

CITY OF KIRBY, TEXAS

**ANNUAL
FINANCIAL REPORT**

**FISCAL YEAR ENDED
SEPTEMBER 30, 2019**





CITY OF KIRBY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS

INTRODUCTORY SCHEDULE

	<u>PAGE</u>
TITLE PAGE	i
TABLE OF CONTENTS.....	ii
PRINCIPAL OFFICERS	iv

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	12
STATEMENT OF NET POSITION	13
STATEMENT OF ACTIVITIES	15
BALANCE SHEET - GOVERNMENTAL FUNDS.....	17
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET TO THE STATEMENT OF NET POSITION	19
STATEMENT OF REVENUES, EXPENDITURES - AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS.....	20
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES.....	24
STATEMENT OF NET POSITION – PROPRIETARY FUND.....	25
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUND	27
STATEMENT OF CASH FLOWS - PROPRIETARY FUND	28
NOTES TO BASIC FINANCIAL STATEMENTS.....	30
REQUIRED SUPPLEMENTARY INFORMATION	57
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND.....	58
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL.....	61
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS	62
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLAN	63
SCHEDULE OF CHANGES –TOTAL OTHER POST EMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS	64

CITY OF KIRBY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS

FINANCIAL SECTION (CONTINUED)

SUPPLEMENTARY INFORMATION.....	65
COMPARATIVE BALANCE SHEETS - GENERAL FUND.....	66
COMPARATIVE BALANCE SHEETS - DEBT SERVICE FUND.....	67
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - DEBT SERVICE FUND.....	68
COMPARATIVE BALANCE SHEETS - CAPITAL PROJECTS FUND.....	69
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUND.....	70
COMPARATIVE BALANCE SHEETS - CRIME CONTROL FUND.....	71
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CRIME CONTROL FUND.....	72
COMPARATIVE STATEMENT OF NET POSITION - PROPRIETARY FUND - WATERWORKS AND SEWER SYSTEM.....	73
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND – WATERWORKS AND SEWER SYSTEM.....	75
COMPARATIVE STATEMENTS OF CASH FLOWS - PROPRIETARY FUND – WATERWORKS AND SEWER SYSTEM.....	76

STATISTICAL SECTION

NET POSITION BY COMPONENT.....	79
CHANGE IN NET POSITION.....	81
FUND BALANCES, GOVERNMENTAL FUNDS.....	85
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS.....	87
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS.....	89
ASSESSED VALUE AND ACTUAL TAXABLE PROPERTY.....	90
DIRECT AND OVERLAPPING PROPERTY TAX RATES.....	91
PRINCIPAL PROPERTY TAX PAYERS.....	92
PROPERTY TAX LEVIES AND COLLECTIONS.....	93
RATIOS OF OUTSTANDING DEBT BY TYPE.....	94
RATIOS OF GENERAL BONDED DEBT OUTSTANDING.....	95
LEGAL DEBT MARGIN.....	96
DEMOGRAPHIC AND ECONOMIC STATISTICS.....	97
PRINCIPAL EMPLOYERS.....	98



CITY OF KIRBY, TEXAS

PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR

LISA B. PIERCE

MAYOR PRO-TEM

KIMBERLY MCGEHEE-ALDRICH

CITY COUNCIL

MIKE GRANT

DEBRA WILSON

JOHN PIERCE

SYLVIA APODACA

JERRY LEHMAN

CITY MANAGER

MONIQUE L.VERNON

ATTORNEY

MARC SCHNALL, LANGLEY & BANACK



Armstrong, Vaughan & Associates, P. C.

Deborah F. Fraser

Phil S. Vaughan

Nancy L. Vaughan

Certified Public Accountants

Kimberly J. Roach

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Kirby, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Kirby, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City of Kirby, Texas' management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of Internal Control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on the reporting entity and unmodified audit opinions on the governmental activities, business-type activities, and major funds of the primary government.

Basis for Adverse Opinion on the Reporting Entity

The financial statements referred to above include only the primary government of the City of Kirby, Texas, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City of Kirby, Texas' legal entity. The financial statements do not include the financial data for the Kirby Senior Center Corporation, one of the City of Kirby, Texas' legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City of Kirby, Texas' primary government.

Adverse Opinion on the Reporting Entity

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion on the Reporting Entity paragraph, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City of Kirby, Texas, as of September 30, 2019, the changes in its financial position or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. The City of Kirby, Texas has not issued separate reporting entity financial statements; however, separate financial statements are available for the Kirby Senior Center Corporation.

Unmodified Opinions on the Governmental Activities, Business-Type Activities, and each Major Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund for the primary government of the City of Kirby, Texas, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

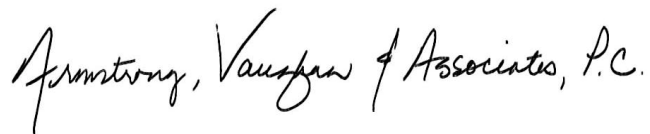
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of changes and contributions for net pension liability and net other post-employment benefits liability, as listed in the table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

Other Information

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Kirby, Texas', basic financial statements. The comparative financial statements and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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, except for the supplementary information related to the exclusion of the Kirby Senior Center Corporation, the comparative financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

February 7, 2020



MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the City of Kirby’s annual financial report presents our discussion and analysis of the City’s financial performance during the fiscal year ended September 30, 2019. Please read it in conjunction with the City’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

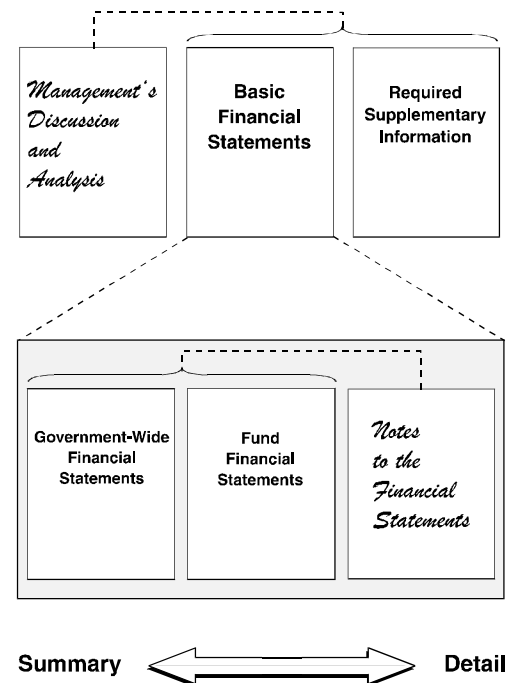
- The City’s total combined net position was approximately \$14.2 million at September 30, 2019.
- During the year, the City’s expenses were \$76 thousand less than the \$5.4 million generated in taxes, other revenues for governmental activities, grants, and transfers.
- The General Fund reported a fund balance of \$2.15 million at the end of the fiscal year which represents a \$542 thousand decrease over the previous fiscal year.
- The City’s Waterworks/Sewer Fund reported a \$274 thousand increase in net position over the previous fiscal year. Net position at September 30, 2019 was \$5.8 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City’s operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*.
- *Fiduciary fund* statements provide information about the financial relationships in which the City acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

Figure A-1, Required Components of the City’s Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements			
Fund Statements			
<i>Type of Statements</i>	Government-wide	Governmental Funds	Proprietary Funds
<i>Scope</i>	Entire City's government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses: water and sewer.
<i>Required financial statements</i>	• Statement of Net Position	• Balance Sheet	• Statement of Net Position
	• Statement of Activities	• Statement of Revenues, Expenditures & Changes in Fund Balances	• Statement of Revenues, Expenses & Changes in Net Position • Statement of Cash Flows
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position—the difference between the City's assets and liabilities—is one way to measure the City's financial health or *position*.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City's tax base.

The government-wide financial statements of the City include the *Governmental activities*. Most of the City's basic services are included here, such as general government, public safety, highways and streets, sanitation, economic development, culture and recreation, and interest on long-term debt. Property taxes, sales taxes, and grants finance most of these activities.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following kinds of funds:

- *Governmental funds*—Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The total cost of all programs and services was \$6.96 million. Of these costs, 76% were for primary government activities, while the Water/Sewer utility accounted for the remaining balance.

Net Position: The City's combined net position was \$14.2 million at September 30, 2019. (See Table A-1).

Table A-1
City's Net Position
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change Based on Actual 2019-2018
	2019	2018	2019	2018	2019	2018	
<i>Current Assets:</i>							
Cash and cash equivalents	\$ 2,027	\$ 9,163	\$ 2,505	\$ 2,398	\$ 4,532	\$ 11,561	-60.8%
Receivables:							
Taxes	133	134	-	-	133	134	-0.7%
Accounts	138	135	270	303	408	438	-6.8%
EMS	129	134	-	-	129	134	-3.7%
Due from Other Governments	338	520	-	-	338	520	-35.0%
Internal Balances	129	224	(129)	(224)	-	-	0.0%
Inventories	32	57	28	28	60	85	-29.4%
Prepaid Items	-	-	31	31	31	31	0.0%
Restricted Assets:							
Cash and Investments	7,000	120	203	194	7,203	314	2193.9%
<i>Total Current Assets:</i>	<u>9,926</u>	<u>10,487</u>	<u>2,908</u>	<u>2,730</u>	<u>12,834</u>	<u>13,217</u>	<u>-2.9%</u>
<i>Non-Current Assets:</i>							
<i>Total Non-Current Assets:</i>	<u>7,622</u>	<u>7,293</u>	<u>3,468</u>	<u>3,308</u>	<u>11,090</u>	<u>10,601</u>	<u>4.6%</u>
<i>Total Assets</i>	<u>17,548</u>	<u>17,780</u>	<u>6,376</u>	<u>6,038</u>	<u>23,924</u>	<u>23,818</u>	<u>0.4%</u>
<i>Total Deferred Outflows</i>	<u>848</u>	<u>382</u>	<u>97</u>	<u>41</u>	<u>944</u>	<u>423</u>	<u>123.2%</u>
<i>Current Liabilities:</i>							
Accounts Payable	565	549	264	217	829	766	8.2%
Accrued Vacation	133	103	17	11	150	114	31.6%
Accrued Interest	20	22	-	-	20	22	-9.1%
Payable from Restricted Assets:							
Customer Deposits	-	-	183	179	183	179	2.2%
Due within One Year	343	436	-	-	343	436	-21.3%
<i>Total Current Liabilities</i>	<u>1,061</u>	<u>1,110</u>	<u>464</u>	<u>407</u>	<u>1,525</u>	<u>1,517</u>	<u>0.5%</u>
<i>Long-Term Liabilities:</i>							
Bonds, Obligations	6,954	7,297	-	-	6,954	7,297	-4.7%
Net Other Post Employment Benefits Liability	83	83	10	10	93	93	0.0%
Net Pension Liability	1,570	959	174	101	1,744	1,060	64.5%
<i>Total Long-Term Liabilities</i>	<u>8,607</u>	<u>8,339</u>	<u>184</u>	<u>111</u>	<u>8,791</u>	<u>8,450</u>	<u>4.0%</u>
<i>Total Liabilities</i>	<u>9,668</u>	<u>9,449</u>	<u>648</u>	<u>518</u>	<u>10,316</u>	<u>9,967</u>	<u>3.5%</u>
<i>Total Deferred Inflows</i>	<u>283</u>	<u>344</u>	<u>35</u>	<u>43</u>	<u>318</u>	<u>387</u>	<u>80.1%</u>
<i>Net Position:</i>							
Invested in Capital Assets	7,023	6,405	3,468	3,308	10,491	9,713	8.0%
Restricted for:							
Special Projects	272	235	-	-	272	235	15.7%
Debt Service	53	31	-	-	53	31	71.0%
Unrestricted	1,097	1,698	2,323	2,210	3,420	3,908	-12.5%
<i>Total Net Position</i>	<u>\$ 8,445</u>	<u>\$ 8,369</u>	<u>\$ 5,791</u>	<u>\$ 5,518</u>	<u>\$ 14,236</u>	<u>\$ 13,887</u>	<u>2.5%</u>

Changes in net position. The City's total revenues were \$7.3 million. A significant portion, 30.6%, of the City's revenue comes from property taxes, 47.9% comes from charges for services (Water, Court, EMS, etc), while only 11.9% relates to Franchise and Sales taxes.

Governmental Activities

- Property tax rates remained constant at 0.729376.
- Property tax revenue increased to \$2.24 million in the current year vs. \$1.99 million in the prior year; this is a result of an increase in the valuation of taxable property.
- The cost of all *governmental* activities this year was approximately \$5.3 million. The amount that our taxpayers paid for these activities through property taxes was \$2.24 million. Some of the cost was paid by those who directly benefited from the programs in the amount of \$1.26 million and an additional \$300 thousand by grants and contributions.

Business-Type Activities

- Operating revenues of the City's Water & Sewer business-type activities increased to \$2.2 million in the current year, with an increase of \$93 thousand or 4.3%. Operating expenses not including transfers to other funds increased from \$1.57 million in the prior year to \$1.67 million in the current year, an increase of \$92 thousand or 5.8%.

