

AGENDA



City Council Meeting

Tuesday, April 25, 2023 at 6:00 PM

Anna Municipal Complex - Council Chambers
120 W. 7th Street, Anna, Texas 75409

The City Council of the City of Anna will meet on 04/25/2023 at 6:00 PM in the Anna Municipal Complex-Council Chambers, located at 120 W. 7th Street, to consider the following items.

Welcome to the City Council meeting. If you wish to speak on an Open Session agenda item, please fill out the Opinion/Speaker Registration Form and turn it in to the City Secretary before the meeting starts.

1. **Call to Order, Roll Call, and Establishment of Quorum.**

2. **Invocation and Pledge of Allegiance.**

3. **Neighbor Comments.**

At this time, any person may address the City Council regarding an item on this meeting Agenda that is not scheduled for public hearing. Also, at this time, any person may address the City Council regarding an item that is not on this meeting Agenda. Each person will be allowed up to three (3) minutes to speak. No discussion or action may be taken at this meeting on items not listed on this Agenda, other than to make statements of specific information in response to a citizen's inquiry or to recite existing policy in response to the inquiry.

4. **Reports.**

Receive reports from Staff or the City Council about items of community interest.

Items of community interest include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen (but not including a change in status of a person's public office or public employment); a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; and announcements involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the Agenda.

- a. Recognition of Anna Police Explorer Post #8200 (Police Lieutenant Josh Devore)

5. **Work Session.**

- a. Discuss Property Tax Exemptions. (Budget Manager Terri Doby)

6. **Consent Items.**

These items consist of non-controversial or "housekeeping" items required by law. Items may be considered individually by any Council Member making such request prior to a motion and vote on the Consent Items.

- a. Approve the City Council Meeting Minutes for April 11, 2023. (City Secretary Carrie Land)
- b. Review Minutes of the March 8, 2023, Joint Community Development Corporation and Economic Development Corporation Board Meetings. (Director of Economic Development Joey Grisham)
- c. Review Minutes for the March 20, 2023 Parks Advisory Board Meeting. (Assistant Director of Neighborhood Services Jeff Freeth)
- d. Review Monthly Financial Report for the Month Ending March 31, 2023. (Budget Manager Terri Doby)

7. **Items For Individual Consideration.**

- a. Conduct a Public Hearing/Consider/Discuss/Action on an amendment to uphold, amend, supplement, change, modify or repeal a Specific Use Permit granted under Ord. No. 1014-2022 to allow a Metering Station on one lot on 0.6± acre located on the north side of future Rosamond Parkway, 995± feet west of County Road 368. Zoned: Planned Development (Ord. No. 932-2021). (Director of Development Services Ross Altobelli)
- b. Acting as the Anna Public Facility Corporation Board of Directors, Consider/Discuss/Act on approving: (a) Memorandum of Understanding with Liberty Multifamily, Inc. for a Senior Living Multifamily Project; and, (b) Resolutions approving the formation of entities--along with corresponding LLC Agreements--to serve in the following capacities in connection with the project: (i) APFC Reserve at Anna GP, LLC, to serve as general partner of a to-be formed partnership that will own and develop the Project; (ii) APFC Reserve at Anna Holdings, LLC, to acquire and hold fee title to the land upon which the Project will be constructed and to enter into a ground lease with the Partnership; and (iii) APFC Reserve at Anna Development, LLC, to serve as co-developer on the Project. (Director of Economic Development Joey Grisham)
- c. Consider/Discuss/Action on a Resolution authorizing the City Manager to execute Purchase Orders not to exceed \$345,000 to Wopac Construction under the Collin County Purchasing Cooperative contract. (Interim Director of Public Works Steven Smith)
- d. Finley Boulevard (Interim City Manager Ryan Henderson)
 - I. Consider/Discuss/Action on an Ordinance Amending the FY2023 Roadway Impact Fees Fund Budget.
 - II. Consider/Discuss/Action a Resolution authorizing the City Manager to execute a project-specific Purchase Order with HALFF Associates in an amount not exceeding \$90,000 for the Design of Finley Blvd. from Sharp Street to the DART Rail line.
- e. Consider/Discuss/Action on a Resolution accepting the FY 2022 Audit Report. (Finance Director Alan Guard)
- f. Consider/Discuss/Action on an Ordinance Permitting and Regulating the use of Golf Carts within the City of Anna. (Police Chief Dean Habel)

8. **Closed Session (Exceptions).**

Under Tex. Gov't Code Chapter 551, the City Council may enter into Closed Session to discuss any items listed or referenced on this Agenda under the following exceptions:

- a. Consult with legal counsel regarding pending or contemplated litigation and/or on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code (Tex. Gov't Code §551.071).
- b. Discuss or deliberate the purchase, exchange, lease, or value of real property (Tex. Gov't Code §551.072).
- c. Discuss or deliberate Economic Development Negotiations: (1) To discuss or deliberate regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the territory of the City of Anna and with which the City is conducting economic development negotiations; or (2) To deliberate the offer of a financial or other incentive to a business prospect described by subdivision (1). (Tex. Gov't Code §551.087).
- d. Discuss or deliberate personnel matters (Tex. Gov't Code §551.074). Boards and Commissions

The Council further reserves the right to enter into Executive Session at any time throughout any duly noticed meeting under any applicable exception to the Open Meetings Act.

9. Consider/Discuss/Action on any items listed on any agenda - work session, regular meeting, or closed session - that is duly posted by the City of Anna for any City Council meeting occurring on the same date as the meeting noticed in this agenda.
10. **Adjourn.**

This is to certify that I, Carrie L. Land, City Secretary, posted this Agenda on the City's website (www.annatexas.gov) and at the Anna Municipal Complex bulletin board at or before 5:00 p.m. on 04/21/2023.

Carrie L. Land, City Secretary

1. The Council may vote and/or act upon each of the items listed in this agenda. Notwithstanding the foregoing or any other statement in this Agenda, the Council shall not take action on any item until after providing opportunity for public testimony under the "Neighbor Comments" item or after any public hearing held under applicable law.
2. The Council reserves the right to retire into closed executive session concerning any of the items listed on this agenda, whenever it is considered necessary and legally justified under the Open Meeting Act.
3. Persons with a disability who want to attend this meeting who may need assistance should contact the City Secretary at 972-924-3325 two working days prior to the meeting so that appropriate arrangements can be made.



Item No. 4.a.

City Council Agenda
Staff Report

Meeting Date: 4/25/2023
Staff Contact: Dean Habel

AGENDA ITEM:

Recognition of Anna Police Explorer Post #8200 (Police Lieutenant Josh Devore)

SUMMARY:

The report is to recognize the achievements of the Anna Police Explorer Post #8200.

FINANCIAL IMPACT:

This item has no financial impact.

BACKGROUND:

On Saturday, March 25, the Anna Police Explorers traveled to Houston to compete in the 3rd Annual Houston Police Department Space City Explorer Competition. Anna Explorer Post #8200 took two teams of Explorers to the competition.

STRATEGIC CONNECTIONS:

This item supports the City of Anna Strategic Plan, specifically advancing the strategic outcome area: Excellent.

ATTACHMENTS:

1. Memorandum 23-127 Anna Police Explorer Post #8200



Memorandum

Memorandum No: 23-127

Date: April 6, 2023
To: Honorable Mayor and City Council
From: Ryan Henderson, Interim City Manager
Re: Anna Police Explorer Post #8200

On Saturday, March 25, the Anna Police Explorers traveled to Houston, TX, to compete in the 3rd Annual Houston Police Department Space City Explorer Competition. Anna Explorer Post #8200 took two teams of Explorers to the competition (one team = four explorers).

Both Anna teams competed in four different scenarios meaning that Anna PD competed in a total of eight different scenarios. Anna PD competed in the following scenarios:

1. Active Shooter
2. Burglary in Progress
3. Traffic Accident Investigation
4. Bomb Threat
5. Felony Traffic Stop
6. Domestic Disturbance
7. APOWW – Mentally Unstable Person
8. Intoxicated Driver

Each team placed in three of the four scenarios they competed in, meaning Anna placed in six out of eight total scenarios:

- 1st place in Burglary in Progress
- 2nd place in Active Shooter
- 2nd place in Bomb Threat
- 2nd place in Intoxicated Driver
- 2nd place in Mentally Unstable Person
- 3rd place in Domestic Violence (This was a three-way tie for 1st place with the deciding factor being the overall time it took the teams to complete the scenario)

Both teams were incredibly close in also being able to be place in the overall competition. Additionally, Explorer Sergeant Zo'el Carle competed in the Female Physical Agility Competition and won 2nd Place overall.

Out of the eight explorers, this was the first competition for five of them, four of them making up a team themselves. They competed against 21 other teams. For the past three months, our explorers have been studying and practicing more than normal in preparation for the competition, dedicating two evenings a week to preparing for the competition. In addition to placing in six of the scenarios, our explorers received multiple compliments and commendations from the judges of each scenario, many of whom are seasoned veteran officers who specialize in the type of scenarios they were judging.

Congratulations to each of our explorers who competed in the program or helped their teammates prepare. Congratulations also to Lt. Josh DeVore for leading the post as well as the staff and community members who advise and support our explorer program.

- c. Josh DeVore, Police Lieutenant
- Dean Habel, Police Chief
- Phillip Foxall, Assistant Police Chief
- Taylor Lough, Assistant City Manager
- Greg Peters, Interim Assistant City Manager
- Management Team



Item No. 5.a.

City Council Agenda
Staff Report

Meeting Date: 4/25/2023
Staff Contact: Terri Doby

AGENDA ITEM:

Discuss Property Tax Exemptions. (Budget Manager Terri Doby)

SUMMARY:

All real and tangible personal property located in the state is taxable unless an exemption is required or permitted by the Texas Constitution. Local taxing units can offer a variety of partial or total exemptions from property appraised values. Local option exemptions are one way for cities to lower the property tax bill of their residents. Attached is a presentation on the impacts of property tax exemptions on both Anna neighbors and City revenues and what choices the City of Anna has regarding the structure of our property taxes.

FINANCIAL IMPACT:

The property tax exemptions offered by the City of Anna will lower the amount of property tax revenues collected. The choice of what exemptions to offer will determine the impact on revenues.

BACKGROUND:

Prior to FY2023, the City of Anna offered a \$30,000 exemption in the Over 65 category. In June of 2022, a 1% (\$5,000 minimum) Homestead Exemption was added.

STRATEGIC CONNECTIONS:

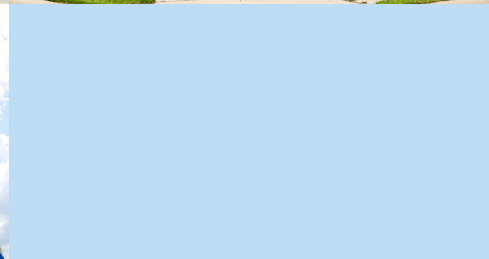
This item supports the City of Anna Strategic Plan, specifically advancing the strategic outcome area: Excellent.

ATTACHMENTS:

1. Property Tax Exemption presentation

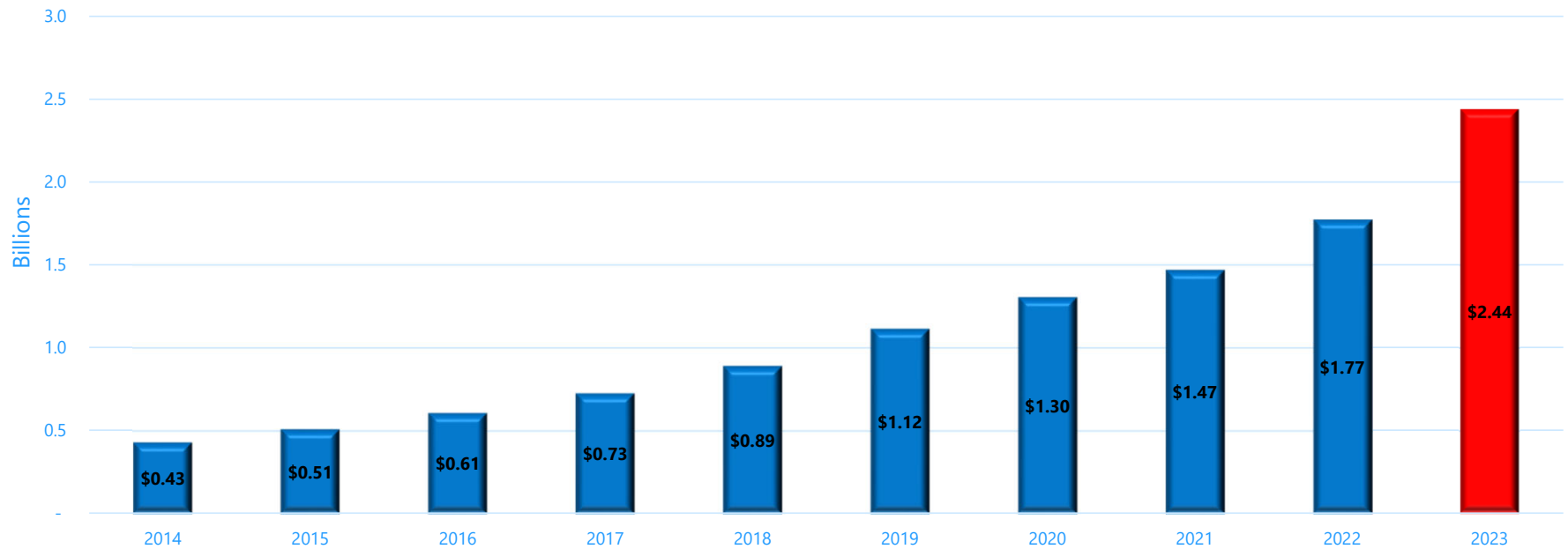
THE CITY OF **Anna**

Property Tax Exemptions



Taxable Assessed Value

10-year History



THE CITY OF
Anna

Property Tax Exemptions

- All real and tangible personal property located in the state is taxable unless an exemption is required or permitted by the Texas Constitution.
- Local taxing units can offer a variety of partial or total exemptions from property appraised values.
- Local option exemptions are one way for cities to lower the property tax bill of their residents.

Property Tax Exemption Types

- Residence Homestead (Tax Code Section 11.13)
 - Cities have option of offering up to 20% but not less than \$5,000
 - Owner must have ownership interest in property and occupy as principal residence
- Age 65 or Older or Disabled
 - Cities have option of offering in an amount not less than \$3,000
 - Disabled person must meet definition of disabled under Federal Old-Age, Survivors and Disability Insurance Act (Social Security)
 - Eligible disabled person age 65 or older may receive both but not from the same taxing unit



City of Anna FY2023 Tax Structure

Homestead Exemption	Over Age 65 Exemption	Disabled Person Exemption	Total Tax Rate
1%, \$5,000 min	30,000	-	0.539750



Property Tax Reductions

	FY2023 Total Revenue Reduction	Number of properties	Average Savings Per Home
Homestead Exemptions	\$103,725	3,835	\$27.05
Over 65 Exemptions	\$117,558	726	\$161.93
TOTAL	\$221,283	4,561	

FY2024 Potential Changes

	FY2024 Potential Change	Total Revenue Reduction	Change in Dollars FY23 to FY24	Number of properties (FY2023)	Average reduction
Homestead Exemptions	Increase to 2%	\$122,028	\$18,303	3,835	\$31.83
Over 65 Exemptions	Remain same	\$117,558	-	726	\$161.93
Disabled	Add at level of Over 65 (\$30,000)	\$45,825	\$45,825	283	\$161.93
TOTAL		\$285,411	\$64,128	4,844	



July 1 Adoption Deadline

- Section 11.13 (n). Residence Homestead
 - In addition to any other exemptions provided by this section, an individual is entitled to an exemption from taxation by a taxing unit of a percentage of the appraised value of his residence homestead if the exemption is adopted by the governing body of the taxing unit before July 1 in the manner provided by law for official action by the body.

Questions?



Item No. 6.a.

City Council Agenda
Staff Report

Meeting Date: 4/25/2023
Staff Contact: Carrie Land

AGENDA ITEM:

Approve the City Council Meeting Minutes for April 11, 2023. (City Secretary Carrie Land)

SUMMARY:

Approve the City Council Meeting Minutes for April 11, 2023.

FINANCIAL IMPACT:

This item has no financial impact.

BACKGROUND:

Approve the City Council Meeting Minutes for April 11, 2023.

STRATEGIC CONNECTIONS:

This item has no strategic connection.

ATTACHMENTS:

1. CCmin2023-04-11
2. CCmin2023-04-11 Exhibit

**Regular City Council Meeting
Meeting Minutes**



Tuesday, April 11, 2023 @ 6:00 PM

**Anna Municipal Complex - Council Chambers
120 W. 7th Street, Anna, Texas 75409**

The City Council of the City of Anna met on 04/11/2023 at 6:00 PM in the Anna Municipal Complex-Council Chambers, located at 120 W. 7th Street, to consider the following items.

1. Call to Order, Roll Call, and Establishment of Quorum.

Mayor Pike called the meeting to order at 6:00 PM.

Members Present:

Mayor Nate Pike

Mayor Pro Tem Lee Miller

Deputy Mayor Pro Tem Randy Atchley

Council Member Kevin Toten

Council Member Stan Carver

Council Member Danny Ussery

Council Member Pete Cain

Members Absent:

None

2. Invocation and Pledge of Allegiance.

Mayor Pike led the Invocation and Pledge of Allegiance.

3. Neighbor Comments.

Jim Luscombe spoke in opposition to the Ferguson Parkway realignment.

Martha McDowl noted her opposition to the Ferguson Parkway realignment.

4. Reports.

- a. Proclamation for Non-Profit Appreciation Day on April 22, 2023. (Mayor Nate Pike)

To celebrate and appreciate the work of the nonprofits in our community.

5. Work Session.

- a. Discuss proposed multiple-family residence zoning and future Ferguson Parkway realignment (Pecan Grove). (Director of Development Services Ross Altobelli)

Discussed rezoning a portion of the land area that is part of the original Pecan Grove zoning (Ord. No. 2002-27A) from single-family residential (6,000 s.f. and 7,200 s.f. lots) to MF-1 Multiple-Family Residential - Medium Density. The proposed zoning would allow for one- and two-unit buildings consisting of one-, two-, and three-bedroom unit types on a single lot. The proposed development layout would also include a modification to the future alignment of Ferguson Parkway, shifting the proposed right-of-way to the east as it traverses through the property and ultimately creating a new intersection at W. Foster Crossing Road.

Anthony Davidson gave a presentation.

- b. Discuss Golf Cart Usage and the Prospect of a Future City Ordinance (Police Chief Dean Habel & City Attorney Clark McCoy)

Chief Habel Discussed golf cart usage and the prospect of a future City Ordinance.

6. Consent Items.

MOTION: Mayor Pro Tem Miller moved to approve items 6.a.-m. Council Member Atchley seconded. Motion carried 7-0.

- a. Approve City Council Meeting Minutes for March 28, 2023. (City Secretary Carrie Land)
- b. Review minutes of the March 6, 2023 Planning & Zoning Commission Meeting. (Director of Development Services Ross Altobelli)
- c. Approve a Resolution regarding the Burnco Addition, Block A, Lot 1, Final Plat. (Director of Development Services Ross Altobelli)

The Final Plat is in conformance with the city's Subdivision Regulations and Zoning Ordinances. The Planning and Zoning Commission recommended approval subject to additions and/or alterations to the engineering plans as required by the Public Works Department.

Permanent concrete batch plant on one lot on 26.3± acres, located on the east side of County Road 419, 350± feet north of E. Foster Crossing Road. Zoned I-2 Heavy Industrial District with Specific Use Permit for a permanent concrete batching plant (Ord. No. 995-2022).

The purpose for the Final Plat is to dedicate right-of-way, lot and block boundaries, and easements necessary for the permanent concrete batch plant development.

The Final Plat is in conformance with the city's Subdivision Regulations and Zoning Ordinances.

The Planning and Zoning Commission recommended approval subject to additions and/or alterations to the engineering plans as required by the Public Works Department

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING BURNCO ADDITION, BLOCK A, LOT 1, FINAL PLAT.

- d. Approve a Resolution regarding the Cedar Ridge Estates, Phase 1, Final Plat. (Director of Development Services Ross Altobelli)

The Final Plat is in conformance with the city's Subdivision Regulations and Zoning Ordinances.

The Planning and Zoning Commission recommended approval subject to additions and/or alterations to the engineering plans as required by the Public Works Department.

121 single-family dwelling, detached lots, six common area lots, and lift station lot on 39.7± acres located at the southwest corner of County Road 427 and County Road 425 (Future Leonard Avenue). Zoned SF-72 Single-Family Residential District.

The purpose for the Final Plat is to dedicate right-of-way, lot and block boundaries, and easements necessary for the single-family residence development.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING CEDAR RIDGE ESTATES PHASE 1, FINAL PLAT.

- e. Approve a Resolution regarding the Church Street Addition, Block A, Lots 1-6, Final Plat. (Director of Development Services Ross Altobelli)

The Final Plat is in conformance with the city's Subdivision Regulations.

The Planning and Zoning Commission recommended approval subject to additions and/or alterations following Collin County's On-Site Sewage Facility (OSSF) review and approval.

Six lots on 7.0± acres located at the southeast corner of Sterling Street and N. Church Street. Located in the Extraterritorial Jurisdiction (ETJ).

The purpose for the Final Plat is to dedicate right-of-way, lot and block boundaries, and easements necessary for future development.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING CHURCH STREET ADDITION, BLOCK A, LOTS 1-6, FINAL PLAT

- f. Approve a Resolution regarding the Gateway at Buddy Hayes, Block A, Lots 1 & 2, Block B, Lot 1, and Block C, Lot 1, Final Plat. (Director of Development Services Ross Altobelli)

The Final Plat is in conformance with the adopted Planned Development standards and with the city's Subdivision Regulations and Zoning Ordinances.

The Planning and Zoning Commission recommended approval subject to additions and/or alterations to the engineering plans as required by the Public Works Department.

Four vacant lots on 64.8± acres located on the east side of S. Central Expressway, 1,250± feet south of W. White Street. Zoned Planned Development (Ord. No. 1024- 2022).

The purpose for the Final Plat is to dedicate right-of-way, lot and block boundaries, and easements necessary for the commercial and multiple-family residence development.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING GATEWAY AT BUDDY HAYES, BLOCK A LOTS 1 & 2, BLOCK B, LOT 1, AND BLOCK C, LOT 1, FINAL PLAT.

- g. Approve a Resolution regarding the Gateway at Buddy Hayes, Block A, Lot 2, Revised Concept Plan. (Director of Development Services Ross Altobelli)

The Revised Concept Plan is in conformance with the adopted Planned Development standards and with the city's Subdivision Regulations and Zoning Ordinances.

The Planning and Zoning Commission recommended approval subject to additions and/or alterations to the engineering plans as required by the Public Works Department.

Multiple-family residences on one lot on 13.2± acres located on the west side of Buddy Hayes Boulevard, 1,175± feet south of W. White Street. Zoned: Planned Development (Ord. No. 1024-2022).

The purpose of the revised concept plan is to show the revised conceptual layout and related site improvements associated with the future MF-2 multiple-family residential development.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING GATEWAY AT BUDDY HAYES, BLOCK A, LOT 2, REVISED CONCEPT PLAN.

- h. Approve a Resolution regarding the E. White Street/Leonard Trails Commercial, Block A, Lots 1, 2, 3, & 4, Minor Plat. (Director of Development Services Ross Altobelli)

The Minor Plat is in conformance with the adopted Planned Development standards and with the city's Subdivision Regulations and Zoning Ordinances.

The Planning and Zoning Commission recommended approval subject to additions and/or alterations to the engineering plans as required by the Public Works Department.

Four vacant lots on 8.5± acres located on the south side of E. White Street, 500± feet east of S. Interurban Street. Zoned Planned Development (Ord. No. 1027-2023-01).

The purpose for the Minor Plat is to dedicate right of way and lot and block boundaries necessary to plat the property.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING E. WHITE STREET/LEONARD TRAILS COMMERCIAL, BLOCK A, LOTS 1, 2, 3, & 4, MINOR PLAT

- i. Approve a Resolution regarding the Waldrip Switchyard Addition, Block A, Lot 1, Final Plat. (Director of Development Services Ross Altobelli)

The Final Plat is in conformance with the city's Subdivision Regulations.

The Planning and Zoning Commission recommended approval subject to additions and/or alterations following Collin County's On-Site Sewage Facility (OSSF) review and approval.

One lot on 4.2± acres located on the south side of County Road 429, 1,920± feet east of County Road 376. Zoned: Extraterritorial Jurisdiction (ETJ).

The purpose for the Final Plat is to dedicate right-of-way, lot and block boundaries, and easements necessary for future development.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING WALDRIP SWITCHYARD ADDITION, BLOCK A, LOT 1, FINAL PLAT

- j. Approve a Resolution regarding the Slayter Creek Park (Anna ISD Park Addition, Lot 2), Site Plan. (Director of Development Services Ross Altobelli)

The Site Plan is in conformance with the city's Subdivision Regulations and Zoning Ordinances.

The Planning and Zoning Commission recommended approval subject to additions and/or alterations to the engineering plans as required by the Public Works Department.

Public Park on one lot on 46.7± acres located on the south side of Rosamond Parkway, 1,190± feet west of N. Powell Parkway. Zoned Agricultural District (AG).

The purpose of the Site Plan is to show the proposed parking lot expansion, sports court additions, and related site improvements.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING SLAYTER CREEK PARK (ANNA ISD PARK ADDITION, LOT 2), SITE PLAN.

- k. Approve a Resolution regarding the Natural Springs Park (Autozone Addition, Block A, Lot 2), Site Plan. (Director of Development Services Ross Altobelli)

The Site Plan is in conformance with the city's Subdivision Regulations and Zoning Ordinances.

The Planning and Zoning Commission recommended approval subject to additions and/or alterations to the engineering plans as required by the Public Works Department.

Public Park on one lot on 19.3± acres located on the south side of W. White Street, 1,255± feet east of S. Ferguson Parkway. Zoned C-1 Restricted Commercial District and SF-E Single-Family Residential - Large Lot.

The purpose of the Site Plan is to show the proposed parking lot expansion and related site improvements. The parking lot expansion includes 47 new parking spaces for the park.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING NATURAL SPRINGS PARK (AUTOZONE ADDITION, BLOCK A, LOT 2), SITE PLAN.

- l. Approve a Resolution authorizing the submission of the City's application for the Texas Community Development Block Grant – Downtown

Revitalization Program (Economic Development Coordinator Kimberly Garduno)

The Revitalization of Downtown Anna is considered a top priority as outlined by City Council. City staff received notification of two (2) grants that provide infrastructure funding from the Texas Department of Agriculture (TDA). After a preliminary review, the City of Anna has potential to rank high in the selection process and therefore has a solid chance to receive funding for the Downtown Revitalization Program grant.

A RESOLUTION OF THE CITY OF ANNA, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE DOWNTOWN REVITALIZATION PROGRAM FUND.

- m. Approve a Resolution authorizing the submission of the City's application for the Texas Community Development Block Grant – Community Development Fund (Economic Development Coordinator Kimberly Garduno)

The Revitalization of Downtown Anna is considered a top priority as outlined by City Council. City staff received notification of two (2) grants that provide infrastructure funding from the Texas Department of Agriculture (TDA). After a preliminary review, the City of Anna has potential to rank high in the selection process and therefore has a solid chance to receive funding for TDA's 2023/2024 Texas Community Development Block Grant (TxCDBG) Community Development Fund (CD).

A RESOLUTION OF THE CITY OF ANNA, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE COMMUNITY DEVELOPMENT FUND.

7. Items For Individual Consideration.

- a. Consider/Discussion/Action on a Resolution approving a Development Agreement with Think Big Investments, LLC regarding the development of Woodland Estates, a multiple-family residence development, subject to approval as to legal form of said development agreement by the City's legal counsel. (Director of Development Services Ross Altobelli)

The applicant withdrew a proposed annexation and zoning amendment request which was recommended for denial by the Planning & Zoning Commission on February 6, 2023 due to the proposed zoning not being in

conformance with the Future Land Use Plan of the Anna2050 Comprehensive Plan.

The proposed Development Agreement allows for the property owner to establish land use entitlements and restrictions as part of an annexation request.

The applicant requested to enter into a Pre-annexation agreement with the city in order to adopt development regulations and development standards for 16.1 acres of land generally located on the south side of County Road 427, 530± east of County Road 425.

The property shall be developed as generally depicted on the Concept Plan, and includes medium-density, multiple-family residences referred to as Woodland Estates.

The two-family dwelling units consisting of one-bedroom, two-bedroom, and three-bedroom units are to be developed in accordance with the MF-1 Multiple-Family Residential - Medium Density District of the Zoning Ordinance and applicable City Regulations, except as amended and modified in the Development Regulations and in the Development Agreement.

The overall multiple-family development will have a maximum of 180 units.

City staff worked with the development team on the proposed land use entitlements and Concept Plan which are listed within the Development Regulations.

MOTION: Mayor Pike moved to approve. Mayor Pro Tem Miller seconded. Motion carried 7-0.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING THE WOODLAND ESTATES DEVELOPMENT AGREEMENT WITH THINKK BIG INVESTMENTS, LLC. RELATING TO DEVELOPMENT OF PROPERTY FOR A MULTIPLE-FAMILY RESIDENCE PLANNED DEVELOPMENT

- b. Consider/Discuss/Action on a Resolution approving an Impact Fee Reimbursement Agreement for sanitary sewer infrastructure by and between the City of Anna, Texas, Ashton Woods, and Lackland Holdings. (Interim Assistant City Manager Greg Peters, P.E.)

Ashton Woods is the developer of the Coyote Meadows Development, located southeast of the intersection of State Highway 5 and Rosamond Parkway. Lackland Holdings is the developer of the Cedar Ridge Development located at the southeast corner of County Road 427 and County Road 425. Both developers are looking to partner with the City of

Anna to construct a regional sanitary sewer lift station which will provide sanitary sewer service to properties east of State Highway 5 which are currently without sewer access.

The existing Sweetwater Crossing lift station will be taken off-line and removed as a part of this project, as the new regional solution will be able to serve the existing homes in Sweetwater.

MOTION: Mayor Pro Tem Miller moved to approve. Council Member Toten seconded. Motion carried 7-0.

A RESOLUTION OF THE CITY OF ANNA, TEXAS AUTHORIZING THE MAYOR TO EXECUTE A WASTEWATER IMPACT FEE REIMBURSEMENT AGREEMENT WITH STARLIGHT HOMES, L.L.C., AND SAGINAW 106, LTD., FOR THE CONSTRUCTION OF PUBLIC SANITARY SEWER IMPROVEMENTS, IN A FORM APPROVED BY THE CITY ATTORNEY; AND PROVIDING FOR AN EFFECTIVE DATE.

- c. Consider/Discuss/Action adopting a Resolution determining an area of the City that contains conditions which are detrimental to the community and constitutes a slum and blighted area. (Economic Development Coordinator Kimberly Garduno)

The Revitalization of Downtown Anna is considered a top priority as outlined by the City Council. City staff received notification of two (2) grants that provide infrastructure funding from the Texas Department of Agriculture (TDA). After a preliminary review, the City of Anna has the potential to rank high in the selection process and therefore has a solid chance to receive funding for the Downtown Revitalization Program grant.

MOTION: Council Member Toten moved to approve. Mayor Pro Tem Miller seconded. Motion carried 7-0.

A RESOLUTION OF THE CITY OF ANNA, TEXAS, DETERMINING THAT AN AREA OF THE CITY CONTAINS CONDITIONS WHICH ARE DETRIMENTAL TO THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE COMMUNITY AND CONSTITUTES A SLUM AND BLIGHTED AREA

- d. First Reading of a Resolution approving a project of the Anna Community Development Corporation to provide for matching funds for a Community Development Block Grant Program, Downtown Revitalization Program, for various improvements. (Economic Development Coordinator Kimberly Garduno)
- e. Second Reading of a Resolution approving a project of the Anna Community Development Corporation to provide for matching funds for a Community Development Block Grant Program, Downtown Revitalization

Program, for various improvements. (Economic Development Coordinator Kimberly Garduno)

Two readings of the Resolution are required prior to approving a project of the Anna Community Development Corporation. The resolution is included in the proceeding item approving the CDC providing matching funds for the Downtown Revitalization Project. The CDC Board approved the expenditure of funds on April 6, 2023.

- f. Consider/Discuss/Action on a Resolution approving a project of the Anna Community Development Corporation to provide matching funds for a Community Development Block Grant Program, Downtown Revitalization Program, for various improvements. (Economic Development Coordinator Kimberly Garduno)

Members of the EDC/CDC Board approved the expenditure of \$75,000 in connection with the City of Anna's application for a grant from the Texas Department of Agriculture's Texas Community Development Block Grant Program - Downtown Revitalization Fund.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS APPROVING AN ANNA COMMUNITY DEVELOPMENT CORPORATION PROJECT TO PROVIDE MATCHING FUNDS FOR A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE DOWNTOWN REVITALIZATION PROGRAM FUND

- g. First Reading of a Resolution approving a project of the Anna Community Development Corporation to provide for matching funds for a Community Development Block Grant Program, Community Development Fund, for street improvements. (Economic Development Coordinator Kimberly Garduno)
- h. Second Reading of a Resolution approving a project of the Anna Community Development Corporation to provide for matching funds for a Community Development Block Grant Program, Community Development Fund, for street improvements. (Economic Development Coordinator Kimberly Garduno)

Two readings of the Resolution are required prior to approving a project of the Anna Community Development Corporation. The resolution is included in the proceeding item approving the CDC providing matching funds for the Downtown Revitalization Project. The CDC Board approved the expenditure of funds on April 6, 2023.

- i. Consider/Discuss/Action on a Resolution approving a project of the Anna Community Development Corporation to provide for matching funds for a

Texas Community Development Block Grant Program, Community Development Fund, for street improvements. (Economic Development Coordinator Kimberly Garduno)

Members of the EDC/CDC Board approved the expenditure of \$75,000 in connection with the City of Anna's application for a grant from the Texas Department of Agriculture's Texas Community Development Block Grant Program - Community Development Fund.

MOTION: Mayor Pro Tem Miller moved to approve. Council Member Cain seconded. Motion carried 7-0.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS APPROVING AN ANNA COMMUNITY DEVELOPMENT CORPORATION PROJECT TO PROVIDE MATCHING FUNDS FOR A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE COMMUNITY DEVELOPMENT FUND

- j. Consider/Discuss/Action on a Resolution approving and authorizing the City Manager to execute a quote from Musco for the installation of sports lighting on the practice fields at Slayter Creek Park. (Parks Planning and Development Manager Dalan Walker)

The City received a quote from Musco Lighting under BuyBoard contract number 677- 22 for the installation of sports lighting on two practice fields at the south end of Slayter Creek Park. The quote is in the amount of \$684,511.

MOTION: Council Member Toten moved to approve. Mayor Pike seconded. Motion carried 7-0.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING A CONSTRUCTION AGREEMENT WITH MUSCO SPORTS LIGHTING, LLC TO INSTALL ATHLETIC FIELD LIGHTING FOR TWO PRACTICE FIELDS AT SLAYTER CREEK PARK.

- k. Consider/Discuss/Action on a Resolution approving and authorizing the Mayor Pro Tem to execute the AnaCapri Public Improvement District Improvement Area #1 Reimbursement Agreement, and resolving other matters related thereto. (Director of Economic Development Joey Grisham)

Mayor Pike recused himself at 7:36 PM.

Staff recommended that the City Council approve this item that includes a Resolution approving a Reimbursement Agreement with Megatel for the AnaCapri Public Improvement District to develop the Improvement Area #1 Assessed Property and be reimbursed for a specified portion of the public improvement projects using the Bond Proceeds.

MOTION: Council Member Toten moved to approve. Council Member Carver seconded. Motion carried 6-0.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING A RESOLUTION ADOPTING THE IMPROVEMENT AREA #1 REIMBURSEMENT AGREEMENT FOR ANACAPRI PUBLIC IMPROVEMENT DISTRICT

8. Closed Session (Exceptions).

Under Tex. Gov't Code Chapter 551, the City Council may enter into Closed Session to discuss any items listed or referenced on this Agenda under the following exceptions:

- a. Consult with legal counsel regarding pending or contemplated litigation and/or on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code (Tex. Gov't Code §551.071). Utilities Facilities
- b. Discuss or deliberate the purchase, exchange, lease, or value of real property (Tex. Gov't Code §551.072).
- c. Discuss or deliberate Economic Development Negotiations: (1) To discuss or deliberate regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the territory of the City of Anna and with which the City is conducting economic development negotiations; or (2) To deliberate the offer of a financial or other incentive to a business prospect described by subdivision (1). (Tex. Gov't Code §551.087).
- d. Discuss or deliberate personnel matters (Tex. Gov't Code §551.074). Boards and Commissions

MOTION: Council Member Carver moved to enter closed session. Council Member Cain seconded. Motion carried 6-0.

Mayor Pro Tem Miller recessed the meeting at 7:40 PM.

Mayor Pike returned to the meeting.

Mayor Pike reconvened the meeting at 8:40 PM.

9. Consider/Discuss/Action on any items listed on any agenda - work session, regular meeting, or closed session - that is duly posted by the City of Anna for any City Council meeting occurring on the same date as the meeting noticed in this agenda.

10. Adjourn.

Mayor Pike adjourned the meeting at 8:40 PM.

Approved on the 25th day of April 2023

ATTEST:

Mayor Nate Pike

City Secretary Carrie L. Land

Jim Luscombe

Exhibit
4/11/2023
Jim Luscombe

From: Nate Pike <npike@annatexas.gov>
Sent: Monday, August 27, 2018 8:02 PM
To: giftgarden ~ LESLIE
Cc: Maurice Schwanke; Carol Lee Downs; Alonzo Tutson; jim.luscombe@luscombemail.com; luscombeburl@att.net; Martha McDowell; Joseph Johnson
Subject: Re: Ferguson Road alignments

All,

Thank you very much for your suggestions and input. I appreciate you all working with us on this project. It is a tough decision for everyone involved and I assure you, we will communicate and work together through the remainder of this process.

Sincerely,

Nate

Sent from my iPhone

On Aug 27, 2018, at 10:07 AM, giftgarden <giftgarden@suddenlink.net> wrote:

Preferred route D.

Leslie

Powered by Cricket Wireless

----- Original message -----

From: Maurice Schwanke <mschwanke@annatexas.gov>

Date: 8/22/18 2:11 PM (GMT-06:00)

To: Carol Lee Downs <grasshill4@aol.com>, Alonzo Tutson <atutson@annatexas.gov>, Nate Pike <npike@annatexas.gov>

Cc: giftgarden@suddenlink.net, jim.luscombe@luscombemail.com, luscombeburl@att.net, Martha McDowell <martha.mcdowell@suddenlink.net>, Joseph Johnson <jjohnson@annatexas.gov>

Subject: RE: Ferguson Road alignments

Group

Attached are the Alignments for Ferguson Road that came out of last Tuesdays meeting as the preferred routes. Route C the original Route and and Route D the modified route. Please let me know your thoughts as to the preferred route.

Thanks

Maurice Schwanke

Interim City Manager

3223 N. Powell Pkwy.

Anna Texas 75409

(972) 924-2616

mschwanke@annatexas.gov



45618



Item No. 6.b.

City Council Agenda
Staff Report

Meeting Date: 4/25/2023
Staff Contact: Joey Grisham

AGENDA ITEM:

Review Minutes of the March 8, 2023, Joint Community Development Corporation and Economic Development Corporation Board Meetings. (Director of Economic Development Joey Grisham)

SUMMARY:

Approve

FINANCIAL IMPACT:

This item has no financial impact.

BACKGROUND:

Approve

STRATEGIC CONNECTIONS:

This item has no strategic connection.

ATTACHMENTS:

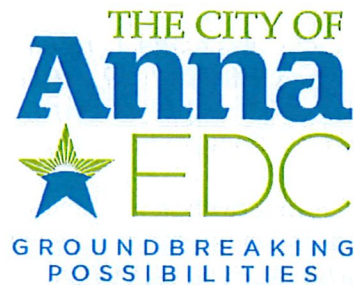
1. March 8 2023 CDC EDC Joint Meeting Minutes_Signed

Officers:

Bruce Norwood, President
Jody Bills, Vice-President
Rocio Gonzalez, Secretary

Staff:

Joey Grisham, Director of Economic Development
Taylor Lough, Assistant Director of Economic Development
Kimberly Garduno, Economic Development Coordinator



Anna Community Development Corporation and Anna Economic Development Corporation Special-Called Meeting Minutes

Thursday, March 8, 2023, at 6:00 pm

Anna Municipal Complex, City Council Conference Room

120 W. 7th Street, Anna, Texas 75409

The Anna Community Development Corporation and the Anna Economic Development Corporation conducted a special-called meeting at 6:00 p.m. on Thursday, March 8, 2023, at the Anna Municipal Complex City Council Conference Room, located at 120 W. 7th Street Anna, Texas 75409.

A video recording of the open session portions of the meeting may be viewed online at the City of Anna's website: <https://www.annatexas.gov/962/AgendasMinutes>

CDC and EDC Board Members Present: Bruce Norwood, Rocio Gonzalez, Kylee Kelley, Jody Bills, and Michelle Hawkins. **CDC and EDC Board Members Absent:** Ronnie Kerr and Gina Maria Ottavio **Others Present:** Taylor Lough (Assistant Director of Economic Development/Assistant City Manager), Kimberly Winarski (Assistant to the City Manager), Kimberly Garduno (Economic Development Coordinator), Lee Miller (Mayor Pro Tem), Pete Cain (Council Member) and Clark McCoy (Attorney).

1. Call to Order. Roll Call and Establishment of Quorum.

The meeting was called to order by Board President Bruce Norwood at 6:00 p.m.

2. Invocation and Pledge of Allegiance.

Invocation and Pledge of Allegiance was led by Jody Bills.

3. Neighbor Comments.

None.

4. Consent Agenda.

- a. Consider/Discuss/Act on approving minutes from the December 19, 2022, Joint Community Development Corporation and Economic Development Corporation Special-Called Meeting. (CDC)
- b. Consider/Discuss/Act on approving minutes from the December 19, 2022, Joint Community Development Corporation and Economic Development Corporation Special-Called Meeting. (EDC)

Officers:

Bruce Norwood, President
Jody Bills, Vice-President
Rocio Gonzalez, Secretary

Staff:

Joey Grisham, Director of Economic Development
Taylor Lough, Assistant Director of Economic Development
Kimberly Garduno, Economic Development Coordinator

Rocio Gonzalez made a motion on behalf of the CDC and EDC to approve the minutes from the December 19, 2022, Joint Community Development Corporation and Economic Development Corporation Special-Called Meeting. Kylee Kelley seconded the motion. All were in favor. Motion passed.

5. Individual Consideration

a. Consider/Discuss/Action on electing a Vice-President CDC. (CDC)

Michelle Hawkins made a motion on behalf of the CDC and EDC Board to elect Jody Bills Vice-President of the EDC and CDC Board of Directors. Kylee Kelley seconded the motion. All were in favor. Motion passed.

b. Consider/Discuss/Action on electing a Vice-President EDC. (EDC)

Michelle Hawkins made a motion on behalf of the CDC and EDC Board to elect Jody Bills Vice-President of the EDC and CDC Board of Directors. Kylee Kelley seconded the motion. All were in favor. Motion passed.

c. Receive a presentation from Assistant to the City Manager Kimberly Winarski regarding the recent Community Survey.

Kimberly Winarski provided a presentation and overview of the National Community Survey Results for the City of Anna. Polco Consultants finalized the survey in December 2022 and presented the survey to City Council in January 2023. The NCS survey allows municipalities and counties to assess resident opinions in 10 focus areas of community livability. Kimberly stated Anna residents identified two areas of high importance in the survey, Public Safety and Economic Health. The Report is available on the website.

d. Receive an update on the Municipal Complex Plaza and potential CDC participation.

Taylor Lough discussed the previous Plaza presentation by Project Advocates and presented the cost summary plan to the board. Taylor presented several options within the proposed summary that could be eliminated or phased in over time depending on the Board's funding preference. The Board made the decision to table item and discuss further in closed session.

e. Consider/Discuss/Action on selecting finalist and determining next steps for the 4th Street Mural Panel Project. (EDC)

Taylor Lough provided a presentation on the 4th street mural project which includes a grant to fund landscaping and mural concept for the 101 S. Powell Parkway building. Two artists responded to the public art Request for Qualifications. After reviewing both concept designs, Taylor requested feedback and recommendations from the Board on the preferred artist and mural concept to proceed with.

Jody Bills made a motion on behalf of the Economic Development Corporation to select a finalist and determining next steps for the 4th Street Mural Panel Project and awarding

Officers:

Bruce Norwood, President
Jody Bills, Vice-President
Rocio Gonzalez, Secretary

Staff:

Joey Grisham, Director of Economic Development
Taylor Lough, Assistant Director of Economic Development
Kimberly Garduno, Economic Development Coordinator

Exhibit A (Andrea Holmes). Michelle Hawkins seconded the motion. All were in favor. Motion passed.

- f. **Consider/Discuss/Act on a Resolution amending the FY 2022-2023 Budget by carrying forward unexpended promotional funds in the amount of \$39,511. (CDC)**

Taylor Lough explained the department marketing plan changes last year resulted in unexpended promotional funds. Funds carried forward will be reflected in the Fiscal Year 2023 CDC Budget.

Bruce Norwood made a motion on behalf of the CDC to approve a resolution approving an amendment to the FY 23 CDC Budget by carrying forward unexpended promotional funds in the amount of \$39,511. Rocio Gonzalez seconded the motion. All were in favor. Motion passed.

- g. **Consider/Discuss/Act on a Resolution amending the FY 2022-2023 Budget by carrying forward unexpended promotional funds in the amount of \$21,147. (EDC)**

Taylor Lough explained the department marketing plan changes last year resulted in unexpended promotional funds. Funds carried forward will be reflected in the Fiscal Year 2023 CDC Budget.

Kylee Kelley made a motion on behalf of the EDC to approve a resolution approving an amendment to the FY 23 EDC Budget by carrying forward unexpended promotional funds in the amount of \$21,147. Jody Bills seconded the motion. All were in favor. Motion passed

6. Director's Report

a. Strategic Plan Update

December 2022, January 2023 and February 2023 updates were included in the packet. City staff kicked off the Wayfinding and Signage Program with consultant and stakeholder meetings. Economic Development staff and board members attended the 2023 ICSC Red River Conference. An RFQ was issued for the downtown mural project. A Groundbreaking Ceremony was held in February for the Arden Park development and the Assistant Director of Economic Development position has been filled.

b. 2023 Greater Anna Chamber of Commerce Banquet

The Annual Chamber Banquet is scheduled for Saturday, April 8, 2023. The EDC will have two tables for board members, guests, and staff. Board members are encouraged to notify staff if you and a guest plan to attend this event.

c. Sales Tax Update

Sales tax for the month of December was up 12.7%. Last year's sales tax was 25% higher than the previous year.

7. CLOSED SESSION (exceptions):

- a. **Deliberate regarding the purchase, exchange, lease or value of real property.** (Tex. Gov't Code §551.072) possible property acquisition; possible land sale/purchase;
b. **Consult with legal counsel on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional**

Officers:

Bruce Norwood, President
Jody Bills, Vice-President
Rocio Gonzalez, Secretary

Staff:

Joey Grisham, Director of Economic Development
Taylor Lough, Assistant Director of Economic Development
Kimberly Garduno, Economic Development Coordinator

Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code (Tex. Gov't Code §551.071); Grant program; Lease agreement and professional services contract.

c. Discuss or deliberate Economic Development Negotiations:

- (1) To discuss or deliberate regarding commercial or financial information that the Board of Directors has received from a business prospect that the Board of Directors seeks to have locate, stay, or expand in or near the territory of the City of Anna and with which the Board is conducting economic development negotiations; or,
- (2) To deliberate the offer of a financial or other incentive to a business prospect described by subdivision (1). (Tex. Gov't Code §551.087) potential retail and medical projects.

Bruce Norwood made a motion to enter closed session. Jody Bills seconded the motion. All were in favor. Motion passed. CDC Board entered closed session at 6:53 p.m.

8. Reconvene into open session and take any action on closed session items.

Michelle Hawkins made a motion to reconvene into open session. Kylee Kelley seconded the motion. All were in favor. Motion passed. The CDC reconvened into open session at 7:20 p.m.

9. Receive reports from staff or Board Members about items of community interest.

The Annual Chamber Golf Tournament will take place Monday, May 15, 2023, at the Bridges Golf Club in Gunter, Texas. As a reminder the Chamber Banquet will take place on April 8, 2023.

10. Adjourn.

Bruce Norwood made a motion to adjourn the meeting at 7:23 p.m. Jody Bills seconded the motion. All were in favor. Motion passed.

APPROVED:



Bruce Norwood
President of CDC/EDC

ATTESTED:



Apr 11, 2023

Rocio Gonzalez
Secretary of CDC/EDC



Item No. 6.c.

City Council Agenda
Staff Report

Meeting Date: 4/25/2023
Staff Contact: Jeff Freeth

AGENDA ITEM:

Review Minutes for the March 20, 2023 Parks Advisory Board Meeting. (Assistant Director of Neighborhood Services Jeff Freeth)

SUMMARY:

Review Minutes for the March 20, 2023 Parks Advisory Board Meeting.

FINANCIAL IMPACT:

Not applicable

BACKGROUND:

Review Minutes for the March 20, 2023 Parks Advisory Board Meeting.

STRATEGIC CONNECTIONS:

This item supports the City of Anna Strategic Plan, specifically advancing:

Goal 4 High Performing Professional City Objective: Have open and transparent City government that is trusted by the neighbors (3). Value to Neighbors: Opportunities to become involved in the City's governance process (6).

ATTACHMENTS:

1. 3-20-2023 Park Advisory Board Meeting Minutes (signed)



Minutes
Anna Parks Advisory Meeting
Monday, March 20, 6:00 pm
Anna City Hall, 120 W. 7th Street

MINUTES
ANNA PARKS ADVISORY BOARD MEETING
Monday, March 20 @ 6:00 PM

Municipal Complex, Skyview Conference Room
120 W. 7th Street, Anna, TX 75409

The Parks Advisory Board of the City of Anna met at 6:00 PM, on March 20th, 2023, at the Municipal Complex, Skyview Conference Room, located at 120 W. 7th Street, to consider the following items:

1. Call to Order, Roll Call and Establishment of Quorum

Parks Advisory Board Member Eirik Hansen called the meeting to order at 6:02 pm.

Parks Advisory Board Member Jon Schwyzer and Andrew Michrina were absent.

Staff present included Assistant Director of Neighborhood Services Jeff Freeth, Director of Neighborhood Services Marc Marchand, Park Planning and Development manager Dalan Walker, Parks Superintendent Matt Lewis and City Council Members Stan Carver and Pete Cain.

2. Invocation and Pledge of Allegiance

Parks Advisory Board Member Eirik Hansen led the Pledge of Allegiance.

