

Required Supplementary Information

City of Andrews, Texas
General Fund
Schedule of Budgeted and Actual Revenues and Expenditures
For the year ended September 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
Taxes	\$ 5,908,836	\$ 5,908,836	\$ 5,159,189	\$ (749,647)
Francise fees	675,000	675,000	739,276	64,276
License, permits, fees	34,035	34,035	72,009	37,974
Charges for services	85,000	85,000	76,404	(8,596)
Fines and court costs	155,440	155,440	298,030	142,590
Miscellaneous	530,642	530,642	555,613	24,971
Investment income	66,893	66,893	87,455	20,562
Intergovernmental revenue	1,220,342	1,220,342	1,222,710	2,368
Grant income	50,000	50,000	63,010	13,010
Total Revenues	<u>8,726,188</u>	<u>8,726,188</u>	<u>8,273,696</u>	<u>(452,492)</u>
EXPENDITURES				
Current:				
Legislative	415,062	415,062	435,545	(20,483)
Administration	316,116	316,116	314,345	1,771
Finance	595,429	595,429	583,929	11,500
Municipal court	174,137	174,137	169,636	4,501
Business technology center	150,135	150,135	156,851	(6,716)
Police	1,946,115	1,946,115	1,993,301	(47,186)
Ambulance	1,140,742	1,140,742	1,101,014	39,728
Animal control	112,564	112,564	122,517	(9,953)
Fire	248,267	248,267	215,215	33,052
Inspection	226,433	226,433	219,005	7,428
Street	839,651	839,651	853,365	(13,714)
Building & Grounds	253,126	253,126	268,599	(15,473)
Swimming pool	135,180	135,180	152,755	(17,575)
Capital outlay	1,566,202	6,425,553	5,684,444	741,109
Total Expenditures	<u>8,119,159</u>	<u>12,978,510</u>	<u>12,270,523</u>	<u>707,987</u>
Excess (deficiency) of revenues over expenditures	<u>607,029</u>	<u>(4,252,322)</u>	<u>(3,996,827)</u>	<u>255,495</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Non-Major Gov't Fund - Reliever Route	3,001,000	3,001,000	4,411,469	(1,410,469)
Transfers out:				
Non-Major Gov't Fund - Reliever Route	-	(500,000)	(500,000)	-
Sanitation Fund - Green Exchange	-	-	(1,344)	1,344
Sale of general capital assets	-	-	53,507	(53,507)
Total other financing sources (uses)	<u>3,001,000</u>	<u>2,501,000</u>	<u>3,963,633</u>	<u>(1,462,633)</u>
Net change in fund balance	3,608,029	(1,751,322)	(33,195)	(1,207,138)
Fund Balance - beginning	11,850,889	11,850,889	11,850,889	-
Prior Period Adjustment	-	-	-	-
Fund Balance (deficit) - ending	<u>\$ 15,458,918</u>	<u>\$ 10,099,567</u>	<u>\$ 11,817,694</u>	<u>\$ (1,207,138)</u>

CITY OF ANDREWS, TEXAS
Required Notes to the Supplementary Information
September 30, 2016

A. General Budget Policies

The City follows the following procedures in establishing the budgetary data reflected in the financial statements:

Prior to adoption of a formal budget, the City Manager must file a proposed operating budget for the year commencing the following October 1 with the City Secretary the first week of August or at least 30 days before the date the Council approves the tax levy for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.

A public hearing is conducted to obtain taxpayers' comments.

Prior to October 1 the budget is adopted and legally enacted through passage of an ordinance.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. Special Revenue Funds do not have appropriated budgets since other means control the use of these resources and sometimes span a period of more than one fiscal year.

The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results, except for unrealized investment gains and losses, which are adjusted to the actual results for this comparison.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The City Manager is authorized to transfer budgeted amounts between accounts within any department within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Budgeted amounts in this report include transfers and revisions to the original appropriations ordinance.

Formal budgetary integration is employed as a management control device during the year.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Budgets have been adopted for the General Fund, the Reliever Route Special Revenue Fund, and the Debt Service Fund. The scope of the budgetary comparison schedule is strictly limited to the General Fund and major special revenue funds. Budgetary comparisons for other governmental funds are presented as other supplementary information in the Combining and Individual Fund Financial Statements and Schedules.

B. Excess of expenditures over appropriations

For the year ended September 30, 2016, total actual general fund expenditures of \$12,270,523 did not exceed appropriated funds of \$12,978,510.