Table A-2
Changes in City of Kirby's Net Position
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2018-2019
	2019	2018	2019	2018	2019	2018	
Primary Government:							
City Council	\$ 11	\$ 10	\$ -	\$ -	\$ 11	\$ 10	10.0%
City Administration	415	411	-	-	415	411	1.0%
Police Protection	1,477	1,360	-	-	1,477	1,360	8.6%
Municipal Court	117	80	-	-	117	80	46.3%
Fire/EMS Protection	1,526	1,164	-	-	1,526	1,164	31.1%
Animal Services	201	182	-	-	201	182	10.4%
Parks and Pool	178	171	-	-	178	171	4.1%
Streets and Shops	264	343	-	-	264	343	-23.0%
Crime Control	38	7	-	-	38	7	442.9%
General City Operations	819	691	1,666	1,574	2,485	2,265	9.7%
Interest on Long-Term Debt	246	182	-	-	246	182	35.2%
Total Government Activities	<u>5,292</u>	<u>4,601</u>	<u>1,666</u>	<u>1,574</u>	<u>6,958</u>	<u>6,175</u>	<u>576.2%</u>
Program Revenues:							
Charges for Services	1,265	1,470	2,237	2,144	3,502	3,614	-3.1%
Operating Grants & Contributions	12	19	-	-	12	19	-36.8%
Capital Grants & Contributions	288	1,010	-	-	288	1,010	-71.5%
General Revenues:							
General Property Tax	2,236	1,988	-	-	2,236	1,988	12.5%
Sales Taxes	468	461	-	-	468	461	1.5%
Franchise Taxes	401	424	-	-	401	424	-5.4%
Investment Earning	206	48	47	29	253	77	228.6%
Miscellaneous	12	16	11	-	23	16	43.8%
Transfers	480	480	(480)	(480)	-	-	0.0%
Capital Contributions	-	-	125	125	125	125	0.0%
Total Revenues and Transfers	<u>5,368</u>	<u>5,916</u>	<u>1,940</u>	<u>1,818</u>	<u>7,308</u>	<u>7,734</u>	<u>169.5%</u>
Change in Net Position	<u>\$ 76</u>	<u>\$ 1,315</u>	<u>\$ 274</u>	<u>\$ 244</u>	<u>\$ 350</u>	<u>\$ 1,559</u>	<u>-77.5%</u>

Table A-3 presents the cost of each of the City's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

Table A-3
Net Cost of Selected City Functions
(In thousands dollars)

	Total Cost of Services			Net Cost of Services		
	2019	2018	% Change 2019-2018	2019	2018	% Change 2019-2018
General Government	\$ 427	\$ 421	1.4%	\$ 282	\$ 284	-0.7%
Police Protection & Court	1,594	1,441	10.6%	1,317	1,205	9.3%
Fire/EMS Protection	1,526	1,164	31.1%	809	448	80.6%
Animal Services	201	182	10.4%	190	158	20.3%
Parks and Recreation	178	171	4.1%	110	-	100%
Highways and Streets	264	343	-23.0%	(83)	(872)	100.0%
Crime Control	38	7	442.9%	38	7	442.9%
General City Operations	818	690	18.6%	818	690	18.6%
Water and Sewer	1,666	1,574	5.8%	571	570	0.2%
Debt Service - Interest & Fiscal Charges	246	182	35.2%	246	182	35.2%

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenues from governmental fund types totaled \$4.89 million for the current year vs. \$5.4 million in the prior year, a decrease of \$513 thousand. Expenditures from governmental fund types totaled \$5.95 million for the current year vs. \$6.04 million in the prior year, a decrease of \$97 thousand or 2%, primarily due to capital projects. The general fund balance decreased by \$542 thousand from \$2.69 million in the prior year to \$2.15 million in the current year. Of this amount \$1.9 million is unassigned and represents 5 months of average operating expenditures in reserve. Long term debt and capital leases paid during the year totaled \$422 thousand in principal and \$274 thousand in interest.

General Fund Budgetary Highlights

The city revised its original budget several times, to adjust for changes resulting in an overall increase of \$78 thousand in revenues and an increase of \$154 thousand in expenses. Expenditures for the year were \$2.9 million less than the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2019, the City had invested \$31.6 million in a broad range of capital assets, including land, equipment, buildings, vehicles, infrastructure, and software (See Table A-4). This amount represents a net increase of \$1.08 million or 3.5 % over last year.

Table A-4
City's Capital Assets
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2019	2018	2019	2018	2019	2018	2019-2018
Land	\$ 836	\$ 836	\$ 7	\$ 7	\$ 843	\$ 843	0.0%
Buildings and Improvements	5,150	5,150	-	-	5,150	5,150	0.0%
Vehicles	3,445	3,378	717	546	4,162	3,924	6.1%
Infrastructure	12,757	12,693	-	-	12,757	12,693	0.5%
Software	88	79	42	42	130	121	0.0%
Construction in Progress	1,275	610	-	9	1,275	619	106.0%
Utility Plant	-	-	7,235	7,127	7,235	7,127	1.5%
Totals at Historical Cost	23,551	22,746	8,001	7,731	31,552	30,477	3.5%
Total Accumulated Depreciation	(15,929)	(15,454)	(4,533)	(4,424)	(20,462)	(19,878)	2.9%
Net Capital Assets	<u>\$ 7,622</u>	<u>\$ 7,292</u>	<u>\$ 3,468</u>	<u>\$ 3,307</u>	<u>\$ 11,091</u>	<u>\$ 10,599</u>	<u>4.6%</u>

The city purchased various pieces of equipment in regard to the police department, fire department, streets reconstruction, and waterworks department. One street reconstruction project and public works yard improvements were also completed during the year. Detailed information about the City's capital assets is presented in the note to the financial statements.

Long Term Debt

At year-end the City had \$7.0 million in bonds and capital leases outstanding and \$133 thousand in compensated absences in the governmental and \$17 thousand in the business-type activities for compensated absences as shown in Table A-5. Detailed information about the City's debt is presented in the notes to the financial statements.

Table A-5
City's Long-Term Debt
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2019	2018	2019	2018	2019	2018	2019-2018
Bonds Payable and Capital Lease	\$ 6,954	\$ 7,733	\$ -	\$ -	\$ 6,954	\$ 7,733	-10.1%
Vacation Payable	133	103	17	11	150	115	30.4%
Total Bonds & Notes Payable	<u>\$ 7,087</u>	<u>\$ 7,836</u>	<u>\$ 17</u>	<u>\$ 11</u>	<u>\$ 7,104</u>	<u>\$ 7,848</u>	<u>-9.5%</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Binz-Engleman Road Project is expected to continue in 2020 with total funding of \$2 million to be received.
- Hickory Hill Street Reconstruction is expected to continue in 2020 with construction costs of \$450 thousand and engineering costs of \$56 thousand. This will be partially paid by a CDBG grant.

These indicators were taken into account when adopting the general fund budget for 2019/2020. The property taxes rate will decrease to 0.728626/\$100 as a result of the approved budget. This will result in \$2,693,945 of projected property tax revenues. General Fund Revenues (includes transfers from other funds) budgeted for 2019/2020 total \$6,493,436. General Fund Expenditures (includes transfers to other funds) budgeted for 2019/2020 total \$7,770,801.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact City Hall at (210) 661-3198.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government – Wide Financial Statements
- Fund Financial Statements:
 - Governmental Funds
 - Proprietary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF KIRBY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Primary Government		
	Governmental	Business-Type	
ASSETS	Activities	Activities	Total
<i>Current Assets:</i>			
Cash and Investments	\$ 2,026,846	\$ 2,504,841	\$ 4,531,687
Receivables (net of allowances for uncollectibles)			
Taxes	132,606	-	132,606
Accounts	138,252	270,424	408,676
EMS Charges	128,799	-	128,799
Due from Other Governments	337,879	-	337,879
Internal Balances	128,654	(128,654)	-
Inventories	32,092	28,150	60,242
Prepaid Items	-	31,353	31,353
Restricted Assets:			
Cash and Investments	6,999,901	203,466	7,203,367
<i>Total Current Assets</i>	<u>9,925,029</u>	<u>2,909,580</u>	<u>12,834,609</u>
<i>Capital Assets:</i>			
Land	836,120	7,005	843,125
Buildings & Improvements	5,150,097	-	5,150,097
Utility Plant and Easements	-	7,234,722	7,234,722
Transportation & Equipment	3,444,894	717,267	4,162,161
Infrastructure	12,757,233	-	12,757,233
Software	88,250	42,000	130,250
Construction in Progress	1,275,481	-	1,275,481
Accumulated Depreciation and Amortization	(15,928,653)	(4,532,751)	(20,461,404)
<i>Total Capital Assets</i>	<u>7,623,422</u>	<u>3,468,243</u>	<u>11,091,665</u>
TOTAL ASSETS	<u>17,548,451</u>	<u>6,377,823</u>	<u>23,926,274</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Other Post Employment Benefit Outflows	5,800	735	6,535
Deferred Pension Related Outflows	841,372	95,987	937,359
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 847,172</u>	<u>\$ 96,722</u>	<u>\$ 943,894</u>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable and			
Other Current Liabilities	\$ 564,885	\$ 264,345	\$ 829,230
Accrued Vacation Leave Payable	133,162	16,605	149,767
Accrued Interest Payable	20,144	-	20,144
Payable from Restricted Assets:			
Customer Deposits	-	182,840	182,840
Due within One Year	342,766	-	342,766
<i>Total Current Liabilities</i>	<u>1,060,957</u>	<u>463,790</u>	<u>1,524,747</u>
<i>Long-Term Liabilities:</i>			
Due in more than One Year	6,954,422	-	6,954,422
Net Other Post Employment			
Benefits Liability	82,513	10,359	92,872
Net Pension Liability	1,569,735	173,589	1,743,324
<i>Total Long-Term Liabilities:</i>	<u>8,606,670</u>	<u>183,948</u>	<u>8,790,618</u>
TOTAL LIABILITIES	<u>9,667,627</u>	<u>647,738</u>	<u>10,315,365</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Other Post Employment			
Benefit Inflows	7,418	878	8,296
Deferred Pension Related Inflows	275,820	34,481	310,301
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>283,238</u>	<u>35,359</u>	<u>318,597</u>
NET POSITION			
Net Investment in Capital Assets	7,022,580	3,468,243	10,490,823
Restricted for:			
Debt Service Fund	52,599	-	52,599
PEG Capital Fees	138,328	-	138,328
Public Safety	133,938	-	133,938
Unrestricted (Deficit)	1,097,313	2,323,205	3,420,518
TOTAL NET POSITION	<u>\$ 8,444,758</u>	<u>\$ 5,791,448</u>	<u>\$ 14,236,206</u>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
City Council	\$ 11,247	\$ -	\$ -	\$ -
City Administration	415,317	144,806	-	-
Police Protection	1,477,042	251,136	12,132	-
Municipal Court	116,761	13,302	-	-
Fire/EMS Protection	1,525,672	712,078	-	4,730
Animal Services	200,954	11,344	-	-
Parks and Pool	177,890	67,894	-	-
Streets and Shops	264,477	64,169	-	282,980
Crime Control	38,281	-	-	-
Capital Projects	90	-	-	-
General City Operations	818,170	-	-	-
Interest on Long-Term Debt	246,010	-	-	-
Total Governmental Activities	5,291,911	1,264,729	12,132	287,710
Business-Type Activities				
Water\Sewer Utility	1,665,912	2,236,901	-	-
Total Business-Type Activities	1,665,912	2,236,901	-	-
Total Primary Government	6,957,823	3,501,630	12,132	287,710
General Revenues:				
Taxes				
General Property Taxes				
Franchise Taxes				
Sales Taxes				
Interest and Investment Earnings				
Capital Improvement Fee				
Miscellaneous				
Total General Revenues				
Transfers				
Change in Net Position				
Net Position at Beginning of Year				
Net Position at End of Year				

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position
Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (11,247)	\$ -	\$ (11,247)
(270,511)	-	(270,511)
(1,213,774)	-	(1,213,774)
(103,459)	-	(103,459)
(808,864)	-	(808,864)
(189,610)	-	(189,610)
(109,996)	-	(109,996)
82,672	-	82,672
(38,281)	-	(38,281)
(90)	-	(90)
(818,170)	-	(818,170)
(246,010)	-	(246,010)
<u>(3,727,340)</u>	<u>-</u>	<u>(3,727,340)</u>
<u>-</u>	<u>570,989</u>	<u>570,989</u>
<u>-</u>	<u>570,989</u>	<u>570,989</u>
<u>(3,727,340)</u>	<u>570,989</u>	<u>(3,156,351)</u>
2,235,886	-	2,235,886
400,883	-	400,883
467,948	-	467,948
206,040	46,732	252,772
-	124,912	124,912
12,261	11,138	23,399
<u>3,323,018</u>	<u>182,782</u>	<u>3,505,800</u>
<u>480,000</u>	<u>(480,000)</u>	<u>-</u>
75,678	273,771	349,449
<u>8,369,080</u>	<u>5,517,677</u>	<u>13,886,757</u>
<u>\$ 8,444,758</u>	<u>\$ 5,791,448</u>	<u>\$ 14,236,206</u>

CITY OF KIRBY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	<u>Major Fund</u> General Fund	<u>Major Fund</u> Debt Service	<u>Major Fund</u> Capital Projects Fund
ASSETS			
Cash and Investments	\$ 1,885,796	\$ 52,199	\$ -
Receivables (net of allowances for uncollectibles):			
Property Taxes	112,062	20,544	-
EMS Charges	128,799	-	-
Accounts	138,252	-	-
Restricted Cash	135,889	-	6,864,012
Due from Other Governments	326,727	-	-
Due from Other Funds	128,654	-	-
Inventory of Supplies, At Cost	32,092	-	-
	<u>2,888,271</u>	<u>72,743</u>	<u>6,864,012</u>
TOTAL ASSETS	<u>\$ 2,888,271</u>	<u>\$ 72,743</u>	<u>\$ 6,864,012</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
<i>Liabilities:</i>			
Accounts Payable	\$ 344,498	\$ -	\$ 62,810
Accrued Expenditures	152,358	-	-
<i>Total Liabilities</i>	<u>496,856</u>	<u>-</u>	<u>62,810</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable EMS Revenues	128,799	-	-
Unavailable Tax Revenues	112,062	20,544	-
<i>Total Deferred Inflows of Resources</i>	<u>240,861</u>	<u>20,544</u>	<u>-</u>
<i>Fund Balances:</i>			
Nonspendable:			
Inventory	32,092	-	-
Restricted for:			
PEG Capital Fees	138,328	-	-
Public Safety	39,155	-	-
Debt Service	-	52,199	-
Capital Projects	-	-	6,801,202
Crime Control	-	-	-
Unassigned	1,940,979	-	-
	<u>2,150,554</u>	<u>52,199</u>	<u>6,801,202</u>
<i>Total Fund Balances</i>	<u>2,150,554</u>	<u>52,199</u>	<u>6,801,202</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,888,271</u>	<u>\$ 72,743</u>	<u>\$ 6,864,012</u>

See accompanying notes to basic financial statements.

<u>Nonmajor Fund</u>	<u>Total</u>
<u>Crime</u>	<u>Governmental</u>
<u>Control</u>	<u>Funds</u>
\$ 88,850	\$ 2,026,845
-	132,606
-	128,799
-	138,252
-	6,999,901
11,152	337,879
-	128,654
-	32,092
<u>\$ 100,002</u>	<u>\$ 9,925,028</u>
\$ 5,219	\$ 412,527
-	152,358
<u>5,219</u>	<u>564,885</u>
-	128,799
-	132,606
<u>-</u>	<u>261,405</u>
-	32,092
-	138,328
-	39,155
-	52,199
-	6,801,202
94,783	94,783
-	1,940,979
<u>94,783</u>	<u>9,098,738</u>
<u>\$ 100,002</u>	<u>\$ 9,925,028</u>

CITY OF KIRBY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS			\$ 9,098,738
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.			7,623,422
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned in the funds.			261,406
Compensated absences are not due and payable in the current period and, therefore, not reported in the funds.			(133,162)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.			(7,297,188)
Net pension liabilities (and related deferred outflows and inflows of resources) do not provide current financial resources and are not reported in the funds.			
Net Pension Liability	(1,569,735)		
Pension Related Deferred Outflows	841,372		
Pension Related Deferred Inflows	<u>(275,820)</u>	(1,004,183)	
Net Other Post Employment Benefit (OPEB) Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources and are not reported in governmental funds.			
Net OPEB Liability	(82,513)		
OPEB Related Deferred Outflows	5,800		
OPEB Related Deferred Inflows	<u>(7,418)</u>	(84,131)	
Accrued interest payable on long-term-bonds is not due and payable in the current period and, therefore, not reported in the funds.			<u>(20,144)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES			<u>\$ 8,444,758</u>

See accompanying notes to basic financial statements.