3. Reports

- a. Assistant Director Jeff Freeth reported on Parks Maintenance including spread mulch in playgrounds, refreshed ball fields, clean and repaired restrooms at Baldwin and Slayter Creek, replaced gate latches at Johnson, installed plaque at Sherley Heritage park, repaired and replaced a couple park signs that were damaged in the storms.
- b. Assistant Director of Neighborhood Services Jeff Freeth reported on recreation programs and events including the Senior Potluck event, puppet Pop up recreation event, Opening Day ceremony for Baseball and Softball, preparing for National Train Day and Touch a Truck events.

4. Project Updates

- a. Park Planning and Development manager Dalan Walker provided updates on Parks Capital Projects:
Slayter Creek Park:
Pickleball/basketball courts/tennis courts/parking lot expansion project is going to bid soon.
Practice Field lighting control box is already installed.
Skate park project should start demo this week.
Fitness station project is complete, just waiting on a shade structure.
Restroom project is preparing to trench and install plumbing.
Splash pad project is in need of transformer, sanitary sewer is starting this week.
Henry Clay "Yank" Washington Park Phase 2 improvements are going to bid soon.
Bryant Park will have partial irrigation added.
Natural Springs Park secondary parking lot is going to bid soon.
Johnson Park ballfield lights are complete and lights are on.



Minutes
Anna Parks Advisory Meeting
Monday, March 20, 6:00 pm
Anna City Hall, 120 W. 7th Street

Trail project has started construction documents for a trail segment connecting Pecan Grove and Park Place neighborhoods.

5. Individual Consideration

- a. Discuss, Consider, Act on Parks Advisory Board meeting minutes on February 27, 2023.

MOTION: Parks Advisory Board Member Elden Baker moved to approve the Minutes. Parks Advisory Board Member Donald Henke seconded. Motion carried.

- b. Discuss the following Community Recreation Center project items (Project Advocates): recreation center tour feedback and schedule update for surveys and community input meetings.

Went over schedule and tasks coming up for the project. Discussed what was seen on the tours of facilities. Discussed important features that are desired in the future recreation center. Viewed the survey and were given a copy of it to review and give feedback before it is sent to the public.

6. Adjourn

Parks Advisory Board Member Eirik Hansen adjourned the meeting at 7:47 pm.

ATTEST:

A blue ink signature of Eirik Hansen, written in a cursive style, positioned above a horizontal line.

A blue ink signature of Marc Marchand, written in a cursive style, positioned above a horizontal line.
Marc Marchand, Director of Neighborhood Services



Item No. 6.d.

City Council Agenda
Staff Report

Meeting Date: 4/25/2023
Staff Contact: Terri Doby

AGENDA ITEM:

Review Monthly Financial Report for the Month Ending March 31, 2023. (Budget Manager Terri Doby)

SUMMARY:

The City of Anna's financial policies require the publication of a financial report monthly. This report covers the financial performance for Fiscal Year 2023 through March 31, 2023. Enclosed in the report is an executive dashboard that provides a high level look at major funds along with detailed reporting of sales tax collections.

The financial condition of the City remains strong and the reported funds adhere to fund balance requirements.

FINANCIAL IMPACT:

Information only.

BACKGROUND:

The FY2023 Budget was adopted on September 13, 2022.

STRATEGIC CONNECTIONS:

This item supports the City of Anna Strategic Plan, specifically advancing the strategic outcome area: Excellent.

ATTACHMENTS:

1. FY2023 City Council Monthly Financial Report March

CITY OF ANNA
GENERAL & UTILITY FUNDS DASHBOARD
Through March 31, 2023

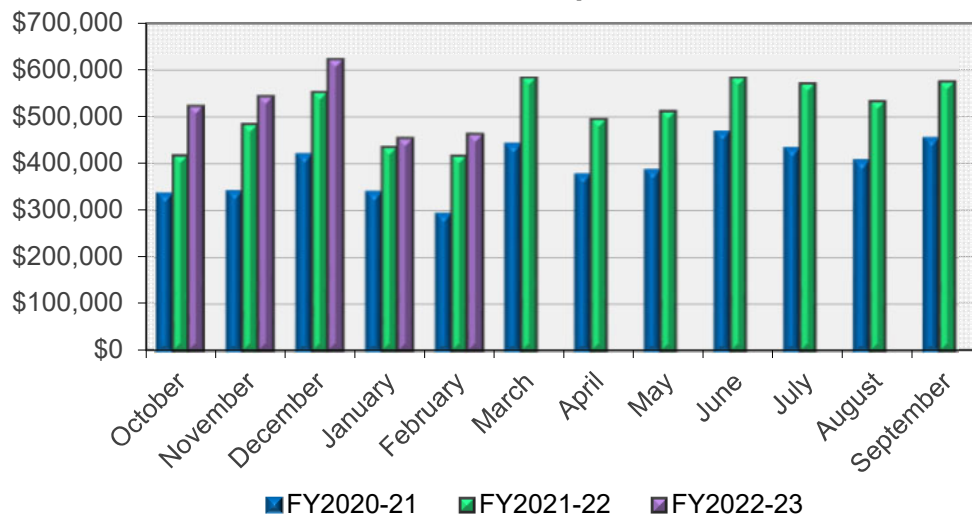
Positive Positive variance compared to historical trends
Warning Negative variance of 3%-5% compared to historical trends
Negative Negative variance of >5% compared to historical trends

	FY2023 Budget	FY2023 YTD	%	Favorable / Unfavorable
REVENUES				
General Fund				
Property Taxes	\$ 9,418,264	\$ 9,643,781	102.4%	Property taxes are collected in January and February.
Sales Tax	4,293,100	1,628,138	37.9%	Remitted from the Comptroller with lag time of 30 - 60 days; Includes five months of remittances.
Franchise and Local Taxes	825,000	-	0.0%	Payments are generally quarterly.
Charges for Services	273,000	378,240	138.5%	
Fines	300,000	156,229	52.1%	
Permits, Licenses and Fees	4,305,000	1,988,739	46.2%	
Investment Income	50,000	62,475	125.0%	
Other Revenues	16,300	83,683	513.4%	
Revenue Total	\$ 19,480,664	\$ 13,941,285	71.6%	With 50.0% of the year expired, revenues recorded are at 71.6% of budget.
EXPENDITURES				
General Fund				
Expense Total	\$ 20,206,379	\$ 8,746,795	43.3%	With 50.0% of the year expired, expenses are 43.3% of budget.
Utility Fund				
REVENUES				
Water Sales	\$ 6,510,000	\$ 3,617,501	55.6%	
Wastewater Charges	5,640,263	2,632,583	46.7%	
Sanitation Revenue	1,760,000	1,122,961	63.8%	
Other Charges for Services	802,000	397,975	49.6%	
Permits, Licenses and Fees	461,000	602,017	130.6%	
Investment Income	20,000	27,882	139.4%	
Other Revenues	7,200	1,092	15.2%	
Utility Fund Total	\$ 15,200,463	\$ 8,402,011	55.3%	With 50.0% of the year expired, revenues recorded in the General Ledger are at 55.3% of budget.
EXPENDITURES				
Administration	\$ 1,801,749	\$ 912,420	50.6%	
Water	5,522,940	3,590,558	65.0%	Includes twice yearly debt service payments; Increases in revenues results in increased expenses
Wastewater	4,772,345	3,609,093	75.6%	Includes twice yearly debt service payments including debt service for wastewater treatment plant
Sanitation	1,760,000	1,024,644	58.2%	Increases in revenues results in increased expenses
Utility Billing	568,445	216,215	38.0%	
Utility Fund Total	\$ 14,425,479	\$ 9,352,930	64.8%	With 50.0% of the year expired, expenses are 55.3% of budget but within historical norms.

CITY OF ANNA
Schedule of Sales Tax Collections
For the month February 28, 2023

	2022-23 Collections Monthly	% Change from Prior Year	2021-22 Collections Monthly
October	\$ 522,386	25.2%	\$ 417,343
November	542,873	12.3%	483,556
December	622,388	12.7%	552,138
January	454,358	4.4%	435,037
February	463,016	11.3%	416,044
March			583,700
April			494,472
May			511,309
June			583,874
July			570,950
August			533,224
September			575,011
	\$ 2,605,021		\$ 6,156,658
Budget:	6,753,000	38.6%	4,300,000

**Monthly Sales Tax Collections:
3 Year Comparison**

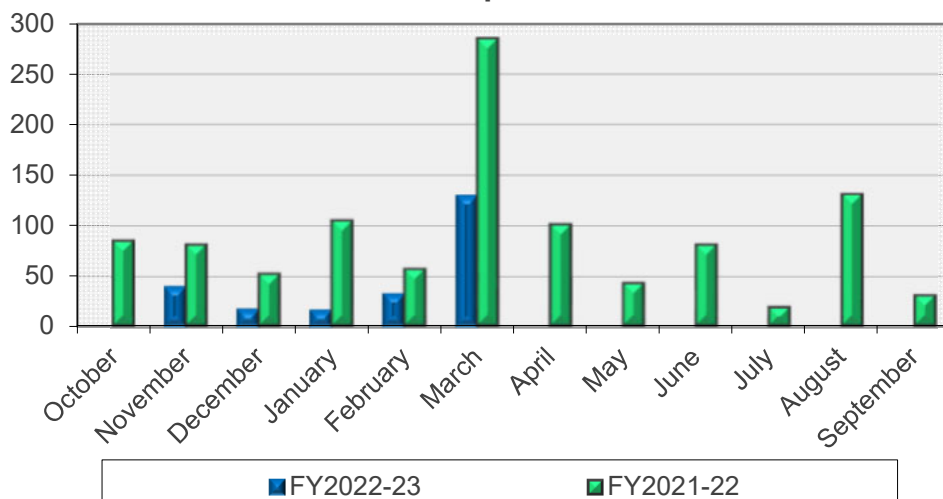


CITY OF ANNA
Building Permits Issued
Thru the month March 31, 2023

	Fiscal Year 2022-23 Monthly	Fiscal Year 2021-22 Monthly
October	1	85
November	39	81
December	17	52
January	16	105
February	32	57
March	129	285
April		101
May		43
June		81
July		19
August		131
September		31
	234	1,071

		% Budget
FY2023 Budget:	1,100	21.3%

**Monthly Building Permits Received:
2 Year Comparison**





Item No. 7.a.

City Council Agenda
Staff Report

Meeting Date: 4/25/2023
Staff Contact: Ross Altobelli

AGENDA ITEM:

Conduct a Public Hearing/Consider/Discuss/Action on an amendment to uphold, amend, supplement, change, modify or repeal a Specific Use Permit granted under Ord. No. 1014-2022 to allow a Metering Station on one lot on 0.6± acre located on the north side of future Rosamond Parkway, 995± feet west of County Road 368. Zoned: Planned Development (Ord. No. 932-2021). (Director of Development Services Ross Altobelli)

SUMMARY:

At their March 14, 2023 meeting, City Council voted to call a public hearing to consider an amendment to either uphold, amend, supplement, change, modify or repeal a Specific Use Permit granted under Ord. No. 1014-2022 to allow a Metering Station. Zoned: Planned Development (Ord. No. 932-2021).

The purpose of the metering station is a facility at which natural gas flows are regulated and recorded and/or modified. This location is along an existing Atmos-owned gas line/facilities easement.

FINANCIAL IMPACT:

This item has no financial impact.

BACKGROUND:

At the April 3, 2023 Planning and Zoning Commission meeting the Commission voted unanimously (6-0) to recommend repeal of the Specific Use Permit.

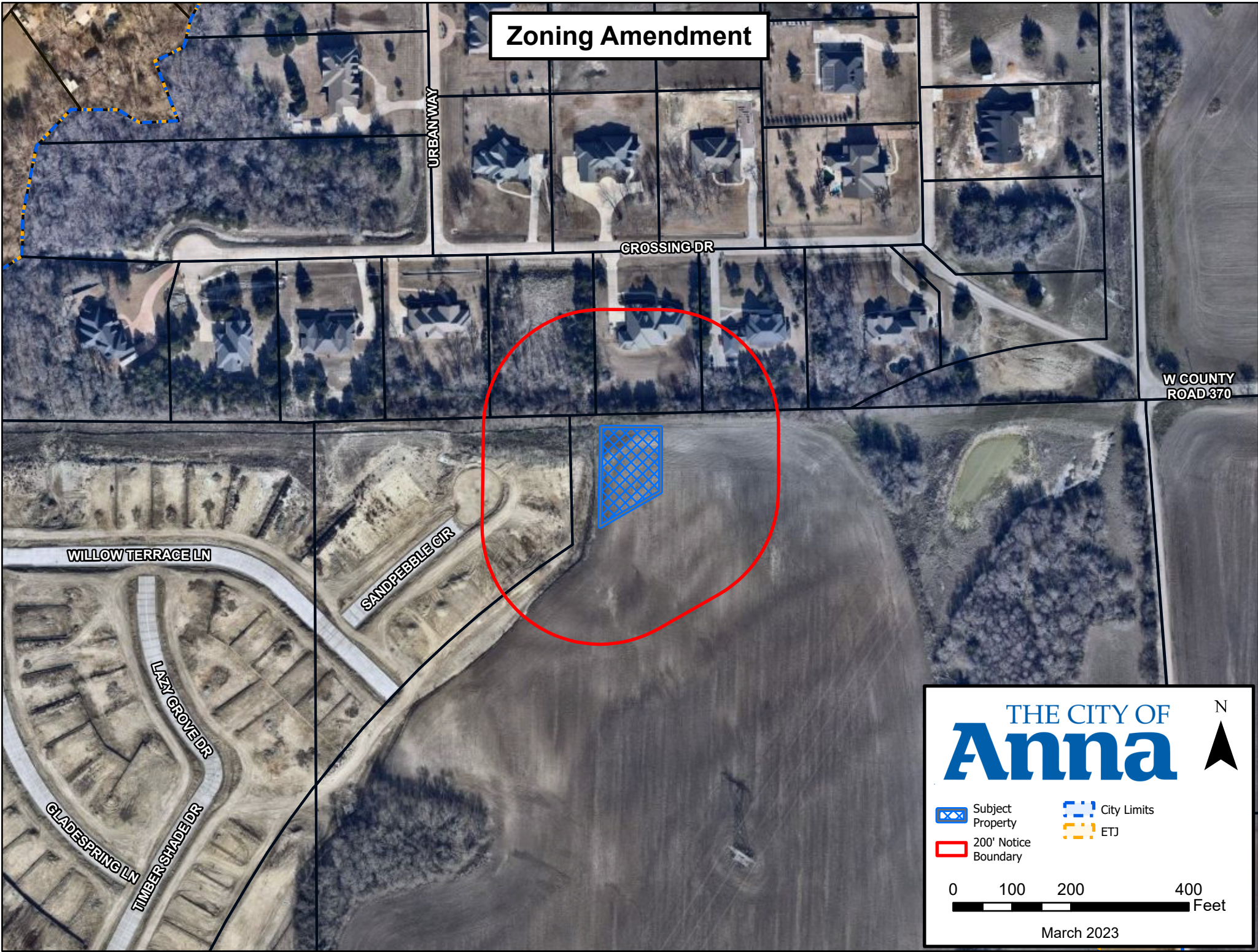
STRATEGIC CONNECTIONS:

This item has no strategic connection.

ATTACHMENTS:

1. Locator Map
2. PZ - STAFF REPORT (Zoning) - Zoning Amendment
3. Ord 1014-2022 Gas Metering Station Specific Use Permit (SUP) (3) (1)

Zoning Amendment



CITY OF ANNA
PLANNING & ZONING COMMISSION

April 3, 2023

Public Hearing: Review Specific Use Permit for Gas Metering Station

Applicant: City of Anna

DESCRIPTION:

Conduct a Public Hearing/Consider/Discuss/Action on an amendment to uphold, amend, supplement, change, modify or repeal a Specific Use Permit granted under Ord. No. 1014-2022 to allow a Metering Station on one lot on 0.6± acre located on the north side of future Rosamond Parkway, 995± feet west of County Road 368. Zoned: Planned Development (Ord. No. 932-2021).

HISTORY:

The specific use permit request and accompanying site plan were submitted to Development Services September 7, 2022. The Planning and Zoning Commission held a public hearing for the specific use permit at their October 3, 2022 meeting. After questioning the applicant's representative, the Commission tabled the item to give the applicant more time to provide information. The Commission held a second public hearing at their November 7, 2022 meeting and voted 6-0 to deny the request and take no action on the site plan. Factors discussed during the public hearing include the proximity to the existing single-family residential neighborhood (Urban Crossing), impact of noise to the adjacent residential homes, and stating the location of the land use would be better situated in less populated areas.

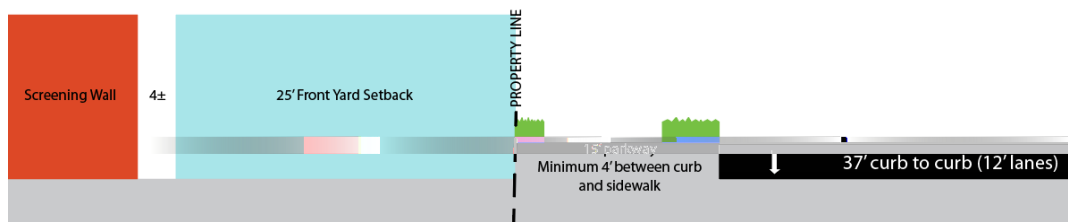
City Council opened the public hearing at their October 11, 2022 meeting and tabled the item to the November 8, 2022 meeting to receive the Planning & Zoning Commission's recommendation. After the public hearing was held, City Council voted 6-0 to approve both the specific use permit and site plan.

REMARKS:

At their March 14, 2023 meeting, City Council voted to call a public hearing to consider an amendment to either uphold, amend, supplement, change, modify or repeal a Specific Use Permit granted under Ord. No. 1014-2022 which allow a Metering Station.

The purpose of the metering station is a facility at which natural gas flows are regulated and recorded and/or modified. This location is along an existing 50' wide Atmos-owned gas line/facilities easement.

The metering station is currently proposed on a common area lot within the Villages of Hurricane Creek – North. The city’s Zoning Ordinance requires mechanical equipment in nonresidential uses to be screened from rights-of-way and from adjacent residential properties. The approved site plan for the metering station illustrated a eight-foot max. high brick masonry screening wall set back 44± feet from the W. Rosamond Parkway pavement and surround the gas metering station facility. Additionally, per the city’s Landscape Regulations, the common area lot is required to have one tree per 40 linear feet along W Rosamond Parkway.



Surrounding Land Use and Zoning

North	Urban Crossing Subdivision zoned SF-E
East	Undeveloped remainder of common area lot. Villages of Hurricane Creek – North, Phase 1 zoned Planned Development (Ord. No. 932-2021)
South	Undeveloped land. Villages of Hurricane Creek – North, Phase 2 zoned Planned Development (Ord. No. 932-2021)
West	Under construction, single-family dwellings, detached. Villages of Hurricane Creek – North, Phase 1 zoned Planned Development (Ord. No. 932-2021)

Specific Use Permit

The Zoning Ordinance designates certain uses as requiring a SUP to allow the Planning & Zoning Commission and City Council to review requests on a case-by-case basis as to its probable effect on the adjacent property and the community welfare. The request may be approved, approved with conditions, or denied as the findings indicate appropriate with regard to the health, safety and welfare of the general public.

ISSUES:

Questions have been raised about the safety of a gas metering station based on the location and the storage and injection of chemicals.

As part of an SUP, the Commission may want to consider recommending stipulations to;

- a. Increase the safety of the location along a major road such as requiring an enhanced wall or bollards within the lease area.

- b. Enhance safety through prohibiting the storage of mercaptan at this site.

RECOMMENDATION:

The Planning & Zoning Commission shall provide City Council a recommendation to:

1. Uphold the SUP as adopted by Ord. No. 1014-2022
2. Supplement, change, or modify the SUP
3. Repeal Ord. No. 1014-2022

CITY OF ANNA, TEXAS
(Villages of Hurricane Creek, North, Block N, Lot 1X)

ORDINANCE NO. 1014 - 2022

AN ORDINANCE OF THE CITY OF ANNA, TEXAS AMENDING THE CITY'S COMPREHENSIVE PLAN, ZONING MAP, AND ZONING ORDINANCE AND APPROVING A SPECIFIC USE PERMIT ON CERTAIN PROPERTY AS DESCRIBED HEREIN; PROVIDING FOR SAVINGS, REPEALING AND SEVERABILITY CLAUSES; PROVIDING FOR AN EFFECTIVE DATE; PROVIDING FOR A PENALTY CLAUSE NOT TO EXCEED \$2,000 OR THE HIGHEST PENALTY AMOUNT ALLOWED BY LAW, WHICHEVER IS LESS; AND, PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.

WHEREAS, the City of Anna, Texas ("City") has previously adopted ordinances, rules and regulations governing the zoning in the City; and

WHEREAS, the City has received a requested specific use permit from MM Anna 325 LLC on Property identified as Aboveground Facilitates Easement as shown on Exhibit A ("Property") attached hereto and incorporated herein for all purposes as if set forth in full; and

WHEREAS, said Property was zoned Planned Development (Ordinance No. 932-2021); and

WHEREAS, the Planning and Zoning Commission of the City and the City Council of the City of Anna ("City Council") have given the requisite notices by publication and otherwise and have held the public hearings as required by law and afforded a full and fair hearing to all property owners and generally to all persons interested in and situated in the affected area and in the vicinity thereof, the City Council has concluded that the Zoning Ordinance of the City should be amended as set forth below.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS THAT:

Section 1. Recitals Incorporated

The above recitals are incorporated herein by reference for all purposes.

Section 2. Zoning Change

The Comprehensive Zoning Ordinance of the City of Anna, Texas, is amended by approving a Specific Use Permit on the tract described in Exhibit A, attached hereto and made an integral part of this ordinance, and approving the Specific Use Permit in the Planned Development zoning district to allow the use of gas metering station as depicted in the Site Plan on the attached Exhibit B.

Section 3. Official Zoning Map

The official Zoning Map of the City shall be corrected to reflect the change in zoning described herein.

Section 4. **Savings, Repealing and Severability Clauses**

It is hereby declared to be the intention of the City Council that the words, sentences, paragraphs, subdivisions, clauses, phrases, and provisions of this ordinance are severable and, if any phrase, sentence, paragraph, subdivision, clause, or provision of this ordinance shall be declared unconstitutional or otherwise invalid or inapplicable by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality, invalidity or inapplicability shall not affect any of the remaining words, sentences, paragraphs, subdivisions, clauses, phrases, or provisions of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional, invalid or inapplicable words, sentences, paragraphs, subdivisions, clauses, phrases, or provisions. Further, all ordinances or parts of ordinances in force when the provisions of this ordinance become effective that are consistent and do not conflict with the terms and provisions of this ordinance are hereby ratified to the extent of such consistency and lack of conflict, and all ordinances or parts of ordinances in force when the provisions of this ordinance become effective that are inconsistent or in conflict with the terms and provisions contained in this ordinance are hereby repealed only to the extent of any such conflict. Notwithstanding any provision of this ordinance or the Anna Code, it is intended that this ordinance fully comply with Chapter 3000 of the Texas Government Code ("Chapter 3000") and this ordinance shall and the City Code shall be interpreted in a manner to comply with Chapter 3000. For the purposes of this ordinance, any provision of the City Code that does not comply with Chapter 3000 shall be deemed to have been excluded and not a part of this ordinance.

Section 5. **Penalty**

Any violation of any of the terms of this ordinance, whether denominated in this ordinance as unlawful or not, shall be deemed a misdemeanor. Any person convicted of any such violation shall be fined in an amount not to exceed \$2,000 for each incidence of violation. Each day a violation exists is considered a separate offense and will be punished separately.

Section 6. **Publication of the Caption and Effective Date**

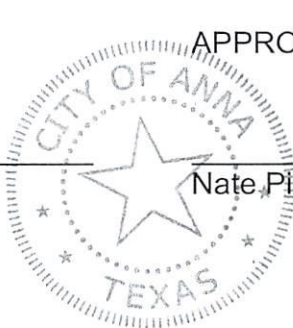
This ordinance shall be effective upon its passage by the City Council, approval by the Mayor, and posting and/or publication, if required by law, of its caption. The City Secretary is hereby authorized and directed to implement such posting and/or publication.

PASSED by the City Council of the City of Anna, Texas this 8th day of November 2022.

ATTESTED:

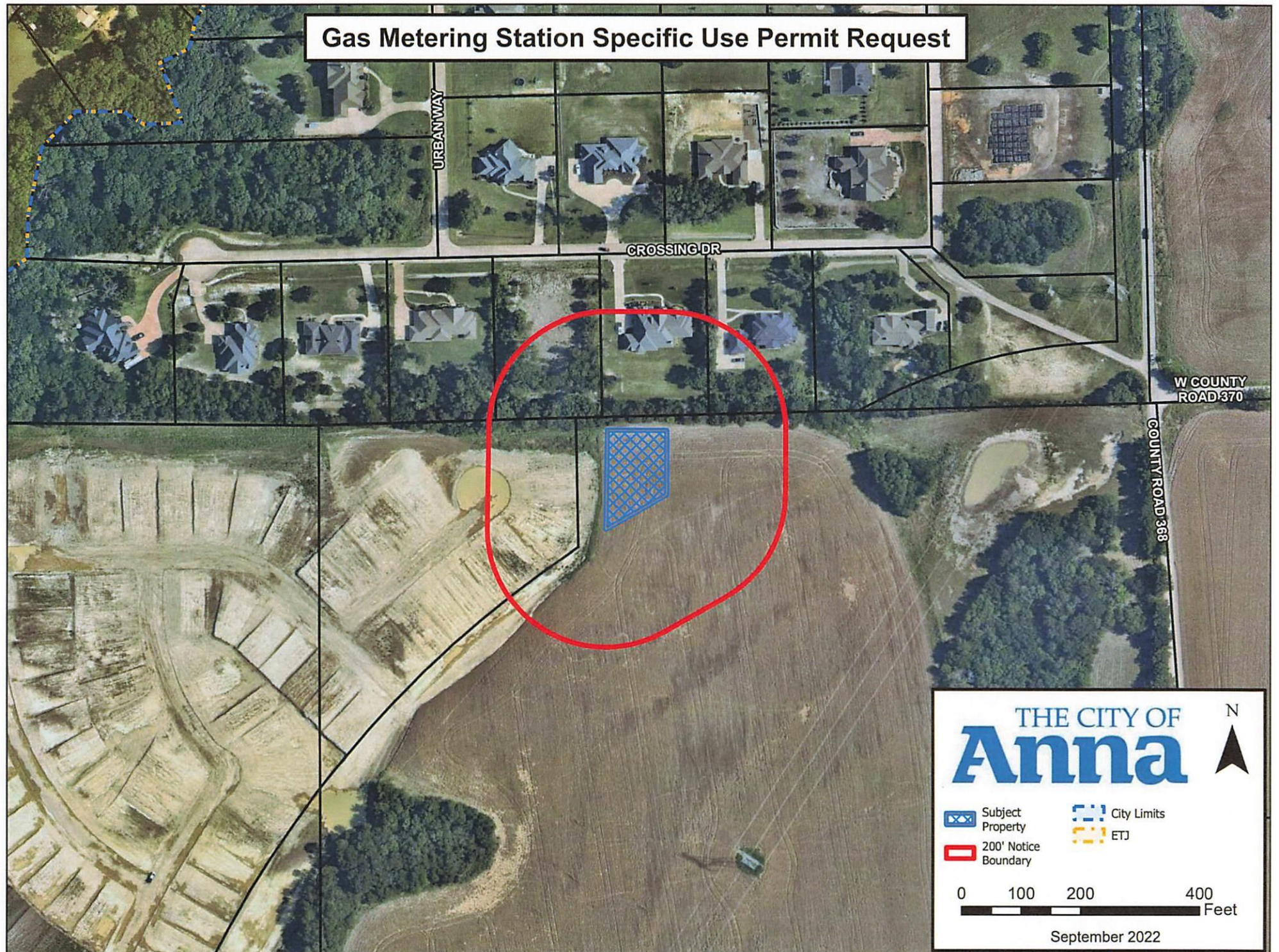
APPROVED:


Carrie L. Land, City Secretary




Nate Pike, Mayor

Gas Metering Station Specific Use Permit Request



NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY DOCUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**Line: NT201
R/W#: NT201 179-1
Collin County
Jack McFarland 02/08/2022**

**PIPELINE AND ABOVEGROUND FACILITIES EASEMENT
(WITH ACCESS EASEMENT)**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF COLLIN §

That for and in consideration of the sum of TEN DOLLARS (\$10.00), and other good and valuable consideration paid by Atmos Energy Corporation, a Texas and Virginia corporation with its principal office at 5420 LBJ Freeway, Suite 1800, Dallas, Texas 75240, together with its successors and assigns (said entity and its successors and assigns are herein collectively called "Grantee"), the receipt of which is hereby acknowledged, the undersigned (herein called "Grantor" whether one or more), hereby grants, sells and conveys unto Grantee, a free and unobstructed right of way and exclusive easement for the purpose of:

Pipeline Easement

- (i) laying, constructing, operating, maintaining, inspecting, repairing, replacing, changing the size of, relocating and changing the route or routes of, abandoning in place and removing at will, in whole or in part, a pipeline, which shall not exceed twelve inches (12") in nominal diameter excluding any protective coating or wrapping at the time of initial installation (with the right to increase or decrease the diameter during any subsequent replacement), and up to two (2) additional pipelines which shall not exceed forty-two inches (42") in nominal diameter each, excluding any protective coating or wrapping, following the installation of the initial pipeline (collectively, the "Pipelines"), and the appurtenances thereto, for the transportation of oil, natural gas (including renewable/biogas), carbon dioxide, synthetic liquid or gaseous fuels, and any refined or blended products of the same (including the constituent elements thereof), together with water, cleansers, and other products necessary for the testing, inspection, maintenance, and operation of the pipeline(s), and with such above or below ground drips, valves, fittings, taps, saddles, meters, pressure relief facilities, communication devices, odorization equipment, aerial and pipeline markers, electrical service, anodes, rectifier poles, and other devices for the control of pipeline corrosion, and bull guards or similar

physical protection, as may be necessary or desirable in the operation of said lines, over, across, under and upon the area described as "Pipeline Easement" on Exhibit "A" attached hereto and made a part hereof (collectively, the "Pipeline Easement Area") All Pipelines within the Pipeline Easement Area shall be initially installed at a minimum depth of thirty-two inches (32"); and

Aboveground Facilities Easement

- (ii) laying, constructing, operating, maintaining, inspecting, repairing, replacing, changing the size of, relocating and changing the route or routes of, abandoning in place and removing at will, in whole or in part, aboveground and underground Pipelines, and the appurtenances thereto, for the transportation of oil, natural gas (including renewable/biogas), carbon dioxide, synthetic liquid or gaseous fuels, and any refined or blended products of the same (including the constituent elements thereof), together with water, cleansers, and other products necessary for the testing, inspection, maintenance, and operation of the pipeline(s), and with such above or below ground Facilities Piping (defined below), drips, valves, fittings, metering facilities, taps, saddles, pressure relief facilities, pigging facilities, pressure regulating facilities, electrical service, anodes, rectifier poles, and other devices for the control of corrosion, communication facilities, odorization equipment, barricades and fencing, the right to construct and install gravel, asphalt or concrete upon the surface of the Facilities Easement Area (as defined herein), aerial and pipeline markers, and other appurtenance as may be necessary or desirable in the operation of said facilities (collectively, the "Aboveground Facilities"), over, across, under and upon the lands more particularly described on, and depicted as the "Surface Site" in Exhibit "A" attached hereto and made a part hereof for all purposes (the "Facilities Easement Area"). "Facilities Piping" refers to additional segments of above or below ground piping which may be required for the safe and/or convenient operation of said Facilities within the Facilities Easement Area and to effectuate the purposes permitted herein. All pipes and/or Pipelines (including the Facilities Piping) may be initially installed at any depth or above-ground.; and

Access Easement

- (iii) vehicular and pedestrian ingress to and egress from the Facilities Easement Area along and upon the land more particularly described as the "Access Easement" on Exhibit "A" attached hereto and made a part hereof (the "Access Easement Area").

Grantee's Aboveground Facilities, Pipelines and any improvements to the Access Easement Area are collectively referred to as Grantee's "Easement Facilities." The areas comprising the Pipeline Easement Area, Facilities Easement Area, and the Access Easement Area are collectively referred to as the "Easement Area."

Grantor grants Grantee the right to temporarily use temporary workspace as described in Exhibit "A" (the "Temporary Workspace") for the sole purpose of carrying out the initial construction of the Easement Facilities, which rights shall include, but not be limited to, boring

activities, clearing, leveling, temporary storage, and staging equipment and materials. Grantee's right to utilize this Temporary Workspace will terminate and cease on earlier to occur of: (i) the date on which initial construction of the Easement Facilities has been completed and the same are placed into service; or (ii) one and one-half (1.5) years from the effective date of this instrument as shown below.

It is further agreed as follows:

1. Grantee shall have the right to select the location of said Easement Facilities within their respective portions of the Easement Area (e.g., the Aboveground Facilities within the Facilities Easement Area), and to do whatever may be requisite for the use and enjoyment of the rights herein granted, including the right of ingress and egress over Grantor's adjacent or additional lands to or from said Easement Area in the event Grantee cannot reasonably access the Easement Area by staying within the boundaries of the Access Easement Area, but in no event shall Grantee enter Grantor's adjacent or additional lands if access to the Easement Area is reasonably available over, though, or across a dedicated public right-of-way, and if no such access over a public right-of-way exists, then without the prior written consent of Grantor, which consent may not be unreasonably withheld.
2. Grantor shall have no access rights on, under, or over the Facilities Easement Area. Further, Grantor shall not obstruct Grantee's use of the Access Easement Area.
3. The aforesaid consideration includes any and all damages that may be sustained by the construction and installation of the Easement Facilities and appurtenance permitted under this Pipeline and Aboveground Facilities Easement, as well as damages arising from the repair, maintenance, inspection, replacement, operation, or removal of the Easement Facilities to be installed under the instrument, including without limitation, cutting trees and damages to land, trees, buildings, growing crops and grasses. Grantee shall repair or replace any damage caused to gates and fences by Grantee's removal, cutting, or use thereof. Grantee agrees that after it completes the original installation of the Easement Facilities permitted under this Pipeline and Aboveground Facilities Easement, it will restore the original contour of the surface of the Pipeline Easement Area and Temporary Workspace and any remaining property used for construction that is not part of the Easement Area, as nearly as practicable, to its pre-construction condition within a reasonable period of time reflective of and dependent upon the construction and property's characteristics, including but not limited to seasonal growing periods and weather patterns, but in no event longer than six (6) months after the completion of construction.
4. Grantee will also maintain the Easement Area in a manner consistent with the purposes stated herein. Grantee will install, erect and construct, at its sole cost and expense, a six (6) foot wall surrounding the perimeter of the Facilities Easement Area; provided, further, Grantee shall have the right to remove, cut, and use any gates or fences crossing the Easement Area. Grantor shall have the right to install and maintain fences provided that such use does not interfere with Grantee's permitted use of the Easement Area, the Easement Facilities, or the Temporary Workspace and Grantee shall at all times have access through any such fence by means of a gate.

5. Grantor shall not construct, and Grantee shall have the right to prevent and/or remove, any improvements, structures, buildings, reservoirs, or obstructions within the Easement Area (and the Temporary Workspace while in effect). Further, Grantee has the right to trim, cut down, or eliminate trees or shrubbery, and to prevent or remove possible present or future hazards and/or activities, any of which, in the sole judgment of the Grantee may presently or in the future endanger or interfere with the efficient, safe, and/or convenient exercise of Grantee's rights hereunder within the Easement Area (and the Temporary Workspace while in effect). Further, in addition to the rights stated herein, Grantor specifically acknowledges and agrees that pursuant to this paragraph Grantee has the right to remove any type of tree, including pecan, olive, or other crop-bearing tree, from, and to prevent any future encumbrance over, said Easement Area (and the Temporary Workspace while in effect) by any tree or any other crop interfering with the construction, maintenance, and/or operation of the pipelines permitted under this Pipeline and Aboveground Facilities Easement without any compensation whatsoever to Grantor or its successors and assigns, which rights are included in the aforesaid consideration. .
6. With respect to the Pipeline Easement Area only, Grantee intends to employ a "double ditch" method where practical and permitted during installation of each Pipeline where other installation methods such as boring or horizontal directional drilling are not employed. Such double ditch method shall involve the removal and storage of the top soil (to a depth determined by Grantee) and separation of same from the sub-soil so as to return the soil to as near as reasonably practicable its pre-installation condition after the excavation. It is acknowledged that the decision to use a bore-method or horizontal-drilling method will be in Grantee's sole discretion.
7. If a complete assignment of this Pipeline and Aboveground Facilities Easement occurs outside of an assignment to an affiliate or to a successor thorough merger, consolidation, or other sale or transfer of all or substantially all of its assets and businesses, Grantee shall provide written notice to the property owner at the last known address of the person in whose name the property is listed on the most recent tax roll of any taxing unit authorized to levy property taxes against the property. Provided however that such notice shall not have any effect on the validity or legal effect on the assignment.
8. Grantee shall only grant third-party access to the Easement Area for: (a) a purpose that is related to the construction, safety, repair, maintenance, inspection, replacement, operation, or removal of each pipeline or appurtenances installed under this Pipeline and Aboveground Facilities Easement, or (b) another natural gas corporation or natural gas utility as defined by Texas law.
9. If Grantee should abandon the rights granted herein and if such abandonment should continue for a continuous period of ten years, all rights of Grantee herein shall ipso facto terminate and revert to Grantor, his heirs, legal representatives, and assigns.
10. Grantor and Grantee agree that the failure to assert any right under this Pipeline and Aboveground Facilities Easement shall not constitute a waiver of any other right hereunder. Further, it is hereby agreed that any delay by Grantee in asserting any right granted in this Pipeline and Aboveground Facilities Easement, regardless of the length of any such delay,

shall not prevent Grantee from later asserting or otherwise enforcing that same right, including but not limited to the right to prevent or remove any encroachments within the Easement Area as provided in paragraph 4 above.

11. This Pipeline and Aboveground Facilities Easement shall not be construed as a written agreement between Grantor and Grantee for purposes of Section 756.123 of the Texas Health and Safety Code (or any successor statute). Further, as used within this easement agreement, the word "structure" is intended to be interpreted broadly so as to include all manner of man-made items of any type, including but not limited to paving, parking lots, and terracing.
12. Except for the rights conveyed by this instrument, Grantee may not exercise any right over Grantor's property without express written consent from Grantor. However, the preceding sentence is not intended to and does not alter, modify, restrict, amend, or otherwise diminish any right Grantee has to use Grantor's property independent of this agreement, whether through a separate agreement, by law, or otherwise.
13. Both Grantor and Grantee hereby represent and warrant that they have read and have fully understood the terms of this Pipeline and Aboveground Facilities Easement, that they have had the opportunity to have same reviewed by an attorney, and that in entering into this Pipeline and Aboveground Facilities Easement they are relying solely upon their independent review and the advice of their respective counsel. Further, Grantor and Grantee acknowledge that this Pipeline and Aboveground Facilities Easement has been negotiated by the parties, and this Pipeline and Aboveground Facilities Easement shall be construed as one prepared by the joint efforts of Grantor and Grantee and shall not be construed against either party as the drafter.

TO HAVE AND TO HOLD the above-described easements and rights unto the said Grantee, and Grantee's successors and assigns, until abandoned as provided for herein.

This instrument and covenants and agreements herein contained shall constitute covenants running with the land, binding upon Grantor, his heirs, legal representatives, successors and assigns, for the benefit of Grantee, and Grantee's successors and assigns.

Grantor hereby binds himself, his heirs, legal representatives and assigns to warrant and forever defend all and singular the above-described easements and rights, unto the said Grantee, and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

It is hereby understood that the party securing this grant on behalf of Grantee is without authority to make any covenant or agreement not herein expressed.

<Signature page to follow>

EXECUTED this 23rd day of May, 2022.

GRANTOR:

**MM Anna 325, LLC,
a Texas limited liability company**

**By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager**

**By: 2M Ventures, LLC, a Delaware
limited liability company
Its Manager**

**By: Mehrdad Moayed
Name: Mehrdad Moayed
Title: Manager**

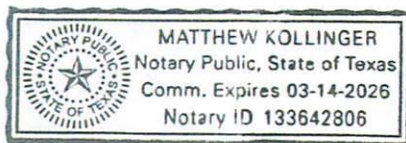
**Address: 1800 Valley View Lane, Suite 300
Farmers Branch, Texas 75234**

STATE OF TEXAS

COUNTY OF Dallas

BEFORE ME, the undersigned authority, on this day personally appeared Mehrdad Moayed, the Manager of 2M Ventures, LLC a Delaware limited liability company, Manager of MMM Ventures, LLC, a Texas limited liability company, Manager of MM Anna 325, LLC, a Texas limited liability company known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she/they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23 day of May, 2022.



M. Kollinger
Notary Public in and for the State of Texas

Matthew B. Kollinger

EXHIBIT "A"

SURFACE SITE EASEMENT

All that certain 0.315 acre Surface Site Easement in the John Ellet Survey, Abstract No. 296, Collin County, Texas and being in a called 290.877 acre tract of land described in a Special Warranty Deed to MM Anna 325, LLC, recorded in Document Number 20190411000386110 of the Official Public Records of said county, and said 0.315 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rebar with a cap stamped "RPLS 6484" set for the southwest corner of the herein described tract

THENCE North 01°00'20" West, a distance of 167.09 feet to a 1/2 inch iron rebar with a cap stamped "RPLS 6484" set for the northwest corner of the herein described tract, from which a 1/2 inch iron rebar with a red illegible cap found for the most northern northeast corner of said 290.877 acre tract bears North 42°39'47" East, a distance of 2,108.59 feet;

THENCE North 88°54'02" East, a distance of 100.00 feet to a 1/2 inch iron rebar with a cap stamped "RPLS 6484" set for the northeast corner herein described;

THENCE South 01°00'20" East, a distance of 107.61 feet to a 1/2 inch iron rebar with a cap stamped "RPLS 6484" set for the southeast corner herein described, from which a 1/2 inch iron rebar found in County Road 368 bears South 58°30'14" East, a distance of 1,026.37 feet;

THENCE South 58°12'04" West, a distance of 103.61 feet to a 1/2 inch iron rebar with a cap stamped "RPLS 6484" set at the beginning of a curve to the left, with a radius of 1,874.72 feet and a chord which bears South 58°00'18" West, a distance of 12.83 feet;

THENCE along said curve to the left, with a central angle of 00°23'32" and an arc distance of 12.83 feet to the **POINT OF BEGINNING** and containing 0.315 acres or 13,732 square feet of land.

Bearings and distances are based on the U.S. State Plane North American Datum of 1983 (NAD83), Texas North Central Zone (4202).

STATE OF TEXAS
COUNTY OF COLLIN

I hereby certify that this survey substantially complies with the current Texas Society of Professional Surveyors Manual of Practice Requirements for a Category 1B, Condition 3, TSPS Standard Land Survey and was conducted on the ground in December of 2021 and is true and correct to the best of my knowledge.

Original signed and stamped in green ink.

Anthony Ray Crowley February 18, 2022
ANTHONY RAY CROWLEY R.P.L.S. NO. 6484 DATE



NOTE:

Bearings, coordinates and distances are based on U.S. State Plane NAD 1983 Coordinates, Texas North Central Zone (4202).

This survey was prepared without the benefit of a title commitment. There may be easements of record that are not shown.

PROJECT: NT-201 - HURRICANE CREEK
PROJECT AFE: 180.49297
TRACT NO.:
LOCATION: COLLIN COUNTY, TX
DRAWN BY: LJG
REVISION: CDM, 02-10-2022, 02-17-2022
PAGE NO.: 1 OF 5

DESCRIPTION OF A 0.315 ACRE SURFACE
SITE EASEMENT IN THE JOHN ELLET SURVEY,
ABSTRACT NO. 296, COLLIN COUNTY, TEXAS

CROWLEY SURVEYING
FRN:10046500
4251 FM 2181, #230-484
CORINTH, TX. 76210
(469) 850-CPLS(2757)
acrowley@crowleysurveying.com



EXHIBIT "A"

VARIABLE WIDTH ACCESS EASEMENT

All that certain 0.012 acre Access Easement in the John Ellet Survey, Abstract No. 296, Collin County, Texas and being in a called 290.877 acre tract of land described in a Special Warranty Deed to MM Anna 325, LLC, recorded in Document Number 20190411000386110 of the Official Public Records of said county, and said 0.012 acre Access Easement being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rebar with a cap stamped "RPLS 6484" set for the northwest corner of the herein described easement and the beginning of a curve to the right, with a radius of 1,874.72 feet and a chord which bears North 58°00'18" East, a distance of 12.83 feet;

THENCE along said curve to the right, though a central angle of 00°23'32" and an arc length of 12.83 feet to a 1/2 inch iron rebar with a cap stamped "RPLS 6484" set at the point of tangency;

THENCE North 58°12'04" East, a distance of 22.12 feet to the northeast corner herein described;

THENCE South 01°00'20" East, a distance of 11.64 feet to an exterior corner herein described;

THENCE South 62°29'00" East, a distance of 5.81 feet to a point in the north right-of-way line of the future Rosamond Parkway (a 120 foot wide right-of-way) for the southeast corner herein described;

THENCE South 58°12'04" West, with said right-of-way line, a distance of 19.13 feet to a south exterior corner herein described; and the beginning of a curve to the right, with a radius of 1,859.72 feet and a chord which bears South 57°51'54" West, a distance of 21.82 feet;

THENCE along said curve to the right, and with the said north right-of-way line, though a central angle of 00°40'20" and an arc length of 21.82 feet to the point of tangency at the southwest corner herein described;

THENCE North 00°00'20" West, departing said north right-of-way line, a distance of 17.56 feet to the **POINT OF BEGINNING** and containing 0.012 acres or 539 square feet of land.

Bearings and distances are based on the U.S. State Plane North American Datum of 1983 (NAD83), Texas North Central Zone (4202).

STATE OF TEXAS
COUNTY OF COLLIN

I hereby certify that this survey substantially complies with the current Texas Society of Professional Surveyors Manual of Practice Requirements for a Category 1B, Condition 3, TSPS Standard Land Survey and was conducted on the ground in December of 2021 and is true and correct to the best of my knowledge.

Original signed and stamped in green ink.

Anthony Ray Crowley February 18, 2022
ANTHONY RAY CROWLEY R.P.L.S. NO. 6484 DATE



NOTE:

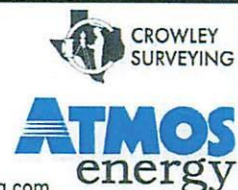
Bearings, coordinates and distances are based on U.S. State Plane NAD 1983 Coordinates, Texas North Central Zone (4202).

This survey was prepared without the benefit of a title commitment. There may be easements of record that are not shown.

PROJECT: NT-201 - HURRICANE CREEK
PROJECT AFE: 180.49297
TRACT NO.:
LOCATION: COLLIN COUNTY, TX
DRAWN BY: LJG
REVISION: CDM, 02-10-2022, 02-18-2022
PAGE NO.: 2 OF 5

DESCRIPTION OF A VARIABLE WIDTH
ACCESS EASEMENT IN THE JOHN ELLET
SURVEY, ABSTRACT NO. 296, COLLIN COUNTY,
TEXAS

CROWLEY SURVEYING
FRN:10046500
4251 FM 2181, #230-484
CORINTH, TX. 76210
(469) 850-CPLS(2757)
acrowley@crowleysurveying.com



AcPublish 2059620220103-VILLAGES OF HURRICANE CREEK-ANNA.DWG

EXHIBIT "A"

PIPELINE EASEMENT

All that certain 0.008 acre Pipeline Easement in the John Ellet Survey, Abstract No. 296, Collin County, Texas and being in a called 290.877 acre tract of land described in a Special Warranty Deed to MM Anna 325, LLC, recorded in Document Number 20190411000386110 of the Official Public Records of said county, and said 0.008 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rebar with a cap stamped "RPLS 6484" set for the northeast corner of the herein described easement;

THENCE South 01°00'20" East, a distance of 17.46 feet to the southeast corner herein described, from which a 1/2 inch iron rebar found in County Road 368 bears South 58°30'14" East, a distance of 1,026.37 feet;

THENCE South 58°12'04" West, a distance of 23.32 feet to the southwest corner herein described;

THENCE North 01°00'20" West, a distance of 17.46 feet to the northwest corner herein described;

THENCE North 58°12'04" East, a distance of 23.32 feet to the **POINT OF BEGINNING** and containing 0.008 acres or 350 square feet of land.

Bearings and distances are based on the U.S. State Plane North American Datum of 1983 (NAD83), Texas North Central Zone (4202).

STATE OF TEXAS
COUNTY OF COLLIN

I hereby certify that this survey substantially complies with the current Texas Society of Professional Surveyors Manual of Practice Requirements for a Category 1B, Condition 3, TSPS Standard Land Survey and was conducted on the ground in December of 2021 and is true and correct to the best of my knowledge.

Original signed and stamped in green ink.

Anthony Ray Crowley February 18, 2022
ANTHONY RAY CROWLEY R.P.L.S. NO. 6484 DATE



NOTE:

Bearings, coordinates and distances are based on U.S. State Plane NAD 1983 Coordinates, Texas North Central Zone (4202).

This survey was prepared without the benefit of a title commitment. There may be easements of record that are not shown.

PROJECT: NT-201 - HURRICANE CREEK
PROJECT AFE: 180.49297
TRACT NO.:
LOCATION: COLLIN COUNTY, TX
DRAWN BY: LJG
REVISION: CDM, 02-10-2022, 02-17-2022
PAGE NO.: 3 OF 5

DESCRIPTION OF A 20' x 5' WIDE PIPELINE
EASEMENT IN THE JOHN ELLET SURVEY,
ABSTRACT NO. 296, COLLIN COUNTY, TEXAS

CROWLEY SURVEYING
FRN:10046500
4251 FM 2181, #230-484
CORINTH, TX. 76210
(469) 850-CPLS(2757)
acrowley@crowleysurveying.com



\\acPublish\20596\2022\103-VILLAGES OF HURRICANE CREEK-ANNA.DWG

TEMPORARY WORKSPACE EASEMENTS

EXHIBIT "A"

TEMPORARY WORKSPACE EASEMENT NO. 1

All that certain 0.115 acre Temporary Workspace Easement in the John Ellet Survey, Abstract No. 296, Collin County, Texas and being in a called 290.877 acre tract of land described in a Special Warranty Deed to MM Anna 325, LLC, recorded in Document Number 20190411000386110 of the Official Public Records of said county, and said 0.115 acre easement being more particularly described by metes and bounds as follows:

BEGINNING at a point in the south line of a 50 foot wide permanent easement to Crosstex North Texas Pipeline, LP, NT-201/180, recorded in Document Number 20061108001699970 of said Official Public Records, for the northeast corner herein described;

THENCE South 01°00'20" East, a distance of 134.65 feet to the southeast corner herein described at the beginning of a curve to the right, with a radius of 1,859.72 feet and a chord which bears South 56°34'31" West, a distance of 40.27 feet;

THENCE along said curve to the right, with a central angle of 01°14'26" and an arc distance of 40.27 feet to a point of non-tangency for the southwest corner herein described;

THENCE North 01°10'22" West, a distance of 155.98 feet to a point for corner in said south line of Crosstex Easement, for the northwest corner herein described

THENCE North 88°54'02" East, with said south line of Crosstex Easement, a distance of 34.57 feet to the **POINT OF BEGINNING** and containing 0.115 acres or 4,990 square feet of land.

