

2017

City of  
Glenn  
Heights

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

Celebrating 48 Years of Excellence



**For the Fiscal Year Ended September 30, 2017**

Prepared by: The Financial Services Department



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**CITY OF  
GLENN HEIGHTS, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR  
ENDED SEPTEMBER 30, 2017**

**Prepared by:**

**The City's Finance Department**

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**CITY OF GLENN HEIGHTS, TEXAS**  
Comprehensive Annual Financial Report  
September 30, 2017

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# **INTRODUCTORY SECTION**

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April 28, 2018

Honorable Mayor and Members of the City Council  
City of Glenn Heights  
Glenn Heights, Texas

The Finance Department is pleased to submit the Comprehensive Annual Financial Report of the City of Glenn Heights, Texas for the fiscal year ended September 30, 2017. This report was prepared through the cooperative efforts of the Finance Department and the City's independent auditor. It is published to provide the City Council, staff, citizens, bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation rests with the City. We believe the data, as presented, is accurate in all material respects. It is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; all disclosures necessary have been included to enable the reader to gain the maximum understanding of the City's financial affairs.

Management's discussion and analysis (MD&A) begins on page 3 and provides a narrative introduction, overview, and analysis of the City's basic financial statements. The MD&A also provides readers with management's viewpoint of the City's financial performance and should be read in conjunction with the financial statements.

## **CITY PROFILE**

The City of Glenn Heights, Texas, a predominately residential community situated in Dallas and Ellis Counties, is a Texas municipality that incorporated in 1969 to operate as a general law city and currently operates as a home rule city. The City lies at the hub of Interstate 35E and Texas Farm-To-Market Road 664. Glenn Heights is a short drive from downtown Dallas and has an estimated population of 12,408 residents. The City operates under a council-manager form of government. The Council is comprised of seven officials including a mayor and six council members.

## **THE REPORTING ENTITY AND ITS SERVICES**

Generally accepted accounting principles require that basic financial statements represent the City (the primary government) and its component units. The Council has the authority to enact legislature, appoint the City Manager, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the City is a financial reporting entity as defined by the Government Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity." The City is regulated by the Code of State Statutes of the State of Texas and is authorized to perform the following services: public safety (police and fire), development services (public works, planning, and inspections), economic development, sanitation, water and sewer utilities, storm drainage and general administrative services.

## **ECONOMIC OUTLOOK AND FINANCIAL CONDITION**

The information presented in the financial statements should be considered from the broad perspective of the specific environment within which the City operates.

In recent years, the City of Glenn Heights has experienced excellent growth in population. The 1990 census was 4,564, and the 2010 census is 11,278, an increase of 247% over the past 20 years. The City's current ad valorem tax base is 92% residential and 8% commercial. The City recognizes the value of commercial development to its economic base and continues to encourage commercial growth that will be beneficial to the community.

There are obstacles that could hinder the City's abilities to attain future economic goals. One major obstacle is identifying available funding sources. For example, since one cent of City sales tax goes to funding mass public transportation (Dallas Area Rapid Transit) and is not available to fund other special service funds, long-term financial planning will be crucial in meeting certain goals such as economic development and infrastructure sustainability.

The City of Glenn Heights maintains sufficient cash reserves and unassigned fund balances/ unrestricted net assets in its general and utility fund to meet their comprehensive fund balance policy and provide quality service levels to the public.

During fiscal year 2006, the City obtained certificates of obligation for \$2,535,000. These funds were used for major street improvements.

During fiscal year 2008, the City obtained certificate of obligation for \$2,050,000. These funds were used for major water, wastewater, and drainage infrastructure improvements.

During fiscal year 2010, the City refunded the 2003 certificates of obligation by obtaining a general obligation refunding bond in the amount of \$2,025,000.

The City also held a general obligation bond election in November 2015. In which the following propositions passed:

Proposition 1: \$3,500,000 for constructing, improving, renovating, expanding and equipping public safety facilities and the acquisition of land therefor.

Proposition 2: \$3,500,000 for acquiring, constructing, improving, expanding, renovating and equipping community centers and recreation facilities and the acquisition of land therefor.

Proposition 3: \$8,000,000 for constructing, reconstructing, improving, repairing, extending, and enhancing streets, thoroughfares, alleys, sidewalks, bridges, intersections and other public ways, including traffic signalization and monitoring equipment, street lighting, noise abatements, necessary and related storm drainage facilities and improvements and acquiring of needed rights of way therefor.

As a result of the three propositions the City obtained general obligation bonds in the amount of \$15,000,000 during fiscal year 2016.

The projects associated with the 2016 general obligation bonds are being planned by the City Council with anticipated start dates for construction to begin in the near future.

### **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable. Expenditures are recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary funds are budgeted and maintained on this same basis of accounting for management purposes and converted to full accrual accounting for external reporting purposes.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. The internal control structure is designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition. Internal controls also ensure the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived; the evaluation of cost and benefits requires estimates and judgments by management. We believe the City's internal control structure are developing and continued to be improved upon.

The budgetary process begins each year with the preparation of revenue estimates by the City's Department of Finance and expenditure estimates by each City department. Estimates are reviewed by the City Manager and evaluated within the total financial framework. Budget proposals are then recommended by the City Manager and reviewed extensively by the City Council, a process that includes public hearings. Throughout the process the City Council may make changes as deemed appropriate. The budget is then adopted by ordinance, as well as the City's ad valorem tax rate. All of the City's governmental funds as well as enterprise funds (water and sewer, and drainage) are included in the annual budgetary process.

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget adopted by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amounts) is established at the fund level. Department Directors are authorized to transfer budgeted expenditures between line items within their respective departments while the City Manager is authorized to transfer budgeted expenditures between departments within a City fund. However, any revisions that alter total expenditures of a City fund must be approved by the City Council.

### **AUDIT**

The City Charter requires an annual audit of the books of accounts, financial records and transactions of all departments of the City by independent certified public accountants selected and engaged by the City Council.

We are proud to accept recommendations from our auditors, McConnell & Jones LLP, issued in the City's financial statements for fiscal year ended September 30, 2017.

## **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Glenn Heights for its Comprehensive Annual Financial Report (CAFR) for fiscal year ended 2013. This was the sixth consecutive year that the City has received this prestigious award. The award was again received for fiscal year ended 2016. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement a government unit must publish an easily readable and efficiently organized CAFR with contents that conform to program standards. In addition, an award winning CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only.

## **CONCLUSION**

The preparation of this report could not be accomplished without the dedicated services of the City's auditors, City Management, and staff of the City's Finance Department. The Finance staff has worked with great effort to ensure the accuracy and timeliness of this report.

Respectfully submitted,

*Lakeita Sutton*

Lakeita Sutton  
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Glenn Heights  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2016**

*Christopher P. Morrill*

Executive Director/CEO

**CITY OF GLENN HEIGHTS, TEXAS**

Principal Officials

September 30, 2017

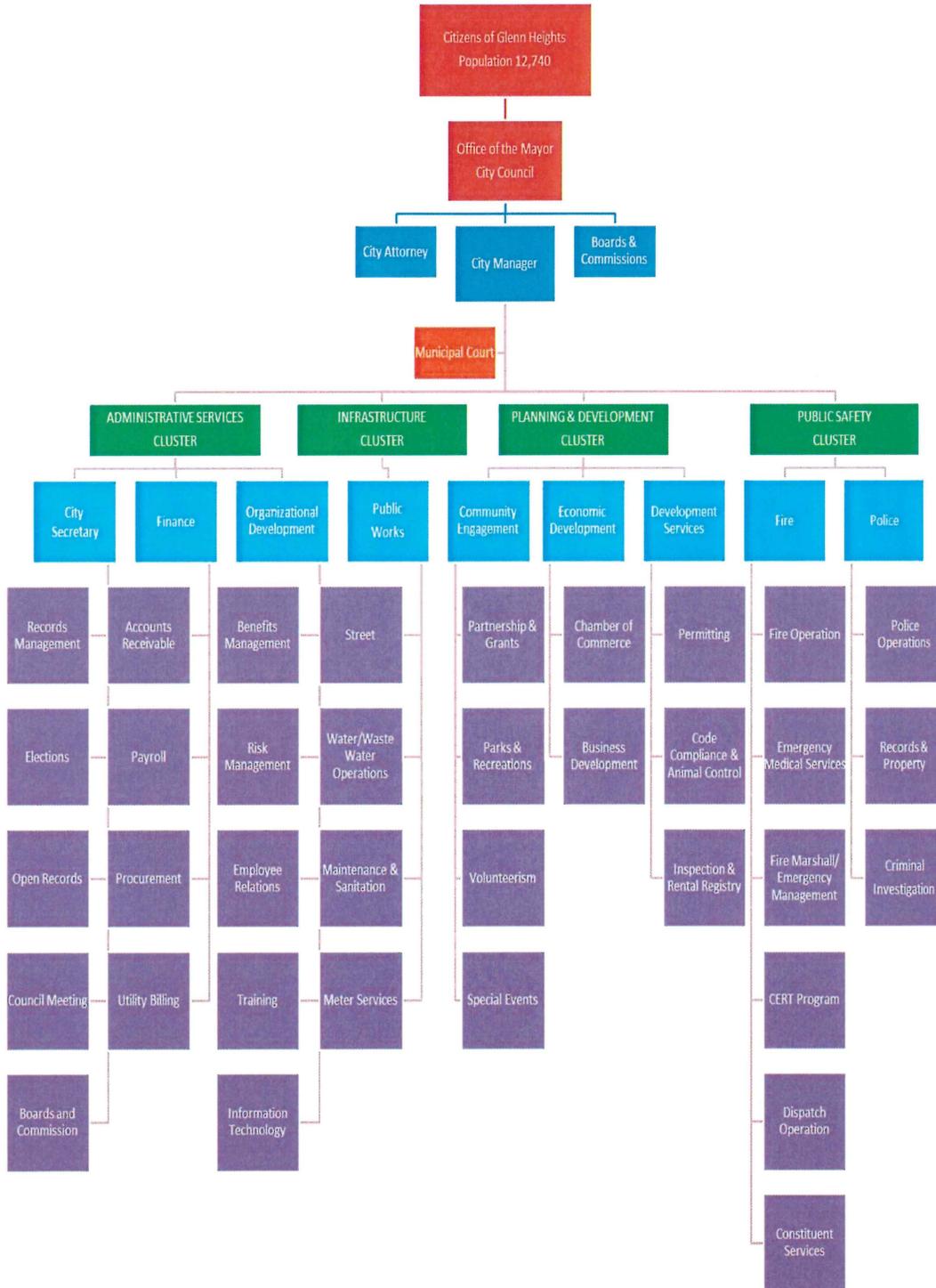
**ELECTED OFFICIALS**

Leon Payton Tate	Mayor
Vacant	Council Member, Place 1
Tony Bradley	Mayor Pro-Tem, Place 2
Emma Ipaye	Council Member, Place 3
Ron Adams	Council Member, Place 4
Harry Garrett	Council Member, Place 5
Vacant	Council Member, Place 6

**APPOINTED OFFICIALS**

Alan E. Sims	Interim City Manager
David Hall	Deputy City Manager
Lakeita Sutton	Director of Finance
Vacant	Director of Economic Development
Vernell Dooley	Deputy Chief of Police
Eddie Burns	Director of Public Safety
Juanita Willman	City Secretary
Kacye Harvey	Director of Organizational Development
Charles Brewer	Director of Public Works & Infrastructure
Vacant	Director, Planning & Development Services
Jerome Pritchett	Administrator of Community Engagement

# FUNCTIONAL ORGANIZATIONAL CHART



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# **FINANCIAL SECTION**

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## Independent Auditor's Report

To the Honorable Mayor and Members of the City Council  
City of Glenn Heights, Texas

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 Glenn Heights, Texas (the "City"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 principles 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, each major fund, and the aggregate remaining fund information of the City as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 on pages 3-9; the statements of revenues, expenditure, and changes in fund balance – budget and actual for the General Fund on page 38; and the pension plan schedules on pages 39 and 40 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, the combining and individual fund schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



Houston, Texas  
April 28, 2018

**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

**CITY OF GLENN HEIGHTS, TEXAS**  
Management's Discussion and Analysis (Unaudited)  
Year Ended September 30, 2017

As management of the City of Glenn Heights, Texas, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City. We encourage the readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

**FINANCIAL HIGHLIGHTS**

- For the fiscal year ended September 30, 2017, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$22,812,592 (net position). Of this amount, \$7,474,261 (or 32.76%) was unrestricted.
- For the fiscal year ended September 30, 2017, net position increased by \$731,079. In fiscal year 2016 the increase was \$1,723,645. The increase in fiscal year 2017 is primarily due to decreased water and sewage expenses.
- At fiscal year-end, the City's governmental funds reported combined ending fund balances of \$24,975,060, of which \$1,946,508 (or 7.79%) was available for spending at the City's discretion (unassigned and assigned).
- The City's long-term liabilities decreased by \$1,087,911. This decrease primarily relates to the current payments made on the liabilities and no new debt being issued.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two types of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's *overall* operational accountability.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in *more detail* than the government-wide statements.
- *Governmental fund* statements tell how *general government services* were financed in the *short term* as well as what remains for future spending.
- The financial statements also include *notes to the financial statements* explaining some of the information in the financial statements and providing more detailed data.
- The report also contains other supplementary information in addition to the basic financial statements themselves.

The remainder of this overview explains the structure and contents of each of the statements.

**Government-wide Financial Statements**

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector businesses. The statement of net position includes *all* of the government's assets and liabilities. In the statement of activities, all of the current year's revenues and expenses are accounted for regardless of when cash is received or paid, and all of the City's *governmental activities* and City services are combined and show how they are financed.

Both government-wide statements report the City's *net position* and how it has changed. Net position, the difference between the City's assets, deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the City's financial health or position. Over time, increases or decreases in the City's net position

**CITY OF GLENN HEIGHTS, TEXAS**  
 Management’s Discussion and Analysis (Unaudited)  
 Year Ended September 30, 2017

are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, recreation, and economic development. The business-type activities of the City include the water and sewer system, as well as municipal drainage.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the City’s most significant (major) *funds* – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific revenue sources and spending for particular purposes.

- *Governmental funds* – 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 fund 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 programs. Because these funds do not encompass the additional long-term focus of the government-wide statements, additional information is provided following each fund statement that explains the relationship (or differences) between them.
- Some funds are required by State law, such as the debt service fund.
- Management may establish other funds to control and manage money for particular purposes or to show that it is properly using certain revenue resources, such as capital project funds.

**Figure A-1** summarizes the major features of the City’s financial statements, including the portion of the City government they cover, and the types of information they contain.

<b>Figure A-1 – Major Features of the City’s Government-wide and Fund Financial Statements</b>			
<i>Type of Statements</i>	<b>Government-Wide</b>	<b>Fund Level</b>	
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>
<i>Scope</i>	Entire City’s government, except fiduciary funds	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private business: utilities
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, &amp; Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses, &amp; Changes in Net Position</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after year end; expenditures when goods or services have been received and payment is made during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Over time net position serves as a useful indicator of a government’s financial condition. As noted earlier, the City’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$22,812,592.

The largest portion of the City’s net position, \$13,060,165 or 57.25%, represents the City’s investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure) less any debt used to acquire assets still

**CITY OF GLENN HEIGHTS, TEXAS**  
Management's Discussion and Analysis (Unaudited)  
Year Ended September 30, 2017

outstanding at year end. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Another portion of the City's net position, \$2,278,166 or 9.99%, represents resources that are subject to external restrictions on how they may be used (i.e., debt service, public safety, capital improvements, etc.). The remaining portion, \$7,474,261 or 32.76%, may be used at the City's discretion to meet ongoing obligations to its citizens and creditors (unrestricted).

