendable:				
Inventories	426	-	-	-
Prepaid items	16,397	-	-	250
Restricted for:				
Debt service	-	79,394	-	-
Perpetual care	-	-	-	50,000
Enabling legislation	-	-	-	915,399
Tax increment reinvestment zone	-	-	-	148,049
Capital projects	-	-	5,822,382	209,717
Assigned to:				
Permanent fund	-	-	-	415,426
Special projects	-	-	-	193,782
Compensated absences	527,330	-	-	-
Unassigned	4,938,106	-	-	-
Total Fund Balances	5,482,259	79,394	5,822,382	1,932,623
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,153,354	\$ 147,550	\$ 5,900,019	\$ 2,497,238

See Notes to Financial Statements.

Total

\$ 8,963,154
 2,521,273
 3,196,661
 16,647
 426

\$ 14,698,161

\$ 915,117
 84,901

1,000,018

381,485

426
 16,647

79,394
 50,000
 915,399
 148,049
 6,032,099

415,426
 193,782
 527,330

4,938,106

13,316,658

\$ 14,698,161

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CITY OF ALVIN, TEXAS
RECONCILIATION OF THE GOVERNMENTAL
FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
September 30, 2014

Total fund balances - total governmental funds	\$	13,316,658
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets, non-depreciable		4,809,252
Capital assets, net depreciable		31,038,423
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		
		381,485
Internal service funds are used by management to charge the costs of certain capital assets and maintenance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
		2,968,774
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable		(71,380)
Non-current liabilities due in one year		(1,693,004)
Non-current liabilities due in more than one year		(10,132,585)
Deferred charge on refunding		204,642
Net Position of Governmental Activities	\$	<u>40,822,265</u>

See Notes to Financial Statements.

CITY OF ALVIN, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended September 30, 2014

	General	Debt Service	Sales Tax Capital Projects	Other Governmental
Revenues				
Property taxes	\$ 6,542,250	\$ 1,538,565	\$ -	\$ 92,295
Sales taxes	2,063,104	-	4,124,977	-
Franchise fees and taxes	1,339,913	-	-	361,901
Other taxes	667,914	-	-	-
Licenses and permits	757,846	-	-	-
Fines and forfeitures	499,308	-	-	24,033
Charges for services	194,628	-	-	39,750
Intergovernmental	42,327	-	144,845	950,928
Investment revenue	2,117	206	4,596	12,212
Other revenue	-	-	2,994	27,448
Total Revenues	12,109,407	1,538,771	4,277,412	1,508,567
Expenditures				
Current:				
General government	3,717,512	-	-	40,943
Public safety	6,972,316	-	-	113,908
Public services	733,558	-	-	-
Community services	127,112	-	2,862,974	274,448
Culture, parks, and recreation	1,334,715	-	-	17,419
Capital outlay	586,048	-	1,398,233	2,661,347
Debt service:				
Principal	30,461	1,267,127	-	16,730
Interest and fiscal agent fees	7,297	294,417	-	2,821
Total Expenditures	13,509,019	1,561,544	4,261,207	3,127,616
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,399,612)	(22,773)	16,205	(1,619,049)
Other Financing Sources (Uses)				
Transfers in	1,317,091	-	-	890,081
Transfers (out)	(21,962)	-	(425,251)	(901,872)
Capital leases	55,244	-	-	-
Total Other Financing Sources (Uses)	1,350,373	-	(425,251)	(11,791)
Net Change in Fund Balances	(49,239)	(22,773)	(409,046)	(1,630,840)
Beginning fund balances	5,531,498	102,167	6,231,428	3,563,463
Ending Fund Balances	\$ 5,482,259	\$ 79,394	\$ 5,822,382	\$ 1,932,623

See Notes to Financial Statements.

Total

\$ 8,173,110
6,188,081
1,701,814
667,914
757,846
523,341
234,378
1,138,100
19,131
30,442

19,434,157

3,758,455
7,086,224
733,558
3,264,534
1,352,134
4,645,628

1,314,318
304,535

22,459,386

(3,025,229)

2,207,172
(1,349,085)
55,244

913,331

(2,111,898)

15,428,556

\$ 13,316,658

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CITY OF ALVIN, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2014

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances - total governmental funds	\$	(2,111,898)
---	----	-------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		3,926,180
Depreciation expense		(1,895,630)

The issuance of long-term debt (e.g., bonds, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Net Position.

Principal payments		1,283,857
Amortization of deferred amounts		(10,715)
Compensated absences		(4,365)
Capital lease activity		(22,490)
Net pension obligation		(74,151)
Accrued interest		(2,071)

Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds.		787,225
---	--	---------

Internal service funds are used by management to charge the costs of certain capital assets and maintenance to individual funds. The net revenue (expense) is reported with governmental activities.		335,160
--	--	---------

	\$	2,211,102
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See Notes to Financial Statements.

CITY OF ALVIN, TEXAS
STATEMENT OF NET POSITION (Page 1 of 2)
PROPRIETARY FUNDS
September 30, 2014

	Business-Type Activities			
	Water and Sewer	Sanitation	Emergency Medical Services	Total
Assets				
Current assets				
Cash and equity in pooled cash and investments	\$ 7,210,447	\$ 1,409,810	\$ 973,795	\$ 9,594,052
Investments	499,495	-	-	499,495
Accounts receivable (net of allowance for uncollectibles)	994,144	309,712	1,399,263	2,703,119
Advances to other funds	-	-	-	-
Inventory	116,258	-	-	116,258
Total Current Assets	8,820,344	1,719,522	2,373,058	12,912,924
Noncurrent assets				
Restricted cash, cash equivalents, and investments:				
Customer deposits	1,069,060	-	-	1,069,060
Total Restricted Assets	1,069,060	-	-	1,069,060
Capital assets:				
Land	937,829	503,538	-	1,441,367
Buildings	5,523,533	80,501	558,423	6,162,457
Improvements	408,603	2,610,608	36,879	3,056,090
Infrastructure	46,060,976	15,342	-	46,076,318
Equipment	2,137,885	-	364,477	2,502,362
Construction in progress	1,081,588	-	-	1,081,588
Less allowance for depreciation	(29,908,308)	(1,851,545)	(647,471)	(32,407,324)
Total Capital Assets (Net)	26,242,106	1,358,444	312,308	27,912,858
Total Noncurrent Assets	27,311,166	1,358,444	312,308	28,981,918
Total Assets	\$ 36,131,510	\$ 3,077,966	\$ 2,685,366	\$ 41,894,842
Deferred Outflows of Resources				
Deferred charge on refunding	\$ 800,993	\$ 3,577	\$ -	\$ 804,570

See Notes to Financial Statements.

**Governmental
Activities**

**Internal
Service**

\$ 1,761,899

-

16,670

17,652

32,029

1,828,250

-

-

-

7,754

-

-

3,602,871

-

(2,397,828)

1,212,797

1,212,797

\$ 3,041,047

\$ -

CITY OF ALVIN, TEXAS
STATEMENT OF NET POSITION (Page 2 of 2)
PROPRIETARY FUNDS
September 30, 2014

	Business-Type Activities			Total
	Water and Sewer	Sanitation	Emergency Medical Services	
<u>Liabilities and Net Position</u>				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 125,125	\$ 190,850	\$ 31,844	\$ 347,819
Accrued interest payable	135,342	1,291	737	137,370
Bonds payable - current	1,421,957	25,338	4,883	1,452,178
Compensated absences	53,123	-	14,497	67,620
Total Current Liabilities	1,735,547	217,479	51,961	2,004,987
Current Liabilities Payable From Restricted Assets				
Customer deposits	1,069,060	-	-	1,069,060
Total Current Liabilities Payable From Restricted Assets	1,069,060	-	-	1,069,060
Noncurrent liabilities				
Bonds payable, net of deferred charges	13,706,393	99,685	121,648	13,927,726
Advances from other funds	-	-	17,652	17,652
Compensated absences	5,903	-	1,611	7,514
Net pension obligation	162,151	-	147,326	309,477
Total Noncurrent Liabilities	13,874,447	99,685	288,237	14,262,369
Total Liabilities	16,679,054	317,164	340,198	17,336,416
Net Position				
Net investment in capital assets	12,418,772	1,236,998	185,777	13,841,547
Unrestricted net position	7,834,677	1,527,381	2,159,391	11,521,449
Total Net Position	\$ 20,253,449	\$ 2,764,379	\$ 2,345,168	\$ 25,362,996

See Notes to Financial Statements.

**Governmental
Activities**

**Internal
Service**

\$	32,338
	-
	-
	<u>9,080</u>
	<u>41,418</u>
	-
	-
	-
	-
	1,009
	<u>29,846</u>
	<u>30,855</u>
	<u>72,273</u>
	1,212,797
	<u>1,755,977</u>
\$	<u><u>2,968,774</u></u>

CITY OF ALVIN, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2014

	Business-Type Activities			Total
	Water and Sewer	Sanitation	Emergency Medical Services	
<u>Operating Revenues</u>				
Water service	\$ 3,279,809	\$ -	\$ -	\$ 3,279,809
Sewer service	3,459,687	-	-	3,459,687
Sanitation service	-	2,547,806	-	2,547,806
Emergency medical service	-	-	1,340,390	1,340,390
Charges for services	-	-	-	-
Other revenue	373,020	894	9,095	383,009
	Total Operating Revenues	7,112,516	2,548,700	1,349,485
<u>Operating Expenses</u>				
Water service	1,367,142	-	-	1,367,142
Sewer service	2,148,810	-	-	2,148,810
Sanitation service	-	2,105,603	-	2,105,603
Emergency medical service	-	-	1,623,074	1,623,074
Personnel services	-	-	-	-
Supplies	-	-	-	-
Depreciation	1,369,253	40,944	28,605	1,438,802
	Total Operating Expenses	4,885,205	2,146,547	1,651,679
	Operating Income (Loss)	2,227,311	402,153	(302,194)
<u>Nonoperating Revenues (Expenses)</u>				
Intergovernmental	-	-	230,308	230,308
Gain on sale of capital assets	15,000	-	-	15,000
Investment revenue	11,835	1,763	1,565	15,163
Interest and fiscal agent fees	(501,303)	(3,729)	(4,602)	(509,634)
	Total Nonoperating Revenues (Expenses)	(474,468)	(1,966)	227,271
	Income (Loss) Before Contributions and Transfers	1,752,843	400,187	(74,923)
Capital contribution	868,117	-	-	868,117
Transfers in	69,635	-	-	69,635
Transfers (out)	(649,910)	(223,348)	(54,464)	(927,722)
	Total Contributions and Transfers	287,842	(223,348)	(54,464)
	Change in Net Position	2,040,685	176,839	(129,387)
Beginning net position	18,212,764	2,587,540	2,474,555	23,274,859
	Ending Net Position	\$ 20,253,449	\$ 2,764,379	\$ 2,345,168
		\$ 25,362,996		\$ 25,362,996

See Notes to Financial Statements.

**Governmental
Activities**

**Internal
Service**

\$	-
	-
	-
	-
	1,103,122
	426,116
	<u>1,529,238</u>
	-
	-
	-
	-
	225,867
	821,614
	159,653
	<u>1,207,134</u>
	322,104
	-
	11,537
	1,519
	-
	<u>13,056</u>
	335,160
	-
	-
	-
	<u>335,160</u>
	2,633,614
\$	<u><u>2,968,774</u></u>

CITY OF ALVIN, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2014

	Business-Type Activities-Enterprise Funds			
	Water and Sewer	Sanitation	Emergency Medical Services	Total
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 7,053,876	\$ 2,516,882	\$ 1,632,631	\$ 11,203,389
Payments to suppliers	(1,767,662)	(2,099,204)	(444,955)	(4,311,821)
Payments to employees	(1,760,189)	-	(1,165,335)	(2,925,524)
Net Cash Provided by Operating Activities	3,526,025	417,678	22,341	3,966,044
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers from other funds	69,635	-	-	69,635
Transfer to other funds	(649,910)	(223,348)	(54,464)	(927,722)
Interfund loan payments	-	-	(30,065)	(30,065)
Interest paid on interfund loan	-	-	(4,617)	(4,617)
Subsidy from federal grant	-	-	230,308	230,308
Net Cash Provided (Used) by Noncapital Financing Activities	(580,275)	(223,348)	141,162	(662,461)
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	(899,231)	-	-	(899,231)
Proceeds from sale of capital assets	15,000	-	-	15,000
Interest and fiscal agent fees paid	(482,226)	(3,729)	15	(485,940)
Principal paid on capital debt	(1,334,187)	(25,418)	(3,488)	(1,363,093)
Net Cash (Used) by Capital and Related Financing Activities	(2,700,644)	(29,147)	(3,473)	(2,733,264)
<u>Cash Flows from Investing Activities</u>				
Proceeds from sale of investments	321,875	-	-	321,875
Purchase of investments	(499,495)	-	-	(499,495)
Interest on investments	11,835	1,763	1,565	15,163
Net Cash Provided (Used) by Investing Activities	(165,785)	1,763	1,565	(162,457)
Net Increase in Cash and Equity in Pooled Cash and Investments	79,321	166,946	161,595	407,862
Beginning cash and equity in pooled cash and investments	8,200,186	1,242,864	812,200	10,255,250
Ending Cash and Equity in Pooled Cash and Investments	\$ 8,279,507	\$ 1,409,810	\$ 973,795	\$ 10,663,112
Ending Cash and Equity in Pooled Cash and Investments:				
Unrestricted cash and equity in pooled cash and investments	\$ 7,210,447	\$ 1,409,810	\$ 973,795	\$ 9,594,052
Restricted cash and equity in pooled cash and investments	1,069,060	-	-	1,069,060
	\$ 8,279,507	\$ 1,409,810	\$ 973,795	\$ 10,663,112

See Notes to Financial Statements.

**Governmental
Activities**

**Internal
Service**

\$ 1,566,247
(835,425)
(226,243)

504,579

-
-
30,065
98

-

30,163

(469,225)
11,537

-
-

(457,688)

-
-

1,421

1,421

78,475

1,683,424

\$ 1,761,899

\$ 1,761,899

-

\$ 1,761,899

CITY OF ALVIN, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2014

	Business-Type Activities-Enterprise Funds			
	Water and Sewer	Sanitation	Emergency Medical Services	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 2,227,311	\$ 402,153	\$ (302,194)	\$ 2,327,270
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,369,253	40,944	28,605	1,438,802
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in Current Assets:				
Accounts receivable	(94,960)	(31,818)	283,146	156,368
Inventories	(52,150)	-	-	(52,150)
Increase (Decrease) in Current Liabilities:				
Accounts payable	55,424	6,640	(2,216)	59,848
Accrued interest payable	(35,410)	(241)	(14)	(35,665)
Compensated absences	9,734	-	6,332	16,066
Customer deposits	36,320	-	-	36,320
Net pension obligation	10,503	-	8,682	19,185
	Net Cash Provided by Operating Activities	\$ 417,678	\$ 22,341	\$ 3,966,044
	\$ 3,526,025	\$ -	\$ -	\$ 868,117
Noncash investing, capital, and financing activities:				
Capital contribution	\$ 868,117	\$ -	\$ -	\$ 868,117
	\$ 868,117	\$ -	\$ -	\$ 868,117

See Notes to Financial Statements.

**Governmental
Activities**

**Internal
Service**

\$ 322,104

159,653

28,654

6,897

(13,811)

-

(376)

-

1,458

\$ 504,579

\$ -

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CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Alvin, Texas (the "City") was incorporated on July 25, 1893 and adopted the "Home Rule Charter" on February 23, 1963, pursuant to the laws of the State of Texas, which provide for a Council-Manager form of government.

The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: public safety to include police and fire services, municipal court, drainage, building and code inspection, planning, engineering, street repair and maintenance, park maintenance, recreational activities for citizens, and general administrative services.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The three tax increment reinvestment zones, although legally separate, are considered part of the reporting entity. The Kendall Lakes Redevelopment Authority, although legally separate, is considered part of the reporting unit. No other entities, organizations, or functions have been included as part of the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended Component Units

Tax Increment Reinvestment Zone Number One

During fiscal year 2003, the City passed ordinances creating a tax increment reinvestment zone ("TIRZ No. 1") in accordance with Section 311.005 of the Texas Tax Code. This entity was created

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

to provide the financing and management tool needed to facilitate development of commercial and residential sites. The TIRZ No. 1 is managed by an 11-member Board of Directors, of which the City Council appoints eight members and the remaining members are appointed by taxing units levying taxes within TIRZ No. 1. Under this arrangement, increases in property taxes will be utilized to pay for certain infrastructure costs. As the developer of the commercial and residential sites completes infrastructure improvements within the TIRZ No. 1, the City takes title to the infrastructure and the TIRZ No. 1 is responsible for reimbursing the developer for the infrastructure costs.

Tax Increment Reinvestment Zone Number Two

During fiscal year 2004, the City passed an ordinance creating a tax increment reinvestment zone (“TIRZ No. 2”), in accordance with Section 311.005 of the Texas Tax Code. The entity was created to provide the financing and management tool needed to facilitate development of the Kendall Lakes area. The TIRZ No. 2 is managed by a 12-member Board of Directors, of which the City Council appoints eight members and the remaining members are appointed by taxing units levying taxes within TIRZ No. 2. Under this arrangement, increases in property taxes will be utilized to pay for certain infrastructure costs. As the developer of the Kendall Lakes area completes infrastructure improvements within the TIRZ No. 2, the City takes title to the infrastructure and the TIRZ No. 2 is responsible for reimbursing the developer for the infrastructure costs.