TEMPORARY WORKSPACE EASEMENT NO. 2

All that certain 0.110 acre Temporary Workspace Easement in the John Ellet Survey, Abstract No. 296, Collin County, Texas and being in a called 290.877 acre tract of land described in a Special Warranty Deed to MM Anna 325, LLC, recorded in Document Number 20190411000386110 of the Official Public Records of said county, and said 0.110 acre easement being more particularly described by metes and bounds as follows:

BEGINNING at a point in the south line of a 50 foot wide permanent easement to Crosstex North Texas Pipeline, LP, NT-201/180, recorded in Document Number 20061108001699970 of said Official Public Records, for the northwest corner herein described;

THENCE North 88°54'02" East, with said south line of Crosstex Easement, a distance of 105.93 feet to a point for corner;

THENCE North 79°07'22" East, continuing with said south line of Crosstex Easement, a distance of 29.15 feet to the northeast corner herein described;

THENCE South 58°12'04" West, a distance of 156.75 feet to the southwest corner herein described;

THENCE North 01°00'20" West, a distance of 75.08 feet **POINT OF BEGINNING** and containing 0.110 acres or 4,792 square feet of land.

TEMPORARY WORKSPACE EASEMENT NO. 3

All that certain 0.020 acre Temporary Workspace Easement in the John Ellet Survey, Abstract No. 296, Collin County, Texas and being in a called 290.877 acre tract of land described in a Special Warranty Deed to MM Anna 325, LLC, recorded in Document Number 20190411000386110 of the Official Public Records of said county, and said 0.020 acre easement being more particularly described by metes and bounds as follows:

BEGINNING at the northeast corner of said 0.020 acre easement, from which a 1/2 inch iron rebar with a cap stamped "RPLS 6484" set bears North 58°12'04" East, a distance of 23.32 feet;

THENCE South 01°00'20" West, a distance of 17.46 feet to the southeast corner herein described;

THENCE South 58°12'04" West, a distance of 52.22 feet to the southwest corner herein described;

THENCE North 62°29'00" East, a distance of 5.81 feet to a point for corner;

THENCE North 01°00'20" East, a distance of 11.64 feet to the northwest corner herein described;

THENCE North 58°12'04" East, a distance of 58.17 feet to the **POINT OF BEGINNING** and containing 0.020 acres or 858 square feet of land.

Bearings and distances are based on the U.S. State Plane North American Datum of 1983 (NAD83), Texas North Central Zone (4202).

STATE OF TEXAS
COUNTY OF COLLIN

I hereby certify that this survey substantially complies with the current Texas Society of Professional Surveyors Manual of Practice Requirements for a Category 1B, Condition 3, TSPS Standard Land Survey and was conducted on the ground in December of 2021 and is true and correct to the best of my knowledge.

Original signed and stamped in green ink.

Anthony Ray Crowley February 18, 2022
ANTHONY RAY CROWLEY R.P.L.S. NO. 6484 DATE



NOTE:

Bearings, coordinates and distances are based on U.S. State Plane NAD 1983 Coordinates, Texas North Central Zone (4202).

This survey was prepared without the benefit of a title commitment. There may be easements of record that are not shown.

PROJECT: NT-201 - HURRICANE CREEK
PROJECT AFE: 180.49297
TRACT NO.:
LOCATION: COLLIN COUNTY, TX
DRAWN BY: LJG
REVISION: CDM, 02-10-2022, 02-17-2022
PAGE NO.: 4 OF 5

DESCRIPTION OF THREE TEMPORARY
WORKSPACE EASEMENTS IN THE JOHN
ELLET SURVEY, ABSTRACT NO. 296, COLLIN
COUNTY, TEXAS.

CROWLEY SURVEYING
FRN:10046500
4251 FM 2181, #230-484
CORINTH, TX. 76210
(469) 850-CPLS(2757)
acrowley@crowleysurveying.com

 CROWLEY
SURVEYING

 **ATMOS**
energy

\\AcPublish\20596\20220103-VILLAGES OF HURRICANE CREEK-ANNA.DWG



Original signed and stamped in green ink.

February 18, 2022

ANTHONY RAY CROWLEY R.P.L.S. NO. 6484 DATE

PROJECT: NT-201 - HURRICANE CREEK

PROJECT AFE: 180.49297

TRACT NO.:

LOCATION: COLLIN COUNTY, TX

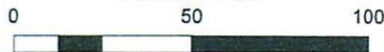
DRAWN BY: LJG

REVISION: CDM, 02-10-2022, 02-18-2022

PAGE NO.: 5 OF 5

PLAT SHOWING A 0.315 ACRE SURFACE
SITE EASEMENT, A VARIABLE WIDTH
ACCESS EASEMENT, A 5X20 PIPELINE
EASEMENT, & TEMPORARY WORKSPACE

SCALE: 1" = 50'



CROWLEY SURVEYING

FRN:10046500

4251 FM 2181, #230-484

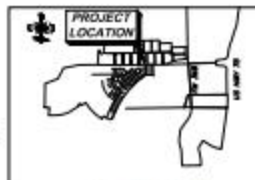
CORINTH, TX. 76210

(469) 850-CPLS(2757)

acrowley@crowleysurveying.com



EXHIBIT A



VICINITY MAP

LEGEND



SITE DATA SUMMARY TABLE

JOINING/PHASES AND	PER/ORD. NO. REG.2011-08
9-SUBMITTAL AREA (S.F. FT. AND AC.	28,201 SUFF. 0.66 AC.
BUILDING AREA (area, square/feet)	
SUBMITTAL PERCENT (number of stories)	
LOT COVERAGE	
FLOOR AREA RATIO (the non-residential zoning)	
TOTAL PARKING REQUIRED (MINIMUM) (F SPACE/100 SQ.FT.)	
TOTAL PARKING PROVIDED	
TOTAL HANDICAP REQUIRED	
TOTAL HANDICAP PROVIDED	

NOTES

1. ALL DIMENSIONS ARE TOPLESS UNLESS NOTED OTHERWISE.
2. ALL SCREENING WILL BE PROVIDED IN ACCORDANCE WITH AIAA REQUIREMENTS.
3. LINESWORK PROVIDED TO K&E BY OTHERS BY ATTN: [redacted]

FLOOD STATEMENT

FL008: 874/201001: Investigative Services (888) 663-6633, effective June 2, 2008 at the Fiscal Incomes Plan May County, Texas. Federal Emergency Management Agency. Federal Incomes Administration. All property is within

TREE NOTE

PHOTOGRAPHY COURTESY OF JAMES HARRIS
THE 2010 FORD FOCUS

APPROVED
NOVEMBER 8, 2022
CITY COUNCIL
CITY OF ANIMA

**SITE PLAN
BEING A PORTION OF TRACT 4
VILLAGES OF HURRICANE
CREEK NORTH
BEING 0.561 ACRES OUT OF THE
JOHN ELLATT SURVEY
ABSTRACT NO. A0296
CITY OF ANNA, COLLIN COUNTY, TEXAS
PREPARED SEPTEMBER 7th. 2022**

ENGINEER/SURVEYOR
KIRLEY HOPKINS ASSOCIATES, INC.
360 EAST CANAL STREET
SUITE 102
MCKINNEY TEXAS 75069
TEL. NO. (469) 361-2857
CONTACT: JOHN TEDESCO

OWNER:
BRIANNA ICE LLC
1800 VALLEY VIEW BLVD SUITE 200
DALLAS, TEXAS 75230

Kimley➤Horn

VILLAGES OF
HURRICANE CREEK

THE LIFE OF
Anna

SITE PLAN

SP-01

Anna P&Z

November 7, 2022

Atmos Energy Measuring Station



Site



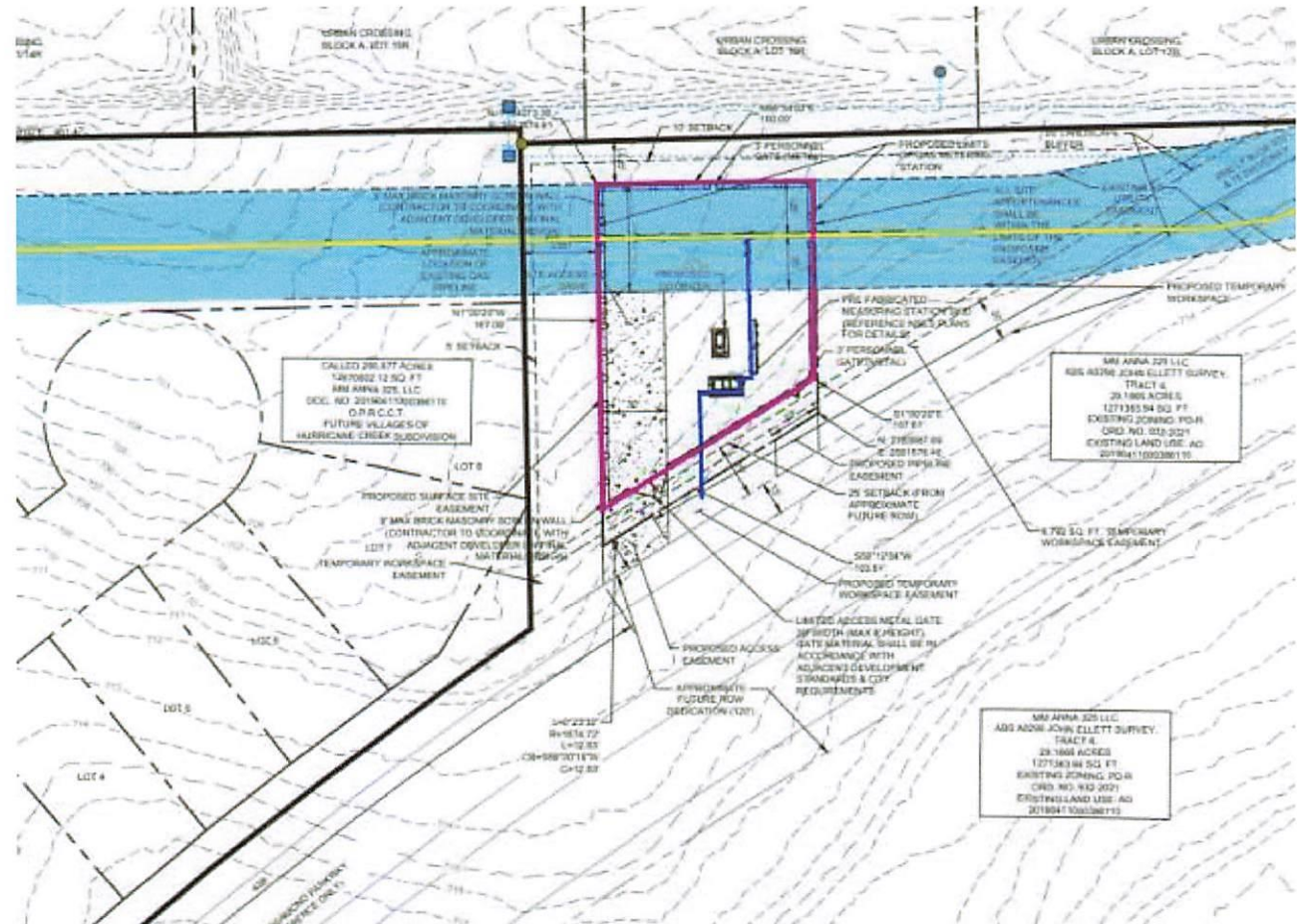
Wall Height

8 feet

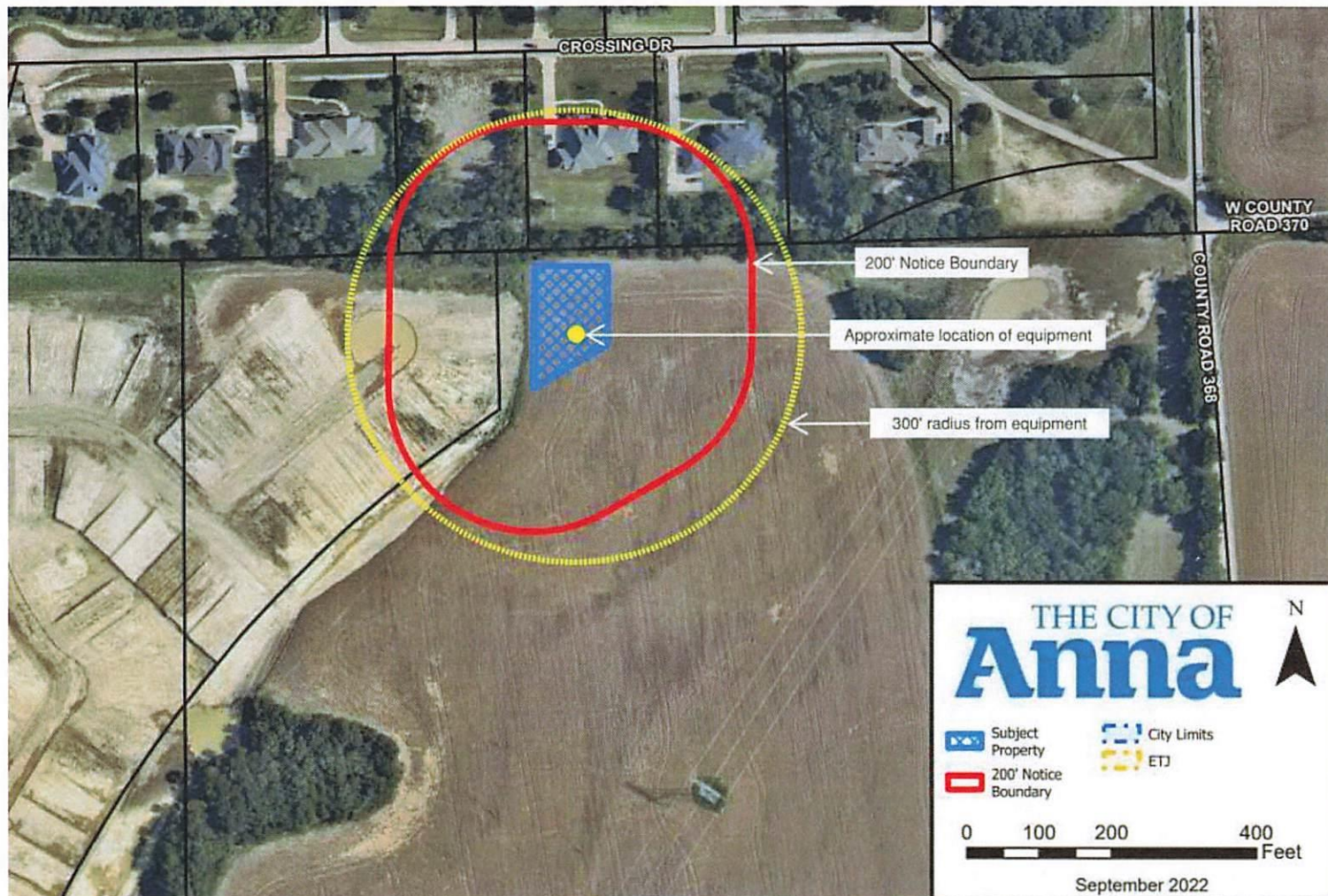
Walls to match Hurricane Creek's neighborhood facade

Footprint

167' x 100' x 107' x 104'



Site



Proposed Anna measuring station site within Hurricane Creek subdivision

Site

Example site:



Similar measuring station located in the Willow Wood subdivision – Telephone Rd and Hwy 5, McKinney, TX

Footprint: 121' x 102'

Site

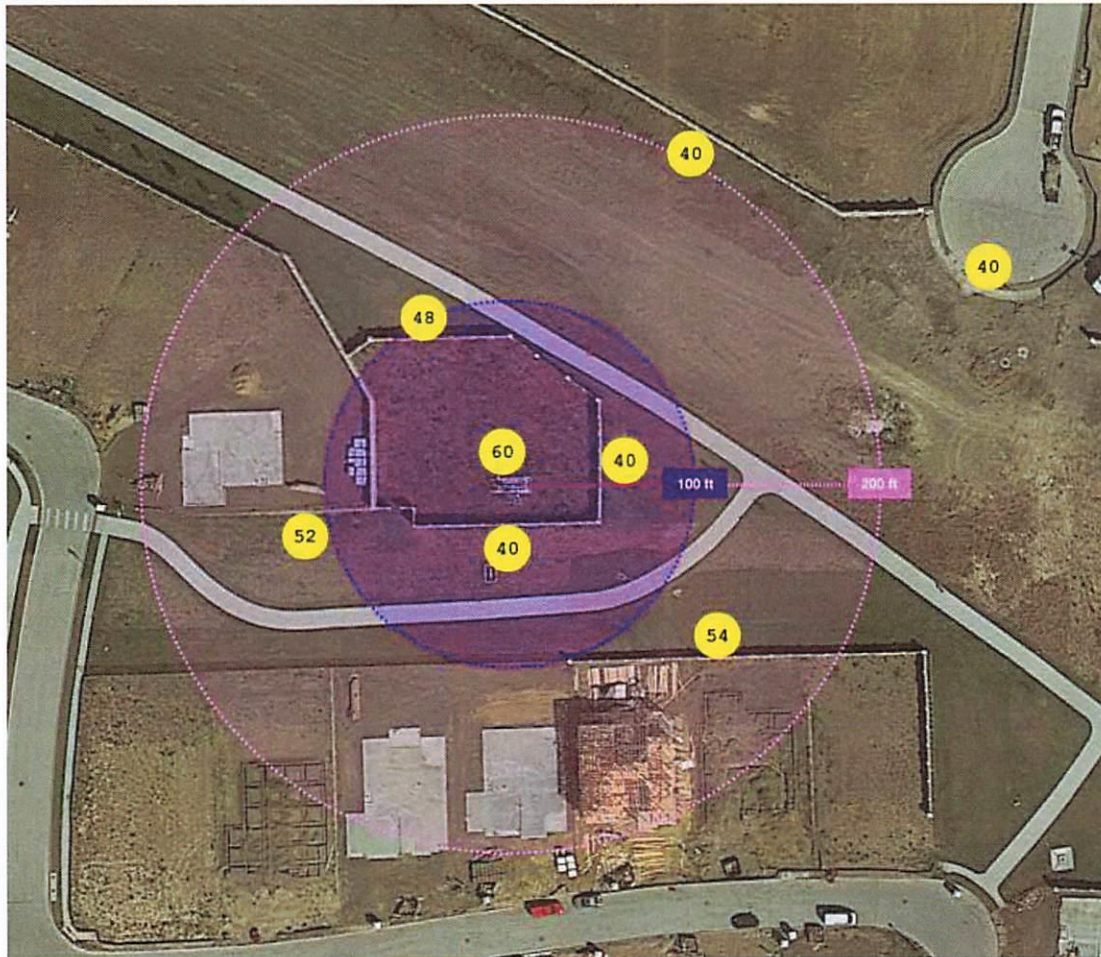
Example site:



Similar measuring station located in the Willow Wood subdivision – Telephone Rd and Hwy 5, McKinney, TX

Footprint: 121' x 102'

Sound



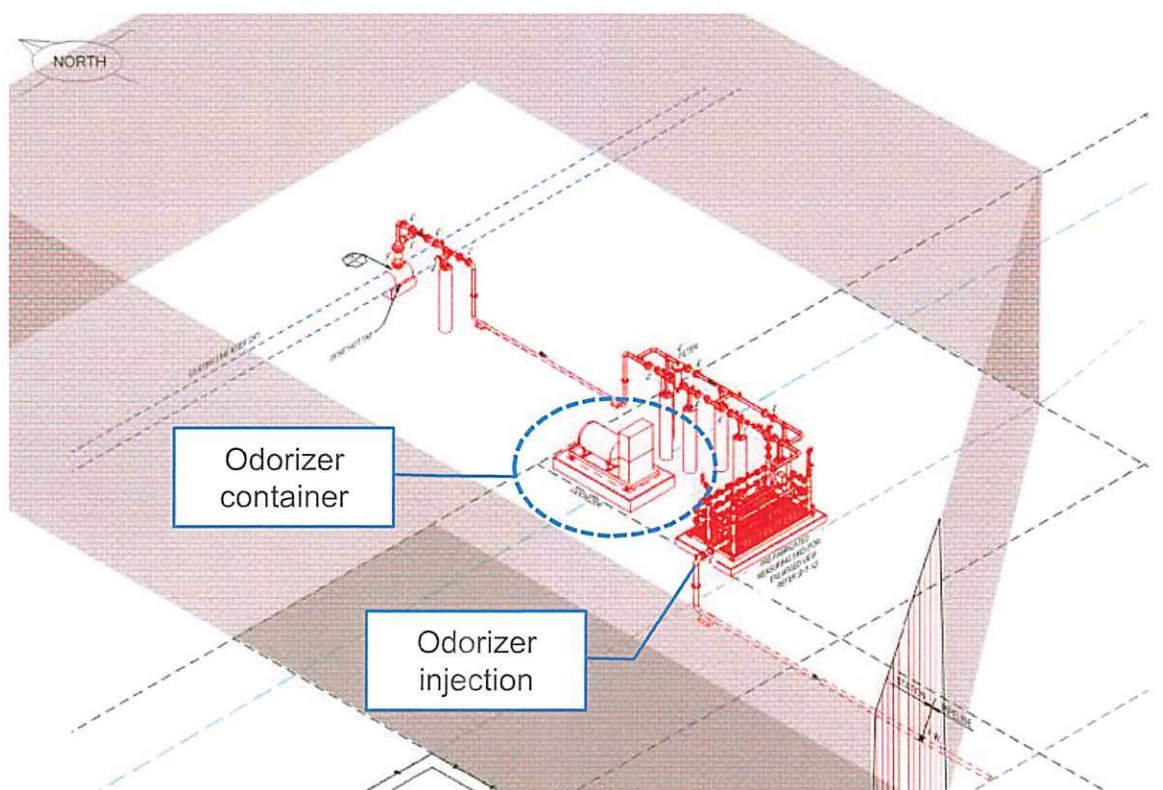
Decibel Sound Chart

20	Leaves rustling
30	Whisper
40	Quiet library
50	Moderate rainfall
60	Dishwashers, normal conversation
70	Traffic, vacuums
80	Alarm clock
90	Lawnmowers, hair dryers, blenders
100	MP3 players at full volume

Decibel readings at existing Willow Wood subdivision measuring station

Current decibel level at proposed site in Anna: 45

Smell



There should be no odor during normal operation of equipment. Potential of some smell only during the filling of the odorizer.

Filling of odorizer:

First 6 years: ~ 1 time every 18 months

By year 10: ~ twice a year

THE CITY OF
Anna

Please circle one:

In favor of request

Neutral to request

Opposed to request

Comments:

THIS IS TOO CLOSE TO OUR
HOUSES. THERE ARE MANY OTHER
LOCATIONS IN DEVELOPMENT THAT ARE SAFER.

By signing this letter, I declare I am the owner or authorized agent of the property at the address written below.

BENJAMIN EASAW

Name (Please Print)

B. Easaw

Signature

3040 CROSSING DR.

Address

10/4/2022

Date

Please return form to:

USPS Mail:

City of Anna
Planning and Development Department
P.O. Box 776
Anna, TX 75409

Hand Delivery:

Planning and Development Department
Public Works Building
3223 N. Powell Parkway
Anna, TX 75409

Or by e-mail to LMECKE@annatexas.gov
Subject: Zoning Response

THE CITY OF
Anna

Please circle one:

In favor of request

Neutral to request

Opposed to request

Comments:

STORING DANGEROUS CHEMICALS SO CLOSE TO
OUR HOMES IS A HEALTH RISK AND CREATES A
TOXIC ENVIRONMENT. WE ARE STRONGLY OPPOSED
TO THIS PROPOSAL!

By signing this letter, I declare I am the owner or authorized agent of the property at the address written below.

TED HOYT

Name (Please Print)

[Signature]

Signature

3003 CROSSING DR. ANNA, TX 75409

Address

10/4/2022

Date

Please return form to:

USPS Mail:

City of Anna
Planning and Development Department
P.O. Box 776
Anna, TX 75409

Hand Delivery:

Planning and Development Department
Public Works Building
3223 N. Powell Parkway
Anna, TX 75409

Or by e-mail to LMECKE@annatexas.gov
Subject: Zoning Response

THE CITY OF
Anna

Please circle one:

In favor of request

Neutral to request

Opposed to request

Comments:

I am extremely concerned about this metering station location backing up to the south side of our neighborhood (Urban Crossing). There are hidden dangers in this proposal that could affect our entire neighborhood. We need to discuss putting this in another location far from houses.

By signing this letter, I declare I am the owner or authorized agent of the property at the address written below.

Kylee Kelley

Name (Please Print)

Signature

Address

3006 Urban Way, Anna TX 75409

Date

10/4/22

Please return form to:

USPS Mail:

City of Anna
Planning and Development Department
P.O. Box 776
Anna, TX 75409

Hand Delivery:

Planning and Development Department
Public Works Building
3223 N. Powell Parkway
Anna, TX 75409

Or by e-mail to LMECKE@annatexas.gov
Subject: Zoning Response

THE CITY OF
Anna

Please circle one:

In favor of request

Neutral to request

Opposed to request

Comments:

Reference: Gas Metering Station on lot North Side of future ~~Rosemond~~ Rosemond.
Concerned with storage of toxic chemicals that are flammable so
close to our neighbors and fellow residents of Anna.

By signing this letter, I declare I am the owner or authorized agent of the property at the address written below.

Billy Hendrix
Name (Please Print)

[Signature]
Signature

3006 Crossing Dr.
Address

10/3/2022
Date

Please return form to:

USPS Mail:

City of Anna
Planning and Development Department
P.O. Box 776
Anna, TX 75409

Hand Delivery:

Planning and Development Department
Public Works Building
3223 N. Powell Parkway
Anna, TX 75409

Or by e-mail to LMECKE@annatexas.gov
Subject: Zoning Response



ATMOS Metering Station

Please circle one:

In favor of request

Neutral to request

Opposed to request

Comments:

We are opposed to the location and ask that it be changed to an area further from our neighborhood (Urban Crossing) due to environmental and safety concerns as well as property value concerns.

By signing this letter, I declare I am the owner or authorized agent of the property at the address written below.

Steve & Kim Sweeney

Name (Please Print)

Signature

3111 Urban Way. Apt 75409

Address

10/4/22

Date

Please return form to:

USPS Mail:

City of Anna
Planning and Development Department
P.O. Box 776
Anna, TX 75409

Hand Delivery:

Planning and Development Department
Public Works Building
3223 N. Powell Parkway
Anna, TX 75409

Or by e-mail to LMECKE@annatexas.gov
Subject: Zoning Response

THE CITY OF
Anna

Please circle one:

In favor of request

Neutral to request

Opposed to request

Comments:

I HAVE LIVE THE LAST 20 YEARS JUST NORTH OF A
CEMENT PLANT, SO I AM FULLY AWAIT OF THE IMPACT TO
THE COMMUNITY, PLEASE DO NOT CAUSE MY RETIREMENT TO
BE THE SAME. PLEASE RELOCATE THE METERING STATION.

By signing this letter, I declare I am the owner or authorized agent of the property at the address written below.

NICK R GRIFFIN

Name (Please Print)

Nick R Griffin

Signature

3035 URBAN WAY, ANNA, TX.

Address

10/04/2022

Date

Please return form to:

USPS Mail:

City of Anna
Planning and Development Department
P.O. Box 776
Anna, TX 75409

Hand Delivery:

Planning and Development Department
Public Works Building
3223 N. Powell Parkway
Anna, TX 75409

Or by e-mail to LMECKE@annatexas.gov
Subject: Zoning Response

RECEIVED 10/04/2022
DEVELOPMENT SERVICES

THE CITY OF
Anna

Please circle one:

In favor of request

Neutral to request

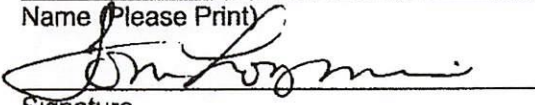
Opposed to request

Comments:

THIS LOCATION IS INAPPROPRIATE FOR A FACILITY
THAT WILL CONTAIN TOXIC CHEMICALS GENERATE OFFENSIVE
ODORS, AND CYCLING NOISE, I STRONGLY OPPOSE
THIS LOCATION THAT IS WITHIN CLOSE DISTANCE TO OUR
HOMES.

By signing this letter, I declare I am the owner or authorized agent of the property at the address
written below.

THOMAS LONGMIRE
Name (Please Print)


Signature

3032 CROSSING DR
Address

10/3/2022
Date

Please return form to:

USPS Mail:

City of Anna
Planning and Development Department
P.O. Box 776
Anna, TX 75409

Hand Delivery:

Planning and Development Department
Public Works Building
3223 N. Powell Parkway
Anna, TX 75409

Or by e-mail to LMECKE@annatexas.gov
Subject: Zoning Response

THE CITY OF
Anna

Please circle one:

In favor of request

Neutral to request

Opposed to request

Comments:

*We are opposed to the placement of
the Atmos metering station.*

By signing this letter, I declare I am the owner or authorized agent of the property at the address written below.

R.G. and Barbara Urban
Name (Please Print)

Barbara Urban
Signature

3106 Urban Way
Address

10-5-2022
Date

Please return form to:

USPS Mail:

City of Anna
Planning and Development Department
P.O. Box 776
Anna, TX 75409

Hand Delivery:

Planning and Development Department
Public Works Building
3223 N. Powell Parkway
Anna, TX 75409

Or by e-mail to LMECKE@annatexas.gov
Subject: Zoning Response

THE CITY OF
Anna

Please circle one:

In favor of request

Neutral to request

Opposed to request

Comments:

Purposed gas meter station is a potential risk to the adjacent neighborhood – Urban Crossings. This type of stations have threat of explosions, odorless and colorless gas leaks including lead poisoning to the natural environment. Radon 222 is a natural radioactive gas that is produced by these kind of gas metered stations. This type of exposure to our families and children can have a lifetime of horrible health issues. And NO amount of OSHA safety guidelines can guarantee our children health and safety.

By signing this letter, I declare I am the owner or authorized agent of the property at the address written below.

RICHARD ESPINOZA
Name (Please Print)

Richard Espinoza
Signature

3106 CROSSING DR. ANNA, TX 75409
Address

10/4/2022
Date

Please return form to:

USPS Mail:

City of Anna
Planning and Development Department
P.O. Box 776
Anna, TX 75409

Hand Delivery:

Planning and Development Department
Public Works Building
3223 N. Powell Parkway
Anna, TX 75409

Please update address

Or by e-mail to LMECKE@annatexas.gov
Subject: Zoning Response

THE CITY OF
Anna

RECEIVED 10/05/2022
DEVELOPMENT SERVICES

Please circle one:

In favor of request

Neutral to request

Opposed to request

Comments:

Purposed gas meter station is a potential risk to the adjacent neighborhood – Urban Crossings. This type of stations have threat of explosions, odorless and colorless gas leaks including lead poisoning to the natural environment. Radon 222 is a natural radioactive gas that is produced by these kind of gas metered stations. This type of exposure to our families and children can have a lifetime of horrible health issues. And NO amount of OSHA safety guidelines can guarantee our children's health and safety.

By signing this letter, I declare I am the owner or authorized agent of the property at the address written below.

DEBRA A. Espinoza
Name (Please Print)

D. Espinoza
Signature

3106 Crossing Dr. Anna, TX 75409
Address

10/4/2022
Date

Please return form to:

USPS Mail:

City of Anna
Planning and Development Department
P.O. Box 776
Anna, TX 75409

Hand Delivery:

Planning and Development Department
Public Works Building
3223 N. Powell Parkway
Anna, TX 75409

Or by e-mail to LMECKE@annatexas.gov
Subject: Zoning Response

GAS Metering Station

RECEIVED 10/10/2022
DEVELOPMENT
SERVICES



Please circle one:

In favor of request

Neutral to request

Opposed to request

MA

Comments:

Creates a hazard within a community if gas and/or chemicals are above ground, especially next to what will become a very busy road on a outside curve of the road. Surely there are safer, more practical locations for this station.

By signing this letter, I declare I am the owner or authorized agent of the property at the address written below.

Mike Archer

Name (Please Print)

Mike Arch

Signature

3119 CROSSING DR

Address

10/3/22

Date

Please return form to:

USPS Mail:

City of Anna
Planning and Development Department
P.O. Box 776
Anna, TX 75409

Hand Delivery:

Planning and Development Department
Public Works Building
3223 N. Powell Parkway
Anna, TX 75409

Or by e-mail to LMECKE@annatexas.gov

Subject: Zoning Response

THE CITY OF
Anna

Please circle one:

In favor of request

Neutral to request

Opposed to request

Comments:

Thank you! for the great job the City of Anna has been doing. I believe that as an organized and modern city a natural gas plant shouldn't be close to our homes.

By signing this letter, I declare I am the owner or authorized agent of the property at the address written below.

Shirley Palacios
Name (Please Print)

Shirley
Signature

3043 Urban Way Anna, TX
Address

10-04-2022
Date

Please return form to:

USPS Mail:

City of Anna
Planning and Development Department
P.O. Box 776
Anna, TX 75409

Hand Delivery:

Planning and Development Department
Public Works Building
3223 N. Powell Parkway
Anna, TX 75409

Or by e-mail to LMECKE@annatexas.gov
Subject: Zoning Response



Item No. 7.b.

City Council Agenda
Staff Report

Meeting Date: 4/25/2023
Staff Contact: Joey Grisham

AGENDA ITEM:

Acting as the Anna Public Facility Corporation Board of Directors, Consider/Discuss/Act on approving: (a) Memorandum of Understanding with Liberty Multifamily, Inc. for a Senior Living Multifamily Project; and, (b) Resolutions approving the formation of entities--along with corresponding LLC Agreements--to serve in the following capacities in connection with the project: (i) APFC Reserve at Anna GP, LLC, to serve as general partner of a to-be formed partnership that will own and develop the Project; (ii) APFC Reserve at Anna Holdings, LLC, to acquire and hold fee title to the land upon which the Project will be constructed and to enter into a ground lease with the Partnership; and (iii) APFC Reserve at Anna Development, LLC, to serve as co-developer on the Project. (Director of Economic Development Joey Grisham)

SUMMARY:

Staff recommends approval of the MOU and corresponding Resolutions. The Anna PFC Board approved a Resolution in October 2022 to declare the intent to issue Multifamily Mortgage Revenue Bonds or Notes with respect to The Reserve Senior Living in an amount not to exceed \$32,000,000. The next step in the process is approval of the attached MOU and other resolutions for the formation of entities. These are very similar to those approved for the Palladium East Foster Crossing and Parmore Anna Senior Living projects. Liberty will also be seeking to annex the property located at the intersection of SH 121 and FM 2862 into the city and zone accordingly.

FINANCIAL IMPACT:

The Anna PFC is estimated to receive over \$1,700,000 over the next several years, with the city receiving all related impact, building, and other applicable permit fees.

BACKGROUND:

Liberty Multifamily approached staff in 2022 to discuss the development of a 200-unit Senior Living project and the PFC Board approved a Resolution declaring the intent to issue bonds for the project. Liberty has secured their bond allocation and is ready to move forward on the project.

STRATEGIC CONNECTIONS:

This item supports the City of Anna Strategic Plan, specifically advancing the strategic outcome area: Unique.

ATTACHMENTS:

1. Anna PFC MOU and Resolutions
2. Res 2022-10-1279 Multifamily Mortgage Revenue Bonds
3. Anna Survey 25-001 acres North

1. MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING

BETWEEN

ANNA PUBLIC FACILITY CORPORATION

AND

LIBERTY MULTIFAMILY, LLC

“THE RESERVE AT ANNA”

THIS MEMORANDUM OF UNDERSTANDING (this “*MOU*”) is between the ANNA PUBLIC FACILITY CORPORATION (the “*Anna PFC*”), a nonprofit public facility corporation organized under Chapter 303 of the Texas Local Government Code, and LIBERTY MULTIFAMILY, LLC (the “*Developer*”), a Texas limited liability company and is dated and effective as of [April 25], 2023.

The Developer is a developer of affordable housing in the State of Texas. The Anna PFC is a nonprofit public facility corporation whose mission is to assist in the financing of public facilities. The Developer and the Anna PFC hereby agree to work cooperatively to develop affordable housing at the following location, in accordance with the terms of this MOU:

The Reserve at Anna being a 200-unit development to be located in the extraterritorial jurisdiction of the City of Anna, Collin County, Texas, financed with private activity bonds issued by the Anna PFC and 4% Low Income Housing Tax Credits allocated by the Texas Department of Housing and Community Affairs (the “*Project*”).

In order to accomplish this purpose, the parties agree as follows:

AGREEMENTS

A. OWNERSHIP STRUCTURE

1. The Developer will form a limited partnership named Anna Reserve TC I, LP (the “*Partnership*”) for the purpose of owning the Project. A single-purpose entity that is wholly-owned by the Anna PFC will be admitted into the Partnership as the sole General Partner (the “*General Partner*”).

2. The Developer may designate an affiliate to serve as a special limited partner of the Partnership (the “*Special LP*”), with certain oversight and approval rights including to protect the Developer or an affiliate of the Developer from any liability under any of the guaranties referred to in paragraph C.5 hereof. Any such rights must be agreed to by the Anna PFC and may not, in the opinion of the Anna PFC’s counsel, result in the Special LP being deemed a General Partner for exercising its rights under the Partnership Agreement (as hereinafter defined).

3. Certain terms contained in this MOU and not contained in the Partnership Agreement or other transaction documents may be outlined in a Master Agreement, which shall be executed at Closing (as hereinafter defined).

4. The duties of the General Partner and the Special LP shall be set forth in a partnership agreement (the "*Partnership Agreement*") to be entered into among the General Partner, the Special LP, and an equity investor as the limited partner (the "*Investor LP*"). The parties will cooperate in good faith to cause the Partnership Agreement to contain terms consistent with those set forth in *Exhibit A* hereto, it being recognized that approval of the Anna PFC's Board of Directors is contingent upon the Partnership Agreement containing terms consistent with *Exhibit A*.

The General Partner's execution of the Partnership Agreement shall be subject to the following terms:

(i) The General Partner's representations shall be limited to those within the General Partner's actual knowledge and in no case shall due inquiry be required, it being understood and agreed that the General Partner will not be looked upon by the Special LP or the Investor LP to conduct Project-related diligence;

(ii) The General Partner shall be indemnified by the Developer and the Partnership for any liabilities incurred under the Partnership Agreement, except for liabilities incurred as a result of the General Partner's gross negligence or willful misconduct and in no event shall such indemnification be contingent upon a ruling of a court of law;

(iii) The General Partner shall not be required to covenant to undertake actions or obligations that the Special LP will be required to take under the Partnership Agreement; and

(iv) The Partnership Agreement shall contain a provision wherein the Special LP and Investor LP acknowledge that the obligations of the General Partner under the Partnership Agreement are obligations solely of the General Partner and not the owner of the General Partner.

5. Title to the land for the Project shall be taken in the name of the Anna PFC, or a subsidiary of the Anna PFC (the "*Ground Lessor*"), and the Ground Lessor shall then enter into a long-term ground lease (the "*Ground Lease*") with the Partnership, as tenant, holding an interest in the improvements that constitute the Project. Funding for the acquisition of the land will come from the financing of the Project, and may be paid to the Ground Lessor in the form of an up-front Ground Lease payment. Upon termination of the Ground Lease, ownership of the improvements constituting the Project shall revert to the Anna PFC. In the event that the Project is sold, the Ground Lease shall provide for a transfer of title to the land to a purchaser upon payment of One Hundred Dollars (\$100).

B. DUE DILIGENCE

As a condition to the Anna PFC's participation in the Project, the Anna PFC requires the Developer to provide due diligence information on the Project and its proposed financing and operations pursuant to the due diligence required by the Anna PFC. The Developer shall deliver the due diligence items before the Closing. Failure of the Developer to deliver to the Anna PFC due diligence items reasonably acceptable to the Anna PFC shall be grounds for the Anna PFC to terminate this MOU in its discretion.

C. FINANCING

1. On behalf of the Partnership, the Developer has applied for a reservation of up to \$32,000,000 in private activity bond volume cap in connection with multifamily housing bonds to be issued by the Anna PFC (the "*Bonds*"). The Developer shall be responsible for selecting the manner in which the Bonds will be sold to facilitate debt financing for the Project and negotiating the financing terms of the Bonds on behalf of the Partnership; *provided*, that the Anna PFC shall have the right to review and approve the financing arrangements and the terms and conditions of any Bond or loan documents.

2. On behalf of the Partnership, the Developer will apply for a commitment of low-income housing Tax Credits (the "*Tax Credits*") from the Texas Department of Housing and Community Affairs (the "*TDHCA*"). If the Partnership receives a commitment of Tax Credits, the Developer shall be responsible for selecting the manner in which the Tax Credits will be sold to facilitate equity financing (the "*Equity*") for the Project, and negotiating the equity financing terms on behalf of the Partnership; *provided*, that the Anna PFC shall have the right to review and approve (which approval shall not be unreasonably withheld, delayed or conditioned) the identity of the Investor LP, the financing arrangements and the terms and conditions of any Equity financing documents. The Equity financing documents are expected to include the Partnership Agreement.

3. If the Project receives a commitment of Tax Credits, the Developer will apply for construction and permanent financing (the "*Loan*") on behalf of the Partnership. The Developer shall be responsible for selecting the lender and negotiating the loan terms on behalf of the Partnership; *provided*, that the Anna PFC shall have the right to review and approve the financing arrangements and the terms and conditions of any Loan documents.

4. The Developer shall pay all costs and fees associated with applying for the Bonds, the Loan and the Tax Credits, which costs, along with all other pre-development costs incurred by the Developer (to the extent included within the approved budget), shall be reimbursed at Closing (as defined herein) from the proceeds of the Bonds and Equity. In the event this MOU is terminated or the transaction fails to close as contemplated herein, the Developer shall be solely responsible for all costs described above and the Anna PFC and its affiliates shall have no responsibility for payment or reimbursement of such costs.

5. THE DEVELOPER SHALL PROVIDE ANY GUARANTEES OF CONSTRUCTION COMPLETION, OPERATING EXPENSES, TAX CREDIT DELIVERY, AND THE LIKE THAT MAY BE REQUIRED IN CONJUNCTION WITH THE BOND FINANCING OR THE EQUITY FINANCING AND SUCH GUARANTEES SHALL BE SUBJECT TO APPROVAL IN FORM AND AMOUNT BY THE GUARANTORS IN THEIR SOLE DISCRETION. NEITHER THE ANNA PFC, THE GENERAL PARTNER NOR ANY OF THEIR AFFILIATES WILL PROVIDE ANY GUARANTEES OR INDEMNITIES IN CONNECTION WITH THE FINANCING OF THE PROJECT AND SHALL NOT BE LISTED AS A SECTION 50 GUARANTOR SHOULD THE PROJECT BE FINANCED WITH A HUD-INSURED LOAN.

D. DESIGN AND CONSTRUCTION

1. The Developer shall provide comprehensive development services to the Partnership pursuant to a Development Agreement to be entered into by the Partnership and Developer.

2. The Developer shall prepare and promptly provide the Anna PFC a detailed development budget for the Project.

3. The Developer shall be responsible for obtaining the services of design professionals for the design of the site plan and design of the project. The Anna PFC will be provided copies of the final plans and specifications for the Project, including all construction contracts.

4. Reserved.

5. The Developer shall be responsible for obtaining all governmental approvals and permits needed in order to construct and operate the Project.

6. The Developer shall guarantee to the Partnership, the Investor LP and any lender, delivery of the Project on time and within the approved budget (as it may be amended or revised from time to time with appropriate approvals). The Developer shall provide, upon approval by the Investor LP and any lender, any approved and final material changes in the scope of work or plans and specifications (costing over \$100,000 for a single change or \$500,000 in the aggregate) during construction.

7. The Project shall be constructed so as to comply with ADA and Section 504 requirements, as applicable under federal and state law.

E. MANAGEMENT AND OPERATION

A manager designated by the Developer, and acceptable to the Anna PFC in its reasonable discretion, shall serve as the property manager (the "*Manager*") for the Project, which will be memorialized in a management agreement (the "*Management Agreement*"). The amount of the management fee under the Management Agreement shall be a minimum of \$35.00 per unit per month.

F. SOCIAL SERVICES

The Developer will be responsible for initiating and arranging for social services to be provided (as required by the TDHCA) for the residents of the Project. The General Partner shall have the right to monitor the provision of such social services during the Compliance Period (as hereinafter defined).

G. COMMUNITY SUPPORT

The Developer shall be primarily responsible for interfacing with the local governmental officials in connection with support for the Project, and the Anna PFC shall provide reasonable cooperation in connection with such matters.

H. TAX EXEMPTION

The ownership structure contemplated herein is expected to generate ad valorem tax exemption for the Project. The Anna PFC, on behalf of the Partnership, shall work with the Developer and the applicable appraisal district to obtain confirmation of the availability of such exemption. If at any time the Project is determined to be subject to ad valorem taxation, the Anna PFC and the General Partner shall forfeit its right to any residual value or net cash flow as defined in the Partnership Agreement, so long as the Property remains subject to ad valorem taxation. The Anna PFC, in coordination with the Developer, shall use good faith efforts to cure the loss of the ad valorem tax exemption, and the forfeiture of residual value or net cash flow shall be pro-rated (if applicable) during any period of loss of the ad valorem tax exemption. In the event the 100% ad valorem tax exemption is lost for any reason and not restored, then the fee estate in the land shall (at the Partnership's option) be conveyed to the Partnership at a nominal cost to the Partnership, and the Ground Lease shall be terminated to allow the Partnership to establish an exempt structure in the future; *provided, however*, that if the fee estate is conveyed to the Partnership and the General Partner is removed after the 15-year tax credit compliance period (the "*Compliance Period*") other than for (i) a loss of the tax exemption due to the actions of the General Partner or its affiliates, (ii) a sale of the Project or (iii) cause, then the Partnership shall pay to the General Partner the original acquisition price of the land.

I. FEES AND EXPENSES

1. The Developer shall be entitled to receive a development fee (the "*Development Fee*") for its services in developing the Project. The amount of the Development Fee shall be equal to 15% of the Project's total development costs, as calculated pursuant to applicable TDHCA guidelines. All payments of Development Fee shall be made pro-rata with 75% going to Developer and 25% going to the Anna PFC or its subsidiary (the "*Anna PFC Share*"). The Anna PFC Share shall be paid by the Partnership pro rata with the Developer's share of the Development Fee.

2. The Ground Lessor shall be entitled to receive an annual lease payment under the Ground Lease on each January 1, commencing January 1, 2024, in the initial amount of \$20,000 and increasing by 3% annually. The annual lease payment shall be payable as the first item in the cash flow waterfall under the Partnership Agreement and shall accrue without interest in the event net cash flow is insufficient to pay such lease payment in any year.

3. The General Partner shall be entitled to a distribution in the amount of 1.5% of the gross sales price pursuant to a sale or refinance of the Project. Such distribution shall be payable to the General Partner, subject to the availability of gross sales proceeds (or gross refinance proceeds, as the case may be) and shall be retained by the General Partner, with no requirement under any circumstances for the General Partner to share such distribution with the Developer.

4. For its services in connection with the management of the Partnership, the General Partner and Special LP shall each be entitled to receive a Partnership Management Fee in the initial amount of \$10,000 per year and increasing by 3% annually, with the first payment starting in the year both stabilization and cash flow distributions commence; *provided, however*, that such fee shall accrue without interest in the event net cash flow is insufficient to pay such fee in any year.

5. Neither party shall enter into any contractual relationship or agreement relating to the Project that would cause either financial or legal liability to the other, without the other party's prior written consent.

6. All reasonable expenses actually incurred by the Anna PFC in connection with this MOU, including but not limited to costs for staff time to review the proposed Project, the Anna PFC's legal counsel, counsel to the General Partner and the Partnership, special real estate counsel, financial advisor and other expenses incurred by the Anna PFC in connection with the proposed Project (the "*Costs*"), shall be included in the Project's development budget and reimbursed by the Partnership to the Anna PFC concurrently with the closing on the Bonds and the Loan (the "*Closing*").

7. If, upon termination of this MOU or the Project, the Anna PFC has unreimbursed Costs, the Anna PFC shall invoice the Developer for these Costs and the Developer shall reimburse the Anna PFC for these Costs within 30 days of receipt of such invoice. Notwithstanding any language in this paragraph, the Anna PFC shall not be entitled to retain any of its Costs, if the Anna PFC breaches any term in this MOU or terminates pursuant to Paragraph K.11(f), (h) or (i) of this MOU.

8. For the avoidance of doubt, all fees payable to the Anna PFC described herein shall be in addition to any fees and costs of counsel or financial advisor to the Anna PFC payable in connection with the issuance of the Bonds.

J. LONG TERM OWNERSHIP

At the end of the Compliance Period, the General Partner, the Anna PFC, or the Anna PFC's designated affiliate shall have a right of first refusal to acquire the Project on the same terms as any third-party offer received by the Partnership that it intends to accept. In addition, as of the date of the Closing, the General Partner, or other Anna PFC affiliate shall have an option to acquire the interests of the Investor LP and the Special LP and an option to acquire the Project. Notwithstanding the Anna PFC's purchase option and right of first refusal, should the Project be sold to a third-party, the Anna PFC will agree to transfer the Land to such third-party upon payment of \$100.

In the event the Special LP desires to sell or refinance the Project (any such sale may take the form of a sale of all, but not less than all, of the ownership interest in both the general and limited partner(s)), the Anna PFC and the General Partner shall cooperate with the Special LP in connection with such efforts. Nothing contained in this paragraph shall affect, limit or impair any purchase option or right of first refusal that either the Anna PFC or the General Partner may be entitled to exercise.

The Developer (or an affiliate of the Developer) shall have an option to purchase the Investor LP interests.

