

## RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

**Issuer Name:** City of Willow Park, Texas

**Issue(s):**

|    |           |   |
|----|-----------|---|
| \$ | 2,665,000 | General Obligation Refunding Bonds, Series 2010   |
| \$ | 5,135,000 | General Obligation Refunding Bonds, Series 2012   |
| \$ | 685,000   | Combination Tax and Water and Sewer System Surplus Revenue Certificates of Obligation, Series 2014 (TWDB) |
| \$ | 995,000   | Combination Tax and Water and Sewer System Surplus Revenue Certificates of Obligation, Series 2016 (TWDB) |
| \$ | 6,330,000 | General Obligation Bonds, Series 2016   |

**Filing Format** ☒ electronic ☐ paper; If available on the Internet, give URL: \_\_\_\_\_

**CUSIP Numbers to which the information filed relates** (optional):

☒ Nine-digit number(s) (see following page(s)):

☐ Six-digit number if information filed relates to all securities of the issuer

\* \* \*

### Financial & Operating Data Disclosure Information

☒ Annual Financial Report or CAFR

☒ Financial Information & Operating Data

☐ Other (describe) \_\_\_\_\_

☒ Fiscal Period Covered: FYE 2018

☐ Monthly ☐ Quarterly ☒ Annual ☐ Other: \_\_\_\_\_

\* \* \*

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: /s/ Bryan Grimes

Name: Bryan Grimes Title: City Administrator

Employer: City of Willow Park, Texas

Voice Telephone Number: 817-441-7108

Email Address: bgrimes@willowpark.org

## DESCRIPTION OF ISSUES COVERED BY THIS REPORT

### General Obligation Refunding Bonds, Series 2010

| Date     | Principal  | CUSIP      |
|----------|------------|------------|
| 02/15/20 | \$ 135,000 | 971148 DW8 |
| 02/15/21 | 145,000    | 971148 DX6 |
|          | \$ 280,000 |            |

### General Obligation Refunding Bonds, Series 2012

| Date     | Principal    | CUSIP     |
|----------|--------------|-----------|
| 02/15/20 | \$ 515,000   | 971148EF4 |
| 02/15/21 | 555,000      | 971148EG2 |
| 02/15/22 | 580,000      | 971148EH0 |
| 02/15/23 | 625,000      | 971148EJ6 |
|          | \$ 2,275,000 |           |

### Combination Tax and Water and Sewer System Surplus Revenue Certificates of Obligation, Series 2014 (TWDB)

| Date     | Principal  | CUSIP      |
|----------|------------|------------|
| 02/15/20 | \$ 30,000  | 971148 EP2 |
| 02/15/21 | 30,000     | 971148 EQ0 |
| 02/15/22 | 30,000     | 971148 ER8 |
| 02/15/23 | 30,000     | 971148 ES6 |
| 02/15/24 | 35,000     | 971148 ET4 |
| 02/15/25 | 35,000     | 971148 EU1 |
| 02/15/26 | 35,000     | 971148 EV9 |
| 02/15/27 | 35,000     | 971148 EW7 |
| 02/15/28 | 35,000     | 971148 EX5 |
| 02/15/29 | 35,000     | 971148 EY3 |
| 02/15/30 | 35,000     | 971148 EZ0 |
| 02/15/31 | 40,000     | 971148 FA4 |
| 02/15/32 | 40,000     | 971148 FB2 |
| 02/15/33 | 40,000     | 971148 FC0 |
| 02/15/34 | 40,000     | 971148 FD8 |
| 02/15/35 | 40,000     | 971148 FE6 |
|          | \$ 565,000 |            |

**Combination Tax and Water and Sewer System Surplus Revenue Certificates of Obligation, Series 2016 (TWDB)**

| Date     | Principal         | CUSIP     |
|----------|-------------------|-----------|
| 02/15/20 | \$ 45,000         | 971148FH9 |
| 02/15/21 | 45,000            | 971148FJ5 |
| 02/15/22 | 45,000            | 971148FK2 |
| 02/15/23 | 50,000            | 971148FL0 |
| 02/15/24 | 50,000            | 971148FM8 |
| 02/15/25 | 50,000            | 971148FN6 |
| 02/15/26 | 50,000            | 971148FP1 |
| 02/15/27 | 50,000            | 971148FQ9 |
| 02/15/28 | 50,000            | 971148FR7 |
| 02/15/29 | 50,000            | 971148FS5 |
| 02/15/30 | 50,000            | 971148FT3 |
| 02/15/31 | 50,000            | 971148FU0 |
| 02/15/32 | 50,000            | 971148FV8 |
| 02/15/33 | 50,000            | 971148FW6 |
| 02/15/34 | 55,000            | 971148FX4 |
| 02/15/35 | 55,000            | 971148FY2 |
| 02/15/36 | 55,000            | 971148FZ9 |
| 02/15/37 | 55,000            | 971148GA3 |
|          | <u>\$ 905,000</u> |           |