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**CITY'S NET POSITION**  
**Government-Wide**

	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 25,785,035	\$ 22,709,498	\$ 1,606,394	\$ 5,147,035	\$ 27,391,429	\$ 27,856,533
Capital assets	6,321,868	5,927,922	8,311,124	8,691,991	14,632,992	14,619,913
<b>Total assets</b>	<b>32,106,903</b>	<b>28,637,420</b>	<b>9,917,518</b>	<b>13,839,026</b>	<b>42,024,421</b>	<b>42,476,446</b>
Deferred outflows of resources	397,736	504,206	103,847	130,268	501,583	634,474
<b>Total outflows of resources</b>	<b>397,736</b>	<b>504,206</b>	<b>103,847</b>	<b>130,268</b>	<b>501,583</b>	<b>634,474</b>
Current and other liabilities	378,928	590,511	660,043	725,351	1,038,971	1,315,862
Long-term liabilities	18,032,181	18,808,770	548,665	859,987	18,580,846	19,668,757
<b>Total liabilities</b>	<b>18,411,109</b>	<b>19,399,281</b>	<b>1,208,708</b>	<b>1,585,338</b>	<b>19,619,817</b>	<b>20,984,619</b>
Deferred inflows of resources	77,644	36,187	15,951	8,601	93,595	44,788
<b>Total inflows of resources</b>	<b>77,644</b>	<b>36,187</b>	<b>15,951</b>	<b>8,601</b>	<b>93,595</b>	<b>44,788</b>
Net position:						
Net investment in capital assets	5,204,571	4,562,272	7,855,594	7,968,336	13,060,165	12,530,608
Restricted	1,342,294	1,425,617	935,872	-	2,278,166	1,425,617
Unrestricted	7,469,021	3,718,269	5,240	4,407,019	7,474,261	8,125,288
<b>Total net position</b>	<b>\$ 14,015,886</b>	<b>\$ 9,706,158</b>	<b>\$ 8,796,706</b>	<b>\$ 12,375,355</b>	<b>\$ 22,812,592</b>	<b>\$ 22,081,513</b>

The following table provides a summary of the City's operations for the year ended September 30, 2017. Overall, the City had an increase in net position of \$731,079. This is attributable to an increase in the net position of governmental activities of \$4,309,728 and a decrease in the net position of business-type activities of \$3,578,649. Revenues for business-type activities decreased by \$670,907. Revenue associated with governmental activities increased by \$436,637. Significant variances in governmental activities revenues include the following:

- \$1,037,362 increase in property tax revenue;
- \$828,902 decrease in revenues from charges for development services;

Total expenses for governmental activities increased by \$1,240,821, and total expenses for the City's business-type activities decreased by \$482,525 when compared to fiscal year 2016. Variances in expenses for governmental activities and business-type activities in fiscal year 2017 compared to fiscal year 2016 are due to numerous factors. Expenses for governmental activities increased primarily as a result of new development which resulted in increased demand for services. Expenses for business-type activities decreased by 8.77% in comparison to fiscal year 2016 primarily due to a substantial decrease in expenditures for wastewater treatment as well as notable decreases in water purchases and personnel services.

**CITY OF GLENN HEIGHTS, TEXAS**  
 Management's Discussion and Analysis (Unaudited)  
 Year Ended September 30, 2017

**CHANGES IN THE CITY'S NET POSITION**  
**Government-wide**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 2,090,799	\$ 2,736,355	\$ 5,586,843	\$ 5,646,247	\$ 7,677,642	\$ 8,382,602
Operating grants & contributions	53,915	133,417	-	-	53,915	133,417
Capital grants & contributions	-	-	120,440	730,490	120,440	730,490
General revenues:						
Property taxes	4,582,246	3,544,884	-	-	4,582,246	3,544,884
Sales taxes	533,253	521,335	-	-	533,253	521,335
Franchise fees	635,443	597,531	-	-	635,443	597,531
Interest	145,931	30,614	2,991	2,390	148,922	33,004
Other	2,579	43,393	1,871	3,925	4,450	47,318
<b>Total revenues</b>	<b>8,044,166</b>	<b>7,607,529</b>	<b>5,712,145</b>	<b>6,383,052</b>	<b>13,756,311</b>	<b>13,990,581</b>
<b>Expenses:</b>						
General government	1,797,957	1,423,332	-	-	1,797,957	1,423,332
Public safety	3,507,497	3,433,775	-	-	3,507,497	3,433,775
Development services	1,828,117	1,242,726	-	-	1,828,117	1,242,726
Parks and recreation	289,891	229,493	-	-	289,891	229,493
Economic development	98,608	-	-	-	98,608	-
Interest and fiscal charges	483,925	435,848	-	-	483,925	435,848
Water, sewer, drainage	-	-	5,019,237	5,501,762	5,019,237	5,501,762
<b>Total expenses</b>	<b>8,005,995</b>	<b>6,765,174</b>	<b>5,019,237</b>	<b>5,501,762</b>	<b>13,025,232</b>	<b>12,266,936</b>
<b>Change in net position before transfers</b>	<b>38,171</b>	<b>842,355</b>	<b>692,908</b>	<b>881,290</b>	<b>731,079</b>	<b>1,723,645</b>
Transfers	4,271,557	1,255,883	(4,271,557)	(1,255,883)	-	-
<b>Change in net position</b>	<b>4,309,728</b>	<b>2,098,238</b>	<b>(3,578,649)</b>	<b>(374,593)</b>	<b>731,079</b>	<b>1,723,645</b>
Net position - beginning of year	9,706,158	7,607,920	12,375,355	12,749,948	22,081,513	20,357,868
Net position - end of year	<u>\$ 14,015,886</u>	<u>\$ 9,706,158</u>	<u>\$ 8,796,706</u>	<u>\$ 12,375,355</u>	<u>\$ 22,812,592</u>	<u>\$ 22,081,513</u>

**FINANCIAL ANALYSIS AND BUDGETARY HIGHLIGHTS OF CITY FUNDS**

As noted earlier, the City of Glenn Heights uses fund accounting to ensure and demonstrate 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 at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$24,975,060. Approximately 7.79% of the total amount constitutes assigned and unassigned fund balance, which is available for spending at the City's discretion.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,496,001, while total fund balance was \$1,507,220. As a measure of the General

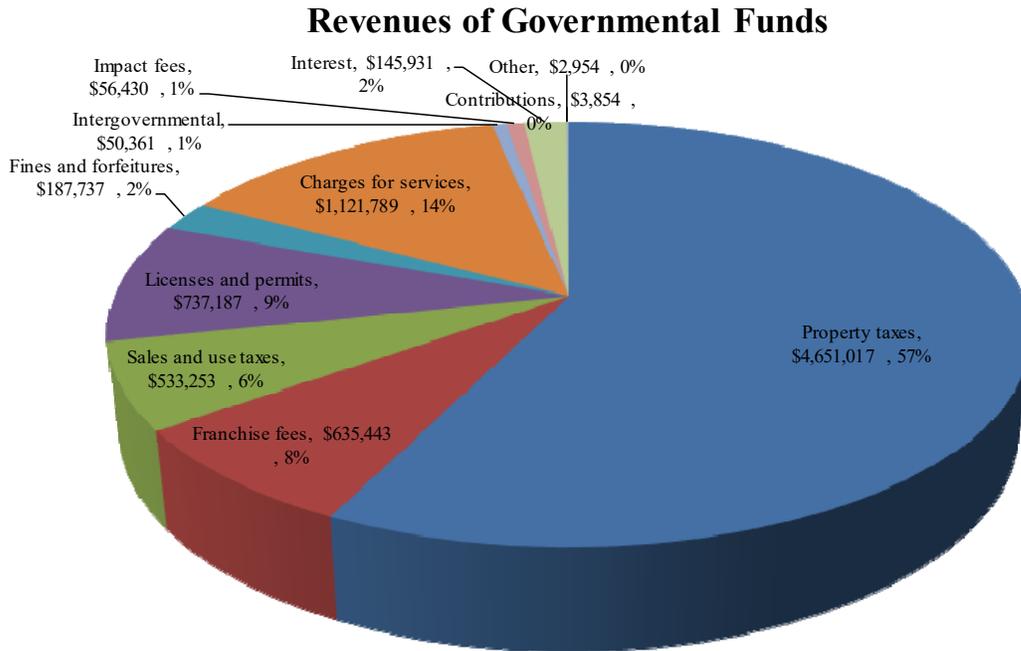
**CITY OF GLENN HEIGHTS, TEXAS**  
 Management's Discussion and Analysis (Unaudited)  
 Year Ended September 30, 2017

Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 22.77% of total General Fund expenditures, while total fund balance represents 22.94% of that same amount. The net decrease in fund balance during the current year in the General Fund was \$863,769. An analysis of the General Fund operations in the current year is as follows:

- The City's property tax rate for maintenance and operations (M&O) decreased from \$0.682474 to \$0.682468 in the current fiscal year. The tax assessed values increased, therefore, M&O tax revenues increased by \$322,149 as compared against prior year.
- Licenses and permit fees decreased by \$522,918, primarily due to a decrease in building permit fees of \$479,464 in addition to a decrease in plan review fees of \$223,481. Fiscal year 2016 is considered to be an anomaly year. The City experienced an unusually high volume of housing development. The activity was not there for fiscal year 2017.
- Charges for services increased by \$629,371, primarily due to an increase in sanitation revenue. The increase in sanitation is caused by a policy change to reflect all activity of revenues and expenditures.
- Sales and use taxes and fines and forfeitures were comparable to those of the prior year.
- General fund expenditures increased by \$849,158 due to an increase in sanitation expenditures. As noted above, the increase in sanitation is caused by a policy change to reflect all activity of revenues and expenditures.

The Debt Service Fund had a net increase of \$37,828. Property taxes increased from \$489,084 in 2016 to \$1,235,244 due to the increased tax rate. The debt service rate increased from \$0.110926 to \$0.253062 in the current year.

The majority of revenues for the City's governmental funds are generated from taxes (63.80%), licenses and permits (9.07%), and charges for services (13.81%). The remainder (13.32%) is obtained from franchise fees, grants and contributions, fines and forfeitures, and other miscellaneous sources.



**CITY OF GLENN HEIGHTS, TEXAS**  
 Management's Discussion and Analysis (Unaudited)  
 Year Ended September 30, 2017

**PROPRIETARY FUNDS**

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

Unrestricted net position of the Water and Sewer and Drainage funds at the end of the year amounted to -\$278,308 and \$283,548, respectively. The net position of the Water and Sewer fund decreased by \$3,275,427 while the net position of the Drainage fund decreased by \$303,222. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business type activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Total actual General Fund revenues were more than expected, primarily due to revenues arising from licenses and permits as well as charges for services that were in excess of budgeted amounts. Revenue sources were more than anticipated in property taxes, franchise tax, sales and use, licenses and permits, charges for services, intergovernmental, other and interest. See details of budget and actual revenues and expenditures for the General Fund on page 38.

City policy requires the General unassigned fund balance to reflect no less than 60 days of General Fund expenditures. At September 30, 2017, unassigned General fund balance reflected 82 days of total General Fund expenditures.

**CAPITAL ASSETS**

As of September 30, 2017, the City had invested \$25,621,796 in a broad range of capital assets, including infrastructure, equipment, buildings, and vehicles. More detailed information about the City's capital assets can be found in the notes to the financial statements on pages 28 and 29.

	<b>CITY'S CAPITAL ASSETS</b>					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Land	\$ 1,050,373	\$ 1,050,373	\$ 35,161	\$ 35,161	\$ 1,085,534	\$ 1,085,534
Construction in progress	75,366	59,596	100,000	100,000	175,366	159,596
Buildings	256,757	131,805	224,274	224,274	481,031	356,079
Improvements	813,492	805,642	-	-	813,492	805,642
Infrastructure	4,656,858	4,656,858	14,103,425	14,103,425	18,760,283	18,760,283
Vehicles and equipment	3,015,600	2,384,637	1,290,490	1,277,159	4,306,090	3,661,796
Total cost	<u>9,868,446</u>	<u>9,088,911</u>	<u>15,753,350</u>	<u>15,740,019</u>	<u>25,621,796</u>	<u>24,828,930</u>
Less: accumulated depreciation	<u>(3,546,578)</u>	<u>(3,160,989)</u>	<u>(7,442,226)</u>	<u>(7,048,028)</u>	<u>(10,988,804)</u>	<u>(10,209,017)</u>
Total capital assets, net	<u>\$ 6,321,868</u>	<u>\$ 5,927,922</u>	<u>\$ 8,311,124</u>	<u>\$ 8,691,991</u>	<u>\$ 14,632,992</u>	<u>\$ 14,619,913</u>

During the current year, significant additions to capital assets include the following:

- Vehicles – Fire truck purchase, \$440,000
- Buildings – Purchase of city structure, \$124,952
- Equipment – 911 Equipment, \$188,766

**CITY OF GLENN HEIGHTS, TEXAS**  
Management's Discussion and Analysis (Unaudited)  
Year Ended September 30, 2017

**DEBT ADMINISTRATION**

At year-end, the City had \$18,580,846 in outstanding debt and other long-term liabilities, as shown below. More detailed information about the City's debt is presented in the notes to the financial statements on pages 30 through 31.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Certificates of obligation	\$ 2,260,000	\$ 2,610,000	\$ -	\$ -	\$ 2,260,000	\$ 2,610,000
General obligation bonds	15,576,250	15,942,106	505,727	762,636	16,081,977	16,704,742
Notes payable	-	-	-	9,599	-	9,599
Capital leases	-	-	-	20,335	-	20,335
Compensated absences payable	110,780	128,197	27,841	27,611	138,621	155,808
Net pension liability (asset)	85,151	128,467	15,097	39,806	100,248	168,273
<b>Total government-wide long-term liabilities</b>	<b>\$ 18,032,181</b>	<b>\$ 18,808,770</b>	<b>\$ 548,665</b>	<b>\$ 859,987</b>	<b>\$ 18,580,846</b>	<b>\$ 19,668,757</b>

Capital leases, notes, and certificates of obligation decreased in the current year primarily due to annual payments made.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The economy continues to be strong for the City of Glenn Heights. The City is experiencing modest growth and remains optimistic that existing properties will appreciate. In fiscal year 2017, the City's net taxable property values increased approximately 10.03% from \$447,599,372 in fiscal year 2016 to \$492,498,684 in fiscal year 2017. The City's total property tax rate increased from \$0.793400/100 to \$0.935530/100, the City's I&S tax increased from \$0.110926/100 to \$0.253062/100, and the City's M&O tax rate decreased from \$0.682474/100 to \$0.682468/100.

In fiscal year 2018 the City's I&S rate is expected to decrease from \$0.253062/100 to \$0.214612/100. This subtle decrease is expected to continue over the next several years unless the City plans to issue new debt. Several capital projects are being planning with the Bond sale resulting from the November 2015 election. Some of the anticipated projects include the construction of a City Hall, Public Safety Facility, and Community Center.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Any questions about this report or need for additional financial information should be addressed to City of Glenn Heights, Attn: City Secretary, 1938 South Hampton Road, Glenn Heights, TX, 75154.

**BASIC  
FINANCIAL STATEMENTS**

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**CITY OF GLENN HEIGHTS, TEXAS**  
Statement of Net Position  
September 30, 2017

	<b>Primary Government</b>		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 24,140,597	\$ 326,897	\$ 24,467,494
Restricted cash and cash equivalents	-	1,472,475	1,472,475
Receivables, net	712,737	727,042	1,439,779
Internal balances	920,717	(920,717)	-
Prepaid expenses	10,984	697	11,681
Capital assets:			
Non-depreciable	1,125,739	135,161	1,260,900
Depreciable, net	5,196,129	8,175,963	13,372,092
<b>Total assets</b>	<b>32,106,903</b>	<b>9,917,518</b>	<b>42,024,421</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	6,788	6,788
Deferred outflows related to pensions	397,736	97,059	494,795
<b>Total deferred outflows of resources</b>	<b>397,736</b>	<b>103,847</b>	<b>501,583</b>
<b>LIABILITIES</b>			
Accounts payable	157,802	91,353	249,155
Accrued liabilities	117,620	29,536	147,156
Accrued interest	70,895	2,552	73,447
Unearned revenue	32,611	-	32,611
Customer deposits	-	536,602	536,602
Long-term liabilities:			
Due within one year	662,156	270,568	932,724
Due in more than one year	17,370,025	278,097	17,648,122
<b>Total liabilities</b>	<b>18,411,109</b>	<b>1,208,708</b>	<b>19,619,817</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	77,644	15,951	93,595
<b>Total deferred inflows of resources</b>	<b>77,644</b>	<b>15,951</b>	<b>93,595</b>
<b>NET POSITION</b>			
Net investment in capital assets	5,204,571	7,855,594	13,060,165
Restricted for:			
Debt service	16,921	-	16,921
Street improvements	815,856	-	815,856
Public safety	139,447	-	139,447
Parks	370,070	-	370,070
Water and sewer improvements	-	935,872	935,872
Unrestricted	7,469,021	5,240	7,474,261
<b>Total net position</b>	<b>\$ 14,015,886</b>	<b>\$ 8,796,706</b>	<b>\$ 22,812,592</b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GLENN HEIGHTS, TEXAS**  
Statement of Activities  
For the Year Ended September 30, 2017

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental activities</b>				
General government	\$ 1,797,957	\$ 874,769	\$ -	\$ -
Public safety	3,507,497	391,651	5,675	-
Development services	1,828,117	793,617	44,809	-
Parks and recreation	289,891	30,762	3,431	-
Economic development	98,608	-	-	-
Interest and fiscal charges	483,925	-	-	-
<b>Total governmental activities</b>	<b>8,005,995</b>	<b>2,090,799</b>	<b>53,915</b>	<b>-</b>
<b>Business-type activities</b>				
Water and sewer	4,837,014	5,292,082	-	120,440
Storm drainage	182,223	294,761	-	-
<b>Total business-type activities</b>	<b>5,019,237</b>	<b>5,586,843</b>	<b>-</b>	<b>120,440</b>
<b>Total Primary Government</b>	<b>\$ 13,025,232</b>	<b>\$ 7,677,642</b>	<b>\$ 53,915</b>	<b>\$ 120,440</b>

General Revenues:

Property taxes

Sales taxes

Franchise fees based upon gross receipts

Interest

Miscellaneous

Transfers

Total general revenues and transfers

**Change in net position**

**Net position - beginning**

**Net position - ending**

(continued)

The accompanying notes are an integral part of these financial statements.