Tax Increment Reinvestment Zone Number Three

During fiscal year 2006, the City passed an ordinance creating a tax increment reinvestment zone (“TIRZ No. 3”), in accordance with Section 311.005 of the Texas Tax Code. This entity was created to provide the financing and management tool needed to facilitate development of the Savannah Plantation area. The TIRZ No. 3 is managed by an 11-member Board of Directors, of which the City Council appoints eight members and the remaining members are appointed by taxing units levying taxes within TIRZ No. 3. Under this arrangement, increases in property taxes will be utilized to pay for certain infrastructure costs. As the developer of the Savannah Plantation area completes infrastructure improvements within the TIRZ No. 3, the City takes title to the infrastructure and the TIRZ No. 3 is responsible for reimbursing the developer for the infrastructure costs.

Kendall Lakes TIRZ Redevelopment Authority

During fiscal year 2006, the City authorized the creation of the Kendall Lakes TIRZ Redevelopment Authority (the “Authority”), a public not-for-profit local government corporation organized and existing under the laws of the State of Texas. The Authority was created to aid, assist, and act on behalf of the City in performance of the City’s governmental and proprietary functions with respect to the common good and general welfare of TIRZ No. 2, including promoting, developing, encouraging and maintaining housing, employment, commerce and economic development of the Kendall Lakes Area. The Authority Board is comprised of the same members that make up the Board for TIRZ No. 2. In the event of dissolution, all assets are to be turned over to the City for deposit into the TIRZ No. 2 fund unless City Council shall otherwise direct for a public purpose. The City, TIRZ No. 2, and the Authority entered into an agreement (the “Agreement”) authorizing the Authority to provide management and administrative functions for TIRZ No. 2, including aiding and assisting the City and TIRZ No. 2 (1) in preparation and implementation of a project plan and reinvestment zone financing plan and (2) in the development and implementation of a

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

redevelopment policy for the Kendall Lakes area, including acquisition of land, installation of infrastructure, and related public improvements. The City and TIRZ No. 2 will pay for the Authority's activities performed pursuant to the Agreement from tax increments realized in TIRZ No. 2.

B. 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. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

C. Basis of Presentation-Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

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

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following governmental funds:

The *general fund* is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public services, community services, and culture, parks, and recreation.

The *special revenue funds* are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue funds include hotel/motel fund, special investigation fund, municipal court building security fund, municipal court technology fund, juvenile case manager fund, park dedication fund, donation fund, senior fund, Comcast PEG fees fund, TIRZ No. 1 fund, TIRZ No. 2 fund, TIRZ No. 3 fund, Kendall Lakes TIRZ Redevelopment Authority fund, and the CDBG disaster recovery fund. The special revenue funds are considered nonmajor funds for reporting purposes.

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

The *debt service fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a nonmajor fund for reporting purposes, but the City has elected to present it as major due to its significance.

The *capital projects funds* are used to account for the expenditures of resources accumulated from sales tax revenues and the sale of bonds and related interest earnings for capital improvement projects. The sales tax capital projects fund is considered major while the bond capital projects fund and tax note capital projects fund are considered nonmajor funds for reporting purposes.

Permanent funds are governmental funds which are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. The cemetery fund is considered a nonmajor fund for reporting purposes.

The City reports the following enterprise funds:

The *enterprise funds* are used to account for the operations that provide water and wastewater collection, wastewater treatment operations, solid waste collection and disposal, and emergency medical services. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The water and sewer fund, sanitation fund, and emergency medical services fund are considered major funds for reporting purposes.

Additionally, the City reports the following fund type:

Internal service funds account for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The central shop fund is used to account for maintenance services. The vehicle replacement fund is used for the replacement of vehicles. The computer replacement fund is used to account for computer replacement services. The IT maintenance fund is used to account for maintenance services.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

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

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City maintains pooled cash and investment accounts. Each fund whose monies are deposited in the pooled cash and investment accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and equity in pooled cash and investments."

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

2. Investments

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for “money market investments” and “2a7-like pools.” Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools’ share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. government
- Money market mutual funds that meet certain criteria
- Statewide investment pools
- Certificates of deposit that meet certain criteria

3. Inventories and Prepaid Items

Inventories are recorded in the general and enterprise funds, and are stated at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The consumption method is used to recognize expenditures.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings	20 to 50 years
Improvements	4 to 50 years
Equipment	4 to 10 years
Water and sewer system	20 to 30 years
Infrastructure	40 to 50 years

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

6. Compensated Employee Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and compensatory time. The City records vacation as it accrues up to a maximum of 240 hours for all employees hired after October 1, 1998. Employees hired prior to October 1, 1998 are allowed to carry over vacation time ("old vacation") accumulated prior to October 1, 1998, plus vacation accumulated after October 1, 1998 up to the maximum of 240 hours plus the old vacation time. The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

7. 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

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

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

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund. Although a portion of the general obligation debt was directly related to the purchase of water and sewer infrastructure, the debt service expenditures are included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of water system revenues.

Assets acquired under the terms of a capital lease are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

8. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

9. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

10. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Nonspendable fund balance represents amounts that cannot be spent because they are either in nonspendable form (such as inventory or prepaid insurance) or are legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted fund balance represents amounts that are constrained by external parties, constitutional provisions, or by enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

By resolution, the Council has also authorized the City Manager and/or Finance Director as the officials authorized to assign fund balance to a specific purpose as approved by the City's fund balance policy. Assignments of fund balance by the City Manager and Finance Director do not require formal action by the City Council.

The City strives to maintain an unassigned fund balance of not less than 25 percent of the budgeted operational expenditures in all City funds. The purpose of the unassigned balance is to alleviate significant unanticipated budget shortfalls and to ensure the orderly provisions of services to citizens. Should unassigned fund balance fall below the goal or have a deficiency, the City will seek to reduce expenditures prior to increasing revenues to replenish fund balance within a reasonable timeframe.

11. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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 enterprise fund and internal service fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund and internal service fund 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.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except the capital projects funds, which adopt a project length budget. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the charter in the approved budget is the department level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended. The hotel/motel fund, special investigation fund, municipal court building security fund, municipal court technology fund, donation fund, juvenile case manager fund, senior fund, Comcast PEG fees fund, TIRZ No. 2 fund, and the Kendall Lakes TIRZ Redevelopment Authority fund are all special revenue funds that have adopted budgets. The cemetery fund is a permanent fund that has an adopted budget.

Encumbrances represent the estimated amount of expenditures ultimately to result when unperformed contracts (in progress at year-end) are completed. Such encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2014, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	\$ 1,245,791	1.18
U.S. agencies	1,774,976	0.00
TexPool	10,235,651	0.00
TexSTAR	2,313,757	0.00
Total Fair Value	\$ 15,570,175	
Portfolio weighted average maturity		0.10

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. The City's investment policy limits investments in public fund investment pools rated as to investment quality not less than "AAA" or "AAA-m", or at an equivalent rating by at least one nationally recognized rating service. Investments in SEC registered and regulated money market mutual funds must have an investment quality not less than "AAA-", or at an equivalent rating by at least one nationally recognized rating service. As of September 30, 2014, the City's investment in TexPool and TexSTAR was rated "AAAm" by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States government or the issuing U.S. agency. More specifically, the U.S. agency securities held by the City as of September 30, 2014 consist of a variety of bonds and discount notes issued by the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and the Federal Farm Credit Bank. These investments are not rated less than "AAA" by both Moody's and Standard & Poor's.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2014, market values of pledged securities were \$11,355,252 and bank balances were \$10,682,361.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool "AAAm". As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexSTAR

The Texas Short Term Asset Reserve Fund ("TexSTAR") is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexSTAR was created in April 2002 by contract among its participating governmental units and is governed by a board of directors. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. act as co-administrators providing investment management services, participant services, and marketing, respectively. JPMorgan Chase Bank and/or its subsidiary, J.P. Morgan Investor Services, Inc., provide custodial, transfer agency, fund accounting, and depository services. Finally, Standard and Poor's rate TexSTAR "AAA".

TexPool and TexSTAR operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool and TexSTAR use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool and TexSTAR are the same as the value of TexPool and TexSTAR shares.

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

B. Receivables

The following comprise receivable balances at year end:

Governmental Funds

	Sales Tax				Total
	General	Debt Service	Capital Projects	Nonmajor	
Property taxes	\$ 471,457	\$ 108,639	\$ -	\$ -	\$ 580,096
Sales taxes	362,424	-	724,631	-	1,087,055
Franchise taxes	371,469	-	-	-	371,469
Other taxes	-	-	-	63,829	63,829
Intergovernmental	404,289	-	325,816	519,235	1,249,340
Accounts receivable	28,568	623	350	14,660	44,201
Other receivables	852	-	1,334	-	2,186
Less allowance	(161,032)	(40,483)	-	-	(201,515)
	<u>\$ 1,478,027</u>	<u>\$ 68,779</u>	<u>\$ 1,052,131</u>	<u>\$ 597,724</u>	<u>\$ 3,196,661</u>

Proprietary Funds

	Total				
	Water and Sewer	Sanitation	EMS	Enterprise Funds	Internal Service
Intergovernmental	\$ 172,527	\$ 3,672	\$ 37,271	\$ 213,470	\$ 16,670
Accounts receivable	833,457	306,078	2,244,144	3,383,679	-
Other receivables	457	-	125,735	126,192	-
Less allowance	(12,297)	(38)	(1,007,887)	(1,020,222)	-
	<u>\$ 994,144</u>	<u>\$ 309,712</u>	<u>\$ 1,399,263</u>	<u>\$ 2,703,119</u>	<u>\$ 16,670</u>

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

C. Capital Assets

A summary of changes in capital assets for the year end is as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	(Decreases)/ Reclassifications	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 4,279,419	\$ 326,588	\$ -	\$ 4,606,007
Construction in progress	1,455,675	1,920,260	(3,172,690)	203,245
Total capital assets not being depreciated	<u>5,735,094</u>	<u>2,246,848</u>	<u>(3,172,690)</u>	<u>4,809,252</u>
Other capital assets:				
Buildings	11,282,702	2,468,776	-	13,751,478
Infrastructure	32,288,166	890,825	-	33,178,991
Improvements other than buildings	5,599,870	509,341	-	6,109,211
Machinery and equipment	12,162,098	2,257,533	(112,776)	14,306,855
Total other capital assets	<u>61,332,836</u>	<u>6,126,475</u>	<u>(112,776)</u>	<u>67,346,535</u>
Less accumulated depreciation for:				
Buildings	(7,360,190)	(639,649)	-	(7,999,839)
Infrastructure	(14,511,792)	(553,439)	-	(15,065,231)
Improvements other than buildings	(2,332,307)	(204,260)	-	(2,536,567)
Machinery and equipment	(8,916,290)	(690,164)	112,776	(9,493,678)
Total accumulated depreciation	<u>(33,120,579)</u>	<u>(2,087,512)</u>	<u>112,776</u>	<u>(35,095,315)</u>
Other capital assets, net	<u>28,212,257</u>	<u>4,038,963</u>	<u>-</u>	<u>32,251,220</u>
Governmental Activities Capital Assets, Net	<u>\$ 33,947,351</u>	<u>\$ 6,285,811</u>	<u>\$ (3,172,690)</u>	<u>37,060,472</u>
			Plus unspent bond proceeds	134,933
			Plus deferred charge on refunding	204,642
			Less associated debt	(10,213,775)
			Net Investment in Capital Assets	<u>\$ 27,186,272</u>

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

Depreciation was charged to governmental functions as follows:

General government	\$	48,568
Public safety		664,931
Public services		618,047
Community services		342,278
Culture, parks, and recreation		254,035
Internal service fund		159,653
Total Governmental Activities Depreciation Expense	\$	2,087,512

Commitments

Construction in progress and remaining commitments under related construction contracts for governmental fund projects at year end are as follows:

<u>Project Description</u>	<u>Authorized Contract</u>	<u>Contract Expenditures</u>	<u>Remaining Contract</u>
New Pavillions	\$ 155,764	\$ 142,764	\$ 13,000
Total	\$ 155,764	\$ 142,764	\$ 13,000

Encumbrances

At year end, the amounts of encumbrances expected to be honored upon performance by the vendor in the next year for governmental funds were as follows:

General fund	\$	103,993
Sales tax capital projects fund		161,742
Internal service fund		27,920
Nonmajor governmental funds		71,091
Total	\$	364,746

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

The following is a summary of changes in capital assets for business-type activities for the year ended:

	Beginning Balance	Increases	(Decreases)/ Reclassifications	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,441,367	\$ -	\$ -	\$ 1,441,367
Construction in progress	323,043	1,685,079	(926,534)	1,081,588
Total capital assets not being depreciated	1,764,410	1,685,079	(926,534)	2,522,955
Other capital assets:				
Buildings	6,162,457	-	-	6,162,457
Infrastructure	46,076,318	-	-	46,076,318
Improvements other than buildings	3,038,571	17,519	-	3,056,090
Machinery and equipment	1,511,078	991,284	-	2,502,362
Total other capital assets	56,788,424	1,008,803	-	57,797,227
Less accumulated depreciation for:				
Buildings	(4,055,785)	(140,382)	-	(4,196,167)
Infrastructure	(24,039,683)	(1,155,646)	-	(25,195,329)
Improvements other than buildings	(1,814,544)	(75,949)	-	(1,890,493)
Machinery and equipment	(1,058,510)	(66,825)	-	(1,125,335)
Total accumulated depreciation	(30,968,522)	(1,438,802)	-	(32,407,324)
Other capital assets, net	25,819,902	(429,999)	-	25,389,903
Business-Type Activities Capital Assets, Net	\$ 27,584,312	\$ 1,255,080	\$ (926,534)	27,912,858
			Plus unspent bond proceeds	504,023
			Plus deferred charge on refunding	804,570
			Less associated debt	(15,379,904)
			Net Investment in Capital Assets	\$ 13,841,547

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

Depreciation was charged to business-type functions as follows:

Utility	\$	1,369,253
Sanitation		40,944
Emergency medical services		<u>28,605</u>
Total Business-Type Activities Depreciation Expense	\$	<u>1,438,802</u>

Commitments

Construction in progress and remaining commitments under related construction contracts for business-type projects at year end are as follows:

Project Description	Authorized Contract	Contract Expenditures	Remaining Contract
Waste Water Treatment Plant Office and Facilities	\$ 660,309	\$ 638,527	\$ 21,782
Sewer Rehabilitation	<u>1,299,601</u>	<u>443,061</u>	<u>856,540</u>
Total	<u>\$ 1,959,910</u>	<u>\$ 1,081,588</u>	<u>\$ 878,322</u>

Encumbrances

At year end, the amounts of encumbrances expected to be honored upon performance by the vendor in the next year for business-type funds were as follows:

Water and sewer fund	\$	214,588
Emergency management services fund		7,002
Total	\$	<u>221,590</u>

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

D. Long-Term Debt

The following is a summary of changes in the City's total governmental and business-type activities long-term liabilities for the year ended. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	<u>Beginning</u>			<u>Ending</u>	<u>Amounts</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due Within</u>
					<u>One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
General obligation bonds	\$ 6,153,088	\$ -	\$ (998,332)	\$ 5,154,756 *	\$ 851,088
Certificates of obligation	4,656,772	-	(285,525)	4,371,247 *	341,735
Deferred amounts:					
For issuance discounts/premiums	231,616	-	(16,334)	215,282 *	-
Capital lease	450,000	55,244	(32,754)	472,490 *	34,664
	<u>11,491,476</u>	<u>55,244</u>	<u>(1,332,945)</u>	<u>10,213,775</u>	<u>1,227,487</u>
Other liabilities:					
Net pension obligation	1,048,810	75,609	-	1,124,419	-
Compensated absences	523,341	423,046	(419,057)	527,330	474,597
	<u>13,063,627</u>	<u>553,899</u>	<u>(1,752,002)</u>	<u>11,865,524</u>	<u>1,702,084</u>
Total Governmental Activities	\$ 13,063,627	\$ 553,899	\$ (1,752,002)	\$ 11,865,524	\$ 1,702,084
				<u>Long-term debt due in more than one year</u>	<u>\$ 10,163,440</u>
				<u>*Debt associated with governmental activity capital assets</u>	<u>\$ 10,213,775</u>

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Business-Type Activities:					
General obligation bonds	\$ 10,740,921	\$ 5,005,000	\$ (1,185,669)	\$ 14,560,252	* \$ 1,158,913
Certificates of obligation	898,228	-	(274,475)	623,753	* 293,265
Revenue bonds	4,925,000	-	(4,925,000)	-	*
Deferred amounts:					
For issuance discounts/premiums	179,071	-	16,828	195,899	*
	<u>16,743,220</u>	<u>5,005,000</u>	<u>(6,368,316)</u>	<u>15,379,904</u>	<u>1,452,178</u>
Other liabilities:					
Net pension obligation	290,292	19,185	-	309,477	-
Compensated absences	59,068	66,547	(50,481)	75,134	67,620
Total Business-Type Activities	<u>\$ 17,092,580</u>	<u>\$ 5,090,732</u>	<u>\$ (6,418,797)</u>	<u>\$ 15,764,515</u>	<u>\$ 1,519,798</u>
				<u>Long-term debt due in more than one year</u>	<u>\$ 14,244,717</u>
				<u>*Debt associated with business-type activity capital assets</u>	<u>\$ 15,379,904</u>

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences and net pension obligation are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The City's long-term debt includes all outstanding bonded debt secured by the full faith and credit of the City. The bonds are certificates of obligation, general obligation and contractual obligation bonds which are secured by the full faith and credit of the City and are paid through the debt service fund from tax revenues. The City's water and sewer fund has some general obligation bond issues recorded which are secured by the full faith and credit of the City. Although the debt payments are made from the water and sewer fund, the utilities revenue is not pledged to secure the bond payments.