K. GUARANTORS' REPURCHASE OPTION

IF (I) THE GENERAL PARTNER TAKES ANY ACTION (OR OMITS TO TAKE AN ACTION THAT IS EXPLICITLY REQUIRED BY THE PARTNERSHIP AGREEMENT) WITHIN ITS SOLE AND EXCLUSIVE CONTROL AND SUCH ACTION OR INACTION RESULTS IN AN EVENT OF DEFAULT UNDER ANY OF THE BOND FINANCING DOCUMENTATION, THE LOAN DOCUMENTS, THE EQUITY FINANCING DOCUMENTATION, THE PROJECT OBLIGATIONS, OR THE PARTNERSHIP AGREEMENT; OR (II) THE GENERAL PARTNER TAKES ANY ACTION (OR OMITS TO TAKE AN ACTION THAT IS EXPLICITLY REQUIRED BY THE PARTNERSHIP AGREEMENT) WITHIN ITS SOLE AND EXCLUSIVE CONTROL AND SUCH ACTION OR ACTION CAUSES ANY GUARANTORS ANY QUANTIFIABLE LIABILITY WHICH SUCH GUARANTOR ACTUALLY PAYS UNDER ITS GUARANTY AGREEMENT(S), OR (III) THE PROJECT'S LOSS OF ITS AD VALOREM TAX EXEMPTION FOR ANY REASON OTHER THAN A CHANGE IN THE TEXAS CONSTITUTION OR OTHER APPLICABLE STATE LAW OR THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE ANNA PFC OR THE GENERAL PARTNER, WHICH LOSS REMAINS UNCURED FOR A PERIOD OF SIXTY (60) DAYS ((I), (II) AND (III) ARE REFERRED TO AS "*REPURCHASE EVENTS*"), THEN THE GUARANTOR, AND/OR ITS RESPECTIVE SUCCESSORS AND ASSIGNS OR DESIGNEES, SHALL HAVE THE SOLE AND EXCLUSIVE OPTION (WITH THE CONSENT OF THE INVESTOR LP) TO PURCHASE EITHER FROM THE ANNA PFC ITS OWNERSHIP INTEREST IN THE GENERAL PARTNER (THE "*PFC OWNERSHIP INTEREST*") OR FROM THE GENERAL PARTNER ITS GENERAL PARTNER INTEREST IN THE PARTNERSHIP (THE "*GP OWNERSHIP INTEREST*") FOR THE SUM OF \$100.00; PLUS ALL UNPAID FEES AND UNREIMBURSED EXPENSES EARNED BY THE GENERAL PARTNER TO THE DATE OF THE REPURCHASE EVENT, WHICH SHALL BE EXERCISABLE BY ANY ONE OR MORE OF THE GUARANTORS, THEIR

SUCCESSORS AND ASSIGNS OR DESIGNEES, UPON FIFTEEN (15) BUSINESS DAYS WRITTEN NOTICE BY GUARANTORS TO THE ANNA PFC AND THE GENERAL PARTNER (THE “*REPURCHASE OPTION*”) AND THE OTHER GUARANTORS. IT SHALL NOT BE A REPURCHASE EVENT AND THIS REPURCHASE OPTION WILL NOT APPLY IF THE EVENT OF DEFAULT OR THE CAUSE OF GUARANTOR’S LIABILITY OR THE REPAYMENT OF THE BONDS, LOAN, OR EQUITY IS CAUSED IN WHOLE OR IN PART BY A MATTER OR ITEM OVER WHICH GUARANTORS OR AN AFFILIATE HAS FULL CONTROL OR FOR WHICH IT IS OTHERWISE RESPONSIBLE. THE REPURCHASE OPTION GRANTED BY THIS PARAGRAPH K. APPLY ONLY TO THE ACQUISITION OF THE PFC OWNERSHIP INTEREST AND THE GP OWNERSHIP INTEREST AND ARE GRANTED FOR \$100.00 AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF IS HEREBY CONFIRMED AND ACKNOWLEDGED. THE REPURCHASE OPTION IN NO WAY REFERS TO, NOR APPLIES TO, ANY OTHER REAL OR PERSONAL PROPERTY OWNED BY THE ANNA PFC IN THE PROJECT, NOW OR IN THE FUTURE, OTHER THAN THE PFC OWNERSHIP INTEREST AND THE GP OWNERSHIP INTEREST. THE REPURCHASE OPTION IS SOLELY RELATED TO THE EXERCISE OF CONTROL OF THE AFFAIRS OF THE PARTNERSHIP TO ENSURE COMPLIANCE AND PERFORMANCE OF THE PROJECT OBJECTIVES, AND TO ENSURE PROTECTION OF THE GUARANTORS WITH RESPECT TO THE GUARANTEED OBLIGATIONS.

L. MISCELLANEOUS

1. This MOU reflects the entire understanding between the parties and may only be amended in writing, signed by both parties. This MOU is a contract and not merely an “agreement to agree.”
2. Each party hereto is prohibited from assigning any of its interests, benefits or responsibilities hereunder to any unrelated third party, without the prior written consent of the other party, such consent not to be unreasonably withheld, conditioned, or delayed.
3. The parties agree to execute such documents and do other such reasonable things as may be necessary or appropriate to facilitate the development of the Project and the consummation of the agreements set forth herein.
4. The Anna PFC’s execution of this MOU is subject to approval by the Anna PFC’s Board of Directors.
5. This MOU may be executed in several counterparts, each of which shall be deemed to be an original and all of which together shall constitute one contract binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart
6. THIS MOU SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUSIVE OF CONFLICT OF LAWS PRINCIPLES.

7. In case any one or more of the provisions contained in this MOU for any reason is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision hereof, and this MOU will be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

8. The parties hereto submit exclusively to the jurisdiction of the state and federal courts of Collin County, Texas, and venue for any cause of action arising hereunder shall lie exclusively in the state and federal courts of Collin County, Texas.

9. Should any party employ an attorney or attorneys to enforce any of the provisions hereof, to protect its interest in any manner arising under this MOU, or to recover damages for the breach of this MOU, the non-prevailing party in any action pursued in courts of competent jurisdiction (the finality of which is not legally contested) agrees to pay to the prevailing party all reasonable costs, damages and expenses, including specifically, but without implied limitation, attorneys' fees, expended or incurred by the prevailing party in connection therewith.

10. The subject headings contained in this MOU are for reference purposes only and do not affect in any way the meaning or interpretation hereof.

11. This MOU shall continue until terminated upon the occurrence of any one of the following conditions:

(a) The Anna PFC and the Developer sign a mutual consent to terminate this MOU;

(b) The Project has not received a commitment for Tax Credits by December 31, 2023;

(c) The Project has not received a commitment for Bond financing by December 15, 2023;

(d) Loan and Equity financing for the Project are not closed by June 30, 2024;

(e) The terms of the Loan and Equity financing documentation for the Project are unacceptable to the Anna PFC, in its sole discretion, and the Anna PFC provides the Developer notice of such fact and a 30-day opportunity to provide financing terms that are acceptable to the Anna PFC and the Developer, but the Developer does not do so;

(f) The Anna PFC's Board of Directors takes action to disapprove of the participation of the Anna PFC in the financing of the Project as described in this MOU at any time prior to the Closing;

(g) Reserved;

(h) Either party breaches its obligations under this MOU, the non-breaching party provides the breaching party notice of such fact and a 15-day opportunity to cure, and the breaching party fails to do so; or

(i) Either party files for bankruptcy protection, makes an assignment for the benefit of creditors, has a receiver appointed as to its assets, or generally becomes insolvent.

12. Upon termination of this MOU for any of the reasons cited above, neither party shall have any ongoing obligation to the other with respect to this MOU nor the Project, except for the obligation of the Developer to reimburse the Anna PFC for Costs as provided herein.

13. In addition, the provisions of this MOU with respect to the Project will be terminated when the General Partner is admitted to the Partnership and the Anna PFC and the Developer and their affiliates, as applicable, enter into definitive agreements with respect to the governance of the Partnership and the development, construction, financing, and operation of the Project as contemplated herein.

14. The parties acknowledge that the General Partner, the Anna PFC and its affiliates will be represented in this transaction by Chapman and Cutler LLP ("*GP Counsel*"). All costs of GP Counsel will be considered Costs hereunder and paid as provided herein. The Partnership, the Developer, the Special LP and their affiliates will be represented by separate counsel and will not be entitled to rely on GP Counsel for representation in this matter.

EXECUTED to be effective as of the date above shown.

ANNA PUBLIC FACILITY CORPORATION

By _____
Stan Carver II
President

LIBERTY MULTIFAMILY, LLC

By _____
Name: _____
Title: _____

EXHIBIT A

PARTNERSHIP AGREEMENT TERMS

The following is a summary of terms that the Anna PFC will require in the Partnership Agreement. The following list is not intended to be exhaustive and is intended to supplement and not limit the terms of the MOU.

REPRESENTATIONS

- The General Partner will make representations only as to its existence and due authorization and execution of Partnership documents.
- The General Partner will become a partner in the Partnership at Closing, therefore pre-closing items must be addressed by the Special LP or other Developer affiliate. Under no circumstances will the General Partner execute documents on behalf of the Partnership that are effective prior to the General Partner's admission to the Partnership.
- The General Partner is not performing due diligence on the Project. Therefore, any representations regarding the Project must be provided by the Special LP.
- The General Partner's representations are generally as to its own knowledge. The knowledge of the General Partner may not be qualified by phrases such as "after due inquiry." The General Partner will make no inquiry.

COVENANTS

- The General Partner may covenant not to take affirmative actions, but the General Partner cannot covenant not to permit or allow others to do things.
- The General Partner cannot covenant to maintain the property tax exemption, but the General Partner shall agree to cooperate with the Special LP in making any required filings.
- Any covenants relating to the operation of the Partnership or the construction or operation of the Project should be made by the Special LP (including, but not limited to, qualification for tax credits).
- The General Partner will not covenant to maintain adequate capital.

INDEMNITIES AND GUARANTEES

- The General Partner should be indemnified for all losses other than those caused by its gross negligence or willful misconduct.
- The General Partner's indemnification should not be conditioned on a court determination.
- The General Partner will indemnify only for its own gross negligence or willful misconduct. The General Partner will not indemnify for actions or inactions of the Special LP.
- The General Partner will not provide completion guarantees, environmental guarantees, credit guarantees, or covenant to make up for cash flow short falls.
- The General Partner will not be required to make loans to the Partnership.

- If the Partnership is required to provide a guarantee, the guarantee should either be limited to the assets of the Partnership or should explicitly state that the guarantee is not intended to be recourse to the General Partner.

DUTIES AND OBLIGATIONS FOR ADMINISTRATION OF PARTNERSHIP

- The General Partner will make a broad delegation to the Special LP with respect to the administration of the Partnership and the operation of the Project, which shall include, but not be limited to, the right of Special LP to execute any documents related to construction draws, trust requisitions, and capital contributions.
- The Special LP will be responsible for obtaining any insurance required by the Partnership Agreement or other Partnership documents and will name the General Partner as additional insured parties where applicable.
- The Special LP will be responsible for ensuring any requirements for maintaining the ad valorem tax exemption are met, including any ongoing correspondence with the applicable appraisal district. The Special LP shall cause its counsel, at the expense of the Partnership, to deliver an opinion regarding the ad valorem exemption, which opinion must be addressed to and in form and substance acceptable to the Anna PFC and the Ground Lessor. The General Partner will agree to provide reasonable cooperation at the direction of the Special LP with respect to the ad valorem tax exemption.
- All reports that are required by the Investor LP shall be made by the Special LP, and any penalties imposed for late reports shall be imposed only on the Special LP.
- Notices required by the Investor LP shall be made by the Special LP.

OPTIONS/RIGHTS OF FIRST REFUSAL

- The Anna PFC will be granted the option and right of first refusal described in the MOU.
- The Special LP may be granted an option to acquire the Investor LP's Partnership interests and the guarantor may be granted the Repurchase Option described in the MOU.

TAXES AND ALLOCATIONS

- The Special LP will be responsible for the preparation of the tax return and tax filings. The General Partner will cooperate with the Special LP to the extent its signature is required.
- Losses in excess of capital accounts are allocated to the Special LP rather than the General Partner.
- The General Partner will not have a deficit restoration obligation either annually or on liquidation.
- The Special LP will be the "partnership representative" for the purposes of tax audits.
- If the Partnership has an adjustment on audit, the GP will pay its allocated share but will not put additional funds into the Partnership.

REMOVAL

- Unless a removal is caused by its own gross negligence or willful misconduct, the General Partner's and/or the Anna PFC's causing of the loss of the tax exemption, or the General Partner's and/or the Anna PFC's causing of an event of default as set forth in the Memorandum of Understanding and/or the Partnership Agreement, the General Partner will not be liable for the costs related to removal or replacement.
- The General Partner will not be liable for events after removal.

MISCELLANEOUS

- The governing law, jurisdiction and venue will be Texas.

2. FORMATION OF TRANSACTION ENTITIES

(i). APFC RESERVE AT ANNA GP, LLC, AS GENERAL PARTNER

(a) GENERAL PARTNER FORMATION RESOLUTION

ANNA PUBLIC FACILITY CORPORATION

RESOLUTION AUTHORIZING THE FORMATION OF APFC RESERVE AT ANNA GP, LLC, AS GENERAL PARTNER (THE “COMPANY”) TO [____], IN CONNECTION WITH THE ANNA PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (THE RESERVE AT ANNA), SERIES 2023; AUTHORIZING THE DESIGNATION OF THE CORPORATION AS THE SOLE MEMBER OF THE COMPANY; APPROVING THE FORM AND SUBSTANCE OF A LIMITED LIABILITY COMPANY AGREEMENT AND THE EXECUTION THEREOF; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE COMPANY; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; AND CONTAINING OTHER PROVISIONS RELATING THERETO

WHEREAS, the Anna Public Facility Corporation (the “Corporation”) has been duly created and organized pursuant to and in accordance with the provisions of the Texas Public Facility Corporation Act, Chapter 303, Local Government Code, as amended (the “Act”) for the purpose of providing a means of financing the costs of the acquisition, construction, rehabilitation, renovation, repair, equipping furnishing and placement in service of public facilities; and

WHEREAS, the Member intends to issue, sell and deliver its Multifamily Housing Revenue Bonds (The Reserve at Anna), Series 2023, in an aggregate principal amount not to exceed \$32,000,000 (the “Bonds”) to provide for the financing by [____], a Texas limited partnership (the “Borrower”), of the acquisition, construction and equipping of a multifamily residential rental development to be known as The Reserve at Anna located in the City of Anna, Collin County, Texas (the “Development”), and the payment of certain costs of issuance of the Bonds in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Board of Directors of the Corporation has determined that it is in the best interest of the Corporation to act as the sole member of APFC Reserve at Anna GP, LLC (the “Company”), which will be the general partner of the Borrower; and

WHEREAS, as the sole member of the Company, the Corporation desires to appoint officers of the Company and authorize the officers to enter into agreements on behalf of and for the benefit of the Borrower; to approve of the Company’s formation and the form and substance of its Limited Liability Company Agreement (the “Company Agreement”); and to ratify all actions previously taken on behalf of the Company in connection with the issuance of the Bonds and operation of the Development;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ANNA PUBLIC FACILITY CORPORATION:

Section 1. Formation of Company. The formation of APFC Reserve at Anna GP, LLC is hereby approved and ratified.

Section 2. Designation of Sole Member. The designation of the Corporation as the sole member of the Company is hereby approved and ratified.

Section 3. Approval and Execution of the Company Agreement. The form and substance of the Company Agreement are hereby approved, and the officers of the Corporation, as sole member of the Company, are each hereby authorized to execute the Company Agreement.

Section 4. Appointment of Officers of the Company. Stan Carver II is appointed President, Danny Ussery is appointed Vice President and Pete Cain is appointed Secretary of the Company.

Section 5. Execution and Delivery of Financing Documents. The officers of the Company are each hereby authorized to negotiate the terms of, execute and attest to any such agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 6. Ratification of Previous Actions. The Corporation hereby ratifies, confirms and adopts all actions previously taken on behalf of the Company or the Borrower to carry into effect the transactions contemplated by this Resolution.

Section 7. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 8. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PASSED AND APPROVED the 25th day of April, 2023.

ANNA PUBLIC FACILITY CORPORATION

By _____
Stan Carver II
President

(b) GENERAL PARTNER LLC AGREEMENT

**LIMITED LIABILITY COMPANY AGREEMENT
OF
APFC RESERVE AT ANNA GP, LLC**

This Limited Liability Company Agreement (this “*Agreement*”) of APFC Reserve at Anna GP, LLC (the “*Company*”) is entered into and effective [____], 2023 (the “*Effective Date*”) by the Anna Public Facility Corporation as the sole member of the Company (the “*Member*”).

The Member hereby forms a limited liability company pursuant to and in accordance with the Texas Limited Liability Company Act, as amended from time to time (currently Chapter 101 of the Texas Business Organizations Code), (the “*Act*”) by filing a Certificate of Formation with the Texas Secretary of State and hereby agrees as follows:

- 1. Name** The name of the limited liability company formed hereby is APFC Reserve at Anna GP, LLC.
- 2. Purpose** The sole purposes of the Company are to be admitted as a partner to and to serve as the general partner of [____], a Texas limited partnership (the “*Owner*”), and in connection therewith, to own, hold, sell, dispose of or otherwise deal with its partnership interest in the Owner.
- 3. Registered Office** The address of the registered office of the Company in the State of Texas is c/o Anna Public Facility Corporation, 120 West 7th Street, Anna, Texas 75409.
- 4. Registered Agent** The name and address of the registered agent of the Company for service of process on the Company in the State of Texas is Anna Public Facility Corporation, 120 West 7th Street, Anna, Texas 75409.
- 5. Member** The names and the business, residence or mailing addresses of the Member is as follows:

Anna Public Facility Corporation
120 West 7th Street
Anna, Texas 75409.
- 6. Powers** The business and affairs of the Company shall be managed by the Member. The Member shall have the power to do any and all acts necessary or convenient to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members under the laws of the State of Texas. The Member shall have the authority to bind the Company.

- 7. Dissolution**

The term of the Company commenced on the filing of the Certificate of Formation Limited Liability Company with the Texas Secretary of State and shall be perpetual unless dissolved as provided in this Agreement.
- 8. Capital Contributions**

The Member has contributed \$10,000, in cash, and no other property, to the Company.
- 9. Additional Contributions**

No Member is required to make any additional capital contribution to the Company.
- 10. Allocation of Profits and Losses**

The Company's profits and losses shall be allocated in proportion to the capital contributions of the Members.
- 11. Distributions**

Distributions shall be made to the Members at the times and in the aggregate amounts determined by the Members. Such distributions shall be allocated among the Member in the same proportion as their capital account balances.
- 12. Assignments**

A Member may assign his limited liability company interest in whole or in part only with the consent of the other Member.
- 13. Resignation**

Without the consent of the remaining Members, a Member may not resign from the Company.
- 14. Admission of Additional Members**

One (1) or more additional members of the Company may be admitted to the Company with the consent of the Members and upon being so admitted shall become bound by all of the terms of this Agreement and shall execute a written joinder to this Agreement.
- 15. Liability of Members**

The Members shall not have any liability for the obligations or liabilities of the Company except to the extent provided in the Act. The Company shall indemnify, in accordance with and to the full extent now or hereafter permitted by law, the Members and any officer or employee of the Company, and may so indemnify any agent of the Company, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administration or investigative (including, without limitation, an action by or in the right of the Company) by reason of any action or omission in their respective capacities against any liabilities, expenses (including, without limitation, attorneys' fees and expenses and any other costs and expenses incurred in connection with defending such action, suit or proceeding), judgments, fines

and amounts paid in settlement actually and reasonably incurred by the Person in connection with such action, suit or proceeding, if the Person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe its, his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption (i) that the Person did not act in good faith and in a manner which it, he or she reasonably believed to be in or not opposed to the best interests of the Company, and (ii) with respect to any criminal action or proceeding, that the Person had reasonable cause to believe its, his or her conduct was unlawful. Expenses (including, without limitation, attorneys' fees and expenses) incurred by a Person seeking indemnification hereunder shall be paid in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking from the Person to repay such amount if it shall ultimately be determined that the Person is not entitled to indemnification.

For purposes of the preceding paragraph, the word "Person" shall include each Member and any officer, employee or agent of the Company.

16. Officers

The officers of the Company shall be a President, a Vice President and a Secretary. Such offices shall be assumed by the persons serving in the respective office on the Board of Directors of the Member. The President shall be the chief executive officer of the Company and shall be in general charge of the properties and affairs of the Company; shall preside at all meetings; and in furtherance of the purposes of the Company, may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Company. The Vice President shall carry out the powers and responsibilities of the President when the President is absent or unable to act. The Secretary shall attend to the giving and serving of all notices; in furtherance of the purposes of the Company, may sign with the President or Vice President in the name of the Company, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Company; and shall have charge of the corporate books, records, documents and instruments, and such other books

and papers as may be necessary, all of which shall at all reasonable times be open to inspection upon application at the office of the Company during business hours.

17. Governing Law

This Agreement shall be governed by, and construed under, the laws of the State of Texas, all rights and remedies being governed by said laws.

18. Amendment

This Agreement may be amended in writing by the Members.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Limited Liability Company Agreement as of the Effective Date.

ANNA PUBLIC FACILITY CORPORATION, as sole
member

By _____
Stan Carver II
President

(ii). APFC RESERVE AT ANNA HOLDINGS, LLC, AS GROUND LESSOR

(a) GROUND LESSOR FORMATION RESOLUTION

ANNA PUBLIC FACILITY CORPORATION

RESOLUTION AUTHORIZING THE FORMATION OF APFC RESERVE AT ANNA HOLDINGS, LLC (THE “*GROUND LESSOR*”) IN CONNECTION WITH THE ANNA PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (THE RESERVE AT ANNA), SERIES 2023; AUTHORIZING THE DESIGNATION OF THE ANNA PUBLIC FACILITY CORPORATION (THE “*CORPORATION*”) AS THE SOLE MEMBER OF THE GROUND LESSOR; APPROVING THE FORM AND SUBSTANCE OF A LIMITED LIABILITY COMPANY AGREEMENT AND THE EXECUTION THEREOF; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE GROUND LESSOR; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; AND CONTAINING OTHER PROVISIONS RELATING THERETO

WHEREAS, the Anna Public Facility Corporation (the “*Corporation*”) has been duly created and organized pursuant to and in accordance with the provisions of the Texas Public Facility Corporation Act, Chapter 303, Local Government Code, as amended (the “*Act*”), for the purpose of providing a means of financing the costs of the acquisition, construction, rehabilitation, renovation, repair, equipping furnishing and placement in service of public facilities; and

WHEREAS, pursuant to the Act, the Corporation intends to issue, sell and deliver its Multifamily Housing Revenue Bonds (The Reserve at Anna), Series 2023, in an aggregate principal amount not to exceed \$32,000,000 (the “*Bonds*”) to provide for (i) the financing by [____], a Texas limited partnership (the “*Borrower*”), of the acquisition, construction and equipping of a public facility consisting of a multifamily residential rental development for low and moderate income tenants to be known as The Reserve at Anna, and located in the City of Anna, Collin County, Texas; and (ii) the payment of certain costs of issuance of the Bonds in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, APFC Reserve at Anna Holdings, LLC (the “*Ground Lessor*”), a Texas limited liability company whose sole member is the Corporation will enter into a ground lease (the “*Ground Lease*”) with the Borrower; and

WHEREAS, as the sole member of the Ground Lessor, the Corporation desires to authorize all action necessary and appropriate to enter into and carry out all actions under the Ground Lease, to appoint officers of the Ground Lessor; to approve of the Ground Lessor’s formation and the form and substance of its Limited Liability Company Agreement (the “*Company Agreement*”); and to ratify all actions previously taken on behalf of the Ground Lessor;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ANNA PUBLIC FACILITY CORPORATION THAT:

Section 1. Formation of Ground Lessor. The formation of APFC Reserve at Anna Holdings, LLC is hereby approved and ratified.

Section 2. Designation of Sole Member. The designation of the Corporation as the sole member of the Ground Lessor is hereby approved and ratified.

Section 3. Approval and Execution of the Company Agreement. The form and substance of the Company Agreement are hereby approved, and the officers of the Corporation, as sole member of the Ground Lessor, are each hereby authorized to execute the Company Agreement.

Section 4. Appointment of Officers of the Ground Lessor. Stan Carver II is appointed President, Danny Ussery is appointed Vice President and Pete Cain is appointed Secretary of the Ground Lessor.

Section 5. Execution and Delivery of Financing Documents. The officers of the Ground Lessor are each hereby authorized to negotiate the terms of, execute and attest to the Ground Lease and any other such agreements, assignments, notes, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 6. Ratification of Previous Actions. The Corporation hereby ratifies, confirms and adopts all actions previously taken on behalf of the Ground Lessor to carry into effect the transactions contemplated by this Resolution.

Section 7. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 8. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

[Remainder of Page Intentionally Left Blank]

PASSED AND APPROVED the 25th day of April, 2023.

ANNA PUBLIC FACILITY CORPORATION

By _____
Stan Carver II
President

(b) GROUND LESSOR LLC AGREEMENT

**LIMITED LIABILITY COMPANY AGREEMENT
OF
APFC RESERVE AT ANNA HOLDINGS, LLC**

This Limited Liability Company Agreement (this “*Agreement*”) of APFC Reserve at Anna Holdings, LLC (the “*Company*”) is entered into and effective [____], 2023 (the “*Effective Date*”) by the Anna Public Facility Corporation, as the sole member of the Company (the “*Member*”).

The Member hereby forms a limited liability company pursuant to and in accordance with the Texas Limited Liability Company Act, as amended from time to time (currently Chapter 101 of the Texas Business Organizations Code), (the “*Act*”) by filing a Certificate of Formation with the Texas Secretary of State and hereby agrees as follows:

- 1. Name** The name of the limited liability company formed hereby is APFC Reserve at Anna Holdings, LLC.
- 2. Purpose** The general purpose of the Company is to assist the Member in financing public facilities in the jurisdiction of the Anna Public Facility Corporation. The specific purpose of the Company is to acquire, own and lease a tract of real property in City of Anna, Collin County, Texas, on which a multifamily residence will be constructed.
- 3. Registered Office** The address of the registered office of the Company in the State of Texas is c/o Anna Public Facility Corporation, 120 West 7th Street, Anna, Texas 75409.
- 4. Registered Agent** The name and address of the registered agent of the Company for service of process on the Company in the State of Texas is Anna Public Facility Corporation, 120 West 7th Street, Anna, Texas 75409.
- 5. Members** The names and the business, residence or mailing addresses of the Member is as follows:

Anna Public Facility Corporation
120 West 7th Street
Anna, Texas 75409.
- 6. Powers** The business and affairs of the Company shall be managed by the Member. The Member shall have the power to do any and all acts necessary or convenient to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members

under the laws of the State of Texas. The Member shall have the authority to bind the Company.

- 7. Dissolution**

The term of the Company commenced on the filing of the Certificate of Formation Limited Liability Company with the Texas Secretary of State and shall be perpetual unless dissolved as provided in this Agreement.
- 8. Capital Contributions**

The Member has contributed \$10,000, in cash, and no other property, to the Company.
- 9. Additional Contributions**

No Member is required to make any additional capital contribution to the Company.
- 10. Allocation of Profits and Losses**

The Company's profits and losses shall be allocated in proportion to the capital contributions of the Members.
- 11. Distributions**

Distributions shall be made to the Members at the times and in the aggregate amounts determined by the Members. Such distributions shall be allocated among the Member in the same proportion as their capital account balances.
- 12. Assignments**

A Member may assign its limited liability company interest in whole or in part only with the consent of the other Members.
- 13. Resignation**

Without the consent of the remaining Members, a Member may not resign from the Company.
- 14. Admission of Additional Members**

One (1) or more additional members of the Company may be admitted to the Company with the consent of the Members and upon being so admitted shall become bound by all of the terms of this Agreement and shall execute a written joinder to this Agreement.
- 15. Liability of Members**

The Members shall not have any liability for the obligations or liabilities of the Company except to the extent provided in the Act. The Company shall indemnify, in accordance with and to the full extent now or hereafter permitted by law, the Members and any officer or employee of the Company, and may so indemnify any agent of the Company, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administration or investigative (including, without limitation, an action by or in the right of the Company) by reason of any action or omission in their respective

capacities against any liabilities, expenses (including, without limitation, attorneys' fees and expenses and any other costs and expenses incurred in connection with defending such action, suit or proceeding), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Person in connection with such action, suit or proceeding, if the Person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe its, his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption (i) that the Person did not act in good faith and in a manner which it, he or she reasonably believed to be in or not opposed to the best interests of the Company, and (ii) with respect to any criminal action or proceeding, that the Person had reasonable cause to believe its, his or her conduct was unlawful. Expenses (including, without limitation, attorneys' fees and expenses) incurred by a Person seeking indemnification hereunder shall be paid in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking from the Person to repay such amount if it shall ultimately be determined that the Person is not entitled to indemnification.

For purposes of the preceding paragraph, the word "Person" shall include each Member and any officer, employee or agent of the Company.

16. Officers

The officers of the Company shall be a President, a Vice President and a Secretary. The President shall be the chief executive officer of the Company and shall be in general charge of the properties and affairs of the Company; shall preside at all meetings; in furtherance of the purposes of the Company, may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Company. The Vice President shall carry out the powers and responsibilities of the President when the President is absent or unable to act. The Secretary shall attend to the giving and serving of all notices; in furtherance of the purposes of the Company, may sign with the President or Vice President in the name of the Company, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other

instruments of the Company; shall have charge of the corporate books, records, documents and instruments, and such other books and papers as may be necessary, all of which shall at all reasonable times be open to inspection upon application at the office of the Company during business hours. Such offices shall be assumed by the persons serving in the respective office on the Board of Directors of the Member.

17. Governing Law

This Agreement shall be governed by, and construed under, the laws of the State of Texas, all rights and remedies being governed by said laws.

18. Amendment

This Agreement may be amended in writing by the Members.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement as of the Effective Date.

ANNA PUBLIC FACILITY CORPORATION, as sole
member

By _____
Stan Carver II
President

(iii). APFC RESERVE AT ANNA DEVELOPMENT, LLC, AS CO-DEVELOPER

(a) CO-DEVELOPER FORMATION RESOLUTION

ANNA PUBLIC FACILITY CORPORATION

RESOLUTION AUTHORIZING THE FORMATION OF APFC RESERVE AT ANNA DEVELOPMENT, LLC (THE “*CO-DEVELOPER*”) IN CONNECTION WITH THE ANNA PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (THE RESERVE AT ANNA), SERIES 2023; AUTHORIZING THE DESIGNATION OF THE ANNA PUBLIC FACILITY CORPORATION AS THE SOLE MEMBER OF THE CO-DEVELOPER; APPROVING THE FORM AND SUBSTANCE OF A LIMITED LIABILITY COMPANY AGREEMENT AND THE EXECUTION THEREOF; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE CO-DEVELOPER; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; AND CONTAINING OTHER PROVISIONS RELATING THERETO

WHEREAS, the Anna Public Facility Corporation (the “*Corporation*”) has been duly created and organized pursuant to and in accordance with the provisions of the Texas Public Facility Corporation Act, Chapter 303, Local Government Code, as amended (the “*Act*”), for the purpose of providing a means of financing the costs of the acquisition, construction, rehabilitation, renovation, repair, equipping furnishing and placement in service of public facilities; and

WHEREAS, pursuant to the Act, the Corporation intends to issue, sell and deliver its Multifamily Housing Revenue Bonds (The Reserve at Anna), Series 2023, in an aggregate principal amount not to exceed \$32,000,000 (the “*Bonds*”) to provide for (i) the financing by [____], a Texas limited partnership (the “*Borrower*”), of the acquisition, construction and equipping of a public facility consisting of a multifamily residential rental development for low and moderate income tenants to be known as The Reserve at Anna, and located in the City of Anna, Collin County, Texas; and (ii) the payment of certain costs of issuance of the Bonds in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, APFC Reserve at Anna Development, LLC (the “*Co-Developer*”), a Texas limited liability company whose sole member is the Corporation, will serve as co-developer to the Borrower in connection with the acquisition, owning, leasing and managing of the Development pursuant to a Development Agreement (the “*Development Agreement*”) between the Co-Developer and an affiliate or designee the Borrower; and

WHEREAS, as the sole member of the Co-Developer, the Corporation desires to authorize all action necessary and appropriate to enter into and carry out all actions for the benefit of the Borrower in connection with the Development, to appoint officers of the Co-Developer; to approve of the Co-Developer’s formation and the form and substance of its Limited Liability Company Agreement (the “*Company Agreement*”); and to ratify all actions previously taken on behalf of the Co-Developer;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ANNA PUBLIC FACILITY CORPORATION THAT:

Section 1. Formation of Co-Developer. The formation of APFC Reserve at Anna Development, LLC is hereby approved and ratified.

Section 2. Designation of Sole Member. The designation of the Corporation as the sole member of the Co-Developer is hereby approved and ratified.

Section 3. Approval and Execution of the Company Agreement. The form and substance of the Company Agreement are hereby approved, and the officers of the Corporation, as sole member of the Co-Developer, are each hereby authorized to execute the Company Agreement.

Section 4. Appointment of Officers of the Co-Developer. Stan Carver II is appointed President, Danny Ussery is appointed Vice President and Pete Cain is appointed Secretary of the Co-Developer.

Section 5. Execution and Delivery of Financing Documents. The officers of the Co-Developer are each hereby authorized to negotiate the terms of, execute and attest to the Development Agreement and any other such agreements, assignments, notes, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 6. Ratification of Previous Actions. The Corporation hereby ratifies, confirms and adopts all actions previously taken on behalf of the Co-Developer to carry into effect the transactions contemplated by this Resolution.

Section 7. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 8. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

[Remainder of Page Intentionally Left Blank]

PASSED AND APPROVED the 25th day of April, 2023.

ANNA PUBLIC FACILITY CORPORATION

By _____
Stan Carver II
President

(b) Co-DEVELOPER LLC AGREEMENT

**LIMITED LIABILITY COMPANY AGREEMENT
OF
APFC RESERVE AT ANNA DEVELOPMENT, LLC**

This Limited Liability Company Agreement (this “*Agreement*”) of APFC Reserve at Anna Development, LLC (the “*Company*”) is entered into and effective [____], 2023 (the “*Effective Date*”) by the Anna Public Facility Corporation, as the sole member of the Company (the “*Member*”).

The Member hereby forms a limited liability company pursuant to and in accordance with the Texas Limited Liability Company Act, as amended from time to time (currently Chapter 101 of the Texas Business Organizations Code), (the “Act”) by filing a Certificate of Formation with the Texas Secretary of State and hereby agrees as follows:

- 1. Name** The name of the limited liability company formed hereby is APFC Reserve at Anna Development, LLC.
- 2. Purpose** The general purpose of the Company is to assist the Member in providing public facilities in the jurisdiction of the Anna Public Facility Corporation. The specific purpose of the Company is to serve as co-developer in connection with the development of a multifamily housing development in City of Anna, Collin County, Texas.
- 3. Registered Office** The address of the registered office of the Company in the State of Texas is c/o Anna Public Facility Corporation, 120 West 7th Street, Anna, Texas 75409.
- 4. Registered Agent** The name and address of the registered agent of the Company for service of process on the Company in the State of Texas is Anna Public Facility Corporation, 120 West 7th Street, Anna, Texas 75409.
- 5. Members** The names and the business, residence or mailing addresses of the Member is as follows:

Anna Public Facility Corporation
120 West 7th Street
Anna, Texas 75409

- 6. Powers** The business and affairs of the Company shall be managed by the Member. The Member shall have the power to do any and all acts necessary or convenient to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members

under the laws of the State of Texas. The Member shall have the authority to bind the Company.

- 7. Dissolution**

The term of the Company commenced on the filing of the Certificate of Formation Limited Liability Company with the Texas Secretary of State and shall be perpetual unless dissolved as provided in this Agreement.
- 8. Capital Contributions**

The Member has contributed \$10,000, in cash, and no other property, to the Company.
- 9. Additional Contributions**

No Member is required to make any additional capital contribution to the Company.
- 10. Allocation of Profits and Losses**

The Company's profits and losses shall be allocated in proportion to the capital contributions of the Members.
- 11. Distributions**

Distributions shall be made to the Members at the times and in the aggregate amounts determined by the Members. Such distributions shall be allocated among the Member in the same proportion as their capital account balances.
- 12. Assignments**

A Member may assign its limited liability company interest in whole or in part only with the consent of the other Members.
- 13. Resignation**

Without the consent of the remaining Members, a Member may not resign from the Company.
- 14. Admission of Additional Members**

One (1) or more additional members of the Company may be admitted to the Company with the consent of the Members and upon being so admitted shall become bound by all of the terms of this Agreement and shall execute a written joinder to this Agreement.
- 15. Liability of Members**

The Members shall not have any liability for the obligations or liabilities of the Company except to the extent provided in the Act. The Company shall indemnify, in accordance with and to the full extent now or hereafter permitted by law, the Members and any officer or employee of the Company, and may so indemnify any agent of the Company, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administration or investigative (including, without limitation, an action by or in the right of the Company) by reason of any action or omission in their respective

capacities against any liabilities, expenses (including, without limitation, attorneys' fees and expenses and any other costs and expenses incurred in connection with defending such action, suit or proceeding), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Person in connection with such action, suit or proceeding, if the Person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe its, his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption (i) that the Person did not act in good faith and in a manner which it, he or she reasonably believed to be in or not opposed to the best interests of the Company, and (ii) with respect to any criminal action or proceeding, that the Person had reasonable cause to believe its, his or her conduct was unlawful. Expenses (including, without limitation, attorneys' fees and expenses) incurred by a Person seeking indemnification hereunder shall be paid in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking from the Person to repay such amount if it shall ultimately be determined that the Person is not entitled to indemnification.

For purposes of the preceding paragraph, the word "Person" shall include each Member and any officer, employee or agent of the Company.

16. Officers

The officers of the Company shall be a President, a Vice President and a Secretary. The President shall be the chief executive officer of the Company and shall be in general charge of the properties and affairs of the Company; shall preside at all meetings; in furtherance of the purposes of the Company, he may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Company. The Vice President shall carry out the powers and responsibilities of the President when the President is absent or unable to act. The Secretary shall attend to the giving and serving of all notices; in furtherance of the purposes of the Company, may sign with the President or Vice President in the name of the Company, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other

instruments of the Company; shall have charge of the corporate books, records, documents and instruments, and such other books and papers as may be necessary, all of which shall at all reasonable times be open to inspection upon application at the office of the Company during business hours. Such offices shall be assumed by the persons serving in the respective office on the Board of Directors of the Member.

17. Governing Law

This Agreement shall be governed by, and construed under, the laws of the State of Texas, all rights and remedies being governed by said laws.

18. Amendment

This Agreement may be amended in writing by the Members.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement as of the Effective Date.

ANNA PUBLIC FACILITY CORPORATION, as sole
member

By _____
Stan Carver II
President

RESOLUTION 2022-10-1279

A RESOLUTION OF THE ANNA PUBLIC FACILITY CORPORATION DECLARING THE INTENT TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS OR NOTES WITH RESPECT TO THE RESERVE AT ANNA SENIOR APARTMENTS MULTIFAMILY RENTAL DEVELOPMENT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$32,000,000; AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

WHEREAS, the Anna Public Facility Corporation (the “Corporation”) has been created and organized under the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended, (Act), for the purpose of assisting the City of Anna, Texas (the “City”) in financing, refinancing, owning or providing public facilities.

WHEREAS, the Issuer and/or an entity legally acting for and on behalf of the Corporation (either or both) is or are authorized to provide for the acquisition and construction of multifamily housing projects, and to provide for the issuance of revenue bonds for this purpose.

WHEREAS, Anna Reserve TC I, LP, is a to-be-formed limited partnership organized under the laws of the State of Texas.

WHEREAS, the term "Borrower" shall mean Anna Reserve TC I, LP and/or one of its subsidiary, affiliate or related corporations or entities.

WHEREAS, the Borrower has advised the Issuer that it is considering proceeding with the acquisition, construction and/or improvement of a multi-family project described in Exhibit A (the “Project”) within the City of Anna, Texas and within the jurisdiction of the Issuer.

WHEREAS, the Borrower has advised the Issuer that a contributing factor which would further induce the Borrower to proceed with providing for the acquisition, construction and/or improvement of the Project would be a commitment and agreement by the Issuer to consider issuing bonds.

WHEREAS, the Borrower has proposed to the Issuer that the Borrower will be further induced to proceed with providing for the acquisition, construction and/or improvement of the Project if the Issuer will make such commitment and agreement and adopt this Resolution.

WHEREAS, all or a portion of the expenditures relating to the Project (Expenditures) have been paid within 60 days prior to the passage of this Resolution or will be paid on or after the passage of this Resolution.

WHEREAS, the Issuer reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Issuer to rely) to reimburse the Borrower or persons acting on its behalf for the Expenditures with the proceeds of the Bonds.

WHEREAS, the Issuer declares that this Resolution shall, in accordance with its provisions, constitute the agreement of the Issuer to issue the Bonds in such aggregate principal amount, now estimated not to exceed \$32,000,000, as is actually required to finance and pay for the acquisition, construction and/or improvement of the Project.

WHEREAS, the Issuer finds, considers, and declares that the issuance of the Bonds in the amount identified above and for the purpose identified above will be appropriate and consistent with the objectives of the Act, and that the adoption of this

Resolution constitutes, (i) an inducement to the Borrower to proceed with providing for the acquisition, construction and/or improvement of the Project, (ii) the taking of affirmative official action by the Issuer, acting by and through its Board of Directors, towards the issuance of the Bonds, and that such action is similar to the adoption of a bond resolution/within the meaning of Section 1.103-8(a)(5) of the Federal Treasury Regulations and (iii) the declaration of the intention of the Issuer, in accordance with the provisions of Section 1.150-2 of the Federal Treasury Regulations, to reimburse the Expenditures for the Project at such time as the Bonds are issued;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
DIRECTORS OF ANNA PUBLIC FACILITY CORPORATION
THAT:**

Section 1. The Issuer agrees as follows:

(a) To consider adopting a bond resolution or bond resolutions prepared by its Bond Counsel, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, when requested by the Borrower, authorizing the issuance of Bonds pursuant to the Act, and to issue the Bonds, subject to the requirements of the Act and the Corporation's bylaws, the execution of the appropriate agreements or contracts described in (b), below, and the sale of the Bonds under terms and conditions satisfactory to the Issuer and the Borrower, to finance and pay for the acquisition, construction and/or improvement of the Project, including amounts sufficient to pay the fees, expenses, and costs in connection with such issuance, including an amount adequate to reimburse the Issuer for its administrative and overhead expenses and costs with respect to the Bonds and the Project, with the Bonds to be payable from payments by the Borrower to the Issuer

and/or to a corporate trustee in such sums as are necessary to pay the principal of, interest on, and redemption premium, if any, together with the paying agents' and trustee's fees on, the Bonds, as and when the same shall become due and payable.

(b) Prior to the issuance of the Bonds, when requested by the Borrower, to enter into such loan agreement, installment sale agreement, lease, and/or any other appropriate contracts or agreements between the Issuer and the Borrower as are mutually acceptable in all respects to the Issuer and the Borrower, under which the Borrower will be obligated to make payments to the Issuer and/or to a corporate trustee in such sums as are necessary to pay the principal of, interest on, and redemption premium, if any, together with the paying agents' and trustee's fees on, the Bonds, as and when the same shall become due and payable, and with such payments also to be sufficient to defray the Issuer's administrative, overhead, and other expenses and costs with respect to the Bonds and the Project.

(c) To take, or cause to be taken, such other action, and to execute such additional contracts and agreements mutually agreeable to the parties in all respects, when requested by the Borrower as may be required in accordance with the Act and this Resolution to cause the issuance of the Bonds and to obtain an allocation of state volume cap for the Bonds.

Section 2. Subject to the provisions of Section 3 of this Resolution, by the acceptance of this Resolution and proceeding with the Project, the Borrower agrees that it will (i) fully indemnify and hold the Issuer harmless from any and all damages, losses, and reasonable expenses, including attorneys' fees, arising at any time from or with respect to the Bonds or the Project (except those resulting from gross negligence or willful

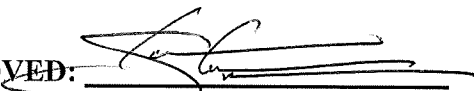
misconduct of the Issuer), and (ii) pay or reimburse the Issuer for all reasonable and necessary out-of-pocket expenses, including attorneys' fees and expenses and the fees and expenses of other consultants, which the Issuer may incur at the request of the Borrower arising from the performance or attempted performance by the Issuer of its obligations hereunder.

Section 3. Nothing contained in this Resolution shall be interpreted as to bind the Issuer to issue any bonds. The Issuer shall have the authority, without cause, not to issue bonds.

Section 4. Subject to the provisions of Section 3 of this Resolution, the adoption of this Resolution constitutes the acceptance of the Borrower's proposal that it be further induced to proceed with providing for the acquisition, construction and/or improvement of the Project, and this proposal and acceptance shall constitute an agreement between the Issuer and the Borrower in accordance with the provisions of this Resolution.

Section 5. The Issuer reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Issuer to rely) to reimburse the Expenditures with the proceeds of the Bonds.

APPROVED:


Stan Carver II, President

ADOPTED: October 11 , 2022

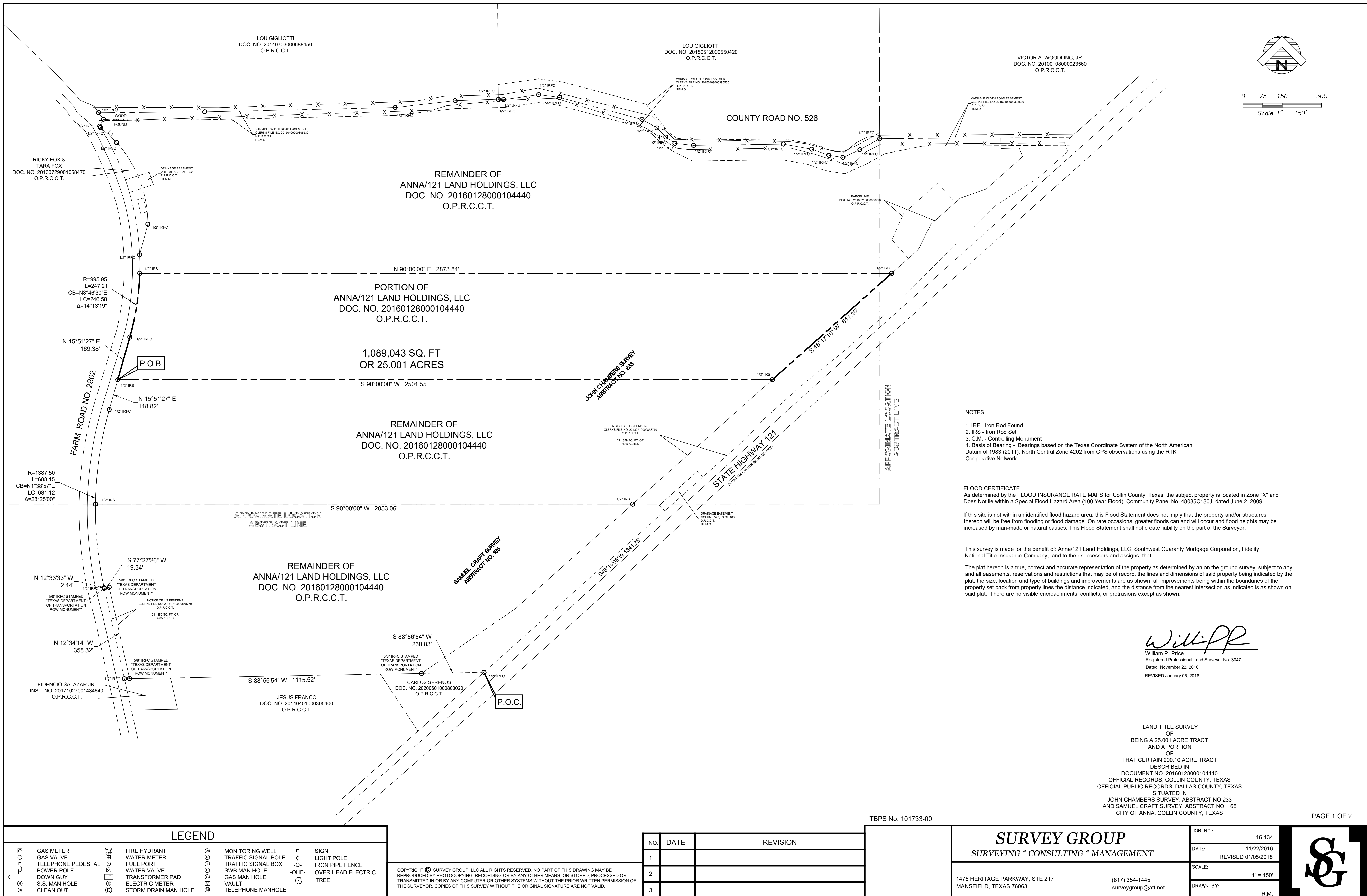
ATTEST:



EXHIBIT A

DESCRIPTION OF PROJECT

The Reserve at Anna Senior Apartments will consist of approximately 206-unit of multifamily residential housing project proposed to be located near the southwest corner of highway 121 and County Road 526 in Anna, Collin County, TX.