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (923,188)	\$ -	\$ (923,188)
(3,110,171)	-	(3,110,171)
(989,691)	-	(989,691)
(255,698)	-	(255,698)
(98,608)	-	(98,608)
<u>(483,925)</u>	<u>-</u>	<u>(483,925)</u>
<u>(5,861,281)</u>	<u>-</u>	<u>(5,861,281)</u>
-	575,508	575,508
<u>-</u>	<u>112,538</u>	<u>112,538</u>
<u>-</u>	<u>688,046</u>	<u>688,046</u>
<u>(5,861,281)</u>	<u>688,046</u>	<u>(5,173,235)</u>
4,582,246	-	4,582,246
533,253	-	533,253
635,443	-	635,443
145,931	2,991	148,922
2,579	1,871	4,450
<u>4,271,557</u>	<u>(4,271,557)</u>	<u>-</u>
<u>10,171,009</u>	<u>(4,266,695)</u>	<u>5,904,314</u>
4,309,728	(3,578,649)	731,079
<u>9,706,158</u>	<u>12,375,355</u>	<u>22,081,513</u>
<u>\$ 14,015,886</u>	<u>\$ 8,796,706</u>	<u>\$ 22,812,592</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GLENN HEIGHTS, TEXAS**  
 Balance Sheet – Governmental Funds  
 September 30, 2017

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 682,084	\$ 21,616,669	\$ 55,610	\$ 1,786,234	\$ 24,140,597
Receivables:					
Taxes	164,598	-	17,681	-	182,279
Accounts	163,178	-	-	-	163,178
Court fines	367,280	-	-	-	367,280
Due from other funds	906,110	3,320	14,525	21,175	945,130
Prepaid items	10,984	-	-	-	10,984
<b>Total assets</b>	<u>2,294,234</u>	<u>21,619,989</u>	<u>87,816</u>	<u>1,807,409</u>	<u>25,809,448</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
<b>Liabilities</b>					
Accounts payable	156,670	-	-	1,132	157,802
Accrued liabilities	117,620	-	-	-	117,620
Due to other funds	20,589	-	-	3,824	24,413
Unearned revenue	5,803	-	-	26,808	32,611
Total liabilities	<u>300,682</u>	<u>-</u>	<u>-</u>	<u>31,764</u>	<u>332,446</u>
<b>Deferred Inflows of Resources</b>					
Unavailable:					
Property taxes	62,697	-	15,610	-	78,307
Court fines	367,280	-	-	-	367,280
Ambulance	56,355	-	-	-	56,355
Total deferred inflows of resources	<u>486,332</u>	<u>-</u>	<u>15,610</u>	<u>-</u>	<u>501,942</u>
<b>Fund Balance</b>					
Nonspendable - prepaid items	10,984	-	-	-	10,984
Restricted for:					
Public safety	-	-	-	139,447	139,447
Debt service	-	-	72,206	-	72,206
Capital projects	-	21,619,989	-	-	21,619,989
Street improvements	-	-	-	815,856	815,856
Park improvements	235	-	-	369,835	370,070
Assigned for:					
Vehicle replacement	-	-	-	304	304
Disaster recovery	-	-	-	454,027	454,027
Unassigned	1,496,001	-	-	(3,824)	1,492,177
Total fund balances	<u>1,507,220</u>	<u>21,619,989</u>	<u>72,206</u>	<u>1,775,645</u>	<u>24,975,060</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 2,294,234</u>	<u>\$ 21,619,989</u>	<u>\$ 87,816</u>	<u>\$ 1,807,409</u>	<u>\$ 25,809,448</u>

*The accompanying notes are an integral part of these financial statements.*

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

Total Fund Balances - Governmental Funds	\$ 24,975,060
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	6,321,868
Bonds payable will not be liquidated with current financial resources and therefore have not been included in the fund financial statements.	(16,490,000)
Accrued liabilities for compensated absences will not be liquidated with current financial resources and therefore have not been included in the fund financial statements.	(110,780)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.	(70,895)
Premiums on bond issuances are recorded as other financing sources and uses when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements over the life of the bonds.	(1,346,250)
Receivables from property taxes, court fines and fees, and ambulance fees are not available soon enough to pay for the current period's expenditures and are, therefore, unavailable in the fund financial statements.	501,942
Included in the items related to debt is the recognition of the City's net pension liability in the amount of \$85,151, a deferred outflow of resources of \$397,736 and a deferred inflow of resources of \$77,644. The net effect is to decrease net position.	<u>234,941</u>
Net Position of Governmental Activities	<u><u>\$ 14,015,886</u></u>

*The accompanying notes are an integral part of these financial statements.*

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

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 3,401,092	\$ -	\$ 1,249,925	\$ -	\$ 4,651,017
Franchise fees	635,443	-	-	-	635,443
Sales and use taxes	533,253	-	-	-	533,253
Licenses and permits	737,187	-	-	-	737,187
Fines and forfeitures	179,132	-	-	8,605	187,737
Charges for services	1,015,429	-	-	106,360	1,121,789
Intergovernmental	4,052	-	-	46,309	50,361
Impact fees	-	-	-	56,430	56,430
Interest	33,713	109,863	41	2,314	145,931
Contributions	800	-	-	3,054	3,854
Other	2,954	-	-	-	2,954
<b>Total revenues</b>	<b>6,543,055</b>	<b>109,863</b>	<b>1,249,966</b>	<b>223,072</b>	<b>8,125,956</b>
<b>EXPENDITURES</b>					
Current:					
General government	1,551,429	206,908	-	-	1,758,337
Public safety	3,221,537	-	-	9,767	3,231,304
Development services	1,405,934	216,858	-	8,550	1,631,342
Parks and recreation	201,113	-	-	6,026	207,139
Economic development	96,641	-	-	-	96,641
Capital outlay	92,491	140,722	-	670,846	904,059
Debt service:					
Principal	-	-	645,000	-	645,000
Interest and other charges	-	-	567,138	-	567,138
<b>Total expenditures</b>	<b>6,569,145</b>	<b>564,488</b>	<b>1,212,138</b>	<b>695,189</b>	<b>9,040,960</b>
<b>Excess (Deficiency) of Revenue Over (Under)</b>					
<b>Expenditures</b>	<b>(26,090)</b>	<b>(454,625)</b>	<b>37,828</b>	<b>(472,117)</b>	<b>(915,004)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	734,257	4,899,236	-	243,000	5,876,493
Transfers out	(1,571,936)	-	-	(33,000)	(1,604,936)
<b>Total other financing sources (uses)</b>	<b>(837,679)</b>	<b>4,899,236</b>	<b>-</b>	<b>210,000</b>	<b>4,271,557</b>
<b>Net change in fund balances</b>	<b>(863,769)</b>	<b>4,444,611</b>	<b>37,828</b>	<b>(262,117)</b>	<b>3,356,553</b>
<b>Fund balances, beginning</b>	<b>2,370,989</b>	<b>17,175,378</b>	<b>34,378</b>	<b>2,037,762</b>	<b>21,618,507</b>
<b>Fund balances, ending</b>	<b>\$ 1,507,220</b>	<b>\$ 21,619,989</b>	<b>\$ 72,206</b>	<b>\$ 1,775,645</b>	<b>\$ 24,975,060</b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GLENN HEIGHTS, TEXAS**  
 Reconciliation of Statement of Revenues, Expenditures, and Changes  
 in Fund Balances of Governmental Funds to the Statements of Activities  
 For the Year Ended September 30, 2017

Net Change in Fund Balances - Governmental Funds \$ 3,356,553

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

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. This is the amount by which capital outlay (\$904,059) exceeds depreciation expense (\$510,113). 393,946

Revenues from property taxes, court fines and fees, and ambulance fees are deferred in the fund financial statements until they are considered available to fund current expenditures, but such revenues are recognized in the government-wide statements. The effect of recognizing current year unavailable revenues of \$501,942 and removing prior year's unavailable revenues recognized of \$583,732 is to decrease net position. (81,790)

Principal payments on bonds payable are expenditures or other financing uses in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements. 645,000

Premiums are amortized over the life of the bonds in the government-wide financial statements. This is the current year amortization. 70,856

Additions to liabilities for compensated absences are not shown in the fund financial statements. The net effect of the current year's increase is to decrease net position. 17,417

Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. The increase in interest accrual decreases net position. 12,357

Certain expenditures for the pension that are recorded to the fund financial statements must be recorded as deferred outflows of resources. Changes in the net pension liability caused changes in net position to increase in the amount of \$43,316. The City's unrecognized deferred inflows and outflows as of the measurement date must be amortized and the City's pension expense must be recognized. These cause the change in net position to decrease in the amount of \$147,927. The net effect is an increase in net position. (104,611)

Change in Net Position of Governmental Activities \$ 4,309,728

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GLENN HEIGHTS, TEXAS**  
Statement of Net Position – Proprietary Funds  
September 30, 2017

	Enterprise Funds		
	Water and Sewer	Drainage	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 53,749	\$ 273,148	\$ 326,897
Cash and cash equivalents- restricted	1,472,475	-	1,472,475
Accounts receivable, net	687,672	39,370	727,042
Prepaid items	697	-	697
<b>Total current assets</b>	<u>2,214,593</u>	<u>312,518</u>	<u>2,527,111</u>
<b>Noncurrent assets:</b>			
Capital assets:			
Non-depreciable	135,161	-	135,161
Depreciable, net	7,991,590	184,373	8,175,963
<b>Total noncurrent assets</b>	<u>8,126,751</u>	<u>184,373</u>	<u>8,311,124</u>
<b>Total assets</b>	<u>10,341,344</u>	<u>496,891</u>	<u>10,838,235</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	6,788	-	6,788
Deferred outflows related to resources	95,535	1,524	97,059
<b>Total deferred outflows of resources</b>	<u>102,323</u>	<u>1,524</u>	<u>103,847</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	88,330	3,023	91,353
Accrued liabilities	24,229	5,307	29,536
Accrued interest	2,470	82	2,552
Due to other funds	901,411	19,306	920,717
Compensated absences	5,386	182	5,568
Bonds payable	265,000	-	265,000
Payable from restricted assets:			
Customer deposits	536,602	-	536,602
<b>Total current liabilities</b>	<u>1,823,428</u>	<u>27,900</u>	<u>1,851,328</u>
<b>Noncurrent liabilities:</b>			
Compensated absences	21,544	729	22,273
Bonds payable	240,727	-	240,727
Net pension liability	13,916	1,181	15,097
<b>Total noncurrent liabilities</b>	<u>276,187</u>	<u>1,910</u>	<u>278,097</u>
<b>Total liabilities</b>	<u>2,099,615</u>	<u>29,810</u>	<u>2,129,425</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	15,185	766	15,951
<b>Total deferred inflows of resources</b>	<u>15,185</u>	<u>766</u>	<u>15,951</u>
<b>NET POSITION</b>			
Net investment in capital assets	7,671,303	184,291	7,855,594
Restricted for water and sewer improvements	935,872	-	935,872
Unrestricted	(278,308)	283,548	5,240
<b>Total net position</b>	<u>\$ 8,328,867</u>	<u>\$ 467,839</u>	<u>\$ 8,796,706</u>

*The accompanying notes are an integral part of these financial statements.*

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

	Enterprise Funds		
	Water and Sewer	Drainage	Total
<b>OPERATING REVENUES</b>			
Water	\$ 2,226,774	\$ -	\$ 2,226,774
Sewer	2,676,616	-	2,676,616
Drainage	-	294,761	294,761
Service charges	252,100	-	252,100
Water and sewer connections	39,562	-	39,562
Other	97,030	-	97,030
Total operating revenues	<u>5,292,082</u>	<u>294,761</u>	<u>5,586,843</u>
<b>OPERATING EXPENSES</b>			
Personnel services	710,266	121,640	831,906
Supplies	112,793	5,130	117,923
Contractual services	1,964,563	18,096	1,982,659
Waste water treatment	852,448	-	852,448
Water purchases	822,021	-	822,021
Depreciation and amortization	356,841	37,357	394,198
Total operating expenses	<u>4,818,932</u>	<u>182,223</u>	<u>5,001,155</u>
<b>OPERATING INCOME</b>	<u>473,150</u>	<u>112,538</u>	<u>585,688</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest income	2,976	15	2,991
Interest and other expenses	(18,082)	-	(18,082)
Other	1,871	-	1,871
Total non-operating revenues (expenses)	<u>(13,235)</u>	<u>15</u>	<u>(13,220)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>			
	459,915	112,553	572,468
Impact fees	120,440	-	120,440
Transfers out	<u>(3,855,782)</u>	<u>(415,775)</u>	<u>(4,271,557)</u>
<b>CHANGE IN NET POSITION</b>	(3,275,427)	(303,222)	(3,578,649)
<b>NET POSITION BEGINNING</b>	<u>11,604,294</u>	<u>771,061</u>	<u>12,375,355</u>
<b>NET POSITION, ENDING</b>	<u>\$ 8,328,867</u>	<u>\$ 467,839</u>	<u>\$ 8,796,706</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GLENN HEIGHTS, TEXAS**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Year Ended September 30, 2017**

	Enterprise Funds		Total Enterprise Funds
	Water and Sewer Fund	Stormwater Drainage Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 5,407,300	\$ 294,284	\$ 5,701,584
Payments to suppliers	(3,855,974)	(23,206)	(3,879,180)
Payments to employees	(707,045)	(113,499)	(820,544)
Net cash provided by operating activities	<u>844,281</u>	<u>157,579</u>	<u>1,001,860</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash paid to other funds	-	-	-
Cash due to other funds	886,804	19,306	906,110
Transfers out to other funds	(3,855,782)	(415,775)	(4,271,557)
Net cash used by noncapital financing activities	<u>(2,968,978)</u>	<u>(396,469)</u>	<u>(3,365,447)</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>			
Capital contributions	120,440	-	120,440
Acquisition and construction of capital assets	-	(13,331)	(13,331)
Principal paid on long-term debt	(275,335)	(9,599)	(284,934)
Interest and other charges paid	(17,104)	-	(17,104)
Net cash provided (used) by capital and related financing activities	<u>(171,999)</u>	<u>(22,930)</u>	<u>(194,929)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income received	2,976	15	2,991
Net cash provided by investing activities	<u>2,976</u>	<u>15</u>	<u>2,991</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(2,293,720)</u>	<u>(261,805)</u>	<u>(2,555,525)</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>3,819,944</u>	<u>534,953</u>	<u>4,354,897</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 1,526,224</u>	<u>\$ 273,148</u>	<u>\$ 1,799,372</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income	\$ 473,150	\$ 112,538	\$ 585,688
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	356,841	37,357	394,198
(Increase) decrease in accounts receivable	79,483	(477)	79,006
(Increase) decrease in prepaid items	-	-	-
(Increase) decrease in deferred outflows related to pensions	23,535	623	24,158
(Increase) decrease in net pension asset	-	-	-
Increase (decrease) in accounts payable	(104,149)	20	(104,129)
Increase (decrease) in accrued liabilities	2,325	2,008	4,333
Increase (decrease) in customer deposits	35,735	-	35,735
Increase (decrease) in compensated absences	(681)	911	230
Increase (decrease) in deferred inflows related to pensions	6,775	575	7,350
Increase (decrease) in net pension liability	(28,733)	4,024	(24,709)
Total adjustments	<u>371,131</u>	<u>45,041</u>	<u>416,172</u>
Net cash provided by operating activities	<u>\$ 844,281</u>	<u>\$ 157,579</u>	<u>\$ 1,001,860</u>
Reconciliation of cash and cash equivalents to the statement of net position:			
Cash and cash equivalents	53,749	273,148	326,897
Restricted cash and cash equivalents	1,472,475	-	1,472,475
Total cash and cash equivalents	<u>1,526,224</u>	<u>273,148</u>	<u>1,799,372</u>

*The accompanying notes are an integral part of these financial statements.*

## CITY OF GLENN HEIGHTS, TEXAS

Notes to the Financial Statements  
For the Year Ended September 30, 2017

### **Note 1: Summary of Significant Accounting Policies**

#### Reporting Entity

The City of Glenn Heights, Texas (the City) was incorporated on September 16, 1969, to operate as a general law city. In August 1987, the City amended its charter and currently operates as a home rule city. The City is regulated by the Code of State Statutes of the State of Texas and is authorized to perform the following services: public safety (police and fire), public works, planning, inspection, sanitation, water and sewer utilities, storm drainage, and general administrative services. The City operates under a council-manager form of government. The Council is comprised of seven officials including a mayor and six council members.

The City prepares its financial statements in conformity with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

The Council has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the City is a financial reporting entity as defined by the GASB. There are no component units included within the reporting entity.

#### Government-wide and Fund Financial Statements

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function 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.