**General Obligation Bonds, Series 2016**

| Date     | Principal           | CUSIP     |
|----------|---------------------|-----------|
| 02/15/24 | \$ 325,000          | 971148GB1 |
| 02/15/25 | 340,000             | 971148GC9 |
| 02/15/26 | 355,000             | 971148GD7 |
| 02/15/27 | 380,000             | 971148GE5 |
| 02/15/28 | 395,000             | 971148GF2 |
| 02/15/29 | 410,000             | 971148GG0 |
| 02/15/30 | 430,000             | 971148GH8 |
| 02/15/31 | 445,000             | 971148GJ4 |
| 02/15/33 | 340,000             | 971148GK1 |
| 02/15/35 | 370,000             | 971148GL9 |
| 02/15/37 | 400,000             | 971148GM7 |
| 02/15/41 | 880,000             | 971148GN5 |
| 02/15/46 | 1,260,000           | 971148GP0 |
|          | <u>\$ 6,330,000</u> |           |

AMENDED  
CONTINUING DISCLOSURE REPORT  
FOR THE  
FISCAL YEAR ENDED SEPTEMBER 30, 2018

CITY OF WILLOW PARK, TEXAS

GENERAL OBLIGATION DEBT

This report has been amended with audited financial information.



## **FINANCIAL STATEMENTS**

The audited financial statements for the City for the fiscal year ended September 30, 2018 are being separately filed directly with the Nationally Recognized Municipal Securities Information Repository and any applicable State Information Depository, and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

## **SIGNATURE OF ISSUER**

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described.

### **CITY OF WILLOW PARK, TEXAS**

/s/ Bryan Grimes

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Bryan Grimes

City Administrator

Approved for Submission:

03/27/2019

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Date

04/25/2019

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Amended

## **CERTIFICATE OF SUBMISSION OF ANNUAL REPORT**

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the City of Willow Park, Texas with respect to the issues listed on the report cover was submitted directly to the Nationally Recognized Municipal Securities Information Repository ("NRMSIR") listed below as well as to any applicable State Information Depository ("SID").

### **NRMSIR**

Municipal Securities Rulemaking Board ("MSRB")  
via the Electronic Municipal Market Access ("EMMA") system

HTS Continuing Disclosure Services, A Division of Hilltop Securities Inc.

Signed by:

/s/ Rhodes Legg

# CITY OF WILLOW PARK, TEXAS

## 2019 GENERAL OBLIGATION DEBT REPORT

**TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT**

|   |                             |                       |
|---|-----------------------------|-----------------------|
| 2018/2019 Market Valuation Established by Parker County Appraisal District<br>(excluding totally exempt property) |                             | \$ 567,564,208        |
| Less Exemptions/Reductions at 100% Market Value:  |                             |                       |
| Local Option - Over-65  | \$ 4,687,539                |                       |
| Veterans Exemption Loss   | 7,648,610                   |                       |
| Productivity Value Loss   | 16,104,908                  |                       |
| Abatements  | 11,479,470                  |                       |
| Minimum Value   | 225,560                     |                       |
| 10% Cap Loss  | 8,592,941                   | 48,739,028            |
| 2018/2019 Taxable Assessed Valuation  | <u>                    </u> | <u>\$ 518,825,180</u> |
| General Obligation Debt Payable from Ad Valorem Taxes (as of 3/31/2019)   |                             |                       |
| Total General Obligation Debt   |                             | <u>\$ 15,420,000</u>  |
| Less: Self Supporting Debt  |                             | \$ 5,122,730          |
| Net General Obligation Debt Payable from Ad Valorem Taxes   |                             | \$ 10,297,270         |
| Interest and Sinking Fund (as of 1/31/2019)   |                             | \$ 1,425,542          |
| Ratio Net General Obligation Tax Debt to Taxable Assessed Valuation   |                             | 1.98%                 |

2019 Estimated Population - 5,500  
Per Capita General Obligation Debt Payable from Ad Valorem Taxes - \$2,804  
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - \$1,872

**TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY**

| Category                              | Fiscal Year Ended September 30, |            |                       |            |                       |            |
|---------------------------------------|---------------------------------|------------|-----------------------|------------|-----------------------|------------|
|                                       | 2019                            |            | 2018                  |            | 2017                  |            |
|                                       | Amount                          | % of Total | Amount                | % of Total | Amount                | % of Total |
| Real, Residential, Single-Family      | \$ 384,439,686                  | 67.74%     | \$ 375,409,168        | 67.65%     | \$ 316,399,605        | 66.84%     |
| Real, Residential, Multi-Family       | 29,177,506                      | 5.14%      | 29,177,506            | 5.26%      | 23,262,030            | 4.91%      |
| Real, Vacant Lots/Tracts              | 20,096,621                      | 3.54%      | 24,206,542            | 4.36%      | 14,649,583            | 3.09%      |
| Real, Acreage (Land Only)             | 16,174,559                      | 2.85%      | 17,235,051            | 3.11%      | 19,895,870            | 4.20%      |
| Real, Farm and Ranch Improvements     | 12,405,202                      | 2.19%      | 13,434,262            | 2.42%      | 10,821,430            | 2.29%      |
| Real, Commercial & Industrial         | 85,701,324                      | 15.10%     | 78,587,628            | 14.16%     | 72,355,570            | 15.28%     |
| Oil, Gas & Minerals                   | 310,750                         | 0.05%      | 117,870               | 0.02%      | 174,210               | 0.04%      |
| Real and Tangible Personal, Utilities | 5,360,420                       | 0.94%      | 5,412,490             | 0.98%      | 5,266,850             | 1.11%      |
| Tangible Personal, Commercial         | 8,616,580                       | 1.52%      | 7,244,510             | 1.31%      | 6,709,940             | 1.42%      |
| Tangible Personal, Industrial         | 2,645,680                       | 0.47%      | 2,573,200             | 0.46%      | 2,337,280             | 0.49%      |
| Tangible Personal, Mobile Homes       | 4,000                           | 0.00%      | 4,000                 | 0.00%      | 4,000                 | 0.00%      |
| Inventory, Residential                | 1,344,600                       | 0.24%      | 1,500                 | 0.00%      | -                     | 0.00%      |
| Inventory, Special                    | 1,287,280                       | 0.23%      | 1,527,330             | 0.28%      | 1,527,220             | 0.32%      |
| Total Market Value                    | \$ 567,564,208                  | 100.00%    | \$ 554,931,057        | 100.00%    | \$ 473,403,588        | 100.00%    |
| Less: Total Exemptions/Reductions     | (48,739,028)                    |            | (63,422,637)          |            | (42,796,473)          |            |
| Net Taxable Assessed Value            | <u>\$ 518,825,180</u>           |            | <u>\$ 491,508,420</u> |            | <u>\$ 430,607,115</u> |            |

  

| Category                              | Fiscal Year Ended September 30, |            |                       |            |
|---------------------------------------|---------------------------------|------------|-----------------------|------------|
|                                       | 2016                            |            | 2015                  |            |
|                                       | Amount                          | % of Total | Amount                | % of Total |
| Real, Residential, Single-Family      | \$ 307,524,635                  | 66.72%     | \$ 273,471,471        | 68.99%     |
| Real, Residential, Multi-Family       | 22,260,670                      | 4.83%      | 18,729,160            | 4.72%      |
| Real, Vacant Lots/Tracts              | 10,619,393                      | 2.30%      | 11,195,545            | 2.82%      |
| Real, Acreage (Land Only)             | 20,964,708                      | 4.55%      | 15,686,819            | 3.96%      |
| Real, Farm and Ranch Improvements     | 11,044,490                      | 2.40%      | 10,177,620            | 2.57%      |
| Real, Commercial & Industrial         | 71,343,990                      | 15.48%     | 49,964,000            | 12.60%     |
| Oil, Gas & Minerals                   | 121,850                         | 0.03%      | 163,850               | 0.04%      |
| Real and Tangible Personal, Utilities | 4,608,980                       | 1.00%      | 4,413,750             | 1.11%      |
| Tangible Personal, Commercial         | 7,005,280                       | 1.52%      | 7,514,530             | 1.90%      |
| Tangible Personal, Industrial         | 2,178,960                       | 0.47%      | 2,315,020             | 0.58%      |
| Tangible Personal, Mobile Homes       | 4,000                           | 0.00%      | 4,000                 | 0.00%      |
| Inventory, Residential                | 448,500                         | 0.10%      | 1,414,960             | 0.36%      |
| Inventory, Special                    | 2,819,730                       | 0.61%      | 1,342,080             | 0.34%      |
| Total Market Value                    | \$ 460,945,186                  | 100.00%    | \$ 396,392,805        | 100.00%    |
| Less: Total Exemptions/Reductions     | (46,477,392)                    |            | (25,656,284)          |            |
| Net Taxable Assessed Value            | <u>\$ 414,467,794</u>           |            | <u>\$ 370,736,521</u> |            |