CITY OF KIRBY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Major Fund</u> General Fund	<u>Major Fund</u> Debt Service	<u>Major Fund</u> Capital Projects Fund
REVENUES			
Taxes	\$ 2,273,779	\$ 366,722	\$ -
Franchise Fees	400,883	-	-
Licenses and Permits	161,377	-	-
Intergovernmental	10,592	-	-
Fines and Penalties	262,518	-	-
Charges for Services	846,066	-	-
Grants	289,249	-	-
Miscellaneous	46,108	112	167,555
TOTAL REVENUES	<u>4,290,572</u>	<u>366,834</u>	<u>167,555</u>
EXPENDITURES			
<i>Current:</i>			
City Council	11,248	-	-
City Administration	391,415	-	-
Police Protection	1,331,899	-	-
Municipal Court	89,348	-	-
Fire\EMS Protection	1,277,522	-	-
Animal Services	178,208	-	-
Parks and Pool	170,294	-	-
Streets and Shops	259,556	-	-
Crime Control	-	-	-
General City Operations	519,201	-	-
Capital Projects/Outlay	753,123	-	221,100
Debt Service:			
Principal	76,997	345,000	-
Interest and Fiscal Charges	12,057	261,687	-
TOTAL EXPENDITURES	<u>5,070,868</u>	<u>606,687</u>	<u>221,100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (780,296)</u>	<u>\$ (239,853)</u>	<u>\$ (53,545)</u>

See accompanying notes to basic financial statements.

<u>Nonmajor Fund</u>	<u>Total</u>
<u>Crime</u>	<u>Governmental</u>
<u>Control</u>	<u>Funds</u>
\$ 64,498	\$ 2,704,999
-	400,883
-	161,377
-	10,592
-	262,518
-	846,066
-	289,249
431	214,206
<u>64,929</u>	<u>4,889,890</u>
-	11,248
-	391,415
-	1,331,899
-	89,348
-	1,277,522
-	178,208
-	170,294
-	259,556
48,171	48,171
-	519,201
-	974,223
-	421,997
-	273,744
<u>48,171</u>	<u>5,946,826</u>
<u>\$ 16,758</u>	<u>\$ (1,056,936)</u>

CITY OF KIRBY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Major Fund</u> General Fund	<u>Major Fund</u> Debt Service	<u>Major Fund</u> Capital Projects Fund
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 480,000	\$ 245,894	\$ -
Transfers Out	(245,894)	-	-
Proceeds from Sale of Assets	<u>4,095</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>238,201</u>	<u>245,894</u>	<u>-</u>
Net Change in Fund Balance	(542,095)	6,041	(53,545)
Fund Balances at Beginning of Year	<u>2,692,649</u>	<u>46,158</u>	<u>6,854,747</u>
Fund Balances at End of Year	<u><u>\$ 2,150,554</u></u>	<u><u>\$ 52,199</u></u>	<u><u>\$ 6,801,202</u></u>

See accompanying notes to basic financial statements.

<u>Nonmajor Fund</u>		<u>Total</u>	
<u>Crime</u>		<u>Governmental</u>	
<u>Control</u>		<u>Funds</u>	
\$	-	\$	725,894
	-		(245,894)
	-		4,095
	-		484,095
	16,758		(572,841)
	78,025		9,671,579
<u>\$</u>	<u>94,783</u>	<u>\$</u>	<u>9,098,738</u>

CITY OF KIRBY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (572,841)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation. 330,676

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (6,397)

The issuance of long-term-debt (e.g. bonds and capital leases) provides current financial resources to governmental funds, while the repayment of 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 net effect of premiums, discounts, and similar items when debt is first issued, where as these amounts are 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.

Repayment of Principal	345,000	
Amortization of Bond Premium	13,500	
Repayment of Capital Lease Principal	76,997	435,497

Governmental funds report required contributions to employee pensions as expenditures. However, in the Statement of Activities the cost of the pension is recorded based on the actuarially determined cost of the plan. This is the amount that contributions exceeded the actuarially determined pension expense. (75,429)

Governmental funds report required contributions to Other Post Employment Benefits (OPEB) as expenditures. However, in the Statement of Activities the expense for the OPEB is recorded based on the actuarially determined cost of the plan. This is the amount that contributions differed from the actuarially determined OPEB expense. (8,240)

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:

Compensated Absences	(29,764)	
Accrued Interest	2,176	(27,588)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 75,678

See accompanying notes to basic financial statements.



CITY OF KIRBY, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2019

	Business-Type Activities <u>Waterworks\Sewer Fund</u>
ASSETS	
<i>Current Assets:</i>	
Cash and Investments	\$ 2,504,841
Receivables (net of allowances for uncollectibles):	
Accounts	270,424
Inventories	28,150
Prepaid Items	<u>31,353</u>
<i>Total Current Assets</i>	<u>2,834,768</u>
<i>Restricted Assets:</i>	
Cash and Investments	<u>203,466</u>
<i>Total Restricted Assets</i>	<u>203,466</u>
<i>Capital Assets:</i>	
Land	7,005
Utility Plant and Easements	7,234,722
Transportation & Equipment	717,267
Software	42,000
Construction in Progress	-
Accumulated Depreciation	<u>(4,532,751)</u>
<i>Capital Assets, net of accumulated depreciation</i>	<u>3,468,243</u>
TOTAL ASSETS	<u>6,506,477</u>
DEFERRED OUTFLOWS	
Deferred Other Post Employment Benefit Outflows	735
Deferred Pension Related Outflows	<u>95,987</u>
TOTAL DEFERRED OUTFLOWS	<u>\$ 96,722</u>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUND (CONTINUED)
SEPTEMBER 30, 2019

	Business-Type Activities Waterworks\Sewer Fund
LIABILITIES	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 264,345
Accrued Compensated Absences	16,605
Due to Other Funds	128,654
<i>Total Current Liabilities</i>	<u>409,604</u>
 <i>Current Liabilities Payable from Restricted Assets:</i>	
Customer Deposits	<u>182,840</u>
<i>Total Current Liabilities Payable from Restricted Assets</i>	<u>182,840</u>
 <i>Noncurrent Liabilities:</i>	
Net Other Post Employment Benefits Liability	10,359
Net Pension Liability	<u>173,589</u>
<i>Total Noncurrent Liabilities</i>	<u>183,948</u>
 TOTAL LIABILITIES	<u>776,392</u>
 DEFERRED INFLOWS	
Deferred Other Post Employment Benefit Inflows	878
Deferred Pension Related Inflows	<u>34,481</u>
 TOTAL DEFERRED INFLOWS	<u>35,359</u>
 NET POSITION	
Net Investment in Capital Assets	3,468,243
Unrestricted	<u>2,323,205</u>
 TOTAL NET POSITION	<u><u>\$ 5,791,448</u></u>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities Waterworks\Sewer Fund
OPERATING REVENUES	
Charges for Utility Service	\$ 2,236,901
TOTAL OPERATING REVENUES	<u>2,236,901</u>
OPERATING EXPENSES	
Salaries and Benfits	373,789
Supplies	71,975
Maintenance and Repairs	82,629
Contractual Services	826,416
Miscellaneous	76,628
Depreciation	234,475
TOTAL OPERATING EXPENSES	<u>1,665,912</u>
OPERATING INCOME (LOSS)	<u>570,989</u>
NONOPERATING REVENUES (EXPENSES)	
Interest Income	46,732
Gain on Sale of Property and Equipment	11,138
Capital Improvement Fee	124,912
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>182,782</u>
Net Income (Loss) Before Contributions and Transfers	753,771
Transfers In (Out)	<u>(480,000)</u>
CHANGE IN NET POSITION	273,771
NET POSITION AT BEGINNING OF YEAR	<u>5,517,677</u>
NET POSITION AT END OF YEAR	<u><u>\$ 5,791,448</u></u>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities Waterworks\Sewer Fund
Cash Flows From Operating Activities:	
Cash Received From Customers	\$ 2,269,908
Cash Paid for Employee Wages & Benefits	(359,292)
Cash Paid to Suppliers for Goods & Services	(1,010,653)
Net Cash Provided (Used) by Operating Activities	899,963
Cash Flows From Noncapital Financing Activities:	
Customer Deposits Received (Returned)	3,800
Interfund Payables (Receivables)	(95,537)
Transfers From (To) Other Funds	(480,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(571,737)
Cash Flows From Capital and Related Financing Activities:	
Purchase/Construction of Capital Assets	(394,728)
Proceeds from Sale of Property and Equipment	11,138
Capital Improvement Fee	124,912
Net Cash Provided (Used) by Capital and Related Financing Activities	(258,678)
Cash Flows From Investing Activities:	
Investment Interest Received	46,732
Net Cash Provided (Used) by Investing Activities	46,732
Net Increase (Decrease) in Cash and Investments	116,280
Cash and Investments at Beginning of Year:	
Cash and Investments	2,398,062
Restricted Cash and Investments	193,965
	2,592,027
Cash and Investments at End of Year:	
Cash and Investments	2,504,841
Restricted Cash and Investments	203,466
	\$ 2,708,307

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities <u>Waterworks\Sewer Fund</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ 570,989
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	234,475
(Increase) Decrease in Operating Assets:	
Accounts Receivable	33,007
Inventory	(320)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	47,315
Accrued Wages & Benefits	5,132
Net Other Post Employment Benefits Liability	976
Net Pension Liability	<u>8,389</u>
Total Adjustments to Reconcile Operating Activities	<u>328,974</u>
 Net Cash Provided (Used) by Operating Activities	 <u><u>\$ 899,963</u></u>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Kirby, Texas ("City"), was incorporated in May 1955. The City Charter was adopted in May 1988, under the provisions of the Home Rule Charter Act of the State of Texas. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: police and fire protection, health services, maintenance of streets, planning and zoning, parks and recreation, general administrative services, water, and sewer services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. REPORTING ENTITY

In evaluating how to define the government for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14, "The Financial Reporting Entity" and GASB Statement 39 "Determining Whether Certain Organizations are Component Units". The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The City has two component units, the Kirby Senior Center and the Kirby Crime Control District.

Component Units

The Board of the Kirby Senior Center is appointed by the City of Kirby, Texas', City Council. The center was established to provide senior citizens with educational, recreational, health and nourishment programs. The City of Kirby, Texas, provides a some maintenance to help maintain the facility. The City has approval over the budget of the senior center and general oversight of the entire operation. The City has elected not to present a discrete presentation of those financial statements in the City's annual financial report. Copies of the individual audit of the Kirby Senior Center for the year ended September 30, 2019 can be obtained from City Hall.

The Kirby Crime Control and Prevention District, an entity legally separate from the City, was created pursuant to Section 363.051, et. Seq, of the Crime Control District Act. The District was created in November 2014, to act on behalf of Kirby for promotion, development and enhancement of crime control and prevention within the City of Kirby. For financial reporting purposes, the District is reported as if it were part of the City's operations because its purpose is to benefit the citizens of the City. The District is governed by a 7 member board appointed by council.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City and its component unit. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. The primary government is reported separately from the component unit within the government wide statements.

The statement of activities reflects the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds and proprietary funds. The General Fund, Debt Service Fund, and Capital Projects Fund meet the criteria of a ***major governmental fund***. These funds are reflected in a separate column in the Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balances.

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary and fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue types which have been accrued consist of revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs and investment earnings.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Governmental fund level financial statements are reported using 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as unearned revenue.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when the liability has matured and payment is due.

The government reports the following major governmental funds:

The General Fund is the general operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, public service and capital acquisition.

The Debt Service Fund is used to account for the revenues specifically restricted by law for debt retirement (i.e.: ad valorem).

The Capital Projects Fund is used to account for all funds collected and disbursed for street, sidewalk, and drainage improvements and other capital projects.

The City has the following non-major fund: Crime Control District

Proprietary fund level financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The City's Proprietary Fund is the Water/Sewer Fund (used to account for the provision of water and sewer services to residents).

The **Proprietary Fund** is accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
2. Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

2. (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the City.

Certain cash balances (such as debt service collections) are restricted for specific purposes. Unless that purpose is narrower than the purpose of the fund, cash is reported as unrestricted.

5. INVESTMENTS

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d); or, (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. The City has all its monies in interest bearing checking accounts, savings accounts, money market accounts or certificates of deposit. Earnings from these investments are added to each account monthly or quarterly. Investments are carried at fair value in accordance with Governmental Accounting Standards Board (GASB) No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

6. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, and past due after January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. ACCOUNTS RECEIVABLE (Continued)

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements. Receivables are shown net of an allowance for uncollectible accounts.

7. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

8. INVENTORIES

Inventories of consumable supplies are valued at cost, which approximates market, using the first in/first out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

Inventories of repair and replacement parts for the utility system are valued at cost, which approximates market, using the first in, first out method.

9. PREPAID ITEMS

Payments made for goods and services in advance are recorded as prepaid items on the balance sheet.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and in the fund financial statements are offset by a reservation of fund balance which indicates they do not represent “available spendable resources”.

10. RESTRICTED ASSETS

Certain resources are set aside for customer meter deposits, deposits are classified as restricted assets on the balance sheet because they may be refunded at a point in time if the customer is in good standing with the waterworks/sewer department.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the applicable governmental or business type activities column in the government-wide financial statements.

Capital assets such as equipment are defined as assets with a cost of \$5,000 or more. Infrastructure assets include City-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>ASSETS</u>	<u>YEARS</u>
Buildings and improvements	20 to 40 years
Improvements other than buildings	20 to 40 years
Utility system in service	10 to 50 years
Machinery and equipment	5 to 25 years
Software	5 years

12. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category: deferred pension and OPEB related outflows reported on the government-wide and proprietary statements. The deferred pension and OPEB related outflows result from contributions made after the measurement date and changes in assumptions.