Separate financial statements are provided for governmental funds and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining funds are aggregated and reported as nonmajor funds.

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be

## CITY OF GLENN HEIGHTS, TEXAS

### Notes to the Financial Statements For the Year Ended September 30, 2017

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 under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest income 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 have been met, including any time requirements, and the amount is received during the period or within the 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.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund accounts for the acquisition of capital assets or construction of major capital projects being financed by 2006, 2008, 2015, and 2016 bond proceeds.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The City reports the following major proprietary funds:

The Water and Sewer Fund is used to account for water and sewer improvements and operations.

The Drainage Fund is used to account for the drainage improvements and operations.

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

Proprietary funds distinguish between 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 funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the 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.

**CITY OF GLENN HEIGHTS, TEXAS**

Notes to the Financial Statements

For the Year Ended September 30, 2017

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

*Cash and Investments*

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government.

*Restricted Assets*

Certain resources set aside for the repayment of customer utility deposits are classified as restricted assets on the balance sheet because their use is limited to such purpose. Also included in restricted assets are capital recovery fees (impact fees) that are, by law, restricted for future capital improvements. When the City incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first.

*Interfund Receivables/Payables*

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans are classified as “interfund receivables/payables.”

*Capital Assets*

Capital assets, including 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, as well as in the proprietary fund statement of net position. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Number of Years</u>
Buildings	40
Infrastructure	10 - 50
Improvements	5 - 20
Equipment	3 - 10
Vehicles	2 - 5

*Prepaid Items*

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

## CITY OF GLENN HEIGHTS, TEXAS

Notes to the Financial Statements  
For the Year Ended September 30, 2017

### *Pensions*

For purposes of measuring the net pension liability, pension related deferred outflows of resources and deferred inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by the TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

### *Compensated Absences*

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for this amount is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

### *Long-Term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

### *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. They include deferred charges on bond refunding reported in the government-wide statement of net position, as well as deferred outflows related to the City's pension with TMRS.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item arising only under the 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, fines and EMS accounts receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows reported in the statement of net position related to the City's pension with TMRS.

## CITY OF GLENN HEIGHTS, TEXAS

Notes to the Financial Statements  
For the Year Ended September 30, 2017

### *Fund Balance*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

*Nonspendable:* This classification includes amounts that cannot be spent because they are either (a) not in a spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

*Restricted:* This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws of regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed:* This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council, the City's highest level of decision making authority. These amounts cannot be used for any other purposes unless the City removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

*Assigned:* This classification includes amounts intended to be used by the City for specific purposes. The City Council has designated the City Manager or his/her designee as the official authorized person to assign fund balance. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. At September 30, 2017, the City had assigned fund balances for specific purposes including vehicle replacement and disaster recovery in the amount of \$454,331.

*Unassigned:* This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

The City's General Fund policy requires no less than 60 days of General Fund expenditures in unassigned fund balance.

### *Net Position*

Net position represents the difference between assets, deferred outflows/inflows and liabilities. Net position-net investment in capital assets consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on the use of funds either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond and 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.

**CITY OF GLENN HEIGHTS, TEXAS**

Notes to the Financial Statements  
For the Year Ended September 30, 2017

*Use of 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 disclosures 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.

Recent Accounting Pronouncements

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – This statement changes the focus of accounting of postemployment benefits other than pensions from how much it costs to adequately fund the benefits over time to a point-in-time liability that is reflected on the employer’s financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the Town fiscal year 2018. Management is currently evaluating the impact, if any, this statement will have on the Town’s financial statements.

Statement No. 84, *Fiduciary Activities* – This statement establishes criteria for identifying fiduciary activities of governments and for identifying fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement will become effective for the Town in fiscal year 2020. Management is currently evaluating the impact, if any, this statement will have on the Town’s financial statements.

Statement No. 87, *Leases* – This statement changes the recognition requirements for certain lease assets and liabilities for leases that are currently classified as operating leases. This statement will become effective for the Town in fiscal year 2021. Management is currently evaluating the impact, if any, this statement will have on the Town’s financial statements.

Reclassifications

Certain reclassifications have been made to the 2016 financial statements to conform with the 2017 financial statement presentation. These reclassifications had no effect on changes in fund balances or net position.

**Note 2: Stewardship, Compliance, and Accountability**

Expenditures in Excess of Budget

Actual expenditures exceeded budgeted amounts for the Debt service fund by \$112,594. These expenditures are due to the budget being based on projected payments that were altered when the bond sale was finalized.

Deficit Fund Balance

As of year-end, the Municipal Court Technology Fund had a deficit fund balance of \$729. The court fees restricted for municipal court technology expenditures will eliminate the deficit in the subsequent fiscal year. The Veterans Memorial Fund also had a deficit fund balance of \$3,095. The deficit will be covered by a transfer from the General Fund.

**Note 3: Deposits and Investments**

The City may invest in obligations of the U.S. Treasury or the State of Texas, certain U.S. agencies, certificates of deposit, money market savings accounts, certain municipal securities, repurchase agreements, common trust funds and other investments specifically allowed by the Public Funds Investment Act of 1987 (Article 842a-2 Vernon’s Civil Statutes).

The Texas Short-Term Asset Reserve Investment Pool (“TexSTAR”) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. J.P. Morgan Investment

## CITY OF GLENN HEIGHTS, TEXAS

### Notes to the Financial Statements For the Year Ended September 30, 2017

Management Inc. serves as investment advisor and co-administrator with First Southwest. TexSTAR invests in treasury and agency securities and repurchase agreements fully collateralized by government securities. The pool maintains a weighted average maturity of 60 days or less. The pool seeks to maintain a constant dollar objective. The reported value of the pool is the same as the fair value of the pool shares. Due to its short-term, highly liquid nature, investments in TexSTAR have been reported as cash equivalents.

In compliance with the Public Funds Investment Act, the government has adopted a deposit and investment policy. That policy addresses the following risks:

*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 the City. The City's policy regarding types of deposits allowed and collateral requirements is: the Depository may be a state bank authorized and regulated under Texas law; a national bank, savings and loan association, or savings bank authorized and regulated by federal law; or a savings and loan association or savings bank organized under Texas law; but shall not be any bank the deposits of which are not insured by the Federal Deposit Insurance Corporation (FDIC). The City is not exposed to custodial credit risk for its deposits, as all are covered by depository insurance and pledged securities.

*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.

*Credit Risk:* This is the risk that an issuer of an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. It is the City's policy to limit its investments to those investments rated at least AAAm. The credit quality rating for TexSTAR at year end was AAAm by Standard & Poor's.

*Interest Rate Risk:* This is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy requires management to minimize risk of loss due to interest rate fluctuations by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase.

*Foreign Currency Risk:* This is the risk that exchange rates will adversely affect the fair value of an investment. The City is not exposed to foreign currency risk.

*Concentration of Credit Risk:* This is the risk of loss attributed to the magnitude of the City's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent (5%) or more in the securities of a single issuer. It is the City's policy to not allow for a concentration of credit risk. Investments issued by the U. S. Government and investments in investment pools are excluded from the 5 percent (5%) disclosure requirement. The City is not exposed to concentration of credit risk.

**CITY OF GLENN HEIGHTS, TEXAS**

Notes to the Financial Statements

For the Year Ended September 30, 2017

**Note 4: Receivables**

The City's receivables as of September 30, 2017 consist of the following:

	General Fund	Debt Service Funds	Water and Sewer Fund	Drainage Fund	Total
Property taxes	\$ 106,728	\$ 25,042	\$ -	\$ -	\$ 131,770
Sales taxes	94,380	-	-	-	94,380
Ambulance	209,655	-	-	-	209,655
Garbage	133,211	-	-	-	133,211
Utility fees	-	-	829,128	42,523	871,651
Court fines	470,904	-	-	-	470,904
Other	2,498	-	-	-	2,498
Gross receivables	1,017,376	25,042	829,128	42,523	1,914,069
Less: allowance for uncollectible accounts	(322,320)	(7,361)	(141,456)	(3,153)	(474,290)
Net receivables	<u>\$ 695,056</u>	<u>\$ 17,681</u>	<u>\$ 687,672</u>	<u>\$ 39,370</u>	<u>\$ 1,439,779</u>

Property taxes are based on the appraised values provided by the Dallas County and Ellis County Appraisal Districts, as applicable. Taxes are levied by October 1 of each year, and are due in full with no discounts granted. Unpaid property taxes become delinquent on February 1 of the following year. Penalty is calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City. The City's current policy is to write-off uncollectible personal property taxes after four years.

**Note 5: Interfund Balances and Transfers**

The compositions of interfund balances as of September 30, 2017 are as follows:

Due To Fund	Due From Fund	Amount	Purpose
Capital Projects Fund	General Fund	\$ 3,320	Short-term loans
Nonmajor Governmental	General Fund	17,269	Short-term loans
Debt Service Fund	Water and Sewer	14,525	Short-term loans
General Fund	Water and Sewer	886,804	Short-term loans
Nonmajor Governmental	Water and Sewer	82	Short-term loans
General Fund	Municipal Drainage	19,306	Short-term loans
Nonmajor Governmental	Nonmajor Governmental	3,824	Short-term loans
		<u>\$ 945,130</u>	

The outstanding balances between funds result mainly from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**CITY OF GLENN HEIGHTS, TEXAS**

Notes to the Financial Statements  
For the Year Ended September 30, 2017

Interfund activity for the year ended September 30, 2017 is as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Drainage Fund	General Fund	15,775	Administrative
General Fund	Nonmajor Governmental	243,000	Debt service
Nonmajor Governmental	General Fund	33,000	Administrative
Water and Sewer Fund	General Fund	685,482	Administrative
Drainage Fund	Capital Projects Fund	400,000	Capital outlay
General Fund	Capital Projects Fund	1,328,936	Capital outlay
Water and Sewer Fund	Capital Projects Fund	3,170,300	Capital outlay
		<u>\$ 5,876,493</u>	

**Note 6: Capital Assets**

Capital asset activity for the year ended September 30, 2017 is as follows:

	<u>Balance, October 1, 2016</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Balance, September 30, 2017</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 1,050,373	\$ -	\$ -	\$ 1,050,373
Construction in progress	59,596	15,770	-	75,366
Total capital assets not being depreciated	<u>1,109,969</u>	<u>15,770</u>	<u>-</u>	<u>1,125,739</u>
Capital assets being depreciated:				
Building	131,805	124,952	-	256,757
Parks and improvements	805,642	7,850	-	813,492
Infrastructure - streets	4,656,858	-	-	4,656,858
Vehicles	1,491,021	476,976	(124,524)	1,843,473
Equipment	893,616	278,511	-	1,172,127
Total capital assets being depreciated	<u>7,978,942</u>	<u>888,289</u>	<u>(124,524)</u>	<u>8,742,707</u>
Less accumulated depreciation for:				
Buildings	(94,132)	(9,870)	-	(104,002)
Parks and improvements	(597,719)	(72,616)	-	(670,335)
Infrastructure - streets	(782,385)	(167,315)	-	(949,700)
Vehicles	(1,078,443)	(157,209)	124,524	(1,111,128)
Equipment	(608,310)	(103,103)	-	(711,413)
Total accumulated depreciation	<u>(3,160,989)</u>	<u>(510,113)</u>	<u>124,524</u>	<u>(3,546,578)</u>
Total capital assets being depreciated, net	<u>4,817,953</u>	<u>378,176</u>	<u>-</u>	<u>5,196,129</u>
Governmental activities capital assets, net	<u>\$ 5,927,922</u>	<u>\$ 393,946</u>	<u>\$ -</u>	<u>\$ 6,321,868</u>

**CITY OF GLENN HEIGHTS, TEXAS**

Notes to the Financial Statements

For the Year Ended September 30, 2017

	Balance, October 1, 2016	Increases	Decreases/ Reclassifications	Balance, September 30, 2017
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 35,161	\$ -	\$ -	\$ 35,161
Construction in progress	100,000	-	-	100,000
Total capital assets, not being depreciated	<u>135,161</u>	<u>-</u>	<u>-</u>	<u>135,161</u>
Capital assets being depreciated:				
Buildings	224,274	-	-	224,274
Infrastructure - water	8,065,050	-	-	8,065,050
Infrastructure - sewer	5,842,307	-	-	5,842,307
Infrastructure - drainage	196,068	-	-	196,068
Vehicles	446,522	-	-	446,522
Equipment	830,637	13,331	-	843,968
Total capital assets being depreciated	<u>15,604,858</u>	<u>13,331</u>	<u>-</u>	<u>15,618,189</u>
Less accumulated depreciation for:				
Buildings	(139,877)	(12,355)	-	(152,232)
Infrastructure - water	(4,042,327)	(170,977)	-	(4,213,304)
Infrastructure - sewer	(1,832,498)	(116,952)	-	(1,949,450)
Infrastructure - drainage	(63,909)	(14,780)	-	(78,689)
Vehicles	(406,133)	(13,257)	-	(419,390)
Equipment	(563,284)	(65,877)	-	(629,161)
Total accumulated depreciation	<u>(7,048,028)</u>	<u>(394,198)</u>	<u>-</u>	<u>(7,442,226)</u>
Total capital assets being depreciated, net	<u>8,556,830</u>	<u>(380,867)</u>	<u>-</u>	<u>8,175,963</u>
Business-type activities capital assets, net	<u>\$ 8,691,991</u>	<u>\$ (380,867)</u>	<u>\$ -</u>	<u>\$ 8,311,124</u>

Depreciation expense for the year ended September 30, 2017 was charged to functions/programs of the City as follows:

Governmental activities:

General government	\$ 20,570
Public safety	221,307
Development services	187,570
Parks and recreation	80,666
Total	<u>\$ 510,113</u>

Business-type activities:

Water and sewer	\$ 356,841
Drainage	37,357
Total	<u>\$ 394,198</u>

**CITY OF GLENN HEIGHTS, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2017

**Note 7: Long-term Obligations**

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

	Balance 10/1/2016	Increases	Decreases	Balance 9/30/2017	Amount Due Within one Year
<u>Governmental Activities:</u>					
Certificates of obligation	\$ 2,610,000	\$ -	\$ (350,000)	\$ 2,260,000	\$ 370,000
General obligation & refunding bonds	14,525,000	-	(295,000)	14,230,000	270,000
Bond issuance premium	1,417,106	-	(70,856)	1,346,250	-
Compensated absences	128,197	80,188	(97,605)	110,780	22,156
Net pension (asset) liability	128,467	-	(43,316)	85,151	-
Total governmental activities	18,808,770	80,188	(856,777)	18,032,181	662,156
<u>Business-type Activities:</u>					
General obligation refunding bonds	755,000	-	(255,000)	500,000	265,000
Bond issuance discount	7,636	-	(1,909)	5,727	-
Notes payable	9,599	-	(9,599)	-	-
Capital lease obligations	20,335	-	(20,335)	-	-
Compensated absences	27,611	18,830	(18,600)	27,841	5,568
Net pension (asset) liability	39,806	-	(24,709)	15,097	-
Total business-type activities	859,987	18,830	(330,152)	548,665	270,568
Total Primary Government	<u>\$ 19,668,757</u>	<u>\$ 99,018</u>	<u>\$ (1,186,929)</u>	<u>\$ 18,580,846</u>	<u>\$ 932,724</u>

The General Fund is used to liquidate the liability for governmental activities compensated absences, capital leases, and the net pension liability.

