

CITY OF BEASLEY, TEXAS

FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2018

CITY OF BEASLEY, TEXAS

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September 30, 2018

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INTRODUCTORY SECTION

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CITY OF BEASLEY, TEXAS

PRINCIPAL OFFICIALS

September 30, 2018

MAYOR

Kenneth Ray Reid

CITY COUNCIL

Mayor Pro-Tem
Alderman
Alderman
Alderman
Alderman

Dale Lindemann
Jerri Lynn Lindemann
Alfred F. Becan
Yvonne Meyer
Teresa Cisneros

CITY SECRETARY

Geraldine Michulka

CITY ATTORNEY

Olson & Olson LLP

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the City Council
City of Beasley, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of the City of Beasley, Texas (the "City") as of and for the year ended September 30, 2018, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of the City of Beasley, Texas, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Beasley, Texas's basic financial statements. The introductory section and the other supplementary information are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was 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 other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has 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 it.



Stafford, Texas
August 16, 2019

Management's Discussion and Analysis

As management of the City of Beasley, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended September 30, 2018.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$ 1,787,216 (Net Position). Of this amount, \$ 614,605 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$182,734 during the year.
- The City's total expenses were \$523,428 . Program revenues of \$343,058 decreased the net cost of the City's functions to be financed from the City's general revenues to \$180,370 .
- At the end of the fiscal year, fund balance for the General Fund was \$694,532 or 261 percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Additionally, 4) Certain budget related reports are presented as required supplemental information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

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

FUND FINANCIAL STATEMENTS

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the City's most significant funds. The fund financial statements provide more information about the City's most significant funds - not the City as a whole. The City has two types of funds:

Governmental Funds - Some of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial

resources that can be spent in the near future to finance the City’s major programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement that explains the relationship/differences between them.

The City maintains two individual governmental funds, the General Fund and Debt Service Fund for financial reporting purposes, both of which are not considered to be major funds as of September 30, 2018. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for these funds.

Utility Fund – The City’s proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The Utility Fund accounts for the water, sewer and garbage operations of the City.

NOTES TO THE 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 to the financial statements can be found after the presentation of the financial statements of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s General Fund budget. Required supplementary information can be found after the Notes of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets exceeded liabilities by \$1,787,216 as of September 30, 2018.

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Current Assets	\$ 784,195	\$ 761,028	300,899	\$ 248,602	\$ 1,085,094	\$ 1,009,630
Capital assets, net	265,193	274,180	802,994	726,312	1,068,187	1,000,492
Total Assets	1,049,388	1,035,208	1,103,893	974,914	\$ 2,153,281	2,010,122
Long-term liabilities	183,000	213,000	97,146		280,146	213,000
Other liabilities	54,658	46,562	31,261	31,137	85,919	77,699
Total Liabilities	237,658	259,562	128,407	31,137	366,065	290,699
Net investment in capital assets	265,193	274,180	802,994	726,312	1,068,187	1,000,492
Restricted	182,734	168,925	134,690	121,997	317,424	290,922
Unrestricted	363,803	332,541	37,802	95,468	401,605	428,009
Total Net Position	\$ 811,730	\$ 775,646	\$ 975,486	\$ 943,777	\$ 1,787,216	\$ 1,719,423

The largest portion of the City’s net position (48 percent) reflects its investment in capital assets (e.g. land, buildings, vehicles, equipment and infrastructure) less any related debt used to acquire those assets that is

still outstanding. The City uses these capital assets to provide services to the individuals we serve; consequently, these assets are not available for future spending.

Additionally, a portion of the City's net position (18 percent) represents restricted financial resources which are not available for future spending.

Lastly, the remaining portion of the City's net position (34 percent) represents unrestricted financial resources available for future operations.

Changes in Net Position

Net position of the City, which relate to governmental and business-type activities, increased by \$182,734. Key elements of the increase are as follows:

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 13,881	\$ 2,594	\$ 329,177	\$ 214,414	\$ 343,058	\$ 217,008
General revenues:						
Property taxes	112,257	136,445			112,257	136,445
Other taxes	158,190	132,818			158,190	132,818
Other	29,996	32,918	1,481	2,318	31,477	35,236
Total Revenues	314,324	304,775	330,658	216,732	644,982	521,507
Expenses						
General government	240,168	176,049			240,168	176,049
Public works	58,075	30,255			58,075	30,255
Utilities			225,185	188,355	225,185	188,355
Total Expenses	298,243	206,304	225,185	188,355	523,428	394,659
Increase (Decrease) in Net Position Before						
Transfers	16,081	98,471	105,473	28,377	121,554	126,848
Transfers	61,180	55,366			61,180	55,366
Change in Net Position	77,261	153,837	105,473	28,377	182,734	182,214
Net Position, Beginning	734,466	621,809	870,016	830,946	1,604,482	1,452,755
Net Position, Ending	\$ 811,727	\$ 775,646	\$ 975,489	\$ 859,323	\$ 1,787,216	\$ 1,634,969

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As previously noted, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's governmental funds are discussed as follows:

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, fund balance may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

As of September 30, 2018, the City’s general fund reported an ending fund balance of \$694,532 which is an increase of \$11,322 from the prior year.