Deferred inflows of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. The deferred pension related inflows result from differences between expected and actual experiences and differences in between expected and actual investment return.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. COMPENSATED ABSENCES

Employees earn vacation leave at varying rates depending on length of service: 10 days leave for year 1 (not available for use until first year of service is completed), plus 1 additional day per year for each year of service (i.e. 11 days for year two, 12 days for year three, etc.) up to a maximum of 30 days per year. Annual leave will not be carried over, except with City Manager approval.

Employees earn sick leave at the rate of 1 day per month starting on date of employment. A maximum of 60 days of sick leave can be accrued. No sick leave days are paid when an employee leaves city employment and no liability is reported for unpaid sick leave.

Liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

14. UNAVAILABLE REVENUE/UNEARNED REVENUE

Unavailable revenue is reported only in the governmental funds balance sheet under a modified accrual basis of reporting. Unavailable revenues from EMS and property taxes are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. EMS and property tax revenues not expected to be available for the current period are reflected as unavailable revenue as an inflow of resources in the period the amounts become available.

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grant and other revenues received in advance of expenses/expenditures are reflected as unearned revenue.

15. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premiums and discounts are amortized over the life of the bond.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs 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.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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.

The Total OPEB Liability, deferred inflows and outflows of resources, and OPEB expense, have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

17. FUND EQUITY

Fund balances in governmental funds are classified as follows:

Nonspendable - Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted - Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed - Represents amounts that can only be used for a specific purpose because of a highest formal action by the City Council (ordinance). Committed amounts cannot be used for any other purpose unless the City Council removes those constraints through the same formal action.

Assigned - Represents amounts which the City intends to use for a specific purpose but do not meet the criteria of restricted or committed. The City Council is the only entity that may make assignments at this time as the Council has not designated any other individuals with the authority to make assignments.

Unassigned - Represents the residual balance that may be spent on any other purpose of the City.

When an expenditure is incurred for a purpose in which multiple classifications are available, the City considers restricted balances spent first, committed second and assigned third.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

18. NET POSITION

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

19. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the City, those revenues are charges for water, and sewer services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as nonoperating.

20. INTERFUND TRANSACTIONS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

The City allocates to the Waterworks/Sewer (Proprietary) Fund an indirect cost percentage of general government administration expenses that are paid through the general fund.

21. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

22. NEW PRONOUNCEMENT

In April 2018, GASB issued Statement No. 88, *Certain disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement establishes new note disclosure requirements for long-term debt, including direct borrowings and placements. In addition, this Statement requires that a government should disclose in the notes to financial statements summarized information about the following items: (1) amount of unused lines of credit, (2) assets pledged as collateral for debt, and (3) terms specified in debt agreements with finance-related consequences such as: (a) events of default, (b) termination events, and (c) subjective acceleration clauses. This Statement also requires that disclosures for direct borrowings and placements be distinct from other debt disclosures. This Statement is effective for the City's financial periods beginning October 1, 2018. The City did not have any direct borrowings or placements that are distinct from other debt disclosures.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE B – DEPOSITS AND INVESTMENTS

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledge securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Deposits

At September 30, 2019, all of the City's deposits were fully collateralized. Of the bank balance, \$250,000 was covered by federal deposit insurance and the City's depository had a pledged letter of credit having a value of \$4,000,000 as collateral for the City's deposits.

2. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the City adhered to the requirements of the Act with the exception of one item. One of the investment officers did obtain the public funds investment act training within a two year period. However, the training was completed as of the date of this report. Additionally, investment practices of the City were in accordance with local policies.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

3. Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE B – DEPOSITS AND INVESTMENTS (Continued)

3. Fair Value Measurement (Continued)

As of September 30, 2019, the City's recurring fair value measurement assets consist of Texas Local Government Investment Pools. These investments are valued using prices quoted in active markets for those securities (Level 1).

The following table summarizes the assets for which fair values are determined on a recurring basis as of September 30, 2019:

	<u>Fair Value</u>	<u>Maturity in Days</u>
TexPool	\$ 9,431,955	34
Total Investments	<u>\$ 9,431,955</u>	

4. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the City was not significantly exposed to credit risk.

At September 30, 2019, the City's investments were all in TexPool a public funds investment pool where all securities held maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name.

At year end, the City was not exposed to custodial credit risk.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE B – DEPOSITS AND INVESTMENTS (Continued)

4. Analysis of Specific Deposit and Investment Risks (Continued)

c. Concentration of Credit Risk

The risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City had no exposure to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year-end, the City was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

5. Investment Accounting Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

6. Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

NOTE C -- RECEIVABLES

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

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE C – RECEIVABLES (Continued)

	Governmental Funds		Proprietary Fund	
	General	Debt	Waterworks\	
	Fund	Service	Sewer Fund	Total
<i>Receivables:</i>				
Property Taxes	\$ 126,470	\$ 23,185	\$ -	\$ 149,655
Less Allowance for Uncollectibles	(14,408)	(2,641)	-	(17,049)
Franchise Taxes	90,344	-	-	90,344
EMS Services	643,997	-	-	643,997
Less Allowance for Uncollectibles	(515,198)	-	-	(515,198)
Customer Accounts	-	-	314,618	314,618
Less Allowance for Uncollectibles	-	-	(44,194)	(44,194)
Other	47,908	-	-	47,908
Net Total Receivables	<u>\$ 379,113</u>	<u>\$ 20,544</u>	<u>\$ 270,424</u>	<u>\$ 670,081</u>

NOTE D -- RESTRICTED CASH

Cash is reported as restricted when it has restrictions on its use narrower than the purpose of the fund in which it is reported. As of September 30, 2019, restricted cash consists of \$135,889 of public, educational, and governmental fees held for return to franchise entity, \$203,466 of customer meter deposits, and \$6,864,012 of funds restricted for capital projects..

NOTE E -- PROPERTY TAX CALENDAR

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Bexar County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2018, upon which the fiscal 2019 levy was based, was \$322,853,160 (i.e., market value less exemptions). The estimated market value was \$359,936,172, making the taxable value 90.0% of the estimated market value.

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2019, was \$.729376 per \$100 of assessed value, which means that the City has a tax margin of \$1.770624 for each \$100 value and could increase its annual tax levy by approximately \$5,716,515.54 based upon the present assessed valuation of \$322,853,160 before the limit is reached. However, the City may not adopt a tax rate that exceeds the tax rate calculated in accordance with the Texas Property Tax Code without holding two public hearings. The Property Tax Code subjects an increase in the proposed tax rate to a referendum election, if petitioned by registered voters, when the effective tax rate increase is more than eight percent (8%) of the previous year's maintenance and operations tax rate.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE E -- PROPERTY TAX CALENDAR (Continued)

Property taxes are recorded as receivables and unearned revenues at the time the taxes are assessed. In governmental funds, revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in the time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue. In the government-wide financial statements, the entire levy is recognized as revenue, net of estimated uncollectible amounts (if any), at the levy date.

NOTE F -- INTERFUND RECEIVABLE/PAYABLE

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of September 30, 2019, balances of interfund amounts receivable or payable have been recorded as follows:

	<u>Due From</u>	<u>Due To</u>	<u>Purpose</u>
Primary Government:			
General Fund/Water Sewer Fund	\$ 128,654	\$ 128,654	Reimbursement
	<u>\$ 128,654</u>	<u>\$ 128,654</u>	

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE G -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019, was as follows:

<i>Governmental Activities</i>	Balance 10/1/2018	Additions/ Transfer In	Disposals/ Transfer Out	Balance 9/30/2019
Land	\$ 836,120	\$ -	\$ -	\$ 836,120
Buildings and Improvements	5,150,097	-	-	5,150,097
Transportation & Equipment	3,377,835	156,526	(89,467)	3,444,894
Infrastructure	12,693,482	63,751	-	12,757,233
Software	78,790	9,460	-	88,250
Construction in Progress	609,968	665,513	-	1,275,481
	<u>22,746,292</u>	<u>895,250</u>	<u>(89,467)</u>	<u>23,552,075</u>
Less Accumulated Depreciation				
Buildings and Improvements	(1,855,361)	(156,826)	-	(2,012,187)
Transportation & Equipment	(2,078,826)	(271,580)	89,467	(2,260,939)
Infrastructure	(11,440,569)	(134,854)	-	(11,575,423)
Software	(78,790)	(1,314)	-	(80,104)
	<u>(15,453,546)</u>	<u>(564,574)</u>	<u>89,467</u>	<u>(15,928,653)</u>
Governmental Capital Assets, Net	<u>\$ 7,292,746</u>	<u>\$ 330,676</u>	<u>\$ -</u>	<u>\$ 7,623,422</u>
<i>Business-Type Activities</i>				
Land	\$ 7,005	\$ -	\$ -	\$ 7,005
Utility Plant	7,126,873	114,049	(6,200)	7,234,722
Transportation & Equipment	546,351	289,969	(119,053)	717,267
Software	42,000	-	-	42,000
Construction in Progress	9,290	-	(9,290)	-
Totals at Historical Cost	<u>7,731,519</u>	<u>404,018</u>	<u>(134,543)</u>	<u>8,000,994</u>
Less Accumulated Depreciation				
Buildings and Improvements	(87,506)	(3,255)	-	(90,761)
Utility Plant	(3,862,096)	(184,306)	-	(4,046,402)
Transportation & Equipment	(431,927)	(46,914)	125,253	(353,588)
Software	(42,000)	-	-	(42,000)
	<u>(4,423,529)</u>	<u>(234,475)</u>	<u>125,253</u>	<u>(4,532,751)</u>
Business-Type Capital Assets, Net	<u>\$ 3,307,990</u>	<u>\$ 169,543</u>	<u>\$ (9,290)</u>	<u>\$ 3,468,243</u>

Land and Construction in Progress are not depreciated.

Depreciation expense was charged to the governmental functions as follows:

City Administration	\$ 9,369
Fire Protection\EMS	177,221
Police Protection	77,400
Public Works	283,503
Animal Services	17,081
Total Depreciation Expense - Governmental Activities	<u>\$ 564,574</u>

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE H -- LONG-TERM DEBT

Primary Government

Long-term debt and obligations payable at September 30, 2019, comprise the following individual issues:

\$483,767 Capital Lease Obligation for a 2016 Pierce Fire Pumper payable in annual installments of \$56,654 through 2024; interest rate of 3.07%. The Pumper is included in the Capital Assets for a cost of \$483,767 with accumulated depreciation of \$77,403.	\$ 258,933
\$181,836 Capital Lease Obligation payable for a Tymco Street Sweeper paid in annual installments of \$32,398 through 2021; interest rate of 2.75%. The Street Sweeper is recorded in capital assets for a cost of \$181,836 with accumulated depreciation of \$105,016.	66,738
\$6,715,000 General Obligation Bonds, Series 2018 payable in annual installments of \$250,000 to \$475,000 through 2038; interest at 3.00% to 4.00%. This general obligation is not a direct placement.	<u>6,715,000</u>
<i>Total Governmental Long-Term Obligations</i>	<u><u>\$ 7,040,671</u></u>

The annual requirements to amortize all long-term bonded debt and obligations outstanding as of September 30, 2019, including interest payments, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 250,000	\$ 115,863	\$ 365,863
2021	260,000	110,663	370,663
2022	270,000	105,263	375,263
2023	280,000	99,663	379,663
2024	290,000	93,863	383,863
2025-2029	1,630,000	377,413	2,007,413
2030-2034	1,935,000	227,694	2,162,694
2035-2038	1,800,000	51,667	1,851,667
	<u>\$ 6,715,000</u>	<u>\$ 1,182,089</u>	<u>\$ 7,897,089</u>

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE H -- LONG-TERM DEBT (Continued)

Future payments under the capital leases are as follows:

Year Ending September 30,	Lease Payments
2020	\$ 89,050
2021	93,824
2022	56,654
2023	56,654
2024	56,652
Total	352,834
Less: Amount Representing Interest	(27,163)
	<u>\$ 325,671</u>

Changes in Long-Term Liabilities

<u>Governmental Activities</u>	Balance 10/1/2018	Additions	Reductions	Balance 9/30/2019	Due Within One Year
General Obligation Bonds, 2018	\$ 6,715,000	\$ -	\$ -	\$ 6,715,000	\$ 250,000
Premium	270,017	-	(13,500)	256,517	13,502
Certificates of Obligation, 2009	345,000	-	(345,000)	-	-
Premium	-	-	-	-	-
Capital Leases	402,668	-	(76,997)	325,671	79,264
Compensated Absences	103,398	133,162	(103,398)	133,162	133,162
Total Governmental Activities	<u>\$ 7,836,083</u>	<u>\$ 133,162</u>	<u>\$ (538,895)</u>	<u>\$ 7,430,350</u>	<u>\$ 475,928</u>
 <u>Business-Type Activities</u>					
Compensated Absences	<u>\$ 11,473</u>	<u>\$ 16,605</u>	<u>\$ (11,473)</u>	<u>\$ 16,605</u>	<u>\$ 16,605</u>
Total Business-Type Activities	<u>11,473</u>	<u>16,605</u>	<u>(11,473)</u>	<u>16,605</u>	<u>16,605</u>
 Total Primary Government	 <u>\$ 7,847,556</u>	 <u>\$ 149,767</u>	 <u>\$ (550,368)</u>	 <u>\$ 7,446,955</u>	 <u>\$ 492,533</u>

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE I -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

1. Plan Description

The City participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the state of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Service Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

2. Benefits Provided

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

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

The City of Kirby has a 7% employee deposit rate and a 2 to 1 matching ratio. Military service credit effective date was March 1999. They have no buy back election. The City of Kirby plan provisions have a 5 year vesting period. An employee is eligible to retire after 5 year of service at the age of 60 or after 20 years of service at any age. The statutory maximum percentage is 13.5%.

At the December 31, valuations and measurement dates, the following employees were covered by the benefit terms:

	2018	2017
Inactive employees or beneficiaries currently receiving benefits	30	28
Inactive employees entitled to but not yet receiving benefits	88	87
Active employees	59	54
	<u>177</u>	<u>169</u>

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE I -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

3. Contributions

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

For the year ending September 30, 2019, 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 14.43% and 14.65% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019 were \$356,629, and were equal to the required contributions.