**CITY OF GLENN HEIGHTS, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2017

Bonds Payable

Bonds payable at September 30, 2017 are comprised of the following issues:

	Governmental Activities	Business-Type Activities	Total
2003 Certificates of Obligation, original issue \$750,000, dated September 1, 2003, due in annual installments through September 1, 2018, at 4.65% interest.	\$ 70,000	\$ -	\$ 70,000
2006 Certificates of Obligation, original issue \$2,535,000, dated September 1, 2003, due in annual installments through September 1, 2018, at 4.65% interest.	855,000	-	855,000
2008 Certificates of Obligation, original issue \$2,050,000, dated September 1, 2003, due in annual installments through September 1, 2018, at 4.65% interest.	1,335,000	-	1,335,000
2010 General Obligation Refunding Bonds, original issue \$20,250,000, dated July 1, 2010, due in annual installments through February 15, 2020, at 2.56% interest.	-	500,000	500,000
2015 Certificates of Obligation, original issue \$725,000, dated September 10, 2015, due in annual installments through September 1, 2025, at 4.65% interest.	680,000	-	680,000
2016 General Obligation Refunding Bonds, original issue \$13,820,000, dated August 23, 2016, due in annual installments through February 15, 2036, at 3.65% interest.	13,550,000	-	13,550,000
	<u>\$ 16,490,000</u>	<u>\$ 500,000</u>	<u>\$ 16,990,000</u>

The annual requirements to amortize the combined bonded debt outstanding as of September 30, 2017 are as follows:

Year Ended September 30,	Governmental Activities		Business-Type Activities		Total Principal	Total Interest	Total Obligation
	Principal	Interest	Principal	Interest			
2018	640,000	594,724	265,000	11,175	905,000	605,899	1,510,899
2019	690,000	569,437	115,000	5,475	805,000	574,912	1,379,912
2020	735,000	543,551	120,000	1,875	855,000	545,426	1,400,426
2021	795,000	511,060	-	-	795,000	511,060	1,306,060
2022	855,000	476,345	-	-	855,000	476,345	1,331,345
2023-2027	4,445,000	1,816,751	-	-	4,445,000	1,816,751	6,261,751
2028-2032	4,330,000	1,079,330	-	-	4,330,000	1,079,330	5,409,330
2033-2037	4,000,000	322,475	-	-	4,000,000	322,475	4,322,475
Total	<u>16,490,000</u>	<u>5,913,673</u>	<u>500,000</u>	<u>18,525</u>	<u>16,990,000</u>	<u>5,932,198</u>	<u>22,922,198</u>

**CITY OF GLENN HEIGHTS, TEXAS**

Notes to the Financial Statements

For the Year Ended September 30, 2017

**Note 8: Defined Benefit Pension Plan**

Plan Description

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

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

Benefits Provided

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

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

The City has approved an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, the City provides on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI). A summary of plan provisions for the City are as follows:

Employee deposit rate	6%
Matching ratio (City to employee)	1 to 1
Years required for vesting	5
Service requirement eligibility	60/5, 0/25
Updated service credit	100% repeating, Transfers
Annuity increase to retirees	70% of CPI

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

Inactive employees or beneficiaries currently receiving benefits	46
Inactive employees entitled to but not yet receiving benefits	77
Active employees	70
Total	<u><u>193</u></u>

**CITY OF GLENN HEIGHTS, TEXAS**

Notes to the Financial Statements

For the Year Ended September 30, 2017

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The City did not change its employee contribution rate during the year. The contribution rates for the City were 3.36% and 3.74% in calendar years 2016 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2017, were \$134,198, and were equal to the required contributions.

Net Pension Liability

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

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

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the Gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the Gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2016 valuation were based on the results of actuarial experience studies performed by TMRS. The most recent experience study was for the period January 1, 2010 through December 31, 2014, first used in the December 31, 2015 valuation. As a result of this study, several assumption changes were adopted, including a reduction of the inflation assumption from 3.00% to 2.50% and the investment return assumption from 7.00% to 6.75%. Assumptions are reviewed annually. No other significant changes were made for the actuarial valuation performed on December 31, 2016.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

**CITY OF GLENN HEIGHTS, TEXAS**

Notes to the Financial Statements

For the Year Ended September 30, 2017

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

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

Changes in the Net Pension Liability are summarized in the following table:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balance at 12/31/2015	\$ 7,644,517	\$ 7,476,244	\$ 168,273
Changes for the year:			
Service Cost	336,567	-	336,567
Interest	517,152	-	517,152
Difference between expected and actual experience	(97,859)	-	(97,859)
Changes of assumptions	-	-	-
Contributions - employer	-	112,560	(112,560)
Contributions - employee	-	211,914	(211,914)
Net investment income	-	505,424	(505,424)
Benefit payments, including refunds of employee contributions	(302,573)	(302,573)	-
Administrative expense	-	(5,706)	5,706
Other changes	-	(307)	307
Net changes	453,287	521,312	(68,025)
Balance at 12/31/2016	<u>\$ 8,097,804</u>	<u>\$ 7,997,556</u>	<u>\$ 100,248</u>

**CITY OF GLENN HEIGHTS, TEXAS**

Notes to the Financial Statements

For the Year Ended September 30, 2017

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	\$ 1,436,430	\$ 100,248	\$ (968,187)

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained electronically at [www.TMRS.org](http://www.TMRS.org).

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

For the year ended September 30, 2017, the City recognized pension expense of \$242,173.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 92,973
Changes in actuarial assumptions	39,223	-
Difference between projected and actual investment earnings	337,630	622
Contributions subsequent to the measurement date	117,942	-
Total	<u>\$ 494,795</u>	<u>\$ 93,595</u>

\$117,942 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	
2017	\$ 101,244
2018	93,561
2019	88,607
2020	(154)
2021	-
Total	<u>\$ 283,258</u>

## CITY OF GLENN HEIGHTS, TEXAS

Notes to the Financial Statements  
For the Year Ended September 30, 2017

### **Note 9: Other Postemployment Benefits**

The City also participates in the cost-sharing multiple employer defined benefit group-term life insurance plan operated by the 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 postemployment benefit" or OPEB.

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

The City's contributions to the TMRS SDBF for the years ended September 30, 2015, 2016, and 2017 were \$4,834, \$5,373, and \$5,895, respectively, which equaled the required contributions.

### **Note 10: 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; injuries to employees; and natural disasters. The City is a participant in the Texas Municipal League Workers' Compensation Joint Insurance Fund (WC Fund) and the Texas Municipal League Joint Self-Insurance Fund (Property-Liability Fund), a public entity risk pool operated by the Texas Municipal League Board for the benefit of individual governmental units located with Texas. The City pays an annual premium to the Funds for its workers' compensation and property and liability insurance coverage. The WC Fund and the Property-Liability Fund are considered self-sustaining risk pools that provide coverage for their members for up to \$2,000,000 per insured event. There were no significant reductions in insurance coverage from the previous year. Settled claims for risks have not exceeded insurance coverage in any of the past three years.

### **Note 11: Water and Sewer Contracts**

The City has separate contracts with the City of Dallas Utilities and Services (DUS) and the Trinity River Authority of Texas (TRA) for the purchase of treated water and for the transportation, treatment, and disposal of wastewater. The DUS agreement expires in 2039. The contracts require the City to pay varying amounts based on the costs associated with water purchased and wastewater transported and/or treated and disposed. The costs include the City's proportionate share of TRA's operating and maintenance expenses, related debt service costs, and certain other miscellaneous charges.

Payments during fiscal year 2017 for the purchase of treated water from DUS were \$822,021 and payments made for the transportation, treatment, and disposal of wastewater by TRA were \$2,277,123. If the City were unable to fulfill its obligations under the contracts, the only liability for future payment would be its proportionate share of debt service requirements. In addition, the City does not retain an ongoing financial interest in TRA and has no representation on the TRA Board of Directors; therefore, the TRA contracts are not considered to be joint venture agreements.

### **Note 12: Contingencies**

The City is a defendant in several pending lawsuits. City management estimates, based on the advice of legal counsel, that the potential claims against the City, in excess of insurance coverage, would not materially affect the basic financial statements of the City. The City also participates in a number of federal and state grant programs. These programs are subject to compliance audits by the grantors or their representatives. Any liability that may arise as of the result of these audits is not believed to be estimable or probable.

**CITY OF GLENN HEIGHTS, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2017

**Note 13: Subsequent Events**

Management has evaluated subsequent events through April 28, 2018, the date the financial statements were available to be issued. No changes were made, or are necessary to be made, to the financial statements as a result of this evaluation.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**CITY OF GLENN HEIGHTS, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual – General Fund  
For the Year Ended September 30, 2017

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>REVENUES:</b>				
Property taxes	\$ 3,325,333	\$ 3,325,333	\$ 3,401,092	\$ 75,759
Sales and use taxes	512,019	512,019	533,253	21,234
Franchise fees	625,536	625,536	635,443	9,907
Licenses and permits	698,020	698,020	737,187	39,167
Fines and forfeitures	191,826	191,826	179,132	(12,694)
Charges for services	989,416	989,416	1,015,429	26,013
Intergovernmental	-	-	4,052	4,052
Interest	23,775	23,775	33,713	9,938
Contributions	2,300	2,300	800	(1,500)
Other	10,470	10,470	2,954	(7,516)
<b>Total revenues</b>	<b>6,378,695</b>	<b>6,378,695</b>	<b>6,543,055</b>	<b>164,360</b>
<b>EXPENDITURES:</b>				
Current:				
General government	1,713,382	1,713,382	1,551,429	161,953
Public safety	3,288,836	3,288,836	3,221,537	67,299
Development services	1,445,926	1,445,926	1,405,934	39,992
Parks and recreation	213,488	213,488	201,113	12,375
Economic development	117,064.00	117,064.00	96,641.00	20,423
Capital outlay	79,000	79,000	92,491	(13,491)
<b>Total expenditures</b>	<b>6,857,696</b>	<b>6,857,696</b>	<b>6,569,145</b>	<b>288,551</b>
Excess (deficiency) of revenues over (under) expenditures	(479,001)	(479,001)	(26,090)	452,911
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	785,482	785,482	734,257	(51,225)
Transfers out	(2,657,872)	(2,657,872)	(1,571,936)	(1,085,936)
<b>Total other financing sources (uses)</b>	<b>(1,872,390)</b>	<b>(1,872,390)</b>	<b>(837,679)</b>	<b>(1,137,161)</b>
Net change in fund balance	(2,351,391)	(2,351,391)	(863,769)	1,487,622
Fund balance, beginning	2,370,989	2,370,989	2,370,989	-
Fund balance, ending	<b>\$ 19,598</b>	<b>\$ 19,598</b>	<b>\$ 1,507,220</b>	<b>\$ 1,487,622</b>

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

	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Total Pension Liability</b>			
Service cost	\$ 336,567	\$ 288,738	\$ 256,970
Interest on total pension liability	517,152	493,227	456,404
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(97,859)	(55,716)	(14,257)
Change of assumptions	-	100,033	-
Benefit payments/refunds of contributions	(302,573)	(166,992)	(210,935)
Net change in total pension liability	453,287	659,290	488,182
Total pension liability, beginning	7,644,517	6,985,227	6,497,045
Total pension liability, ending (a)	<u>\$ 8,097,804</u>	<u>\$ 7,644,517</u>	<u>\$ 6,985,227</u>
<b>Fiduciary Net Position</b>			
Contributions - Employer	\$ 112,560	\$ 100,120	\$ 96,517
Contributions - Employee	211,914	185,485	180,931
Net investment income	505,424	10,852	394,578
Benefit payments/refunds of contributions	(302,573)	(166,992)	(210,935)
Administrative expenses	(5,706)	(6,609)	(4,119)
Other	(307)	(328)	(339)
Net change in fiduciary net position	521,312	122,528	456,633
Fiduciary net position, beginning	7,476,244	7,353,716	6,897,083
Fiduciary net position, ending (b)	<u>\$ 7,997,556</u>	<u>\$ 7,476,244</u>	<u>\$ 7,353,716</u>
Net pension liability / (asset), ending = (a) - (b)	<u>100,248</u>	<u>168,273</u>	<u>(368,489)</u>
Fiduciary net position as a percentage of total pension liability	98.76%	97.80%	105.28%
Covered-employee payroll	\$ 3,516,894	\$ 3,091,411	\$ 3,015,520
Net pension liability as a percentage of covered payroll	2.85%	5.44%	-12.22%

*This schedule is intended to show information for 10 years. Information for additional years will be displayed as it becomes available.*

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

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered- employee Payroll</u>	<u>Actual Contributions as a Percentage of Covered- employee Payroll</u>
2017	\$ 127,656	\$ 133,216	\$ (5,560)	\$ 3,799,274	3.51%
2016	117,195	115,952	1,243	3,487,950	3.32%
2015	99,077	99,077	-	3,075,330	3.22%
2014	88,118	88,118	-	2,789,600	3.16%

*This schedule is intended to show information for 10 years. Information for additional years will be displayed as it becomes available.*

**Note A: Budgetary Procedures**

Annual operating budgets are adopted on a modified accrual (GAAP) basis for the General Fund, Municipal Court Technology Fund, Municipal Court Security Fund, 911 Wireless Fund, Grants Fund, and Debt Service Fund. The legal level of budgetary control is the fund. All annual appropriations lapse at fiscal year-end. Budgetary appropriations for the Capital Projects Funds are adopted on an individual project basis and extend through project completion.

The City follows these procedures in establishing the annual operating budgets reflected in the financial statements:

1. Prior to August 1, the City Manager prepared a proposed annual operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The annual operating budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year to which it applies, which can be amended by the Council.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. At year-end, encumbrances are canceled or re-appropriated as part of the following year budget.

**Note B: Net Pension Liability – Texas Municipal Retirement System**

Assumptions

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

<b>Valuation date</b>	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
<b>Actuarial cost method</b>	Entry Age Normal
<b>Amortization method</b>	Level Percentage of Payroll, Closed
<b>Remaining amortization period</b>	28 years
<b>Asset valuation method</b>	10 Year smoothed market; 15% soft corridor
<b>Inflation</b>	2.5%
<b>Salary increases</b>	3.50% to 10.50%, including inflation
<b>Investment rate of return</b>	6.75%
<b>Retirement age</b>	Experience-based table of rates that are specific to the City’s plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
<b>Mortality</b>	RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

### Changes of Benefit Terms

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

### Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

### Changes of Assumptions

During the measurement period, the inflation assumption was reduced from 3.00% to 2.50% and the investment return assumption was reduced from 7.00% to 6.75%. Additionally, the range of assumed salary increases was changed from 3.50% - 12.00% to 3.50% - 10.50%, and the retirement age experienced-based table was updated based on a recent experience study.

**COMBINING AND INDIVIDUAL  
FUND SCHEDULES**

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**CITY OF GLENN HEIGHTS, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Debt Service Fund  
For the Year Ended September 30, 2017

	Debt Service Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>REVENUES:</b>				
Property taxes	\$ 1,246,327	\$ 1,246,327	\$ 1,249,925	\$ 3,598
Interest	-	-	41	41
Total revenues	<u>1,246,327</u>	<u>1,246,327</u>	<u>1,249,966</u>	<u>3,639</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	400,000	400,000	645,000	(245,000)
Interest and other charges	<u>699,544</u>	<u>699,544</u>	<u>567,138</u>	<u>132,406</u>
Total expenditures	<u>1,099,544</u>	<u>1,099,544</u>	<u>1,212,138</u>	<u>(112,594)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>146,783</u>	<u>146,783</u>	<u>37,828</u>	<u>(108,955)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>146,783</u>	<u>146,783</u>	<u>37,828</u>	<u>(108,955)</u>
<b>Fund balance, beginning</b>	<u>34,378</u>	<u>34,378</u>	<u>34,378</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 181,161</u>	<u>\$ 181,161</u>	<u>\$ 72,206</u>	<u>\$ (108,955)</u>

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**CITY OF GLENN HEIGHTS, TEXAS**  
Combining and Individual Nonmajor Fund Schedules  
For the Year Ended September 30, 2017

**NONMAJOR GOVERNMENTAL FUNDS**

*MUNICIPAL COURT TECHNOLOGY FUND* – To account for municipal court fees collected through the court to enhance existing operations through technology.

*MUNICIPAL COURT SECURITY FUND* – To account for municipal court fees collected through the court to provide for various municipal court security features.

*911 WIRELESS FUND* – To account for 911 wireless revenue collected to enhance the 911 network within the City.

*POLICE SEIZURE FUND* – To account for the revenue and expenditures related to the award of monies or property by the courts or federal government to the police department. The funds are expended for specified department purposes.

*DISASTER RECOVERY FUND* – To account for the revenue and expenditures related to disaster recovery.

*GRANTS FUND* – To account for the revenue and expenditures related to various state and federal grants.

*PARK DEVELOPMENT FUND* – To account for the acquisition of capital assets or construction of major capital projects being financed by park development fees.

*STREET IMPACT FEE FUND* – To account for the acquisition of capital assets or construction of major capital projects being financed by street impact fees.

*VEHICLE REPLACEMENT FUND* – To accumulate resources for the acquisition of vehicles funded by the general fund.

*VETERANS MEMORIAL FUND* – To account for the revenue and expenditures related to Veterans Memorial City Events.