As a measure of the General Fund’s liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 261 percent of total General Fund expenditures.

GENERAL FUND HIGHLIGHTS

Fund balance in the General Fund increased to \$694,532. It is intended that, if needed, the use of available fund balance will avoid the need to significantly raise taxes in the near future.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, there were no increases or decreases in appropriations between the original and final budget of the General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City’s investment in capital assets as of September 30, 2018, amounts to \$ 1,068,187 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings, machinery and equipment and infrastructure.

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Non-Depreciable Assets						
Land and improvements	\$ 18,060	\$ 18,060	\$ 8,931	\$ 8,931	\$ 26,991	\$ 26,991
Depreciable Assets, Net						
Streets	28,831	29,690			28,831	29,690
Buildings	176,014	183,583			176,014	183,583
Vehicles & Equipment	42,285	42,847	1,210	1,810	43,495	44,657
Water system			231,062	239,587	231,062	239,587
Sewer system			561,794	475,984	561,794	475,984
Totals	\$ 265,190	\$ 274,180	\$ 802,997	\$ 726,312	\$ 1,068,187	\$ 1,000,492

Additional information on the City’s capital assets can found in Note 5 in the notes to financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total debt outstanding of \$ 213,000 .

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General obligation refunding bonds	\$ 213,000	\$ 233,000			\$ 213,000	\$ 233,000
Totals	\$ 213,000	\$ 233,000	\$	\$	\$ 213,000	\$ 233,000

The City’s total debt decreased by \$30,000 during the current fiscal year. All debt is scheduled to be retired by 2025. Additional information on the City’s long-term debt can found in Note 6 in the notes to financial statements.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the City of Beasley, Texas’s finances for all those with an interest in the City’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Beasley, Texas, 319 South 3rd Street, Beasley, Texas 77417.

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BASIC FINANCIAL STATEMENTS

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CITY OF BEASLEY, TEXAS

Exhibit A-1

STATEMENT OF NET POSITION

September 30, 2018

	Primary Government		Totals	Component Units
	Governmental Activities	Business-Type Activities		
<u>Assets</u>				
Cash and cash equivalents	\$ 444,263	\$ 195,228	\$ 639,491	\$ 420,471
Restricted cash and cash equivalents	180,835	91,655	272,490	
Taxes receivable	40,418		40,418	
Due from other funds	118,654		118,654	
Customer receivables		14,016	14,016	
Other receivables	25		25	
Land	18,060	8,931	26,991	
Capital assets net of accumulated depreciation	247,130	794,066	1,041,196	
Total Assets	1,049,385	1,103,896	2,153,281	420,471
<u>Liabilities</u>				
Accounts payable and other current liabilities	24,658	97,146	121,804	
Refundable deposits		31,261	31,261	
Accrued interest			-	
Noncurrent liabilities:				
Due within one year	30,000		30,000	
Due in more than one year	183,000		183,000	
Total Liabilities	237,658	128,407	366,065	
<u>Net Position</u>				
Net investment in capital assets	52,190	802,997	855,187	
Restricted	182,734	134,690	317,424	420,471
Unrestricted	576,803	37,802	614,605	
Total Net Position	\$ 811,727	\$ 975,489	\$ 1,787,216	\$ 420,471

CITY OF BEASLEY, TEXAS

STATEMENT OF ACTIVITIES

Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants & Contributions
Primary Government			
Governmental Activities:			
General government	\$ 240,168	\$ 13,881	\$
Public works	58,075		
Total Governmental Activities	<u>298,243</u>	<u>13,881</u>	
Business-Type Activities:			
Utilities	225,185	229,177	100,000
Total Business-Type Activities	<u>225,185</u>	<u>229,177</u>	<u>100,000</u>
Total Primary Government	<u>\$ 523,428</u>	<u>\$ 243,058</u>	<u>\$ 100,000</u>
Component Units			
Economic Development Corporation	\$ 20,000	\$	\$
Community Development Corporation			
Total Component Units	<u>\$ 20,000</u>	<u>\$</u>	<u>\$</u>

General Revenues:

Taxes:

 Property taxes, penalties and interest

 Sales taxes

 Franchise taxes

Investment earnings

Miscellaneous

Transfers

**Total General Revenues
and Transfers**

Change in Net Position

Net Position, Beginning

Net Position, Ending

Net (Expense) Revenue and Changes in Net Position			
Primary Government		Totals	
Governmental Activities	Business-Type Activities	Primary Government	Component Units
\$ (226,287)	\$	\$ (226,287)	\$
(58,075)		(58,075)	
<u>(284,362)</u>		<u>(284,362)</u>	
	103,992	103,992	
	<u>103,992</u>	<u>103,992</u>	
<u>\$ (284,362)</u>	<u>\$ 103,992</u>	<u>\$ (180,370)</u>	
			(20,000)
			<u>\$ (20,000)</u>
\$ 112,257	\$	\$ 112,257	\$ 51,650
130,014		130,014	25,713
28,176		28,176	
4,438	1,481	5,919	502
25,558		25,558	
<u>61,180</u>		<u>61,180</u>	
361,623	1,481	363,104	77,865
<u>77,261</u>	<u>105,473</u>	<u>182,734</u>	<u>57,865</u>
734,466	870,016	1,604,482	362,606
<u>\$ 811,727</u>	<u>\$ 975,489</u>	<u>\$ 1,787,216</u>	<u>\$ 420,471</u>