NOTE: Valuations shown are certified taxable assessed values reported by the Parker County Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

**TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY**

| Fiscal Year Ended 9/30 | Estimated Population <sup>(1)</sup> | Taxable Assessed Valuation <sup>(2)</sup> | Taxable Assessed Valuation Per Capita | G.O. Tax Debt Outstanding at End of Year <sup>(3)</sup> | Ratio of G.O. Tax Debt to Taxable Assessed Valuation | G.O. Tax Debt Per Capita |
|------------------------|-------------------------------------|---|---------------------------------------|---|--|--------------------------|
| 2015                   | 4,500                               | \$ 370,736,521                            | \$ 82,386                             | \$ 7,460,000  | 2.01%  | \$ 1,658                 |
| 2016                   | 5,000                               | 414,467,794                               | 82,894                                | 13,995,000  | 3.38%  | 2,799                    |
| 2017                   | 5,017                               | 430,607,115                               | 85,830                                | 15,840,000  | 3.68%  | 3,157                    |
| 2018                   | 5,080                               | 491,508,420                               | 96,754                                | 16,395,000  | 3.34%  | 3,227                    |
| 2019                   | 5,500                               | 518,825,180                               | 94,332                                | 15,420,000 <sup>(4)</sup>                               | 2.97% <sup>(4)</sup>                                 | 2,804 <sup>(4)</sup>     |

(1) Source: City of Willow Park.

(2) As reported by the Parker County Appraisal District on City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Includes self-supporting debt.

(4) Projected.

**TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY**

| Fiscal Year Ended 9/30 | Total Tax Rate | General Fund | Interest and Sinking Fund | Tax Levy     | % Current Collections | % Total Collections   |
|------------------------|----------------|--------------|---------------------------|--------------|-----------------------|-----------------------|
| 2015                   | \$ 0.4605      | \$ 0.3089    | \$ 0.1516                 | \$ 1,707,242 | 94.36%                | 94.51%                |
| 2016                   | 0.4605         | 0.2889       | 0.1716                    | 1,908,624    | 94.70%                | 95.86%                |
| 2017                   | 0.5367         | 0.2983       | 0.2384                    | 2,147,274    | 89.43%                | 90.51%                |
| 2018                   | 0.5367         | 0.3084       | 0.2283                    | 2,637,926    | 90.74%                | 90.74%                |
| 2019                   | 0.5367         | 0.3084       | 0.2283                    | 2,784,535    | 50.79% <sup>(1)</sup> | 52.12% <sup>(1)</sup> |

(1) Collections as of March 20, 2019.

**TABLE 5 - TEN LARGEST TAXPAYERS <sup>(1)</sup>**

| Name of Taxpayer          | Nature of Property       | 2018/2019 Taxable Assessed Valuation | % of Total Taxable Assessed Valuation |
|---------------------------|--------------------------|--------------------------------------|---------------------------------------|
| TVCP Holdings LLC         | Apartment Complex        | \$ 20,443,126                        | 3.94%                                 |
| The Village at Crown Park | Apartments               | 7,500,000                            | 1.45%                                 |
| St. Marianne Cope Health  | Health Care              | 6,500,000                            | 1.25%                                 |
| WPAL 2015 LLC             | Assisted Living Facility | 5,649,260                            | 1.09%                                 |
| Willow Park MOB LLC       | Health Care              | 4,792,390                            | 0.92%                                 |
| Oncor Electric Company    | Electric Utility         | 4,325,940                            | 0.83%                                 |
| The Shops at Crown Park   | Retail                   | 3,999,440                            | 0.77%                                 |
| Morrison Group Inc.       | Real Estate              | 3,507,940                            | 0.68%                                 |
| DBT Porcupine             | Retail                   | 3,122,820                            | 0.60%                                 |
| Willow Park North LLC     | Real Estate              | 2,765,880                            | 0.53%                                 |
|                           |                          | <u>\$ 62,606,796</u>                 | <u>12.07%</u>                         |

(1) Source: Parker County Appraisal District.