In prior years, the City issued combined tax and revenue certificates of obligation bonds for constructing and acquiring improvements, extensions, and additions to the City's sanitary sewer system. These certificates of obligation are payable from City property taxes and certain revenues of the City's combined water works and sanitary sewer system. The revenues are pledged to the extent that taxes may be insufficient or unavailable for the payment of the principal and interest on the certificates. Such pledge is, and shall be, junior and subordinate in all respects to the pledge of such net revenues to the payment of any obligation of the City which the City designates as having pledge senior to these certificates. The schedule includes these transactions in the enterprise fund as the City is currently repaying these bonds from water and sewer revenues.

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

Prior Year Defeasance of Debt

In 2012, the City defeased portions of the tax and revenue certificates of obligation bonds, series 2006A, series 2006B, and series 2006C by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At September 30, 2014, \$4,190,000 of the defeased bonds remains outstanding.

Long-term debt at year end was comprised of the following debt issues:

<u>Description</u>	<u>Interest Rates</u>	<u>Balance</u>
<u>Governmental Activities</u>		
General Obligation Bonds		
Series 2011 refunding	3.00-4.00%	\$ 2,725,426
Series 2012 refunding	1.00-2.00%	1,364,330
Series 2013 tax note	1.59%	1,065,000
Total General Obligation Bonds		5,154,756
Certificates of Obligation		
Series 2006A	4.00%	95,000
Series 2006C	4.00%	85,000
Series 2011	2.50-4.00%	4,191,247
Total Certificates of Obligation		4,371,247
Capital Lease		
Fire truck	3.24%	419,539
Motorcycles	1.81%	52,951
Total Capital Lease		472,490
Total Governmental Activities Long-Term Debt		\$ 9,998,493

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

Description	Interest Rates	Balance
Business-Type Activities		
General Obligation Bonds		
Series 2011 refunding	3.00-4.00%	\$ 3,019,582
Series 2012 refunding	1.00-2.00%	6,535,670
Series 2013 refunding	2.95%	5,005,000
Total General Obligation Bonds		14,560,252
Certificates of Obligation		
Series 2006B	4.00%	280,000
Series 2011	2.50-4.00%	343,753
Total Certificates of Obligation		623,753
Total Business-Type Activities Long-Term Debt		\$ 15,184,005

The annual requirements to amortize bond and certificate debt issues outstanding at year end were as follows:

Year Ending	Governmental Activities				Business-Type Activities	
	Bonds		Capital Lease		Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 1,192,823	\$ 269,445	\$ 34,664	\$ 15,094	\$ 1,452,178	\$ 345,287
2016	1,133,358	240,618	35,777	13,981	1,736,643	309,288
2017	679,337	219,088	36,925	12,833	1,120,663	280,735
2018	687,450	204,212	38,111	11,647	1,132,551	261,795
2019	715,886	187,766	36,326	10,432	1,164,114	240,483
2020-2024	2,716,956	672,668	151,147	37,644	5,238,045	807,328
2025-2029	1,720,910	313,698	139,540	11,494	3,284,090	226,266
2030-2031	679,283	27,449	-	-	55,721	2,251
Total	\$ 9,526,003	\$ 2,134,944	\$ 472,490	\$ 113,125	\$ 15,184,005	\$ 2,473,433

The City is not obligated in any manner for special assessment debt. Capital assets acquired under current capital lease obligations totaled \$505,061 less accumulated depreciation of \$39,195, net \$465,866.

Current Refunding

During fiscal year 2014, the City issued \$5,005,000 of general obligation refunding bonds, series 2013 for the current refunding of \$4,900,000 of water and sewer system revenue bonds, series 2005. The refunding was to take advantage of lower interest rates and reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$230,059. This amount is being amortized over the remaining life of the refunded debt, which is the same as

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

the life of the new debt issued. This refunding resulted in an economic gain of \$402,670 and a reduction of \$494,475 in future debt service payments over the next 15 years.

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

E. Interfund Transactions

The composition of advances to/from balances as of year end was as follows:

Receivable Fund	Payable Fund	Amounts
Vehicle replacement	Emergency medical services	\$ 17,652

Amounts recorded as advances to/from are considered to be temporary loans and will generally be repaid in more than one year.

Transfers between the primary government funds during the year were as follows:

Transfer In	Transfer Out	Amounts
General fund	Water & sewer fund	\$ 649,910
General fund	Sanitation fund	153,713
General fund	EMS fund	54,464
General fund	Sales tax capital projects fund	425,251
General fund	Nonmajor governmental funds	33,753
Nonmajor governmental funds	General fund	21,962
Nonmajor governmental funds	Nonmajor governmental funds	868,119
Water & sewer fund	Sanitation fund	69,635
		\$ 2,276,807

Amounts transferred between funds related to amounts collected by general, sales tax capital projects, water and sewer, sanitation, EMS, and other nonmajor governmental funds for various governmental and business-type expenditures and debt payments.

F. Fund Equity

As of September 30, 2014, \$915,399 of the City's total fund balance is restricted by enabling legislation.

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

C. Pension Plans

1. Texas Municipal Retirement System

Plan Description

The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and Required Supplementary Information for TMRS. The report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by TMRS. This report may be obtained from the TMRS website at www.TMRS.com.

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>2014</u>	<u>2013</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percentage of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to TMRS at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

The annual pension cost and the net pension obligation are as follows:

Annual required contribution (ARC)	\$ 1,622,457
Interest on net pension obligation (NPO)	93,737
Adjustment to the ARC	<u>(84,289)</u>
Annual pension cost (APC)	1,631,905
Contributions made	<u>(1,537,110)</u>
Increase in NPO	94,795
NPO-beginning of year	1,339,101
NPO-end of year	<u><u>\$ 1,433,896</u></u>

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

Three-year trend information for the annual pension cost (APC) is as follows:

Fiscal Year	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 1,651,088	\$ 1,403,345	85.00%	\$ 1,209,419
2013	\$ 1,588,000	\$ 1,458,318	91.83%	\$ 1,339,101
2014	\$ 1,631,905	\$ 1,537,110	94.19%	\$ 1,433,896

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

	2014	2013	2012
Actuarial Valuation Date	12/31/2013	12/31/2012	12/31/2011
Actuarial Cost Method	Entry Age Normal	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 Equivalent Single Amortization Period	21.0 Years - closed period	25.1 Years - closed period	26.1 Years - closed period
Amortization Period for New Gains/Losses	30 years	30 years	30 years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Investment Rate of Return	7.00%	7.00%	7.00%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Includes Inflation at Cost of Living Adjustments	3.00%	3.00%	3.00%
	2.10%	2.10%	2.10%

Funded Status and Funding Progress

In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report.

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

The funded status as of December 31, 2013, the most recent valuation date, is as follows:

		2014
Actuarial Valuation Date		12/31/2013
Actuarial Value of Assets	\$	39,588,527
Actuarial Accrued Liability	\$	51,305,029
Percentage Funded		77.2%
Unfunded Actuarial Accrued Liability (UAAL)	\$	11,716,502
Annual Covered Payroll	\$	9,388,530
UAAL as a Percentage of Covered Payroll		124.8%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

2. Texas Emergency Services Retirement System

Plan Description

The Texas Emergency Services Retirement System (TESRS) administers a cost-sharing multiple employer pension system (the "System") established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. At August 31, 2014, there were 198 contributing fire and/or emergency services department members participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department.

On August 31, 2014, the System membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits		3,073
Terminated Members Entitled to Benefits but Not Yet Receiving Them		2,161
Active Participants (Vested and Nonvested)		<u>4,036</u>
		9,270

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50 percent vested after the tenth year of service, with the vesting percent increasing ten percent for each of the next five years of service so that a member becomes 100 percent vested with 15 years of service.

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2 percent compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount or continuing monthly payments to a member's surviving spouse and dependent children.

Funding Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities.

The State is required to contribute an amount necessary to make the System "actuarially sound" each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The Board rule defining contributions was amended effective July 27, 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the State are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percent of the Part One portion (not to exceed 15 percent), is to be actuarially adjusted near the end of each even-numbered calendar year based on the most recent actuarial valuation. Based on the actuarial valuation as of August 31, 2014, the Part Two contribution rate was zero percent, since the first actuarial valuation report after the adoption of the rules showed the System to have an adequate contribution arrangement without any Part Two contributions.

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to ten years of credit for service per member. Prior service purchased must have occurred before the department began participation in the System.

A small subset of participating departments has a different contribution arrangement which is being phased out over time. In this arrangement, contributions made in addition to the monthly contributions for active members are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when their respective departments merged into the System. There is no actuarial impact associated with this arrangement as the pay-as-you-go contributions made by these governing bodies are always equal to benefit payments paid by the System.

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

Contributions Required and Contributions Made

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather the minimum contribution provisions are set by Board rule, and there is no maximum contribution rate. For the fiscal year ending August 31, 2014, the total contributions (dues, prior service, and interest on prior service financing) of \$4,176,659 were paid into TESRS by the political subdivisions served by the member volunteer emergency services personnel. The State appropriated \$1,530,343 for the fiscal year ending August 31, 2014.

The actuarial valuation as of August 31, 2014 stated that TESRS has an adequate contribution arrangement for the benefit provisions recognized in the valuation based on the expected total contributions, including the expected contribution both from the governing body of each participating department and from the State. The expected contributions from the State are state appropriations equal to (1) the maximum annual contribution (one-third of all contributions to TESRS by governing bodies of participating departments in a year) as needed in accordance with state law governing TESRS and (2) approximately \$625,000 each year to pay for part of the System's administrative expenses. On August 31, 2014, the actuarial liabilities exceeded the actuarial assets by \$26,093,761.

Actuarial Assumptions

The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	8/31/2014
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar, Open
Amortization Period	30 years
Asset Valuation Method	Market value smoothed by a 5-year deferred recognition method with a 80%/120% corridor on market value
Actuarial Assumptions:	
Investment Rate of Return*	7.75%
Projected Salary Increases	N/A
*Includes Inflation At	3.50%
Cost of Living Adjustments	None

Three Year Contribution Information for the City

Fiscal Year	Annual Pension Percentage of ARC		Net Pension Obligation
	Cost (ARC)	Contributions	
2012	\$ 87,070	100%	\$ -
2013	\$ 91,715	100%	\$ -
2014	\$ 98,835	100%	\$ -

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

A report may be obtained by writing the office of the fire fighters' pension commissioner, P.O. Box 12577, Austin, TX 78711-2577.

D. Other Post Employment Benefits

TMRS Supplemental Death Benefit Fund

Plan Description

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post employment benefit," or OPEB. The obligations of this plan are payable only from the SDBF and are not an obligation of, or a claim against, the Pension Trust Fund. For the year ended September 30, 2014, the City offered the supplemental death benefit to both active and retired employees.

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to ensure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the fiscal years ended 2014, 2013, and 2012 were \$2,852, \$2,794, and \$2,886, respectively. The City's contribution rates for the past three years are shown below:

	2014	2013	2012
Annual Req. Contrib. (Rate)	0.03%	0.03%	0.03%
Actual Contribution Made	0.03%	0.03%	0.03%
Percentage of ARC Contrib.	100.00%	100.00%	100.00%

E. Deferred Compensation Plan

The City offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Plan's trust arrangements are established to protect deferred compensation amounts of employees under the Plan from any other use than intended under the Plan (eventual payment to employees deferring the compensation) in accordance with federal tax laws. Amounts of compensation deferred by

CITY OF ALVIN, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2014

employees under Plan provisions are disbursed monthly by the City to a third party administrator. The third party administrator handles all funds in the Plan and makes investment decisions and disburses funds to employees in accordance with Plan provisions.

F. Chapter 380 Economic Development Agreement

Chapter 380, *Miscellaneous Provisions Relating to Municipal Planning and Development*, of the Texas Local Government Code provides the authority to the governing body of a municipality to establish and provide for the administration of one or more programs, including programs to promote state or local economic development and to stimulate business and commercial activity in the municipality. The City has entered into a Chapter 380 Economic Development Agreement (the "Agreement") with one business. The term of this agreement is for a period of seven years. This business agreed to make real property improvements that create value of at least \$3,000,000 and shall increase personal property value of at least \$11,000,000. The improvements shall include a 50,000 square foot addition to the facility and other real property improvements and personal property additions. In addition, the facility shall employ a minimum of 165 full-time equivalent employees during the term of this Agreement at an agreed upon minimum annual salary. This Agreement also includes a hotel room night incentive. Grant payments, in the form of property tax rebates, will began in fiscal year 2014. The agreement provides for a maximum grant payment of \$704,867 over the seven year term.

G. Industrial District Agreement

On November 21, 2013, the City entered into an industrial district agreement with one company which purchased property within the City's extraterritorial jurisdiction (known as the "industrial district"). This company has agreed to pay an amount "in-lieu of taxes" in the unannexed area within the City's extraterritorial jurisdiction. This contract is executed for a ten-year period. In the agreement, the company agreed to pay the City 50 percent of what the ad valorem taxes would have been had the company's land, improvements, and inventory been within the corporate limits of the City. During the fiscal year, the City received revenues of \$628,847 related to this agreement.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF ALVIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2014

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 6,633,961	\$ 6,633,961	\$ 6,542,250	\$ (91,711)
Sales taxes	2,034,840	2,034,840	2,063,104	28,264
Franchise fees and taxes	1,321,000	1,321,000	1,339,913	18,913
Other taxes	195,756	550,756	667,914	117,158
Licenses and permits	626,250	626,250	757,846	131,596
Fines and forfeitures	413,200	468,200	499,308	31,108
Charges for services	162,590	179,080	194,628	15,548
Intergovernmental	-	42,327	42,327	-
Investment revenue	13,000	13,000	2,117	(10,883)
Total Revenues	11,400,597	11,869,414	12,109,407	239,993
Expenditures				
General government:				
Administrative	1,934,952	2,044,376	1,950,903	93,473
City attorney	404,061	420,558	418,602	1,956
City manager	266,002	351,032	344,034	6,998
Finance	784,575	822,913	754,626	68,287
Economic development	251,098	251,098	249,347	1,751
Total General Government Expenditures	3,640,688	3,889,977	3,717,512	172,465
Public safety:				
Police	6,147,549	6,142,893	6,127,500	15,393
Fire	850,531	858,701	844,816	13,885
Total Public Safety Expenditures	6,998,080	7,001,594	6,972,316	29,278
Public services	822,799	822,799	733,558	89,241
Code enforcement	127,188	127,188	127,112	76
Culture, parks, and recreation	1,410,027	1,412,109	1,334,715	77,394
Capital outlay	-	586,048	586,048	-
Debt service:				
Principal	30,461	30,461	30,461	-
Interest	7,297	7,297	7,297	-
Total Expenditures	13,036,540	13,877,473	13,509,019	368,454
(Deficiency) of Revenues				
(Under) Expenditures	(1,635,943)	(2,008,059)	(1,399,612)	608,447
Other Financing Sources (Uses)				
Transfers in	1,246,159	1,246,159	1,317,091	70,932
Transfers (out)	(21,962)	(21,962)	(21,962)	-
Capital leases	-	-	55,244	55,244
Total Other Financing Sources	1,224,197	1,224,197	1,350,373	126,176
Net Change in Fund Balance	\$ (411,746)	\$ (783,862)	(49,239)	\$ 734,623
Beginning fund balance			5,531,498	
Ending Fund Balance			\$ 5,482,259	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF ALVIN, TEXAS
SCHEDULE OF FUNDING PROGRESS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2014

Fiscal Year	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarial Valuation Date	12/31/2013	12/31/2012	12/31/2011
Actuarial Value of Assets	\$ 39,588,527	\$ 36,130,761	\$ 33,237,906
Actuarial Accrued Liability	\$ 51,305,029	\$ 44,880,611	\$ 41,900,372
Percentage Funded	77.2%	80.5%	79.3%
Unfunded Actuarial			
Accrued Liability (UAAL)	\$ 11,716,502	\$ 8,749,850	\$ 8,662,466
Annual Covered Payroll	\$ 9,388,530	\$ 9,356,882	\$ 8,771,627
UAAL % of Covered Payroll	124.8%	93.5%	98.8%
Net Pension Obligation (NPO)			
at the Beginning of Period	\$ 1,339,101	\$ 1,209,419	\$ 961,676
Annual Pension Cost (APC)	1,631,905	1,588,000	1,651,088
Contributions Made	1,537,110	1,458,318	1,403,345
	<u>1,433,896</u>	<u>1,339,101</u>	<u>1,209,419</u>
NPO at the End of Period	<u>\$ 1,433,896</u>	<u>\$ 1,339,101</u>	<u>\$ 1,209,419</u>

CITY OF ALVIN, TEXAS
SCHEDULE OF FUNDING PROGRESS
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM
For the Year Ended September 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability ⁽¹⁾ (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Total Members Covered (c)	UAAL Per Member Covered [(b-a)/c]
8/31/10 ⁽³⁾	\$ 64,113,803	\$ 81,264,230	\$ 17,150,427	78.9%	8,644	\$ 1,984
8/31/12 ⁽²⁾	\$ 67,987,487	\$ 101,856,042	\$ 33,868,555	66.7%	9,448	\$ 3,585
8/31/14	\$ 83,761,038	\$ 109,854,799	\$ 26,093,761	76.2%	9,270	\$ 2,815

- (1) The actuarial accrued liability is based upon the entry age actuarial cost method.
(2) Changes in actuarial assumptions were reflected in this valuation.
(3) Change in an actuarial assumption and method were reflected in this valuation.