CITY OF BEASLEY, TEXAS

Exhibit A-3

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2018

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Totals Governmental Funds</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 444,263	\$	\$ 444,263
Restricted cash and equivalents	117,729	63,106	180,835
Due from other funds	118,654		118,654
Receivables:			
Sales and franchise taxes	23,300		23,300
Delinquent property taxes	12,210	4,908	17,118
Other	25		25
Total Assets	<u>\$ 716,181</u>	<u>\$ 68,014</u>	<u>\$ 784,195</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
<u>Liabilities</u>			
Accounts payable and accrued liabilities	4,069		4,069
Due to component units	\$ 5,112	\$	\$ 5,112
Total Liabilities	<u>9,181</u>		<u>9,181</u>
 <u>Deferred Inflows of Resources</u>			
Unavailable revenue - property taxes	<u>12,468</u>	<u>3,009</u>	<u>15,477</u>
 <u>Fund Balances</u>			
Restricted	117,729	65,005	182,734
Unassigned	<u>576,803</u>		<u>576,803</u>
Total Fund Balances	<u>694,532</u>	<u>65,005</u>	<u>759,537</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 716,181</u>	<u>\$ 68,014</u>	<u>\$ 784,195</u>

Amounts reported for governmental activities in the statement of net position are different because:

Total Governmental Fund Balances	\$ 759,537
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>52,190</u>
Net Position of Governmental Activities	<u>\$ 811,727</u>

CITY OF BEASLEY, TEXAS

Exhibit A-4

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

Year Ended September 30, 2018

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Totals Governmental Funds</u>
<u>Revenues</u>			
Property taxes	\$ 73,032	\$ 37,039	\$ 110,071
Penalties and interest	2,186		2,186
Sales taxes	130,014		130,014
Franchise taxes	28,176		28,176
Investment earnings	4,438		4,438
Other	39,439		39,439
Total Revenues	<u>277,285</u>	<u>37,039</u>	<u>314,324</u>
<u>Expenditures</u>			
Current:			
General government	194,453		194,453
Public works	58,075		58,075
Capital outlay	13,435		13,435
Debt Service:			
Principal payments		20,000	20,000
Interest and fiscal charges		3,290	3,290
Debt issuance costs			
Total Expenditures	<u>265,963</u>	<u>23,290</u>	<u>289,253</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,322</u>	<u>13,749</u>	<u>25,071</u>
Net Change in Fund Balances	11,322	13,749	25,071
Fund Balances - Beginning	683,210	51,256	734,466
Fund Balances - Ending	<u>\$ 694,532</u>	<u>\$ 65,005</u>	<u>\$ 759,537</u>

Reconciliation to the Statement of Activities:

Total net change in fund balances - governmental funds	\$ 25,071
Certain assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	61,180
governmental funds statement - depreciation expense	<u>(8,990)</u>
Change in net position of governmental activities	<u>\$ 77,261</u>

CITY OF BEASLEY, TEXAS

Exhibit A-5

STATEMENT OF NET POSITION
PROPRIETARY FUND

September 30, 2018

	<u>Business-Type Activities Utility Fund</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 195,228
Restricted cash and equivalents	91,655
Customer receivables	14,016
Land	8,931
Capital assets net of accumulated depreciation	794,066
Total Assets	<u><u>\$ 1,103,896</u></u>
 <u>Liabilities and Net Position</u>	
<u>Liabilities</u>	
Accounts payable and other current liabilities	\$ 97,146
Refundable deposits	31,261
Total Liabilities	<u>128,407</u>
 <u>Net Position</u>	
Net investment in capital assets	802,997
Restricted	134,690
Unrestricted	37,802
Total Net Position	<u>975,489</u>
 Total Liabilities and Net Position	 <u><u>\$ 1,103,896</u></u>

CITY OF BEASLEY, TEXAS

Exhibit A-6

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

Year Ended September 30, 2018

	<u>Business-Type Activities Utility Fund</u>
<u>Revenues</u>	
Charges for services	\$ 227,177
Property tax	2,000
Other revenue	100,000
Total Revenues	<u>329,177</u>
<u>Expenses</u>	
Personnel services	20,000
Contractual services	144,573
Other expenses	37,298
Depreciation	23,314
Total Expenses	<u>225,185</u>
Operating (Loss)	103,992
<u>Non-Operating Income (Expense)</u>	
Investment earnings	1,481
Total Non-Operating Income (Expense)	<u>1,481</u>
Net Change in Net Position	105,473
Net Position - Beginning	<u>870,016</u>
Net Position - Ending	<u>\$ 975,489</u>