**TABLE 6 - TAX ADEQUACY**

|   |              |
|---|--------------|
| 2019 Principal and Interest Requirements, All General Obligation Debt <sup>(1)</sup>          | \$ 1,457,380 |
| \$0.3005 Tax Rate at 93% Collection Produces  | \$ 1,457,729 |
| Maximum Principal and Interest Requirements, All General Obligation Debt, 2022 <sup>(1)</sup> | \$ 1,630,022 |
| \$0.3361 Tax Rate at 93% Collection Produces  | \$ 1,630,425 |
| 2019 Principal and Interest Requirements, Net General Obligation Debt <sup>(2)</sup>          | \$ 1,060,257 |
| \$0.2186 Tax Rate at 93% Collection Produces  | \$ 1,060,431 |
| Maximum Principal and Interest Requirements, Net General Obligation Debt, 2022 <sup>(2)</sup> | \$ 1,118,697 |
| \$0.2307 Tax Rate at 93% Collection Produces  | \$ 1,119,128 |

(1) Includes self-supporting debt.

(2) Does not include self-supporting debt.

**TABLE 8 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS**

| FYE<br>9/30 | Outstanding Debt Service |                     |                      | Less:<br>Self Supporting<br>Total<br>Debt Service | Total<br>Tax<br>Supported<br>Debt Service | Principal<br>Retired |
|-------------|--------------------------|---------------------|----------------------|---|---|----------------------|
|             | Principal                | Interest            | Total                |   |   |                      |
| 2019        | \$ 975,000               | \$ 482,380          | \$ 1,457,380         | \$ 397,123  | \$ 1,060,257                              |                      |
| 2020        | 1,025,000                | 449,938             | 1,474,938            | 395,650   | 1,079,287                                 |                      |
| 2021        | 1,210,000                | 418,665             | 1,628,665            | 591,132   | 1,037,534                                 |                      |
| 2022        | 1,245,000                | 385,022             | 1,630,022            | 511,324   | 1,118,697                                 |                      |
| 2023        | 1,255,000                | 351,519             | 1,606,519            | 518,666   | 1,087,853                                 | 34.83%               |
| 2024        | 965,000                  | 320,314             | 1,285,314            | 398,635   | 886,679                                   |                      |
| 2025        | 995,000                  | 291,024             | 1,286,024            | 396,412   | 889,612                                   |                      |
| 2026        | 730,000                  | 264,702             | 994,702              | 398,859   | 595,843                                   |                      |
| 2027        | 750,000                  | 241,405             | 991,405              | 395,251   | 596,154                                   |                      |
| 2028        | 775,000                  | 217,122             | 992,122              | 394,438   | 597,684                                   | 60.54%               |
| 2029        | 795,000                  | 191,962             | 986,962              | 391,069   | 595,892                                   |                      |
| 2030        | 825,000                  | 165,817             | 990,817              | 392,416   | 598,401                                   |                      |
| 2031        | 855,000                  | 138,577             | 993,577              | 395,704   | 597,873                                   |                      |
| 2032        | 520,000                  | 116,938             | 636,938              | 366,638   | 270,300                                   |                      |
| 2033        | 265,000                  | 104,823             | 369,823              | 96,323  | 273,500                                   | 80.42%               |
| 2034        | 275,000                  | 95,953              | 370,953              | 99,553  | 271,400                                   |                      |
| 2035        | 285,000                  | 86,699              | 371,699              | 97,699  | 274,000                                   |                      |
| 2036        | 250,000                  | 77,626              | 327,626              | 56,326  | 271,300                                   |                      |
| 2037        | 260,000                  | 68,746              | 328,746              | 55,446  | 273,300                                   |                      |
| 2038        | 210,000                  | 61,050              | 271,050              |   | 271,050                                   | 88.23%               |
| 2039        | 215,000                  | 54,675              | 269,675              | -   | 269,675                                   |                      |
| 2040        | 225,000                  | 48,075              | 273,075              | -   | 273,075                                   |                      |
| 2041        | 230,000                  | 41,250              | 271,250              | -   | 271,250                                   |                      |
| 2042        | 235,000                  | 34,275              | 269,275              | -   | 269,275                                   |                      |
| 2043        | 245,000                  | 27,075              | 272,075              | -   | 272,075                                   | 95.24%               |
| 2044        | 250,000                  | 19,650              | 269,650              | -   | 269,650                                   |                      |
| 2045        | 260,000                  | 12,000              | 272,000              | -   | 272,000                                   |                      |
| 2046        | 270,000                  | 4,050               | 274,050              | -   | 274,050                                   | 100.00%              |
|             | <u>\$ 16,395,000</u>     | <u>\$ 4,771,328</u> | <u>\$ 21,166,328</u> | <u>\$ 6,348,662</u>                               | <u>\$ 14,817,666</u>                      |                      |

**TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION<sup>(1)</sup>**

|  |           |    |           |
|--|-----------|----|-----------|
| Tax Supported Debt Service Requirements, Fiscal Year Ending September 30, 2019 |           | \$ | 1,457,380 |
| Interest and Sinking Fund, 1/31/2019   | 1,414,391 |    |           |
| Budgeted Transfer from Water Fund  | 98,020    |    |           |
| Budgeted Interest and Sinking Fund Levy, FYE 9/30/2019                         | 1,186,546 |    | 2,698,957 |
| Estimated Balance, 9/30/2019   |           |    | 1,241,577 |

(1) Includes self-supporting debt.