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***COMBINING STATEMENTS
AND SCHEDULES***

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CITY OF ALVIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended September 30, 2014

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 1,565,444	\$ 1,565,444	\$ 1,538,565	\$ (26,879)
Investment revenue	350	350	206	(144)
Total Revenues	1,565,794	1,565,794	1,538,771	(27,023)
Expenditures				
Debt service:				
Principal	1,267,127	1,267,127	1,267,127	-
Interest and fiscal agent fees	297,417	297,417	294,417	3,000
Total Expenditures	1,564,544	1,564,544	1,561,544	3,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,250	1,250	(22,773)	(24,023)
Net Change in Fund Balance	\$ 1,250	\$ 1,250	(22,773)	\$ (24,023)
Beginning fund balance			102,167	
Ending Fund Balance			\$ 79,394	

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CITY OF ALVIN, TEXAS
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted, committed, or assigned to expenditures for particular purposes.

Hotel/Motel Fund

This fund is used to account for hotel tax revenue from local hotels.

Special Investigation Fund

This fund is used to account for donations and expenditures related to law enforcement.

Court Building Security Fund

This fund is used to account for collection and disbursement of money used for court security.

Municipal Court Technology Fund

This fund is used to account for municipal court computer technology.

Donation Fund

This fund is designated to receive donations for various related activities.

Juvenile Case Manager Fund

This fund is used to account for expenses related to juvenile case management.

Senior Fund

This fund is used to account for revenues and expenditures for senior citizen outreach.

Park Dedication Fund

This fund is designated to receive donations for local parks.

Comcast PEG Fees Fund

This fund is used to account for revenues and expenditures from Public Educational Governmental access fees.

TIRZ No. 1 Fund

This fund is designated to separate property tax funds that will be utilized to pay for super speedway development.

TIRZ No. 2 Fund

This fund is designated to separate property tax funds that will be utilized to pay for certain infrastructure costs for the Kendall Lakes Redevelopment Authority.

TIRZ No. 3 Fund

This fund is designated to separate property tax funds that will be utilized to pay for certain infrastructure costs.

Kendall Lakes TIRZ Redevelopment Authority

This fund is used to account for the development activity related to the Kendall Lakes area in TIRZ No. 2.

CDBG Disaster Recovery

This fund is used to account for the activity related to the Community Development Block Grant Disaster Recovery Grant.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for specific revenues that are legally restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Bond Capital Projects Fund

This fund is used to account for revenues and expenditures for capital projects funded by bonds.

Tax Note Capital Projects Fund

This fund is used to account for revenues and expenditures for capital projects funded by tax notes.

PERMANENT FUNDS

Permanent Funds are used to account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

Cemetery Fund

This fund is to account for the endowment of assets contributed and proceeds being expensed.

CITY OF ALVIN, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)
September 30, 2014

Special Revenue Funds

	<u>Hotel/ Motel</u>	<u>Special Investigation</u>	<u>Court Building Security</u>	<u>Municipal Court Technology</u>
Assets				
Cash and equity in pooled cash and investments	\$ 594,934	\$ 29,578	\$ 117,854	\$ 8,213
Receivables, net	63,946	864	-	-
Prepaid items	-	-	250	-
Total Assets	<u>\$ 658,880</u>	<u>\$ 30,442</u>	<u>\$ 118,104</u>	<u>\$ 8,213</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts payable and accrued liabilities	\$ 5,340	\$ 2,014	\$ -	\$ 2,100
Total Liabilities	<u>5,340</u>	<u>2,014</u>	<u>-</u>	<u>2,100</u>
Fund balances:				
Nonspendable:				
Prepaid items	-	-	250	-
Restricted for:				
Perpetual care	-	-	-	-
Enabling legislation	653,540	-	117,854	6,113
Tax increment reinvestment zone	-	-	-	-
Capital projects	-	-	-	-
Assigned to:				
Special projects	-	28,428	-	-
Permanent fund	-	-	-	-
Total Fund Balances	<u>653,540</u>	<u>28,428</u>	<u>118,104</u>	<u>6,113</u>
Total Liabilities and Fund Balances	<u>\$ 658,880</u>	<u>\$ 30,442</u>	<u>\$ 118,104</u>	<u>\$ 8,213</u>

Special Revenue Funds

<u>Donation</u>	<u>Juvenile Case Manager</u>	<u>Senior</u>	<u>Park Dedication</u>	<u>Comcast PEG Fees</u>	<u>TIRZ No. 1</u>
\$ 87,142	\$ 56,553	\$ 8,076	\$ 16,144	\$ 124,343	\$ 44
23	-	107	-	13,549	-
-	-	-	-	-	-
<u>\$ 87,165</u>	<u>\$ 56,553</u>	<u>\$ 8,183</u>	<u>\$ 16,144</u>	<u>\$ 137,892</u>	<u>\$ 44</u>
\$ 955	\$ 529	\$ 1,207	\$ -	\$ -	\$ -
955	529	1,207	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	137,892	-
-	-	-	-	-	44
-	-	-	-	-	-
86,210	56,024	6,976	16,144	-	-
-	-	-	-	-	-
<u>86,210</u>	<u>56,024</u>	<u>6,976</u>	<u>16,144</u>	<u>137,892</u>	<u>44</u>
<u>\$ 87,165</u>	<u>\$ 56,553</u>	<u>\$ 8,183</u>	<u>\$ 16,144</u>	<u>\$ 137,892</u>	<u>\$ 44</u>

CITY OF ALVIN, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)
September 30, 2014

	<u>Special Revenue Funds</u>			
	<u>TIRZ No. 2</u>	<u>TIRZ No. 3</u>	<u>Kendall Lakes TIRZ Redevelop- ment Authority</u>	<u>CDBG Disaster Recovery</u>
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 8,273	\$ 1,718	\$ 138,014	\$ 24,660
Receivables, net	-	-	-	519,235
Prepaid items	-	-	-	-
Total Assets	\$ 8,273	\$ 1,718	\$ 138,014	\$ 543,895
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 543,895
Total Liabilities	-	-	-	543,895
Fund balances:				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Perpetual care	-	-	-	-
Enabling legislation	-	-	-	-
Tax increment reinvestment zone	8,273	1,718	138,014	-
Capital projects	-	-	-	-
Assigned to:				
Special projects	-	-	-	-
Permanent fund	-	-	-	-
Total Fund Balances	8,273	1,718	138,014	-
Total Liabilities and Fund Balances	\$ 8,273	\$ 1,718	\$ 138,014	\$ 543,895

<u>Capital Projects Fund</u>		<u>Permanent Fund</u>	
<u>Bond Capital Projects</u>	<u>Tax Note Capital Projects</u>	<u>Cemetery</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 198,620	\$ 18,235	\$ 466,863	\$ 1,899,264
-	-	-	597,724
-	-	-	250
<u>\$ 198,620</u>	<u>\$ 18,235</u>	<u>\$ 466,863</u>	<u>\$ 2,497,238</u>
\$ -	\$ 7,138	\$ 1,437	\$ 564,615
-	7,138	1,437	564,615
-	-	-	250
-	-	50,000	50,000
-	-	-	915,399
-	-	-	148,049
198,620	11,097	-	209,717
-	-	-	193,782
-	-	415,426	415,426
<u>198,620</u>	<u>11,097</u>	<u>465,426</u>	<u>1,932,623</u>
<u>\$ 198,620</u>	<u>\$ 18,235</u>	<u>\$ 466,863</u>	<u>\$ 2,497,238</u>

CITY OF ALVIN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)
For the Year Ended September 30, 2014

	Special Revenue Funds			
	Hotel/ Motel	Special Investigation	Court Building Security	Municipal Court Technology
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise and local taxes	296,300	-	-	-
Fines and forfeitures	-	-	10,300	13,733
Charges for services	-	-	-	-
Intergovernmental	-	10,571	-	-
Investment revenue	11,130	129	125	-
Other revenue	-	2,968	-	-
Total Revenues	307,430	13,668	10,425	13,733
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	80,227	4,414	7,620
Community services	229,719	-	-	-
Culture, parks, and recreation	-	-	-	-
Capital outlay	-	15,800	-	-
Debt service:				
Principal	16,730	-	-	-
Interest and fiscal charges	2,821	-	-	-
Total Expenditures	249,270	96,027	4,414	7,620
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	58,160	(82,359)	6,011	6,113
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	58,160	(82,359)	6,011	6,113
Beginning fund balances	595,380	110,787	112,093	-
Ending Fund Balances	\$ 653,540	\$ 28,428	\$ 118,104	\$ 6,113

Special Revenue Funds

Donation	Juvenile Case Manager	Senior	Park Dedication	Comcast PEG Fees	TIRZ No. 1
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	65,601	-
-	-	-	-	-	-
-	-	-	-	-	-
72,240	-	-	-	-	-
9	105	4	-	157	-
-	19,028	5,452	-	-	-
<u>72,249</u>	<u>19,133</u>	<u>5,456</u>	<u>-</u>	<u>65,758</u>	<u>-</u>
4,198	-	-	-	-	-
11,546	10,101	-	-	-	-
-	-	4,769	-	-	-
17,419	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>33,163</u>	<u>10,101</u>	<u>4,769</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>39,086</u>	<u>9,032</u>	<u>687</u>	<u>-</u>	<u>65,758</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
39,086	9,032	687	-	65,758	-
47,124	46,992	6,289	16,144	72,134	44
<u>\$ 86,210</u>	<u>\$ 56,024</u>	<u>\$ 6,976</u>	<u>\$ 16,144</u>	<u>\$ 137,892</u>	<u>\$ 44</u>

CITY OF ALVIN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)
For the Year Ended September 30, 2014

	Special Revenue Funds			
	TIRZ No. 2	TIRZ No. 3	Kendall Lakes TIRZ Redevelop- ment Authority	CDBG Disaster Recovery
Revenues				
Property taxes	\$ 92,295	\$ -	\$ -	\$ -
Franchise and local taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	868,117
Investment revenue	-	-	61	-
Other revenue	-	-	-	-
Total Revenues	92,295	-	61	868,117
Expenditures				
Current:				
General government	-	-	36,745	-
Public safety	-	-	-	-
Community services	-	-	-	-
Culture, parks, and recreation	-	-	-	-
Capital outlay	-	-	-	868,117
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	36,745	868,117
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	92,295	-	(36,684)	-
Other Financing Sources (Uses)				
Transfer in	-	-	87,824	-
Transfers (out)	(87,824)	-	-	-
Total Other Financing Sources (Uses)	(87,824)	-	87,824	-
Net Change in Fund Balances	4,471	-	51,140	-
Beginning fund balances	3,802	1,718	86,874	-
Ending Fund Balances	\$ 8,273	\$ 1,718	\$ 138,014	\$ -

<u>Capital Projects Fund</u>		<u>Permanent Fund</u>	
<u>Bond Capital Projects</u>	<u>Tax Note Capital Projects</u>	<u>Cemetery</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 92,295
-	-	-	361,901
-	-	-	24,033
-	-	39,750	39,750
-	-	-	950,928
18	321	153	12,212
-	-	-	27,448
<u>18</u>	<u>321</u>	<u>39,903</u>	<u>1,508,567</u>
-	-	-	40,943
-	-	-	113,908
-	-	39,960	274,448
-	-	-	17,419
1,618,303	146,057	13,070	2,661,347
-	-	-	16,730
-	-	-	2,821
<u>1,618,303</u>	<u>146,057</u>	<u>53,030</u>	<u>3,127,616</u>
<u>(1,618,285)</u>	<u>(145,736)</u>	<u>(13,127)</u>	<u>(1,619,049)</u>
780,295	-	21,962	890,081
(15,295)	(765,000)	(33,753)	(901,872)
<u>765,000</u>	<u>(765,000)</u>	<u>(11,791)</u>	<u>(11,791)</u>
(853,285)	(910,736)	(24,918)	(1,630,840)
<u>1,051,905</u>	<u>921,833</u>	<u>490,344</u>	<u>3,563,463</u>
<u>\$ 198,620</u>	<u>\$ 11,097</u>	<u>\$ 465,426</u>	<u>\$ 1,932,623</u>

CITY OF ALVIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2014

	Hotel/Motel			Variance with Final Budget Positive (Negative)
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	
Revenues				
Franchise and local taxes	\$ 246,000	\$ 287,400	\$ 296,300	\$ 8,900
Investment revenue	6,200	6,200	11,130	4,930
Total Revenues	252,200	293,600	307,430	13,830
Expenditures				
Current:				
Community services	267,851	267,851	229,719	38,132
Debt Service:				
Principal	16,730	16,730	16,730	-
Interest and fiscal charges	2,821	2,821	2,821	-
Total Expenditures	287,402	287,402	249,270	38,132
Net Change in Fund Balance	\$ (35,202)	\$ 6,198	58,160	\$ 51,962
Beginning fund balance			595,380	
Ending Fund Balance			\$ 653,540	

	Special Investigation			Variance with Final Budget Positive (Negative)
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	
Revenues				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 10,571	\$ 571
Investment revenue	150	150	129	(21)
Other revenue	1,500	1,500	2,968	1,468
Total Revenues	11,650	11,650	13,668	2,018
Expenditures				
Current:				
Public safety	30,000	80,856	80,227	629
Capital outlay	-	15,824	15,800	24
Total Expenditures	30,000	96,680	96,027	653
Net Change in Fund Balance	\$ (18,350)	\$ (85,030)	(82,359)	\$ 2,671
Beginning fund balance			110,787	
Ending Fund Balance			\$ 28,428	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF ALVIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2014

Court Building Security				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive Positive (Negative)
Revenues				
Fines and forfeitures	\$ 6,800	\$ 6,800	\$ 10,300	\$ 3,500
Investment revenue	200	200	125	(75)
Total Revenues	7,000	7,000	10,425	3,425
Expenditures				
Current:				
Public safety	6,000	6,000	4,414	1,586
Total Expenditures	6,000	6,000	4,414	1,586
Net Change in Fund Balance	\$ 1,000	\$ 1,000	6,011	\$ 5,011
Beginning fund balance			112,093	
Ending Fund Balance			\$ 118,104	

Municipal Court Technology				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive Positive (Negative)
Revenues				
Fines and forfeitures	\$ 8,500	\$ 12,500	\$ 13,733	\$ 1,233
Investment revenue	20	20	-	(20)
Total Revenues	8,520	12,520	13,733	1,213
Expenditures				
Current:				
Public safety	5,520	8,120	7,620	500
Total Expenditures	5,520	8,120	7,620	500
Net Change in Fund Balance	\$ 3,000	\$ 4,400	6,113	\$ 1,713
Beginning fund balance			-	
Ending Fund Balance			\$ 6,113	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF ALVIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2014

	Donation			Variance with Final Budget Positive (Negative)
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	
Revenues				
Intergovernmental	\$ 16,600	\$ 68,865	\$ 72,240	\$ 3,375
Investment revenue	100	100	9	(91)
Total Revenues	16,700	68,965	72,249	3,284
Expenditures				
Current:				
General government	4,250	6,250	4,198	2,052
Public safety	-	12,000	11,546	454
Culture, parks, and recreation	12,000	18,520	17,419	1,101
Total Expenditures	16,250	36,770	33,163	3,607
Net Change in Fund Balance	\$ 450	\$ 32,195	39,086	\$ 6,891
Beginning fund balance			47,124	
Ending Fund Balance			\$ 86,210	

	Juvenile Case Manager			Variance with Final Budget Positive (Negative)
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	
Revenues				
Investment revenue	\$ 125	\$ 125	\$ 105	\$ (20)
Other revenue	11,000	11,000	19,028	8,028
Total Revenues	11,125	11,125	19,133	8,008
Expenditures				
Current:				
Public safety	21,969	21,969	10,101	11,868
Total Expenditures	21,969	21,969	10,101	11,868
Net Change in Fund Balance	\$ (10,844)	\$ (10,844)	9,032	\$ 19,876
Beginning fund balance			46,992	
Ending Fund Balance			\$ 56,024	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF ALVIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2014

Senior				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment revenue	\$ 20	\$ 20	\$ 4	\$ (16)
Other revenue	6,000	8,230	5,452	(2,778)
Total Revenues	6,020	8,250	5,456	(2,794)
Expenditures				
Current:				
Community services	6,000	6,600	4,769	1,831
Total Expenditures	6,000	6,600	4,769	1,831
Net Change in Fund Balance	\$ 20	\$ 1,650	687	\$ (963)
Beginning fund balance			6,289	
Ending Fund Balance			\$ 6,976	

Comcast PEG Fees				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Franchise and local taxes	\$ 31,000	\$ 31,000	\$ 65,601	\$ 34,601
Investment revenue	-	-	157	157
Total Revenues	31,000	31,000	65,758	34,758
Net Change in Fund Balance	\$ 31,000	\$ 31,000	65,758	\$ 34,758
Beginning fund balance			72,134	
Ending Fund Balance			\$ 137,892	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF ALVIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2014

TIRZ No. 2				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 72,800	\$ 92,300	\$ 92,295	\$ (5)
Total Revenues	72,800	92,300	92,295	(5)
Other Financing (Uses)				
Transfers (out)	(69,160)	(87,824)	(87,824)	-
Total Other Financing (Uses)	(69,160)	(87,824)	(87,824)	-
Net Change in Fund Balance	\$ 3,640	\$ 4,476	4,471	\$ (5)
Beginning fund balance			3,802	
Ending Fund Balance			\$ 8,273	

Kendall Lakes TIRZ Redevelopment Authority				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment revenue	\$ 40	\$ 40	\$ 61	\$ 21
Total Revenues	40	40	61	21
Expenditures				
Current:				
General government	54,725	54,725	36,745	17,980
Total Expenditures	54,725	54,725	36,745	17,980
(Deficiency) of Revenues (Under) Expenditures	(54,685)	(54,685)	(36,684)	18,001
Other Financing Sources				
Transfers in	69,160	87,824	87,824	-
Total Other Financing Sources	69,160	87,824	87,824	-
Net Change in Fund Balance	\$ 14,475	\$ 33,139	51,140	\$ 18,001
Beginning fund balance			86,874	
Ending Fund Balance			\$ 138,014	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF ALVIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2014

Permanent Fund				
Cemetery				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive Negative
Revenues				
Charges for services	\$ 43,800	\$ 43,800	\$ 39,750	\$ (4,050)
Investment revenue	-	-	153	153
Total Revenues	43,800	43,800	39,903	(3,897)
Expenditures				
Current:				
Community services	22,552	39,960	39,960	-
Capital outlay	-	13,070	13,070	-
Total Expenditures	22,552	53,030	53,030	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,248	(9,230)	(13,127)	(3,897)
Other Financing Sources (Uses)				
Transfers in	21,962	21,962	21,962	-
Transfers (out)	(33,935)	(33,935)	(33,753)	182
Total Other Financing (Uses)	(11,973)	(11,973)	(11,791)	182
Net Change in Fund Balance	\$ 9,275	\$ (21,203)	(24,918)	\$ (3,715)
Beginning fund balance			490,344	
Ending Fund Balance			\$ 465,426	

Notes to Supplementary Information:

- Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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CITY OF ALVIN, TEXAS

INTERNAL SERVICE FUNDS

September 30, 2014

Central Shop Fund

This internal service fund is used to account for equipment replacement and maintenance services to departments or agencies of the City on a cost reimbursement basis.