CITY OF BEASLEY, TEXAS

Exhibit A-7

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

Year Ended September 30, 2018

	<u>Business-Type Activities Utility Fund</u>
<u>Cash Flows from Operating Activities</u>	
Cash received from customers	\$ 322,623
Cash paid to suppliers	(181,871)
Cash paid to employees	(20,000)
Net Cash Provided by Operating Activities	<u>120,752</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of capital assets	<u>(100,000)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(100,000)</u>
<u>Cash Flows from Investing Activities</u>	
Investment earnings	1,481
Transfer	12,692
Net Cash Provided by Investing Activities	<u>14,173</u>
Net (Decrease) in Cash and Cash Equivalents	34,925
Cash and Cash Equivalents - Beginning of Year	<u>251,958</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 286,883</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating (loss)	\$ 105,473
Adjustments to Reconcile Operating (Loss) to Net Cash	
Provided by Operating Activities: Depreciation	23,314
(Increase) Decrease in:	
Customer receivables	(2,911)
Increase (Decrease) in:	
Refundable deposits	124
Due to other general fund	12,692
Net Cash Provided by Operating Activities	<u><u>\$ 138,692</u></u>

CITY OF BEASLEY, TEXAS

Exhibit A-8

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Beasley, Texas was organized in 1894. Beasley is a "general law" city governed by the statutes of the State of Texas. In December 1996, the Town of Beasley changed its status to a from a town to a city form of government. Henceforth, the City of Beasley, Texas (the "City") is operating under municipality law as a Type A general law municipality. The City Council is the principal legislative body of the City and is composed of a Mayor and five council members who serve two-year terms. The Mayor presides at the council meetings and is entitled to vote on all matters considered by the Council. All powers of the City are vested in the Council.

The financial statements of the City are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, the GASB unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis-for State and Local Governments ("Statement No. 34"). The City implemented the provisions of Statement No. 34 in the 2000 fiscal year. As such, these and other changes provided for by Statement No. 34 are reflected in the accompanying financial statements.

A. FINANCIAL REPORTING ENTITY

In evaluating how to define the City for reporting purposes, the City's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB No. 14, The Financial Reporting Entity, and as amended by GASB No. 39, Determining Whether Certain Organizations are Component Units. Under these guidelines, the reporting entity consists of the primary government (all funds of the City), organizations for which the primary government is financially accountable, organizations for which the primary government is not financially accountable, organizations that raise and hold economic resources for the direct benefit of the primary government, and any other organization for which the nature and significance of their relationship with the primary government is such that exclusion could cause the City's financial statements to be misleading or incomplete. Entities other than the primary government that are included in the primary government's financial statements are called component units. The component units discussed in this note are included in the City's financial statements because of the significance of their financial relationships with the City.

B. COMPONENT UNITS

The component unit column in the financial statements included the financial data from two component units. These component units are reported in a separate column to emphasize that they are legally separate from the City.

In 1997, under State of Texas law, the City formed the Community Development Corporation and the Economic Development Corporation. The voters approved additional city sales taxes which are to be used to fund these two entities. These two corporations have been included as a discretely presented component unit in the City's financial statements. The Board of Directors is appointed by and serves at the discretion of the City Council. City Council approval is required for annual budgets and bonded debt issuances. In

CITY OF BEASLEY, TEXAS

Exhibit A-8

NOTES TO FINANCIAL STATEMENTS

the event of dissolution, net position of the corporations shall be conveyed to the City. The operations of these Development Corporations are presented as governmental fund types.

C. BASIC FINANCIAL STATEMENTS

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type.

Government-wide financial statements report information about the reporting unit as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or business-type activity. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from services or privileges provided by a given function or business-type activity. Other items not reported as program revenues are reported instead as general revenues.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. The City reports governmental type funds.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide 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.

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. A one-year availability period is used for revenue recognition. Expenditures are recorded when the related fund liability is incurred.

Funds

The City reports the following funds:

Governmental Fund Types

Governmental funds use the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period.

Governmental fund types include the following:

General Fund- is used to account for resources used in general operations. This is a budgeted fund and any fund balances are considered resources available for current operations. All revenues and expenditures not required to be accounted for in other funds are accounted for in this fund.

CITY OF BEASLEY, TEXAS

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NOTES TO FINANCIAL STATEMENTS

Debt Service Fund- is used to account for revenues received from the debt service portion of property taxes and the semi-annual expenditures for the repayment of the General Obligation Refunding Bonds, Series 2015.

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Proprietary fund types include the following:

Utility Fund – is used to account for operations that provide water and sewer service and the construction of related facilities. This fund is financed and operated in a manner similar to a private business whereby the costs of providing services to customers on a continuing basis is recovered primarily through customer service charges.