This is to certify that I have, this date, made an on the ground survey of the property located on State Highway 121 in the City of Ann, Collin County, Texas described as follows:

STATE OF TEXAS
COUNTY OF Collin

Being a 25.001 acre tract of land situated in the John Chambers Survey, Abstract No. 233 and the Samuel Craft Survey, Abstract No. 165, in the City of Anna, Collin County, Texas, being a portion of that certain 124.13 acre tract of land conveyed to Anna/121 Land Holdings, LLC by deed as recorded in Document No. 20160128000104440, Official Public Records, Collin county, Texas and being more particularly described by metes and bounds as follows:

COMMENCING at a 1/2 inch iron rod found for corner, said point being the southeast corner of said Anna/121 Land Holdings, LLC tract, same point being the northeast corner of that certain tract of land conveyed to Carlos Seranos by deed as recorded in Document No. 20200601000803020, Official Public Records, Collin County, Texas, said point being in the west right-of-way line of State Highway 121 (a variable width right-of-way), said point also being the southeast corner of that certain tract of land conveyed to the State of Texas by Notice of Lis Pendens (Parcel 24 Part 2) as recorded in Instrument No. 20180710000858770, Official Public Records, Collin County, Texas;

THENCE South 88 degrees 56 minutes 54 seconds West, continuing along the common line of said Anna/121 Land Holdings, LLC tract, and said Seranos tract, a distance of 238.83 feet to a 5/8 inch iron rod found for corner with cap stamped "Texas Department of Transportation ROW Monument", said point being in the southwest corner of said State of Texas (Parcel 24 Part 2);

THENCE South 88 degrees 56 minutes 54 seconds West, along the common line of said Anna/121 Land Holdings, LLC tract, and said Seranos tract, a distance of 1115.52 feet to a 5/8 inch iron rod found for corner with cap stamped "Texas Department of Transportation ROW Monument", said point being the southwest corner of said Anna/121 Land Holdings, LLC tract, same point being in the north line of that certain tract of land conveyed to Fidencio Salazar, Jr. by deed as recorded in Document No. 20171027001434640, Official Public Records, Collin County, Texas, said point also being the southeast corner of that certain tract of land conveyed to the State of Texas by Notice of Lis Pendens (Parcel 24 Part 1) as recorded in Instrument No. 20180710000858770, Official Public Records, Collin County, Texas;

THENCE North 12 degrees 34 minutes 14 seconds West, along the east line of said State of Texas (Parcel 24 Part 1), a distance 358.32 feet to a 5/8 inch iron rod found for corner with cap stamped "Texas Department of Transportation ROW Monument", said point being the northeast corner of said State of Texas (Parcel 24 Part 1);

THENCE South 77 degrees 27 minutes 26 seconds West, along the north line of said State of Texas (Parcel 24 Part 1), a distance 19.34 feet to a 5/8 inch iron rod found for corner with cap stamped "Texas Department of Transportation ROW Monument", said point being the northwest corner of said State of Texas (Parcel 24 Part 1), same point being in the east line of Farm Road No. 2862;

THENCE along the west line of said Anna/121 Land Holdings, LLC tract, and along the east right-of-way line of said Farm Road No. 2862 the following calls:

North 12 degrees 33 minutes 33 seconds West, a distance 2.44 feet to a 1/2 inch iron rod found for corner, said point being the beginning of a curve to the right having a radius of 1387.50 feet, a delta angle of 28 degrees 25 minutes 00 seconds, and a chord bearing and distance of North 05 degrees 54 minutes 46 seconds East, 681.12 feet;

Northeasterly along said curve to the right, an arc distance of 688.15 feet to a 1/2 inch iron rod found for corner;

North 15 degrees 51 minutes 27 seconds East, a distance 118.82 feet to a 1/2 inch iron rod set for corner, said point being the southwest corner of said 25.001 acre tract of land being described, same point being the POINT of BEGINNING;

North 15 degrees 51 minutes 27 seconds East, a distance 169.38 feet to a 1/2 inch iron rod found for corner, said point being the beginning of a curve to the left having a radius of 1387.50 feet, a delta angle of 14 degrees 13 minutes 19 seconds, and a chord bearing and distance of North 08 degrees 46 minutes 30 seconds East, 246.58 feet;

Northeasterly along said curve to the left, an arc distance of 247.21 feet to a 1/2 inch iron rod set for corner, said point being the northwest corner of said 25.001 acre tract of land being described;

THENCE North 90 degrees 00 minutes 00 seconds East, departing the east right-of-way line of said Farm Road No. 2862 and through interior of said Anna/121 Land Holdings, LLC tract, a distance 2873.84 feet to a 1/2 inch iron rod set for corner, said point being the northeast corner of said 25.001 acre tract of land being described, said point being in the west right-of-way line of State Highway 121;

THENCE South 48 degrees 17 minutes 16 seconds West, along the east line of said Anna/121 Land Holdings, LLC tract, and along the new west right-of-way line of said State Highway 121, a distance 611.10 feet to a 1/2 inch iron rod set for corner, said point being the southeast corner of said 25.001 acre tract of land being described;

THENCE South 90 degrees 00 minutes 00 seconds West, departing the new west line of said right-of-way line of said State Highway 121, a distance 2501.55 feet to the POINT OF BEGINNING and containing 1,089,043 square feet or 25.001 acres of computed land.

This survey was performed in connection with the transaction described in GF No. 4403402170 and with an effective date of December 19, 2017 and an issue date of January 3, 2018 of FIDELITY NATIONAL TITLE INSURANCE COMPANY. USE OF THIS SURVEY FOR ANY OTHER PURPOSE OR BY OTHER PARTIES SHALL BE AT THEIR OWN RISK AND UNDERSIGNED IS NOT RESPONSIBLE TO OTHERS FOR ANY LOSS RESULTING THEREFROM.

f. Easement(s) and rights incidental thereto, as granted in a document:

Granted to: State of Texas
Purpose: As provided in said document
Recording Date: August 25, 1960
Recording No: Volume 570, Page 456, Deed Records, Collin County, Texas
Affects: Tracts 1 and 2. Does not affect subject property.

g. Easement(s) and rights incidental thereto, as granted in a document:

Granted to: State of Texas
Purpose: As provided in said document
Recording Date: August 25, 1960
Recording No: Volume 570, Page 460, Deed Records, Collin County, Texas
Affects: Tracts 1 and 2. Plotted and shown on survey.

h. Easement(s) and rights incidental thereto, as granted in a document:

Granted to: Texas-New Mexico Power Company
Purpose:As provided in said document
Recording Date: January 16, 2004
Recording No: Volume 5586, Page 944, Real Property Records, Dallas County, Texas
Affects: Tract 1. Affects subject property, blanket in nature.

i. Easement(s) and rights incidental thereto, as granted in a document:

Granted to: Texas-New Mexico Power Company
Purpose: As provided in said document
Recording Date: January 16, 2004
Recording No: Volume 5586, Page 947, Real Property Records, Collin County, Texas
Affects: Tract 1. Affects subject property, blanket in nature.

j. Easement(s) and rights incidental thereto, as granted in a document:

Granted to: Texas-New Mexico Power Company
Purpose: As provided in said document
Recording Date: January 16, 2004
Recording No: Volume 5586, Page 950, Real Property Records, Collin County, Texas
Affects: Tract 1. Affects subject property, blanket in nature.

k. Easement(s) and rights incidental thereto, as granted in a document:

Granted to: Westminster Water Supply Corp.
Purpose: As provided in said document
Recording Date: May3, 2004
Recording No: Volume 5660, Page 4660, Real Property Records, Collin County, Texas; as affected by the Assignment of Easements filed December 20, 2011, recorded under Clerk's File No. 20111220001372910, Real Property Records, Collin County, Texas
Affects: Tract 1. 15 foot strip of land as waterline is installed, however, no attempt was made to locate water line.

m. Easement(s) and rights incidental thereto, as granted in a document:

Granted to: State of Texas
Purpose: As provided in said document
Dated: January 20, 1960
Recording No: Volume 567, Page 526, Deed Records,Collin County, Texas
Also recorded in Volume 568, Page 25, Real Property Records, Collin County, Texas per Survey.
Affects: Tract 2. Plotted and shown on survey.

n. Easement(s) and rights incidental thereto, as granted in a document:

Granted to: Westminster Water Supply Corporation
Purpose: As provided in said document
Recording Date: September 11, 2007
Recording No: under Clerk's File No. 20070911001266130, Real Property Records, Collin County, Texas; as affected by the Assignment of Easements filed December 20, 2011, recorded under Clerk's File No. 20111220001372910, Real Property Records, Collin County, Texas
Affects: Tract 2. Does not affect subject property.

o. Easement(s) and rights incidental thereto, as granted in a document:

Granted to: County of Collin
Purpose: As provided in said document
Recording Date: April 9, 2015
Recording No: under Clerk's File No. 20150409000395530, Real Property Records, Collin County, Texas
Affects: Tract 2. Plotted and shown on survey.

p. Rights of the public to any portion of the Land lying within the area commonly known as CR 526.
Affects Tract 2

NOTES:

1. IRF - Iron Rod Found
2. IRS - Iron Rod Set
3. C.M. - Controlling Monument
4. Basis of Bearing - Bearings based on the Texas Coordinate System of the North American Datum of 1983 (2011), North Central Zone 4202 from GPS observations using the RTK Cooperative Network.

FLOOD CERTIFICATE

As determined by the FLOOD INSURANCE RATE MAPS for Collin County, Texas, the subject property is located in Zone "X" and Does Not lie within a Special Flood Hazard Area (100 Year Flood), Community Panel No. 48085C180J, dated June 2, 2009.

If this site is not within an identified flood hazard area, this Flood Statement does not imply that the property and/or structures thereon will be free from flooding or flood damage. On rare occasions, greater floods can and will occur and flood heights may be increased by man-made or natural causes. This Flood Statement shall not create liability on the part of the Surveyor.

This survey is made for the benefit of: Anna/121 Land Holdings, LLC, Southwest Guaranty Mortgage Corporation, Fidelity National Title Insurance Company, and to their successors and assigns, that:

The plat hereon is a true, correct and accurate representation of the property as determined by an on the ground survey, subject to any and all easements, reservations and restrictions that may be of record, the lines and dimensions of said property being indicated by the plat, the size, location and type of buildings and improvements are as shown, all improvements being within the boundaries of the property set back from property lines the distance indicated, and the distance from the nearest intersection as indicated is as shown on said plat. There are no visible encroachments, conflicts, or protrusions except as shown.


William P. Price
Registered Professional Land Surveyor No. 3047
Dated: November 22, 2016
REVISED January 05, 2018

LAND TITLE SURVEY
OF
BEING A 25.001 ACRE TRACT
AND A PORTION
OF
THAT CERTAIN 200.10 ACRE TRACT
DESCRIBED IN
DOCUMENT NO. 20160128000104440
OFFICIAL RECORDS, COLLIN COUNTY, TEXAS
OFFICIAL PUBLIC RECORDS, DALLAS COUNTY, TEXAS
SITUATED IN
JOHN CHAMBERS SURVEY, ABSTRACT NO 233
AND SAMUEL CRAFT SURVEY, ABSTRACT NO. 165
CITY OF ANNA, COLLIN COUNTY, TEXAS

TBPS No. 101733-00

LEGEND			
	GAS METER		FIRE HYDRANT
	GAS VALVE		WATER METER
	TELEPHONE PEDESTAL		FUEL PORT
	POWER POLE		WATER VALVE
	DOWN GUY		TRANSFORMER PAD
	S.S. MAN HOLE		ELECTRIC METER
	CLEAN OUT		STORM DRAIN MAN HOLE
	MONITORING WELL		SIGN
	TRAFFIC SIGNAL POLE		LIGHT POLE
	TRAFFIC SIGNAL BOX		IRON PIPE FENCE
	SWB MAN HOLE		OVER HEAD ELECTRIC
	GAS MAN HOLE		TREE
	VAULT		
	TELEPHONE MANHOLE		

COPYRIGHT © SURVEY GROUP, LLC ALL RIGHTS RESERVED. NO PART OF THIS DRAWING MAY BE REPRODUCED BY PHOTOCOPYING, RECORDING OR BY ANY OTHER MEANS, OR STORED, PROCESSED OR TRANSMITTED IN OR BY ANY COMPUTER OR OTHER SYSTEMS WITHOUT THE PRIOR WRITTEN PERMISSION OF THE SURVEYOR. COPIES OF THIS SURVEY WITHOUT THE ORIGINAL SIGNATURE ARE NOT VALID.

NO.	DATE	REVISION
1.		
2.		
3.		

SURVEY GROUP	
SURVEYING * CONSULTING * MANAGEMENT	
1475 HERITAGE PARKWAY, STE 217 MANSFIELD, TEXAS 76063	(817) 354-1445 surveygroup@att.net

JOB NO.:	16-134 - 50.00 ACRES
DATE:	11/22/2016
SCALE:	1" = 150'
DRAWN BY:	R.M.





Item No. 7.c.

City Council Agenda
Staff Report

Meeting Date: 4/25/2023
Staff Contact: Steven Smith

AGENDA ITEM:

Consider/Discuss/Action on a Resolution authorizing the City Manager to execute Purchase Orders not to exceed \$345,000 to Wopac Construction under the Collin County Purchasing Cooperative contract. (Interim Director of Public Works Steven Smith)

SUMMARY:

This item is for the City of Anna's annual Street Maintenance Sales Tax projects. This fiscal year project list includes the following streets:

- Easton (Full Depth Reclamation)
- West 5th Street (Full Depth Reclamation)
- East 6th Street (Full Depth Reclamation)

As a member of the Collin County Purchasing Cooperative, the City of Anna is able to receive contract pricing through the existing County contract, resulting in better unit prices and cost savings. The City is utilizing the existing contract by and between Wopac Construction, Incorporated and Collin County for General Road Maintenance.

Staff included \$24,000 in contingency funds in the proposed project budget, for a total project budget of \$345,000. Remaining funds will be allocated to future Street Maintenance Tax projects.

FINANCIAL IMPACT:

Funding for this item was appropriated in the FY2023 Department budget in the amount of \$400,000. The estimated total cost of these three projects is \$321,000. Staff is recommending a contingency of \$24,000 for driveway connections and additional subgrade work which may be required during construction. Remaining funds will be allocated towards future Street Maintenance Tax projects.

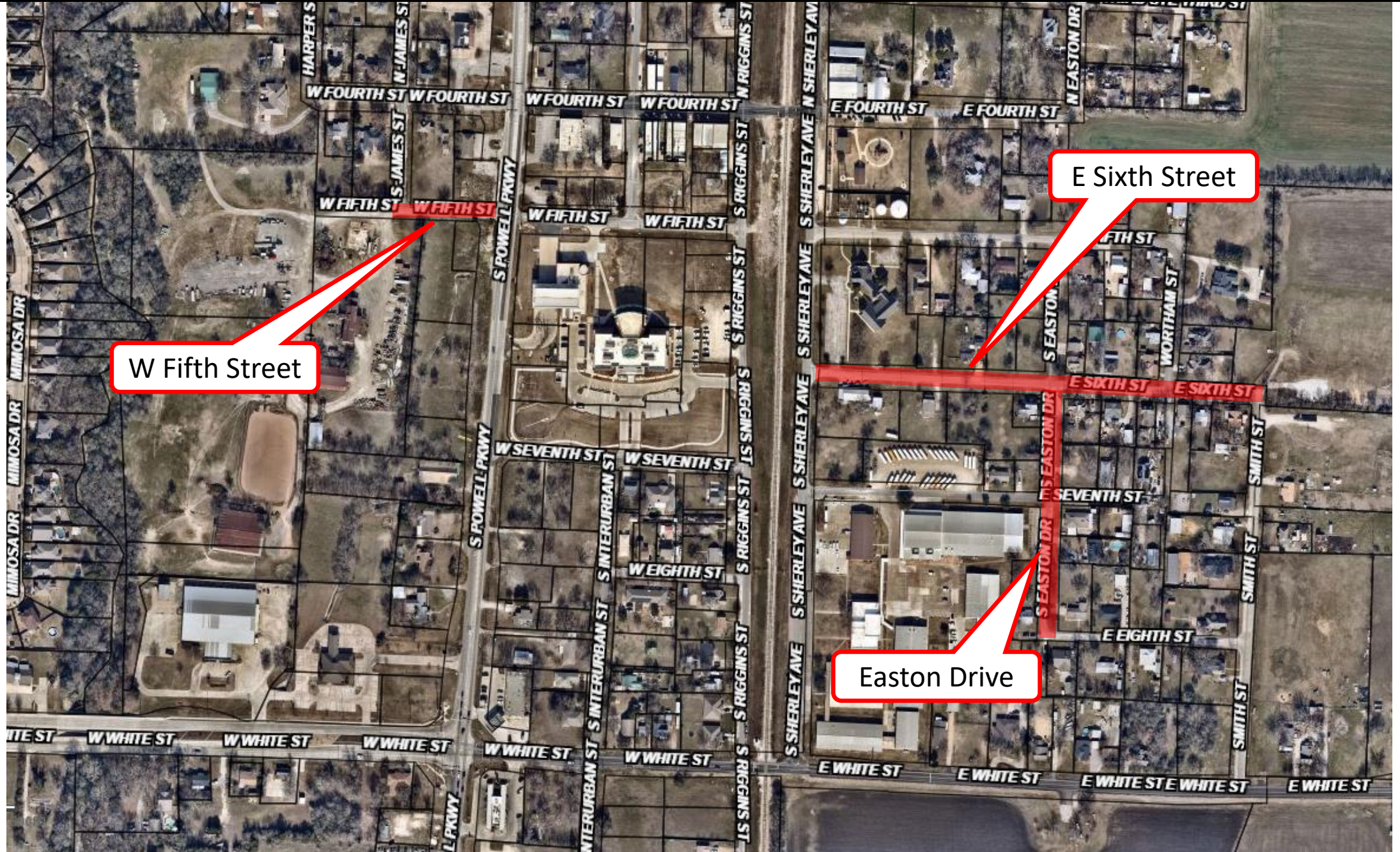
BACKGROUND:

Anna Neighbors approved the implementation of a Street Maintenance Sales Tax, which makes up a quarter percent of the sales tax rate. These funds are dedicated to street maintenance projects. Projects are completed annually based on street conditions and available funding. The majority of the funding is used to rehabilitate aging asphalt roadways in downtown Anna and on County Roads which become the responsibility of the City to maintain.

STRATEGIC CONNECTIONS:**Goal 3: Sustainable Anna Community Through Planned Managed Growth****ATTACHMENTS:**

1. Street Maintenance Projects - Location Map and Conditions
2. Resolution and Quote - Wopac Construction - Reconstruct Easton, W. 5th St., & E. 6th St

Street Maintenance Tax Project Location Map



Current Street Conditions

Fifth Street



Easton Drive



Sixth Street



CITY OF ANNA, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF ANNA, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS FOR THE RECONSTRUCTION OF EASTON, W. FIFTH STREET, AND E. SIXTH STREET TO WOPAC CONSTRUCTION, INCORPORATED IN THE AMOUNT NOT TO EXCEED THREE HUNDRED FOURTY-FIVE THOUSAND DOLLARS (\$345,000); AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Easton, W. 5th Street, and 6th Street are located within city limits of the City of Anna, Texas; and

WHEREAS, Easton, W. 5th Street, and E. 6th Street are in disrepair and require full-depth reconstruction; and

WHEREAS, Wopac Construction, Incorporated has a current contract with Collin County for road paving improvements; and,

WHEREAS, the City of Anna is utilizing the Collin County contract with Wopac Construction, Incorporated in accordance with the Collin County Purchasing Program and,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS THAT:

Section 1. Recitals Incorporated

The recitals above are incorporated herein as if set forth in full for all purposes.

Section 2. Authorization of Payment and Funding.

That the City Council of the City of Anna hereby authorizes the City Manager to execute purchase orders in an amount not to exceed \$345,000 to Wopac Construction, Incorporated for the reconstruction of Easton, W. 5th Street, and E. 6th Street.

That funding for the project shall come from the Street Maintenance Sales Tax funds.

PASSED AND APPROVED by the City Council of the City of Anna, Texas on this ____ day of April 2023.

ATTEST:

City Secretary, Carrie Land

APPROVED:

Mayor, Nate Pike

Exhibit A

PURCHASING QUOTE FORM

PO # _____

Public Works Department
3223 N. Powell Pkwy
Anna, TX 75409

THE CITY OF
Anna

Reconstruct Easton

Submitted By: Hunter Parker

Exemption : ILA/Co-op

Division to charge: Streets 10-580

****Quote Summary (Attach Supporting Documentation if Required)****

Vendor	Quantity	Unit Price	Total Price
Wopac Construction	1	\$134,040.20	\$134,040.20

Quotes are required for all purchases over \$500. For purchases from \$500-\$2,999 verbal quotes are acceptable. For purchases from \$3,000-\$49,999 written quotes are required; however, these purchases must be approved in writing in advance by the City Manager. Additionally 2 HUB's must be invited to quote on purchases exceeding \$2,999. Evidence of the invitation must accompany the purchase order.

Easton St. - Reclaim and remove 2" of material. Cement Stabilize existing subgrade at a depth of 8" using 40lbs cement per SY. Prime subgrade and install 3" TY C asphalt compacted in place at 18' width.

Streets 100-580-

 4-3-23

Signature:

Date:

WOPAC Const. Inc.

P.O. Box 819
Prosper, TX 75078
972-562-8316
adamleachwopac@aol.com
wopacconst.com

Estimate

Estimate No: 2346
Date: 3/31/2023



Quote To:

City of Anna
111 N. Powell Pkwy
Anna, TX 75409

WOPAC Construction Inc. hereinafter called the company, offers to furnish all labor, materials and equipment required for the performance of the following described work.

Job and Location: Reconstruct Easton from 6th St. to 8th St.

Item	Description	Quantity	Unit	Rate	Amount
1	Easton St. - Reclaim and remove 2" of material. Cement Stabilize existing subgrade at a depth of 8" using 40lbs cement per SY. Prime subgrade and install 3" TY C asphalt compacted in place at 18' width.	21278	SF	\$5.90	\$125,540.20
2	Asphalt Driveway Connections.	12	Ea	\$500.00	\$6,000.00
3	Barricades and Traffic Control.	1	LS	\$2,500.00	\$2,500.00

Grand Total \$134,040.20



COLLIN COUNTY

Office of the Purchasing Agent
2300 Bloomdale Road
Suite 3160
McKinney, Texas 75071
www.collincountytx.gov

March 7, 2023

Wopac Construction, Inc.
4007 FM 1461
McKinney, TX 75071

RE: Award of IFB 2023-123 General Road, Reconstruction & Improvements

Dear Mr. Leach:

Collin County has awarded your company part of the above referenced solicitation (Primary – Categories 1-6) per Court Order No. 2023-170-03-06. It is understood all terms, conditions and prices will be held firm as per your response to the solicitation. This is an annual fixed price contract with optional price re-determination at 6-month intervals. The contract term begins March 6, 2023 and continues through and including March 5, 2024. The County will have the right and option to extend the term of the contract for four (4) additional one (1) year periods upon the same terms and conditions. The County will also have the right and option to terminate the contract upon thirty (30) days written notice.

This is a notification only, purchase orders will be issued on an as needed basis. The delivery address for orders will be printed on each purchase order issued.

Per Article 3.0 of the specifications, please submit your insurance certificate indicating the required coverage with ten (10) days.

A purchase order is required for all products or services ordered. Do not deliver any products or perform any services without a purchase order.

Invoices should be e-mailed to the Collin County Auditor's office at accountspayable@collincountytx.gov and to the department contact. Please ensure that the appropriate purchase order number is on all invoices.

Please acknowledge receipt of this letter, as indicated below, and e-mail it to G. Zimmer at gzimmer@co.collin.tx.us or fax to 972-548-4694.

NAME Adam Leach
SIGNATURE [Signature]

DATE 3-8-23
TITLE Pres.

Thank you for your interest in serving our needs. We look forward to a successful business relationship. If you have any further questions, please contact me at 972-548-4119.

Sincerely,

G. Zimmer
Buyer II

Copy to:
File

Exhibit B

PURCHASING QUOTE FORM

PO # _____

Public Works Department
3223 N. Powell Pkwy
Anna, TX 75409

THE CITY OF
Anna

Reconstruct 6th St.

Submitted By: Hunter Parker

Exemption : ILA/Co-op

Division to charge: Streets 10-580

****Quote Summary (Attach Supporting Documentation if Required)****

Vendor	Quantity	Unit Price	Total Price
Wopac Construction	1	\$147,507.00	\$147,507.00

Quotes are required for all purchases over \$500. For purchases from \$500-\$2,999 verbal quotes are acceptable. For purchases from \$3,000-\$49,999 written quotes are required; however, these purchases must be approved in writing in advance by the City Manager. Additionally 2 HUB's must be invited to quote on purchases exceeding \$2,999. Evidence of the invitation must accompany the purchase order.

E. 6th St. - Reclaim and remove 2" of material. Cement Stabilize existing subgrade at a depth of 8" using 40lbs cement per SY. Prime subgrade and install 3" TY C asphalt compacted in place at 18' width

Streets 100-580-



4-3-23

Signature:

Date:

WOPAC Const. Inc.

P.O. Box 819
Prosper, TX 75078
972-562-8316
adamleachwopac@aol.com
wopacconst.com

Estimate

Estimate No: 2347
Date: 3/31/2023



Quote To:

City of Anna
111 N. Powell Pkwy
Anna, TX 75409

WOPAC Construction Inc. hereinafter called the company, offers to furnish all labor, materials and equipment required for the performance of the following described work.

Job and Location: Reconstruct E. 6th St. from Sherley St. to Smith St.

Item	Description	Quantity	Unit	Rate	Amount
1	E. 6th St. - Reclaim and remove 2" of material. Cement Stabilize existing subgrade at a depth of 8" using 40lbs cement per SY. Prime subgrade and install 3" TY C asphalt compacted in place at 18' width.	23730	SF	\$5.90	\$140,007.00
2	Asphalt Driveway Connections.	10	Ea	\$500.00	\$5,000.00
3	Barricades and Traffic Control.	1	LS	\$2,500.00	\$2,500.00

Grand Total \$147,507.00

Exhibit C

PURCHASING QUOTE FORM

PO # _____

Public Works Department
3223 N. Powell Pkwy
Anna, TX 75409

THE CITY OF
Anna

W. 5th St.

Submitted By: Hunter Parker

Exemption : ILA/Co-op

Division to charge: Streets 10-580

****Quote Summary (Attach Supporting Documentation if Required)****

Vendor	Quantity	Unit Price	Total Price
Wopac Construction	1	\$38,608.00	\$38,608.00

Quotes are required for all purchases over \$500. For purchases from \$500-\$2,999 verbal quotes are acceptable. For purchases from \$3,000-\$49,999 written quotes are required; however, these purchases must be approved in writing in advance by the City Manager. Additionally 2 HUB's must be invited to quote on purchases exceeding \$2,999. Evidence of the invitation must accompany the purchase order.

W. 5th St. - Reclaim and remove 2" of material. Cement Stabilize existing subgrade at a depth of 8" using 40lbs cement per SY. Prime subgrade and install 3" TY C asphalt compacted in place at 18' width.

Streets 100-580-

 4-3-23

Signature:

Date:

WOPAC Const. Inc.

P.O. Box 819
Prosper, TX 75078
972-562-8316
adamleachwopac@aol.com
wopacconst.com

Estimate

Estimate No: 2348
Date: 3/31/2023



Quote To:

City of Anna
111 N. Powell Pkwy
Anna, TX 75409

WOPAC Construction Inc. hereinafter called the company, offers to furnish all labor, materials and equipment required for the performance of the following described work.

Job and Location: Reconstruct W. 5th St. from Hwy 5 to James St.

Item	Description	Quantity	Unit	Rate	Amount
1	W. 5th St. - Reclaim and remove 2" of material. Cement Stabilize existing subgrade at a depth of 8" using 40lbs cement per SY. Prime subgrade and install 3" TY C asphalt compacted in place at 18' width.	6120	SF	\$5.90	\$36,108.00
2	Barricades and Traffic Control.	1	LS	\$2,500.00	\$2,500.00

Grand Total \$38,608.00



Item No. 7.d.

City Council Agenda
Staff Report

Meeting Date: 4/25/2023
Staff Contact: Ryan Henderson

AGENDA ITEM:

Finley Boulevard (Interim City Manager Ryan Henderson)

I. Consider/Discuss/Action on an Ordinance Amending the FY2023 Roadway Impact Fees Fund Budget.

II. Consider/Discuss/Action a Resolution authorizing the City Manager to execute a project-specific Purchase Order with HALFF Associates in an amount not exceeding \$90,000 for the Design of Finley Blvd. from Sharp Street to the DART Rail line.

SUMMARY:

Halff & Associates have put together a proposal for the design of East Finley Blvd. The design includes two extra lanes approximately 250 feet east of Powell Pkwy to the intersection of Sharp St. Improvements include roadway paving, drainage, sidewalks, pedestrian ramps, signage in pavement markings. A budget amendment would need to be approved to fund the design work for the following purposes:

Finley Blvd (Design) (\$90,000): This amendment will provide funding for the design of Finley Blvd. Construction costs will be budgeted in the FY2024 Community Investment Program budget.

FINANCIAL IMPACT:

Funding for the Finley Blvd Engineering Design project is being appropriated through an amendment to the FY2023 Community Investment Program budget in the amount of \$90,000 thousand from the Roadway Impact Fees Fund.

BACKGROUND:

The item for this roadway improvement comes from a recommendation from staff to help alleviate the backup and constraints experienced by the neighbors in Anna Town Square. With regards to the budget amendment, the FY2023 Budget was adopted by the City Council on September 13, 2022. According to the City Charter, the City Council may, by the affirmative vote of a majority of the full membership of the City Council, amend or change the budget to provide for any additional expense in which the general welfare of the citizenry is involved.

STRATEGIC CONNECTIONS:

This item supports the City of Anna Strategic Plan, specifically advancing the strategic

outcome area: Excellent.

ATTACHMENTS:

1. Finley Boulevard Improvements
2. April 25 Finley Budget Amendment Exhibit
3. April 25 Finley Budget Amendment Ordinance
4. Resolution Contract for Halff

FINLEY BLVD



Construct the Two Southern Lanes of East Finley BLVD from the Dart Tracks to Sharp Street.

CITY OF ANNA
DETAIL OF RECOMMENDED FY2022-23 BUDGET AMENDMENTS

ROADWAY IMPACT FEES**Expense:**

Project No.	Project Name	Budget	Change	Revised Budget
TBD	Finley Blvd - Design	\$ -	\$ 90,000	\$ 90,000

Justification:

This amendment will provide funding for the design of Finley Blvd. Construction costs will be budgeted in the FY2024 Community Investment Program budget. This roadway improvement comes from the neighbors who live in Anna Town Square who have voiced their opinion about their traffic concerns within their sub-division.

CITY OF ANNA

ORDINANCE NO.

AN ORDINANCE AMENDING ORDINANCE NO. 1002-2022 ADOPTING THE BUDGET FOR THE 2022-2023 FISCAL YEAR; PROVIDING FOR SAVINGS, SEVERABILITY, AND REPEALING CLAUSES; PROVIDING FOR AN EFFECTIVE DATE; AND PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.

WHEREAS, on September 13, 2022, the City Council of the City of Anna, Texas ("City Council"), after a duly noticed public hearing as required under Texas Local Gov't Code §102.106, and in accordance with applicable provisions of the City of Anna, Texas Home-Rule Charter ("Charter"), adopted a budget of all municipal appropriations and expenditures for the 2022-2023 fiscal year; and

WHEREAS, the City is authorized to make this budget amendment by majority vote of the City Council under Section 7.09 of the Charter;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS THAT:

SECTION 1. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council with respect to the budget amendments described herein.

SECTION 2. The City Council of the City officially finds, determines, and declares that the City of Anna 2022-2023 fiscal year budget is hereby amended with respect to its Roadway Impact Fees Funds as set forth in the original budget adopted under Ordinance No. 1002-2022 by replacing the information regarding said funds with the information relating to said funds set forth in the attached Exhibit A, incorporated herein for all purposes.

SECTION 4. Upon adoption and execution of this ordinance, the City Secretary is directed to attach same and its exhibits to the original City of Anna 2022-2023 fiscal year budget in all places where said budget is filed as of public record or posted for public inspection.

SECTION 5. If any provision of this ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this ordinance would have been enacted without such invalid provision.

SECTION 6. It is officially found, determined, and declared that the meeting at which this ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this

ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

PASSED, APPROVED, AND ADOPTED on first and final reading on this 25th day of April, 2023.

ATTESTED:

APPROVED:

City Secretary, Carrie Land

Mayor, Nate Pike

CITY OF ANNA, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF ANNA, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT FOR PROFESSIONAL SERVICES, IN A FORM APPROVED BY THE CITY ATTORNEY WITH HALFF & ASSOCIATES INCORPORATED, FOR THE ENGINEERING DESIGN OF FINLEY BLVD IN THE AMOUNT NOT TO EXCEED NINETY THOUSAND DOLLARS AND ZERO CENT (\$90,000.00); AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Finley Blvd is identified as a capital roadway improvement project in the City of Anna, Texas; and,

WHEREAS, Halff & Associates were selected as part of the multi-discipline RFQ; and

WHEREAS, the growth of Anna Town Square has increased traffic volume on Finley Blvd, between State Highway 5 and Sharp Street.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS, THAT:

Section 1. Recitals Incorporated

The recitals above are incorporated herein as if set forth in full for all purposes.

Section 2. Authorization of Payment and Funding.

That the City Council of the City of Anna hereby authorizes the City Manager to execute a contract in an amount not to exceed \$90,000.00 to Halff & Associates, incorporated for the Engineering Design of Finley Boulevard, between the Dart tracks (East of State Highway 5) and Sharp Street.

That funding for the project shall come from the Capital Non-bond fund.

PASSED AND APPROVED by the City Council of the City of Anna, Texas on this ____ day of April 2023.

ATTEST:

APPROVED:

City Secretary, Carrie Land

Mayor, Nate Pike

EXHIBIT "B"
PAYMENT SCHEDULE
(All fees not to exceed without prior approval)

For and in consideration of Basic and Special Services to be rendered by CONSULTANT, CITY agrees to pay, based on the fees indicated below, with the total fee not to exceed Eighty Nine Thousand Seventy-Two Dollars (\$89,072). Partial payments to CONSULTANT will be made on the basis of monthly statements rendered to and approved by the CITY; however, under no circumstances shall any monthly statement for services exceed the value of work performed at the time a statement is rendered. Payment for the services shall be due and payable within one month of submission of a statement for services. A summary of the fee is as shown below:

BASIC SERVICES

I.	PROJECT MANAGEMENT/COORDINATION (xx% of Total Basic Service Fee)	= \$ 5,040
II.	PRELIMINARY ENGINEERING SERVICES (xx% of Total Basic Service Fee)	= \$ 18,762
III.	PRE-FINAL ENGINEERING SERVICES (xx% of Total Basic Service Fee)	= \$ 29,256
IV.	FINAL DESIGN SERVICES (xx% of Total Basic Service Fee)	= \$ 12,645
V.	BID PHASE SERVICES (x% of Total Basic Service Fee)	= \$ 5,523
TOTAL BASIC SERVICES FEE		= \$ 71,226

Special services shown below will be paid on a cost-plus basis. CONSULTANT will submit to CITY supporting documentation for the percentage complete for which payment is sought.

SPECIAL SERVICES

VI.A.	CONSTRUCTION ADMINISTRATION	= \$ 5,690
VI.B.	SURVEY FOR DESIGN	= \$ 12,156
TOTAL SPECIAL SERVICES FEE		= \$ 17,846
TOTAL SERVICES FEE		= \$ 89,072

It is specifically understood and agreed that CONSULTANT shall not be authorized to undertake any work pursuant to this Contract which would require payment by the CITY for any charge, expense, or reimbursement above the fee as stated herein without obtaining prior written authorization from the CITY.



Item No. 7.e.

City Council Agenda
Staff Report

Meeting Date: 4/25/2023
Staff Contact: Alan Guard

AGENDA ITEM:

Consider/Discuss/Action on a Resolution accepting the FY 2022 Audit Report. (Finance Director Alan Guard)

SUMMARY:

The item before the Council is a resolution to take action to accept the audit report completed by the accounting firm Weaver and Tidwell, LLP. The City is currently in the fourth year of a contract with Weaver and Tidwell to prepare the audit and Annual Comprehensive Financial Report (the Annual Report). A final copy of the Annual Report will be provided at the Council meeting. Weaver has provided a draft report attached to this item.

FINANCIAL IMPACT:

This item has no financial impact.

BACKGROUND:

The City is required by the Charter to complete an annual independent audit of all accounts by an outside certified public accountant. The City Council has retained Weaver and Tidwell, LLP for that purpose.

STRATEGIC CONNECTIONS:

This item supports the City of Anna Strategic Plan, specifically advancing the strategic outcome area: Excellent.

ATTACHMENTS:

1. Resolution Accepting the FY2023 Audit
2. City of Anna draft ACFR FY22 4.19.23

CITY OF ANNA, TEXAS

RESOLUTION NO. _____

A RESOLUTION ACCEPTING THE FISCAL YEAR 2022 FINANCIAL AUDIT OF THE CITY OF ANNA.

WHEREAS, the City of Anna, Texas ("the City") is committed to principles and practices of open and fair government that honors the public trust; and

WHEREAS, Article 7 Section 7.18 of the City's Home-Rule Charter ("the Charter") requires an annual independent audit of all accounts of the City by a certified public accountant.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS, THAT:

Section 1. Recitals Incorporated.

The above-referenced recitals are incorporated herein as if set forth in full for all purposes.

Section 2. Audit Accepted

The City Council has hereby accepted the FY 2022 audit attached hereto as Exhibit 1.

PASSED by the City Council of the City of Anna, Texas, on this the 25th day of April, 2023.

ATTEST:

APPROVED:

Carrie L. Land, City Secretary

Nate Pike, Mayor



THE CITY OF
Anna

City of Anna, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal year ended September 30, 2022

THE CITY OF **Anna**

City of Anna, Texas

Annual Comprehensive Financial Report For the Fiscal Year Ended September 30, 2022

Prepared by

The Finance Department

THE CITY OF **Anna**

City of Anna, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2022
Table of Contents

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	Page
Introductory Section	
Letter of Transmittal	v
GFOA Certificate of Achievement	x
Organizational Chart	xi
List of Elected Officials and Management	xii
Financial Section	
Independent Auditor's Report	3
Management's Discussion and Analysis	7
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet - Governmental Funds	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Proprietary Fund Financial Statements	
Statement of Net Position - Proprietary Fund	26
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	28
Statement of Cash Flows - Proprietary Fund	29
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position - Custodial Fund	31
Statement of Fiduciary Revenues, Expenses, and Changes in Net Position - Custodial Fund	30
Notes to the Financial Statements	33
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	73
Schedule of Changes in Net Pension Liability and Related Ratios - Texas Municipal Retirement System (TMRS)	74
Schedule of Employer Contributions to Pension Plan - TMRS	75
Schedule of Changes in Total OPEB Liability and Related Ratios - TMRS	76
Schedule of OPEB Contributions - TMRS	77
Combining and Individual Fund Financial Statements and Schedules	
Combining Balance Sheet - Nonmajor Governmental Funds	81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	83
Balance Sheet - Community Development Corporation	85
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position - Community Development Corporation	86

City of Anna, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2022
Table of Contents – Continued

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	Page
Combining and Individual Fund Financial Statements and Schedules - Continued	
Statement of Revenues, Expenditures, and Changes in Fund Balance -	
Community Development Corporation	87
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances	
of the Governmental Funds to the Statement of Activities – Comm. Development Corporation	88
Balance Sheet – Economic Development Corporation	89
Reconciliation of the Governmental Fund Balance Sheet to	
the Statement of Net Position - Economic Development Corporation	90
Statement of Revenues, Expenditures, and Changes in Fund Balance -	
Economic Development Corporation	91
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of	
the Governmental Fund to the Statement of Activities – Economic Development Corporation	92
Balance Sheet - Housing Finance Corporation	93
Statement of Revenues, Expenditures, and Changes in Fund Balance -	
Housing Finance Corporation	94
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Community Development Corporation	95
Economic Development Corporation	96
Debt Service Fund	97
Grant Fund	98
Statistical Section (Unaudited)	
Financial Trends	
Net Position by Component	103
Changes in Net Position	104
Fund Balances of Governmental Funds	106
Changes in Fund Balances of Governmental Funds	107
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	108
Direct and Overlapping Property Tax Rates	109
Principal Property Taxpayers	110
Property Tax Levies and Collections	111
Debt Capacity	
Ratios of Outstanding Debt by Type	112
Ratios of General Bonded Debt Outstanding	113
Direct and Overlapping Governmental Activities Debt	114
Pledged-Revenue Coverage	115
Demographic and Economic Information	
Demographic and Economic Statistics	116
Principal Employers	117
Operating Information	
Full-Time Equivalent City Government Employees by Function/Program	118
Operating Indicators by Function/Program	119
Capital Asset Statistics by Function/Program	120

Introductory Section

THE CITY OF **Anna**



April XX, 2023

To the Honorable Mayor and City Council, City Manager,
Citizens of the City of Anna:

The Comprehensive Annual Financial Report (CAFR) of the City of Anna, Texas, for the fiscal year ended September 30, 2022 including the independent auditor's report, is hereby submitted in accordance with the provisions of Section 10.3 of the City Charter. Also, state law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with the generally accepted accounting principles (GAAP) and audited in accordance with generally accepted audited standards by an independent firm of licensed public accountants. This report is published to fulfill those requirements for the fiscal year ended September 30, 2022.

This report is published to provide the Mayor and City Council, city staff, our citizens, representatives of financial institutions, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. Because the cost of internal controls should not outweigh their benefits, the City of Anna's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement.

The City of Anna's financial statements have been audited by Weaver and Tidwell, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the Government

The City of Anna, incorporated in 1913, is located in north central Collin County on U.S. 75, State Highway 5, and State Highway 121, about 40 miles north of Dallas, and is one of the fastest growing cities in the Dallas/Fort Worth Metroplex. The City currently occupies a land area of approximately 15.6 square miles and services approximately 20,243 residents. The City of Anna is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Anna operates under a home rule charter adopted in 2005, with a Council-Manager form of government. Policy-making and legislative authority are vested in the City Council consisting of the Mayor and six Council members. The City Council is responsible for, among other things, passing ordinances, resolutions, and regulations governing the City as well as adopting the budget which serves as the foundation for financial planning and control. The City Council appoints the City Manager, who has full responsibility for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government and appointing the heads of the various departments. The City Council also appoints the City Attorney, City Secretary, and Municipal Judge. The Council is elected on a non-partisan basis. Council members serve three-year staggered terms.

The City of Anna provides a full range of services, including police and fire protection; municipal court; parks and recreation; water and sewer services; solid waste collection/disposal; and the construction and maintenance of streets and other infrastructure. In addition, the City of Anna is also financially accountable for a legally separate economic development corporation and community development corporation, which are reported separately with the City of Anna's financial statements. Additional information on these legally separate entities can be found in the Notes to the Financial Statements. The City currently has 147.0 budgeted full-time equivalent positions.

The annual budget serves as the foundation for the City of Anna's financial planning and control. All departments of the City of Anna are required to submit a budget that would maintain current services and new requests for appropriations separately to the City Manager. The City Manager and Finance Director then use these requests as the starting point for developing a proposed budget. The City Manager and Finance Director then presents a proposed budget to Council for review no later than August 15th. The Council is required to hold public hearings on the proposed budget and to adopt the final budget no later than September 20th.

The appropriated budget is prepared by fund and department (e.g., police). The City Manager may authorize transfers of appropriations within a department and between departments within a fund and within major line-item categories. Increases or decreases of appropriations to a fund, however, require special approval of the City Council in the form of an Ordinance formally amending the adopted budget.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statement for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of the report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Anna operates.

Local Economy

The City of Anna's economic outlook continues to improve due to the overall improvement in the economy and continued residential and commercial growth. This is evidenced by local economic indicators such as a significant increase in tax appraisal values, the increase in residential building permits, and continued sales tax growth. Residential construction activity remains strong in the City of Anna. In FY 2022, the City received 1,059 residential building permit applications. In addition, Starbucks, Whataburger, Chick-fil-a, Salsa Tex Mex, Sunview Café, a surgery center, and a free-standing emergency room opened in FY 2020.

The Anna Economic Development Corporation (EDC) works in cooperation with the Community Development Corporation to coordinate efforts that expand the city's business tax base with a focus on creating primary jobs within the City of Anna. The corporations have provided incentives that resulted in much of the retail development that has occurred in Anna since 2008. The EDC was instrumental in recruiting Brookshires Grocery Company, CVS pharmacy, McDonalds, and Walmart. The EDC owns and operates Inc-Cube, a small business incubator located in our downtown. The corporations cooperatively purchased an 85-acre tract of land at the northeast corner of State Highway 5 and the Collin County Outer Loop with the intent of developing a business park. This property was sold in FY 2022 for the development of a proposed Caterpillar dealership and complementary businesses.

Anticipated growth is expected to continue for the north Collin County region. This has improved the overall connectivity and mobility to and within Anna, but also will bring continued growth and new development.

Long –Term Financial Planning

The City's fund balance/operating position concept continues to be an important factor in policy decisions. The City's Financial Policy states that the City's target unassigned fund balance is an amount equal or greater than 40% of annual general fund operating expenditures. The City's ending unassigned fund balance for fiscal year 2022 reflected a fund balance of 57.0% of total expenditures, well above the stated goal. These resources allow the City to avoid disruptions in services during economic downturns and to ensure that there will adequate liquid resources to serve as a financial cushion against the potential shock of unanticipated events.

Major Initiatives

At the end of the 2021-22 fiscal year, the City of Anna had a number of major projects in progress. The City Council and City staff continue to work to ensure completion of ongoing projects that will provide infrastructure improvements to the City of Anna. During 2021-22, the City met with governmental partners including Collin County, TxDOT and the North Central Texas Council of Governments (NCTCOG) to review the City's transportation priorities and to discuss opportunities to partner on future projects. City staff has been holding quarterly meetings with TxDOT to discuss transportation needs throughout the City. The City also continues to use developer incentives/agreements to improve other critical roadways within the City.

In FY 2022, the City issued \$34.0 million in general obligation bonds and \$65.0 million in Certificates of Obligation to construct new City facilities and a new wastewater treatment facility. Additional City facilities are needed in order to continue to expand, provide quality services to the citizens, as approved by the voters in a May 2021 bond referendum. Fire station No. 2 will be built on the west side of US-75 to serve new residential and commercial growth on that side of the freeway. A new library/community center will be constructed as part of the municipal campus adjacent to City Hall and Fire Station #1 to help anchor the new downtown. This was accomplished while decreasing the overall tax rate for FY 2023. The debt service portion of the tax rate was set at 0.143217 and the operations and maintenance portion of the tax rates was reduced from 0.452631 down to 0.396533. This reduction in the property tax rate was accomplished through planning, a sound financial plan, and growth in the overall property tax base. The City continues to be less reliant on residential property taxes as sales tax revenues continue to increase and the City broadens its commercial tax base.

Additional information related to the capital improvement projects and funding for those improvements is located in the Five-Year Capital Improvements Plan located in the City's annual budget book.

Other Information

Fund Accounting: The City's accounting system is organized and operated on a "fund basis." Each fund is a distinct, self-balancing entity. A description of the various major funds and fund types is contained in the Notes of the financial statements. A description of each individual non-major fund is contained at the beginning of its related combined financial statement.

Basis of Accounting: The City's accounting records for all governmental funds are maintained on the modified accrual basis of accounting. This method recognizes revenue when it is measurable and available and expenditures when goods or services are received. All proprietary funds are accounted for using the accrual basis of accounting; revenue is recognized when it is earned, and expenses are recognized when they are incurred.

Internal Control: Management of the City is responsible for establishing and maintaining an internal control structure. This structure is designed to provide reasonable, but not absolute, assurance that: (1) City assets are protected from loss, theft or misuse; and (2) City financial records and data are accurate and reliable. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it, and that the evaluation of cost and benefits requires estimates and judgments by management.

Budgetary Control: Each year, on or before September 20th, the City Council adopts an annual operating budget for the ensuing fiscal year. The operating budget includes anticipated revenues and expenditures for the General Fund, Special Revenue Funds, the Debt Service Fund, and Proprietary Funds. The budget is a planning device that defines the type, quality, and quantity of City goods and services that will be provided to our citizens. The budget is also a control device that serves as a system of "checks and balances" between levels of City government. The budgetary system ensures that individual departments contain their expenditures within limitations set by the City management, and that City management contains expenditures for the entire City within limitations set by the City Council. After adoption, the City Manager may authorize transfers of appropriations within a department and between departments within a fund and within major line-item categories. Increases or decreases of appropriations to a fund; however, require special approval of the City Council in the form of an Ordinance formally amending the adopted budget.

Acknowledgements

The presentation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and all department head directors. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. We would also like to thank the Mayor and the City Council for their continued interest and support for maintaining the highest standards of professionalism in the management of the City of Anna financial operations.

Respectfully submitted,

Alan Guard
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Anna
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

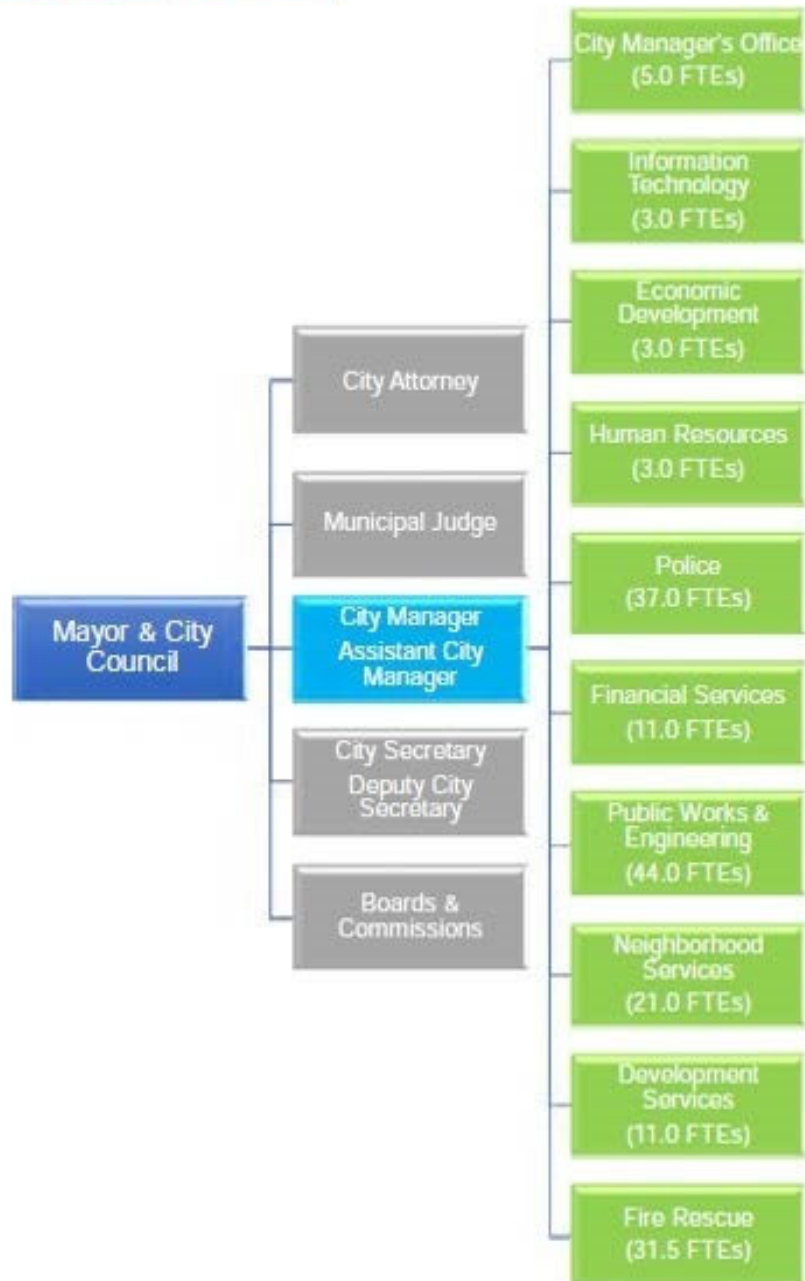
September 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF ANNA
ORGANIZATION CHART

City of Anna, Texas
City Officials Organization Chart



City of Anna, Texas
Elected Officials and Management
September 30, 2022

City Council

Nate Pike	Mayor
Kevin Toten	Place 1
Pete Cain	Place 2
Stan Carver II	Place 3
Randy Atchley	Place 4 – Deputy Mayor Pro-Tem
Danny Ussery	Place 5
Lee Miller	Place 6 - Mayor Pro-Tem

Management

Jim Proce, ICMA-CM	City Manager
Ryan Henderson	Assistant City Manager
Clark McCoy	City Attorney
Carrie Land	City Secretary
Alan Guard	Finance Director
Terri Doby	Budget Manager
Dean Habel	Chief of Police
Ray Isom	Fire Chief
Greg Peters, PE	Director of Public Works
Ross Altobelli	Director of Development Services
Stephanie Beitelschies	Director of Human Resources
Joey Grisham	Economic Development Director
Marc Marchand	Director of Neighborhood Services

Financial Section

THE CITY OF **Anna**

Independent Auditor's Report

The Honorable Mayor
and Members of the City Council of the
City of Anna, Texas

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Anna, Texas (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

The Honorable Mayor
and Members of the City Council of the
City of Anna, Texas

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

The Honorable Mayor
and Members of the City Council of the
City of Anna, Texas

Supplementary 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 accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and 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 accompanying combining and individual fund financial statements and schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April XX, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

(Firm Name)

Dallas, Texas
April XX, 2023

THE CITY OF **Anna**

Management's Discussion and Analysis

As management of the City of Anna, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information contained in this report.