4. Net Pension Liability

The City's Net Pension Liability (NPL) or Asset was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

5. Actuarial Assumptions

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary Increases	3.0%, including inflation
Investment Rate of Return*	6.75%

* Presented net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Health Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE I -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

5. Actuarial Assumptions (Continued)

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. 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 the expected inflation. In determining their best estimated 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.30%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.39%
Real Return	10.00%	3.78%
Real Estate	10.00%	4.44%
Absolute Return	10.00%	3.56%
Private Equity	5.00%	7.75%
	<u>100.00%</u>	

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE I -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

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

7. Changes in Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2018:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2017	\$ 8,525,162	\$ 7,464,673	\$ 1,060,489
Changes for the year:			
Service Cost	383,357	-	383,357
Interest	575,534	-	575,534
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(43,290)	-	(43,290)
Changes of Assumptions	-	-	-
Contributions - Employer	-	310,406	(310,406)
Contributions - Employee	-	150,589	(150,589)
Net Investment Income	-	(223,682)	223,682
Benefit Payments, Including Refunds of Employee Contributions	(380,836)	(380,836)	-
Administrative Expense	-	(4,321)	4,321
Other Changes	-	(226)	226
Net Changes	534,765	(148,070)	682,835
Balance at December 31, 2018	\$ 9,059,927	\$ 7,316,603	\$ 1,743,324

8. Discount Rate Sensitivity Analysis

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City'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:

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability	\$ 3,137,293	\$ 1,743,324	\$ 619,116

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE I -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

9. 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 at www.tmrs.com.

10. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the City recognized pension expense of \$440,424. Also as of September 30, 2019, 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	\$ 915	\$ 35,371
Changes in Actuarial Assumptions	-	-
Differences Between Projected and Actual Investment Earnings	660,259	274,930
Contributions Subsequent to the Measurement Date	276,185	-
	<u>\$ 937,359</u>	<u>\$ 310,301</u>

Deferred outflows of resources in the amount of \$276,185 is related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the year ending December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended December 31,

2019	\$ 113,214
2020	39,885
2021	52,263
2022	145,511
	<u>\$ 350,873</u>

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE J -- OTHER POST EMPLOYMENT BENEFIT

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's annual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

Membership in the plan at December 31, the valuations and measurement dates, consisted of:

	2018	2017
Inactive Employees or Beneficiaries Currently Receiving Benefits	17	17
Inactive Employees Entitled to but Not Yet Receiving Benefits	5	4
Active Employees	59	54
Total	<u>81</u>	<u>75</u>

The SDBF required contribution rates, based on these assumptions, are as follows:

	Total SDBF Contribution Rate	Retiree Portion of SDBF Contribution Rate
For the Plan Year Ended December 31,		
2017	0.12%	0.01%
2018	0.14%	0.02%
2019	0.11%	0.02%

These contribution rates are based on actuarial assumptions developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method. These assumptions are summarized below:

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE J -- OTHER POST EMPLOYMENT BENEFIT (Continued)

Salary Increases	3.50% to 10.50% Including Inflation
Discount Rate	3.71% (Based on Fidelity's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	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.
Mortality Rates - Disabled Retirees	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.
Other Information:	No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75 to pay related benefits.
Note:	The The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2018, the measurement and actuarial valuation date, was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2017	\$ 93,126
Changes for the year:	
Service Cost	6,669
Interest on Total OPEB Liability	3,186
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(1,811)
Changes of Assumptions or Other Inputs	(7,868)
Benefit Payments	(430)
Net Changes	(254)
Balance at December 31, 2018	\$ 92,872

There is no separate trust maintained to fund this TOL. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75 to pay related benefits.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE J -- OTHER POST EMPLOYMENT BENEFIT (Continued)

The following presents the TOL of the City, calculated using the discount rate of 3.71% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (2.71%) and 1-percentage point higher (4.71%) than the current rate:

	Discount Rate 2.71%	Discount Rate 3.71%	Discount Rate 4.71%
Total OPEB Liability	\$ 114,289	\$ 92,872	\$ 76,512

For the year ended September 30, 2019, the City recognized OPEB expense of \$9,704 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 1,552
Changes in Assumptions and Other Inputs	6,158	6,744
Contributions Subsequent to the Measurement Date	377	-
	<u>\$ 6,535</u>	<u>\$ 8,296</u>

Deferred outflows of resources in the amount of \$377 is related to OPEB benefits resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the plan year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year ended December 31,	
2019	\$ (151)
2020	(151)
2021	(151)
2022	(151)
2023	(153)
Thereafter	(1,381)
	<u>\$ (2,138)</u>

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE K -- TRANSFERS

Transfers during the year ended September 30, 2019, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Purpose</u>
Primary Government:			
Debt Service/General Fund	\$ 245,894	\$ 245,894	Funding for Debt Payments
General Fund/Water Sewer Fund	480,000	480,000	Transfer in Lieu of Taxes
	<u>\$ 725,894</u>	<u>\$ 725,894</u>	

NOTE L -- COMMITMENTS AND CONTINGENCIES

Litigation

The City is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the City's liability in these cases, if decided adversely to the City, will not have a material effect on the City's financial position.

Contracts

During fiscal year 2015, the City of Kirby and Kirby Senior Center entered into an agreement in which the Center would pay \$1 per year to the City of Kirby for the rental of the land and building where the Center conducts business. The terms of the lease will terminate on April 30, 2020.

As of September 30, 2019, the City of Kirby had outstanding contracts with Ford Engineering, Inc. and San Antonio Contractors for Binz Engleman street reconstruction for a cost of \$274,076 and \$2,199,696, respectively, of which \$245,161 and \$754,766, respectively, was incurred by the end of the fiscal year. The City expects the remaining cost to be incurred during fiscal year 2020.

As of September 30, 2019, the City of Kirby had outstanding contracts M&S Engineering and R.L.Jones for Hickory Hill Drive street reconstruction for a cost of \$56,000 and \$449,688, respectively, of which \$51,200 and \$0, respectively, was incurred by the end of the fiscal year. The City expects the remaining cost to be incurred during fiscal year 2020.

As of September 30, 2019, the City of Kirby had outstanding contracts with M&S Engineering and J&P Paving for the 2018 bond street reconstruction projects for a cost of \$625,000 (\$40,000 for Phase 1 and \$585,000 for Phase 2) and \$180,751 (Phase 1), respectively, of which \$220,000 and \$0, respectively, was incurred by the end of the fiscal year. The City expects the remaining cost to be incurred during fiscal year 2020.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF KIRBY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE M – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the City is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2019 were \$133,973 for property and casualty and workers compensation coverage.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of Changes – Net Pension Liability and Related Ratios
- Schedule of Contributions – Defined Benefit Pension Plan
- Schedule of Changes – Total Other Post Employment Benefit Liability and Related Ratios

CITY OF KIRBY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budget Amounts		2019 Actual Amounts	Variance Favorable (Unfavorable)	2018 Actual Amounts
	Original	Final			
REVENUES					
Taxes	\$ 2,200,770	\$ 2,261,954	\$ 2,273,779	\$ 11,825	\$ 2,261,842
Franchise Fees	371,725	371,725	400,883	29,158	424,334
Licenses and Fees	167,700	165,650	161,377	(4,273)	413,684
Intergovernmental Revenues	9,800	9,800	10,592	792	10,245
Charges for Services	858,000	858,000	846,066	(11,934)	827,423
Grants	2,343,682	2,343,821	289,249	(2,054,572)	1,018,408
Fines and Penalties	225,000	225,000	262,518	37,518	214,227
Miscellaneous	20,202	39,202	46,108	6,906	35,378
TOTAL REVENUES	6,196,879	6,275,152	4,290,572	(1,984,580)	5,205,541
EXPENDITURES:					
<i>City Council:</i>					
Salaries/Expenses	6,795	6,795	6,517	278	4,925
Supplies	2,500	2,500	1,764	736	2,329
Meeting and Travel	5,000	5,000	2,967	2,033	2,472
<i>Total City Council</i>	<u>14,295</u>	<u>14,295</u>	<u>11,248</u>	<u>3,047</u>	<u>9,726</u>
<i>City Administration:</i>					
Salaries & Benefits	364,483	364,483	351,282	13,201	344,181
Maintenance	8,000	8,185	7,993	192	8,185
Contract Services	27,500	28,500	22,064	6,436	35,075
Miscellaneous	9,100	11,100	10,076	1,024	7,101
<i>Total City Administration</i>	<u>409,083</u>	<u>412,268</u>	<u>391,415</u>	<u>20,853</u>	<u>394,542</u>
<i>Police Protection:</i>					
Salaries & Benefits	1,197,011	1,228,811	1,176,134	52,677	1,072,342
Supplies	55,600	55,600	52,603	2,997	48,782
Maintenance	100,064	101,564	78,362	23,202	77,380
Contract Services	25,000	25,000	17,154	7,846	8,159
Miscellaneous	15,800	14,000	7,646	6,354	7,372
<i>Total Police Protection</i>	<u>\$ 1,393,475</u>	<u>\$ 1,424,975</u>	<u>\$ 1,331,899</u>	<u>\$ 93,076</u>	<u>\$ 1,214,035</u>

CITY OF KIRBY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budget Amounts		2019	Variance	2018
	Original	Final	Actual Amounts	Favorable (Unfavorable)	Actual Amounts
EXPENDITURES (CONTINUED)					
<i>Municipal Court:</i>					
Salaries & Benefits	\$ 47,576	\$ 48,576	\$ 43,559	\$ 5,017	\$ 37,172
Supplies	1,000	1,450	1,444	6	1,082
Maintenance	8,660	8,770	8,318	452	7,965
Contract Services	38,800	37,800	36,027	1,773	32,954
<i>Total Municipal Court</i>	<u>96,036</u>	<u>96,596</u>	<u>89,348</u>	<u>7,248</u>	<u>79,173</u>
<i>Fire/EMS Protection:</i>					
Salaries & Benefits	1,177,432	1,188,932	1,149,173	39,759	864,292
Supplies	62,600	62,600	44,021	18,579	48,565
Maintenance	67,500	70,715	66,449	4,266	59,604
Contract Services	9,600	9,600	9,507	93	9,580
Miscellaneous	8,670	10,920	8,372	2,548	2,949
<i>Total Fire/EMS Protection</i>	<u>1,325,802</u>	<u>1,342,767</u>	<u>1,277,522</u>	<u>65,245</u>	<u>984,990</u>
<i>Animal Services:</i>					
Salaries & Benefits	196,918	196,918	150,655	46,263	153,615
Supplies	10,200	20,200	10,713	9,487	6,187
Maintenance	5,150	11,150	8,141	3,009	3,443
Contract Services	55,000	25,230	6,856	18,374	23,404
Miscellaneous	2,000	2,000	1,843	157	1,074
<i>Total Animal Services</i>	<u>269,268</u>	<u>255,498</u>	<u>178,208</u>	<u>77,290</u>	<u>187,723</u>
<i>Parks and Pools:</i>					
Salaries & Benefits	77,591	77,791	72,288	5,503	65,245
Supplies	17,500	16,700	11,130	5,570	14,720
Maintenance	35,025	58,625	44,779	13,846	23,605
Contract Services	45,000	45,000	42,097	2,903	42,900
Miscellaneous	1,000	1,000	-	1,000	-
<i>Total Parks and Pools</i>	<u>\$ 176,116</u>	<u>\$ 199,116</u>	<u>\$ 170,294</u>	<u>\$ 28,822</u>	<u>\$ 146,470</u>

CITY OF KIRBY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budget Amounts		2019 Actual Amounts	Variance Favorable (Unfavorable)	2018 Actual Amounts
	Original	Final			
EXPENDITURES (CONTINUED)					
<i>Streets and Shop:</i>					
Salaries & Benefits	\$ 166,566	\$ 166,566	\$ 138,879	\$ 27,687	\$ 146,410
Supplies	41,900	43,900	55,774	(11,874)	24,578
Maintenance	117,620	117,120	31,514	85,606	21,584
Contract Services	30,000	30,000	33,389	(3,389)	118,218
Miscellaneous	1,000	1,000	-	1,000	921
<i>Total Streets and Shop</i>	<u>357,086</u>	<u>358,586</u>	<u>259,556</u>	<u>99,030</u>	<u>311,711</u>
<i>General City Operations:</i>					
Supplies	44,000	45,500	45,512	(12)	29,162
Maintenance	9,000	11,000	9,973	1,027	7,777
Contract Services	395,647	487,725	459,884	27,841	347,291
Miscellaneous	4,200	4,200	3,832	368	5,722
<i>Total General City Operations</i>	<u>452,847</u>	<u>548,425</u>	<u>519,201</u>	<u>29,224</u>	<u>389,952</u>
<i>Capital Outlay</i>	<u>3,275,575</u>	<u>3,270,800</u>	<u>753,123</u>	<u>2,517,677</u>	<u>1,645,831</u>
<i>Debt Service:</i>					
Principal	76,997	76,997	76,997	-	105,800
Interest	12,057	12,057	12,057	-	15,315
<i>Total Debt Service</i>	<u>89,054</u>	<u>89,054</u>	<u>89,054</u>	<u>-</u>	<u>121,115</u>
TOTAL EXPENDITURES	<u>7,858,637</u>	<u>8,012,380</u>	<u>5,070,868</u>	<u>2,941,512</u>	<u>5,485,268</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,661,758)</u>	<u>(1,737,228)</u>	<u>(780,296)</u>	<u>956,932</u>	<u>(279,727)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	480,000	480,000	480,000	-	480,000
Transfers Out	(252,470)	(252,470)	(245,894)	6,576	(252,000)
Proceeds from Sale of Assets	10,000	15,200	4,095	(11,105)	5,212
TOTAL OTHER FINANCING SOURCES (USES)	<u>237,530</u>	<u>242,730</u>	<u>238,201</u>	<u>(4,529)</u>	<u>233,212</u>
Net Change in Fund Balance	<u>(1,424,228)</u>	<u>(1,494,498)</u>	<u>(542,095)</u>	<u>952,403</u>	<u>(46,515)</u>
Fund Balance - Beginning of Year	<u>2,692,649</u>	<u>2,692,649</u>	<u>2,692,649</u>	<u>-</u>	<u>2,739,164</u>
Fund Balance - End of Year	<u>\$ 1,268,421</u>	<u>\$ 1,198,151</u>	<u>\$ 2,150,554</u>	<u>\$ 952,403</u>	<u>\$ 2,692,649</u>

CITY OF KIRBY, TEXAS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
SEPTEMBER 30, 2019

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund, Debt Service Fund and Crime Control Fund.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level. As of September 30, 2019 the City expenditures did not exceed appropriations in total.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and do not constitute expenditures or liabilities because the commitments must be re-appropriated and honored during the subsequent year.