**CITY OF GLENN HEIGHTS, TEXAS**  
**Combining Balance Sheet –**  
**Nonmajor Governmental Funds**  
**September 30, 2017**

	Municipal Court Technology	Municipal Court Security	911 Wireless	Police Seizure
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 30,506	\$ 92,831	\$ 10,547
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Court fines	-	-	-	-
Due from other funds	-	3,824	-	-
<b>Total assets</b>	<u>-</u>	<u>34,330</u>	<u>92,831</u>	<u>10,547</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	729	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<u>729</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable:				
Property taxes	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>				
Restricted for:				
Public safety	-	34,330	92,831	10,547
Debt service	-	-	-	-
Street improvements	-	-	-	-
Park improvements	-	-	-	-
Assigned for:				
Vehicle replacement	-	-	-	-
Disaster recovery	-	-	-	-
Unassigned	(729)	-	-	-
<b>Total fund balances</b>	<u>(729)</u>	<u>34,330</u>	<u>92,831</u>	<u>10,547</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ -</u>	<u>\$ 34,330</u>	<u>\$ 92,831</u>	<u>\$ 10,547</u>

	Disaster Recovery Fund	Grants	Park Development	Street Impact Fee	Vehicle Replacement	Veterans Memorial	Total Nonmajor Governmental Funds
\$	454,027	\$ 3,572	\$ 379,874	\$ 814,573	\$ 304	\$ -	\$ 1,786,234
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	16,068	1,283	-	-	21,175
	<u>454,027</u>	<u>3,572</u>	<u>395,942</u>	<u>815,856</u>	<u>304</u>	<u>-</u>	<u>1,807,409</u>
	-	1,132	-	-	-	-	1,132
	-	-	-	-	-	-	-
	-	-	-	-	-	3,095	3,824
	-	701	26,107	-	-	-	26,808
	<u>-</u>	<u>1,833</u>	<u>26,107</u>	<u>-</u>	<u>-</u>	<u>3,095</u>	<u>31,764</u>
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	1,739	-	-	-	-	139,447
	-	-	-	-	-	-	-
	-	-	-	815,856	-	-	815,856
	-	-	369,835	-	-	-	369,835
	-	-	-	-	304	-	304
	454,027	-	-	-	-	-	454,027
	-	-	-	-	-	(3,095)	(3,824)
	<u>454,027</u>	<u>1,739</u>	<u>369,835</u>	<u>815,856</u>	<u>304</u>	<u>(3,095)</u>	<u>1,775,645</u>
\$	<u>454,027</u>	<u>\$ 3,572</u>	<u>\$ 395,942</u>	<u>\$ 815,856</u>	<u>\$ 304</u>	<u>\$ -</u>	<u>\$ 1,807,409</u>

**CITY OF GLENN HEIGHTS, TEXAS**  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2017

	Municipal Court Technology	Municipal Court Security	911 Wireless	Police Seizure
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	4,917	3,688	-	-
Charges for services	-	-	79,168	-
Intergovernmental	-	-	-	-
Impact fees	-	-	-	-
Interest	-	150	539	152
Contributions	-	-	-	-
Total revenues	<u>4,917</u>	<u>3,838</u>	<u>79,707</u>	<u>152</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	2,954	-	2,228	1,598
Development services	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	188,766	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>2,954</u>	<u>-</u>	<u>190,994</u>	<u>1,598</u>
<b>Excess (Deficiency) of Revenue Over (Under)</b>				
<b>Expenditures</b>	<u>\$ 1,963</u>	<u>\$ 3,838</u>	<u>\$ (111,287)</u>	<u>\$ (1,446)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(33,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(33,000)</u>	<u>-</u>
<b>Net change in fund balances</b>	1,963	3,838	(144,287)	(1,446)
<b>Fund balances, beginning</b>	<u>(2,692)</u>	<u>30,492</u>	<u>237,118</u>	<u>11,993</u>
<b>Fund balances, ending</b>	<u>\$ (729)</u>	<u>\$ 34,330</u>	<u>\$ 92,831</u>	<u>\$ 10,547</u>

Disaster Recovery Fund	Grants	Park Development	Street Impact Fee	Vehicle Replacement	Veterans Memorial	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	8,605
-	-	27,192	-	-	-	106,360
44,686	1,623	-	-	-	-	46,309
-	-	-	56,430	-	-	56,430
-	-	659	814	-	-	2,314
123	-	-	-	-	2,931	3,054
<u>44,809</u>	<u>1,623</u>	<u>27,851</u>	<u>57,244</u>	<u>-</u>	<u>2,931</u>	<u>223,072</u>
-	-	-	-	-	-	-
-	2,987	-	-	-	-	9,767
8,550	-	-	-	-	-	8,550
-	-	-	-	-	6,026	6,026
-	-	42,080	-	440,000	-	670,846
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>8,550</u>	<u>2,987</u>	<u>42,080</u>	<u>-</u>	<u>440,000</u>	<u>6,026</u>	<u>695,189</u>
<u>\$ 36,259</u>	<u>\$ (1,364)</u>	<u>\$ (14,229)</u>	<u>\$ 57,244</u>	<u>\$ (440,000)</u>	<u>\$ (3,095)</u>	<u>\$ (472,117)</u>
-	-	-	-	243,000	-	243,000
-	-	-	-	-	-	(33,000)
-	-	-	-	243,000	-	210,000
36,259	(1,364)	(14,229)	57,244	(197,000)	(3,095)	(262,117)
<u>417,768</u>	<u>3,103</u>	<u>384,064</u>	<u>758,612</u>	<u>197,304</u>	<u>-</u>	<u>2,037,762</u>
<u>\$ 454,027</u>	<u>\$ 1,739</u>	<u>\$ 369,835</u>	<u>\$ 815,856</u>	<u>\$ 304</u>	<u>\$ (3,095)</u>	<u>\$ 1,775,645</u>

**CITY OF GLENN HEIGHTS, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Municipal Court Technology Fund  
For the Year Ended September 30, 2017

	<u>Municipal Court Technology</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
<b>REVENUES:</b>				
Fines and forfeitures	\$ 6,700	\$ 6,700	\$ 4,917	\$ (1,783)
Total revenues	<u>6,700</u>	<u>6,700</u>	<u>4,917</u>	<u>(1,783)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	<u>6,500</u>	<u>6,500</u>	<u>2,954</u>	<u>3,546</u>
Total expenditures	<u>6,500</u>	<u>6,500</u>	<u>2,954</u>	<u>3,546</u>
<b>Net change in fund balance</b>	200	200	1,963	1,763
<b>Fund balance, beginning</b>	<u>(2,692)</u>	<u>(2,692)</u>	<u>(2,692)</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ (2,492)</u>	<u>\$ (2,492)</u>	<u>\$ (729)</u>	<u>\$ 1,763</u>

**CITY OF GLENN HEIGHTS, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Municipal Court Security Fund  
For the Year Ended September 30, 2017

	Municipal Court Security			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>REVENUES:</b>				
Fines and forfeitures	\$ 4,500	\$ 4,500	\$ 3,688	\$ (812)
Interest	-	-	150	150
Total revenues	4,500	4,500	3,838	(662)
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
<b>Net change in fund balance</b>	4,500	4,500	3,838	(662)
<b>Fund balance, beginning</b>	30,492	30,492	30,492	-
<b>Fund balance, ending</b>	\$ 34,992	\$ 34,992	\$ 34,330	\$ (662)

**CITY OF GLENN HEIGHTS, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – 911 Wireless Fund  
For the Year Ended September 30, 2017

	911 Wireless			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>REVENUES:</b>				
Charges for services	\$ 77,000	\$ 77,000	\$ 79,168	\$ 2,168
Interest	200	200	539	339
Total revenues	<u>77,200</u>	<u>77,200</u>	<u>79,707</u>	<u>2,507</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	2,228	(2,228)
Capital outlay	190,000	190,000	188,766	1,234
Total expenditures	<u>190,000</u>	<u>190,000</u>	<u>190,994</u>	<u>(994)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>(112,800)</u>	<u>(112,800)</u>	<u>(111,287)</u>	<u>1,513</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(33,000)</u>	<u>(33,000)</u>	<u>(33,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(33,000)</u>	<u>(33,000)</u>	<u>(33,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(145,800)</u>	<u>(145,800)</u>	<u>(144,287)</u>	<u>1,513</u>
<b>Fund balance, beginning</b>	<u>237,118</u>	<u>237,118</u>	<u>237,118</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 91,318</u>	<u>\$ 91,318</u>	<u>\$ 92,831</u>	<u>\$ 1,513</u>

**CITY OF GLENN HEIGHTS, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Grants Fund  
For the Year Ended September 30, 2017

	Grants Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>REVENUES:</b>				
Intergovernmental	\$ 6,068	\$ 6,068	\$ 1,623	\$ (4,445)
Total revenues	6,068	6,068	1,623	(4,445)
<b>EXPENDITURES:</b>				
Current:				
Public safety	5,375	5,375	2,987	2,388
Total expenditures	5,375	5,375	2,987	2,388
<b>Net change in fund balance</b>	693	693	(1,364)	(2,057)
<b>Fund balance, beginning</b>	3,103	3,103	3,103	-
<b>Fund balance, ending</b>	\$ 3,796	\$ 3,796	\$ 1,739	\$ (2,057)

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## **STATISTICAL SECTION**

**CITY OF GLENN HEIGHTS, TEXAS**  
Statistical Section (Unaudited)  
Year Ended September 30, 2017

This section of the City of Glenn Heights, Texas's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	54
These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	
Revenue Capacity	66
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its electric utility, sales tax, and property tax revenues.	
Debt Capacity	72
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.	
Demographic and Economic Information	78
These schedules contain economic and demographic information to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	81
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Source: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**CITY OF GLENN HEIGHTS, TEXAS**  
Net Position by Component  
Last Ten Fiscal Years  
*(accrual basis of accounting)*  
*(unaudited)*

	<b>Fiscal Year</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 517,255	\$ 507,320	\$ 777,007	\$ 3,019,534
Restricted	4,771,034	4,405,139	4,152,298	841,581
Unrestricted	<u>(1,999,219)</u>	<u>(1,654,521)</u>	<u>(1,383,267)</u>	<u>1,506,647</u>
Total governmental activities net position	<u>\$ 3,289,070</u>	<u>\$ 3,257,938</u>	<u>\$ 3,546,038</u>	<u>\$ 5,367,762</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 7,864,160	\$ 7,957,585	\$ 7,812,387	\$ 7,876,598
Restricted	-	-	-	684,813
Unrestricted	<u>335,206</u>	<u>575,731</u>	<u>260,857</u>	<u>1,117,324</u>
Total business-type activities net position	<u>\$ 8,199,366</u>	<u>\$ 8,533,316</u>	<u>\$ 8,073,244</u>	<u>\$ 9,678,735</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 8,381,415	\$ 8,464,905	\$ 8,589,394	\$10,896,132
Restricted	4,771,034	4,405,139	4,152,298	1,526,394
Unrestricted	<u>(1,664,013)</u>	<u>(1,078,790)</u>	<u>(1,122,410)</u>	<u>2,623,971</u>
Total primary government net position	<u>\$11,488,436</u>	<u>\$11,791,254</u>	<u>\$11,619,282</u>	<u>\$15,046,497</u>

Source: City financial statements

*(continued)*

<b>Fiscal Year</b>					
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
\$ 3,101,367	\$ 2,985,184	\$ 3,057,623	\$ 3,420,929	\$ 4,562,272	\$ 5,204,571
911,058	711,864	822,641	1,044,381	1,425,617	1,342,294
1,513,501	2,313,476	2,635,490	3,142,610	3,718,269	7,469,021
<u>\$ 5,525,926</u>	<u>\$ 6,010,524</u>	<u>\$ 6,515,754</u>	<u>\$ 7,607,920</u>	<u>\$ 9,706,158</u>	<u>\$14,015,886</u>
\$ 8,011,639	\$ 7,914,978	\$ 7,796,457	\$ 7,964,475	\$ 7,968,336	\$ 7,855,594
561,058	471,623	361,759	455,065	1,029,083	935,872
1,613,419	2,977,448	3,728,781	4,330,408	3,377,936	5,240
<u>\$10,186,116</u>	<u>\$11,364,049</u>	<u>\$11,886,997</u>	<u>\$12,749,948</u>	<u>\$12,375,355</u>	<u>\$ 8,796,706</u>
\$11,113,006	\$10,900,162	\$10,854,080	\$11,385,404	\$12,530,608	\$13,060,165
1,472,116	1,183,487	1,184,400	1,499,446	2,454,700	2,278,166
3,126,920	5,290,924	6,364,271	7,473,018	7,096,205	7,474,261
<u>\$15,712,042</u>	<u>\$17,374,573</u>	<u>\$18,402,751</u>	<u>\$20,357,868</u>	<u>\$22,081,513</u>	<u>\$22,812,592</u>

**CITY OF GLENN HEIGHTS, TEXAS**

Changes in Net Position

Last Ten Fiscal Years

*(accrual basis of accounting)*

*(unaudited)*

<b>Expenses</b>	<b>Fiscal Year</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Governmental activities:				
General government	\$ 1,296,369	\$ 1,502,474	\$ 1,258,541	\$ 1,136,770
Public safety	2,209,801	2,538,381	2,704,675	2,910,502
Development services	822,832	531,970	863,457	478,843
Parks and recreation	120,652	22,648	195,540	259,338
Economic development	-	-	-	34,966
Interest and fiscal charges	153,125	232,764	205,557	207,118
Total governmental activities expenses	<u>4,602,779</u>	<u>4,828,237</u>	<u>5,227,770</u>	<u>5,027,537</u>
Business-type activities:				
Water and sewer	3,884,636	3,542,027	3,864,798	4,048,691
Drainage	-	-	-	152,964
Total business-type activities expenses	<u>3,884,636</u>	<u>3,542,027</u>	<u>3,864,798</u>	<u>4,201,655</u>
Total primary government expenses	<u>8,487,415</u>	<u>8,370,264</u>	<u>9,092,568</u>	<u>9,229,192</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	497,349	150,926	271,052	154,948
Public safety	97,959	465,020	455,701	764,189
Development services	275,961	357,155	182,009	152,957
Parks and recreation	31,032	72,454	34,162	-
Economic development	-	-	-	12,743
Operating grants and contributions	-	-	98,593	115,774
Capital grants and contributions	54,000	-	177,120	1,910,756
Total governmental activities program revenues	<u>956,301</u>	<u>1,045,555</u>	<u>1,218,637</u>	<u>3,111,367</u>
Business-type activities:				
Charges for services:				
Water and sewer	3,616,322	4,030,147	4,022,536	4,868,627
Drainage	-	-	-	248,126
Capital grants and contributions	-	-	-	137,981
Total business-type activities program revenues	<u>3,616,322</u>	<u>4,030,147</u>	<u>4,022,536</u>	<u>5,254,734</u>
Total primary government program revenues	<u>4,572,623</u>	<u>5,075,702</u>	<u>5,241,173</u>	<u>8,366,101</u>
Net (expense) revenue				
Governmental activities	(3,646,478)	(3,782,682)	(4,009,133)	(1,916,170)
Business-type activities	(268,314)	488,120	157,738	1,053,079
Total primary government net expense	<u>\$ (3,914,792)</u>	<u>\$ (3,294,562)</u>	<u>\$ (3,851,395)</u>	<u>\$ (863,091)</u>

*(continued)*

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 1,014,655	\$ 866,969	\$ 872,399	\$ 1,074,430	\$ 1,423,332	\$ 1,797,957
3,059,521	2,908,130	3,166,101	3,075,807	3,433,775	3,507,497
611,556	531,646	530,798	718,798	1,242,726	1,828,117
268,638	260,362	256,306	295,728	229,493	289,891
100,897	97,097	-	225	-	98,608
188,226	170,437	150,154	150,994	435,848	483,925
<u>5,243,493</u>	<u>4,834,641</u>	<u>4,975,758</u>	<u>5,315,982</u>	<u>6,765,174</u>	<u>8,005,995</u>
4,077,224	3,703,399	3,927,273	4,366,961	5,405,054	4,837,014
137,246	166,464	177,381	107,722	96,708	182,223
<u>4,214,470</u>	<u>3,869,863</u>	<u>4,104,654</u>	<u>4,474,683</u>	<u>5,501,762</u>	<u>5,019,237</u>
9,457,963	8,704,504	9,080,412	9,790,665	12,266,936	13,025,232
147,104	157,837	161,555	128,996	\$ 268,221	\$ 874,769
496,191	569,758	494,104	510,150	667,125	391,651
111,229	104,212	110,784	566,052	1,622,519	793,617
-	-	18,794	73,559	178,490	30,762
19,390	19,496	-	-	-	-
275,541	285,933	128,248	105,567	133,417	53,915
104,799	4,526	-	-	-	-
<u>1,154,254</u>	<u>1,141,762</u>	<u>913,485</u>	<u>1,384,324</u>	<u>2,869,772</u>	<u>2,144,714</u>
4,650,370	4,675,400	4,656,527	4,868,772	5,366,787	5,292,082
248,790	252,293	255,740	264,976	279,460	294,761
174,407	58,772	51,428	278,367	730,490	120,440
<u>5,073,567</u>	<u>4,986,465</u>	<u>4,963,695</u>	<u>5,412,115</u>	<u>6,376,737</u>	<u>5,707,283</u>
6,227,821	6,128,227	5,877,180	6,796,439	9,246,509	7,851,997
(4,089,239)	(3,692,879)	(4,062,273)	(3,931,658)	(3,895,402)	(5,861,281)
859,097	1,116,602	859,041	937,432	874,975	688,046
<u>\$ (3,230,142)</u>	<u>\$ (2,576,277)</u>	<u>\$ (3,203,232)</u>	<u>\$ (2,994,226)</u>	<u>\$ (3,020,427)</u>	<u>\$ (5,173,235)</u>