Budget policy and practice

The Mayor submits an annual budget to the Council members in accordance with the City's charter. In September, the Council members and the Mayor adopt an annual fiscal year appropriated budget for the General Fund and the Utility Fund. Once approved, the Council members and the Mayor may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Budgetary control

The General Fund appropriated budget is prepared on a detailed line-item basis. Revenues are budgeted by source. Expenditures are budgeted by departments. This constitutes the legal level of budgetary control. Expenditures may not exceed appropriations and beginning fund balances. Budget revisions at this level are subject to final review by the council members. Within these above control levels, the Mayor may transfer appropriations without Council approval.

Budget basis of accounting

The budgets for the General Fund and Utility Fund are prepared on a basis consistent with accounting principles generally accepted in the United States of America. Any unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

D. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, change funds and short-term certificates of deposit with a maturity date within three months of the date acquired by the government.

E. INVESTMENTS

Investments, when held, consist of certificate of deposits reported at cost, which approximates fair value.

CITY OF BEASLEY, TEXAS

Exhibit A-8

NOTES TO FINANCIAL STATEMENTS

F. RECEIVABLES

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

G. INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are, for the most part, eliminated from the government-wide Statement of Net Position and are classified as "due from other funds" or "due to other funds" in the fund financial statements.

H. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent 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. Deferred inflows of resources consist of unavailable property tax revenues.

I. CAPITAL ASSETS

Capital assets, such as property, plant, equipment, and infrastructure assets (e.g., roads, drainage systems, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide statement of net position. The City defines capital assets as assets with initial, individual costs of more than \$5,000 and an estimated useful life in excess of one year. 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.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is not included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Asset Description	Estimated Useful Life
Buildings	40 years
Water and sewer plant	50 years
Infrastructure	50 years
Equipment	5-10 years

J. COMPENSATED EMPLOYEE ABSENCES

There were no compensated absences at year-end for any employee of the City.

CITY OF BEASLEY, TEXAS

Exhibit A-8

NOTES TO FINANCIAL STATEMENTS

K. FUND EQUITY

Restricted equity balances represent those portions of fund balance not appropriable for expenditure or legally segregated for a specific future use. Unassigned fund balances represent available balances for the City's future use.

L. 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 financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

M. RESTRICTED RESOURCES

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

N. INTERFUND ACTIVITY

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

O. OPERATING AND NONOPERATING REVENUES

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 Utility Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

P. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through May 19, 2018, the date that the financial statements were available to be issued.

NOTE 2. CASH AND INVESTMENTS

Cash and Cash Equivalents

The City's funds are required to be deposited and invested under the terms of a depository contract pursuant to state statutes. The depository bank deposits, for safekeeping and trust with the City's agent bank, approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the

CITY OF BEASLEY, TEXAS

Exhibit A-8

NOTES TO FINANCIAL STATEMENTS

period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") Insurance.

As of September 30, 2018, all primary government funds and funds held by the Economic Development Corporation component unit subject to being secured by FDIC insurance and pledges were secured. Component unit funds in the Community Development Corporation were under secured by \$104,126.

Custodial Credit Risk - Deposits

For deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned to it. Collateral is required for all bank deposits at 100% of deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. Collateral pledged to cover the City's deposits is required to be held in the City's name by the trust department of a bank other than the pledging bank (the City's agent). Collateral securities must bear a Baa-1 or better rating to qualify for use in securing uninsured depository balances. Deposits at year-end are representative of the types of deposits maintained by the City during the year.

NOTE 3. PROPERTY TAXES

The City's property taxes are levied annually in October on the basis of the Appraisal District's assessed values as of January 1 of that calendar year. Appraised values are established by the Appraisal District at market value and assessed at 100% of appraised value. The City's property taxes are billed and collected by the Fort Bend County Tax Assessor/Collector. Such taxes are applicable to the fiscal year in which they are levied and become delinquent with an enforceable lien on property on February 1 of the subsequent calendar year.

Property taxes are levied for operations and based on rates adopted for the year of the levy. For the current year, the City lev \$0.499128 per \$100 of assessed valuation. The resulting adjusted tax levy was property taxes of \$131,002 on the total adjusted taxable valuation of \$28,687,446 for the 2017 tax year.

Property taxes receivable, at September 30, 2018, consists of the following:

Tax Year	General Fund
2017	\$ 2,702
2016	1,555
2015	1,591
2014	1,362
2013	1,285
2012	870
2011 and prior	2,845
Total	\$ 12,210

CITY OF BEASLEY, TEXAS

Exhibit A-8

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables as of year-end for the government's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities		Business-Type Activities		Totals
	General	Debt Service	Water And Sewer	Sanitation	
Net Receivables:					
Sales and franchise	\$ 23,300	\$	\$	\$	\$ 23,300
Property taxes	12,210	4,908			17,118
Customer accounts				14,016	14,016
Other	25				25
Totals	\$ 35,535	\$ 4,908	\$	\$	\$ 54,459

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the components of deferred inflows of resources reported in the governmental funds were as follows:

	Unavailable
Delinquent property taxes receivable - General Fund	\$ 12,210
Delinquent property taxes receivable - Debt Service Fund	4,908
Totals	\$ 17,118