Vehicle Replacement Fund

This internal service fund is used to account for vehicle replacement services to departments or agencies of the City on a cost reimbursement basis.

IT Maintenance Fund

This internal service fund is used to account for maintenance services to departments or agencies of the City on a cost reimbursement basis.

Computer Replacement Fund

This internal service fund is used to account for computer replacement services to departments or agencies of the City on a cost reimbursement basis.

CITY OF ALVIN, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

September 30, 2014

	<u>Central Shop</u>	<u>Vehicle Replacement</u>	<u>IT Maintenance</u>	<u>Computer Replacement</u>
<u>Assets</u>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 140,064	\$ 1,345,915	\$ 133,013	\$ 142,907
Accounts receivable	16,670	-	-	-
Advances to other funds	-	17,652	-	-
Inventory	32,029	-	-	-
Total Current Assets	<u>188,763</u>	<u>1,363,567</u>	<u>133,013</u>	<u>142,907</u>
Noncurrent assets:				
Capital assets:				
Buildings	7,754	-	-	-
Equipment	65,372	3,537,499	-	-
Less: accumulated depreciation	(23,180)	(2,374,648)	-	-
Total Capital Assets (Net of Accumulated Depreciation)	<u>49,946</u>	<u>1,162,851</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>49,946</u>	<u>1,162,851</u>	<u>-</u>	<u>-</u>
Total Assets	<u>238,709</u>	<u>2,526,418</u>	<u>133,013</u>	<u>142,907</u>
<u>Liabilities and Net Position</u>				
Current liabilities:				
Accounts payable	16,068	-	16,270	-
Compensated absences	9,080	-	-	-
Total Current Liabilities	<u>25,148</u>	<u>-</u>	<u>16,270</u>	<u>-</u>
Noncurrent liabilities:				
Compensated absences	1,009	-	-	-
Net pension obligation	21,933	-	7,913	-
Total Noncurrent Liabilities	<u>22,942</u>	<u>-</u>	<u>7,913</u>	<u>-</u>
Total Liabilities	<u>48,090</u>	<u>-</u>	<u>24,183</u>	<u>-</u>
<u>Net Position</u>				
Net investment in capital assets	49,946	1,162,851	-	-
Unrestricted	140,673	1,363,567	108,830	142,907
Total Net Position	<u>\$ 190,619</u>	<u>\$ 2,526,418</u>	<u>\$ 108,830</u>	<u>\$ 142,907</u>

Total

\$ 1,761,899
16,670
17,652
32,029
1,828,250

7,754
3,602,871
(2,397,828)

1,212,797
1,212,797
3,041,047

32,338
9,080
41,418

1,009
29,846
30,855
72,273

1,212,797
1,755,977

\$ 2,968,774

CITY OF ALVIN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2014

	<u>Central Shop</u>	<u>Vehicle Replacement</u>	<u>IT Maintenance</u>	<u>Computer Replacement</u>
<u>Operating Revenues</u>				
Charges for sales and services	\$ 472,009	\$ 538,291	\$ -	\$ 92,822
Other revenue	6,633	862	418,621	-
Total Operating Revenues	<u>478,642</u>	<u>539,153</u>	<u>418,621</u>	<u>92,822</u>
<u>Operating Expenses</u>				
Personnel services	225,867	-	-	-
Supplies	374,007	10,839	365,341	71,427
Depreciation	4,276	155,377	-	-
Total Operating Expenses	<u>604,150</u>	<u>166,216</u>	<u>365,341</u>	<u>71,427</u>
Operating Income (Loss)	<u>(125,508)</u>	<u>372,937</u>	<u>53,280</u>	<u>21,395</u>
<u>Nonoperating Revenues (Expenses)</u>				
Gain on sale of capital assets	-	11,537	-	-
Investment revenue	38	1,481	-	-
Total Nonoperating Revenues	<u>38</u>	<u>13,018</u>	<u>-</u>	<u>-</u>
Change in Net Position	(125,470)	385,955	53,280	21,395
Beginning net position	<u>316,089</u>	<u>2,140,463</u>	<u>55,550</u>	<u>121,512</u>
Ending Net Position	<u>\$ 190,619</u>	<u>\$ 2,526,418</u>	<u>\$ 108,830</u>	<u>\$ 142,907</u>

Total

\$ 1,103,122
426,116
1,529,238

225,867
821,614
159,653
1,207,134

322,104

11,537
1,519
13,056

335,160

2,633,614

\$ 2,968,774

CITY OF ALVIN, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2014

	Central Shop	Vehicle Replacement	IT Maintenance	Computer Replacement
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 486,997	\$ 567,807	\$ 418,621	\$ 92,822
Payments to suppliers	(388,778)	(18,650)	(356,570)	(71,427)
Payments to employees	(226,243)	-	-	-
Net Cash Provided (Used) by Operating Activities	(128,024)	549,157	62,051	21,395
<u>Cash Flows from Noncapital Financing Activities</u>				
Interfund loan payments received	-	30,065	-	-
Interest received on interfund loan	-	98	-	-
Net Cash Provided by Noncapital Financing Activities	-	30,163	-	-
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	-	(469,225)	-	-
Proceeds from sale of capital assets	-	11,537	-	-
Net Cash (Used) by Capital and Related Financing Activities	-	(457,688)	-	-
<u>Cash Flows from Investing Activities</u>				
Interest on investments	38	1,383	-	-
Net Cash Provided by Investing Activities	38	1,383	-	-
Net Increase (Decrease) in Cash and Equity in Pooled Cash and Investments	(127,986)	123,015	62,051	21,395
Beginning cash and equity in pooled cash and investments	268,050	1,222,900	70,962	121,512
Ending Cash and Equity in Pooled Cash and Investments	\$ 140,064	\$ 1,345,915	\$ 133,013	\$ 142,907
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (125,508)	\$ 372,937	\$ 53,280	\$ 21,395
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	4,276	155,377	-	-
Changes in Operating Assets and Liabilities: (Increase) Decrease in Current Assets:				
Accounts receivable	-	28,654	-	-
Inventories	6,897	-	-	-
Increase (Decrease) in Current Liabilities:				
Accounts payable	(14,771)	(7,811)	8,771	-
Net pension obligation	1,458	-	-	-
Compensated absences	(376)	-	-	-
Net Cash Provided (Used) by Operating Activities	\$ (128,024)	\$ 549,157	\$ 62,051	\$ 21,395

Total

\$ 1,566,247
(835,425)
(226,243)
504,579

30,065
98

30,163

(469,225)
11,537

(457,688)

1,421
1,421

78,475

1,683,424

\$ 1,761,899

\$ 322,104

159,653

28,654
6,897

(13,811)
1,458
(376)

\$ 504,579

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***OTHER
STATEMENTS***

CITY OF ALVIN, TEXAS
CONSOLIDATED BALANCE SHEET
GENERAL FUND - SUB-FUNDS
September 30, 2014

	General	Fire Fire Capital	Total General Fund
<u>Assets</u>			
Cash and equity in pooled cash and investments	\$ 2,756,755	\$ 126,773	\$ 2,883,528
Investments	1,774,976	-	1,774,976
Receivables, net	1,478,027	-	1,478,027
Prepaid items	16,397	-	16,397
Inventory	426	-	426
Total Assets	\$ 6,026,581	\$ 126,773	\$ 6,153,354
<u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 272,865	\$ -	\$ 272,865
Due to others	84,901	-	84,901
Total Liabilities	357,766	-	357,766
<u>Deferred Inflows of Resources</u>			
Unavailable revenue - property taxes	313,329	-	313,329
<u>Fund Balances</u>			
Nonspendable:			
Inventories	426	-	426
Prepaid items	16,397	-	16,397
Assigned to:			
Compensated absences	527,330	-	527,330
Unassigned	4,811,333	126,773	4,938,106
Total Fund Balances	5,355,486	126,773	5,482,259
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,026,581	\$ 126,773	\$ 6,153,354

CITY OF ALVIN, TEXAS

CONSOLIDATED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GENERAL FUND - SUB-FUNDS

For the Year Ended September 30, 2014

	General	Fire Capital	Total General Fund
<u>Revenues</u>			
Property taxes	\$ 6,542,250	\$ -	\$ 6,542,250
Sales taxes	2,063,104	-	2,063,104
Franchise fees and taxes	1,339,913	-	1,339,913
Other taxes	667,914	-	667,914
Licenses and permits	757,846	-	757,846
Fines and forfeitures	499,308	-	499,308
Charges for services	158,838	35,790	194,628
Intergovernmental	42,327	-	42,327
Investment revenue	2,117	-	2,117
	Total Revenues	35,790	12,109,407
<u>Expenditures</u>			
Current:			
General government	3,717,512	-	3,717,512
Public safety	6,678,552	293,764	6,972,316
Public services	733,558	-	733,558
Community services	127,112	-	127,112
Culture, parks, and recreation	1,334,715	-	1,334,715
Capital outlay	586,048	-	586,048
Debt service			
Principal	-	30,461	30,461
Interest	-	7,297	7,297
	Total Expenditures	331,522	13,509,019
	(Deficiency) of Revenues (Under) Expenditures	(295,732)	(1,399,612)
<u>Other Financing Sources (Uses)</u>			
Transfers in	1,317,091	-	1,317,091
Transfers (out)	(21,962)	-	(21,962)
	Total Other Financing Sources	-	1,350,373
	Net Change in Fund Balances	(295,732)	(49,239)
Beginning fund balances	5,108,993	422,505	5,531,498
	Ending Fund Balances	\$ 126,773	\$ 5,482,259

CITY OF ALVIN, TEXAS
CONSOLIDATED STATEMENT OF NET POSITION
WATER & SEWER FUND - SUB-FUNDS (Page 1 of 2)
September 30, 2014

	<u>Impact Fees</u>	<u>Utility</u>	<u>2005 Rev. & Refunding Bonds</u>	<u>2006B Certificates of Obligation</u>
Assets				
Current assets				
Cash and equity in pooled cash and investments	\$ 2,139,999	\$ 4,500,523	\$ 102,515	\$ 255,500
Investments	-	499,495	-	-
Accounts receivable (net of allowance for uncollectibles)	4,175	989,969	-	-
Inventory	-	116,258	-	-
Total Current Assets	<u>2,144,174</u>	<u>6,106,245</u>	<u>102,515</u>	<u>255,500</u>
Noncurrent assets				
Restricted cash, cash equivalents, and investments:				
Customer deposits	-	1,069,060	-	-
Total Restricted Assets	<u>-</u>	<u>1,069,060</u>	<u>-</u>	<u>-</u>
Capital assets:				
Land	-	937,829	-	-
Buildings	-	5,523,533	-	-
Improvements	-	266,535	-	142,068
Infrastructure	-	39,996,035	757,920	3,963,806
Equipment	-	1,966,335	13,829	157,721
Construction in progress	-	443,061	80,357	91,409
Less allowance for depreciation	-	(29,908,308)	-	-
Total Capital Assets (Net)	<u>-</u>	<u>19,225,020</u>	<u>852,106</u>	<u>4,355,004</u>
Total Noncurrent Assets	<u>-</u>	<u>20,294,080</u>	<u>852,106</u>	<u>4,355,004</u>
Total Assets	<u>\$ 2,144,174</u>	<u>\$ 26,400,325</u>	<u>\$ 954,621</u>	<u>\$ 4,610,504</u>
Deferred Outflows of Resources				
Deferred charge on refunding	\$ -	\$ 800,993	\$ -	\$ -

<u>2008</u> <u>Certificates of</u> <u>Obligation</u>	<u>2011</u> <u>Certificates of</u> <u>Obligation</u>	<u>Total</u> <u>Water and</u> <u>Sewer</u> <u>Fund</u>
\$ 194,391	\$ 17,519	\$ 7,210,447
-	-	499,495
-	-	994,144
-	-	116,258
194,391	17,519	8,820,344
-	-	1,069,060
-	-	1,069,060
-	-	937,829
-	-	5,523,533
-	-	408,603
1,343,215	-	46,060,976
-	-	2,137,885
466,761	-	1,081,588
-	-	(29,908,308)
1,809,976	-	26,242,106
1,809,976	-	27,311,166
\$ 2,004,367	\$ 17,519	\$ 36,131,510
\$ -	\$ -	\$ 800,993

CITY OF ALVIN, TEXAS
CONSOLIDATED STATEMENT OF NET POSITION
WATER & SEWER FUND - SUB-FUNDS (Page 2 of 2)
September 30, 2014

	<u>Impact Fees</u>	<u>Utility</u>	<u>2005 Rev. & Refunding Bonds</u>	<u>2006B Certificates of Obligation</u>
<u>Liabilities and Net Position</u>				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 9,601	\$ 83,597	\$ -	\$ -
Accrued interest payable	-	135,342	-	-
Bonds payable - current	-	1,421,957	-	-
Compensated absences	-	53,123	-	-
Total Current Liabilities	<u>9,601</u>	<u>1,694,019</u>	<u>-</u>	<u>-</u>
Current Liabilities Payable From Restricted Assets				
Customer deposits	-	1,069,060	-	-
Total Current Liabilities Payable From Restricted Assets	<u>-</u>	<u>1,069,060</u>	<u>-</u>	<u>-</u>
Noncurrent liabilities				
Bonds payable, net of deferred charges	-	13,706,393	-	-
Compensated absences	-	5,903	-	-
Net pension obligation	-	162,151	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>13,874,447</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>9,601</u>	<u>16,637,526</u>	<u>-</u>	<u>-</u>
Net Position				
Net investment in capital assets	-	5,401,686	852,106	4,355,004
Unrestricted net position	2,134,573	5,162,106	102,515	255,500
Total Net Position	<u>\$ 2,134,573</u>	<u>\$ 10,563,792</u>	<u>\$ 954,621</u>	<u>\$ 4,610,504</u>

<u>2008</u> <u>Certificates of</u> <u>Obligation</u>	<u>2011</u> <u>Certificates of</u> <u>Obligation</u>	<u>Total</u> <u>Water and</u> <u>Sewer</u> <u>Fund</u>
\$ 31,927	\$ -	\$ 125,125
-	-	135,342
-	-	1,421,957
-	-	53,123
<u>31,927</u>	<u>-</u>	<u>1,735,547</u>
<u>-</u>	<u>-</u>	<u>1,069,060</u>
<u>-</u>	<u>-</u>	<u>1,069,060</u>
-	-	13,706,393
-	-	5,903
-	-	162,151
<u>-</u>	<u>-</u>	<u>13,874,447</u>
<u>31,927</u>	<u>-</u>	<u>16,679,054</u>
1,809,976	-	12,418,772
<u>162,464</u>	<u>17,519</u>	<u>7,834,677</u>
<u>\$ 1,972,440</u>	<u>\$ 17,519</u>	<u>\$ 20,253,449</u>

CITY OF ALVIN, TEXAS

CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND

NET POSITION - WATER & SEWER FUND - SUB-FUNDS

For the Year Ended September 30, 2014

	Impact Fees	Utility	2005 Rev. & Refunding Bonds	2006B Certificates of Obligation
<u>Operating Revenues</u>				
Water service	\$ -	\$ 3,279,809	\$ -	\$ -
Sewer service	-	3,459,687	-	-
Other revenue	355,734	17,286	-	-
Total Operating Revenues	355,734	6,756,782	-	-
<u>Operating Expenses</u>				
Water service	13,051	1,241,227	97,485	10,489
Sewer service	-	2,109,800	-	39,010
Depreciation	-	1,369,253	-	-
Total Operating Expenses	13,051	4,720,280	97,485	49,499
Operating Income (Loss)	342,683	2,036,502	(97,485)	(49,499)
<u>Nonoperating Revenues (Expenses)</u>				
Gain on sale of capital assets	-	15,000	-	-
Investment revenue	3,438	8,397	-	-
Interest and fiscal agent fees	-	(501,303)	-	-
Total Nonoperating Revenues (Expenses)	3,438	(477,906)	-	-
Income (Loss) Before Contributions and Transfers	346,121	1,558,596	(97,485)	(49,499)
Capital contribution	-	868,117	-	-
Transfers in	-	359,410	-	-
Transfers (out)	-	(649,910)	-	-
Total Contributions and Transfers	-	577,617	-	-
Change in Net Position	346,121	2,136,213	(97,485)	(49,499)
Beginning net position	1,788,452	8,427,579	1,052,106	4,660,003
Ending Net Position	\$ 2,134,573	\$ 10,563,792	\$ 954,621	\$ 4,610,504