Financial Highlights

- The City's total combined net position was \$198,470,627 at September 30, 2022. Of this, \$10,546,664 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City had an overall increase in net position of \$29,392,124. The increase is primarily a result of an increase of Charges for Services of \$10,890,250.
- On a government-wide basis, the City's total liabilities increased by \$8,383,472. The increase in liabilities is primarily a result of increased payables due to contractors for PID capital projects.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$37,285,741 a decrease of \$7,140,202. This decrease is largely due to an increase in capital outlay.
- As of the end of the year, the unassigned fund balance of the General Fund was \$9,949,599 or 57% of total General Fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

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

The *statement of net position* presents information on all of the City's assets, deferred inflows of resources, deferred outflows of resources, liabilities, and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

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

Both of 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, culture and recreation, and economic development. The business-type activities of the City include water, sewer, and sanitation operations.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and a fiduciary fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Debt Service Fund, PID Capital Projects Fund, and Grant Fund, which are all considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its General Fund and Debt Service Fund. General Fund budget amendments increased revenue by \$571,330 and expenditures by \$191,030. The increase in revenues was related to re-estimates for sales taxes and license and permit fees due greater than expected performance during the pandemic. The increase in expenditures was primarily due to increased public safety costs associated with the response to the pandemic.

Proprietary Funds

The City's proprietary fund is an enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water, sewer, and sanitation operations. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility Fund, which is considered to be a major fund of the City.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is like that used for proprietary funds. The City has one fiduciary fund, the PID Custodial Fund.

Component Units

The City maintains the accounting and financial statements for two component units. The Anna Economic Development Corporation and Anna Community Development Corporation are discretely presented component units.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the General Fund, schedule of changes in the net pension liability and related ratios, schedule of employer contributions for the Texas Municipal Retirement System (TMRS), schedule of changes in the Total OPEB liability and related ratios, and schedule of OPEB contributions for TMRS. Because the City did not budget for the major special revenue fund, Grant Fund, there is not a budget in RSI related to it. RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Anna, net position was \$198,470,627 as of September 30, 2022, in the primary government.

The largest portion of the City's net position, \$131,724,339, reflects its investments in capital assets (e.g., land, park improvements, buildings, furniture and fixtures, streets, drainage, machinery and equipment, etc.), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Position:

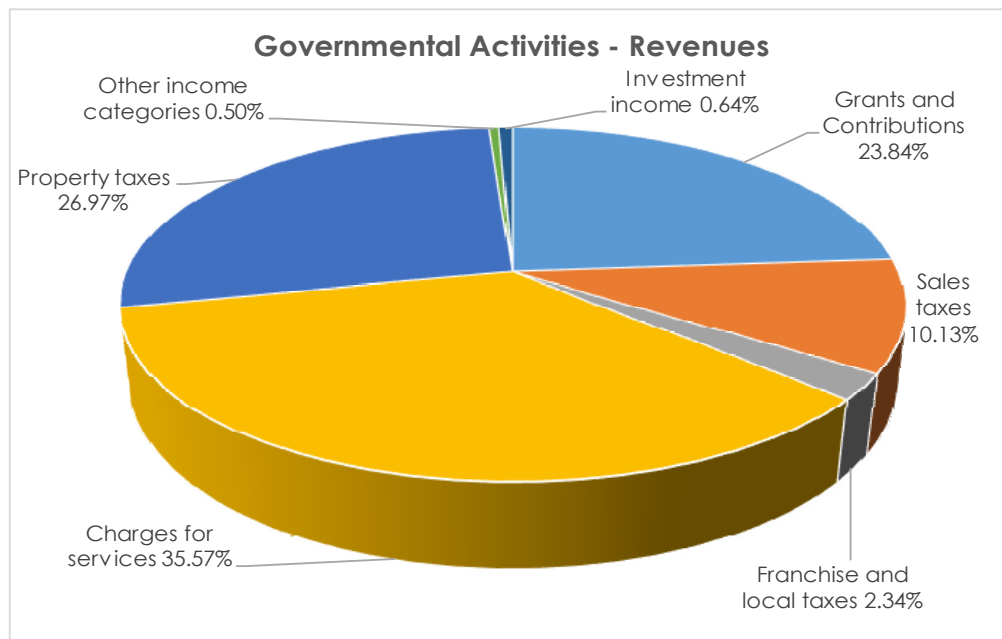
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 31,387,255	\$ 22,367,483	\$ 7,513,945	\$ 8,101,636	\$ 38,901,200	\$ 30,469,119
Restricted assets	18,648,412	31,159,401	36,531,071	23,680,099	55,179,483	54,839,500
Capital assets, net	119,111,148	96,862,712	70,145,270	63,059,041	189,256,418	159,921,753
Total assets	169,146,815	150,389,596	114,190,286	94,840,776	283,337,101	245,230,372
Deferred outflows of resources	1,252,567	923,867	317,366	325,312	1,569,933	1,249,179
Current liabilities	12,328,122	7,334,140	6,470,969	2,533,418	18,799,091	9,867,558
Noncurrent liabilities	44,741,231	44,094,467	20,105,036	21,299,860	64,846,267	65,394,327
Total liabilities	57,069,353	51,428,607	26,576,005	23,833,278	83,645,358	75,261,885
Deferred inflows of resources	2,681,233	2,079,606	109,816	59,557	2,791,049	2,139,163
Net position:						
Net investment in capital assets	81,252,418	65,539,991	50,471,921	41,835,760	131,724,339	107,375,751
Restricted	19,668,553	18,360,546	36,531,071	23,680,099	56,199,624	42,040,645
Unrestricted	9,727,825	13,904,713	818,839	5,757,394	10,546,664	19,662,107
Total net position	\$ 110,648,796	\$ 97,805,250	\$ 87,821,831	\$ 71,273,253	\$ 198,470,627	\$ 169,078,503

Statement of Activities:

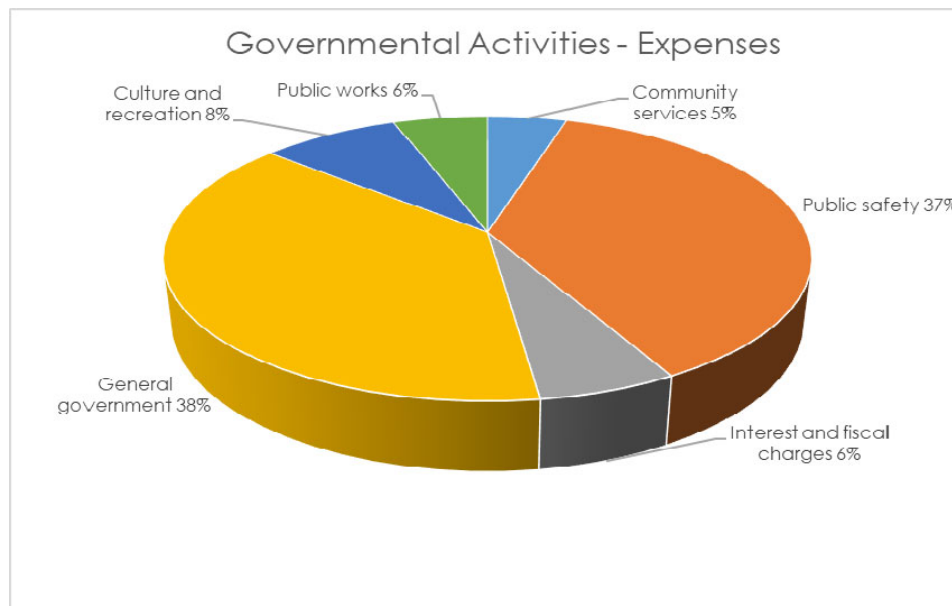
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 13,506,981	\$ 7,799,632	\$ 28,539,413	\$ 23,356,512	\$ 42,046,394	\$ 31,156,144
Operating grants and contributions	75,963	527,376	-	-	75,963	527,376
Capital grants and contributions	8,977,439	30,267,739	4,125,890	7,732,066	13,103,329	37,999,805
General revenues:						
Property taxes	10,239,322	8,714,860	-	-	10,239,322	8,714,860
Sales taxes	3,847,911	2,929,876	-	-	3,847,911	2,929,876
Franchise and local taxes	888,723	726,006	-	-	888,723	726,006
Investment income	244,855	123,643	236,664	93,145	481,519	216,788
Other revenue	189,079	62,859	-	-	189,079	62,859
Gain on sale of assets	-	-	-	-	-	-
Total revenues	37,970,273	51,151,991	32,901,967	31,181,723	70,872,240	82,333,714
Expenses:						
General government	5,226,176	3,538,746	-	-	5,226,176	3,538,746
Public safety	9,915,219	6,221,473	-	-	9,915,219	6,221,473
Culture and recreation	2,550,873	2,053,933	-	-	2,550,873	2,053,933
Public works	4,739,386	4,169,132	-	-	4,739,386	4,169,132
Community services	1,211,897	1,198,530	-	-	1,211,897	1,198,530
Interest and fiscal charges	1,483,176	2,212,316	-	-	1,483,176	2,212,316
Water, sewer, & sanitation	-	-	16,353,389	13,462,054	16,353,389	13,462,054
Total expenses	25,126,727	19,394,130	16,353,389	13,462,054	41,480,116	32,856,184
Change in net position	12,843,546	31,757,861	16,548,578	17,719,669	29,392,124	49,477,530
Net position, beginning	97,805,250	66,047,389	71,273,253	53,553,584	169,078,503	119,600,973
Net position, ending	\$ 110,648,796	\$ 97,805,250	\$ 87,821,831	\$ 71,273,253	\$ 198,470,627	\$ 169,078,503

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



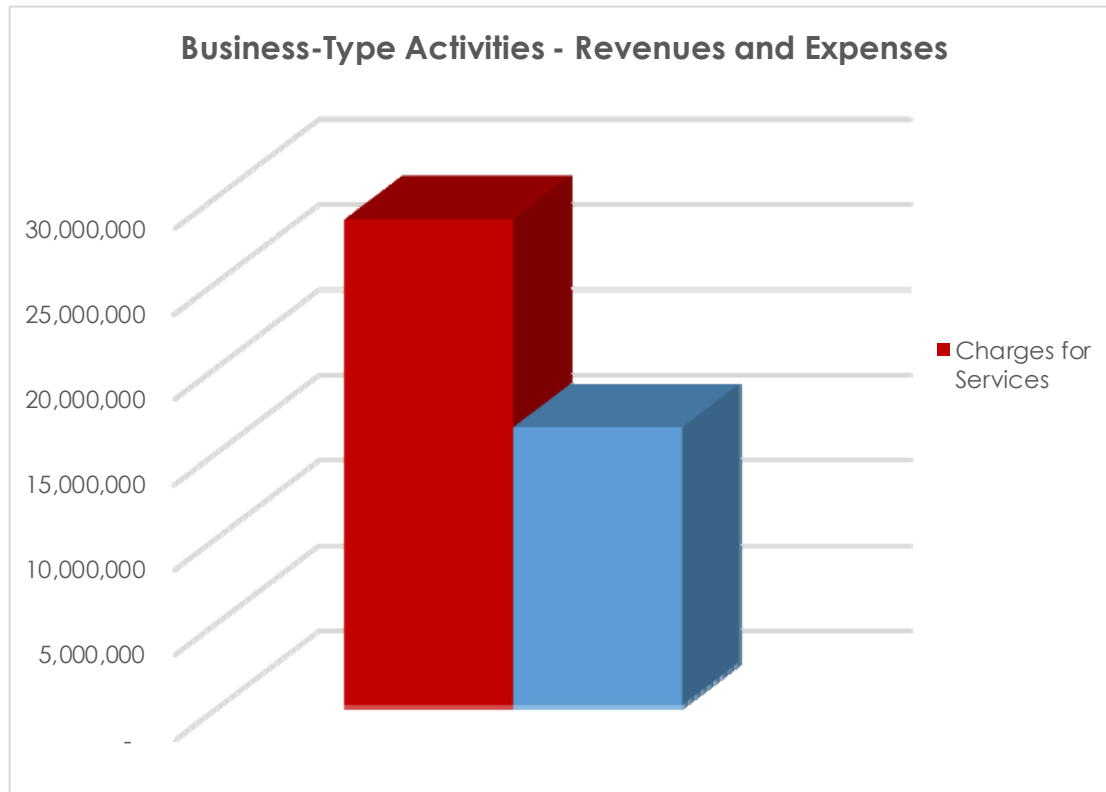
For the year ended September 30, 2022, revenues from governmental activities totaled \$37,970,273. Capital grants and contributions, property taxes, and charges for services are the City's largest revenue sources. Capital grants and contributions decreased by \$24,896,476 or 66% when compared to prior year mainly due to a decrease in contributed capital relating to streets and drainage. Property taxes increased by \$1,524,462 or 17% due to an increase in overall assessed property values. Charges for services increased by \$10,890,250 or 34% **mainly due to an increase in building permit activity, and water and sewer sales.** The following graph shows the governmental function expenses of the City:



For the year ended September 30, 2022, expenses for governmental activities totaled \$25,126,727. This represents an increase of \$5,932,597 or 31% from the prior year. The City's largest increase was in general government of \$6,164,344 or 174%, **due to add in explanation here.**

Public safety expenses increased \$3,205,224 or 52%, due to costs associated with increased staffing in Police and Fire to address increased calls for service and ramping up to become the primary ambulance provider in the city.

Business-type activities are shown comparing operating costs to revenues generated by related services.



For the year ended September 30, 2022, charges for services by business-type activities totaled \$28,539,413. This is an increase of \$5,182,901 or 22% from the previous year. This increase in revenues is directly related to an increase in water (2.36%) and sewer rates (25.77%) and an increase of more than 1000 new customers. Expenses totaled \$16,353,389, which was an increase of \$2,891,335, or 21% due to increase purchases of sewer service from the North Texas Municipal Water District (NTMWD), and water purchases from the Greater Texoma Utility Authority (GTUA). In addition, the Public Works Department continued to make progress on several I&I projects during FY 2021 to aid in resolving that issue. The City will continue to complete I&I projects in FY 2022 in order to minimize the amount of rainfall the City is treating through the City's sewer system.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

As of September 30, 2022, the General Fund reflected a total fund balance of \$9,963,033. Of this, \$13,354 is considered restricted for parks. Unassigned fund balance totaled \$9,949,599 as of year-end. The General Fund saw a significant increase in property taxes when compared to the prior year.

This directly relates to the addition of new properties to the tax roll, as well as an increase in property values.

The Capital Projects Fund had an ending fund balance of \$7,581,206 at year-end or a decrease of \$11,855,195 due to an increase in payments for current capital projects, primarily the new fire station and City Hall.

The Debt Service Fund had an ending fund balance of \$82,294 at year-end for an increase of \$12,189 due primarily to an increase in property assessed valuation.

The PID Capital Projects Fund had an ending fund balance of \$7,971,782 at year-end, a decrease of \$4,706,101 from the previous year. The increase in fund balance was primarily due to increase in the PID fees paid in the current year.

The Grant Fund had an ending fund balance of \$13,299 at year-end, an increase of 12,850 from the previous year.

The Park Development Fund, previously a nonmajor governmental fund, had a fund balance of \$5,245,454, or an increase of \$2,530,982, due to charges for services during the year that exceeded expenditures, leading to this increase in fund balance.

The Road Capital Development Agreement Fund, also previously a nonmajor governmental fund, had a fund balance of \$217,093, which was a decrease of \$103,759.

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

CAPITAL ASSETS

As of the end of the year, the City's governmental activities had invested \$119,111,148 in a variety of capital assets and infrastructure, net of accumulated depreciation and amortization. The City's business-type activities had invested \$70,145,270 in a variety of capital assets and infrastructure, net of accumulated depreciation and amortization.

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

- Construction in progress for the Municipal Complex and Fire Station totaling \$6,368,363.

More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

LONG-TERM DEBT

At September 30, 2022, the City had total bonds, contractual obligations, right-to-use lease liability, and financed purchases outstanding of \$62,706,249. During the year, the City made payments on long-term debt totaling \$2,568,709. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The economy remains strong for the City of Anna and the North Texas region. The City continues to focus on economic development and working toward providing a balanced community. The City is taking a more proactive and aggressive approach to economic development with its business recruitment efforts, as well as continued development of residential housing options. In addition, the City continues to conservatively manage its budget.

The fiscal year 2022-2023 budget reflects the commitment of the City Council and staff to focus on enhancing the quality of existing services to our neighbors and respond to our city's continuing growth and development, while maintaining a strong financial position.

Since property values stabilized in 2013 following the 2008-2011 housing recession, the City has continued to see healthy increases in the value of existing properties. For the tax year 2021, the City saw existing property values increase just over 10.4% and \$169,100,661 in new value was added to the tax roll. Again, for the 2022 tax year, the City saw existing property values increase just over 16% and \$301,947,063 in value was added to the tax roll. We remain cautiously optimistic that we will experience modest, but slowing, appreciation in the value of existing properties and additional value will continue to be added to the tax roll, as a result of new residential and commercial construction in the near term. There are currently eight multifamily developments under construction in Anna representing over 2,000 units and over \$400 million in capital investment, and a new 30,000 square foot medical office building housing over ten medical specialists will be completed in the summer of 2023. Megatel is also under construction on a 2.3-acre crystal lagoon project that will include over 2,000 single-family homes, 600 multifamily units, and over 50,000 square feet of entertainment/commercial space.

The City Council decreased the FY 2022 tax rate from the FY 2021 rate of \$.591288 per \$100 in valuation to \$.5830 per \$100 in valuation, above the "no-new-revenue-rate" (\$.569415) but below the "voter-approval-rate" (\$.58656). Senate Bill 2 compresses the capability of a local government to generate revenue and provide services by lowering the tax rate a city can adopt without a mandatory election. SB 2 also changes the way property tax rates are calculated, make changes to the appraisal process, and reduce the previously called "rollback rate" of 8% to a new rate of 3.5% or "the voter-approval rate". This tax rate is the maximum a City can set the tax rate above the "effective tax rate", now known as the "no-new-revenue rate", without voter approval. This bill will tremendously impact growing cities such as Anna into the future.

As the City begins to see the impact of the reduction of the amount of property tax a city can levy, sales tax will become increasingly important for growing communities. Sales tax was up approximately 22% in FY 2022 largely due to the continued growth of retail commercial property and population in the City. A 15.0% increase over the FY 2022 estimated total of \$5.72 million is budgeted for sales tax for FY 2023. In FY 2020, Starbucks, Chick-fil-A, Whataburger, Salsa TexMex, and Sunview Cafe opened. Along with Walmart and people staying close to home during the pandemic, the City has seen the full impact of the sales tax from these retail establishments since FY 2021. In addition to these, a total of 53 new businesses have opened in Anna including other recognized retail establishments such as Panda Express, Dairy Queen, Pizza Hut, Jersey Mike's, Popeye's Chicken, Fuzzy's Tacos, and opening in April 2023, Chili's.

The growth in both sales tax and taxable value of real property corresponds to a significant increase in residential growth and population over the past 36 months. According to the most recent population estimates published by the North Central Texas Council of Governments, the City of Anna population as of January 1, 2021 was 17,814. However, the population is believed to be well above this estimate due to the number of new utility accounts established and single-family permits which have been issued. The City made a significant effort to reach out to its neighbors to encourage them to complete the 2020 Census to receive a more accurate population count. As a result, Anna had a response rate in excess of 60%, higher than the DFW rate and overall Texas response rate. Reflecting the City's continued high growth in population will be key to attracting additional commercial and retail businesses the City lacks and needs in order to sustain the City into the future to provide the funding for expenditures needed in a rapidly growing community.

Furthermore, with the growth in population comes a proportional increase in demand for municipal services that are funded primarily by property taxes. As stated previously, in order to fund the FY 2021 budget, the City adopted a tax rate of \$0.583 per \$100 valuation which is lower than the tax rate adopted in FY 2020. When compared with other cities in our area, the City of Anna has one of lowest per-capita property tax levies.

Rapid population growth has also resulted in significant investment over the past 10 to 15 years in the City's water and sewer system. Currently the Water and Sewer Fund holds just over \$19.7 million in outstanding debt. The City has worked closely with our financial advisors, Hilltop Securities, to develop a sound debt management plan for the Water and Sewer Fund. Over the past several years, in order to appropriately manage this debt, the City and Hilltop Securities developed a plan to take advantage of call dates and pursue advance refunding of the City's outstanding debt. Every effort has been made to minimize the present value costs to the City.

The City of Anna, along with the cities of Melissa, Van Alstyne, and Howe, belongs to a strategic alliance called the Collin Grayson Municipal Alliance (CGMA). The alliance (CGMA) purchases treated surface water from the North Texas Municipal Water District (NTMWD) through a contract with the Greater Texoma Utility Authority (GTUA). The CMGA purchases a minimum take or pay (MT/P) allocation of water through GTUA from NTMWD. Currently, each city is responsible for the percentage of the total MT/P amount that corresponds to the total amount of water each city uses.

This treated surface water supplements the City's water supply especially during the summer months when water consumption is highest. As our population has grown and water demand has increased, we have been required to increasingly supplement our well water with treated surface water. As we have forecasted consumption and production of our wells, it appears that the CGMA as a group will likely exceed the MT/P allocation in FY 2023. When this happens, MT/P amount will reset at the new consumption level, and the City of Anna will be responsible for the cost of all the water we consume above the current MT/P amount.

Due to this continued increase in water cost, treatment and transportation cost, the growing needs for infrastructure improvements and additions, as well as staffing needs for a growing community, the City worked with a water rate consultant in FY 2020. As a result, the City Council has adopted the rate model and approved a rate increase for FY 2021, FY 2022, and FY 2023 as well as a long-range rate plan and capital improvement model. Actual increases will have to be approved each year by City Council as part of the annual budget process.

The City of Anna's budget continues to be impacted by both moderately strong growth and conservative fiscal management. The 2022-2023 budget reflects the efforts of the governing body and city staff to address the need to provide services to support our growing community.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Anna's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Finance Director, 120 W. 7th Street, Anna, Texas 75409.

THE CITY OF **Anna**

Basic Financial Statements

THE CITY OF **Anna**

City of Anna, Texas
Statement of Net Position
September 30, 2022

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Community Development Corporation	Economic Development Corporation	Housing Finance Corporation
ASSETS						
Cash and cash equivalents	\$ 27,781,508	\$ 2,965,588	\$ 30,747,096	\$ 7,796,303	\$ 982,909	\$ 634,607
Investments	2,000,000	2,000,000	4,000,000	-	5,000,000	-
Receivables, net	1,564,351	2,426,942	3,991,293	415,588	16,580	-
Due from other governments	41,396	-	41,396	-	-	-
Internal balances	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
Inventories	-	121,415	121,415	-	-	-
Restricted assets:						
Restricted cash and cash equivalents	16,542,112	35,705,558	52,247,670	-	-	-
Restricted investments	2,106,300	-	2,106,300	-	-	-
GTUA prepaid reserves	-	825,513	825,513	-	-	-
Capital assets:						
Non-depreciable	57,474,917	7,973,195	65,448,112	-	40,346	1,443,404
Net depreciable capital assets	61,636,231	62,172,075	123,808,306	-	187,422	-
Total assets	169,146,815	114,190,286	283,337,101	8,211,891	6,227,257	2,078,011
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on bond refunding	-	69,488	69,488	-	-	-
Deferred outflows - pension	1,213,475	240,142	1,453,617	43,878	-	-
Deferred outflows - OPEB	39,092	7,736	46,828	1,413	-	-
Total deferred outflows of resources	1,252,567	317,366	1,569,933	45,291	-	-
LIABILITIES						
Accounts payable and other liabilities	6,269,009	4,848,605	11,117,614	17,080	7,302	60
Accrued liabilities	1,329,163	-	1,329,163	3,944	-	-
Accrued salaries	309,227	68,368	377,595	12,547	-	-
Customer deposits	-	1,450,286	1,450,286	-	-	-
Unearned revenue	4,227,138	-	4,227,138	-	-	93,750
Due to other governments	-	-	-	-	-	-
Accrued interest payable	193,585	103,710	297,295	11,939	-	-
Noncurrent liabilities:						
Due within one year	567,700	1,247,783	1,815,483	100,000	-	-
Due in more than one year	44,173,531	18,857,253	63,030,784	2,433,299	-	-
Total liabilities	57,069,353	26,576,005	83,645,358	2,578,809	7,302	93,810
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - leases	511,279	-	511,279	-	-	-
Deferred inflows - land lease	1,615,036	-	1,615,036	-	-	1,433,684
Deferred inflows - pension	542,764	107,411	650,175	19,625	-	-
Deferred inflows - OPEB	12,154	2,405	14,559	439	-	-
Total deferred inflows of resources	2,681,233	109,816	2,791,049	20,064	-	1,433,684
NET POSITION						
Net investment in capital assets	81,252,418	50,471,921	131,724,339	-	227,768	1,443,404
Restricted for:						
Water and sewer improvements	-	35,705,558	35,705,558	-	-	-
Capital projects	19,215,321	-	19,215,321	-	-	-
GTUA deposits	-	825,513	825,513	-	-	-
Culture and recreation	13,434	-	13,434	-	-	-
Public safety	426,499	-	426,499	-	-	-
Federal grants	13,299	-	13,299	-	-	-
Community and economic development	-	-	-	5,658,309	5,992,187	(892,887)
Unrestricted	9,727,825	818,839	10,546,664	-	-	-
TOTAL NET POSITION	<u>\$ 110,648,796</u>	<u>\$ 87,821,831</u>	<u>\$ 198,470,627</u>	<u>\$ 5,658,309</u>	<u>\$ 6,219,955</u>	<u>\$ 550,517</u>

The Notes to Financial Statements are an integral part of this statement.

City of Anna, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2022

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General government	\$ 5,226,176	\$ 6,708,288	\$ -	\$ 8,977,439
Culture and recreation	2,550,873	2,835,400	-	-
Community services	1,211,897	674,627	-	-
Public safety	9,915,219	14,473	75,963	-
Public works	4,739,386	3,274,193	-	-
Interest and fiscal charges	1,483,176	-	-	-
Total governmental activities	25,126,727	13,506,981	75,963	8,977,439
Business-type activities:				
Water and sewer	16,353,389	28,539,413	-	4,125,890
Total business-type activities	16,353,389	28,539,413	-	4,125,890
TOTAL PRIMARY GOVERNMENT	\$ 41,480,116	\$ 42,046,394	\$ 75,963	\$ 13,103,329
Component units				
Governmental activities:				
Community Development Corporation	\$ 1,398,398	\$ -	\$ -	\$ -
Economic Development Corporation	85,329	-	-	-
	1,483,727	-	-	-
Business-type activities:				
Housing Finance Corporation	17,705	565,970	-	-
Total component units	\$ 1,501,432	\$ 565,970	\$ -	\$ -
General revenues:				
Property taxes				
Sales taxes				
Franchise and local taxes				
Investment income				
Miscellaneous revenue				
Gain on sale of capital assets				
Total general revenues				
Change in net position				
Net position, beginning				
NET POSITION, ENDING				

The Notes to Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			Component Units		
Primary Government			Community Development Corporation	Economic Development Corporation	Housing Finance Corporation
Governmental Activities	Business-type Activities	Total			
\$ 10,459,551	\$ -	\$ 10,459,551			
284,527	-	284,527			
(537,270)	-	(537,270)			
(9,824,783)	-	(9,824,783)			
(1,465,193)	-	(1,465,193)			
(1,483,176)	-	(1,483,176)			
(2,566,344)	-	(2,566,344)			
-	16,311,914	16,311,914			
-	16,311,914	16,311,914			
(2,566,344)	16,311,914	13,745,570			
			\$ (1,398,398)	\$ -	\$ -
			-	(85,329)	-
			(1,398,398)	(85,329)	-
			-	-	548,265
			(1,398,398)	(85,329)	548,265
10,239,322	-	10,239,322	-	-	-
3,847,911	-	3,847,911	2,308,746	-	-
888,723	-	888,723	-	-	-
244,855	236,664	481,519	15,109	25,620	2,252
189,079	-	189,079	-	8,166	-
-	-	-	2,857,748	5,565,652	-
15,409,890	236,664	15,646,554	5,181,603	5,599,438	2,252
12,843,546	16,548,578	29,392,124	3,783,205	5,514,109	550,517
97,805,250	71,273,253	169,078,503	1,875,104	705,846	
\$ 110,648,796	\$ 87,821,831	\$ 198,470,627	\$ 5,658,309	\$ 6,219,955	\$ 550,517

City of Anna, Texas

Balance Sheet - Governmental Funds

September 30, 2022

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	General Fund	Capital Projects	Debt Service Fund	PID Capital Projects
ASSETS				
Cash and cash equivalents	\$ 7,777,357	\$ 1,862,177	\$ 82,294	\$ -
Investments	2,000,000	-	-	-
Receivables, net	1,529,594	-	22,204	10,941
Due from other governments	-	41,396	-	-
Prepays	-	-	-	-
Restricted cash	522,043	8,004,504	-	7,960,841
Restricted investments	-	-	-	2,106,300
TOTAL ASSETS	\$ 11,828,994	\$ 9,908,077	\$ 104,498	\$ 10,078,082
LIABILITIES				
Accounts payable and other liabilities	\$ 968,345	\$ 997,708	\$ -	\$ 2,106,300
Accrued liabilities	-	1,329,163	-	-
Accrued salaries	300,342	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	1,268,687	2,326,871	-	2,106,300
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	85,995	-	22,204	-
Deferred inflow - leases	511,279	-	-	-
Total deferred inflows of resources	597,274	-	22,204	-
FUND BALANCES				
Restricted for:				
Culture and recreation	13,434	-	-	-
Debt service	-	-	82,294	-
Public safety	-	-	-	-
Federal grants	-	-	-	-
Capital projects	-	6,278,129	-	7,971,782
Assigned for:				
Capital projects	-	1,303,077	-	-
Unassigned	9,949,599	-	-	-
Total fund balances	9,963,033	7,581,206	82,294	7,971,782
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 11,828,994	\$ 9,908,077	\$ 104,498	\$ 10,078,082

The Notes to Financial Statements are an integral part of this statement.

<u>Grant Fund</u>	<u>Park Development Fund</u>	<u>Road Capital Development Agreement Fund</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 3,736,221	\$ 5,377,315	\$ 2,290,328	\$ 6,655,816	\$ 27,781,508
-	-	-	-	2,000,000
1,612	-	-	-	1,564,351
-	-	-	-	41,396
-	-	-	-	-
-	-	-	54,724	16,542,112
-	-	-	-	2,106,300
<u>\$ 3,737,833</u>	<u>\$ 5,377,315</u>	<u>\$ 2,290,328</u>	<u>\$ 6,710,540</u>	<u>\$ 50,035,667</u>
\$ 399	\$ 122,976	\$ 2,073,235	\$ 46	\$ 6,269,009
-	-	-	-	1,329,163
-	8,885	-	-	309,227
3,724,135	-	-	503,003	4,227,138
3,724,534	131,861	2,073,235	503,049	12,134,537
-	-	-	-	108,199
-	-	-	-	511,279
-	-	-	-	619,478
-	-	-	-	13,434
-	-	-	-	82,294
-	-	-	426,499	426,499
13,299	-	-	-	13,299
-	5,245,454	217,093	5,780,992	25,493,450
-	-	-	-	1,303,077
-	-	-	-	9,949,599
13,299	5,245,454	217,093	6,207,491	37,281,652
<u>\$ 3,737,833</u>	<u>\$ 5,377,315</u>	<u>\$ 2,290,328</u>	<u>\$ 6,710,540</u>	<u>\$ 50,035,667</u>

City of Anna, Texas

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2022

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 37,281,652

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

Capital assets used in governmental activities are not current financial resources and, therefore not reported in the governmental funds.

Capital assets - non-depreciable	57,474,917
Capital assets - net depreciable	61,636,231

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	108,199
---	---------

Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until that time.

Deferred outflows - pension	1,213,475
Deferred outflows - OPEB	39,092

Deferred inflows of resources, represent an acquisition of net position that applies to a future period(s) and is not recognized as an inflow of resources (revenue) until that time.

Deferred inflows - land lease	(1,615,036)
Deferred inflows - pension	(542,764)
Deferred inflows - OPEB	(12,154)

Some liabilities, including bonds payable and accrued interest, are not reported as liabilities in the governmental funds.

Accrued interest payable	(193,585)
General obligation bonds	(9,243,000)
Certificates of Obligation	(30,210,000)
Combination tax and revenue refunding bonds	(335,000)
Unamortized premiums	(1,980,979)
Financed purchases	(302,059)
Right-to-use lease liability	(895,262)
Net pension liability	(569,758)
Total OPEB liability	(130,442)
Compensated absences	(1,074,731)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 110,648,796

THE CITY OF **Anna**

City of Anna, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended September 30, 2022

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	General	Capital Projects	Debt Service Fund	PID Capital Projects
REVENUES				
Property taxes	\$ 8,004,989	\$ -	\$ 2,079,794	\$ -
Sales taxes	3,847,911	-	-	-
Charges for services	285,779	-	-	-
License and permits	5,752,179	-	-	-
Fines and forfeitures	241,274	-	-	-
Franchise and local taxes	888,723	-	-	-
Investment income	90,387	29,779	4,344	44,711
Other revenues	151,464	-	-	250
Intergovernmental	47,640	-	-	-
Contributions and donations	3,050	-	-	-
Total revenues	19,313,396	29,779	2,084,138	44,961
EXPENDITURES				
Current:				
General government	5,040,143	57,014	-	-
Culture and recreation	1,345,005	-	-	-
Community services	1,145,841	-	-	-
Public safety	7,432,334	14,432	-	-
Public works	777,565	3,318	-	-
Debt service:				
Principal	44,001	-	506,000	-
Interest and fiscal charges	13,358	-	1,565,949	-
Capital outlay	1,666,327	12,102,617	-	4,751,062
Total expenditures	17,464,574	12,177,381	2,071,949	4,751,062
Excess (deficiency) of revenues over (under) expenditures	1,848,822	(12,147,602)	12,189	(4,706,101)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	292,407	-	-
Transfers out	-	-	-	-
Right-to-use lease proceeds	1,541,966	-	-	-
Total other financing sources (uses)	1,541,966	292,407	-	-
Net change in fund balances	3,390,788	(11,855,195)	12,189	(4,706,101)
FUND BALANCES, BEGINNING OF YEAR	6,572,245	19,436,401	70,105	12,677,883
FUND BALANCES, END OF YEAR	\$ 9,963,033	\$ 7,581,206	\$ 82,294	\$ 7,971,782

The Notes to Financial Statements are an integral part of this statement.

Grant Fund	Park Development Fund	Road Capital Development Agreement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 46,340	\$ 10,131,123
-	-	-	-	3,847,911
-	3,473,645	87,860	3,657,590	7,504,874
-	-	-	-	5,752,179
-	-	-	8,654	249,928
-	-	-	-	888,723
10,949	24,535	8,381	31,769	244,855
-	1,094	-	36,271	189,079
25,273	-	-	-	72,913
-	-	-	-	3,050
<u>36,222</u>	<u>3,499,274</u>	<u>96,241</u>	<u>3,780,624</u>	<u>28,884,635</u>
-	-	-	3,172	5,100,329
-	687,330	-	226	2,032,561
-	-	-	-	1,145,841
23,372	-	-	28,213	7,498,351
-	-	-	3,600	784,483
-	-	-	-	550,001
-	-	-	-	1,579,307
-	280,962	-	74,962	18,875,930
<u>23,372</u>	<u>968,292</u>	<u>-</u>	<u>110,173</u>	<u>37,566,803</u>
12,850	2,530,982	96,241	3,670,451	(8,682,168)
-	-	-	3,021	295,428
-	-	(200,000)	(95,428)	(295,428)
-	-	-	-	1,541,966
<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>(92,407)</u>	<u>1,541,966</u>
12,850	2,530,982	(103,759)	3,578,044	(7,140,202)
<u>449</u>	<u>2,714,472</u>	<u>320,852</u>	<u>2,633,536</u>	<u>44,425,943</u>
<u>\$ 13,299</u>	<u>\$ 5,245,454</u>	<u>\$ 217,093</u>	<u>\$ 6,211,580</u>	<u>\$ 37,285,741</u>

City of Anna, Texas

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities September 30, 2022

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ (7,140,202)**

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 and amortization expense. Capital contributions are only recognized on the statement of activities.

Capital outlay	16,846,083
Depreciation expense	(4,523,193)
Amortization expense	(671,018)
Capital contributions	8,977,439

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in compensated absences	(665,333)
Increase in accrued interest	2,739

Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 272,312

Changes to other postemployment benefits liability and related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (31,195)

Various other reclassification and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This includes the change in unavailable revenues from the prior year. 3,469

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

Right-to-use lease proceeds	(1,541,966)
Amortization of debt premium	117,706
General, certificate of obligation, and revenue bond principal payments	506,000
Lease principal payments	646,704
Financed purchase payments	44,001

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 12,843,546**

The Notes to Financial Statements are an integral part of this statement.

City of Anna, Texas
Statement of Net Position
Proprietary Fund
September 30, 2022

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	<u>Utility Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 2,965,588
Certificates of deposit	2,000,000
Receivables, net	2,426,942
Inventories	<u>121,415</u>
Total current assets	7,513,945
Noncurrent assets	
Restricted cash and pooled investments	35,705,558
GTUA prepaid reserves	825,513
Capital assets	
Non-depreciable	7,973,195
Net depreciable capital assets	<u>62,172,075</u>
Total noncurrent assets	<u>106,676,341</u>
Total assets	114,190,286
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on bond refunding	69,488
Deferred outflows - pension	240,142
Deferred outflows - OPEB	<u>7,736</u>
Total deferred outflows of resources	<u>317,366</u>

The Notes to Financial Statements are an integral part of this statement.

City of Anna, TexasStatement of Net Position – Continued
Proprietary Fund
September 30, 2022DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	<u>Utility Fund</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 4,771,121
Salaries payable	68,368
Other liabilities	77,484
Bond interest payable	103,710
Customer deposits	1,450,286
Revenue bonds payable - current	1,074,000
Financed purchases - current	173,783
Compensated absences - current	-
Total current liabilities	7,718,752
Noncurrent liabilities	
Revenue bonds payable	17,479,676
Financed purchases	882,848
Compensated absences	226,520
Right-to-use lease liability	129,642
Net pension liability	112,753
Total OPEB liability	25,814
Total noncurrent liabilities	18,857,253
Total liabilities	26,576,005
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pension	107,411
Deferred inflows - OPEB	2,405
Total deferred inflows of resources	109,816
NET POSITION	
Net investment in capital assets	50,471,921
Restricted for:	
GTUA deposits	825,513
Water and sewer improvements	35,705,558
Unrestricted	818,839
TOTAL NET POSITION	<u><u>\$ 87,821,831</u></u>

City of Anna, Texas

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund For the Fiscal Year Ended September 30, 2022

	Utility Fund
OPERATING REVENUES	
Water	\$ 8,195,633
Sewer	5,225,164
Sanitation	2,041,254
Stormwater	6,443
Service charges	1,872,187
Connection fees	564,190
Developer and impact fees	10,289,594
Miscellaneous	344,948
Total operating revenues	28,539,413
OPERATING EXPENSES	
Personnel services	2,400,565
Contracted services	8,556,811
Repairs and maintenance	1,081,779
Supplies	240,897
Utilities	432,930
Depreciation	2,680,565
Other expenses	155,418
Total operating expenses	15,548,965
Operating income	12,990,448
NONOPERATING REVENUES (EXPENSES)	
Investment income	236,664
Interest expense	(804,424)
Total nonoperating revenues (expenses)	(567,760)
Income before capital contributions	12,422,688
Contributed capital	4,125,890
Change in net position	16,548,578
Net position, beginning of year	71,273,253
NET POSITION, END OF YEAR	\$ 87,821,831

City of Anna, Texas**Statement of Cash Flows - Proprietary Fund
For the Fiscal Year Ended September 30, 2022**

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	<u>Utility Fund</u>
OPERATING ACTIVITIES	
Receipts from customers and users	\$ 28,204,236
Payments to suppliers	(6,694,596)
Payments to employees	(2,326,619)
Net cash provided by operating activities	19,183,021
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(5,640,904)
Interest and fees paid on long-term debt	(788,136)
Principal payments on debt, financed purchases, and right-to-use lease liability	(1,334,336)
Net cash used in capital and related financing activities	(7,633,734)
INVESTING ACTIVITIES	
Sale of investment securities	(2,000,000)
Interest received	236,664
Net cash provided by investing activities	(1,763,336)
Net increase in cash and cash equivalents	9,785,951
Cash and cash equivalents, beginning of year	28,885,195
Cash and cash equivalents, end of year	<u>\$ 38,671,146</u>
RECONCILIATION TO STATEMENT OF NET POSITION	
Cash and cash equivalents	\$ 2,965,588
Restricted cash and cash equivalents	35,705,558
	<u>\$ 38,671,146</u>

The Notes to Financial Statements are an integral part of this statement.

City of Anna, Texas

Statement of Cash Flows - Proprietary Fund – Continued For the Fiscal Year Ended September 30, 2022

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	<u>Utility Fund</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 12,990,448
Adjustments to reconcile operating income to cash provided by operating activities:	
Depreciation expense	2,680,565
Changes in assets and liabilities	
Accounts receivable	(497,420)
Inventories	20,090
Deferred outflows - pension and OPEB	855
Deferred inflows - pension and OPEB	50,259
Net pension and total OPEB liability	(116,212)
Accounts payable	3,753,149
Salaries payable	12,962
Customer deposits	162,243
Accrued compensated absences	126,082
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 19,183,021</u>
NON-CASH CAPITAL ACTIVITIES	
Contributions of capital assets	<u>\$ 4,125,890</u>

The Notes to Financial Statements are an integral part of this statement.

City of Anna, Texas

Statement of Fiduciary Net Position Custodial Fund September 30, 2022

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	PID Custodial Fund
ASSETS	
Cash and cash equivalents - restricted	\$ 2,183,378
Receivables, net	8,030
Total assets	<u>2,191,408</u>
LIABILITIES	
Accounts Payable	<u>11,600</u>
Total liabilities	<u>11,600</u>
NET POSITION	
Restricted for PID debt service	<u>2,179,808</u>
Total net position	<u><u>2,179,808</u></u>

The Notes to Financial Statements are an integral part of this statement.

City of Anna, Texas

Statement of Fiduciary Revenues, Expenses, and Changes in Net Position - Custodial Fund September 30, 2022

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	PID Custodial Fund
ADDITIONS	
Contributions	\$ 1,178,068
Investment earnings	11,575
Other income	8,030
Total additions	1,197,673
DEDUCTIONS	
Contract services	145,289
Principal	165,000
Interest and fiscal charges	1,281,314
Total deductions	1,591,603
CHANGE IN NET POSITION	(393,930)
NET POSITION - beginning	2,573,738
NET POSITION - ending	\$ 2,179,808

The Notes to Financial Statements are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Anna, Texas (the "City") is a home rule charter city that operates under a Council-Manager form of government.

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

The City provides the following services: public safety, ambulance, streets, sanitation, planning and zoning, and general administrative services. Other services include water, sewer, and sanitation operations.

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

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

Blended Component Units

The Anna Public Facility Corporation (PFC) is a blended component unit presented as a nonmajor special revenue fund of the City. The members of the PFC's board of seven directors comprised of members of the City Council. The purpose of the PFC is to provide for the acquisition, construction, rehabilitation, renovation, repair, and furnishings of public facilities in the City.

Discretely Presented Component Units

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without the approval by the primary government. The following entities were found to be component units of the City and are included in the basic financial statements:

Anna Economic Development Corporation

The Anna Economic Development Corporation (EDC) fund was incorporated in the state of Texas as a nonprofit industrial development corporation under Section 4B of the Development Corporation Act of 1979. The purpose of the EDC is to promote economic development within the City of Anna.

Anna Community Development Corporation

The Anna Community Development Corporation (CDC) fund was incorporated in the state of Texas as a nonprofit industrial development corporation under Section 4A of the Development Corporation Act of 1979. The purpose of the CDC is to promote community development within the City of Anna.

Anna Housing Finance Corporation

The Anna Housing Finance Corporation (HFC) fund was created in 2021 pursuant to Chapter 394, Local Government Code, as amended. The purpose of the HFC is to issue single-family and multi-family bonds for the financing of reasonably priced housing.

The members of both the EDC and CDC's board of seven directors are appointed by the City Council. Both the EDC and CDC are fiscally dependent upon the City as the City Council approves their budgets and must approve any debt issuance. The HFC is managed by a board of seven directors comprised of members of the City Council. Adding the creation of the EDC, CDC, and HFC to the resources currently available significantly increases the City's ability to assist community development and financing development projects beneficial to the City. All of the EDC and CDC funding can be used for direct assistance to prospects and continued development of infrastructure. The nature and significance of the relationship between the primary government and the organization is such that exclusion would cause the City's financial statements to be misleading or incomplete. Separate financial statements are not issued for the EDC or the CDC.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

C. Basis of Presentation – Government-wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

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

The City reports the following major governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, and culture and recreation. The general fund is always considered a major fund for reporting purposes.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital projects fund is considered a major fund for reporting purposes.

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *PID capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets relating to the Hurricane Creeks PID.

The *grant fund* is used to account for proceeds and expenditures relating to all grants.

The *park development fund* is used to account for park development fees from developer agreements or the subdivision ordinance in support of the City's parks master plan.

The *road capital development agreement Fund* is used to account for negotiated developer agreements for road and street impact fees.

Additionally, the City reports the following nonmajor governmental funds:

The City accounts for resources restricted to, or designated for, specific purposes in *Special Revenue Funds*. These funds consist of the roadway impact fee service area one and two, state police seizure fund, federal police seizure fund, public facility corporation, Tax Increment Zone Number 2 (TIRZ #2) and other special revenue fund.

The City reports the following enterprise fund:

The *Utility Fund* is used to account for the provision of water, sewer, and solid waste collection services and wastewater treatment operations. Activities of the fund include administration, operations and maintenance of the water system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

The City reports the following fiduciary fund:

The *Public Improvement District (PID) Custodial Fund* accounts for bond proceeds, assessments, and related debt associated with the issuance of bonds issued by the City as an agent for the Public Improvement District.

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

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

E. Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under financed purchases and right-to-use lease liabilities are reported as other financing sources.

The City considers revenues available if they are collected within 60 days of the end of the current period. Property taxes, sales taxes, franchise taxes, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time. Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, balances in local government investment pools, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

The City maintains pooled cash and investment accounts. Each fund whose monies are deposited in the pooled cash and investment accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end.

2. Investments

Investments, with certain exceptions, are reported at fair value. The exceptions are investments in external investment pools and nonparticipating interest earning contracts, such as certificates of deposit, which are reported at amortized cost and a cost-based measure, respectively.

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

- Direct obligations of the U.S. government, its agencies and instrumentalities
- Certificates of deposit that meet certain criteria
- Money market mutual funds that meet certain criteria
- Local government investment pools

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

4. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of such inventories is recorded as expenditures/expenses when the related liability is incurred, (i.e., the purchase method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. Capital Assets

Capital assets, which include land and improvements, construction in progress, buildings and improvements, machinery and equipment, infrastructure (e.g. roads, bridges, sidewalks, and similar items), and water and sewer systems are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Interest costs incurred during the construction phase of capital assets of business-type activities acquired with tax-exempt debt is included as part of the capitalized value of the assets constructed.

Land and improvements and construction in progress are not depreciated. Buildings and improvements, machinery and equipment, infrastructure, and water and sewer systems of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings	20 years
Water and sewer system	35 years
Equipment	3-20 years
Streets	20 years

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 the following items that qualify for reporting in this category:

In the government-wide and proprietary fund statements of net position:

- A deferred charge on refunding bonds results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows related to net pension and other postemployment benefit liabilities result from differences in projected and actual earnings on plan investments, expected and actual economic experience, changes in actuarial assumptions and other inputs, and contributions made subsequent to the measurement date of each plan. These activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension and OPEB plan, except for projected and actual earnings differences on investments, which are amortized on a closed basis over a 5-year period, and contributions made subsequent to the measurement date of each plan, which are recognized in the subsequent fiscal year.

In addition to liabilities, the statement of financial position (or balance sheet) 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 (or fund balance) 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 the following items that qualify for reporting in this category:

In the governmental funds balance sheet:

- Unavailable revenues from property taxes and grants are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Related to lessor arrangements, lease revenue is deferred and recognized as revenue over the life of the lease term.

In the government-wide and proprietary fund statements of net position:

- Deferred inflows related to net pension and other postemployment benefit liabilities results from differences in projected and actual earnings on plan investments, expected and actual economic experience, changes in actuarial assumptions and other inputs. These activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan, except for projected and actual earnings differences on investments, which are amortized on a closed basis over a 5-year period.

6. Compensated Absences

The City maintains formal programs for vacation and sick leave. Eligible employees are granted vacation pay benefits in varying amounts to specified maximums depending on tenure with the City. The City's personnel policy permits its eligible employees to accumulate earned but unused vacation pay benefits.

Compensation for accrued sick leave is paid upon separation up to maximum benefits in varying amounts, depending on tenure with the City.

The estimated amount of accrued vacation and sick pay benefits that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it upon maturity. Amounts of accrued vacation pay benefits that are not expected to be liquidated with expendable available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

7. Leases

Lessee

The City is a lessee for noncancellable leases of property and equipment. The City recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequent, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate if uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the City is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor

The City is a lessor for noncancellable leases of property and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

8. Long-Term Obligations

The government-wide financial statements and proprietary fund type fund financial statements report long-term debt and other long-term liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premiums or discounts.

The fund financial statements report 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be paid from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be paid from proprietary fund operations are accounted for in those funds.

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

9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Other Postemployment Benefits (OPEB)

The City offers one OPEB plan, a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF") administered by TMRS. Total OPEB liability, deferred outflows of resources and deferred inflows of resources related to total OPEB liability, and total OPEB expense 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.

11. Net Position Flow Assumptions

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

12. Fund Balance Flow Assumptions

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

13. Fund Balance Policies

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

Nonspendable fund balance – includes amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted fund balance – includes amounts that have external constraints imposed upon the use of the resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

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

Assigned fund balance – includes amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the City's Finance Director to assign fund balance to a specific purpose as approved by the City's fund balance policy. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – the residual classification for the government's General Fund and includes all spendable amounts not contained in the other classifications, and other funds that have total negative fund balances.

14. 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 deferred outflows and inflows of resources, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are 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.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund is charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the utility fund includes the operating 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.