CITY OF BEASLEY, TEXAS

Exhibit A-8

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended September 30, 2018:

	Balances Oct. 1, 2017	Increases	(Decreases)	Balances Sept. 30, 2018
Governmental Activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 18,060	\$	\$	\$ 18,060
Total capital assets not being depreciated	<u>18,060</u>			<u>18,060</u>
Capital assets being depreciated:				
Infrastructure	155,517			155,517
Buildings	337,893			337,893
Machinery and equipment	120,647			120,647
Total capital assets being depreciated	<u>614,057</u>			<u>614,057</u>
Less accumulated depreciation for:				
Infrastructure	(125,827)	(859)		(126,686)
Buildings	(154,310)	(7,569)		(161,879)
Machinery and equipment	(77,800)	(562)	-	(78,362)
Total accumulated depreciation	<u>(357,937)</u>	<u>(8,990)</u>		<u>(366,927)</u>
Total capital assets being depreciated, net	<u>256,120</u>	<u>(8,990)</u>		<u>247,130</u>
Governmental activities capital assets, net	<u>\$ 274,180</u>	<u>\$ (8,990)</u>	<u>\$</u>	<u>\$ 265,190</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 8,931	\$	\$	\$ 8,931
Total capital assets not being depreciated	<u>8,931</u>			<u>8,931</u>
Capital assets being depreciated:				
Water System	474,313			474,313
Sewer System	609,495	100,000		709,495
Vehicles	3,000			3,000
Total capital assets being depreciated	<u>1,086,808</u>			<u>1,186,808</u>
Less accumulated depreciation for:				
Water System	(234,726)	(8,525)		(243,251)
Sewer System	(133,511)	(14,190)		(147,701)
Vehicles	(1,190)	(600)		(1,790)
Total accumulated depreciation	<u>(369,427)</u>	<u>(23,315)</u>		<u>(392,742)</u>
Total capital assets being depreciated, net	<u>717,381</u>	<u>(23,315)</u>		<u>794,066</u>
Business-type activities capital assets, net	<u>\$ 726,312</u>	<u>\$ (23,315)</u>	<u>\$</u>	<u>\$ 802,997</u>

CITY OF BEASLEY, TEXAS

Exhibit A-8

NOTES TO FINANCIAL STATEMENTS

Depreciation was charged as follows:

General government	
Public works	\$ 8,131
Infrastructure	856
Total Governmental Activities Depreciation Expense	<u><u>\$ 8,990</u></u>
Business type activities	
Utilities	\$ 23,315
Total Business-Type Activities Depreciation Expense	<u><u>\$ 23,315</u></u>

NOTE 6. LONG-TERM DEBT

General Obligation Bonds – Business-Type Activities

During the 2015 fiscal year, the City issued the General Obligation Refunding Bonds, Series 2015 (the “Bonds”) in the amount of \$290,000. These bonds were issued to refund the Tax and Revenue Certificates of Obligation, Series 2004B. The bonds carry an interest rate of 2.41% and will mature in 2025. The bonds were estimated to provide a present value savings of \$86,914.

Following is a summary of the terms of the general obligation refunding bonds as of September 30, 2018:

Activities	Original Issue	Matures	Interest Rate(%)	Debt Outstanding
Governmental Activities				
General Obligation Refunding bonds, Series 2015	\$ 290,000	2025	2.41	\$ 213,000
Total				<u><u>\$ 213,000</u></u>
Total Governmental Activities				
Long-Term Debt				183,000
Less: current portion				<u>30,000</u>
Long-Term portion				<u><u>\$ 213,000</u></u>

CITY OF BEASLEY, TEXAS

Exhibit A-8

NOTES TO FINANCIAL STATEMENTS

Annual debt service requirements to maturity for the general obligation refunding bonds, including interest, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Totals
2018	\$ 30,000	\$ 5,615	\$ 35,615
2019	30,000	5,133	35,133
2020	30,000	4,410	34,410
2021	29,000	3,687	32,687
2022	29,000	2,989	31,989
2023-2025	65,000	4,676	69,676
Totals	\$ 213,000	\$ 26,510	\$ 239,510

Changes in Long-Term Liabilities

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

	Balances Oct. 1, 2017	Additions	Reductions	Balances Sept. 30, 2018	Amounts Due Within One Year
Governmental Activities:					
General obligation refunding bonds	\$ 233,000	\$	\$ (20,000)	\$ 213,000	\$ 30,000
Total Governmental Activities	\$ 233,000	\$	\$ (20,000)	\$ 213,000	\$ 30,000

Other Long-Term Liabilities

For governmental activities, claims and judgments and other long-term liabilities are generally liquidated by the General Fund.

NOTE 7. FUND BALANCES

The Governmental Accounting Standards Board has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the following five fund balance categories:

1) **Nonspendable:**

To indicate fund balance associated with inventories, prepaids, long-term loans and notes receivable and property held for resale (unless the proceeds are restricted, committed or assigned).

2) **Restricted:**

To indicate fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.