CITY OF KIRBY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST FIVE PLAN YEARS

	Total Pension Liability				
	2014	2015	2016	2017	2018
Service Cost	\$ 288,443	\$ 307,109	\$ 330,096	\$ 350,481	\$ 383,357
Interest (on the Total Pension Liability)	448,141	469,554	500,963	537,217	575,534
Changes of Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience	(226,720)	107,091	(47,866)	2,495	(43,290)
Change of Assumptions	-	41,761	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(195,540)	(231,052)	(215,438)	(297,135)	(380,836)
Net Change in Total Pension Liability	314,324	694,463	567,755	593,058	534,765
Total Pension Liability - Beginning	6,355,562	6,669,886	7,364,349	7,932,104	8,525,162
Total Pension Liability - Ending	<u>\$ 6,669,886</u>	<u>\$ 7,364,349</u>	<u>\$ 7,932,104</u>	<u>\$ 8,525,162</u>	<u>\$ 9,059,927</u>
	Plan Fiduciary Net Position				
	2014	2015	2016	2017	2018
Contributions - Employer	\$ 236,057	\$ 245,466	\$ 249,282	\$ 287,066	\$ 310,406
Contributions - Employee	133,118	128,421	133,103	140,032	150,589
Net Investment Income	301,418	8,470	397,848	893,686	(223,682)
Benefit Payments, Including Refunds of Employee Contributions	(195,540)	(231,052)	(215,438)	(297,135)	(380,836)
Administrative Expense	(3,147)	(5,159)	(4,492)	(4,630)	(4,321)
Other	(259)	(255)	(242)	(235)	(226)
Net Change in Plan Fiduciary Net Position	471,647	145,891	560,061	1,018,784	(148,070)
Plan Fiduciary Net Position - Beginning	5,268,290	5,739,937	5,885,828	6,445,889	7,464,673
Plan Fiduciary Net Position - Ending	<u>\$ 5,739,937</u>	<u>\$ 5,885,828</u>	<u>\$ 6,445,889</u>	<u>\$ 7,464,673</u>	<u>\$ 7,316,603</u>
Net Pension Liability (Asset) - Ending	\$ 929,949	\$ 1,478,521	\$ 1,486,215	\$ 1,060,489	\$ 1,743,324
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.06%	79.92%	81.26%	87.56%	80.76%
Covered Employee Payroll	\$ 1,901,691	\$ 1,834,580	\$ 1,901,472	\$ 2,000,460	\$ 2,151,275
Net Pension Liability as a Percentage of Covered Employee Payroll	48.90%	80.59%	78.16%	53.01%	81.04%

Note: Information for this schedule is being accumulated prospectively until a ten year period is available.

CITY OF KIRBY, TEXAS
CONTRIBUTIONS – DEFINED BENEFIT
LAST FIVE FISCAL YEARS

	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 239,844	\$ 256,566	\$ 273,610	\$ 304,695	\$ 356,629
Contributions in Relation to the Actuarially Determined Contribution	239,844	256,566	273,610	304,695	356,629
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 1,829,346	\$ 1,946,470	\$ 1,947,107	\$ 2,114,425	\$ 2,442,701
Contributions as a Percentage of Covered Employee Payroll	13.11%	13.18%	14.05%	14.41%	14.60%

Note: Information for this schedule is being accumulated prospectively until a ten year period is available.

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 Years
Asset Valuation Method	10 Year Smoothed Market; 15% Soft Corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including Inflation
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 study 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 year.

CITY OF KIRBY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES –TOTAL OTHER POST EMPLOYMENT BENEFIT LIABILITY AND
RELATED RATIOS
LAST TWO CALENDAR YEARS

	Total OPEB Liability	
	2017	2018
Service Cost	\$ 5,401	\$ 6,669
Interest on Total OPEB Liability	2,983	3,186
Changes of Benefit Terms	-	-
Difference between Expected and Actual Experience	-	(1,811)
Change in Assumptions or Other Inputs	8,622	(7,868)
Benefit Payments	(200)	(430)
Net Change in Total OPEB Liability	16,806	(254)
Total OPEB Liability - Beginning	76,320	93,126
Total OPEB Liability - Ending	\$ 93,126	\$ 92,872
Covered Employee Payroll	\$ 2,000,460	\$ 2,151,275
Total OPEB Liability as a Percentage of Covered Employee Payroll	4.66%	4.32%

Note: Information for this schedule is being accumulated prospectively until a ten year period is available.

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Inflation	2.50%
Salary Increases	3.50% to 10.50% Including Inflation
Discount Rate	3.71% (Based on Fidelity's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	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.
Mortality Rates - Disabled Retirees	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75 to pay related benefits.

Note: The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.



SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Comparative Statements – General Fund
- Comparative Statements – Debt Service
- Comparative Statements – Capital Projects Fund
- Comparative Statements – Crime Control
- Comparative Statements – Proprietary Waterworks/Sewer Fund

CITY OF KIRBY, TEXAS
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2019 AND 2018

ASSETS	2019	2018
Cash and Investments	\$ 1,885,796	\$ 2,199,549
Receivables, Net of Allowances for Uncollectibles:		
Property Taxes	112,062	126,434
EMS Charges	128,799	134,032
Accounts	138,252	134,777
Restricted Cash	135,889	119,854
Due from Other Governments	326,727	509,377
Due from Other Funds	128,654	218,822
Inventory of Supplies, At Cost	32,092	57,047
TOTAL ASSETS	<u>\$ 2,888,271</u>	<u>\$ 3,499,892</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ 344,498	\$ 423,949
Accrued Expenditures	152,358	122,827
<i>Total Liabilities</i>	<u>496,856</u>	<u>546,776</u>
<i>Deferred Inflows of Resources:</i>		
Unavailable EMS Revenue	128,799	134,032
Unavailable Tax Revenue	112,062	126,435
<i>Total Deferred Inflows of Resources</i>	<u>240,861</u>	<u>260,467</u>
<i>Fund Balance:</i>		
Nonspendable:		
Inventory of Supplies	32,092	57,047
Restricted for:		
Court Security	39,155	34,689
Court Technology	-	(382)
PEG Capital Fees	138,328	122,556
Unassigned	1,940,979	2,478,739
<i>Total Fund Balance</i>	<u>2,150,554</u>	<u>2,692,649</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,888,271</u>	<u>\$ 3,499,892</u>

CITY OF KIRBY, TEXAS
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
SEPTEMBER 30, 2019 AND 2018

ASSETS	2019	2018
Cash and Investments	\$ 52,199	\$ 41,089
Taxes Receivable	20,544	7,336
Due From Other Funds	-	5,069
TOTAL ASSETS	\$ 72,743	\$ 53,494
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
<i>Deferred Inflows of Resources:</i>		
Unavailable Tax Revenue	\$ 20,544	\$ 7,336
<i>Total Deferred Inflows of Resources</i>	<u>20,544</u>	<u>7,336</u>
<i>Fund Balance:</i>		
Restricted Fund Balance	<u>52,199</u>	<u>46,158</u>
<i>Total Fund Balance</i>	<u>52,199</u>	<u>46,158</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 72,743	\$ 53,494

CITY OF KIRBY, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
DEBT SERVICE FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2019 AND 2018

REVENUES	<u>2019</u>	<u>2018</u>
Taxes	\$ 366,722	\$ 112,954
Interest	<u>112</u>	<u>13,483</u>
TOTAL REVENUES	<u>366,834</u>	<u>126,437</u>
EXPENDITURES		
Principal Payments on General Obligation Bonds	345,000	335,000
Interest Payments on General Obligation Bonds	258,937	19,219
Fiscal Agent Fees	<u>2,750</u>	<u>2,650</u>
TOTAL EXPENDITURES	<u>606,687</u>	<u>356,869</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(239,853)</u>	<u>(230,432)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>245,894</u>	<u>252,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>245,894</u>	<u>252,000</u>
Net Change in Fund Balance	6,041	21,568
Fund Balances at Beginning of Year	<u>46,158</u>	<u>24,590</u>
Fund Balances at End of Year	<u><u>\$ 52,199</u></u>	<u><u>\$ 46,158</u></u>

CITY OF KIRBY, TEXAS
COMPARATIVE BALANCE SHEETS
CAPITAL PROJECTS FUND
SEPTEMBER 30, 2019 AND 2018

ASSETS	<u>2019</u>	<u>2018</u>
Restricted Cash and Investments	<u>\$ 6,864,012</u>	<u>\$ 6,854,847</u>
TOTAL ASSETS	<u><u>\$ 6,864,012</u></u>	<u><u>\$ 6,854,847</u></u>
 LIABILITIES AND FUND BALANCE		
Due to Other Funds	\$ -	\$ 100
Accounts Payable	<u>62,810</u>	<u>-</u>
<i>Total Liabilities</i>	<u>62,810</u>	<u>100</u>
Restricted Fund Balance	<u>6,801,202</u>	<u>6,854,747</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 6,864,012</u></u>	<u><u>\$ 6,854,847</u></u>

CITY OF KIRBY, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2019 AND 2018

REVENUES	2019	2018
Interest	\$ 159,900	\$ 9,747
Miscellaneous	7,655	-
TOTAL REVENUES	167,555	9,747
EXPENDITURES		
Supplies	90	-
Bond Issuance Costs and Fees	-	140,017
Capital Outlay	221,010	-
TOTAL EXPENDITURES	221,100	140,017
OTHER FINANCING SOURCES (USES)		
Issuance of General Obligation Bonds	-	6,715,000
Premium on Bonds Issued	-	270,017
TOTAL OTHER FINANCING SOURCES (USES)	-	6,985,017
Net Change in Fund Balance	(53,545)	6,854,747
Fund Balance at Beginning of Year	6,854,747	-
Fund Balance at End of Year	\$ 6,801,202	\$ 6,854,747

CITY OF KIRBY, TEXAS
COMPARATIVE BALANCE SHEETS
CRIME CONTROL FUND
SEPTEMBER 30, 2019 AND 2018

ASSETS	2019	2018
Cash and Investments	\$ 88,850	\$ 67,288
Due From Other Governments	11,152	10,337
Due From Other Funds	-	400
TOTAL ASSETS	\$ 100,002	\$ 78,025
LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ 5,219	\$ -
<i>Total Liabilities</i>	<u>5,219</u>	<u>-</u>
<i>Fund Balance:</i>		
Restricted Fund Balance	94,783	78,025
<i>Total Fund Balance</i>	<u>94,783</u>	<u>78,025</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 100,002	\$ 78,025

CITY OF KIRBY, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
CRIME CONTROL FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2019 AND 2018

REVENUES	2019	2018
Taxes	\$ 64,498	\$ 61,328
Interest	76	50
Miscellaneous	<u>355</u>	<u>-</u>
TOTAL REVENUES	<u>64,929</u>	<u>61,378</u>
EXPENDITURES		
Salaries	1,694	1,292
Supplies	72	37
Maintenance	-	90
Contract Services	7,707	4,192
Miscellaneous	4,098	1,474
Capital Outlay	<u>34,600</u>	<u>54,998</u>
TOTAL EXPENDITURES	<u>48,171</u>	<u>62,083</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,758</u>	<u>(705)</u>
Fund Balances at Beginning of Year	<u>78,025</u>	<u>78,730</u>
Fund Balances at End of Year	<u>\$ 94,783</u>	<u>\$ 78,025</u>

CITY OF KIRBY, TEXAS
COMPARATIVE STATEMENT OF NET POSITION
PROPRIETARY FUND
WATERWORKS AND SEWER SYSTEM
SEPTEMBER 30, 2019 AND 2018

ASSETS	2019	2018
<i>Current Assets:</i>		
Cash and Investments	\$ 2,504,841	\$ 2,398,062
Receivables - Customers	314,618	335,635
Allowance for Uncollectibles	(44,194)	(32,204)
Inventory of Supplies, at cost	28,150	27,830
Prepaid Items	31,353	31,353
<i>Total Current Assets</i>	<u>2,834,768</u>	<u>2,760,676</u>
<i>Restricted Assets:</i>		
Cash and Investments	<u>203,466</u>	193,965
<i>Total Restricted Assets</i>	<u>203,466</u>	<u>193,965</u>
<i>Capital Assets:</i>		
Utility Plant and Infrastructure	7,234,722	7,126,873
Transportation, Furniture and Equipment	717,267	546,351
Software	42,000	42,000
Total Depreciable and Amortizable Fixed Assets	<u>7,993,989</u>	<u>7,715,224</u>
Less Accumulated Depreciation and Amortization	<u>(4,532,751)</u>	<u>(4,423,529)</u>
Total Depreciable Fixed Assets, Net of Accumulated Depreciation and Amortization	3,461,238	3,291,695
Land	7,005	7,005
Construction in Progress	-	9,290
<i>Total Capital Assets</i>	<u>3,468,243</u>	<u>3,307,990</u>
TOTAL ASSETS	<u>6,506,477</u>	<u>6,262,631</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Other Post Employment Benefit Outflows	735	860
Deferred Pension Related Outflows	<u>95,987</u>	<u>40,167</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 96,722</u>	<u>\$ 41,027</u>

CITY OF KIRBY, TEXAS
COMPARATIVE STATEMENT OF NET POSITION
PROPRIETARY FUND
WATERWORKS AND SEWER SYSTEM (CONTINUED)
SEPTEMBER 30, 2019 AND 2018

LIABILITIES	2019	2018
<i>Current Liabilities (Payable from Current Assets):</i>		
Accounts Payable	\$ 264,345	\$ 217,030
Accrued Vacation Leave Payable	16,605	11,473
Due to Other Funds	128,654	224,191
<i>Total Current Liabilities</i> <i>(Payable from Current Assets)</i>	<u>409,604</u>	<u>452,694</u>
<i>Current Liabilities (Payable from Restricted Assets):</i>		
Customer Deposits	182,840	179,040
<i>Total Current Liabilities</i> <i>(Payable from Restricted Assets)</i>	<u>182,840</u>	<u>179,040</u>
<i>Noncurrent Liabilities:</i>		
Net Other Post Employment Benefits Liability	10,359	10,386
Net Pension Liability	173,589	101,289
<i>Total Noncurrent Liabilities</i>	<u>183,948</u>	<u>111,675</u>
TOTAL LIABILITIES	<u>776,392</u>	<u>743,409</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Other Post Employment Benefit Inflows	878	-
Deferred Pension Related Inflows	34,481	42,572
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>35,359</u>	<u>42,572</u>
NET POSITION		
Net Investment in Capital Assets	3,468,243	3,307,990
Unrestricted	2,323,205	2,209,687
TOTAL NET POSITION	<u><u>\$ 5,791,448</u></u>	<u><u>\$ 5,517,677</u></u>