H. GASB Pronouncements implemented by the City

GASB Statement No. 87, *Leases*. This Statement was issued in June 2017 and increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement were effective for reporting periods beginning after June 15, 2021. The City has implemented this Statement in fiscal year 2022.

Note 2. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General, Debt Service, Grant and Utility Funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control is defined at the fund level. No funds can be transferred or added to a budgeted fund without Council approval. Appropriations lapse at the end of the year.

Budgetary Variances

Expenditures exceeded appropriations during fiscal year 2022 in the following funds/functions:

- General Fund
 - General government (\$957,365)
- Grant Fund
 - Public safety (\$13,497)
- Park Development Fund
 - Culture and recreation (\$164,601)

Note 3. Deposits and Investments

Deposits – State statutes require that all deposits be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The City's demand deposits and certificates of deposit were fully insured or collateralized at September 30, 2022, with collateral required by state statutes. At year-end, the carrying amount of the City's deposits (including component units and fiduciary funds) was \$71,828,907 and the bank balance was \$71,989,833. Of the bank balance, federal depository insurance covered \$250,000 and the remainder was covered by collateral held by the pledging financial institution's agent in the City's name.

Cash and cash equivalents as of September 30, 2022 consist of and are classified in the accompanying financial statements as follows:

Statement of net position:

Primary government:

Cash and cash equivalents	\$ 35,600,951
Restricted cash and cash equivalents	<u>47,393,815</u>

Total primary government	82,994,766
--------------------------	------------

Fiduciary Fund:

Cash and cash equivalents	2,183,378
---------------------------	-----------

Component units:

Cash and cash equivalents	<u>9,413,819</u>
---------------------------	------------------

Total cash and investments	\$ 94,591,963
-----------------------------------	----------------------

Cash on hand	\$ 2,000
--------------	----------

Deposits with financial institution	71,828,907
-------------------------------------	------------

Investment pools / money market	<u>22,761,056</u>
---------------------------------	-------------------

Total cash and investments	\$ 94,591,963
-----------------------------------	----------------------

As of September 30, 2022, the City had the following investments:

	Value	Weighted Average Maturity (Years)
Texas CLASS	\$ 1,869,287	0.0849
TexPool	19,662,818	0.0658
Money market accounts	<u>1,228,951</u>	
Total	\$ 22,761,056	

Interest rate risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of an investment. The City structures its investment portfolio so that securities mature to meet cash requirements for ongoing operations, and monitors interest rate risk using weighted average maturity analysis. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio as a whole to no more than 365 days.

Credit risk

The City's policy requires that investments are limited to only certain instruments that are authorized by the Public Funds Investment Act. Further specifications are that external investment pools must be rated no lower than "AAA" or an equivalent rating by at least one nationally recognized rating service, United States Treasury and agency investments are guaranteed (either express or implied) and backed by the full faith and credit of the United States or its respective agencies, and certificates of deposit are guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or fully collateralized under an approved pledge agreement.

As of September 30, 2022, the City's investment in TexPool was rated "AAAm" by Standard & Poor's. The certificates of deposit are unrated but were fully collateralized.

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. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities, to the extent the deposits exceed FDIC coverage. As of September 30, 2022, the combined values of pledged securities and FDIC coverage exceeded bank balances for the City.

Custodial credit risk – investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that custody of securities is maintained at financial institutions, avoiding physical possession, and that securities owned by the City shall be held in the City's account.

Concentration of credit risk

The risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's investment policy specifies undue concentrations of assets in a specific maturity sector shall be avoided.

The City's investments are stated at fair value, with certain exceptions described below. The City categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*, which provides a framework for measuring fair value and establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Certain investments are not required to be measured at fair value; these include its investment in the TexPool external investment pool, which is measured at amortized cost and is included in cash equivalents, and its investments in certificates of deposit, which are measured based on cost. These instruments are exempt from categorization within the fair value hierarchy.

TexPool

TexPool is a local government investment pool, duly chartered and overseen by the State Comptroller's Office, and administered and managed by Federated Investors, Inc. State Street Bank serves as the custodial bank. TexPool's investment portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA-rated money market mutual funds. The pool's investments are highly rated by nationally recognized statistical rating organizations, have no more than five percent concentrated in one issuer (excluding U.S. government securities), and are sufficiently liquid to meet reasonably foreseeable redemptions.

TexPool transacts at a net asset value of \$1.00 per share, and maintains a weighted average maturity of 60 days or less and a weighted average life of 120 days or less. TexPool has a redemption notice period of one day and investors may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

Note 4. Receivables

The following comprise receivable balances of the primary government as of September 30, 2022:

	General	Capital Projects	Debt Service Fund	PID Capital Projects	Grant Fund	Utility Fund	Total
Property taxes	\$ 85,995	\$ -	\$ 22,204	\$ -	\$ -	\$ -	\$ 108,199
Sales taxes	692,646	-	-	-	-	-	692,646
Accounts	233,174	-	-	-	1,612	2,790,497	3,025,283
Interest	6,500	-	-	10,941	-	20,879	38,320
Intergovernmental	-	41,396	-	-	-	-	41,396
Lease receivable	511,279	-	-	-	-	-	511,279
Less: Allowance	-	-	-	-	-	(384,434)	(384,434)
Totals	\$ 1,529,594	\$ 41,396	\$ 22,204	\$ 10,941	\$ 1,612	\$ 2,426,942	\$ 4,032,689

Note 5. Capital Assets

The following is a summary of changes in capital assets for governmental activities for the year ended September 30, 2022:

	Beginning Balance	Additions	Dispositions	Adjustments / Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated/amortized:					
Land	\$ 3,978,343	\$ -	\$ -	\$ -	\$ 3,978,343
Construction in progress	36,812,195	15,065,254	-	-	51,877,449
Total capital assets, not being depreciated/amortized	40,790,538	15,065,254	-	-	55,855,792
Capital assets, being depreciated/amortized:					
Park improvements	6,185,471	-	-	-	6,185,471
Buildings	1,542,758	-	-	-	1,542,758
Furniture and fixtures	33,911	-	-	-	33,911
Streets and drainage	67,358,810	8,977,439	-	-	76,336,249
Machinery and equipment	4,570,077	238,863	-	-	4,808,940
Right-to-use leased assets - vehicles	-	1,541,966	-	-	1,541,966
Total capital assets being depreciated/amortized	79,691,027	10,758,268	-	-	90,449,295
Less accumulated depreciation/amortization for:					
Park improvements	2,946,005	319,724	-	-	3,265,729
Buildings	741,430	79,411	-	-	820,841
Furniture and fixtures	28,500	714	-	-	29,214
Streets and drainage	17,039,095	3,607,912	-	-	20,647,007
Machinery and equipment	2,863,823	515,433	-	-	3,379,256
Right-to-use leased assets - vehicles	-	671,018	-	-	671,018
Total accumulated depreciation/amortization	23,618,853	5,194,212	-	-	28,813,065
Total capital assets being depreciated/amortized, net	56,072,174	5,564,056	-	-	61,636,230
Governmental activities capital assets, net	\$ 96,862,712	\$ 20,629,310	\$ -	\$ -	\$ 117,492,022

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
General government	\$ 717,297
Culture and recreation	461,204
Community services	9,939
Public safety	488,522
Public works	3,517,250
Total depreciation/amortization expense - governmental activities	\$ 5,194,212

City of Anna, Texas
Notes to Financial Statements

**DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed**

The following is a summary of changes in capital assets for business-type activities for the year ended September 30, 2022:

	Beginning Balance	Additions	Dispositions	Adjustments / Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated/amortized:					
Land	\$ 1,260,143	\$ 100,000	\$ -	\$ -	\$ 1,360,143
Construction in progress	1,559,197	5,053,855	-	-	6,613,052
Total capital assets, not being depreciated/amortized	2,819,340	5,153,855	-	-	7,973,195
Capital assets, being depreciated/amortized:					
Furniture and fixtures	5,620	-	-	-	5,620
Buildings and improvements	486,244	-	-	-	486,244
Machinery and equipment	2,370,368	362,064	-	-	2,732,432
Right-to-use leased assets - vehicles	-	305,573	-	-	305,573
Water treatment system	23,178,054	1,918,345	-	-	25,096,399
GTUA water improvements	17,189,179	-	-	-	17,189,179
GTUA sewer improvements	939,796	-	-	-	939,796
Water and sewer system	38,437,907	2,207,545	-	-	40,645,452
Total capital assets being depreciated/amortized	82,607,168	4,793,527	-	-	87,400,695
Less accumulated depreciation/amortization for:					
Furniture and fixtures	5,620	-	-	-	5,620
Buildings and improvements	267,423	25,533	-	-	292,956
Machinery and equipment	1,847,203	109,343	-	-	1,956,546
Right-to-use leased assets - vehicles	-	180,587	-	-	180,587
Water treatment system	5,022,965	711,073	-	-	5,734,038
GTUA water improvements	5,610,690	509,895	-	-	6,120,585
GTUA sewer improvements	800,786	27,966	-	-	828,752
Water and sewer system	8,812,780	1,296,755	-	-	10,109,535
Total accumulated depreciation/amortization	22,367,467	2,861,152	-	-	25,228,619
Total capital assets being depreciated/amortized, net	60,239,701	1,932,375	-	-	62,172,076
Business-type activities capital assets, net	\$ 63,059,041	\$ 7,086,230	\$ -	\$ -	\$ 70,145,271

Depreciation expense was charged to business-type functions as follows:

Water and sewer	<u>\$ 2,861,152</u>
Total depreciation/amortization expense - business-type activities	<u>\$ 2,861,152</u>

City of Anna, Texas
Notes to Financial Statements

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

The following is a summary of changes in capital assets for component units for the year ended September 30, 2022:

	Beginning Balance	Additions	Dispositions	Ending Balance
Community Development Corporation:				
Capital assets, not being depreciated:				
Land	\$ 2,757,904	\$ (2,757,904)	\$ -	\$ -
Total capital assets, not being depreciated	2,757,904	(2,757,904)	-	-
Community Development Corporation capital assets, net	\$ 2,757,904	\$ (2,757,904)	\$ -	\$ -
	Beginning Balance	Additions	Dispositions	Ending Balance
Economic Development Corporation:				
Capital assets, not being depreciated:				
Land	\$ 90,346	\$ (50,000)	\$ -	\$ 40,346
Total capital assets, not being depreciated	90,346	(50,000)	-	40,346
Depreciable assets:				
Buildings and improvements	366,589	-	-	366,589
Furniture and fixtures	13,871	-	-	13,871
Total depreciable assets	380,460	-	-	380,460
Less accumulated depreciation for:				
Buildings and improvements	166,621	18,459	-	185,080
Furniture and fixtures	6,566	1,391	-	7,957
Total accumulated depreciation	173,187	19,850	-	193,037
Total depreciable assets, net	207,273	(19,850)	-	187,423
Economic Development Corporation capital assets, net	\$ 297,619	\$ (69,850)	\$ -	\$ 227,769

City of Anna, Texas
Notes to Financial Statements

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

Remaining commitments under related construction contracts for general government and utility construction projects at year end were as follows:

Projects	Opinion Unit	Approved Construction Budget	Stored and Completed To Date	Remaining Commitment
Sherley Park Improvements	General government	\$ 787,838	\$ 432,625	\$ 355,213
Johnson Park Improvements	General government	625,000	489,314	135,686
City Hall/Municipal Complex	General government	30,910,000	30,772,558	137,442
Ferguson Parkway	General government	2,092,188	380,083	1,712,105
Rosamond Parkway Extension	General government	7,771,929	1,797,782	5,974,147
Hackberry Drive Reconstruction	General government	1,460,000	197,625	1,262,375
Aerial/Ladder Fire Truck	General government	1,660,000	1,619,969	40,031
Community Library	General government	22,010,000	416,883	21,593,117
Fire Station No. 2	General government	11,000,000	11,645	10,988,355
Skate Park	General government	1,982,125	-	1,982,125
Foster Crossing Road	General government	989,065	989,065	-
Taylor Boulevard	General government	1,229,860	181,359	1,048,501
Hurricane Creek PID - MIA	General government	2,408,234	2,082,377	325,857
Hurricane Creek PID - IA #1	General government	6,474,557	6,432,227	42,330
Sherley Tract - MIA	General government	2,259,650	1,009,812	1,249,838
Sherley Tract - IA #1	General government	11,664,656	5,060,020	6,604,636
US 75 Utility Relocation - Phase 2	General government	128,058	107,064	20,994
East Fork Regions Sewer	Utility	954,857	764,648	190,209
Oak Ridge Sewer	Utility	63,730	35,273	28,457
Throckmorton Creek Trunk Sewer Expansion	Utility	335,732	210,041	125,691
State Highway 5 Utility Relocation	Utility	338,692	163,107	175,585
Collin Pump Station Upgrade	Utility	3,616,213	729,955	2,886,258
Slayter Creek Park Improvements	General government	5,804,567	74,934	5,729,633
Bryant Park Improvements	General government	864,000	113,857	750,143
Community Recreation Center	General government	15,580,000	-	15,580,000
Hurricane Creek Regional WWTP	Utility	85,000,000	2,451,542	82,548,458
Total		\$ 218,010,951	\$ 56,523,764	\$ 161,487,187

The remaining commitments above will be primarily financed through completion of construction with the resources of the capital projects funds, supplemented by the general fund and issuance of debt, as needed.

Note 6. Long-term Liabilities

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2022. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds, notes and other payables:					
General obligation bonds	\$ 9,494,000	\$ -	\$ (251,000)	\$ 9,243,000	\$ 272,000
Certificates of obligation	30,425,000	-	(215,000)	30,210,000	215,000
Combination tax and revenue refunding bonds	375,000	-	(40,000)	335,000	35,000
Financed purchases	346,060	-	(44,001)	302,059	45,700
Right-to-use lease liability	-	1,541,966	(646,704)	895,262	-
Unamortized premiums	2,098,685	-	(117,706)	1,980,979	-
Total bonds, notes and other payables, net	42,738,745	1,541,966	(1,314,411)	42,966,300	567,700
Other liabilities:					
Compensated absences	409,398	941,673	(276,340)	1,074,731	-
Net pension liability	837,502	-	(267,744)	569,758	-
Total other postemployment benefit liability	108,822	21,620	-	130,442	-
Total governmental activities	\$ 44,094,467	\$ 2,505,259	\$ (1,858,495)	\$ 44,741,231	\$ 567,700

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-type activities:					
Bonds, notes and other payables:					
Contract revenue bonds	\$ 2,858,333	\$ -	\$ (299,583)	\$ 2,558,750	\$ 320,000
TWDB participation agreement	2,168,750	-	-	2,168,750	-
Combination tax and revenue certificates of obligation	6,605,000	-	(90,000)	6,515,000	100,000
Combination tax and revenue refunding bonds	6,925,000	-	(635,000)	6,290,000	654,000
Financed purchases	1,228,121	-	(171,490)	1,056,631	173,783
Right-to-use lease liability	-	305,573	(175,931)	129,642	-
Unamortized premiums (discounts)	1,159,439	-	(138,263)	1,021,176	-
Total bonds, notes and other payables, net	20,944,643	305,573	(1,510,267)	19,739,949	1,247,783
Other liabilities:					
Compensated absences	100,438	169,875	(43,793)	226,520	-
Net pension liability	225,481	-	(112,728)	112,753	-
Total other postemployment benefit liability	29,298	-	(3,484)	25,814	-
Total business-type activities	\$ 21,299,860	\$ 475,448	\$ (1,670,272)	\$ 20,105,036	\$ 1,247,783

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Component Units - CDC:					
Bonds, notes and other payables:					
Sales tax revenue bonds	\$ 2,645,000	\$ -	\$ (160,000)	\$ 2,485,000	\$ 160,000
Other liabilities:					
Compensated absences	13,958	18,204	(9,183)	22,979	-
Net pension liability	10,737	9,865	-	20,602	-
Total other postemployment benefit liability	1,395	3,322	-	4,717	-

City of Anna, Texas
Notes to Financial Statements

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

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

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

Description	Interest Rates	Balance
Governmental activities:		
General obligation refunding bonds		
Series 2014B	0.30 - 2.40 %	\$ 833,000
Series 2021	2.00-5.00 %	8,410,000
Total general obligation bonds		9,243,000
Certificates of obligation		
Series 2018	3.00 - 4.00 %	30,210,000
Total certificates of obligation		30,210,000
Combination tax and revenue refunding bonds		
Series 2017	2.00 - 4.00 %	335,000
Total certificates of obligation		335,000
Financed purchases		
2018 Pierce Enforcer	3.86%	302,059
Total financed purchases		302,059
Total governmental activities long-term debt		\$ 40,090,059

City of Anna, Texas
Notes to Financial Statements

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

Description	Interest Rates	Balance
Business-type activities:		
Contract revenue and revenue refunding bonds		
Series 2006 GTUA Contract Revenue Bonds (12 & 15)	2.95 - 3.75 %	\$ 555,000
2007 GTUA Contract	2.95 - 4.10 %	900,000
CGMA Pipeline Project Phase I	2.29 - 5.74 %	270,000
CGMA Pipeline Project Phase III	2.67 - 5.62 %	833,750
Total contract revenue and revenue refunding bonds		2,558,750
TWDB state participation agreement		
CGMA Pipeline Project Phase II	5.68 - 5.83 %	2,168,750
Total TWDB state participation agreement		2,168,750
Combination tax & revenue certificates of obligation		
Series 2014	2.00 - 2.65 %	3,655,000
Series 2021	2.00-5.00 %	2,860,000
Total combination tax & revenue certificates of obligation		6,515,000
Combination tax and revenue refunding bonds		
Series 2014A	2.11%	1,260,000
Series 2017	2.00 - 4.00 %	5,030,000
Total combination tax and revenue refunding bonds		6,290,000
Financed purchases		
2017 AMI Meters	2.00%	1,056,631
Total financed purchases		1,056,631
Total business-type activities long-term debt		\$ 18,589,131
Component units:		
Sales Tax Revenue Bonds		
CDC - Sales Tax Revenue Bonds - Series 2012B	3.30%	\$ 1,185,000
CDC - Sales Tax Revenue Bonds - Series 2016	1.9% - 4.5%	1,300,000
Total CDC long-term debt		\$ 2,485,000

City of Anna, Texas
Notes to Financial Statements

**DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed**

The annual requirements to amortize general obligation bonds, certificates of obligation outstanding, and sales tax revenue bonds at year end were as follows:

Year Ending September 30,	Governmental Activities					
	GO Bonds		CO Bonds		Combination Tax and Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 272,000	\$ 284,159	\$ 215,000	\$ 1,242,950	\$ 35,000	\$ 12,700
2024	493,000	270,817	235,000	1,233,950	35,000	11,300
2025	529,000	250,886	240,000	1,224,450	25,000	10,100
2026	549,000	229,488	250,000	1,214,650	25,000	9,100
2027	1,500,000	902,750	3,885,000	5,662,875	215,000	12,500
2028-2032	1,755,000	555,750	6,605,000	4,438,100	-	-
2033-2037	1,965,000	345,200	7,110,000	3,032,000	-	-
2038-2042	2,180,000	124,650	7,995,000	1,559,900	-	-
2043-2047			3,675,000	148,500	-	-
2048	-	-	-	-	-	-
Totals	\$ 9,243,000	\$ 2,963,700	\$ 30,210,000	\$ 19,757,375	\$ 335,000	\$ 55,700

Year Ending September 30,	Business-type Activities					
	Contract Revenue Bonds		TWDB State Participation Agreement		Combination Tax and Revenue Certificates of Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 320,000	\$ 118,496	\$ -	\$ 125,206	\$ 100,000	\$ 265,838
2024	332,500	105,503	-	125,206	135,000	261,913
2025	355,000	91,820	-	125,206	165,000	257,013
2026	378,750	76,879	95,000	125,206	340,000	248,200
2027	708,750	227,781	562,500	538,167	3,640,000	835,456
2028-2032	463,750	68,107	745,000	356,734	2,135,000	107,338
2033-2037	-	-	766,250	114,690	-	-
Totals	\$ 2,558,750	\$ 688,586	\$ 2,168,750	\$ 1,510,415	\$ 6,515,000	\$ 1,975,756

Year Ending September 30,	Combination Tax and Revenue	
	Principal	Interest
2023	\$ 654,000	\$ 232,313
2024	649,000	208,528
2025	645,000	184,452
2026	492,000	163,176
2027	2,550,000	544,800
2028-2032	1,300,000	52,000
Totals	\$ 6,290,000	\$ 1,385,269

Year Ending September 30,	Combination Tax and Revenue	
	Principal	Interest
2023	\$ 100,000	\$ 93,865
2024	115,000	90,278
2025	135,000	86,013
2026	150,000	81,050
2027	1,065,000	303,908
2028-2032	780,000	105,203
2033-2037	140,000	3,150
Totals	\$ 2,485,000	\$ 763,467

Total matured and unmatured bonds outstanding related to special assessment and special tax districts are \$23,101,000 at September 30, 2022. The City acts as an agent for the property owners in collecting special assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, when appropriate. The City is not liable for repayment of the special district bonds, and accordingly, they are not reflected in accompanying basic financial statements. Cash held on deposit and corresponding amounts payable for the districts are reported in the Public Improvement District Custodial Fund.

Contractual Obligations with Greater Texoma Utility Authority

Under the terms of long term water supply and sewer service contracts between the City and Greater Texoma Utility Authority (GTUA), the City recognizes that GTUA has an undivided ownership interest in the City's water system and sewer collection and treatment facility equivalent to the percentage of the total cost of the facility provided by GTUA through the issuance of GTUA bonds.

The City has a contractual obligation to make payments specified by the contract to GTUA to pay the principal and interest on the bonds, maintain a Reserve Fund for the security and payment of bonds similarly secured, pay the administrative and overhead expenses of GTUA directly attributable to the bonds, and pay any extraordinary expenses incurred by GTUA in connection with the bonds. Under terms of the contracts the City's obligation to make payments to GTUA, as well as GTUA's ownership interest in the facilities terminates, when all of GTUA's bonds issued in connection with construction of the facilities have been paid in full, are retired, and are no longer outstanding.

Collin Grayson Municipal Alliance Transmission Water Pipeline

In 2004, the City, along with the City of Van Alstyne, Howe, and Melissa, formed a group called the Collin Grayson Municipal Alliance ("CGMA"). CGMA entered into a long-term contractual obligation with GTUA for the purpose of providing funds for the construction of a transmission water pipeline that will provide water to CGMA cities. The cost of the pipeline is being funded in four phases.

Each CMGA city was required to make payments to GTUA in an amount equivalent to 25% of the total obligation to cover their portion of the cost of the obligation until the pipeline project was completed. As water continues to flow to each CGMA city, the City shall be charged it's percentage or fraction share of debt service on the obligation based upon the amount of water to be paid by the City under its water contract (i.e. the greater of its minimum take-or-pay amount or the actual amount of water taken) divided by the total amount of water to be paid by all CGMA cities. The sum of the four (4) fractional amounts shall always equal 100% of the debt service on the contractual obligation with GTUA. The billing rates for each City will be calculated to provide funds necessary to cover the contractual obligation, interest, repairs, maintenance, and production costs.

At the end of the contractual obligation with GTUA, the City will own an undivided interest in the transmission water pipeline based on the percentage of water it utilized and paid for during the contract term. The contract will expire and the transfer of ownership will occur during the fiscal year ended September 30, 2040, as long as no new debt is issued.

Financed Purchases

On October 9, 2018, the City entered into a lease agreement as lessee for financing the acquisition of a fire apparatus which is payable from the general fund. This lease agreement qualifies as a financed purchase for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

On November 28, 2016, the City entered into a financed purchase to finance the acquisition of water meters which is payable from the utility fund.

The assets acquired through financed purchases as of September 30, 2022 are as follows:

	Governmental Activities	Business-type Activities
Assets:		
Fire apparatus	\$ 485,068	\$ -
Water meters	-	1,340,010
Sewer cleaner truck		441,360
Less: Accumulated depreciation	(184,421)	(666,252)
Total	\$ 300,647	\$ 1,115,118

City of Anna, Texas
Notes to Financial Statements

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2022 are as follows:

Year Ending September 30,	Governmental Activities	Business-type Activities
2023	\$ 57,349	\$ 201,214
2024	57,349	201,214
2025	57,349	201,214
2026	57,349	201,214
2027-2028	114,698	355,913
Total minimum future lease payments	344,094	1,160,769
Less: amount representing interest	(42,035)	(104,138)
Present value of minimum lease payments	\$ 302,059	\$ 1,056,631

Right-to-Use Lease Liability

The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use vehicles over the term of the lease. The City is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the leases.

The lease rate, term and ending lease liability are as follows:

	Interest Rate	Liability at Commencement	Lease Term in Years	Ending Balance
Governmental activities				
Vehicles	Various	\$ 1,541,966	5	\$ 895,262
Total governmental activities				<u>\$ 895,262</u>
Business-type activities				
Vehicles	Various	305,573	5	\$ 129,641
Total business-type activities				<u>\$ 129,641</u>

The future principal and interest lease payments as of fiscal year end are as follows:

Fiscal Year Ending	Governmental Activities	Business-Type Activities
2023	\$ 363,560	\$ 64,027
2024	270,927	38,862
2025	212,309	23,861
2026	154,867	17,108
2027	86,881	11,442
Total minimum lease payments	1,088,544	155,300
Less: amount representing interest	(193,282)	(25,658)
Present value of minimum lease payments	\$ 895,262	\$ 129,642

The value of the right-to-use leased assets as of the end of the current fiscal year was \$1,541,966 with accumulated amortization \$671,018 for the governmental activities, and \$305,573 with accumulated depreciation of \$180,587 for the business-type activities.

Note 7. Interfund Balances and Activity

1. Interfund Receivables and Payables

Interfund balances consist of short-term lending/borrowing arrangements that have resulted primarily from expenditures that are paid by one fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more governmental funds due to earned revenues not being received from outside agencies until the subsequent year. There were no interfund balances as of September 30, 2022.

2. Interfund Transfers

Transfers between funds during the year were as follows:

Transfers Out	Transfers In	Amounts
Nonmajor Funds	Capital Projects Fund	\$ 292,407
Nonmajor Funds	Nonmajor Funds	3,021
Totals		\$ 295,428

Transfers to the capital project fund were for the road project.

Note 8. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with approximately 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

Note 9. Defined Benefit Pension Plan

Plan Description

The City and three of its component units participate as one of 901 plans in the nontraditional, joint contributory, hybrid defined benefit agent multiple-employer pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS, an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (TMRS Act) is 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 annual comprehensive financial report (ACFR) that can be obtained at www.tmr.com.

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

Benefits Provided

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

At retirement, the member's benefit is calculated based on the sum of the member's contributions with interest, the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

The plan provisions are adopted by City were as follows:

	2021	2020
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	75% Repeating, Transfers	75% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	18
Inactive employees entitled to but not yet receiving benefits	64
Active employees	129
Total	211

Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the member's total compensation, and the city matching ratios are either 1:1 (1 to 1), 1.5:1 (1 ½ to 1) or 2:1 (2 to 1), 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 city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.09% and 13.57% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$1,240,283, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2019 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

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

In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other public and private markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employee 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 members. 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 Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2019	\$ 11,006,117	\$ 9,932,397	\$ 1,073,720
Changes for the year:			
Service cost	1,689,215	-	1,689,215
Interest	789,622	-	789,622
Change of benefit terms	-	-	-
Difference between expected and actual experience	301,846	-	301,846
Changes of assumptions	-	-	-
Contributions - employer	-	1,240,283	(1,240,283)
Contributions - employee	-	616,181	(616,181)
Net investment income	-	1,300,777	(1,300,777)
Benefit payments, including refunds of employee contributions	(305,245)	(305,245)	-
Administrative expense	-	(5,991)	5,991
Other changes	-	41	(41)
Net changes	2,475,438	2,846,046	(370,608)
Balance at December 31, 2020	\$ 13,481,555	\$ 12,778,443	\$ 703,112

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability (asset)	\$ 3,201,058	\$ 703,112	\$ (1,278,774)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

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

For the year ended September 30, 2022, the City recognized pension expense of \$1,080,502.

At September 30, 2022, 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 economic experience	\$ 423,102	\$ 12,167
Changes in actuarial assumptions	24,256	-
Difference between projected and actual investment earnings	-	657,633
Contributions subsequent to the measurement date	1,050,136	-
Totals	\$ 1,497,494	\$ 669,800

\$1,050,136 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
2022	\$ (31,304)
2023	(137,802)
2024	(25,684)
2025	(63,788)
2026	36,136
Thereafter	-
Totals	\$ (222,442)

Note 10. Other Postemployment Benefits Plan

Plan Description

The City contributes to a single-employer defined benefit OPEB plan, the group-term life insurance plan known as the SDBF. This is a voluntary program administered by the Texas Municipal Retirement System (TMRS) in which the City elected, by ordinance, to provide group term life insurance coverage to active and retired members. 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.

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered another postemployment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

Contributions

The member 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.

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	13
Inactive employees entitled to but not yet receiving benefit	9
Active employees	129
Total	151

Accounting Policy

An irrevocable trust has not been established that meets the criteria in paragraph 4 of GASB Statement No. 75. Therefore, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Actuarial Assumptions

Significant methods and assumptions used in the December 31, 2021 actuarial valuation are as follows:

Inflation	2.5% per year
Salary increases	3.5% to 11.5% including inflation
Discount rate	1.84% as of December 31, 2021
	Source: Fidelity Index's "20-Year Municipal GO AA Index"
Retirees' share of benefit related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 75
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for young members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Note: The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Total OPEB Liability

The City's total OPEB liability of \$160,972 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

The total OPEB liability and related information are as follows for the City at September 30, 2022:.

	<u>Total OPEB Liability</u>
Balance at December 31, 2020	\$ 139,516
Changes for the year:	
Service cost	24,647
Interest on Total OPEB Liability	3,019
Change of benefit terms	-
Difference between expected and actual experience	(10,814)
Changes of assumptions or other inputs	6,365
Benefit payments	<u>(1,761)</u>
Net changes	<u>21,456</u>
Balance at December 31, 2021	<u>\$ 160,972</u>

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$32,803.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,544	\$ 12,090
Changes in actuarial assumptions and other inputs	38,151	2,908
Contributions made subsequent to the measurement date	<u>1,546</u>	<u>-</u>
Totals	<u>\$ 48,241</u>	<u>\$ 14,998</u>

Benefit payments subsequent to the measurement date and before fiscal year-end of \$1,546 will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2023.

Other amounts reported as deferred outflows related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ending September 30</u>	
2023	\$ 5,137
2024	5,137
2025	5,137
2026	5,008
2027	4,747
Thereafter	<u>6,531</u>
Totals	<u>\$ 31,697</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 1.84%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current discount rate:

1% Decrease in Discount Rate (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
\$ 206,799	\$ 160,972	\$ 126,475

Note 11. Villages of Hurricane Creek Public Improvement District

On November 13, 2018, the City of Anna City Council approved Ordinance No. 2018-01-506 authorizing the creation of a Public Improvement District. The Hurricane Creek Public Improvement District consists of approximately 368.20 acres within the jurisdictions of the City. This district was created in accordance with Chapter 372.003 of the Texas Local Government Code, as amended.

On March 28, 2019 the City of Anna City Council approved the issuance and sale of two Special Assessment Revenue Bonds in the amounts of \$7,735,000 and \$3,535,000 known as Hurricane Creek Public Improvement District Improvement Area #1 Project and Hurricane Creeks Public Improvement District Improvement Major Improvement Area Project, respectively. These bonds were authorized in order to finance the projects benefiting the entire Hurricane Creek Public Improvement District including certain roadway, water, sewer, and drainage improvements.

Note 12. Sherley Tract Public Improvement District

On December 8, 2020, the City of Anna City Council approved Ordinance No. 2020-12-839 authorizing the creation of a Public Improvement District. The Sherley Tract Public Improvement District consists of approximately 289.751 acres located in the extraterritorial jurisdiction of the City. This district was created in accordance with Chapter 372.003 of the Texas Local Government Code, as amended.

On July 13, 2022, the City of Anna City Council approved the issuance and sale of two Special Assessment Revenue Bonds in the amounts of \$9,400,000 and \$2,896,000 known as Sherley Tract Public Improvement District No. 2 Improvement Area #1 Project and Sherley Tract Public Improvement District No. 2 Major Improvement Area Project, respectively. These bonds were authorized in order to finance the projects benefiting the entire Sherley Tract Public Improvement District No. 2 including certain roadway, water, sewer, and drainage improvements.

Note 13. Anna Capri Public Improvement District

On April 12, 2022, the City of Anna City Council approved Resolution No. 2022-04-1140 authorizing the creation of a Public Improvement District. The Anna Capri Public Improvement District consists of approximately 279.554 acres located within the corporate city limits of the City. This district was created in accordance with Chapter 372.003 of the Texas Local Government Code, as amended.

Note 14. Subsequent Events

On September 1, 2022, the City issued \$64,845,000 in Combination Tax and Revenue Certificates of Obligations, Series 2022. Proceeds from the sale of the Certificates will be used for acquiring, constructing, installing, and equipping additions, improvements, extensions, and equipment for the City's sewer system, including wastewater treatment plant and related infrastructure improvements and the acquisition of land and interests in land as necessary therefor. As of September 30, 2022 no sales had been made or proceeds received. On October 11, 2022, the City closed on \$32,465,000 in General Obligation Bonds, Series 2022.

On December 13, 2022, the City issued \$10,550,000 of Special Assessment Revenue Bonds, Series 2022 known as Hurricane Creek Public Improvement District Improvement Area #2 Project. Proceeds of these bonds will be used to finance the projects benefiting Improvement Area #2 of the Hurricane Creek Public Improvement District.

THE CITY OF **Anna**

Required Supplementary Information

City of Anna, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 8,015,000	\$ 8,015,000	\$ 8,004,989	\$ (10,011)
Sales taxes	2,760,000	3,296,370	3,847,911	551,541
Charges for services	154,700	154,700	285,779	131,079
License and permits	3,625,000	3,659,960	5,752,179	2,092,219
Franchise and local taxes	485,000	485,000	888,723	403,723
Investment income	30,000	30,000	90,387	60,387
Other revenues	16,300	16,300	151,464	135,164
Intergovernmental	48,395	48,395	47,640	(755)
Fines and forfeitures	90,000	90,000	241,274	151,274
Contributions and donations	-	-	3,050	3,050
Total revenues	15,224,395	15,795,725	19,313,396	3,517,671
EXPENDITURES				
Current:				
General government	4,082,778	4,082,778	5,040,143	(957,365)
Culture and recreation	1,382,826	1,382,826	1,345,005	37,821
Community services	1,241,433	1,276,393	1,145,841	130,552
Public safety	7,579,707	7,623,277	7,432,334	190,943
Public works	864,651	864,651	777,565	87,086
Debt service				
Principal	44,001	44,001	44,001	-
Interest and fiscal charges	13,358	13,358	13,358	-
Capital outlay	-	22,500	1,666,327	(1,643,827)
Total expenditures	15,208,754	15,309,784	17,464,574	(2,154,790)
Excess (deficiency) of revenues over (under) expenditures	15,641	485,941	1,848,822	1,362,881
OTHER FINANCING SOURCES (USES)				
Transfers out	(400,000)	(900,000)	-	900,000
Total other financing sources (uses)	(400,000)	(900,000)	-	900,000
Net change in fund balance	(384,359)	(414,059)	1,848,822	2,262,881
Beginning fund balance	6,572,245	6,572,245	6,572,245	-
ENDING FUND BALANCE	<u>\$ 6,187,886</u>	<u>\$ 6,158,186</u>	<u>\$ 8,421,067</u>	<u>\$ 2,262,881</u>

Notes to Schedule

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

City of Anna, Texas

Schedule of Changes in the Net Pension Liability and Related Ratios – TMRS Last Eight Measurement Periods

	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY								
Service cost	\$ 1,689,215	\$ 1,282,488	\$ 1,008,055	\$ 860,365	\$ 698,771	\$ 608,067	\$ 527,867	\$ 429,268
Interest	789,622	665,239	546,834	464,692	398,225	343,924	309,015	277,884
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	301,846	31,578	294,521	13,331	(9,109)	(60,518)	(110,141)	(173,824)
Change of assumptions	-	-	47,825	-	-	-	19,349	-
Benefit payments, including refunds of employee contributions	(305,245)	(374,666)	(185,961)	(204,657)	(163,326)	(101,394)	(109,637)	(166,160)
Net change in total pension liability	2,475,438	1,604,639	1,711,274	1,133,731	924,561	790,079	636,453	367,168
Total pension liability - beginning	11,006,117	9,401,478	7,690,204	6,556,473	5,631,912	4,841,833	4,205,380	3,838,212
TOTAL PENSION LIABILITY - ENDING (a)	\$ 13,481,555	\$ 11,006,117	\$ 9,401,478	\$ 7,690,204	\$ 6,556,473	\$ 5,631,912	\$ 4,841,833	\$ 4,205,380
PLAN FIDUCIARY NET POSITION								
Contributions - employer	\$ 1,240,283	\$ 927,155	\$ 747,632	\$ 618,080	\$ 516,066	\$ 442,230	\$ 386,733	\$ 270,279
Contributions - employee	616,181	460,616	356,743	298,589	249,306	217,388	194,478	170,293
Net investment income (loss)	1,300,777	631,955	991,697	(175,951)	641,130	257,535	4,915	165,488
Benefit payments, including refunds of employee contributions	(305,245)	(374,666)	(185,961)	(204,657)	(163,326)	(101,394)	(109,637)	(166,160)
Administrative expense	(5,991)	(4,073)	(5,580)	(3,389)	(3,315)	(2,902)	(2,992)	(1,727)
Other	41	(158)	(168)	(176)	(169)	(156)	(148)	(142)
Net change in plan fiduciary net position	2,846,046	1,640,829	1,904,363	532,496	1,239,692	812,701	473,349	438,031
Plan fiduciary net position - beginning	9,932,397	8,291,568	6,387,205	5,854,709	4,615,017	3,802,316	3,328,967	2,890,936
PLAN FIDUCIARY NET POSITION - ENDING (b)	\$ 12,778,443	\$ 9,932,397	\$ 8,291,568	\$ 6,387,205	\$ 5,854,709	\$ 4,615,017	\$ 3,802,316	\$ 3,328,967
NET PENSION LIABILITY - ENDING (a)-(b)	\$ 703,112	\$ 1,073,720	\$ 1,109,910	\$ 1,302,999	\$ 701,764	\$ 1,016,895	\$ 1,039,517	\$ 876,413
Plan fiduciary net position as a percentage of total pension liability	95%	90%	88%	83%	89%	82%	79%	79%
Covered payroll	\$ 8,802,581	\$ 6,580,234	\$ 5,096,334	\$ 4,265,561	\$ 3,561,515	\$ 1,194,348	\$ 2,778,260	\$ 2,432,756
Net pension liability as a percentage of covered payroll	8%	16%	22%	31%	20%	85%	37%	36%

Notes to Schedule

1. This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

City of Anna, Texas

Schedule of Employer Contributions to Pension Plan - TMRS Last Eight Years

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,434,265	\$ 1,094,001	\$ 906,255	\$ 701,932	\$ 592,188	\$ 490,248	\$ 444,631	\$ 353,170
Contributions in relation to the actuarially determined contribution	1,434,265	1,094,001	906,255	701,932	592,188	490,248	444,631	353,170
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 10,388,515	\$ 7,764,378	\$ 6,373,692	\$ 4,798,511	\$ 4,086,822	\$ 3,396,686	\$ 3,140,567	\$ 2,881,090
Contributions as a percentage of covered payroll	13.81%	14.09%	14.22%	14.63%	14.49%	14.43%	14.16%	12.26%

Notes to Schedule

1. This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.
2. GASB 68, paragraph 81.2.b requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

City of Anna, Texas

Schedule of Changes in Total OPEB Liability and Related Ratios – TMRS Last Five Measurement Periods

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY					
Service cost	\$ 24,647	\$ 16,451	\$ 9,173	\$ 8,958	\$ 6,767
Interest (on the Total OPEB Liability)	3,019	2,584	2,306	1,996	1,716
Change of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(10,814)	11,180	(964)	(3,622)	-
Changes in assumptions or other inputs	6,365	23,878	18,247	(5,341)	5,334
Benefit payments	(1,761)	(658)	(510)	-	-
Net change in total OPEB liability	21,456	53,435	28,252	1,991	13,817
Total OPEB liability - beginning	139,516	86,081	57,829	55,838	42,021
TOTAL OPEB LIABILITY - ENDING (a)	\$ 160,972	\$ 139,516	\$ 86,081	\$ 57,829	\$ 55,838
Covered-employee payroll	\$ 8,802,581	\$ 6,580,234	\$ 5,096,334	\$ 4,265,563	\$ 3,561,515
Total OPEB liability as a percentage of covered-employee payroll	1.83%	2.12%	1.69%	1.36%	1.57%

Notes to Schedule

1. This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not reported in accordance with the standards of GASB 74/75 and should not be shown here. Therefore, only years for which the new GASB statements have been implemented have been shown and ultimately ten years will be presented.

City of Anna, Texas

Schedule of OPEB Contributions - TMRS

Last Five Fiscal Years

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 2,078	\$ 7,636	\$ 8,286	\$ 6,238	\$ 4,496
Contributions in relation to the actuarially determined contribution	2,078	7,636	8,286	6,238	4,496
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	10,388,515	7,764,378	6,373,692	4,798,511	4,086,822
Contributions as a percentage of covered-employee payroll	0.02%	0.10%	0.13%	0.13%	0.11%

Notes to Schedule

1. This schedule is presented to illustrate the requirement to show for 10 years. However, recalculations of prior years are not reported in accordance with the standards of GASB 74/75 and should not be shown here. Therefore, only years for which the new GASB statements have been implemented will be shown and ultimately ten years will be presented.
2. GASB 75 paragraph 57 requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

Combining and Individual Fund Financial Statements and Schedule

THE CITY OF **Anna**

Nonmajor Governmental Funds

Special Revenue Funds

Roadway Impact Fee Service Area 1

Accounts for revenue and expenditures from developer impact fees for future strategic roadway improvements for service area 1.

Roadway Impact Fee Service Area 2

Accounts for revenue and expenditures from developer impact fees for future strategic roadway improvements for service area 2.

State Police Seizure Fund

Accounts for state revenues generated from property seized in connection with illegal activity once the property is forfeited after prosecution that can only be used in accordance with applicable state laws.

Federal Police Seizure Fund

Accounts for federal revenues generated from property seized in connection with illegal activity once the property is forfeited after prosecution that can only be used in accordance with applicable federal laws.

Public Facility Corporation Fund

Created for the purpose of assisting the City in financing, refinancing, or providing public facilities. The APFC provides for the acquisition, construction, rehabilitation, renovation, repair, and furnishings of public facilities in the City.

Fire Department Capital Improvement Fund

Accounts for voluntary fees negotiated with developers in support of the Anna Fire Department for fire capital projects.

Tax Increment Reinvestment Zone Number 2 (TIRZ #2) Fund

Accounts for financing resources to pay for infrastructure costs to facilitate the mixed-use development project.

Other Special Revenue Fund

Accounts for all other miscellaneous restricted funds not described in other special revenue funds.

City of Anna, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 20222

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	Roadway Impact Fee SVC Area 1	Roadway Impact Fee SVC Area 2	State Police Seizure Fund	Federal Police Seizure Fund	Public Facility Corporation
ASSETS					
Cash and cash equivalents	\$ 3,353,936	\$ 1,995,328	\$ 9,673	\$ 3,039	\$ 880,053
Receivables, net	-	-	-	-	-
Restricted cash	-	-	-	-	-
Total assets	<u>\$ 3,353,936</u>	<u>\$ 1,995,328</u>	<u>\$ 9,673</u>	<u>\$ 3,039</u>	<u>\$ 880,053</u>
LIABILITIES					
Accounts payable and other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Accrued salaries	-	-	-	-	-
Unearned revenue	-	-	-	-	503,003
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>503,003</u>
FUND BALANCES					
Restricted for:					
Public safety	-	-	9,673	3,039	-
Capital projects	3,353,936	1,995,328	-	-	377,050
Unassigned	-	-	-	-	-
Total fund balances	<u>3,353,936</u>	<u>1,995,328</u>	<u>9,673</u>	<u>3,039</u>	<u>377,050</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,353,936</u>	<u>\$ 1,995,328</u>	<u>\$ 9,673</u>	<u>\$ 3,039</u>	<u>\$ 880,053</u>

Fire Dept. Capital Impr. Fund	TIRZ #2	Other Special Revenue Fund	Total Nonmajor Governmental Funds
\$ 268,538	\$ -	\$ 145,249	\$ 6,655,816
-	-	-	-
-	54,724	-	54,724
<u>\$ 268,538</u>	<u>\$ 54,724</u>	<u>\$ 145,249</u>	<u>\$ 6,710,540</u>
\$ -	\$ 46	\$ -	\$ 46
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	503,003
-	-	-	-
-	46	-	503,049
268,538	-	145,249	426,499
-	54,678	-	5,780,992
-	-	-	-
<u>268,538</u>	<u>54,678</u>	<u>145,249</u>	<u>6,207,491</u>
<u>\$ 268,538</u>	<u>\$ 54,724</u>	<u>\$ 145,249</u>	<u>\$ 6,710,540</u>

City of Anna, Texas

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	Roadway Impact Fee SVC Area 1	Roadway Impact Fee SVC Area 2	State Police Seizure Fund	Federal Police Seizure Fund	Public Facility Corporation
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	2,457,453	695,840	-	-	383,397
Fines and forfeitures	-	-	-	-	-
Investment income	16,865	10,942	57	18	1,342
Other revenue	-	-	146	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	2,474,318	706,782	203	18	384,739
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Community Services	-	-	-	-	3,600
Public safety	-	-	-	-	-
Capital outlay	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	-	-	-	-	3,600
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	2,474,318	706,782	203	18	381,139
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	3,021	-
Transfers out	(81,514)	(10,893)	(3,021)	-	-
Proceeds from sale of capital assets	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing (uses)	(81,514)	(10,893)	(3,021)	3,021	-
	<u>(81,514)</u>	<u>(10,893)</u>	<u>(3,021)</u>	<u>3,021</u>	<u>-</u>
Net change in fund balances	2,392,804	695,889	(2,818)	3,039	381,139
Fund balances, beginning of year	961,132	1,299,439	12,491	-	-
	<u>961,132</u>	<u>1,299,439</u>	<u>12,491</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,353,936</u>	<u>\$ 1,995,328</u>	<u>\$ 9,673</u>	<u>\$ 3,039</u>	<u>\$ 381,139</u>

Fire Dept. Capital Impr. Fund	TIRZ #2	Other Special Revenue Fund	Total Nonmajor Governmental Funds
\$ -	\$ 46,340	\$ -	\$ 46,340
120,900	-	-	3,657,590
-	-	8,654	8,654
1,395	-	1,150	31,769
120	-	36,005	36,271
122,415	46,340	45,809	3,780,624
-	-	3,172	3,172
-	226	-	226
-	-	-	3,600
28,213	-	-	28,213
11,998	-	62,964	74,962
40,211	226	66,136	110,173
82,204	46,114	(20,327)	3,670,451
-	-	-	3,021
-	-	-	(95,428)
-	-	-	-
-	-	-	(92,407)
82,204	46,114	(20,327)	3,578,044
186,334	8,564	165,576	2,633,536
<u>\$ 268,538</u>	<u>\$ 54,678</u>	<u>\$ 145,249</u>	<u>\$ 6,211,580</u>

City of Anna, Texas

Balance Sheet

Community Development Corporation

September 30, 2022

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	Anna Community Development Corporation
ASSETS	
Cash and cash equivalents	\$ 7,796,303
Receivables, net	415,588
Restricted cash	-
TOTAL ASSETS	\$ 8,211,891
LIABILITIES	
Accounts payable	\$ 17,080
Accrued liabilities	3,944
Accrued salaries	12,547
Total liabilities	33,571
FUND BALANCES	
Restricted for:	
Community Development	8,178,320
Total fund balances	8,178,320
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 8,211,891

City of Anna, Texas

Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
Community Development Corporation
September 30, 20222

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 8,178,320
---	---------------------

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

The following deferred outflows of resources and deferred inflows of resources
are not reported in governmental funds:

Deferred outflows of resources - OPEB	1,413
Deferred outflows of resources - pension	43,878
Deferred inflows of resources - OPEB	(439)
Deferred inflows of resources - pension	(19,625)

Long-term liabilities, including bonds payable, are not due and payable in the
current period and, therefore, are not reported in the fund financial statements.

Long-term liabilities consist of:

Sales tax revenue bonds	(2,485,000)
Compensated absences	(22,980)
Accrued interest	(11,939)
Total OPEB liability	(4,717)
Net pension liability	(20,602)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 5,658,309
--	---------------------

City of Anna, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balances Community Development Corporation For the Year Ended September 30, 20222

	Anna Community Development Corporation
REVENUES	
Sales taxes	\$ 2,308,746
Contributions	156
Investment income	14,953
Total revenues	2,323,855
EXPENDITURES	
Current:	
Community and economic development	1,296,229
Debt service:	
Principal retirement	160,000
Interest and fiscal charges	96,837
Total expenditures	1,553,066
Excess (deficiency) of revenues over (under) expenditures	770,789
OTHER FINANCING SOURCES (USES)	
Proceeds from sale of capital assets	5,615,652
Total other financing (uses)	5,615,652
Net change in fund balances	6,386,441
Fund balance, beginning of year	1,791,879
Fund balance, end of year	\$ 8,178,320

City of Anna, Texas

Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 Community Development Corporation
 For the Year Ended September 30, 2022

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 6,386,441
---	---------------------

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

Net effect of proceeds from the sale of capital assets and gain on disposal	(2,757,904)
---	-------------

Current year long-term debt principal payments on tax notes payable are expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.	160,000
--	---------

Some expenses reported in the statement of activities do not require the use of current
 financial resources and, therefore, are not reported as expenditures in governmental
 funds.

Decrease in accrued interest	657
Increase in accrued compensated absences	(9,022)
Increase in net pension liability and related deferred inflows and outflows	5,315
Increase in total OPEB liability and related deferred inflows and outflows	(2,282)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 3,783,205
--	---------------------

City of Anna, Texas

Balance Sheet

Economic Development Corporation

September 30, 20222

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	Anna Economic Development Corporation
ASSETS	
Cash and cash equivalents	\$ 982,908
Investments	5,000,000
Receivables, net	16,580
TOTAL ASSETS	\$ 5,999,488
LIABILITIES	
Accounts payable	\$ 7,302
Total liabilities	7,302
FUND BALANCES	
Restricted for:	
Economic Development	5,992,186
Total fund balances	5,992,186
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,999,488

City of Anna, Texas

Reconciliation of Governmental Fund Balance Sheet
to the Statement of Net Position
Economic Development Corporation
September 30, 20222

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	5,992,186
---	----	-----------

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	227,769
--	---------

Unavailable revenues are recognized as revenue in the statement of net position.	-
--	---

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	6,219,955
--	-----------	------------------

City of Anna, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balance Economic Development Corporation For the Year Ended September 30, 20222

	Anna Economic Development Corporation
REVENUES	
Charges for services	\$ 8,166
Investment income	25,620
Total revenues	33,786
EXPENDITURES	
Current:	
Community and economic development	65,479
Total expenditures	65,479
Excess of revenues over expenditures	(31,693)
OTHER FINANCING SOURCES (USES)	
Proceeds from the sale of capital assets	5,615,652
Total other financing sources (uses)	5,615,652
Net change in fund balances	5,583,959
Fund balance, beginning of year	408,227
Fund balance, end of year	<u><u>\$ 5,992,186</u></u>

City of Anna, Texas

Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of the Governmental Fund to the Statement of Activities
 Economic Development Corporation
 For the Year Ended September 30, 2022

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 5,583,959
---	---------------------

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

Current year capital outlays are expenditures in the fund financial statements,
 but these are shown as an increase in capital assets in the government-wide
 financial statements. The effect of removing the current year capital outlays is
 to increase net position.