CITY OF BEASLEY, TEXAS

Exhibit A-8

NOTES TO FINANCIAL STATEMENTS

3) **Committed:**

To indicate fund balance that can be used only for the specific purposes determined by a formal action of the City Council (the City's highest level of decision-making authority). City Council must place an item on the Council's agenda, followed by a formal action to approve such, in order to establish, modify or rescind a fund balance commitment.

4) **Assigned:**

To indicate fund balance to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. Currently, only City Council has the authority to assign fund balances.

5) **Unassigned:**

To indicate the residual classification of fund balance in the General Fund and includes all spendable amounts not contained in the other classifications.

In circumstances where an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

GASB 54 requires disclosure of any formally adopted minimum fund balance policies. The City does not currently have any such policies.

NOTE 8. RISK MANAGEMENT

The City is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. The City has not significantly reduced insurance coverage or had settlements, which exceeded coverage amounts for the past three fiscal years. The City had no material unpaid claims liabilities at the end of the current or prior year.

NOTE 9. SUBSEQUENT EVENT

The City took steps subsequent to year end to address collateralization issues present in one component unit as of September 30, 2018.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BEASLEY, TEXAS

Exhibit B-1

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

Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance from Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property taxes	\$ 108,321	\$ 108,321	\$ 110,071	\$ 1,750
Penalties and interest	2,000	2,000	2,186	186
Sales taxes	173,000	173,000	130,014	(42,986)
Franchise taxes	24,168	24,168	28,176	4,008
Investment earnings	250	250	4,438	4,188
Other	5,360	5,360	39,439	34,079
Total Revenues	<u>313,099</u>	<u>313,099</u>	<u>314,324</u>	<u>1,225</u>
<u>Expenditures</u>				
Current:				
General government	296,599	296,599	224,633	(71,966)
Public works	36,500	36,500	58,075	21,575
Capital outlay			<u>15,535</u>	<u>15,535</u>
Total Expenditures	<u>333,099</u>	<u>333,099</u>	<u>298,243</u>	<u>(34,856)</u>
<u>Other Financing (Uses)</u>				
Operating transfer (out)	20,000	20,000	61,180	81,180
Total Other Financing (Uses)	<u>20,000</u>	<u>20,000</u>	<u>61,180</u>	<u>81,180</u>
Net Change in Fund Balance			77,261	47,549
Fund Balance, Beginning	<u>734,466</u>	<u>734,466</u>	<u>734,466</u>	
Fund Balance, Ending	<u>\$ 734,466</u>	<u>\$ 734,466</u>	<u>\$ 811,727</u>	<u>\$ 47,549</u>

CITY OF BEASLEY, TEXAS

Exhibit B-2

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for the General Fund on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end.

Expenditures may not legally exceed budgeted appropriations at the department level. Expenditure requests, which would require an increase in total budgeted appropriations, must be approved by City Council through a formal budget amendment. At any time during the fiscal year, the Council may make emergency appropriations to meet a pressing need for public expenditure in order to protect the public health, safety, or welfare. The Council has the power to transfer any unencumbered funds allocated by the budget from one activity, function, or department, to another activity, function, or department, to re-estimate revenues and expenditures, and to amend the budget.

Management has the authority to transfer available funds allocated by the budget from one function or activity to another function or activity within the same department.

The Mayor prepares an annual budget for the General Fund for the ensuing fiscal year, in a form and style as deemed desirable by Council. The budget, as adopted, must set forth the appropriations for services, functions, and activities of the various City departments and agencies, and shall meet all fund requirements provided by law and required by applicable bond covenants.

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**OTHER SUPPLEMENTARY
INFORMATION**

CITY OF BEASLEY, TEXAS

Exhibit C-1

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL UTILITY FUND

Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance from Budget</u>
<u>Revenues</u>			
Water	\$ 77,056	\$ 83,387	\$ 6,331
Sewer	72,985	77,379	4,394
Garbage	60,074	58,956	(1,118)
Late charge	5,325	5,895	570
Reconnect fees	2,650	650	(2,000)
Other	9,850	2,910	(6,940)
Total Revenues	<u>227,940</u>	<u>229,177</u>	<u>1,237</u>
<u>Expenses</u>			
Personnel services	20,000	20,000	
Contractual services	165,327	144,573	20,754
Other expenses	42,718	37,298	5,420
Depreciation		23,314	(23,314)
Total Expenses	<u>228,045</u>	<u>225,185</u>	<u>2,860</u>
Operating Income (Loss)	(105)	3,992	4,097
<u>Non-Operating Income (Expense)</u>			
Investment earnings	105	1,481	1,376
Total Non-Operating Income (Expense)	<u>105</u>	<u>1,481</u>	<u>1,376</u>
Other Financing Sources (Uses)			
Grant Revenue		100,000	100,000
Total Other Financing Sources (Uses)		<u>100,000</u>	<u>100,000</u>
Net Change in Net Position		105,473	105,473
Net Position - Beginning	<u>870,543</u>	<u>870,016</u>	
Net Position - Ending	<u>\$ 870,543</u>	<u>\$ 975,489</u>	<u>\$ 105,473</u>