**CITY OF GLENN HEIGHTS, TEXAS**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
*(unaudited)*

<b>General Revenues and Other Changes in Net Assets</b>	<b>Fiscal Year</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Governmental activities:				
Taxes				
Property	2,837,191	2,983,953	3,065,690	3,255,045
Franchise	306,367	325,120	341,930	417,009
Sales and use	241,445	230,557	241,531	353,784
Interest	97,880	52,966	28,717	11,681
Miscellaneous	-	-	-	32,902
Transfers	(89,079)	158,954	619,365	562,512
Total governmental activities	<u>3,393,804</u>	<u>3,751,550</u>	<u>4,297,233</u>	<u>4,632,933</u>
Business-type activities:				
Interest	16,663	4,784	1,555	7,879
Miscellaneous	-	-	-	-
Transfers	89,079	(158,954)	(619,365)	(562,512)
Total business-type activities	<u>105,742</u>	<u>(154,170)</u>	<u>(617,810)</u>	<u>(554,633)</u>
 Total primary government	 <u>3,499,546</u>	 <u>3,597,380</u>	 <u>3,679,423</u>	 <u>4,078,300</u>
 <b>Change in Net Position</b>				
Governmental activities	(252,674)	(31,132)	288,100	2,716,763
Business-type activities	(162,572)	333,950	(460,072)	498,446
Total primary government	<u>\$ (415,246)</u>	<u>\$ 302,818</u>	<u>\$ (171,972)</u>	<u>\$ 3,215,209</u>

*(continued)*

Fiscal Year					
2012	2013	2014	2015	2016	2017
3,113,736	3,100,573	3,206,127	3,237,608	3,544,884	4,582,246
371,361	334,731	574,502	678,807	521,335	533,253
370,598	416,161	457,443	515,847	597,531	635,443
10,017	14,102	18,396	21,763	30,614	145,931
26,087	13,817	20,035	21,239	43,393	2,579
355,604	298,093	309,032	162,079	1,255,883	4,271,557
<u>4,247,403</u>	<u>4,177,477</u>	<u>4,585,535</u>	<u>4,637,343</u>	<u>5,993,640</u>	<u>10,171,009</u>
3,888	2,864	2,705	2,194	2,390	2,991
-	356,560	5,637	567	3,925	1,871
<u>(355,604)</u>	<u>(298,093)</u>	<u>(309,032)</u>	<u>(162,079)</u>	<u>(1,255,883)</u>	<u>(4,271,557)</u>
<u>(351,716)</u>	<u>61,331</u>	<u>(300,690)</u>	<u>(159,318)</u>	<u>(1,249,568)</u>	<u>(4,266,695)</u>
<u>3,895,687</u>	<u>4,238,808</u>	<u>4,284,845</u>	<u>4,478,025</u>	<u>4,744,072</u>	<u>5,904,314</u>
158,164	484,598	523,262	705,685	2,098,238	4,309,728
507,381	1,177,933	558,351	778,114	(374,593)	(3,578,649)
<u>\$ 665,545</u>	<u>\$ 1,662,531</u>	<u>\$ 1,081,613</u>	<u>\$ 1,483,799</u>	<u>\$ 1,723,645</u>	<u>\$ 731,079</u>

**CITY OF GLENN HEIGHTS, TEXAS**  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
*(modified accrual basis of accounting)*  
*(unaudited)*

	<b>Fiscal Year</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>General Fund</b>				
Reserved:				
Prepaid expense	\$ 216	\$ -	\$ -	\$ -
Unreserved, designated for:				
Construction	1,113,269	1,095,345	1,107,017	-
Nonspendable	-	-	-	50,545
Restricted	-	-	-	196,564
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	1,152,237
Total general fund	<u>\$ 1,113,485</u>	<u>\$ 1,095,345</u>	<u>\$ 1,107,017</u>	<u>\$ 1,399,346</u>
 <b>All other governmental funds</b>				
Reserved:				
Debt service	\$ 39,465	\$ 42,648	\$ 159,014	\$ -
Special revenue funds	-	59,935	124,927	-
Unreserved, reported in:				
Special revenue funds	241,842	286,302	238,506	-
Capital projects funds	4,489,727	4,043,171	3,635,068	-
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Restricted	-	-	-	1,986,551
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 4,771,034</u>	<u>\$ 4,432,056</u>	<u>\$ 4,157,515</u>	<u>\$ 1,986,551</u>

Note: In fiscal year 2011 the City implemented GASB 54.

*(continued)*

<b>Fiscal Year</b>					
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
66,264	58,494	44,973	66,974	49,735	10,984
-	-	-	-	235	235
83,000	166,000	-	-	-	-
-	203,658	318,026	187,501	-	-
1,150,334	1,714,295	1,944,377	1,987,611	2,321,019	1,496,001
<u>\$ 1,299,598</u>	<u>\$ 2,142,447</u>	<u>\$ 2,307,376</u>	<u>\$ 2,242,086</u>	<u>\$ 2,370,989</u>	<u>\$ 1,507,220</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
554	554	-	1,508	-	-
-	-	100,000	264,929	615,072	454,331
2,129,016	1,596,438	1,445,675	2,376,278	18,635,138	23,017,333
-	-	-	(2,012)	(2,692)	(3,824)
<u>\$ 2,129,570</u>	<u>\$ 1,596,992</u>	<u>\$ 1,545,675</u>	<u>\$ 2,640,703</u>	<u>\$ 19,247,518</u>	<u>\$ 23,467,840</u>

**CITY OF GLENN HEIGHTS, TEXAS**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
*(unaudited)*

	<b>Fiscal Year</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Revenues</b>				
Taxes				
Property	\$ 2,828,754	\$ 2,986,439	\$ 3,069,758	\$ 3,247,283
Franchise	306,367	325,120	341,930	417,009
Sales and use	241,445	230,557	241,531	353,784
Licenses and permits	84,896	154,923	182,009	140,104
Fines and forfeitures	322,636	346,149	455,701	468,811
Charges for services	127,966	111,590	139,586	235,975
Park fees	31,032	56,760	34,162	-
Donations	-	-	151	-
Intergovernmental	97,880	-	133,593	135,688
Impact fees	191,066	201,320	142,120	43,808
Interest	55,929	52,966	28,717	11,681
Contributions	-	-	-	-
Other	142,776	174,813	131,309	65,864
Total Revenues	<u>4,430,747</u>	<u>4,640,637</u>	<u>4,900,567</u>	<u>5,120,007</u>
<b>Expenditures</b>				
Current:				
General Government	-	-	-	1,123,343
Public safety	-	-	-	2,822,704
Development services	-	-	-	460,437
Administration	466,690	412,869	385,369	-
City manager	147,387	312,058	365,166	-
Finance	151,421	163,940	166,811	-
City secretary/tax office	110,067	121,119	127,055	-
Public works	669,369	462,293	430,239	-
Police	1,306,039	1,672,701	1,799,688	-
Human resources	111,058	-	-	-
Municipal court	144,106	160,249	173,629	-
Fire	680,325	740,191	789,274	-
Code enforcement	73,527	-	-	-
Warehouse/shop	-	-	-	-
Parks and recreation	100,209	22,648	128,822	188,164
Animal control	62,984	-	-	-
Planning	82,996	271,495	296,207	-
Economic development	67,726	33,506	120,937	34,966
Building inspection	63,093	-	-	-
Community development	73,813	-	-	-
Capital outlay	1,074,940	286,292	614,076	1,357,640
Debt service				
Principal retirement	257,541	305,311	346,580	355,221
Interest and service charges	167,546	237,208	205,606	202,255
Total Expenditures	<u>5,810,837</u>	<u>5,201,880</u>	<u>5,949,459</u>	<u>6,544,730</u>
Excess of revenues over (under) expenditures	<u>(1,380,090)</u>	<u>(561,243)</u>	<u>(1,048,892)</u>	<u>(1,424,723)</u>

*(continued)*

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 3,186,014	\$ 3,126,324	\$ 3,138,192	\$ 3,249,251	\$ 3,555,770	\$ 4,651,017
371,361	334,731	574,502	678,807	597,531	635,443
370,598	416,161	457,443	515,847	521,335	533,253
105,502	113,420	119,470	428,824	1,260,105	737,187
386,720	295,963	225,951	233,543	234,595	187,737
189,572	424,585	405,045	470,664	637,856	1,121,789
-	-	-	-	-	-
-	-	-	-	-	-
273,861	290,459	124,971	98,011	32,613	50,361
26,933	21,803	19,238	137,228	362,414	56,430
10,017	14,102	18,396	21,763	30,614	145,931
-	-	-	-	101,655	3,854
53,761	49,048	16,223	15,824	43,005	2,954
<u>4,974,339</u>	<u>5,086,596</u>	<u>5,099,431</u>	<u>5,849,762</u>	<u>7,377,493</u>	<u>8,125,956</u>
1,015,733	736,360	860,443	1,069,237	1,400,013	1,758,337
2,890,204	2,802,869	3,037,662	3,015,649	3,252,763	3,231,304
456,429	374,000	363,567	540,501	1,048,121	1,631,342
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
176,094	168,992	168,320	213,359	146,799	207,139
-	-	-	-	-	-
-	-	-	-	-	-
100,897	98,755	-	225	-	96,641
-	-	-	-	-	-
-	-	-	-	-	-
239,604	361,519	313,096	369,066	563,515	904,059
409,496	402,115	405,652	359,649	355,000	645,000
182,382	172,862	155,246	152,535	368,553	567,138
<u>5,470,839</u>	<u>5,117,472</u>	<u>5,303,986</u>	<u>5,720,221</u>	<u>7,134,764</u>	<u>9,040,960</u>
<u>(496,500)</u>	<u>(30,876)</u>	<u>(204,555)</u>	<u>129,541</u>	<u>242,729</u>	<u>(915,004)</u>

**CITY OF GLENN HEIGHTS, TEXAS**  
 Changes in Fund Balances of Governmental Funds *(continued)*  
 Last Ten Fiscal Years  
*(modified accrual basis of accounting)*  
*(unaudited)*

	<b>Fiscal Year</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Other financing sources (uses)</b>				
Insurance proceeds	-	-	-	-
Issuance of long-term debt	2,050,000	-	-	-
Bond premium	-	-	-	-
Issuance of capital lease	174,600	45,170	166,658	28,395
Other financial sources (uses)	-	-	-	-
Transfers in	190,000	961,217	959,394	413,032
Transfers out	<u>(279,079)</u>	<u>(802,263)</u>	<u>(340,029)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,135,521</u>	<u>204,124</u>	<u>786,023</u>	<u>441,427</u>
Net change in fund balances	<u>\$ 755,431</u>	<u>\$ (357,119)</u>	<u>\$ (262,869)</u>	<u>\$ (983,296)</u>
Debt service as a percentage of noncapital expenditures	<u>9.0%</u>	<u>11.0%</u>	<u>10.3%</u>	<u>10.7%</u>

Note: In fiscal year 2011 the City condensed several functions into three functions for expenditures on this table.

*(continued)*

<b>Fiscal Year</b>					
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
8,275	43,064	9,135	13,118	-	-
-	-	-	-	13,820,000	-
-	-	-	-	1,417,106	-
175,592	-	-	725,000	-	-
-	-	-	-	-	-
716,260	616,991	454,652	430,073	2,124,087	5,876,493
(360,656)	(318,898)	(145,620)	(267,994)	(868,204)	(1,604,936)
539,471	341,157	318,167	900,197	16,492,989	4,271,557
<u>\$ 42,971</u>	<u>\$ 310,281</u>	<u>\$ 113,612</u>	<u>\$ 1,029,738</u>	<u>\$ 16,735,718</u>	<u>\$ 3,356,553</u>
<u>11.3%</u>	<u>12.1%</u>	<u>11.2%</u>	<u>9.6%</u>	<u>11.0%</u>	<u>14.9%</u>

**CITY OF GLENN HEIGHTS, TEXAS**  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years  
*(unaudited)*

<b>Tax Year</b>	<b>Fiscal Year End</b>	<b>Real Property Residential</b>	<b>Real Property Commercial</b>	<b>Real and Tangible Personal Utilities</b>
2007	2008	\$ 395,338,890	\$ 18,686,230	\$ 8,816,270
2008	2009	407,869,663	18,051,850	13,110,380
2009	2010	395,406,006	18,275,310	13,279,770
2010	2011	385,394,092	19,071,780	12,215,220
2011	2012	384,260,965	19,646,850	12,039,420
2012	2013	389,484,865	19,826,492	12,113,060
2013	2014	402,729,705	25,911,420	12,645,220
2014	2015	386,358,856	41,024,850	13,061,980
2015	2016	417,562,366	43,292,680	13,624,820
2016	2017	462,526,664	49,856,550	14,025,820

*(continued)*

	<b>Tangible Personal Property</b>	<b>Inventory</b>	<b>Less: Exempt Property</b>	<b>Total</b>	<b>Total Direct Tax Rate</b>
\$	5,126,650	30,800	(20,971,040)	407,027,800	68.40%
	9,559,826	33,710	(24,863,741)	423,761,688	68.40%
	7,257,110	9,150	(25,118,616)	409,108,730	73.93%
	5,294,110	2,707,890	(25,689,399)	398,993,693	79.50%
	5,674,640	1,658,790	(26,600,522)	396,680,143	79.50%
	5,654,020	1,634,710	(29,943,136)	398,770,011	79.50%
	3,577,040	1,999,820	(20,636,060)	426,227,145	79.50%
	4,480,220	2,584,020	(39,463,493)	408,046,433	79.50%
	4,632,438	2,122,890	(35,690,224)	445,544,970	79.50%
	5,178,510	2,589,660	(41,678,520)	492,498,684	93.55%

**CITY OF GLENN HEIGHTS, TEXAS**  
 Direct and Overlapping Property Tax Rates  
*(per \$100 of assessed value)*  
 Last Ten Fiscal Years  
*(unaudited)*

<b>City Direct Rates</b>					<b>Overlapping Rates</b>		
<b>Tax Year</b>	<b>Fiscal Year</b>	<b>General</b>	<b>Debt Service</b>	<b>Total Direct</b>	<b>DeSoto ISD</b>	<b>Red Oak ISD</b>	<b>Ellis County</b>
2007	2008	0.567470	0.116570	0.684040	1.490000	1.300000	0.364598
2008	2009	0.567470	0.126890	0.694360	1.510000	1.500000	0.360091
2009	2010	0.597352	0.141970	0.738705	1.490000	1.540000	0.360091
2010	2011	0.651400	0.143600	0.795000	1.490000	1.540000	0.360091
2011	2012	0.631400	0.163600	0.795000	1.440000	1.540000	0.380091
2012	2013	0.679065	0.115935	0.795000	1.440000	1.540000	0.380091
2013	2014	0.678914	0.116086	0.795000	1.470000	1.540000	0.380091
2014	2015	0.683390	0.111610	0.795000	1.470000	1.540000	0.380091
2015	2016	0.682474	0.110926	0.793400	1.460000	1.540000	0.380091
2016	2017	0.682468	0.253062	0.935530	1.490000	1.540000	0.380091

Source: Dallas County and Ellis County Appraisal Districts

*(continued)*

**Overlapping Rates**

<b>Ellis County Lateral Road</b>	<b>Dallas County</b>	<b>Dallas County Hospital District</b>	<b>Dallas County Community College District</b>	<b>Dallas County School Equalization Fund</b>
0.029009	0.228100	0.254000	0.080400	0.004714
0.033508	0.228100	0.254000	0.089400	0.004928
0.033508	0.228100	0.274000	0.094900	0.005212
0.033508	0.243100	0.271000	0.099230	0.010000
0.033508	0.243100	0.271000	0.099670	0.010000
0.033508	0.243100	0.271000	0.119375	0.009937
0.033508	0.243100	0.286000	0.124775	0.010000
0.033508	0.243100	0.286000	0.124775	0.010000
0.033508	0.243100	0.286000	0.123650	0.010000
0.033508	0.226000	0.261400	0.104000	0.010000

**CITY OF GLENN HEIGHTS, TEXAS**

Principal Property Taxpayers  
Fiscal Year End 2017 and 2011  
(unaudited)

Taxpayer	2017			2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Oncor Electric Delivery Co	\$ 9,243,080	1	2.06%	\$9,105,290	1	2.28%
Glenn Heights Bargain Storage	2,977,130	2	0.66%			
Delaware Glenn Heights LLC	2,850,000	3	0.64%			
OSO Homes LLC	2,054,370	4	0.46%			
DMJ Properties LTD	1,829,470	5	0.41%			
Margaux Bear Creek	1,790,000	6	0.40%			
Hilco Electric Group	1,784,000	7	0.40%			
MAHS Inc	1,602,200	8	0.36%	1,738,210	5	0.44%
Malek Amal & Merviett S	1,475,000	9	0.33%			
EBLA Investment LP	1,400,000	10	0.31%			
OSO Grande, LP				2,850,000	2	0.71%
Town & Country Park Ltd				2,030,420	3	0.51%
Anew Properties				1,994,900	4	0.50%
Continental Homes TX, LP				1,600,790	6	0.40%
Stanford David L & Verla				1,520,420	7	0.38%
Abrams Plaza LTD				1,493,470	8	0.37%
Sullivan Builders				1,452,570	9	0.36%
BCSS LP				1,407,090	10	0.35%
Totals	\$ 27,005,250		6.03%	\$ 25,193,160		6.30%

Source: Dallas County Tax Assessor/ Collector

Note: The Information from nine years ago is not available.