Net effect of proceeds from the sale of capital assets and gain on disposal	(50,000)
---	----------

Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources	<u>(19,850)</u>
--	-----------------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 5,514,109</u>
--	----------------------------

City of Anna, Texas

Balance Sheet

Economic Development Corporation

September 30, 20222

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	Anna Housing Finance Corporation
ASSETS	
Cash and cash equivalents	\$ 634,607
Receivables, net	-
Capital assets:	
Non-depreciable	1,443,404
TOTAL ASSETS	\$ 2,078,011
LIABILITIES	
Accounts payable	\$ 60
Unearned revenue	93,750
Total liabilities	93,810
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - land lease	1,433,684
Total deferred inflows of resources	1,433,684
FUND BALANCES	
Restricted for:	
Economic Development	550,517
Total fund balances	550,517
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,078,011

City of Anna, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balance Housing Finance Corporation For the Year Ended September 30, 20222

	Anna Housing Finance Corporation
REVENUES	
Charges for services	\$ 565,970
Investment income	2,252
Total revenues	568,222
EXPENDITURES	
Current:	
Community and economic development	17,705
Total expenditures	17,705
Excess of revenues over expenditures	550,517
Net change in fund balances	550,517
Fund balance, beginning of year	-
Fund balance, end of year	\$ 550,517

City of Anna, Texas

Schedule of Revenues, Expenditures, and Changes In Fund Balances – Budget and Actual Community Development Corporation For the Year Ended September 30, 2022

DRAFT FOR DISCUSSION PURPOSES ONLY -
Subject to final review and possible
revision and should not be relied upon
or distributed

	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
REVENUES				
Sales and use tax	\$ 1,630,000	\$ 1,630,000	\$ 2,308,746	\$ 678,746
Contributions	-	-	156	156
Investment income	5,000	5,000	14,953	9,953
Total revenues	1,635,000	1,635,000	2,323,855	688,855
EXPENDITURES				
Current:				
Community and economic development	1,470,275	1,470,275	1,296,229	174,046
Debt Service:				
Principal retirement	160,000	160,000	160,000	-
Interest and fiscal charges	167,463	167,463	96,837	70,626
Total expenditures	1,797,738	1,797,738	1,553,066	244,672
Excess (deficiency) of revenues over (under) expenditures	(162,738)	(162,738)	770,789	933,527
Other Financing Sources (Uses)				
Proceeds on the sale of capital assets	-	-	5,615,652	5,615,652
Total other financing sources (uses)	-	-	5,615,652	5,615,652
Net change in fund balance	(162,738)	(162,738)	6,386,441	6,549,179
Fund balances, beginning of year	1,791,879	1,791,879	1,791,879	-
FUND BALANCES, END OF YEAR	<u>\$ 1,629,141</u>	<u>\$ 1,629,141</u>	<u>\$ 8,178,320</u>	<u>\$ 6,549,179</u>

Notes to Required Supplementary Information

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

City of Anna, Texas

Statement of Revenues, Expenditures, and Changes In Fund Balances – Budget and Actual Economic Development Corporation For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
REVENUES				
Charges for services - rentals	\$ 10,000	\$ 10,000	\$ 8,166	\$ (1,834)
Investment income	2,000	2,000	25,620	23,620
Other income	1,500	1,500	-	(1,500)
Total revenues	13,500	13,500	33,786	20,286
EXPENDITURES				
Current:				
Community and economic developmen	85,800	114,155	65,479	48,676
Total expenditures	85,800	114,155	65,479	48,676
Excess (deficiency) of revenues over (under) expenditures	(72,300)	(100,655)	(31,693)	68,962
Other Financing Sources (Uses)				
Proceeds on the sale of capital assets	-	-	5,615,652	5,615,652
Total other financing sources (uses)	-	-	5,615,652	5,615,652
Net change in fund balance	(72,300)	(100,655)	5,583,959	5,684,614
Fund balances, beginning of year	408,227	408,227	408,227	-
FUND BALANCES, END OF YEAR	\$ 335,927	\$ 307,572	\$ 5,992,186	\$ 5,684,614

Notes to Required Supplementary Information

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

City of Anna, Texas

Statement of Revenues, Expenditures, and Changes
 In Fund Balances – Budget and Actual
 Debt Service Fund
 For the Year Ended September 30, 2022

DRAFT FOR DISCUSSION PURPOSES ONLY -
 Subject to final review and possible
 revision and should not be relied upon
 or distributed

	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 2,107,113	\$ 2,107,113	\$ 2,079,794	\$ (27,319)
Investment income	2,500	2,500	4,344	1,844
Total revenues	2,109,613	2,109,613	2,084,138	(25,475)
EXPENDITURES				
Principal retirement	520,000	520,000	506,000	14,000
Interest and fiscal charges	1,552,613	1,552,613	1,565,949	(13,336)
Total expenditures	2,072,613	2,072,613	2,071,949	664
Excess (deficiency) of revenues over (under) expenditures	37,000	37,000	12,189	(24,811)
Net change in fund balances	37,000	37,000	12,189	(24,811)
Fund balances, beginning of year	70,105	70,105	70,105	-
FUND BALANCES, END OF YEAR	\$ 107,105	\$ 107,105	\$ 82,294	\$ (24,811)

City of Anna, Texas

Statement of Revenues, Expenditures, and Changes In Fund Balances – Budget and Actual Grant Fund For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment income	\$ -	\$ -	\$ 10,949	\$ 10,949
Intergovernmental	9,375	9,375	25,273	15,898
Total revenues	9,375	9,375	36,222	26,847
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	9,875	9,875	23,372	(13,497)
Capital outlay	-	-	-	-
Total expenditures	9,875	9,875	23,372	(13,497)
Excess (deficiency) of revenues over (under) expenditures	(500)	(500)	12,850	13,350
Net change in fund balance	(500)	(500)	12,850	13,350
Beginning fund balance	449	449	449	-
ENDING FUND BALANCE	<u>\$ (51)</u>	<u>\$ (51)</u>	<u>\$ 13,299</u>	<u>\$ 13,350</u>

Notes to Schedule

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

THE CITY OF **Anna**

Statistical Section

THE CITY OF **Anna**

Statistical Section (Unaudited)

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

Tables

Financial Trends

1, 2, 3 & 4

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

5, 6, 7 & 8

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity

9, 10, 11 & 12

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

13 & 14

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

15, 16 & 17

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Anna, Texas
Net Position by Component
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

Table 1

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 81,252,418	\$ 65,539,991	\$ 49,605,921	\$ 33,525,898	\$ 29,892,142	\$ 20,398,968	\$ 13,466,866	\$ 13,288,789	\$ 12,463,939	\$ 11,698,639
Restricted	19,668,553	18,360,546	7,417,666	10,681,098	469,607	1,489,057	1,550,067	1,781,301	1,265,399	983,464
Unrestricted	9,727,825	13,904,713	9,023,802	6,211,056	5,793,809	3,844,285	3,052,331	2,073,139	2,272,911	2,427,826
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	\$ 110,648,796	\$ 97,805,250	\$ 66,047,389	\$ 50,418,052	\$ 36,155,558	\$ 25,732,310	\$ 18,069,264	\$ 17,143,229	\$ 16,002,249	\$ 15,109,929
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 50,471,921	\$ 41,835,760	\$ 35,210,562	\$ 28,632,597	\$ 25,064,065	\$ 17,356,378	\$ 12,878,858	\$ 9,150,846	\$ 7,161,432	\$ 9,228,796
Restricted	36,531,071	23,680,099	13,578,283	9,638,637	6,761,991	6,407,402	7,349,941	10,029,856	11,632,410	8,358,837
Unrestricted	818,839	5,757,394	4,764,739	3,364,464	2,855,207	2,930,232	762,189	595,738	642,688	1,470,698
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	\$ 87,821,831	\$ 71,273,253	\$ 53,553,584	\$ 41,635,698	\$ 34,681,263	\$ 26,694,012	\$ 20,990,988	\$ 19,776,440	\$ 19,436,530	\$ 19,058,331
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 131,724,339	\$ 107,375,751	\$ 84,816,483	\$ 62,158,495	\$ 54,956,207	\$ 37,755,346	\$ 26,345,724	\$ 22,439,635	\$ 19,625,371	\$ 20,927,435
Restricted	56,199,624	42,040,645	20,995,949	20,319,735	7,231,598	7,896,459	8,900,008	11,811,157	12,897,809	9,342,301
Unrestricted	10,546,664	19,662,107	13,788,541	9,575,520	8,649,016	6,774,517	3,814,520	2,668,877	2,915,599	3,898,524
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 198,470,627	\$ 169,078,503	\$ 119,600,973	\$ 92,053,750	\$ 70,836,821	\$ 52,426,322	\$ 39,060,252	\$ 36,919,669	\$ 35,438,779	\$ 34,168,260

Source: Annual Comprehensive Financial Report

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

Table 2

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
EXPENSES										
Governmental activities:										
General government	\$ 5,226,176	\$ 3,538,746	\$ 2,669,302	\$ 1,954,083	\$ 1,758,159	\$ 1,405,085	\$ 1,393,256	\$ 1,058,719	\$ 963,243	\$ 885,833
Culture and recreation	2,550,873	2,053,933	1,172,862	877,455	799,378	665,430	584,676	573,249	432,133	303,607
Community services	1,211,897	1,198,530	1,280,415	1,289,798	810,369	904,227	690,842	558,541	619,465	560,983
Public safety	9,915,219	6,221,473	5,074,735	3,972,445	3,730,871	3,062,333	2,727,997	2,511,931	2,272,660	2,278,515
Public works	4,739,386	4,169,132	3,176,361	4,113,592	2,013,096	1,502,775	1,261,514	1,053,123	954,932	940,941
Interest on long-term debt	1,483,176	2,212,316	1,258,204	2,420,375	670,789	132,433	174,446	316,079	258,663	270,057
Total governmental activities expenses	25,126,727	19,394,130	14,631,879	14,627,748	9,782,662	7,672,283	6,832,731	6,071,642	5,501,096	5,239,936
Business-type activities:										
Water and sewer	16,353,389	13,462,054	11,152,513	11,664,343	8,893,526	7,443,593	7,371,352	6,487,099	5,453,831	5,307,272
Total business-type activities expenses	16,353,389	13,462,054	11,152,513	11,664,343	8,893,526	7,443,593	7,371,352	6,487,099	5,453,831	5,307,272
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 41,480,116	\$ 32,856,184	\$ 25,784,392	\$ 26,292,091	\$ 18,676,188	\$ 15,115,876	\$ 14,204,083	\$ 12,558,741	\$ 10,954,927	\$ 10,547,208
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 6,708,288	\$ 4,281,147	\$ 304,993	\$ 236,673	\$ 90,890	\$ 136,465	\$ 48,181	\$ 30,000	\$ 30,000	\$ 20,839
Culture and recreation	2,835,400	1,689,000	1,404,600	900,150	315,933	553,511	117,990	63,265	71,905	63,421
Community services	674,627	182,859	2,644,933	1,314,178	873,397	1,173,516	236,694	748,212	772,501	839,349
Public safety	14,473	5,353	21,648	16,995	94,244	49,950	768,988	218,973	183,533	194,379
Public works	3,274,193	1,641,273	895,585	666,873	641,119	382,390	129,914	-	-	-
Operating grants and contributions	75,963	527,376	616,207	182,943	4,225	351,482	333,948	15,053	11,525	10,531
Capital grants and contributions	8,977,439	30,267,739	13,181,867	15,179,885	9,338,204	6,489,958	-	1,417,514	783,182	2,665,841
Total governmental activities program revenues	22,560,383	38,594,747	19,069,833	18,497,697	11,358,012	9,137,272	1,635,715	2,493,017	1,852,646	3,794,360
Business-type activities:										
Charges for services:										
Water and sewer	28,539,413	23,356,512	15,852,302	14,947,376	11,416,192	9,805,662	7,523,193	6,194,327	5,980,176	5,573,401
Capital grants and contributions	4,125,890	7,732,066	6,716,462	3,346,660	5,348,481	3,298,737	776,416	755,508	486,155	484,704
Total business-type activities program revenues	32,665,303	31,088,578	22,568,764	18,294,036	16,764,673	13,104,399	8,299,609	6,949,835	6,466,331	6,058,105
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 55,225,686	\$ 69,683,325	\$ 41,638,597	\$ 36,791,733	\$ 28,122,685	\$ 22,241,671	\$ 9,935,324	\$ 9,442,852	\$ 8,318,977	\$ 9,852,465

Source: Annual Comprehensive Financial Report

City of Anna, Texas

Changes in Net Position – Continued Last Ten Fiscal Years (Unaudited) (accrual basis of accounting)

Table 2

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
NET (EXPENSE) REVENUE										
Governmental activities	\$ (2,566,344)	\$ 19,200,617	\$ 4,437,954	\$ 3,869,949	\$ 1,575,350	\$ 1,464,989	\$ (5,197,016)	\$ (3,578,625)	\$ (3,648,450)	\$ (1,445,576)
Business-type activities	16,311,914	17,626,524	11,416,251	6,629,693	7,871,147	5,660,806	928,257	462,736	1,012,500	750,833
TOTAL PRIMARY GOVERNMENT NET EXPENSE	\$ 13,745,570	\$ 36,827,141	\$ 15,854,205	\$ 10,499,642	\$ 9,446,497	\$ 7,125,795	\$ (4,268,759)	\$ (3,115,889)	\$ (2,635,950)	\$ (694,743)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes:										
Property taxes	\$ 10,239,322	\$ 8,714,860	\$ 7,929,530	\$ 6,728,848	\$ 5,579,490	\$ 4,619,461	\$ 3,973,028	\$ 3,322,054	\$ 2,807,140	\$ 2,483,857
Sales taxes	3,847,911	2,929,876	2,271,318	1,835,421	1,502,079	1,203,749	1,542,309	1,473,097	1,350,896	1,149,297
Franchise taxes	888,723	726,006	657,331	612,332	573,517	505,571	447,498	450,799	416,175	353,482
Investment earnings	244,855	123,643	568,920	1,044,444	327,200	26,199	31,816	23,685	22,295	39,256
Gain on sale of capital assets	-	-	20,111	135,910	276,970	-	-	39,160	11,960	-
Miscellaneous	189,079	62,859	70,560	84,132	314,750	241,719	166,773	316,688	140,596	39,399
Intergovernmental	-	-	-	-	142,273	-	-	-	-	-
Transfers	-	-	(326,387)	(48,542)	159,500	-	108,556	(649)	279,707	(1,489,156)
Total governmental activities	15,409,890	12,557,244	11,191,383	10,392,545	8,875,779	6,596,699	6,269,980	5,624,834	5,028,769	2,576,135
Business-type activities:										
Investment earnings	236,664	93,145	175,248	276,200	136,261	63,607	69,608	77,064	73,451	34,636
Miscellaneous	-	-	-	-	148,148	69,610	29,193	-	-	156,127
Transfers	-	-	326,387	48,542	(159,500)	-	(108,556)	649	(279,707)	1,489,156
Total business-type activities	236,664	93,145	501,635	324,742	124,909	133,217	(9,755)	77,713	(206,256)	1,679,919
TOTAL PRIMARY GOVERNMENT	\$ 15,646,554	\$ 12,650,389	\$ 11,693,018	\$ 10,717,287	\$ 9,000,688	\$ 6,729,916	\$ 6,260,225	\$ 5,702,547	\$ 4,822,513	\$ 4,256,054
CHANGE IN NET POSITION										
Governmental activities	\$ 12,843,546	\$ 31,757,861	\$ 15,629,337	\$ 14,262,494	\$ 10,451,129	\$ 8,061,688	\$ 1,072,964	\$ 2,046,209	\$ 1,380,319	\$ 1,130,559
Business-type activities	16,548,578	17,719,669	11,917,886	6,954,435	7,996,056	5,794,023	918,502	540,449	806,244	2,430,752
TOTAL PRIMARY GOVERNMENT	\$ 29,392,124	\$ 49,477,530	\$ 27,547,223	\$ 21,216,929	\$ 18,447,185	\$ 13,855,711	\$ 1,991,466	\$ 2,586,658	\$ 2,186,563	\$ 3,561,311

Source: Annual Comprehensive Financial Report

City of Anna, Texas

Fund Balances of Governmental Funds Last Ten Fiscal Years (Unaudited) (modified accrual basis of accounting)

Table 3

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
GENERAL FUND										
Nonspendable	\$ -	\$ 12,961	\$ 10,630	\$ 7,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	13,434	13,354	13,279	13,133	12,891	12,768	19,580	523,192	394,002	232,160
Committed	-	-	-	215,932	215,932	740,768	185,788	157,476	161,510	558,127
Assigned	-	-	-	-	-	-	-	-	144,175	-
Unassigned	9,949,599	6,545,930	6,421,607	5,705,117	4,484,943	3,741,504	3,114,627	2,617,940	2,351,029	1,830,457
TOTAL GENERAL FUND	\$ 9,963,033	\$ 6,572,245	\$ 6,445,516	\$ 5,941,424	\$ 4,713,766	\$ 4,495,040	\$ 3,319,995	\$ 3,298,608	\$ 3,050,716	\$ 2,620,744
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ -	\$ 559,947	\$ 3,000	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 35,642	\$ 88,353
Restricted	26,015,542	31,756,237	32,669,975	40,214,505	35,295,317	1,476,290	2,284,212	1,100,633	871,397	662,951
Assigned	1,103,077	5,537,514	-	-	-	-	-	-	-	-
Unassigned	-	-	(3,000)	(112,518)	-	(7,694)	(574,937)	(203,139)	(371,273)	(87,717)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 27,118,619	\$ 37,853,698	\$ 32,669,975	\$ 40,102,987	\$ 35,295,317	\$ 1,468,596	\$ 1,709,275	\$ 897,494	\$ 535,766	\$ 663,587

Source: Annual Comprehensive Financial Report

City of Anna, Texas

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (Unaudited) (modified accrual basis of accounting)

Table 4

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
REVENUES										
Taxes	\$ 14,867,757	\$ 12,363,699	\$ 10,898,111	\$ 9,166,995	\$ 7,592,708	\$ 6,338,940	\$ 5,965,724	\$ 5,241,413	\$ 4,571,535	\$ 3,999,758
Licenses, permits, and fees	5,752,179	4,159,517	2,683,906	1,331,173	824,186	1,115,294	711,462	748,212	772,501	839,349
Charges for services	7,504,874	3,514,109	2,488,443	1,716,265	1,113,856	1,106,620	-	158,491	166,242	139,646
Fines and forfeitures	249,928	129,265	97,374	87,431	77,541	73,918	84,360	115,027	100,055	133,018
Intergovernmental	72,913	526,766	123,195	93,190	142,273	185,392	287,614	114,200	106,600	1,463,430
Investment earnings	244,855	123,643	568,920	1,044,444	327,200	26,199	31,816	23,685	22,295	39,256
Other revenues	189,079	10,458,492	1,436,755	166,460	314,750	117,932	1,164,183	126,393	122,579	74,738
Contributions	3,050	4,330,711	475	9,823,637	4,225	351,482	-	135,949	29,085	674,398
Total revenues	28,884,635	35,606,202	18,297,179	23,429,595	10,396,739	9,315,777	8,245,159	6,663,370	5,890,892	7,363,593
EXPENDITURES										
Current:										
General government	5,100,329	3,388,774	2,759,964	1,918,254	1,553,102	1,339,668	1,507,324	1,181,679	1,048,004	967,299
Culture and recreation	2,032,561	1,677,459	815,030	518,696	473,477	332,249	268,538	246,808	196,502	120,030
Community services	1,145,841	1,198,963	1,113,095	1,286,794	809,682	902,552	689,308	896,419	1,001,631	737,119
Public safety	7,498,351	5,875,398	4,827,758	3,721,752	3,649,049	2,842,470	2,509,795	2,182,617	1,951,681	1,964,502
Public works	784,483	1,239,676	857,730	2,166,360	541,968	463,780	539,049	200,188	170,830	201,294
Debt service:										
Principal retirement	550,001	546,366	537,791	426,851	342,000	328,000	779,842	466,776	415,662	430,877
Interest and fiscal changes	1,579,307	1,327,404	1,344,730	2,589,974	71,273	97,376	182,942	200,331	259,080	271,485
Bond issuance costs	-	739,177	-	-	443,009	-	-	38,350	-	-
Capital outlay	18,875,930	22,938,256	12,994,384	5,414,720	1,771,045	565,974	1,094,445	755,535	837,018	2,917,945
Total expenditures	37,566,803	38,931,473	25,250,482	18,043,401	9,654,605	6,872,069	7,571,243	6,168,703	5,880,408	7,610,551
Excess of revenues over (under) expenditures	(8,682,168)	(3,325,271)	(6,953,303)	5,386,194	742,134	2,443,708	673,916	494,667	10,484	(246,958)
OTHER FINANCING SOURCES (USES)										
Transfers in	295,428	3,316,912	1,979,606	121,637	1,455,713	585,209	298,419	335,134	316,507	1,755,532
Transfers (out)	(295,428)	(3,316,912)	(1,976,401)	(170,179)	(1,296,213)	(585,209)	(189,863)	(335,783)	(36,800)	(3,244,688)
Sale of capital assets	-	61,619	21,178	212,608	700,082	34,974	17,054	65,000	11,960	-
Bond Proceeds	-	8,460,000	-	-	31,795,000	(23,350)	-	1,462,000	-	-
Debt Issuance Cost	-	(197,353)	-	-	-	-	-	-	-	-
Premium on debt issuance	-	834,153	-	-	1,601,891	850,000	-	-	-	-
Lease issuance	1,541,966	-	-	485,068	-	-	-	-	-	-
Payments to escrow agent	-	(522,696)	-	-	(953,160)	(820,899)	-	(1,411,398)	-	-
Total other financing sources (uses)	1,541,966	8,635,723	24,383	649,134	33,303,313	40,725	125,610	114,953	291,667	(1,489,156)
NET CHANGE IN FUND BALANCE	\$ (7,140,202)	\$ 5,310,452	\$ (6,928,920)	\$ 6,035,328	\$ 34,045,447	\$ 2,484,433	\$ 799,526	\$ 609,620	\$ 302,151	\$ (1,736,114)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES										
	10.3%	5.6%	9.5%	23.9%	5.2%	6.7%	14.9%	12.3%	13.4%	15.0%

Source: Annual Comprehensive Financial Report

City of Anna, Texas

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years (Unaudited)

Table 5

Fiscal Year	Estimated Market Value		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2013	457,390,078	16,753,543	97,610,313	376,533,308	0.65033
2014	514,337,648	21,674,172	105,177,246	430,834,574	0.65033
2015	649,209,461	22,743,852	161,376,609	510,576,704	0.64900
2016	817,578,552	27,290,010	236,173,968	608,694,594	0.63900
2017	941,525,839	32,134,958	247,017,901	726,642,896	0.62900
2018	1,173,598,307	40,865,863	303,651,595	910,812,575	0.60129
2019	1,440,753,873	51,949,576	352,310,696	1,140,392,753	0.59129
2020	1,630,573,659	61,071,756	381,187,399	1,310,458,016	0.59129
2021	1,799,674,320	62,835,654	383,180,540	1,479,329,434	0.58300
2022	2,101,621,383	70,991,511	397,019,088	1,775,593,806	0.56950

Source: Collin County Appraisal District

City of Anna, Texas

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years (Unaudited)

Table 6

Fiscal Year	City Direct Rates			Overlapping Rates			
	<u>Operating</u>	<u>Debt Service</u>	<u>Total Direct Rate</u>	<u>Anna Independent School District</u>	<u>Collin County</u>	<u>Collin County Community College District</u>	<u>Total Rate</u>
2013	0.55937	0.09097	0.650332	1.540000	0.240000	0.086299	1.86630
2014	0.55937	0.09097	0.650332	1.540000	0.237500	0.083643	1.86114
2015	0.54583	0.10317	0.649000	1.540000	0.235000	0.081960	1.85696
2016	0.53234	0.10666	0.639000	1.670000	0.225000	0.081960	1.97696
2017	0.50658	0.12242	0.629000	1.670000	0.208395	0.081222	1.95962
2018	0.47887	0.12242	0.601288	1.670000	0.192246	0.079810	1.94206
2019	0.42812	0.16317	0.591288	1.670000	0.180785	0.081222	1.93201
2020	0.45154	0.13975	0.591288	1.568350	0.174951	0.081222	1.82452
2021	0.46705	0.11595	0.583000	1.474600	0.172531	0.081222	1.72835
2022	0.45263	0.11687	0.569500	1.460300	0.168087	0.081222	1.70961

Source: Collin County Central Appraisal District

Note: The entire City was located in Collin County and within the Anna Independent School District.

City of Anna, Texas

Principal Property Tax Payers

Current and Nine Years Ago (Unaudited)

Table 7

Taxpayer	2022		Taxpayer	2013	
	Taxable Assessed Valuation	Percentage of Total City Assessed Valuation		Taxable Assessed Value	Percentage of Total City Assessed Valuation
Wal-Mart Real Estate Business Trust	\$ 17,000,156	0.96%	Brookshire Grocery Company	\$ 3,839,224	1.02%
Bloomfield Homes LP	14,532,761	0.82%	PTCAA Texas LP	3,675,844	0.98%
DR Horton - Texas LTD	13,568,423	0.76%	Anna Eagle Retail LP	3,420,000	0.91%
Q Seminole Anna Towne Center LP	10,736,136	0.60%	UDF Northpointe II LP	2,757,258	0.73%
Oncor Electric Delivery Co. LLC	9,537,465	0.54%	Brookshire Grocery Company	2,689,404	0.71%
LGI Homes - Texas LLC	8,990,694	0.51%	Hwy 75/Anna Property LP	2,400,945	0.64%
North Texas Surgery Real Estate LLC	8,400,000	0.47%	Windmill Self Storage LP	2,339,414	0.62%
Anna Commercial Partners LLC	7,951,127	0.45%	Nicholas Ross Properties LLC	2,192,813	0.58%
Wal-Mart Stores Texas LLC	7,832,630	0.44%	Pilot Flying J Travel Center	2,144,445	0.57%
MM Anna 325 LLC	7,761,680	0.44%	Love's Country Stores Inc.	2,268,848	0.60%
Total	106,311,072	5.99%		27,728,195	7.36%

Source: Collin County Tax Collector

Notes: ^aTaxpayers are assessed on January 1, 2021 (2021 tax year) for the 2022 fiscal year.

^bTaxpayers are assessed on January 1, 2012 (2012 tax year) for the 2013 fiscal year.

City of Anna, Texas

Property Tax Levies and Collections
Last Ten Fiscal Years (Unaudited)

Table 8

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Tax Levy		Amount	Percentage of Tax Levy
2013	2,483,972	2,420,674	97.5%	58,076	2,478,750	99.8%
2014	2,851,672	2,771,670	97.2%	67,311	2,838,981	99.6%
2015	3,373,239	3,290,905	97.6%	67,134	3,358,039	99.5%
2016	3,966,064	3,881,905	97.9%	68,059	3,949,964	99.6%
2017	4,606,565	4,541,224	98.6%	45,590	4,586,814	99.6%
2018	5,495,607	5,348,790	97.3%	14,529	5,363,319	97.6%
2019	6,475,495	6,354,521	98.1%	106,414	6,460,935	99.8%
2020	7,543,539	7,452,202	98.8%	48,673	7,500,875	99.4%
2021	8,450,578	8,580,733	101.5%	92,676	8,673,409	102.6%
2022	10,026,841	10,051,645	100.2%	-	10,051,645	100.2%

Source: Collin County Tax Assessor

City of Anna, Texas

Ratios of Outstanding Debt by Type Last Ten Fiscal Years (Unaudited)

Table 9

Fiscal Year	Governmental Activities				Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation	Combination Tax & Revenue Bonds & Certificates	Capital Lease Payable	Waterworks & Sewer System Revenue Bonds	Combination Tax & Revenue Bonds & Certificates	Contract Revenue Bonds	General Obligation Bonds	Capital Lease Payable			
2013	250,000	3,985,000	-	2,513,847	5,000	8,275,000	14,698,750	15,000	9,747	29,752,344	13.30%	3,179
2014	230,000	3,755,000	-	2,354,618	-	12,430,000	14,201,250	10,000	-	32,980,868	12.58%	3,187
2015	1,615,000	2,525,000	-	2,204,882	-	12,561,000	13,675,000	5,000	-	32,585,882	11.90%	2,968
2016	1,563,000	2,270,000	-	1,732,000	-	12,359,000	13,140,000	-	-	31,064,000	10.99%	2,744
2017	2,145,000	1,045,000	-	-	-	12,212,619	12,503,750	-	1,340,010	29,246,379	8.63%	2,360
2018	2,018,000	32,351,142	876,409	-	-	17,195,354	5,892,500	-	1,217,631	59,551,036	16.54%	4,350
2019	1,922,000	32,253,211	615,000	429,217	-	16,388,023	5,618,750	-	1,092,805	58,319,006	14.97%	3,885
2020	1,922,000	30,820,000	615,000	398,154	-	15,817,000	5,662,500	-	940,007	56,174,661	11.27%	3,360
2021	9,753,000	30,620,000	425,000	346,060	-	11,437,000	5,378,750	-	837,379	58,797,189	10.74%	3,462
2022	9,494,000	30,425,000	375,000	387,504	-	10,660,000	5,082,500	-	637,399	57,061,403	9.24%	2,961

City of Anna, Texas

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years (Unaudited)

Table 10

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Combination Tax & Revenue Bonds & Certificates³	Total	Percentage of Actual Taxable Value¹ of Property	Per Capita²
2013	250,000	3,985,000	12,561,000	16,796,000	0.0033%	1,530
2014	230,000	3,755,000	12,359,000	16,344,000	0.0027%	1,444
2015	1,615,000	2,525,000	12,212,619	16,352,619	0.0023%	1,320
2016	1,563,000	2,270,000	18,071,763	21,904,763	0.0024%	1,600
2017	2,145,000	1,045,000	17,003,023	20,193,023	0.0018%	1,345
2018	2,018,000	32,351,142	16,432,000	50,801,142	0.0039%	3,038
2019	1,922,000	32,253,311	11,862,000	46,037,311	0.0031%	2,584
2020	1,922,000	30,820,000	16,432,000	49,174,000	0.0028%	2,429
2021	9,753,000	30,620,000	11,862,000	52,235,000	0.0035%	2,932
2022	12,364,000	30,425,000	11,035,000	53,824,000	0.0030%	2,659

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

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

²Population data can be found in the Schedule of Demographic and Economic Statistics.

³Bonds are payable from levy and collection of a direct and continuing ad valorem tax and from a pledge of surplus revenues from water and sewer.

City of Anna, Texas

Direct and Overlapping Governmental Activities Debt
As of September 30, 2022 (Unaudited)

Table 11

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
Debt repaid with property taxes:			
Collin County	\$ 543,645,000	1.23%	\$ 6,686,834
Collin College	498,565,000	1.23%	6,132,350
Anna ISD	224,477,991	96.49%	216,598,814
			<u>229,417,997</u>
Subtotal, overlapping debt			
City of Anna			<u>53,824,000</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$ 283,241,997</u></u>

Notes: 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 by the residents and businesses of Statistical. This process recognizes that, when considering the City's ability governments that is borne to issue and repay long-teim 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.

¹For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Source: Net bonded debt and percentage of debt provided by Municipal Advisory of Texas

City of Anna, Texas

Pledged-Revenue Coverage
Last Ten Fiscal Years (Unaudited)

Table 12

Fiscal Year	Water Revenue Bonds					
	Total Revenues ^a	Less: Operating Expenses ^b	Net Available Revenue	Debt Service		Times Coverage
				Principal	Interest	
2013	5,764,164	3,161,627	2,602,537	446,279	955,154	1.86
2014	6,053,627	3,151,655	2,901,972	542,247	1,054,947	1.82
2015	6,271,391	3,987,255	2,284,136	663,250	1,125,983	1.28
2016	8,371,878	5,137,343	3,234,535	742,000	1,056,647	1.80
2017	9,938,880	6,490,261	3,448,619	772,500	1,028,814	1.91
2018	11,700,601	6,146,505	5,554,096	1,015,628	912,272	2.88
2019	15,822,376	8,582,049	7,240,327	1,131,810	1,903,394	2.39
2020	16,236,344	8,243,509	7,992,835	1,162,323	929,562	3.82
2021	21,201,248	13,091,569	8,109,679	1,203,119	759,885	4.13
2022	27,975,337	15,440,362	12,534,975	1,028,750	783,309	6.92

Note: ^aIncludes both operating and non-operating revenues.

^bIncludes operating expenses minus depreciation.

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

City of Anna, Texas

Demographic and Economic Statistics
Last Ten Fiscal Years (Unaudited)

Table 13

Fiscal Year	Population¹	Personal Income	Per Capita⁴ Personal Income	School Enrollment³	Unemployment Rate²
2013	9,360	223,657,200	23,895	2,579	5.4%
2014	10,350	262,082,700	25,322	2,855	4.4%
2015	10,980	273,808,260	24,937	3,051	3.6%
2016	11,320	282,705,680	24,974	3,214	3.8%
2017	12,390	338,916,060	27,354	3,438	3.8%
2018	13,690	359,992,240	26,296	3,602	3.0%
2019	15,010	389,614,570	25,957	3,808	2.9%
2020	16,721	498,252,358	29,798	3,837	6.9%
2021	17,814	573,953,192	29,656	4,485	5.6%
2022	20,243	617,736,078	30,516	5,172	3.2%

Sources: ¹North Central Texas Council of Governments (NCTCOG)

²State Department of Labor and homefacts.com

³Anna Independent School District

⁴U. S. Census Bureau American Fact Finder & North Central Texas Council of Governments (NCTCOG)

Note: The requirement is for 10 years worth of data. The City will present a full 10 year schedule as the information becomes available. Areas where information could not be obtained are listed as N/A.

City of Anna, Texas

Principal Employers

Current and Nine Years Ago (Unaudited)

Table 14

Employer	2022		Employer	2013	
	No. Employees	Percentage of Total City Employment		No. Employees	Percentage of Total City Employment
Anna ISD	713	41.79%	Anna ISD	N/A	N/A
Walmart	412	24.15%	Pate Rehab	N/A	N/A
Pate Rehab	162	9.50%	Brookshire's	N/A	N/A
City of Anna	152	8.91%	Bronco	N/A	N/A
Brookshire's	84	4.92%	Hurricane Creek Country Club	N/A	N/A
Bronco Manufacturing	33	1.93%	City of Anna	N/A	N/A
Hurricane Creek Country Club	51	2.99%	KFC/Taco Bell	N/A	N/A
Loves Travel Stop	47	2.75%	Crow's Country Café	N/A	N/A
McDonalds	40	2.34%	Mudpies and Lullabies	N/A	N/A
Tri-County Vet	12	0.70%	Highland Fire Protection	N/A	N/A
Total	1,706			-	

Source: ¹Top ten employers and employee count provided by Anna Economic Deveopment Corporation.

Note: Data not available for 2013 at the time of this publication. The City will present this information for future years' as the information becomes available.

City of Anna, Texas
Table 15

Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years (Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
FUNCTION/PROGRAM										
General Government and										
Administration	23.0	21.0	23.5	23.5	15.5	12.5	13.5	13.5	12.5	12.5
Public Safety	59.0	51.0	37.0	33.0	28.0	24.0	22.0	21.0	18.0	18.0
Public Works	11.0	6.0	6.0	6.0	8.0	7.0	7.0	4.0	1.0	1.0
Culture and Recreation	17.5	17.9	8.4	7.0	10.0	4.0	4.0	2.0	3.0	1.0
Water and Sewer	27.0	24.0	16.0	16.0	13.0	11.0	8.0	10.0	12.0	10.0
Community Development	11.0	10.0	9.0	8.0	4.0	4.0	3.0	3.0	3.0	2.0
Economic Development	3.0	2.5	2.0	2.0	1.0	0.5	0.5	0.5	0.5	0.5
TOTAL ALL GOVERNMENT FUNDS	<u>151.5</u>	<u>132.4</u>	<u>101.9</u>	<u>95.5</u>	<u>79.5</u>	<u>63.0</u>	<u>58.0</u>	<u>54.0</u>	<u>50.0</u>	<u>45.0</u>

Source: Finance and Human Resources Department

City of Anna, Texas

Operating Indicators by Function/Program Last Ten Fiscal Years (Unaudited)

Table 16

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
FUNCTION/PROGRAM										
General government										
Building permits issued-residential	1,059	1,125	833	579	342	440	273	216	290	305
Building permits issued-commercial	16	12	11	12	11	11	4	1	5	-
Building inspections conducted (1)	21,294	16,917	5,020	15,416	14,718	16,046	9,474	7,493	12,584	10,566
Public Safety										
Police:										
Physical arrests	428	325	253	357	428	337	311	309	208	197
Accidents	305	363	265	323	336	265	261	231	182	155
Traffic violations	9,946	4,739	2,824	2,421	3,153	2,404	3,962	4,235	3,491	2,539
Fire:										
Emergency responses	2,284	2,286	1,851	1,783	1,703	1,502	1,234	1,256	1,065	1,070
Fires extinguished	120	100	74	81	59	19	79	62	43	41
Inspections	158	212	160	186	284	132	115	107	79	77
Highways and streets										
Street resurfacing (miles)	8.5	4.2	2.5	2	1.0	0	1	-	-	-
Potholes repaired	942	1,947	2,000	1,100	1,250	940	3,900	1,600	-	-
Recreation										
Reservations issued	111	162	376	156	164	92	53	59	17	-
Water and Sewer										
Number of Active Accounts	9,274	8,043	7,300	5,979	5,470	5,102	4,935	4,596	4,423	4,166
Average daily consumption (gallons) wells	789,054	1,029,423	1,009,523	1,122,943	1,097,062	1,018,025	1,007,258	1,115,682	1,061,013	772,487
Average daily consumption (gallons) NTMWD	1,983,782	2,428,800	1,169,030	1,025,503	679,857	679,857	355,970	-	-	-

Source: City departments

Note: Some data not available for 10 years at the time of this publication. The City will present this information for future years' as the information becomes available.

City of Anna, Texas

Capital Asset Statistics by Function/Program Last Ten Fiscal Years (Unaudited)

Table 17

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
FUNCTION										
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	12	12	8	8	8	11	9	9	7	7
Number of fire stations	1	1	1	1	1	1	1	1	1	1
Streets and Grounds										
Streets (miles)	130.0	130.0	100.0	74	68	65	50	-	-	-
Streetlights	1,200	1,200	1,090	908	800	625	570	-	-	-
Traffic signals	6	6	5	4	4	3	1	-	-	-
Recreation										
Acreage	206.0	206.0	201.0	201	201	197	197	180	177	177
Playgrounds	5	5	4	3	2	2	2	2	2	2
Baseball/softball diamonds	6	6	6	6	6	6	7	7	7	7
Water and Sewer										
Water mains (miles)	163	82	82	75	69	55	55	-	-	-
Fire hydrants	1,175	925	925	862	804	570	570	-	-	-
Sanitary Sewer (miles)	115	75	75	68	62	50	50	-	-	-
Storage capacity (millions of gallons)	3	3	3	3	3	3	3	-	-	-
Wastewater										
Treatment capacity	9	9	9	9	9	9	9	-	-	-
Sanitary sewer (miles)	115	75	75	68	62	60	50	-	-	-
Storm sewers (miles)	85	65	65	60	57	55	50	-	-	-

Source: City Departments

Note: Some data not available for 10 years at the time of this publication. The City will present this information for future years' as the information becomes available.



Item No. 7.f.

City Council Agenda
Staff Report

Meeting Date: 4/25/2023
Staff Contact: Dean Habel

AGENDA ITEM:

Consider/Discuss/Action on an Ordinance Permitting and Regulating the use of Golf Carts within the City of Anna. (Police Chief Dean Habel)

SUMMARY:

The proposed ordinance outlines driver, operation, and equipment requirements for golf cart usage within the city. It requires the owner of the golf cart to apply for a one-time, non-transferable, registration through the police department and display an issued set of decals to be in compliance. There is no associated fee in the current draft of the ordinance.

FINANCIAL IMPACT:

This item has no financial impact.

BACKGROUND:

Council expressed their desire to have an ordinance brought before them allowing for the operation, registration, and permitting of golf carts within the City of Anna.

STRATEGIC CONNECTIONS:

This item supports the City of Anna Strategic Plan, specifically advancing the strategic outcome area: Safe.

ATTACHMENTS:

1. Golf Cart Ord C03029D20230420C1R

CITY OF ANNA, TEXAS
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF ANNA, TEXAS, AMENDING THE CODE OF ORDINANCES, CITY OF ANNA, TEXAS BY AMENDING CHAPTER 11 “TRAFFIC AND VEHICLES,” ARTICLE 11.02 BY ADDING A NEW ARTICLE 11.04, “GOLF CARTS”; ALLOWING GOLF CART USE ON CERTAIN PUBLIC STREETS, ESTABLISHING PERMITTING AND SAFETY REQUIREMENTS FOR GOLF CARTS, PROVIDING FOR CERTAIN EXCEPTIONS APPLICABLE TO PUBLIC SAFETY PERSONNEL, PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR A PENALTY CLAUSE; PROVIDING FOR AN EFFECTIVE DATE; AND PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.

WHEREAS, the City of Anna, Texas (the “City”) is a home-rule municipality duly incorporated under the laws of the State of Texas; and

WHEREAS, Chapter 551 of the Texas Transportation Code allows for the operation of golf carts in certain areas within a municipality’s corporate borders subject to certain conditions; and

WHEREAS, the Texas Transportation Code also permits municipalities to allow and to prohibit the operation of golf carts on certain public highways; and

WHEREAS, golf carts are not often equipped with many of the traditional safety features that are customarily required or found on traditional passenger vehicles; and

WHEREAS, passenger ejection and injuries from operating golf carts in urban settings can be reduced by requiring additional safety equipment and providing rules of operation; and

WHEREAS, unlike traditional passenger vehicles, golf cart vehicle identification numbering can be easily removed or altered; and

WHEREAS, establishing a golf cart registration and permitting program will help promote the recovery and return of golf carts to their rightful owners in the event of loss or theft; and

WHEREAS, the City Council of the City of Anna has determined that the adoption of this ordinance establishing regulations for the operation of golf carts on public streets and related safety, registration and permitting requirements best serves the general welfare, health and safety of the City and its residents and all of the prohibitions contained herein are in the interest of safety.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS, THAT:

- Section 1. Findings Incorporated. The findings set forth above are incorporated into the body of this ordinance as if fully set forth herein.
- Section 2. Amendment to Code. Amendment to Chapter 11 (Traffic and Vehicles) to the Anna City Code of Ordinances by adopting a new Article 11.04, entitled “Golf Carts” to read as follows:

“Chapter 11 – Traffic and Vehicles.

ARTICLE 11.04. GOLF CARTS.

§ 11.04.001 Definitions

Definitions. The following words, terms, and phrases, when used in this article shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Driver means the person driving and/or having physical control over the golf cart.

Driver's License means an authorization issued by a state agency for the operation of a motor vehicle. The term includes: (1) a temporary license or instructional permit; and (2) an occupational license.

Golf Cart means a motor vehicle designed by the manufacturer primarily for transporting persons on a golf course as defined by Texas Transportation Code § 551.401. A golf cart does not include a Neighborhood Electrical Vehicle (a vehicle that complies with Federal Motor Vehicle Safety Standard 500 (49 C.F.R 571.500)).

Owner means the person holding title to the golf cart.

Parking Area means those areas accessible to the public by motor vehicular traffic and which are designated for temporary parking of motor vehicles, usually in places referred to as parking lots.

Permit means a certificate/decal of authorization issued to the applicant by the City of Anna Police Department authorizing the operation of the golf cart for which the permit was issued. The decal will display the month and year of expiration.

Permit Holder means the person to whom a golf cart permit has been issued.

Public Safety Personnel means any employee or officer of a governmental law enforcement agency or the Anna Fire Department.

Sidewalk means the portion of a street that is between a curb or lateral line of a roadway and the adjacent property line and intended for pedestrian use.

Slow-Moving-Vehicle-Emblem means a triangular emblem that conforms to standards and specifications adopted by the Director of the Texas Department of Transportation under Section 547.104 of the Texas Transportation Code and is displayed in accordance with Section 547.703 of the Texas Transportation Code.

Texas Transportation Code means said code as it currently exists or may be amended.

Traffic way means any land way open to the public as a matter of right or custom for moving persons or property from one place to another. The traffic way includes all property, both improved and unimproved, between the property or right-of-way lines of a roadway system.

Working Days means Monday through Friday, excluding City holidays.

§ 11.04.002 Golf carts permitted and restricted.

A person may operate a golf cart on a public street, parking area and/or traffic way if the person obtains a permit and the following requirements are met:

- (1) Golf carts may only be operated on a public street if the maximum speed limit on the public street is thirty-five (35) miles per hour or less. Regardless of the posted speed limit, the maximum speed for any golf cart within the City limits is thirty (30) miles per hour.
- (2) The person has a valid driver's license.
- (3) The person maintains or is covered by current financial responsibility for the golf cart, as required of other passenger vehicles in Section 601.051 of the Texas Transportation Code. Proof of financial responsibility for the golf cart must be either: (a) vehicle-specific coverage similar to that for other motor vehicles in the State of Texas, or (b) if insured by homeowner's policy or a general liability policy, the golf cart must be specifically covered by the policy.
- (4) The person complies with all applicable federal, state, and local laws and ordinances, including but not limited to the Texas Transportation Code.
- (5) The golf cart has the following equipment, which must continuously remain in good working and operational order:
 - (a) Two (2) headlamps;
 - (b) Two (2) tail lamps;

- (c) Side reflectors (two (2) front, amber in color and two (2) rear, red in color);
 - (d) Parking brake;
 - (e) Rearview mirror(s), capable of a clear, unobstructed view of at least two hundred feet (200') to the rear; and
 - (f) Slow-moving vehicle emblem.
- (6) The equipment described herein must meet the Texas and Federal Motor Vehicle Safety Standards, as they exist or may be amended.
 - (7) While the golf cart is in motion, the driver and every passenger in a golf cart is seated in a seat designed to hold passengers. No person may stand or ride in the lap of the driver and/or other passenger of a golf cart while it is moving.

§ 11.04.003 Additional operational regulations for all golf carts.

- (a) A golf cart shall not be operated on any sidewalk, pedestrian walkway, jogging path, park trail or any location normally used for pedestrian traffic.
- (b) All golf carts are entitled to the full use of a lane on an authorized public street, parking areas and traffic ways, and no motor vehicle shall be driven in such a manner as to deprive any golf cart of the full use of a lane.
- (c) The driver of a golf cart shall not overtake and pass in the same lane occupied by the vehicle being overtaken.
- (d) No driver shall operate a golf cart between lanes of traffic or between adjacent lines or rows of vehicles.
- (e) The driver of a golf cart operating the golf cart on an authorized public street may only cross a multi-lane federal, county or state route at an intersection controlled by an official traffic control device which stops traffic from all directions. The driver of a golf cart may cross a multi-lane road, other than a federal, state, or county route, if it is required to cross from one portion of a golf course to another portion of the same golf course. If a golf cart crossing path is provided for transition between one section of a golf course to another section of the same golf course across a multi-lane road, the operator shall cross at and within the golf cart crossing path.
- (f) The number of occupants in a golf cart shall be limited to the number of persons for whom factory seating is installed and provided on the golf cart.

- (2) The street address where the golf cart shall be kept, including the particular suite or apartment number, if applicable;
 - (3) The business name used for the premises where the golf cart shall be kept, if applicable; and
 - (4) The year, make, model, color, vehicle identification number or serial number if no vehicle identification number has been issued to the golf cart; and
 - (5) a statement that the golf cart fully complies with the requirements of Section 11.04.002(5) of this article before the issuance of a permit, including without limitation, the requirement.
- (c) Upon issuance of a permit, the holder will be issued two (2) decals, one of which shall be permanently affixed to the driver's side front, and one of which shall be permanently affixed to the driver's side back of the golf cart in such a manner that it is clearly visible from fifty feet (50'). The permit must not be damaged, altered, obstructed, or otherwise made illegible. The permit holder shall apply for a replacement permit for any permit that has been damaged, altered, obstructed or otherwise made illegible.
 - (d) The permit shall only be placed upon the golf cart for which it was issued.
 - (e) A permit issued to a golf cart shall become invalid if the golf cart is altered in a manner that fails to comply with any requirement of this article.
 - (f) Permits/Stickers are valid until there is a change in ownership of the golf cart.
 - (g) The permit holder shall notify the City's Police Department within ten (10) working days if the golf cart transfers ownership or the address of the normal storage location has changed. The information shall be submitted on a form designated by the City's Police Department.
 - (h) Lost or stolen Permit/Stickers are the responsibility of the owner. A police report must be filed in the event of a lost or stolen Permit/Sticker. If no record can be found of a previous application, or the receipt of a Permit/Sticker, the City's Police Department may direct the owner to reapply.
 - (i) Any person who operates a golf cart and fails to receive and/or properly display a permit/sticker will be subject to all applicable state laws, in addition to being in violation of this article.
 - (j) A permit may be revoked at any time by the City's Police Department, for conviction(s) for violating any federal, state or local law related to the operation of a golf cart, including but not limited to this article.

§ 11.04.006 Public safety personnel exempted.

Public Safety Personnel are exempt from this article when using a golf cart in the performance of his/her duties.”

- Section 3. Severability. Should any section, subsection, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this ordinance shall remain in full force and effect. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.
- Section 4. Savings/Repealing Clause. All provisions of any ordinance in conflict with this ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.
- Section 5. Penalty. Any person, firm or corporation violating any of the provisions of this ordinance shall be subject to the penalty provisions set forth in the Anna City Code of Ordinances, Section 1.01.009, and each and every day such violation shall continue shall be deemed to constitute a separate offense.
- Section 6. Caption Publication. The caption of this ordinance shall be published one time in a newspaper having general circulation in the City of Anna following the City Council’s adoption hereof as provided by law.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS
ON THE 25TH DAY OF APRIL 2023.**

CITY OF ANNA, TEXAS

Nate Pike, Mayor

ATTESTED:

Carrie Land, City Secretary