City of Andrews, Texas
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Texas Municipal Retirement System
Last 10 Fiscal Years *

	2014	2015
Total pension liability		
Service Cost	\$ 461,085	\$ 587,370
Interest (on the Total Pension Liability)	1,485,869	1,574,624
Changes of benefit terms	-	-
Difference between expected and actual experience	208,728	(221,702)
Changes of assumptions	-	49,835
Benefit payments, including refunds of employee contributions	(866,515)	(1,035,268)
Net Change in Total Pension Liability	1,289,167	954,859
Total Pension Liability - Beginning	21,429,414	22,718,581
Total Pension Liability - Ending (a)	\$ 22,718,581	\$ 23,673,440
 Plan Fiduciary Net Position		
Contributions - Employer	617,042	630,148
Contributions - Employee	251,562	269,789
Net Investment Income	1,065,329	29,037
Benefit payments, including refunds of employee contributions	(866,515)	(1,035,268)
Administrative Expense	(11,123)	(17,687)
Other	(914)	(874)
Net Change in Plan Fiduciary Net Position	1,055,381	(124,855)
 Plan Fiduciary Net Position - Beginning	18,623,531	19,678,912
Plan Fiduciary Net Position - Ending (b)	19,678,912	19,554,059
 Net Pension Liability - Ending (a) - (b)	\$ 3,039,669	\$ 4,119,381
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.62%	82.60%
 Covered Employee Payroll	\$ 3,593,739	\$ 3,854,135
 Net Pension Liability as a Percentage of Covered Employee Payroll	84.58%	106.88%

Notes to Schedule:

N/A

* GASB 68 requires a 10-year schedule. Only two years of information is currently available. The City will build this schedule over the next eight-year period.

City of Andrews, Texas
Schedule of Employer Contributions
Texas Municipal Retirement System (TMRS)
Last 10 Fiscal Years *

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution				\$ 651,334	\$ 647,906	\$ 564,856	\$ 551,403	\$ 603,674	\$ 632,963	644,449
Contributions in relation to the actuarially determined contribution				531,429	545,563	539,288	551,403	603,671	632,999	644,450
Contribution deficiency (excess)	-	-	-	119,904	102,344	25,569	0	3	(36)	(0)
Covered employee payroll				\$ 2,868,593	\$ 2,883,284	\$ 2,956,459	\$ 3,103,208	\$ 3,489,852	\$ 3,823,860	\$ 4,072,216
Contributions as a percentage of covered employee payroll				81.59%	84.20%	95.47%	100.00%	100.00%	100.01%	100.00%

Notes to Schedule:

* Information before 2010 is unavailable.

Valuation date:

Notes

Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and assumptions used to determine contributions rates:

Actuarial cost method Entry age normal
Amortization method Level percentage of payroll, closed
Remaining amortization period 30 years
Asset valuation method 10 year smoothed market; 15% soft corridor
Inflation 2.5%
Salary increases 3.5% to 10.5% including inflations
Investment rate of return 6.75%
Retirement age Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience of the period 2010-2014.

Mortality

RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes

There were no benefit changes during the period.

City of Andrews, Texas
Schedule of the City's Proportionate Share of the Net Pension Liability
Texas Emergency Services Retirement System (TESRS)
Last 10 Fiscal Years *

	Measurement Year *	
	2014	2015
City's proportion of the net pension liability	0.332%	0.305%
City's proportionate share of the net pension liability	\$ 60,330	\$ 81,412
State's proportionate share of the net pension liability	\$ 16,178	\$ 25,869
Total	\$ 76,507	\$ 107,281
Number of Active Members **	23	23
City's Net Pension Liability per Active Member	\$ 3,326	\$ 4,664
Plan fiduciary net position as a percentage of the total pension liability	83.5%	76.9%

* Only two years of information is currently available. The City will build this schedule over the next eight-year period.

** There is no compensation for active members. Number of active members is used instead.

Notes to Required Supplementary Information:

Defined Benefit Pension Plan

Changes in benefit terms

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

Changes in assumptions

There were no changes of assumptions or other imputes that affected measurement of the total pension liability during the measurement period.

City of Andrews, Texas
Schedule of Employer Contributions
Texas Emergency Services Retirement System (TESRS)
Last 10 Fiscal Years *

	Fiscal Year	
	2014	2015
Contractually required contributions	\$ 15,048	\$ 14,400
Contributions in relation to the contractually determined contribution	15,120	14,400
Contribution deficiency (excess)	(72)	-
Number of Active members **	23	23
Contributions per active member	\$ 657	\$ 626

* Only two years of information is currently available. The City will build this schedule over the next eight-year period.

** There is no compensation for active members. Number of active members is used instead.

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