CITY OF KIRBY, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND – WATERWORKS AND SEWER SYSTEM
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Charges for Utility Service	\$ 2,236,901	\$ 2,143,638
Total Operating Revenues	<u>2,236,901</u>	<u>2,143,638</u>
Operating Expenses Before Depreciation		
Salaries and Benefits	373,789	329,606
Supplies	71,975	47,773
Maintenance	82,629	116,280
Contractual Services	826,416	823,510
Miscellaneous	76,628	56,792
Total Operating Expenses Before Depreciation	<u>1,431,437</u>	<u>1,373,961</u>
Operating Income Before Depreciation	805,464	769,677
Depreciation	234,475	199,692
Operating Income (Loss)	<u>570,989</u>	<u>569,985</u>
Other Income (Expense):		
Miscellaneous Income	46,732	28,778
Gain on Sale of Property and Equipment	11,138	-
Capital Improvement Fee	124,912	124,888
Total Other Income (Expense)	<u>182,782</u>	<u>153,666</u>
Net Income (Loss) Before Contributions and Transfers	753,771	723,651
Transfer Out	<u>(480,000)</u>	<u>(480,000)</u>
NET CHANGE IN NET ASSETS	273,771	243,651
Net Assets at Beginning of Year	<u>5,517,677</u>	<u>5,274,026</u>
Net Assets at End of Year	<u>\$ 5,791,448</u>	<u>\$ 5,517,677</u>

CITY OF KIRBY, TEXAS
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND – WATERWORKS AND SEWER SYSTEM
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities:		
Cash Received From Customers	\$ 2,269,908	\$ 2,138,855
Cash Paid for Employee Wages & Benefits	(359,292)	(329,071)
Cash Paid to Suppliers for Goods & Services	<u>(1,010,653)</u>	<u>(1,008,177)</u>
Net Cash Provided (Used) by Operating Activities	<u>899,963</u>	<u>801,607</u>
Cash Flows From Noncapital Financing Activities:		
Customer Deposits Received (Returned)	3,800	4,460
Interfund Payables (Receivables)	(95,537)	137,821
Transfers From (To) Other Funds	<u>(480,000)</u>	<u>(480,000)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(571,737)</u>	<u>(337,719)</u>
Cash Flows From Capital and Related Financing Activities:		
Purchase/Construction of Capital Assets	(394,728)	(659,198)
Proceeds from Sale of Property and Equipment	11,138	-
Capital Improvement Fee	<u>124,912</u>	<u>124,888</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(258,678)</u>	<u>(534,310)</u>
Cash Flows From Investing Activities:		
Investment Interest Received	<u>46,732</u>	<u>28,778</u>
Net Cash Provided (Used) by Investing Activities	<u>46,732</u>	<u>28,778</u>
 Net Increase (Decrease) in Cash and Investments	 <u>116,280</u>	 <u>(41,644)</u>
Cash and Investments at Beginning of Year:		
Cash and Investments	2,398,062	2,444,838
Restricted Cash and Investments	<u>193,965</u>	<u>188,833</u>
	<u>2,592,027</u>	<u>2,633,671</u>
Cash and Investments at End of Year:		
Cash and Investments	2,504,841	2,398,062
Restricted Cash and Investments	<u>203,466</u>	<u>193,965</u>
	<u><u>\$ 2,708,307</u></u>	<u><u>\$ 2,592,027</u></u>

CITY OF KIRBY, TEXAS
COMPARATIVE STATEMENTS OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND – WATERWORKS AND SEWER SYSTEM
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income	\$ 570,989	\$ 569,985
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	234,475	199,692
(Increase) Decrease in Operating Assets:		
Accounts Receivable, Net	33,007	(4,783)
Inventory	(320)	(21,158)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	47,315	57,336
Accrued Wages & Benefits	5,132	(3,854)
Net Other Post Employment Benefits Liability	976	1,014
Net Pension Liability	<u>8,389</u>	<u>3,375</u>
Total Adjustments to Reconcile Operating Activities	<u>328,974</u>	<u>231,622</u>
 Net Cash Provided (Used) by Operating Activities	 <u><u>\$ 899,963</u></u>	 <u><u>\$ 801,607</u></u>

STATISTICAL SECTION

The following unaudited Statistical Tables reflect social and economic data, financial trends and fiscal capacity of the City.

This part of the City of Kirby's comprehensive annual financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Kirby's overall financial health

Contents

Financial Trends – Tables 1 through 5

These schedules contain trend information to help the reader understand how Kirby's financial performance and well-being have changed over time.

Revenue Capacity – Tables 6 through 9

These schedules contain information to help the reader assess Kirby's most significant local revenue source, the property tax.

Debt Capacity – Tables 10 through 12

These schedules present information to help the reader assess the affordability of Kirby's current levels of outstanding debt, and our ability to issue additional debt.

Demographic and Economic Information – Tables 13 and 14

These schedules offer demographic and economic indicators to help the reader understand the environment within which Kirby's financial activities take place.

CITY OF KIRBY, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
<i>Governmental Activities:</i>				
Net Investment in Capital Assets	\$ 3,373,876	\$ 3,711,161	\$ 3,503,881	\$ 3,724,502
Restricted	73,058	68,401	269,750	111,846
Unrestricted	1,561,630	1,653,141	2,039,131	2,651,840
<i>Total Governmental Activities Net Position</i>	<u>\$ 5,008,564</u>	<u>\$ 5,432,703</u>	<u>\$ 5,812,762</u>	<u>\$ 6,488,188</u>
<i>Business-Type Activities</i>				
Net Investment in Capital Assets	\$ 1,385,679	\$ 1,287,799	\$ 1,222,067	\$ 1,567,593
Unrestricted	1,727,282	2,167,613	2,541,459	2,551,847
<i>Total Business-Type Activities Net Position</i>	<u>\$ 3,112,961</u>	<u>\$ 3,455,412</u>	<u>\$ 3,763,526</u>	<u>\$ 4,119,440</u>
<i>Primary Government:</i>				
Net Investment in Capital Assets	\$ 4,998,960	\$ 4,998,960	\$ 4,725,948	\$ 5,292,095
Restricted	68,401	68,401	269,750	111,846
Unrestricted	3,820,754	3,820,754	4,580,590	5,203,687
<i>Total Primary Government Net Position</i>	<u>\$ 8,121,525</u>	<u>\$ 8,888,115</u>	<u>\$ 9,576,288</u>	<u>\$ 10,607,628</u>

Note: Years 2010-2014 and 2010-2017 have not been restated for adoption of GASB No. 68 and 75, respectively.

TABLE 1

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 4,008,917	\$ 4,100,365	\$ 4,392,841	\$ 5,035,893	\$ 6,405,061	\$ 7,022,580
113,823	128,677	143,161	244,175	266,062	324,865
2,594,666	1,998,429	2,004,817	1,842,191	1,697,957	1,097,313
<u>\$ 6,717,406</u>	<u>\$ 6,227,471</u>	<u>\$ 6,540,819</u>	<u>\$ 7,122,259</u>	<u>\$ 8,369,080</u>	<u>\$ 8,444,758</u>
\$ 1,638,382	\$ 1,647,546	\$ 2,194,389	\$ 2,848,484	\$ 3,307,990	\$ 3,468,243
2,951,101	3,160,295	2,846,714	2,434,054	2,209,687	2,323,205
<u>\$ 4,589,483</u>	<u>\$ 4,807,841</u>	<u>\$ 5,041,103</u>	<u>\$ 5,282,538</u>	<u>\$ 5,517,677</u>	<u>\$ 5,791,448</u>
\$ 5,647,299	\$ 5,747,911	\$ 6,587,230	\$ 7,884,377	\$ 9,713,051	\$ 10,490,823
113,823	128,677	143,161	244,175	266,062	324,865
5,545,767	5,158,724	4,851,531	4,276,245	3,907,644	3,420,518
<u>\$ 11,306,889</u>	<u>\$ 11,035,312</u>	<u>\$ 11,581,922</u>	<u>\$ 12,404,797</u>	<u>\$ 13,886,757</u>	<u>\$ 14,236,206</u>

CITY OF KIRBY, TEXAS
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
<i>Governmental Activities:</i>				
City Council	\$ 13,035	\$ 19,242	\$ 17,540	\$ 15,371
City Administration	252,006	235,470	248,585	274,783
Police Protection	746,036	778,573	870,709	986,230
Municipal Court	47,410	48,573	44,921	68,588
Fire/EMS Protection	756,804	766,844	816,193	869,188
Animal Services	-	-	86,858	119,469
Parks and Pools	226,169	181,837	155,248	181,654
Streets and Shops	455,625	505,304	452,711	466,804
Crime Control	-	-	-	-
Capital Outlay	-	-	-	-
General City Operations	592,870	624,083	647,438	641,586
Interest on Long-Term Debt	151,444	108,130	99,568	154,771
<i>Total Governmental Activities Expenses</i>	<u>3,241,399</u>	<u>3,268,056</u>	<u>3,439,771</u>	<u>3,778,444</u>
<i>Business-Type Activities:</i>				
Waterworks and Sewer	915,616	978,886	1,089,654	1,214,855
<i>Total Business-Type Activities</i>	<u>915,616</u>	<u>978,886</u>	<u>1,089,654</u>	<u>1,214,855</u>
Total Primary Government Expenses	<u>\$ 4,157,015</u>	<u>\$ 4,246,942</u>	<u>\$ 4,529,425</u>	<u>\$ 4,993,299</u>
Program Revenues				
<i>Governmental Activities:</i>				
Charges for service:				
City Administration	\$ 51,005	\$ 73,069	\$ 80,926	\$ 139,635
Police Protection	149,728	137,715	194,071	207,637
Municipal Court	10,611	9,625	14,771	11,935
Fire/EMS Protection	632,174	550,315	682,424	725,217
Animal Services	-	-	37,915	28,774
Parks and Pools	36,124	33,589	30,956	47,143
Streets and Shops	37,109	60,648	96,746	149,818
Operating Grants and Contributions	16,662	51,126	15,241	118,184
Capital Grants and Contributions	101,943	209,665	4,851	171,325
<i>Total Governmental Activities</i>				
<i>Program Revenues</i>	<u>1,035,356</u>	<u>1,125,752</u>	<u>1,157,901</u>	<u>1,599,668</u>
<i>Business-Type Activities:</i>				
Charges for Service:				
Waterworks and Sewer	1,336,960	1,734,385	1,831,623	2,006,266
Operating Grants and Contributions	-	-	-	-
<i>Total Business-Type Activities</i>				
<i>Program Revenues</i>	<u>1,336,960</u>	<u>1,734,385</u>	<u>1,831,623</u>	<u>2,006,266</u>
Total Primary Government Program Revenues	<u>\$ 2,372,316</u>	<u>\$ 2,860,137</u>	<u>\$ 2,989,524</u>	<u>\$ 3,605,934</u>

Note: Years 2010-2014 and 2010-2017 have not been restated for adoption of GASB No. 68 and 75, respectively.

TABLE 2

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 14,998	\$ 16,584	\$ 14,640	\$ 9,102	\$ 9,725	\$ 11,247
364,335	307,722	350,302	375,472	411,408	415,317
1,130,297	1,168,328	1,187,043	1,199,691	1,360,462	1,477,042
85,913	77,507	78,609	66,948	80,364	116,761
1,021,875	1,024,146	1,119,147	1,174,209	1,164,356	1,525,672
187,405	185,112	162,342	174,050	181,596	200,954
175,536	156,870	120,971	180,450	170,789	177,890
238,368	198,816	243,800	289,198	342,784	264,477
-	12,800	3,932	17,923	7,085	38,281
-	-	-	-	-	90
590,052	580,041	592,236	594,593	689,511	818,170
66,215	54,755	43,593	29,867	182,314	246,010
3,874,994	3,782,681	3,916,615	4,111,503	4,600,394	5,291,911
1,280,736	1,435,095	1,491,352	1,497,686	1,573,653	1,665,912
1,280,736	1,435,095	1,491,352	1,497,686	1,573,653	1,665,912
\$ 5,155,730	\$ 5,217,776	\$ 5,407,967	\$ 5,609,189	\$ 6,174,047	\$ 6,957,823
\$ 173,287	\$ 139,334	\$ 129,184	\$ 133,921	\$ 137,426	\$ 144,806
226,322	207,467	194,596	213,476	206,402	251,136
13,115	11,372	9,335	11,018	10,020	13,302
649,039	724,899	757,284	678,215	716,628	712,078
24,668	32,685	21,612	17,164	23,584	11,344
48,406	14,714	22,009	191,036	170,474	67,894
58,639	54,769	100,983	110,441	205,074	64,169
58,914	98,901	12,982	13,108	19,064	12,132
221,168	123,413	5,225	178,457	1,009,589	287,710
1,473,558	1,407,554	1,253,210	1,546,836	2,498,261	1,564,571
2,148,590	2,128,367	2,102,299	2,124,664	2,143,638	2,236,901
14,600	14,600	14,600	-	-	-
2,163,190	2,142,967	2,116,899	2,124,664	2,143,638	2,236,901
\$ 3,636,748	\$ 3,550,521	\$ 3,370,109	\$ 3,671,500	\$ 4,641,899	\$ 3,801,472

CITY OF KIRBY, TEXAS
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS (CONTINUED)

	Fiscal Year			
	2010	2011	2012	2013
Net (Expenses) Revenue				
Governmental Activities	\$ (1,726,043)	\$ (2,142,304)	\$ (2,281,870)	\$ (2,178,776)
Business-Type Activities	<u>(58,656)</u>	<u>755,499</u>	<u>741,969</u>	<u>791,411</u>
Total Primary Government Net Expenses	<u>\$ (1,784,699)</u>	<u>\$ (1,386,805)</u>	<u>\$ (1,539,901)</u>	<u>\$ (1,387,365)</u>
Governmental Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 1,331,558	\$ 1,410,167	\$ 1,411,924	\$ 1,377,806
Franchise Taxes	317,950	325,773	413,178	611,447
Sales Taxes	240,646	244,409	257,114	288,525
Interest and Investment Earnings	28,103	10,127	6,874	5,237
Gain on Sale of Property and Equipment	-	27,494	26,515	5,665
Miscellaneous	15,868	11,032	10,896	32,228
Transfers	530,973	537,441	535,428	533,294
Total Governmental Activities	<u>2,465,098</u>	<u>2,566,443</u>	<u>2,661,929</u>	<u>2,854,202</u>
Business-Type Activities:				
Interest and Investment Earnings	6,152	4,590	7,758	4,728
Capital Improvement Fee	64,187	92,838	92,996	93,069
Gain on Sale of Property and Equipment	-	26,965	819	-
Transfers	<u>(530,973)</u>	<u>(537,441)</u>	<u>(535,428)</u>	<u>(533,294)</u>
Total Business-Type Activities	<u>(460,634)</u>	<u>(413,048)</u>	<u>(433,855)</u>	<u>(435,497)</u>
Total Primary Government	<u>\$ 2,004,464</u>	<u>\$ 2,153,395</u>	<u>\$ 2,228,074</u>	<u>\$ 2,418,705</u>
Changes In Net Position				
Government Activities	\$ 259,055	\$ 424,139	\$ 380,059	\$ 675,426
Business-Type Activities	<u>(39,290)</u>	<u>342,451</u>	<u>308,114</u>	<u>355,914</u>
Total Primary Government	<u>\$ 219,765</u>	<u>\$ 766,590</u>	<u>\$ 688,173</u>	<u>\$ 1,031,340</u>

Note: Years 2010-2014 and 2010-2017 have not been restated for adoption of GASB No. 68 and 75, respectively.