CITY OF BEASLEY, TEXAS

Exhibit C-2

ANALYSIS OF TAXES LEVIED AND RECEIVABLE

For the Year Ended September 30, 2018

	General Fund	Debt Service Fund
Taxes receivable - October 1, 2017	\$ 10,224	\$ 4,672
Additions and corrections-prior years	<u>10,224</u>	<u>4,672</u>
Adjusted taxes receivable - October 1, 2017	82,715	25,606
Original tax roll 2018	<u>732</u>	<u>226</u>
Additions and corrections-current year	83,577	25,873
Adjusted tax roll	<u>93,801</u>	<u>30,545</u>
Total to be Accounted for		
Tax Collections:		
Current year	80,876	25,034
Prior years	<u>2,482</u>	<u>1,285</u>
Total Collections	83,358	26,319
Taxes Receivable - September 30, 2018	<u><u>\$ 12,210</u></u>	<u><u>\$ 4,908</u></u>

Taxes Receivable - By Tax Year

2017	\$ 2,702	\$ 836
2016	1,555	1,164
2015	1,591	480
2014	1,361	452
2013 and prior	<u>5,001</u>	<u>1,976</u>
Taxes Receivable - September 30, 2018	<u><u>\$ 12,210</u></u>	<u><u>\$ 4,908</u></u>

	2017	2016	2015	2014
Property Valuations				
Total Property Valuations	<u>\$ 29,918,375</u>	<u>\$ 28,687,446</u>	<u>\$ 23,425,396</u>	<u>\$ 22,472,192</u>
Tax Rates Per \$100 Valuation				
Debt service	\$ 0.08634	\$ 0.20000	\$ 0.115675	\$ 0.124505
Maintenance and operations	<u>0.27891</u>	<u>0.26714</u>	<u>0.38345</u>	<u>0.37462</u>
Total Tax Rate per				
\$100 Valuation	<u>\$ 0.365258</u>	<u>\$ 0.467143</u>	<u>\$ 0.499128</u>	<u>\$ 0.499128</u>
Tax Rolls	<u><u>\$ 109,279</u></u>	<u><u>\$ 143,189</u></u>	<u><u>\$ 116,923</u></u>	<u><u>\$ 112,165</u></u>

CITY OF BEASLEY, TEXAS

Exhibit C-3

COMBINING BALANCE SHEET
COMPONENT UNITS

September 30, 2018

	<u>Economic Development Corporation</u>	<u>Community Development Corporation</u>	<u>Totals</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 66,345	\$ 354,126	\$ 420,471
Due from primary government			
Total Assets	<u>66,345</u>	<u>354,126</u>	<u>420,471</u>
<u>Fund Balances</u>			
Restricted	<u>66,345</u>	<u>354,126</u>	<u>420,471</u>
Total Fund Balances	<u>66,345</u>	<u>354,126</u>	<u>420,471</u>
Total Liabilities and Fund Balances	<u>\$ 66,345</u>	<u>\$ 354,126</u>	<u>\$ 420,471</u>

CITY OF BEASLEY, TEXAS

Exhibit C-4

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
COMPONENT UNITS**

Year Ended September 30, 2018

	<u>Economic Development Corporation</u>	<u>Community Development Corporation</u>	<u>Totals</u>
<u>Revenues</u>			
Property taxes	\$	\$ 51,650	\$ 51,650
Sales taxes	25,713		25,713
Investment earnings	402	100	502
Total Revenues	<u>26,115</u>	<u>51,750</u>	<u>77,865</u>
<u>Expenditures</u>			
General government	<u>20,000</u>		<u>20,000</u>
Total Expenditures	<u>20,000</u>		<u>20,000</u>
Net Change in Fund Balances	6,115	51,750	57,865
Fund Balances - Beginning	<u>60,230</u>	<u>302,376</u>	<u>362,606</u>
Fund Balances - Ending	<u>\$ 66,345</u>	<u>\$ 354,126</u>	<u>\$ 420,471</u>

CITY OF BEASLEY, TEXAS

Exhibit C-5

SCHEDULE OF LONG-TERM DEBT BY MATURITY DATE
GOVERNMENTAL ACTIVITIES

September 30, 2018

Fiscal Year Ending	Total Requirements - All Long-Term Debt			G.O. Refunding Bonds Series 2015		
	Principal	Interest	Totals	Principal	Interest	Totals
2019	30,000	5,133	35,133	30,000	5,133	35,133
2020	30,000	4,410	34,410	30,000	4,410	34,410
2021	29,000	3,687	32,687	29,000	3,687	32,687
2022	29,000	2,988	31,988	29,000	2,988	31,988
2023	29,000	2,290	31,290	29,000	2,290	31,290
2024	33,000	1,591	34,591	33,000	1,591	34,591
2025	33,000	795	33,795	33,000	795	33,795
Totals	\$ 213,000	\$ 20,894	\$ 233,894	\$ 213,000	\$ 20,894	\$ 233,894