**TABLE 10 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS**

As of January 31, 2019, the City has no authorized but unissued general obligation debt.

**TABLE 11 - OTHER OBLIGATIONS**

In October 2014 the City refinanced the lease for the Willow Park Fire and Rescue fire truck for \$202,870. The lease is due in annual installments of \$31,918 including interest at 2.981% through February 15, 2021.

In February 2014 the City acquired a Chevy Tahoe for the police department with a capital lease. The lease requires annual payments of \$4,443 including interest at 3.92% through February 28, 2022.

In February 2014 the City acquired a brush truck for the fire department and a 2015 Freightliner for the water department with a capital lease. The lease requires annual payments of \$27,524 including interest at 3.626% through February 29, 2024. This lease is split between the governmental activities and business-type activities.

In April 2017 the City acquired a pumper fire truck with a capital lease. The lease requires annual payments of \$48,292 including interest at 3.28% through April 21, 2027.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2018, were as follows:

| Year Ending<br>September 30,    | Governmental<br>Activities | Business-type<br>Activities |
|---------------------------------|----------------------------|-----------------------------|
| 2019                            | \$ 165,531                 | \$ 18,419                   |
| 2020                            | 165,531                    | 18,419                      |
| 2021                            | 140,771                    | 18,419                      |
| 2022                            | 108,853                    | 18,419                      |
| 2023                            | 104,410                    | 18,419                      |
| Thereafter                      | 437,338                    | 18,419                      |
| Total Minimum lease payments    | 1,122,434                  | 110,514                     |
| Less: Interest Portion          | (176,357)                  | (12,772)                    |
| Obligations Under Capital Lease | \$ 946,077                 | \$ 97,742                   |

**PENSION FUND.** . . The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the State-wide Texas Municipal Retirement System ("TMRS") one of 883 administered by TMRS, an agent multiple-employer retirement system. Each employer, including the City, has an annual actuarial valuation performed. The City makes annual contributions to the plan equal to the amounts accrued for pension expense.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 100 percent of employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit, which is a theoretical amount that, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and the City matching percent had always been in existence and if the employee's salary had always been the average of his or her salary in the last three years that are one year before the effective date. At retirement,

the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Employees can retire at ages 60 and above with five or more years of service or with 20 years of service regardless of age. An employee is vested after five years. The plan provisions are adopted by the City Council of the City, within the options available in the State statutes governing TMRS. The contribution rate for the employees is 7%. The contribution rates for the City were 7.1% and 7.38% in calendar years 2018 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2018, were \$157,377, and were equal to the required contributions.

For more detailed information concerning the City's retirement plan, see Appendix B, "Excerpts from the City's Annual Financial Report" - Note 9.

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

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 pre-fund retiree term life insurance during employees' entire careers. The city's contributions to the TMRS SDBF for the years ended 2018, 2017, 2016, and 2015 of \$2,623, \$2,291, \$2,289 and \$2,232, respectively, were equal to the required contributions each year.