<u>2008</u> <u>Certificates of</u> <u>Obligation</u>	<u>2011</u> <u>Certificates of</u> <u>Obligation</u>	<u>Total</u> <u>Water and</u> <u>Sewer</u> <u>Fund</u>
\$ -	\$ -	\$ 3,279,809
-	-	3,459,687
-	-	373,020
-	-	7,112,516
-	4,890	1,367,142
-	-	2,148,810
-	-	1,369,253
-	4,890	4,885,205
-	(4,890)	2,227,311
-	-	15,000
-	-	11,835
-	-	(501,303)
-	-	(474,468)
-	(4,890)	1,752,843
-	-	868,117
-	-	359,410
-	(289,775)	(939,685)
-	(289,775)	287,842
-	(294,665)	2,040,685
<u>1,972,440</u>	<u>312,184</u>	<u>18,212,764</u>
<u>\$ 1,972,440</u>	<u>\$ 17,519</u>	<u>\$ 20,253,449</u>

CITY OF ALVIN, TEXAS
CONSOLIDATED STATEMENT OF CASH FLOWS
WATER & SEWER FUND - SUB-FUNDS (Page 1 of 2)
For the Year Ended September 30, 2014

	<u>Impact Fees</u>	<u>Utility</u>	<u>2005 Rev. & Refunding Bonds</u>	<u>2006B Certificates of Obligation</u>
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 351,559	\$ 6,702,317	\$ -	\$ -
Payments to suppliers	(3,450)	(1,644,265)	(97,485)	(49,499)
Payments to employees	-	(1,760,189)	-	-
Net Cash Provided (Used) by Operating Activities	348,109	3,297,863	(97,485)	(49,499)
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers from other funds	-	69,635	-	-
Transfer to other funds	-	(649,910)	-	-
Net Cash (Used) by Noncapital Financing Activities	-	(580,275)	-	-
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	-	(102,983)	(80,357)	(249,130)
Proceeds from sale of capital assets	-	15,000	-	-
Interest and fiscal agent fees paid	-	(482,226)	-	-
Principal paid on capital debt	-	(1,334,187)	-	-
Net Cash (Used) by Capital and Related Financing Activities	-	(1,904,396)	(80,357)	(249,130)
<u>Cash Flows from Investing Activities</u>				
Proceeds from sale of investments	-	321,875	-	-
Purchase of investments	-	(499,495)	-	-
Interest on investments	3,438	8,397	-	-
Net Cash Provided (Used) by Investing Activities	3,438	(169,223)	-	-
Net Increase (Decrease) in Cash and Equity in Pooled Cash and Investments	351,547	643,969	(177,842)	(298,629)
Beginning cash and equity in pooled cash and investments	1,788,452	4,925,614	280,357	554,129
Ending Cash and Equity in Pooled Cash and Investments	\$ 2,139,999	\$ 5,569,583	\$ 102,515	\$ 255,500
Ending Cash and Equity in Pooled Cash and Investments:				
Unrestricted cash and equity in pooled cash and investments	\$ 2,139,999	\$ 4,500,523	\$ 102,515	\$ 255,500
Restricted cash and equity in pooled cash and investments	-	1,069,060	-	-
	\$ 2,139,999	\$ 5,569,583	\$ 102,515	\$ 255,500

2008 Certificates of Obligation	2011 Certificates of Obligation	Total Water and Sewer Fund
\$ -	\$ -	\$ 7,053,876
31,927	(4,890)	(1,767,662)
<u>-</u>	<u>-</u>	<u>(1,760,189)</u>
31,927	(4,890)	3,526,025
-	-	69,635
<u>-</u>	<u>-</u>	<u>(649,910)</u>
-	-	(580,275)
-	-	-
(466,761)	-	(899,231)
-	-	15,000
-	-	(482,226)
<u>-</u>	<u>-</u>	<u>(1,334,187)</u>
(466,761)	-	(2,700,644)
-	-	-
-	-	321,875
<u>-</u>	<u>-</u>	<u>(499,495)</u>
-	-	11,835
<u>-</u>	<u>-</u>	<u>(165,785)</u>
-	-	-
(434,834)	(4,890)	79,321
<u>629,225</u>	<u>22,409</u>	<u>8,200,186</u>
<u>\$ 194,391</u>	<u>\$ 17,519</u>	<u>\$ 8,279,507</u>
\$ 194,391	\$ 17,519	\$ 7,210,447
<u>-</u>	<u>-</u>	<u>1,069,060</u>
<u>\$ 194,391</u>	<u>\$ 17,519</u>	<u>\$ 8,279,507</u>

CITY OF ALVIN, TEXAS
CONSOLIDATED STATEMENT OF CASH FLOWS
WATER & SEWER FUND - SUB-FUNDS (Page 2 of 2)
For the Year Ended September 30, 2014

	<u>Impact Fees</u>	<u>Utility</u>	<u>2005 Rev. & Refunding Bonds</u>	<u>2006B Certificates of Obligation</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 342,683	\$ 2,036,502	\$ (97,485)	\$ (49,499)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	1,369,253	-	-
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in Current Assets:				
Accounts receivable	(4,175)	(90,785)	-	-
Inventories	-	(52,150)	-	-
Increase (Decrease) in Current Liabilities:				
Accounts payable	9,601	13,896	-	-
Accrued interest payable	-	(35,410)	-	-
Compensated absences	-	9,734	-	-
Customer deposits	-	36,320	-	-
Net pension obligation	-	10,503	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 348,109</u>	<u>\$ 3,297,863</u>	<u>\$ (97,485)</u>	<u>\$ (49,499)</u>
Noncash investing, capital, and financing activities:				
Capital contribution	<u>\$ -</u>	<u>\$ 868,117</u>	<u>\$ -</u>	<u>\$ -</u>

<u>2008 Certificates of Obligation</u>	<u>2011 Certificates of Obligation</u>	<u>Total Water and Sewer Fund</u>
\$ -	\$ (4,890)	\$ 2,227,311
-	-	1,369,253
-	-	(94,960)
-	-	(52,150)
31,927	-	55,424
-	-	(35,410)
-	-	9,734
-	-	36,320
-	-	10,503
<u>\$ 31,927</u>	<u>\$ (4,890)</u>	<u>\$ 3,526,025</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 868,117</u>

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STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and Required Supplementary Information says about the government's overall financial health.

Contents	Page
Financial Trends	132
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	144
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.</i>	
Debt Capacity	152
<i>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.</i>	
Demographic and Economic Information	162
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	165
<i>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.</i>	

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

CITY OF ALVIN, TEXAS

NET POSITION BY COMPONENT

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2005	2006	2007	2008
Governmental Activities				
Net investment in capital assets	\$ 27,092,862	\$ 26,117,047	\$ 26,711,260	\$ 24,683,114
Restricted	2,268,984	2,379,709	4,185,439	5,412,521
Unrestricted	4,985,742	5,042,427	5,088,173	6,373,807
Total Governmental Activities Net Position	\$ 34,347,588	\$ 33,539,183	\$ 35,984,872	\$ 36,469,442
Business-Type Activities				
Net investment in capital assets	\$ 13,231,101	\$ 13,946,640	\$ 10,031,169	\$ 9,185,334
Restricted	322,591	542,103	542,103	845,723
Unrestricted	2,121,607	1,442,853	3,801,084	4,625,332
Total Business-Type Activities Net Position	\$ 15,675,299	\$ 15,931,596	\$ 14,374,356	\$ 14,656,389
Primary Government				
Net investment in capital assets	\$ 40,323,963	\$ 40,063,687	\$ 36,742,429	\$ 33,868,448
Restricted	2,591,575	2,921,812	4,727,542	6,258,244
Unrestricted	7,107,349	6,485,280	8,889,257	10,999,139
Total Primary Government Net Position	\$ 50,022,887	\$ 49,470,779	\$ 50,359,228	\$ 51,125,831

Fiscal Year

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 23,625,720	\$ 23,231,068	\$ 23,710,635	\$ 24,498,035	\$ 24,498,035	\$ 27,186,272
8,162,397	9,006,259	9,614,913	9,400,498	9,400,498	7,224,941
4,881,248	5,151,195	3,785,438	4,114,881	4,114,881	6,411,052
<u>\$ 36,669,365</u>	<u>\$ 37,388,522</u>	<u>\$ 37,110,986</u>	<u>\$ 38,013,414</u>	<u>\$ 38,013,414</u>	<u>\$ 40,822,265</u>
\$ 10,094,821	\$ 7,281,665	\$ 9,898,132	\$ 12,506,488	\$ 12,637,625	\$ 13,841,547
861,202	805,076	698,662	706,487	677,203	-
5,873,472	9,272,256	7,639,207	6,364,658	7,553,375	11,521,449
<u>\$ 16,829,495</u>	<u>\$ 17,358,997</u>	<u>\$ 18,236,001</u>	<u>\$ 19,577,633</u>	<u>\$ 20,868,203</u>	<u>\$ 25,362,996</u>
\$ 33,720,541	\$ 30,512,733	\$ 33,608,767	\$ 37,004,523	\$ 37,135,660	\$ 41,027,819
9,023,599	9,811,335	10,313,575	10,106,985	10,077,701	7,224,941
10,754,720	14,423,451	11,424,645	10,479,539	11,668,256	17,932,501
<u>\$ 53,498,860</u>	<u>\$ 54,747,519</u>	<u>\$ 55,346,987</u>	<u>\$ 57,591,047</u>	<u>\$ 58,881,617</u>	<u>\$ 66,185,261</u>

CITY OF ALVIN, TEXAS

CHANGES IN NET POSITION

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2005	2006	2007	2008
Expenses				
Governmental Activities				
General government	\$ 2,883,482	\$ 2,878,778	\$ 3,155,673	\$ 3,397,176
Public safety	4,832,986	5,054,540	5,765,961	5,885,390
Engineering and planning	762,367	582,378	554,616	751,470
Public services	4,437,460	3,766,436	3,907,160	3,697,371
Community services	128,758	153,328	347,169	297,019
Culture, parks and recreation	1,852,042	1,329,498	1,222,914	1,827,931
Interest on long-term debt	334,761	486,490	470,225	320,272
Total Governmental Activities Expenses	15,231,856	14,251,448	15,423,718	16,176,629
Business-Type Activities				
Water and sewer	2,517,163	4,217,430	5,179,628	5,048,607
Sanitation	1,577,475	1,561,134	1,679,203	3,032,494
EMS	898,288	860,354	1,060,634	1,015,022
Conference center	-	-	-	-
Total Business-Type Activities Expenses	4,992,926	6,638,918	7,919,465	9,096,123
Total Primary Government Expenses	\$ 20,224,782	\$ 20,890,366	\$ 23,343,183	\$ 25,272,752
Program Revenues				
Governmental Activities				
Charges for services				
General government	\$ 18,093	\$ 36,736	\$ 37,029	\$ 22,764
Public safety	637,234	665,255	735,677	745,922
Engineering and planning	260,727	610,541	401,661	328,881
Community services	-	-	-	-
Culture and recreation	156,446	178,087	187,229	167,642
Operating grants and contributions	272,811	108,200	157,790	434,842
Capital grants and contributions	-	-	-	-
Total Governmental Activities Program Revenues	1,345,311	1,598,819	1,519,386	1,700,051
Business-Type Activities				
Charges for services				
Water and sewer	5,211,377	5,849,098	5,771,303	6,211,760
Sanitation	1,714,332	1,811,689	1,995,110	1,943,739
EMS	863,605	1,000,321	1,126,101	1,204,907
Operating grants and contributions	37,685	12,133	1,364	1,343,767
Capital grants and contributions:				
Water and sewer	16,987	-	-	-
Total Business-Type Activities Program Revenues	7,843,986	8,673,241	8,893,878	10,704,173
Total Primary Government Program Revenues	\$ 9,189,297	\$ 10,272,060	\$ 10,413,264	\$ 12,404,224
Net (Expense)/Revenue				
Governmental activities	\$ (13,886,545)	\$ (12,652,629)	\$ (13,904,332)	\$ (14,476,578)
Business-type activities	2,851,060	2,034,323	974,413	1,608,050
Total Primary Government Net Expense	\$ (11,035,485)	\$ (10,618,306)	\$ (12,929,919)	\$ (12,868,528)

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 4,618,306	\$ 3,398,391	\$ 3,493,056	\$ 3,856,490	\$ 3,568,941	\$ 4,008,901
6,828,196	6,612,487	6,818,758	7,183,101	7,605,752	7,665,242
-	-	-	-	-	-
1,195,696	1,762,534	1,354,999	1,558,656	1,602,661	1,357,311
2,110,567	2,739,494	2,789,836	2,237,711	2,937,559	3,109,731
1,637,049	1,550,634	1,300,499	1,345,650	1,526,973	1,554,800
255,366	246,444	953,431	307,110	357,208	317,321
<u>16,645,180</u>	<u>16,309,984</u>	<u>16,710,579</u>	<u>16,488,718</u>	<u>17,599,094</u>	<u>18,013,306</u>
5,324,261	5,684,004	5,275,355	5,149,638	5,409,975	5,386,508
3,811,391	1,841,385	1,951,774	2,044,570	2,121,232	2,150,276
1,333,579	1,310,354	1,705,571	1,761,534	1,883,560	1,656,281
-	53,520	99,129	-	-	-
<u>10,469,231</u>	<u>8,889,263</u>	<u>9,031,829</u>	<u>8,955,742</u>	<u>9,414,767</u>	<u>9,193,065</u>
<u>\$ 27,114,411</u>	<u>\$ 25,199,247</u>	<u>\$ 25,742,408</u>	<u>\$ 25,444,460</u>	<u>\$ 27,013,861</u>	<u>\$ 27,206,371</u>
\$ 98,718	\$ 236,236	\$ 184,829	\$ 256,623	\$ 280,518	\$ 234,378
1,092,685	1,157,482	1,098,168	1,064,705	1,115,717	1,281,187
-	-	-	-	-	-
79,648	-	-	-	-	-
-	-	-	-	-	-
770,851	305,758	89,468	261,048	482,603	125,138
-	-	-	-	-	1,785,962
<u>2,041,902</u>	<u>1,699,476</u>	<u>1,372,465</u>	<u>1,582,376</u>	<u>1,878,838</u>	<u>3,426,665</u>
6,325,404	6,299,393	6,767,843	6,529,061	6,996,639	7,112,516
2,174,386	2,290,014	2,162,461	2,305,500	2,481,820	2,548,700
1,278,655	1,292,152	1,630,354	1,671,346	2,607,911	1,349,485
1,643,163	409,277	195,895	231,858	254,710	230,308
-	-	-	-	-	-
<u>11,421,608</u>	<u>10,290,836</u>	<u>10,756,553</u>	<u>10,737,765</u>	<u>12,341,080</u>	<u>11,241,009</u>
<u>\$ 13,463,510</u>	<u>\$ 11,990,312</u>	<u>\$ 12,129,018</u>	<u>\$ 12,320,141</u>	<u>\$ 14,219,918</u>	<u>\$ 14,667,674</u>
\$ (14,603,278)	\$ (14,610,508)	\$ (15,338,114)	\$ (14,906,342)	\$ (15,720,256)	\$ (14,586,641)
952,377	1,401,573	1,724,724	1,782,023	2,926,313	2,047,944
<u>\$ (13,650,901)</u>	<u>\$ (13,208,935)</u>	<u>\$ (13,613,390)</u>	<u>\$ (13,124,319)</u>	<u>\$ (12,793,943)</u>	<u>\$ (12,538,697)</u>

CITY OF ALVIN, TEXAS
CHANGES IN NET POSITION (Continued)
 Last Ten Years
 (Accrual Basis of Accounting)

	Fiscal Year			
	2005	2006	2007	2008
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 5,363,226	\$ 5,793,632	\$ 6,441,666	\$ 7,135,500
Sales and use taxes	4,185,111	4,311,123	5,540,205	5,754,038
Franchise taxes	1,257,702	1,279,211	1,321,208	1,332,828
Other taxes	-	-	-	-
Investment revenue	161,734	364,080	674,853	483,412
Other revenues	14,587	94,255	44,355	121,128
Transfers	2,664,611	1,184,047	1,581,281	(10,449)
Total Governmental Activities	<u>13,646,971</u>	<u>13,026,348</u>	<u>15,603,568</u>	<u>14,816,457</u>
Business-Type Activities				
Investment earnings	60,292	195,478	440,689	265,878
Other revenues	9,562	5,043	5,875	168,707
Transfers	(2,664,611)	(1,184,047)	(1,581,281)	10,449
Total Business-Type Activities	<u>(2,594,757)</u>	<u>(983,526)</u>	<u>(1,134,717)</u>	<u>445,034</u>
Total Primary Government	<u>\$ 11,052,214</u>	<u>\$ 12,042,822</u>	<u>\$ 14,468,851</u>	<u>\$ 15,261,491</u>
Change in Net Position				
Governmental activities	\$ (239,574)	\$ 373,719	\$ 1,699,236	\$ 339,879
Business-type activities	256,303	1,050,797	(160,304)	2,053,084
Total Primary Government	<u>\$ 16,729</u>	<u>\$ 1,424,516</u>	<u>\$ 1,538,932</u>	<u>\$ 2,392,963</u>