**CITY OF GLENN HEIGHTS, TEXAS**  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
*(unaudited)*

<b>Fiscal Year Ended</b>	<b>Total Tax Levy</b>	<b>Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years<sup>1</sup></b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy<sup>1</sup></b>
2008	\$ 2,672,863	\$ 2,658,460	99.46%	\$ 5,255	\$ 2,663,715	99.66%
2009	2,937,878	2,838,397	96.61%	93,235	2,931,632	99.79%
2010	3,027,427	3,018,042	99.69%	1,754	3,019,796	99.75%
2011	3,172,000	3,153,285	99.41%	14,119	3,167,404	99.86%
2012	3,144,019	3,067,748	97.57%	69,648	3,137,396	99.79%
2013	3,084,308	3,034,752	98.39%	42,085	3,076,837	99.76%
2014	3,267,947	3,107,304	95.08%	148,231	3,255,535	99.62%
2015	3,243,969	3,195,631	98.51%	31,975	3,227,606	99.50%
2016	3,543,567	3,498,190	98.72%	9,842	3,508,032	99.00%
2017	4,614,413	4,566,499	98.96%	-	4,566,499	98.96%

Source: Dallas County Tax Assessor/Collector

<sup>1</sup> Collections in subsequent years include refunds.

**CITY OF GLENN HEIGHTS, TEXAS**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
*(unaudited)*

<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Business Type Activities</b>	
	<b>General Obligation Bonds<sup>2</sup></b>	<b>Certificates of Obligation</b>	<b>Capital Leases</b>	<b>General Obligation Refunding Bonds</b>	<b>Certificates of Obligation</b>
2008	-	4,925,000	188,271	1,215,000	1,080,000
2009	-	4,695,000	158,130	1,115,000	1,015,000
2010	-	4,435,000	238,208	2,025,000	-
2011	-	4,160,000	186,382	1,865,000	-
2012	-	3,875,000	237,478	1,712,170	-
2013	-	3,580,000	130,363	1,480,000	-
2014	-	3,270,000	34,649	1,256,453	-
2015	-	3,670,000	-	1,005,000	-
2016	13,107,894	3,315,000	-	755,000	-
2017	12,883,750	2,260,000	-	500,000	-

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

<sup>1</sup> See the Schedule of Demographic and Economic Statistics for personal income and population data.

<sup>2</sup> The General Obligation Bonds are net of applicable premium.

N/A: Data not available at the time of this publication

*(continued)*

**Business Type Activities**

<b>Notes Payable</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita<sup>1</sup></b>
-	61,519	7,469,790	N/A	712
-	102,834	7,085,964	N/A	641
112,685	98,248	6,909,141	N/A	613
97,514	86,132	6,395,028	N/A	556
81,591	49,965	5,956,204	N/A	526
63,186	105,900	5,359,449	N/A	470
47,336	72,444	4,680,882	N/A	398
-	67,735	4,742,735	N/A	406
-	-	17,177,894	N/A	1,471
-	-	15,643,750	N/A	1,268

**CITY OF GLENN HEIGHTS, TEXAS**  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
*(unaudited)*

Fiscal Year	General Bonded Debt Outstanding			Less: Amount Available for Debt Service <sup>3</sup>	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property <sup>1</sup>	Per Capita <sup>2</sup>
	General Obligation Bonds <sup>4</sup>	Certificates of Obligation	Total				
2008	\$ -	4,925,000	4,925,000	39,465	4,885,535	96.07%	489
2009	-	4,695,000	4,695,000	42,648	4,652,352	49.11%	448
2010	2,025,000	4,435,000	6,460,000	159,014	6,300,986	89.02%	585
2011	1,865,000	4,160,000	6,025,000	290,457	5,734,543	113.81%	534
2012	1,712,170	3,875,000	5,587,170	290,457	5,296,713	98.46%	486
2013	1,480,000	3,580,000	5,060,000	290,786	4,769,214	89.49%	447
2014	1,256,453	3,270,000	4,526,453	22,422	4,504,031	126.54%	397
2015	1,005,000	3,670,000	4,675,000	23,390	4,651,610	104.35%	397
2016	13,107,894	3,315,000	16,422,894	34,378	16,388,516	354.52%	1,406
2017	12,883,750	2,260,000	15,143,750	110,852	15,032,898	292.43%	1,228

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

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

<sup>2</sup> See the Schedule of Demographic and Economic Statistics for personal income and population data.

<sup>3</sup> This is the amount restricted for debt service principal payments.

<sup>4</sup> This amount is net of applicable premium.

**CITY OF GLENN HEIGHTS, TEXAS**  
 Computation of Direct and Overlapping Debt  
 As of September 30, 2017  
*(unaudited)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>1</sup></u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
DeSoto Independent School District	\$ 143,109,614	13.58%	\$ 19,434,286
Red Oak Independent School District	102,922,585	9.02%	9,283,617
Dallas Independent School District	2,903,920,000	**	**
Dallas County	199,545,000	0.17%	339,227
Dallas County Schools	53,495,000	0.17%	90,942
Dallas County Community College District	263,140,000	0.17%	447,338
Dallas County Hospital District	703,770,000	0.17%	1,196,409
Ellis County	37,859,914	1.17%	442,961
Subtotal - overlapping debt	<u>\$ 4,407,762,113</u>		<u>\$ 31,234,779</u>
City of Glenn Height's direct debt	\$ 15,643,750	100%	<u>15,643,750</u>
Total direct and overlapping debt			<u><u>\$ 46,878,529</u></u>
Total direct and overlapping debt as % of Assessed Value			7.86%
Total direct and overlapping debt per Capita			\$ 3,741

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Glenn Heights. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Municipal Advisory Council of Texas

<sup>1</sup>The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the governmental unit's taxable assessed value that is within the government's boundaries and dividing it by the governmental unit's total taxable assessed value.

**CITY OF GLENN HEIGHTS, TEXAS**

Tax Rate Information

Last Ten Fiscal Years

*(rates rounded to 3 places)*

*(unaudited)*

	<b>Fiscal Year</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Tax Rate Limit	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
Debt Service Rate	<u>0.117</u>	<u>0.127</u>	<u>0.142</u>	<u>0.144</u>
Available Tax Rate	<u>\$ 1.38</u>	<u>\$ 1.37</u>	<u>\$ 1.36</u>	<u>\$ 1.36</u>
Percentage of allowable levy used	8.12%	7.77%	8.46%	9.46%

All taxable property within the City is subject to the assessment, levy, and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal and interest on all ad valorem tax within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and provides for a maximum ad valorem tax rate of \$2.50 per \$100 taxable assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all general obligation debt service, as calculated at the time of issuance.

*(continued)*

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
0.164	0.116	0.116	0.112	\$ 0.250	\$ 0.253
<u>\$ 1.34</u>	<u>\$ 1.38</u>	<u>\$ 1.38</u>	<u>\$ 1.39</u>	<u>\$ 1.25</u>	<u>\$ 1.25</u>
9.57%	10.91%	7.73%	7.74%	7.44%	16.87%

**Economic Debt Margin Calculation for Fiscal Year 2017**

Assessed Value	\$ 447,702,068
Economic debt limit indicator (5% of assessed value)	22,385,103
Annual debt requirement applicable to limit:	
General obligation refunding bonds	12,883,750
Certificates of obligation	2,760,000
Less Debt Service Fund Balance	<u>110,852</u>
Economic debt margin	<u>\$ 6,630,501</u>

**CITY OF GLENN HEIGHTS, TEXAS**  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
*(unaudited)*

Calendar Year	Estimated Population <sup>1</sup>	Total Income (Amounts Expressed in Thousands)	Per Capita Personal Income <sup>2</sup>	Median Age <sup>3</sup>	School Enrollment <sup>4</sup>		Unemployment Rate <sup>2</sup>
					DeSoto ISD	Red Oak ISD	
2008	10,488	N/A	N/A	N/A	8,884	5,148	5.8%
2009	11,052	N/A	N/A	N/A	8,916	5,343	9.4%
2010	11,278	225,898	20,030	30.91	9,045	5,389	13.2%
2011 <sup>3</sup>	11,504	236,407	20,550	29.80	9,165	5,494	8.3%
2012	11,330	N/A	N/A	29.40	9,019	5,601	N/A
2013	11,410	N/A	N/A	29.40	N/A	N/A	6.9%
2014	11,763	N/A	N/A	29.40	N/A	N/A	5.5%
2015	11,680	723,961	61,983	31.90	9,600	5,800	3.9%
2016	11,680	N/A	N/A	31.90	9,296	5,600	3.7%
2017	12,336	N/A	24,346	32.80	9,872	5,800	4.1%

<sup>1</sup>North Texas Council of Governments unless otherwise denoted.

<sup>2</sup>Per Texas Workforce Commission, Dallas-Fort Worth - Arlington Metropolitan Statistical Area

<sup>3</sup>U. S. Census Bureau, County and City Data Book, Dallas County, Census 2000 and 2010

<sup>4</sup>The City of Glenn Heights is located in both Dallas and Ellis Counties. School children residing in Dallas County are enrolled in the DeSoto Independent School District while those residing in Ellis County are enrolled in Red Oak Independent School District. Data retrieved from Texas Education Agency.

N/A: Data not available at the time of this publication

**CITY OF GLENN HEIGHTS, TEXAS**

Principal Employers

Fiscal Years 2017 and 2011

*(unaudited)*

**2017**

<b>Employer</b>	<b>County</b>	<b>Employees</b>	<b>Rank</b>	<b>Industry</b>
Methodist Medical Center - Dallas	Dallas	2500-4999	N/A	Health Care
VA North Texas Healthcare System	Dallas	2500-4999	N/A	Health Care
Army & Air Force Exchange Service	Dallas	2500-4999	N/A	Transportation/ warehousing
Quality Cabinets	Dallas	1000-2499	N/A	Manufacturing
Gerdau Manufacturing	Ellis	1000-2499	N/A	Manufacturing
Owens-Coming Fiberglass	Ellis	250-499	N/A	Manufacturing
Wal-Mart Super Center	Dallas	250-499	N/A	Retail
Fashion Glass & Mirror	Dallas	250-499	N/A	Manufacturing
Quality Doors (Texwood)	Dallas	500-999	N/A	Manufacturing
Walgreen's Distribution Center	Ellis	500-999	N/A	Transportation/ warehousing

**2011**

<b>Employer</b>	<b>County</b>	<b>Employees</b>	<b>Rank</b>	<b>Industry</b>
Methodist Charlton Medical Center	Dallas	1,000-2,499	N/A	Health Care
Swift Transportation	Dallas	1,000-2,499	N/A	Transportation/ warehousing
Wal-Mart Super Center	Ellis	453	N/A	Retail
Wal-Mart Super Center	Dallas	250-499	N/A	Retail
Walgreen's Distribution Center	Ellis	690	N/A	Transportation/ warehousing
Schneider National	Dallas	500	N/A	Transportation/ warehousing
Owens-Coming Fiberglass	Ellis	500-999	N/A	Manufacturing
Home Depot	Dallas	500-999	N/A	Transportation/ warehousing
Ennis, Inc	Ellis	85	N/A	Manufacturing
DART Container Corp	Ellis	651	N/A	Manufacturing

Source: North Central Texas Council of Governments

Notes: The City of Glenn Heights is located in Dallas County and Ellis County. All of the listed employers are located within a 10-mile radius of the City of Glenn Heights.

Data from the period nine years ago is not available.

**CITY OF GLENN HEIGHTS, TEXAS**  
 Employees by Function/Program  
 Last Ten Fiscal Years  
*(unaudited)*

Function/Program	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Administrative services	4	4	4	6	6	6	6	7	7	7
Community services	1	1	1	1	2	2	2	1	1	1
Development services	4	3	3	4	3	3	2	2	2	2
Police	26	26	26	27	27	26	26	27	27	22
Fire	9	9	9	18	21	25	26	25	26	32
Financial services	3	4	4	3	2	2	2	2	2	3
Municipal services	2	1	1	1	1	1	1	1	1	1
<b>Total General Fund</b>	<b>49</b>	<b>48</b>	<b>48</b>	<b>60</b>	<b>62</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>66</b>	<b>68</b>
Utility administration	3	3	3	3	3	3	3	3	3	3
Water services	9	9	9	10	10	10	10	11	11	14
Wastewater services	6	6	6	3	3	3	3	2	2	3
Stormwater drainage	6	6	6	1	1	1	1	3	3	10
<b>Total Utility Funds</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>19</b>	<b>19</b>	<b>30</b>
<b>Total All Funds</b>	<b>73</b>	<b>72</b>	<b>72</b>	<b>77</b>	<b>79</b>	<b>82</b>	<b>82</b>	<b>84</b>	<b>85</b>	<b>98</b>

Source: City of Glenn Heights Human Resource Department

**CITY OF GLENN HEIGHTS, TEXAS**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**  
*(unaudited)*

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Community services:										
Parks and recreation:										
Total acreage maintained city parks	44	44	44	57	57	57	57	57	57	57
Development services:										
Planning:										
Zoning cases	28	20	17	6	5	5	4	4	4	4
Plats/replats	31	17	7	2	2	2	5	5	5	5
Development contacts	105	247	998	N/A	15	N/A	9	9	9	9
Building inspections:										
Permits issued	167	448	374	217	221	440	731	1,358	604	604
Inspections	992	1,208	1,907	1,437	1,086	1,336	1,319	1,302	414	414
Emergency services:										
Police administration:										
Administrative calls	883	879	910	917	895	1,049	840	920	1,011	1,011
Reports prepared	2,161	2,531	2,508	2,994	3,129	2,606	2,452	2,522	2,682	2,682
Community relations programs initiated	19	21	16	22	22	9	27	15	15	15
Fire administration:										
Fire calls	257	827	1,077	463	175	194	222	233	329	329
EMS calls	733	851	862	852	768	9	961	961	931	931
Code enforcement:										
Vehicle related violations	529	437	278	454	330	202	235	N/A	N/A	N/A
Nuisance violations	497	1,096	704	620	788	611	691	N/A	N/A	N/A
Environmental violations	22	22	63	687	60	21	20	N/A	N/A	N/A
Sign violations	802	601	396	539	771	152	114	N/A	N/A	N/A
Other ordinance violations	308	307	416	134	171	227	132	N/A	N/A	N/A
Court summons/citations	97	118	70	86	70	51	80	69	N/A	N/A
Animal control:										
Animals impounded	344	288	283	274	214	160	119	174	337	337
Animal registrations	326	264	168	137	100	14	9	9	58	58
Calls for service	748	1,022	762	796	602	524	476	520	625	625
Court summons/citations	128	108	89	71	88	42	7	7	81	81

*(continued)*

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Financial services:										
Finance:										
Accounts payable										
invoices processed	2,400	3,131	3,279	3,601	3,822	3,834	3,824	3,321	2,080	2,080
Payrolls processed	26	26	26	26	26	26	26	26	26	26
Annual budget document	1	1	1	1	1	1	1	1	1	1
Monthly financial reports	12	12	12	12	12	12	12	12	12	12
Municipal court:										
New cases filed	5,090	4,452	4,829	5,493	3,309	2,165	1,824	2,098	1,850	1,850
Warrants issued	1,332	3,892	2,612	2,822	2,324	1,587	1,043	1,232	1,150	1,150
Completed cases	3,926	3,685	3,948	4,732	3,915	3,042	1,515	971	777	777
Warrants cleared	414	1,544	2,065	1,924	2,148	2,550	897	886	840	840
Utility administration:										
Customers serviced	60,000	49,292	50,159	62,739	50,780	51,129	52,038	53,991	57,492	57,492
Late notices	N/A	15,185	10,014	12,405	12,703	12,595	12,499	12,513	12,548	12,548
Cut-offs	1,819	1,483	636	1,662	494	1,353	1,612	1,648	1,150	1,150
Municipal services:										
Streets:										
Days of street										
paving or re-paving	25	15	33	25	26	29	29	29	29	29
Days of ROW maintenance	21	22	25	25	30	27	30	30	30	30
Days of pothole repairs	52	80	51	50	48	47	50	50	50	50
Wastewater services:										
Maintain lift										
stations (weekly checks)	52	52	52	52	52	52	52	52	52	52

Source: Various City Departments

**CITY OF GLENN HEIGHTS, TEXAS**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**  
*(unaudited)*

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public Safety:										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	1	1	1	1	1	1	1	1	1	1
Public works:										
Streets - paved (miles)	47	47	47	47	47	47	47	47	47	47
Parks and recreation:										
Parks	1	2	2	3	3	3	3	3	3	3
Playgrounds	1	2	2	2	2	2	2	2	2	2
Water and sewer:										
Water mains (miles)	57	57	57	57	57	57	57	57	57	57
Overhead storage tanks	1	1	1	1	1	1	1	1	1	1
Ground storage tanks	3	3	3	3	3	3	3	3	3	3
Sanitary sewers (miles)	43	43	43	43	43	43	43	43	43	43
Number of lift stations	3	3	3	3	3	3	3	3	3	3

Source: Various City Departments