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**TABLE 12 - GENERAL FUND REVENUES AND EXPENDITURES HISTORY**

|   | Fiscal Years Ended September 30,   |                     |                     |                     |                     |
|---|------------------------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2018                               | 2017                | 2016                | 2015                | 2014                |
| <b>Revenues:</b>                          |                                    |                     |                     |                     |                     |
| Taxes                                     | \$ 2,794,587                       | \$ 2,411,562        | \$ 2,371,962        | \$ 2,139,056        | \$ 2,608,838        |
| Licenses and Permits                      | 376,265                            | 270,448             | 307,126             | 368,774             | 195,780             |
| Fines & Forfeits                          | 201,045                            | 237,122             | 213,950             | 224,818             | 169,377             |
| Interest                                  | 22,271                             | 6,283               | 2,616               | 2,950               | 1,236               |
| Contributions                             | 3,601                              | 4,949               | 22,095              | 67,925              | 3,548               |
| Intergovernmental                         | 1,319                              | 1,327               | -                   | -                   | -                   |
| Miscellaneous                             | 17,835                             | 15,426              | 30,050              | 58,100              | 40,088              |
| Total Revenues                            | <u>\$ 3,416,923</u>                | <u>\$ 2,947,117</u> | <u>\$ 2,947,799</u> | <u>\$ 2,861,623</u> | <u>\$ 3,018,867</u> |
| <b>Expenditures:</b>                      |                                    |                     |                     |                     |                     |
| Administration                            | \$ 378,871                         | \$ 353,074          | \$ 402,327          | \$ 285,327          | \$ 308,822          |
| Development Services                      | 369,069                            | 271,856             | 229,920             | 240,310             | 201,157             |
| Police                                    | 1,106,365                          | 1,002,192           | 1,020,280           | 1,091,091           | 960,412             |
| Fire and Rescue                           | 850,680                            | 723,762             | 701,752             | 678,220             | 574,454             |
| Municipal Court                           | 146,937                            | 146,890             | 137,754             | 110,475             | 90,430              |
| Legislative                               | 152,633                            | 136,999             | 119,760             | 82,610              | 69,291              |
| Public Works, Parks, Roads and Facilities | 208,007                            | 254,731             | 404,007             | 635,297             | 121,392             |
| Capital Outlay                            | 113,346                            | 406,651             | 743,220             | -                   | -                   |
| Debt Service: Interest & Fiscal Charges   | -                                  | -                   | 74,661              | 100,075             | 55,410              |
| Total Expenditures                        | <u>\$ 3,325,908</u>                | <u>\$ 3,296,155</u> | <u>\$ 3,833,681</u> | <u>\$ 3,223,405</u> | <u>\$ 2,381,368</u> |
| Excess (Deficient) Revenues               |                                    |                     |                     |                     |                     |
| Over Expenditures                         | \$ 91,015                          | \$ (349,038)        | \$ (885,882)        | \$ (361,782)        | \$ 637,499          |
| Issuance of Capital Lease                 | 71,755                             | 406,651             | -                   | 108,209             | -                   |
| Issuance of Certificates of Obligation    | -                                  | -                   | 866,438             | -                   | -                   |
| Proceeds from Sale of Capital Assets      | -                                  | -                   | 11,030              | -                   | -                   |
| Transfers In (Out)                        | (66,792)                           | 60,373              | (108,262)           | (42,285)            | (336,590)           |
| Fund Balance Beginning of Year            | <u>\$ 1,189,360</u> <sup>(1)</sup> | <u>\$ 1,113,540</u> | <u>\$ 1,230,216</u> | <u>\$ 1,526,074</u> | <u>\$ 1,225,165</u> |
| Fund Balance End of Year                  | <u>\$ 1,285,338</u>                | <u>\$ 1,231,526</u> | <u>\$ 1,113,540</u> | <u>\$ 1,230,216</u> | <u>\$ 1,526,074</u> |

(1) Restated.