Fiscal Year

2009	2010	2011	2012	2013	2014
\$ 7,088,549	\$ 7,529,156	\$ 7,311,667	\$ 7,724,036	\$ 7,703,857	\$ 8,187,335
5,395,694	5,164,667	5,460,695	5,720,505	6,039,358	6,188,081
1,535,710	1,601,341	1,550,016	1,607,488	1,608,142	1,701,814
28,484	221,885	196,510	191,970	219,973	667,914
131,886	36,080	45,388	31,176	34,018	41,979
96,555	233,080	43,166	204,763	174,102	20,650
526,323	543,456	394,906	501,190	538,555	(10,030)
<u>14,803,201</u>	<u>15,329,665</u>	<u>15,002,348</u>	<u>15,981,128</u>	<u>16,318,005</u>	<u>16,797,743</u>
88,820	13,571	11,311	13,322	15,904	15,163
14,628	5,316	503	2,726	2,994	15,000
(526,323)	(543,456)	(394,906)	(501,190)	(538,555)	10,030
<u>(422,875)</u>	<u>(524,569)</u>	<u>(383,092)</u>	<u>(485,142)</u>	<u>(519,657)</u>	<u>40,193</u>
<u>\$ 14,380,326</u>	<u>\$ 14,805,096</u>	<u>\$ 14,619,256</u>	<u>\$ 15,495,986</u>	<u>\$ 15,798,348</u>	<u>\$ 16,837,936</u>
\$ 199,923	\$ 719,157	\$ (335,766)	\$ 1,074,786	\$ 597,749	\$ 2,211,102
529,502	877,004	1,341,632	1,296,881	2,406,656	2,088,137
<u>\$ 729,425</u>	<u>\$ 1,596,161</u>	<u>\$ 1,005,866</u>	<u>\$ 2,371,667</u>	<u>\$ 3,004,405</u>	<u>\$ 4,299,239</u>

CITY OF ALVIN, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES
 Last Ten Years
 (Accrual Basis of Accounting)

Source	Fiscal Year			
	2005	2006	2007	2008
Property	\$ 5,363,226	\$ 5,793,632	\$ 6,441,666	\$ 7,135,500
Sales and use	4,185,111	4,311,123	5,540,205	5,754,038
Franchise fees	1,257,702	1,279,212	1,321,208	1,332,828
Other taxes	-	-	-	-
	<u>\$ 10,806,039</u>	<u>\$ 11,383,967</u>	<u>\$ 13,303,079</u>	<u>\$ 14,222,366</u>

Fiscal Year						Change
2009	2010	2011	2012	2013	2014	2013-2014
\$ 7,529,156	\$ 7,311,667	\$ 7,724,036	\$ 7,703,857	\$ 7,703,857	\$ 8,187,335	6.3%
5,164,667	5,460,695	5,720,505	6,039,358	6,039,358	6,188,081	2.5%
1,601,341	1,550,016	1,607,488	1,608,142	1,608,142	1,701,814	5.8%
221,885	196,510	191,970	219,973	219,973	667,914	203.6%
<u>\$ 14,517,049</u>	<u>\$ 14,518,888</u>	<u>\$ 15,243,999</u>	<u>\$ 15,571,330</u>	<u>\$ 15,571,330</u>	<u>\$ 16,745,144</u>	7.5%

CITY OF ALVIN, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2005	2006	2007	2008
General Fund				
Nonspendable	\$ 26,761	\$ 26,761	\$ 33,236	\$ 55,371
Restricted	-	-	-	-
Assigned	68,398	48,225	1,151,177	1,030,815
Unassigned	3,027,096	3,211,526	2,961,457	4,444,453
Total General Fund	<u>\$ 3,122,255</u>	<u>\$ 3,286,512</u>	<u>\$ 4,145,870</u>	<u>\$ 5,530,639</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	3,686,545	5,938,783	8,116,764	6,856,654
Assigned	370,982	377,940	397,964	397,040
Total All Other Governmental Funds	<u>\$ 4,057,527</u>	<u>\$ 6,316,723</u>	<u>\$ 8,514,728</u>	<u>\$ 7,253,694</u>

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 15,611	\$ 10,809	\$ 15,245	\$ 39,347	\$ 21,523	\$ 16,823
-	-	2,646	-	-	-
615,281	2,393,358	1,318,358	911,311	693,859	527,330
4,560,653	3,105,318	4,355,741	4,658,915	4,816,116	4,938,106
<u>\$ 5,191,545</u>	<u>\$ 5,509,485</u>	<u>\$ 5,691,990</u>	<u>\$ 5,609,573</u>	<u>\$ 5,531,498</u>	<u>\$ 5,482,259</u>
\$ 5,927	\$ 200	\$ 5,777	\$ -	\$ -	\$ 250
7,332,625	7,936,885	10,260,756	9,400,498	9,229,378	7,224,941
408,417	418,602	719,805	714,349	667,680	609,208
<u>\$ 7,746,969</u>	<u>\$ 8,355,687</u>	<u>\$ 10,986,338</u>	<u>\$ 10,114,847</u>	<u>\$ 9,897,058</u>	<u>\$ 7,834,399</u>

CITY OF ALVIN, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2005	2006	2007	2008
Revenues				
Taxes	\$ 10,820,920	\$ 11,351,914	\$ 13,228,598	\$ 14,294,405
Permits, licenses, and fees	301,393	663,057	325,191	316,854
Fines and forfeitures	381,554	388,202	437,085	455,554
Intergovernmental	215,244	4,313	3,731	530,316
Contributions	3,825	22,027	32,563	-
Investment earnings	171,876	345,650	620,207	439,770
Other revenues	471,511	598,811	756,958	654,819
Total Revenues	<u>12,366,323</u>	<u>13,373,974</u>	<u>15,404,333</u>	<u>16,691,718</u>
Expenditures				
General government	2,704,408	2,676,013	3,019,200	3,269,353
Public safety	4,788,853	4,809,776	4,932,289	5,723,203
Engineering and planning	768,252	552,276	489,331	712,129
Public services	1,406,740	1,518,905	2,870,696	1,977,554
Community services	21,015	143,300	158,160	186,487
Culture, parks, and recreation	1,077,971	906,749	950,845	1,028,437
Library	71,666	79,117	94,886	113,061
Capital outlay	3,883,770	2,266,772	1,503,979	2,520,505
Debt service:				
Principal	788,572	810,861	801,753	1,163,091
Interest	337,391	455,020	430,776	436,194
Total Expenditures	<u>15,848,638</u>	<u>14,218,789</u>	<u>15,251,915</u>	<u>17,130,014</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(3,482,315)	(844,815)	152,418	(438,296)
Other Financing Sources (Uses)				
Transfers in	5,385,425	3,362,287	4,744,518	3,423,766
Transfers out	(2,720,814)	(2,910,566)	(3,962,600)	(3,799,196)
Refunding bonds issued	-	-	-	-
Bonds issued	478,925	2,780,000	835,000	675,000
Premium on bonds issued	-	1,591	-	-
Payments to refunded bond escrow agent	-	-	-	-
Capital leases	-	-	231,652	262,467
Sales of capital assets	-	28,351	22,916	-
Total Other Financing Sources	<u>3,143,536</u>	<u>3,261,663</u>	<u>1,871,486</u>	<u>562,037</u>
Net Change in Fund Balances	<u>\$ (338,779)</u>	<u>\$ 2,416,848</u>	<u>\$ 2,023,904</u>	<u>\$ 123,741</u>
Debt service as a percentage of noncapital expenditures	10.40%	11.80%	9.80%	12.30%

		Fiscal Year									
		2009	2010	2011	2012	2013	2014				
\$	14,301,958	\$	14,343,382	\$	14,501,052	\$	15,250,115	\$	15,688,295	\$	16,730,919
	611,082		937,525		650,219		632,240		692,937		757,846
	481,603		456,193		447,949		432,465		422,780		523,341
	748,833		305,758		89,468		257,797		482,603		1,138,100
	-		-		-		-		-		-
	106,888		20,367		34,745		29,331		32,070		19,131
	242,018		233,080		227,995		421,106		428,861		264,820
	<u>16,492,382</u>		<u>16,296,305</u>		<u>15,951,428</u>		<u>17,023,054</u>		<u>17,747,546</u>		<u>19,434,157</u>
	3,284,579		3,239,705		3,310,855		3,657,108		3,614,875		3,758,455
	6,129,989		6,145,941		6,190,062		6,649,457		7,173,699		7,379,988
	-		-		-		-		-		-
	777,418		715,606		589,836		957,761		764,420		733,558
	1,361,535		2,591,826		2,595,532		2,202,737		2,871,927		3,264,534
	1,369,506		1,079,481		984,023		1,201,941		1,308,817		1,352,134
	12,160		49,515		-		-		-		-
	2,572,745		1,005,809		2,677,414		2,185,599		3,299,578		4,351,864
	1,038,791		978,025		1,308,502		1,159,881		1,205,572		1,314,318
	412,775		411,836		558,483		472,802		351,120		304,535
	<u>16,959,498</u>		<u>16,217,744</u>		<u>18,214,707</u>		<u>18,487,286</u>		<u>20,590,008</u>		<u>22,459,386</u>
	(467,116)		78,561		(2,263,279)		(1,464,232)		(2,842,462)		(3,025,229)
	2,520,975		1,174,886		999,485		1,064,794		1,574,897		2,207,172
	(1,994,652)		(631,430)		(604,579)		(563,604)		(713,299)		(1,349,085)
	-		-		4,321,938		1,597,055		-		-
	-		304,641		4,468,507		-		1,235,000		-
	-		-		249,910		5,112		-		-
	-		-		(4,417,056)		(1,593,033)		-		-
	94,974		-		-		-		450,000		55,244
	-		-		-		-		-		-
	<u>621,297</u>		<u>848,097</u>		<u>5,018,205</u>		<u>510,324</u>		<u>2,546,598</u>		<u>913,331</u>
\$	<u>154,181</u>	\$	<u>926,658</u>	\$	<u>2,754,926</u>	\$	<u>(953,908)</u>	\$	<u>(295,864)</u>	\$	<u>(2,111,898)</u>
	10.09%		9.12%		12.02%		9.94%		8.73%		8.73%

CITY OF ALVIN, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Years

	Fiscal Year			
	2005	2006	2007	2008
Residential Property	\$ 419,639,580	\$ 463,788,970	\$ 494,709,890	\$ 545,828,781
Commercial Property	280,972,630	310,043,900	328,960,620	372,642,100
Less: Tax Exempt Property	<u>(45,598,292)</u>	<u>(52,772,196)</u>	<u>(27,271,987)</u>	<u>(17,519,673)</u>
Total Taxable Assessed Value (1)	<u>\$ 655,013,918</u>	<u>\$ 721,060,674</u>	<u>\$ 796,398,523</u>	<u>\$ 900,951,208</u>
Taxable Assessed Value as a Percentage of Estimated Actual Value	100.00%	100.00%	100.00%	100.00%
Estimated Actual Taxable Value	\$ 655,013,918	\$ 721,060,674	\$ 796,398,523	\$ 900,951,208
Total Direct Tax Rate	\$ 0.80360	\$ 0.80360	\$ 0.80360	\$ 0.80360

Source: Brazoria County - Tax Office Collections

(1) Property is assessed at actual value, therefore, the assessed values are equal to actual value.
Tax rates are per \$100 of assessed value.

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 561,797,458	\$ 569,692,952	\$ 555,669,430	\$ 554,570,924	\$ 556,130,424	\$ 565,488,275
376,840,429	398,544,224	409,764,239	412,237,877	413,559,139	473,377,668
(29,535,234)	(46,725,576)	(62,660,621)	(59,267,694)	(52,505,543)	(84,431,339)
<u>\$ 909,102,653</u>	<u>\$ 921,511,600</u>	<u>\$ 902,773,048</u>	<u>\$ 907,541,107</u>	<u>\$ 917,184,020</u>	<u>\$ 954,434,604</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$ 909,102,653	\$ 921,511,600	\$ 902,773,048	\$ 907,541,107	\$ 917,184,020	\$ 954,434,604
\$ 0.80360	\$ 0.80360	\$ 0.80360	\$ 0.84360	\$ 0.84380	\$ 0.84360

CITY OF ALVIN, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

	Fiscal Year			
	2005	2006	2007	2008
City By Fund:				
Operating	\$ 0.6486	\$ 0.6784	\$ 0.6565	\$ 0.6440
Debt service	0.1550	0.1252	0.1471	0.1596
Total Direct Rates	<u>0.8036</u>	<u>0.8036</u>	<u>0.8036</u>	<u>0.8036</u>
Alvin Independent School District	1.6261	1.7058	1.5459	1.3282
Brazoria County	0.3620	0.3480	0.3817	0.3114
C&R District No. 3	0.1316	0.1306	0.1300	0.1281
Alvin Community College	0.2406	0.2376	0.2195	0.2103
Total Direct and Overlapping Rates (1)	<u>\$ 3.1639</u>	<u>\$ 3.2256</u>	<u>\$ 3.0807</u>	<u>\$ 2.7816</u>

Tax rates per \$100 of assessed valuation
Source: Brazoria County - Tax Office Collections

(1) Overlapping rates are those of local and county governments that apply within the City of Alvin.

Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ 0.6544	\$ 0.6709	\$ 0.6697	\$ 0.7137	\$ 0.7023	\$ 0.6823	
0.1492	0.1327	0.1339	0.1299	0.1415	0.1613	
0.8036	0.8036	0.8036	0.8436	0.8438	0.8436	
1.3282	1.3041	1.3041	1.3291	1.3291	1.3291	
0.3900	0.4263	0.4631	0.4259	0.4320	0.4920	
0.1500	0.1500	0.1500	0.1500	0.1560	0.1560	
0.1998	0.1998	0.1998	0.1998	0.1990	0.1998	
<u>\$ 2.8716</u>	<u>\$ 2.8838</u>	<u>\$ 2.9206</u>	<u>\$ 2.9484</u>	<u>\$ 2.9599</u>	<u>\$ 3.0205</u>	

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CITY OF ALVIN, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Weatherford USA, LP	\$ 30,529,610	1	3.20%	\$ 9,690,590	4	1.48%
WalMart	17,753,190	2	1.86%	16,250,400	1	2.48%
Texas New Mexico Power	10,534,090	3	1.10%	7,220,280	5	1.10%
Home Depot	9,687,677	4	1.02%	N/A	-	-
Team Industrial Services, Inc.	9,235,323	5	0.97%	N/A	-	-
Highland Square, LTD	8,068,220	6	0.85%	5,210,690	9	0.80%
RiceTec	7,714,570	7	0.81%	N/A	-	-
Ron Carter	7,297,470	8	0.76%	10,239,250	3	1.56%
Alvin Autoland, Inc.	6,780,340	9	0.71%	12,192,920	2	1.86%
Alvin Motorcars, LTD	5,089,790	10	0.53%	N/A	-	-
Southwestern Bell	N/A	-	-	6,442,920	6	0.98%
Texas Cable Partners	N/A	-	-	5,515,870	7	0.84%
Highland Square, LTD	N/A	-	-	5,331,500	8	0.81%
IPOP	N/A	-	-	4,702,330	10	0.72%
Subtotal	<u>112,690,280</u>		<u>11.81%</u>	<u>82,796,750</u>		<u>12.64%</u>
Other Taxpayers	<u>841,744,324</u>		<u>88.19%</u>	<u>572,217,168</u>		<u>87.36%</u>
Total	<u><u>\$ 954,434,604</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 655,013,918</u></u>		<u><u>100.00%</u></u>

Source: Brazoria County - Tax Office Collections

CITY OF ALVIN, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

	Fiscal Year			
	2005	2006	2007	2008
Tax levy	\$ 5,299,102	\$ 5,689,656	\$ 6,294,442	\$ 7,070,199
Current tax collected	\$ 5,104,625	\$ 5,519,795	\$ 6,117,953	\$ 6,907,075
Percent of current tax collections	96.33%	97.01%	97.20%	97.69%
Delinquent tax collections	<u>\$ 177,270</u>	<u>\$ 157,488</u>	<u>\$ 159,222</u>	<u>\$ 149,237</u>
Total tax collections	<u>\$ 5,281,895</u>	<u>\$ 5,677,283</u>	<u>\$ 6,277,175</u>	<u>\$ 7,056,312</u>
Total collections as a percentage of current levy	99.68%	99.78%	99.73%	99.80%
Outstanding delinquent taxes	\$ 17,207	\$ 12,373	\$ 17,267	\$ 13,887
Outstanding delinquent taxes as percentage of current levy	0.33%	0.22%	0.27%	0.20%

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 7,250,049	\$ 7,282,858	\$ 7,192,398	\$ 7,637,692	\$ 7,747,425	\$ 8,051,610
\$ 7,099,395	\$ 7,118,215	\$ 6,997,769	\$ 7,489,804	\$ 7,566,448	\$ 7,945,225
97.92%	97.74%	97.29%	98.06%	97.66%	98.68%
\$ 133,796	\$ 142,509	\$ 173,866	\$ 120,256	\$ 130,203	\$ -
<u>\$ 7,233,191</u>	<u>\$ 7,260,724</u>	<u>\$ 7,171,635</u>	<u>\$ 7,610,060</u>	<u>\$ 7,696,651</u>	<u>\$ 7,945,225</u>
99.77%	99.70%	99.71%	99.64%	99.34%	98.68%
\$ 16,858	\$ 22,134	\$ 20,763	\$ 27,632	\$ 50,774	\$ 106,385
0.23%	0.30%	0.29%	0.36%	0.66%	1.32%