**TABLE 12A - CHANGE IN NET ASSETS**

|                                     | Fiscal Year Ended September 30, |                     |                     |                     |                     |
|-------------------------------------|---------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                     | 2018                            | 2017                | 2016                | 2015                | 2014                |
| <b>Revenues:</b>                    |                                 |                     |                     |                     |                     |
| Program Revenues:                   |                                 |                     |                     |                     |                     |
| Charges for Services                | \$ 583,582                      | \$ 537,641          | \$ 552,182          | \$ 625,023          | \$ 383,885          |
| Operating Grants and Contributions  | 4,920                           | 6,276               | 22,435              | 68,045              | 5,703               |
| Capital Grants and Contributions    | -                               | -                   | -                   | 341,156             | -                   |
| General Revenues:                   |                                 |                     |                     |                     |                     |
| Property Tax                        | 2,419,845                       | 2,156,694           | 1,856,820           | 1,616,438           | 1,525,133           |
| Sales Taxes                         | 1,071,970                       | 852,606             | 834,871             | 808,638             | 849,687             |
| Franchise Tax                       | 365,744                         | 346,216             | 386,114             | 257,263             | 231,847             |
| Motel Tax                           | 12,730                          | 13,858              | 14,901              | 16,209              | 14,617              |
| Interest                            | 145,568                         | 50,385              | 4,997               | 2,977               | 1,241               |
| Miscellaneous (Including Transfers) | 3,375                           | 43,880              | 74,312              | 60,385              | 40,088              |
| Total Revenues                      | <u>\$ 4,607,734</u>             | <u>\$ 4,007,556</u> | <u>\$ 3,746,632</u> | <u>\$ 3,796,134</u> | <u>\$ 3,052,201</u> |
| <b>Expenses:</b>                    |                                 |                     |                     |                     |                     |
| Administration                      | \$ 437,105                      | \$ 367,720          | \$ 394,221          | \$ 301,472          | \$ 310,097          |
| Development Services                | 484,043                         | 273,612             | 231,211             | 241,512             | 196,748             |
| Police Department                   | 1,201,906                       | 1,127,593           | 1,093,938           | 1,119,734           | 1,016,330           |
| Fire and Rescue                     | 860,223                         | 829,305             | 778,155             | 723,845             | 569,624             |
| Legislative                         | 144,412                         | 137,755             | 120,025             | 83,520              | 67,967              |
| Municipal Court                     | 148,447                         | 149,626             | 138,553             | 113,563             | 94,808              |
| Public Works, Parks & Roads         | 523,031                         | 579,075             | 643,892             | 424,154             | 358,147             |
| Tourism                             | -                               | -                   | 9,646               | 9,137               | 5,457               |
| Interest on Long Term Debt          | 376,303                         | 281,068             | 105,624             | 84,763              | 86,797              |
| Debt Issuance Costs                 | -                               | -                   | 181,594             | -                   | -                   |
| Total Expenses                      | <u>\$ 4,175,470</u>             | <u>\$ 3,745,754</u> | <u>\$ 3,696,859</u> | <u>\$ 3,101,700</u> | <u>\$ 2,705,975</u> |
| Increase (Decrease) in Net Assets   | \$ 432,264                      | \$ 261,802          | \$ 49,773           | \$ 694,434          | \$ 346,226          |
| Transfers                           | \$ -                            | \$ 4,849            | \$ (154,482)        | \$ -                | \$ 111,902          |
| Beginning Net Assets                | \$ 2,895,727                    | \$ 2,629,076        | \$ 2,733,785        | \$ 2,093,859        | \$ 1,635,731        |
| Prior Year Adjustment               | (168,663)                       | -                   | -                   | (54,508)            | -                   |
| Ending Net Assets                   | <u>\$ 3,159,328</u>             | <u>\$ 2,895,727</u> | <u>\$ 2,629,076</u> | <u>\$ 2,733,785</u> | <u>\$ 2,093,859</u> |

**TABLE 13 - CITY SALES TAX HISTORY**

The City has adopted the Municipal Sales and Use Tax Act, Texas Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Bonds. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. The Tax Code provides certain cities and counties the option of assessing a maximum one-half percent (1/2%) sales tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional tax is approved and levied, the ad valorem property tax levy must be reduced by the estimated amount of the sales tax revenues to be generated in the current year. Subject to the approval of a majority of the voters in a local option election, state law also provides certain cities the option of assessing a sales and use tax for a variety of other purposes, including economic and industrial development, municipal street maintenance and repair, and sports and community venues.

State law limits the maximum aggregate sales and use tax rate in any area to 8¼%. Accordingly, the collection of local sales and use taxes in the area of the City (including sales and use taxes levied by the City) is limited to no more than 2% (when combined with the State sales and use tax rate of 6¼%).

In addition to the one percent (1%) local sales and use tax referred to above, the City imposes an additional one-half percent (1/2%) sales and use tax for the reduction of ad valorem taxes.

| Fiscal<br>Year<br>Ended<br>9/30 | Total<br>Collected <sup>(1)</sup> | % of<br>Ad Valorem<br>Tax Levy | Equivalent<br>of<br>Ad Valorem<br>Tax Rate | Per<br>Capita |
|---------------------------------|-----------------------------------|--------------------------------|--|---------------|
| 2015                            | \$ 808,638                        | 47.37%                         | \$ 0.2181                                  | \$ 179.70     |
| 2016                            | 834,871                           | 43.74%                         | 0.2014                                     | 166.97        |
| 2017                            | 831,932                           | 38.74%                         | 0.1932                                     | 165.82        |
| 2018                            | 1,043,707                         | 39.57%                         | 0.2123                                     | 205.45        |
| 2019                            | 355,356 <sup>(2)</sup>            | 12.76%                         | 0.0685                                     | 64.61         |

(1) Includes the additional one-half percent (1/2%) sales and use tax collected for the reduction of ad valorem taxes.

(2) Collections as of March 21, 2019.

**TABLE 14 - CURRENT INVESTMENTS**

As of February 28, 2019, the City's investable funds were invested in the following categories:

| Description             | Book Value        |
|-------------------------|-------------------|
| Certificates of Deposit | \$ 249,624        |
| Totals                  | <u>\$ 249,624</u> |