CITY OF ALVIN, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Years

	Fiscal Year			
	2005	2006	2007	2008
Primary Government				
Governmental Activities:				
General obligation bonds	\$ 7,853,407	\$ 7,266,269	\$ 7,378,016	\$ 6,516,969
Certificates of obligation	293,260	3,047,344	3,020,064	3,527,784
Capital leases	282,482	84,675	265,107	392,810
Issuance discounts/premiums	25,142	23,204	19,860	16,516
Subtotal	<u>8,454,291</u>	<u>10,421,492</u>	<u>10,683,047</u>	<u>\$ 10,454,079</u>
Business-Type Activities:				
Revenue bonds	10,120,000	12,160,000	\$ 12,025,000	11,815,000
General obligation bonds	8,761,591	7,618,729	6,381,984	5,093,032
Certificates of obligation	1,006,740	4,897,657	4,824,936	6,742,216
Capital leases	176,786	34,666	13,697	-
Issuance discounts/premiums	22,697	(16,214)	(17,033)	(17,855)
Subtotal	<u>20,087,814</u>	<u>24,694,838</u>	<u>23,228,584</u>	<u>23,632,393</u>
Total Primary Government	<u>\$ 28,542,105</u>	<u>\$ 35,116,330</u>	<u>\$ 33,911,631</u>	<u>\$ 34,086,472</u>
 Personal Income	 \$ 403,635,000	 \$ 457,017,000	 \$ 480,593,000	 \$ 518,087,000
Debt as a Percentage of Personal Income	7.07%	7.68%	7.06%	6.58%
Population	21,413	21,413	21,413	21,413
Debt per Capita	\$ 1,333	\$ 1,640	\$ 1,584	\$ 1,592

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

Fiscal Year

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	5,736,412	\$ 5,372,311	\$ 5,090,115	\$ 5,861,240	\$ 6,153,088	\$ 5,154,756
	3,360,504	3,146,860	6,663,507	4,919,192	4,656,772	4,371,247
	301,856	206,217	105,679	-	450,000	472,490
	13,172	9,828	259,172	247,950	231,616	215,282
	<u>9,411,944</u>	<u>8,735,216</u>	<u>12,118,473</u>	<u>11,028,382</u>	<u>11,491,476</u>	<u>10,213,775</u>
	11,345,000	10,745,000	10,145,000	4,945,000	4,925,000	-
	3,763,588	4,538,690	4,886,883	11,921,760	10,740,921	14,560,252
	6,669,496	6,298,140	4,086,493	1,160,808	898,228	623,753
	-	-	-	-	-	-
	(18,677)	14,179	195,312	189,361	179,071	195,899
	<u>21,759,407</u>	<u>21,596,009</u>	<u>19,313,688</u>	<u>18,216,929</u>	<u>16,743,220</u>	<u>15,379,904</u>
\$	<u><u>31,171,351</u></u>	<u><u>30,331,225</u></u>	<u><u>31,432,161</u></u>	<u><u>29,245,311</u></u>	<u><u>28,234,696</u></u>	<u><u>25,593,679</u></u>
\$	519,651,000	\$ 586,289,000	\$ 588,159,000	\$ 539,299,000	\$ 564,481,000	\$ 566,832,000
	6.00%	5.17%	5.34%	5.42%	5.00%	4.52%
	21,413	21,413	21,413	24,236	24,236	24,236
\$	1,456	\$ 1,416	\$ 1,468	\$ 1,207	\$ 1,165	\$ 1,056

CITY OF ALVIN, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Years

	Fiscal Year			
	2005	2006	2007	2008
Estimated Actual Taxable Value of Property				
All property	\$ 655,013,918	\$ 721,060,674	\$ 796,398,523	\$ 900,951,208
Net Bonded Debt (1)				
General bonded debt	\$ 8,454,291	\$ 10,421,492	\$ 10,683,047	\$ 10,454,079
Less debt service funds	479,185	325,660	346,983	319,154
Net Bonded Debt	<u>\$ 7,975,106</u>	<u>\$ 10,095,832</u>	<u>\$ 10,336,064</u>	<u>\$ 10,134,925</u>
Percentage of Estimated Actual Taxable Value of Property	1.22%	1.40%	1.30%	1.12%
Population	21,413	21,413	21,413	21,413
Per Capita	\$ 372	\$ 471	\$ 483	\$ 473

Note:

(1) Net bonded debt reflects obligations supported by a pledge of ad valorem taxes.

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 909,102,653	\$ 921,511,600	\$ 902,773,048	\$ 907,541,107	\$ 917,184,020	\$ 954,434,604
\$ 9,411,944	\$ 8,735,216	\$ 12,118,473	\$ 11,028,382	\$ 11,491,476	\$ 10,213,775
374,250	420,806	409,223	99,776	102,167	79,394
<u>\$ 9,037,694</u>	<u>\$ 8,314,410</u>	<u>\$ 11,709,250</u>	<u>\$ 10,928,606</u>	<u>\$ 11,389,309</u>	<u>\$ 10,134,381</u>
0.99%	0.90%	1.30%	1.20%	1.24%	1.06%
21,413	21,413	21,413	24,236	24,236	24,236
\$ 422	\$ 388	\$ 547	\$ 451	\$ 470	\$ 418

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CITY OF ALVIN, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2014

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Brazoria County	\$ 90,265,000	4.77%	\$ 4,305,641
Alvin ISD	\$ 461,390,000	19.27%	88,909,853
Alvin Community College	\$ 14,380,000	15.71%	2,259,098
Subtotal, overlapping debt			95,474,592
City Direct Debt	\$ 10,213,775	100.00%	10,213,775
Total Direct and Overlapping Debt			\$ 105,688,367

Source: Brazoria County

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

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CITY OF ALVIN, TEXAS
LEGAL DEBT MARGIN INFORMATION

September 30, 2014

<u>Fiscal Year</u>	<u>Total Taxable Assessed Value</u>	<u>State Equalization Rate</u>	<u>Full Valuation</u>
2014	\$ 954,434,604	100%	\$ 954,434,604
2013	\$ 917,184,020	100%	917,184,020
2012	\$ 907,541,107	100%	907,541,107
2011	\$ 902,773,048	100%	902,773,048
2010	\$ 921,511,600	100%	921,511,600
Total Five Year Valuation			<u><u>\$ 4,603,444,379</u></u>
Five Year Average Full Valuation of Taxable Real Property			<u><u>\$ 920,688,876</u></u>
Debt Limit (10% of Average Full Valuation)			<u><u>\$ 92,068,888</u></u>
Outstanding Indebtedness at September 30			
Governmental Activities - General Obligation Debt			\$ 5,154,756
Business-type Activities - General Obligation Debt			<u>14,560,252</u>
Net Indebtedness Subject to Debt Limit			<u><u>\$ 19,715,008</u></u>
Net Debt Contracting Margin			\$ 72,353,880
Percentage of Net Debt Contracting Margin Available			78.59%
Percentage of Net Debt Contracting Power Exhausted			<u><u>21.41%</u></u>

Last Ten Fiscal Years

<u>Year</u>	<u>Debt Limit</u>	<u>Outstanding Indebtedness September 30</u>	<u>Net Debt Contracting Margin</u>	<u>Percentage of Net Debt Contracting Margin Available</u>
2014	\$ 92,068,888	\$ 19,715,008	\$ 72,353,880	78.59%
2013	\$ 91,718,402	\$ 16,894,009	\$ 74,824,393	81.58%
2012	\$ 90,754,111	\$ 17,783,000	\$ 72,971,111	80.41%
2011	\$ 90,277,305	\$ 9,976,998	\$ 80,300,307	88.95%
2010	\$ 92,151,160	\$ 9,911,001	\$ 82,240,159	89.24%
2009	\$ 108,094,183	\$ 9,500,000	\$ 98,594,183	91.21%
2008	\$ 96,616,510	\$ 11,610,001	\$ 85,006,509	87.98%
2007	\$ 90,653,218	\$ 13,760,000	\$ 76,893,218	84.82%
2006	\$ 83,161,407	\$ 14,884,998	\$ 68,276,409	82.10%
2005	\$ 59,647,642	\$ 16,614,998	\$ 43,032,644	72.14%

CITY OF ALVIN, TEXAS

PLEDGED-REVENUE COVERAGE

Last Ten Years

	Fiscal Year			
	2005	2006	2007	2008
Gross Revenues (1)	\$ 5,183,862	\$ 6,036,003	\$ 6,190,290	\$ 6,750,856
Operating Expenses (2)	2,943,051	2,378,938	4,027,507	4,166,715
Net Revenues Available for Debt Service	\$ 2,240,811	\$ 3,657,065	\$ 2,162,783	\$ 2,584,141
Debt Service Requirements (3)				
Principal	\$ 1,146,810	\$ 1,436,945	\$ 1,429,846	\$ 1,556,533
Interest	782,824	826,533	1,036,558	881,892
Total	\$ 1,929,634	\$ 2,263,478	\$ 2,466,404	\$ 2,438,425
Coverage	1.16	1.62	0.88	1.06

- (1) Total revenues including interest
- (2) Total operating expenses less depreciation
- (3) Includes revenue bonds only

Fiscal Year

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 6,605,025	\$ 6,309,789	\$ 6,776,431	\$ 6,539,555	\$ 7,009,368	\$ 7,124,351
<u>4,361,497</u>	<u>3,516,010</u>	<u>3,165,676</u>	<u>3,205,149</u>	<u>3,487,003</u>	<u>3,515,952</u>
<u>\$ 2,243,528</u>	<u>\$ 2,793,779</u>	<u>\$ 3,610,755</u>	<u>\$ 3,334,406</u>	<u>\$ 3,522,365</u>	<u>\$ 3,608,399</u>
\$ 1,478,461	\$ 600,000	\$ 600,000	\$ 620,000	\$ 20,000	\$ -
875,517	425,106	407,106	388,256	204,338	-
<u>\$ 2,353,978</u>	<u>\$ 1,025,106</u>	<u>\$ 1,007,106</u>	<u>\$ 1,008,256</u>	<u>\$ 224,338</u>	<u>\$ -</u>
0.95	2.73	3.59	3.31	15.70	-

CITY OF ALVIN, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Years

Fiscal Year Ended	Population (1)	Personal Income (1)	Per Capita Personal Income (4)	Median Age (1)	Education Level in Years of Schooling (1)	School Enrollment (2)	Unemploy- ment Rate (3)
2005	21,413	\$ 403,635,000	\$ 18,850	34.00	13.75	12,600	7.30%
2006	21,413	\$ 457,017,000	\$ 21,343	31.40	13.75	14,000	7.30%
2007	21,413	\$ 480,593,000	\$ 22,444	32.00	13.75	15,300	8.20%
2008	21,413	\$ 518,087,000	\$ 24,195	32.50	13.75	16,000	8.20%
2009	21,413	\$ 519,651,000	\$ 24,268	33.00	13.80	16,000	8.30%
2010	21,413	\$ 586,289,000	\$ 27,380	32.60	13.80	17,261	6.90%
2011	24,236	\$ 588,159,000	\$ 24,268	32.90	13.80	18,206	8.40%
2012	24,236	\$ 539,299,000	\$ 22,252	33.00	13.60	18,206	7.90%
2013	24,236	\$ 564,481,000	\$ 23,291	34.50	13.18	19,696	7.00%
2014	24,236	\$ 566,832,000	\$ 23,388	32.50	13.00	19,809	5.70%

Data sources:

- (1) Alvin Manvel Area Chamber of Commerce; 2011 Estimated Census.
- (2) Alvin Independent School District.
- (3) Brazoria County Labor Market Information Website
- (4) Community Economic Development HotRepot

CITY OF ALVIN, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	Total City Employment (%)	Employees	Rank	Total City Employment (%)
Alvin Independent School District	2,652	1	44.21%	1,834	1	38.77%
DISH Network	750	2	12.50%	-	-	-
Ascend Performance Materials	620	3	10.34%	-	-	-
WalMart	520	4	8.67%	514	2	10.86%
INEOS Olfens & Polymers USA	455	5	7.59%	429	5	9.07%
Alvin Community College	300	6	5.00%	500	3	10.57%
Rice Tec	253	7	4.22%	149	9	3.15%
Team Industrial Services	190	8	3.17%	65	10	1.37%
City of Alvin	188	9	3.13%	165	8	3.49%
Diversified Ceramics	70	10	1.17%	-	-	-
Solutia	-	-	-	465	4	9.83%
Ron Carter Automotive Center	-	-	-	310	6	6.55%
Equistar Chocolate Bayou Complex	-	-	-	300	7	6.34%
Total	<u>5,998</u>		<u>100.00%</u>	<u>4,731</u>		<u>100.00%</u>

Source: Economic development department

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CITY OF ALVIN, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 Last Ten Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Administration	5.5	5.5	7.0	6.0	2.0	2.0	2.0	4.0	3.0	2.0
Legal	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Municipal	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
City Secretary	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	6.0	7.0	7.0	7.0	9.0	9.0	8.0	6.0	7.0	7.0
Public Safety										
Police	69.0	70.0	74.0	76.0	72.0	72.0	75.0	76.0	74.0	73.0
Fire	2.5	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Fire Marshal	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Humane	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.0	4.0
Culture and Recreation										
Parks	9.5	9.5	10.5	10.0	10.0	9.0	9.0	11.0	10.0	10.0
Facility Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Economic Development	-	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0
CYB	-	-	-	-	-	1.0	1.0	1.0	2.0	2.0
Public Works										
Street	16.0	16.0	17.0	19.0	20.0	20.0	20.0	22.0	25.0	25.0
Engineering										
Engineering	9.0	9.0	9.0	9.0	4.0	-	-	-	9.0	7.0
Planning	-	-	-	-	4.0	-	-	-	-	-
CIP	-	-	-	-	4.0	4.0	-	-	-	-
Community Development										
Inspections	3.0	4.0	4.0	4.0	5.0	4.0	5.0	9.0	4.0	4.0
Code Enforcement	-	-	-	-	4.0	4.0	4.0	4.0	-	4.0
General Fund Total	131.5	138.0	145.5	148.0	156.0	146.0	146.0	151.0	154.0	154.0
Enterprise Fund:										
Administration	6.0	7.5	7.5	7.0	8.0	7.0	7.0	7.0	8.0	8.0
Water, Sewer, WWTP	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	25.0	24.0
Enterprise Fund Total	30.0	31.5	31.5	31.0	32.0	31.0	31.0	31.0	33.0	32.0
Internal Service Fund:										
Administration	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0
Internal Service Fund Total	5.0	4.0	5.0							
Emergency Medical Services:										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
Emergency Medical Service Total	2.0	3.0	3.0	3.0						
TOTAL CITY POSITIONS	168.5	175.5	183.0	185.0	194.0	183.0	183.0	189.0	194.0	194.0

Source: Economic development department

CITY OF ALVIN, TEXAS
OPERATING INDICATORS BY FUNCTION
 Last Ten Years

	Fiscal Year			
	2005	2006	2007	2008
Function/Program				
Police				
Physical arrests	2,506	2,627	1,557	2,201
Traffic violations	2,378	1,936	2,620	3,074
Fire				
Emergency responses	710	724	712	889
Inspections	634	747	876	884
Sanitation				
Monthly residential pickups	4,903	5,042	5,147	5,317
Commercial containers	797	602	781	845
Culture and recreation				
Athletic fields	21	21	21	21
Water				
New accounts	96	237	154	128
Total number of water connections	6,055	6,975	7,129	7,257
Average daily consumption (thousands of gallons)	2.350	2.287	2.226	2.379
Sewer				
Average daily sewage treatment (thousands of gallons)	3.500	2.395	3.000	2.965

Source: Various City departments

Note: Indicators are not available for the general government function

Fiscal Year

2009	2010	2011	2012	2013	2014
1,973	1,920	2,253	2,199	2,402	676
3,405	3,429	3,857	3,649	4,522	5,001
894	599	511	560	551	675
461	424	511	428	333	740
5,339	5,376	5,452	5,486	5,566	5,683
835	835	848	842	866	883
21	22	22	22	22	22
93	55	94	91	117	119
7,350	7,405	7,499	7,567	7,684	7,803
2,774	2,414	2,414	2,395	2,337	2,337
2,552	3,416	3,416	2,860	2,639	2,639

CITY OF ALVIN, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Years

Function/Program	Fiscal Year			
	2005	2006	2007	2008
Police				
Stations	1	1	1	1
Patrol units	32	32	35	34
Fire				
Fire station	2	2	2	2
Volunteers	63	57	61	64
Highways and Streets				
Streets (miles)	192	178	178	178
Parks and recreation				
Parks acreage	88	91	108	108
Parks	13	15	15	15
Senior center	-	-	-	-
Skate park	-	-	-	-
Dog park	-	-	-	-
Hike & bike trail	-	-	-	-
Swimming pools	1	1	1	1
Tennis courts	2	2	2	2
Water				
Water wells	5	5	5	5
Water mains (miles)	137	142	145	145
Fire hydrants	891	876	901	905
Storage capacity (thousands of gallons)	2,496	2,496	2,496	2,496
Sewer				
Sanitary sewers (miles)	135.0	138.0	140.0	104.0
Storm sewers (miles)	35.0	38.0	50.0	50.5
Treatment capacity (thousands of gallons)	15,000	15,000	15,000	15,000

Source: Various City departments

Note: No capital asset indicators are available for the general government function

Fiscal Year					
2009	2010	2011	2012	2013	2014
1	1	1	1	1	1
36	41	41	41	41	41
3	3	3	3	3	3
65	65	65	65	65	65
180	180	180	180	180	180
101	101	103	103	171	171
16	16	16	16	14	14
-	-	-	-	1	1
-	-	-	-	1	1
-	-	-	-	1	1
-	-	-	-	1	1
1	1	1	1	1	1
2	2	2	2	2	2
5	5	5	5	5	5
145	147	147	150	150	150
905	920	920	946	949	949
7.920	8.310	8.310	8.310	8.310	8.310
104.0	141.0	141.0	142.0	142.0	142.0
50.5	52.0	52.0	52.0	52.0	52.0
15.000	15.000	15.000	15.000	15.000	15.000

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