TABLE 2 (Continued)

Fiscal Year					
2015	2015	2016	2017	2018	2019
\$ (2,401,436)	\$ (2,375,127)	\$ (2,663,405)	\$ (2,564,667)	\$ (2,102,133)	\$ (3,727,340)
882,454	707,872	625,547	626,978	569,985	570,989
<u>\$ (1,518,982)</u>	<u>\$ (1,667,255)</u>	<u>\$ (2,037,858)</u>	<u>\$ (1,937,689)</u>	<u>\$ (1,532,148)</u>	<u>\$ (3,156,351)</u>
\$ 1,392,306	\$ 1,395,907	\$ 1,599,652	\$ 1,676,596	\$ 1,987,771	\$ 2,235,886
368,225	392,387	374,303	410,832	424,334	400,883
308,925	377,765	467,895	447,958	460,789	467,948
4,491	6,212	8,488	12,698	47,660	206,040
7,540	3,685	-	-	-	-
18,180	3,447	150	73,625	16,208	12,261
530,987	528,612	526,265	524,398	480,000	480,000
<u>2,630,654</u>	<u>2,708,015</u>	<u>2,976,753</u>	<u>3,146,107</u>	<u>3,416,762</u>	<u>3,803,018</u>
4,128	5,683	8,912	13,803	28,778	46,732
114,449	124,840	125,068	125,052	124,888	124,912
-	-	-	-	-	11,138
<u>(530,987)</u>	<u>(528,612)</u>	<u>(526,265)</u>	<u>(524,398)</u>	<u>(480,000)</u>	<u>(480,000)</u>
<u>(412,410)</u>	<u>(398,089)</u>	<u>(392,285)</u>	<u>(385,543)</u>	<u>(326,334)</u>	<u>(297,218)</u>
<u>\$ 2,218,244</u>	<u>\$ 2,309,926</u>	<u>\$ 2,584,468</u>	<u>\$ 2,760,564</u>	<u>\$ 3,090,428</u>	<u>\$ 3,505,800</u>
\$ 229,218	\$ 332,888	\$ 313,348	\$ 581,440	\$ 1,314,629	\$ 75,678
<u>470,044</u>	<u>309,783</u>	<u>233,262</u>	<u>241,435</u>	<u>243,651</u>	<u>273,771</u>
<u>\$ 699,262</u>	<u>\$ 642,671</u>	<u>\$ 546,610</u>	<u>\$ 822,875</u>	<u>\$ 1,558,280</u>	<u>\$ 349,449</u>

CITY OF KIRBY, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
Nonspendable Fund Balance:				
Inventory	\$ 26,518	\$ 30,346	\$ 39,334	\$ 38,751
Prepaid Items	15,865	-	1,815	1,800
Total Nonspendable Fund Balance	<u>42,383</u>	<u>30,346</u>	<u>41,149</u>	<u>40,551</u>
Restricted Fund Balance:				
PEG Capital Fee	-	-	20,687	36,989
Public Safety	64,496	68,401	73,790	49,564
Debt Service	902	-	172,626	21,630
Capital Projects	1,413,941	196,095	-	-
Crime Control	-	-	-	-
Total Restricted Fund Balance	<u>1,479,339</u>	<u>264,496</u>	<u>267,103</u>	<u>108,183</u>
Unassigned Fund Balance	<u>1,300,058</u>	<u>1,500,155</u>	<u>1,838,398</u>	<u>2,481,307</u>
Total Governmental Funds	<u><u>\$ 2,821,780</u></u>	<u><u>\$ 1,794,997</u></u>	<u><u>\$ 2,146,650</u></u>	<u><u>\$ 2,630,041</u></u>

TABLE 3

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 37,213	\$ 25,341	\$ 28,031	\$ 41,094	\$ 57,047	\$ 32,092
20,476	-	24,056	-	-	-
57,689	25,341	52,087	41,094	57,047	32,092
52,377	72,470	90,531	106,971	122,556	138,328
48,806	47,774	41,560	33,625	34,307	39,155
7,799	5,181	5,352	24,590	46,158	52,199
-	-	-	-	6,854,747	6,801,202
-	11,342	70,038	78,730	78,025	94,783
108,982	136,767	207,481	243,916	7,135,793	7,125,667
2,413,631	2,649,935	2,562,130	2,557,474	2,478,739	1,940,979
<u>\$ 2,580,302</u>	<u>\$ 2,812,043</u>	<u>\$ 2,821,698</u>	<u>\$ 2,842,484</u>	<u>\$ 9,671,579</u>	<u>\$ 9,098,738</u>

CITY OF KIRBY, TEXAS
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
REVENUES				
Taxes	\$ 1,569,464	\$ 1,655,109	\$ 1,666,493	\$ 1,660,467
Franchise Fees	317,950	325,773	413,178	611,447
Licenses and Permits	88,176	108,290	181,179	245,197
Intergovernmental	-	-	-	-
Charges for Services	672,411	611,744	687,627	792,848
Grants	118,605	51,126	20,092	289,509
Fines and Penalties	156,595	144,555	205,484	216,749
Miscellaneous	43,971	180,382	17,770	37,462
TOTAL REVENUES	<u>2,967,172</u>	<u>3,076,979</u>	<u>3,191,823</u>	<u>3,853,679</u>
EXPENDITURES				
Current:				
City Council	13,035	19,242	17,540	15,371
City Administration	229,765	251,719	226,442	237,634
Police Protection	688,293	723,443	743,231	806,440
Municipal Court	47,136	48,582	46,266	86,282
Fire\EMS Protection	689,451	702,118	676,658	727,368
Animal Services	-	-	85,434	112,343
Parks and Pool	227,791	176,114	148,437	181,713
Streets and Shops	276,137	243,796	197,599	213,560
Crime Control	-	-	-	-
General City Operations	592,594	625,447	646,990	641,586
Capital Projects/Outlay	1,933,458	1,560,732	209,680	455,075
Debt Service:				
Principal	360,000	400,000	365,000	350,000
Interest and Fiscal Charges	147,277	99,675	91,069	81,875
Bond Issue Costs	-	-	-	-
TOTAL EXPENDITURES	<u>5,204,937</u>	<u>4,850,868</u>	<u>3,454,346</u>	<u>3,909,247</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(2,237,765)</u>	<u>(1,773,889)</u>	<u>(262,523)</u>	<u>(55,568)</u>
OTHER FINANCING				
SOURCES (USES)				
Transfers In	834,973	847,441	1,026,558	658,294
Transfers Out	(304,000)	(310,000)	(491,130)	(125,000)
Capital Contributions	-	209,665	-	-
Proceeds from Sale of Asset	-	-	78,748	5,665
Proceeds from Debt Financing	-	-	-	-
Proceeds from Capital Lease	-	-	-	-
TOTAL OTHER FINANCING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SOURCES (USES)	<u>530,973</u>	<u>747,106</u>	<u>614,176</u>	<u>538,959</u>
Net Change in Fund Balance	<u>\$ (1,706,792)</u>	<u>\$ (1,026,783)</u>	<u>\$ 351,653</u>	<u>\$ 483,391</u>
Debt Service as a percentage of noncapital expenditures	15.51%	15.19%	14.06%	12.50%

TABLE 4

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 1,692,482	\$ 1,805,335	\$ 2,032,449	\$ 2,116,885	\$ 2,436,124	\$ 2,704,999
368,334	392,387	374,303	410,832	424,334	400,883
151,691	120,472	163,113	336,376	413,684	161,377
9,506	9,927	9,524	10,821	10,245	10,592
832,152	848,030	836,697	798,743	827,423	846,066
270,576	212,387	8,284	180,745	1,018,408	289,249
236,897	215,934	201,310	222,141	214,227	262,518
22,671	15,928	9,040	66,316	58,658	214,206
3,584,309	3,620,400	3,634,720	4,142,859	5,403,103	4,889,890
14,999	16,584	14,640	9,102	9,726	11,248
354,310	293,582	320,787	330,228	394,542	391,415
959,275	940,556	997,070	1,051,141	1,214,035	1,331,899
83,052	76,474	75,378	64,122	79,173	89,348
859,513	864,149	897,342	985,773	984,990	1,277,522
182,249	179,575	159,783	198,509	187,723	178,208
173,049	157,439	116,663	145,416	146,470	170,294
240,973	203,779	239,064	256,891	311,711	259,556
-	12,799	3,933	49,513	62,083	48,171
365,572	349,549	348,991	353,217	389,952	519,201
503,271	818,371	697,727	675,192	1,645,831	974,223
365,000	419,110	485,386	507,640	440,800	421,997
71,313	72,757	69,153	53,605	37,184	273,744
-	-	-	-	140,017	-
4,172,576	4,404,724	4,425,917	4,680,349	6,044,237	5,946,826
(588,267)	(784,324)	(791,197)	(537,490)	(641,134)	(1,056,936)
800,987	810,112	808,265	916,152	732,000	725,894
(270,000)	(281,500)	(282,000)	(391,754)	(252,000)	(245,894)
-	-	-	-	-	-
7,540	3,685	2,750	33,878	5,212	4,095
-	-	-	-	6,985,017	-
-	483,768	271,837	-	-	-
538,527	1,016,065	800,852	558,276	7,470,229	484,095
\$ (49,740)	\$ 231,741	\$ 9,655	\$ 20,786	\$ 6,829,095	\$ (572,841)
11.89%	13.71%	14.87%	14.01%	14.05%	13.99%

CITY OF KIRBY, TEXAS
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

TABLE 5

Fiscal Year	Property	Sales & Use	Franchise	Total
2010	\$ 1,223,213	\$ 240,646	\$ 317,950	\$ 1,781,809
2011	1,410,700	244,409	325,773	1,980,882
2012	1,409,379	257,114	413,178	2,079,671
2013	1,371,943	288,524	611,447	2,271,914
2014	1,383,557	308,925	368,334	2,060,816
2015	1,427,570	377,765	392,387	2,197,722
2016	1,564,554	467,895	374,303	2,406,752
2017	1,668,927	447,958	410,832	2,527,717
2018	1,975,335	460,789	424,334	2,860,458
2019	2,237,051	467,948	400,883	3,105,882

CITY OF KIRBY, TEXAS
 ASSESSED VALUE AND ACTUAL TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

TABLE 6

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value*	Total Direct Tax Rate
2010	\$ 192,522,317	\$ 27,168,990	\$ 20,299,434	\$ 199,391,873	0.661649
2011	192,751,740	29,098,965	21,075,635	200,775,070	0.697500
2012	188,340,063	29,646,184	21,451,008	196,535,239	0.710978
2013	183,926,315	29,999,639	22,131,880	191,794,074	0.710978
2014	169,385,572	40,563,440	22,065,197	187,883,815	0.729376
2015	177,474,988	46,085,000	28,060,056	195,499,932	0.729376
2016	189,459,829	52,247,948	31,547,952	210,159,825	0.729376
2017	202,803,676	59,176,222	34,054,128	227,925,770	0.729376
2018	236,686,220	85,285,729	35,133,876	286,838,073	0.729376
2019	256,483,078	103,453,094	37,083,012	322,853,160	0.729376

Source: Bexar Appraisal District.

* Total Taxable Assessed Value and Total Estimated Actual Value of taxable property is the same.

CITY OF KIRBY, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

TABLE 7

<u>Fiscal Period</u>	<u>City</u>	<u>Judson School District</u>	<u>Bexar County</u>	<u>Alamo College District</u>	<u>San Antonio RA</u>	<u>Total</u>
2010	0.661649	1.463	0.296187	0.1359	0.015951	2.57269
2011	0.697500	1.463	0.296187	0.1416	0.016652	2.61496
2012	0.710978	1.430	0.296187	0.1416	0.017370	2.59616
2013	0.710978	1.425	0.296187	0.1492	0.017370	2.59869
2014	0.729376	1.425	0.296187	0.1492	0.017500	2.61721
2015	0.729376	1.420	0.297500	0.1492	0.172900	2.76893
2016	0.729376	1.420	0.297500	0.1492	0.017290	2.61337
2017	0.729376	1.470	0.293250	0.1492	0.017290	2.65907
2018	0.729376	1.425	0.291229	0.1492	0.017290	2.61205
2019	0.729376	1.440	0.277429	0.1492	0.018580	2.61454

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

CITY OF KIRBY, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT AND NINE YEARS AGO

TABLE 8

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
HEB Grocery Company, LP	\$ 26,000,580	1	8.05%			
Americold San Antonio Propco, LLC	20,158,800	2	6.24%			
Kirby Country Oaks, LLC	6,730,000	3	2.08%			
Yes Springfield Meadows, LLC	6,417,990	4	1.99%			
AJC Rental Corporation	2,438,500	5	0.76%	\$ 4,131,438	1	2.07%
Siddons Holdings, LLC	2,327,230	6	0.72%			
Yes Homesales, LLC	1,860,960	7	0.58%	2,217,553	3	1.11%
Quiktrip Corporation	1,792,770	8	0.56%			
Clark Construction of TX, INC	1,580,000	9	0.49%			
Schertz Bank & Trust	1,471,900	10	0.46%	1,073,070	5	0.54%
Mr. William Harrigan				3,400,520	2	1.71%
Time Warner Cable				1,103,420	4	0.55%
Mr. Richard Owen				770,782	6	0.39%
AT&T Telephone				716,610	7	0.36%
Main Street Properties				713,760	8	0.36%
Grace And Grant Properties, LLC				602,590	9	0.30%
Ms. Marie Ann Kalinowski				564,200	10	0.28%
Total	<u>\$ 70,778,730</u>		<u>21.93%</u>	<u>\$ 15,293,943</u>		<u>7.67%</u>

Total taxable assessed value of \$322,853,160

CITY OF KIRBY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

TABLE 9

Fiscal Year Ended September 30,	Original 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 Levy		Amount	Percentage of Levy
2010	\$ 1,319,698	\$ 1,290,840	97.81%	\$ 35,859	\$ 1,326,699	100.53%
2011	1,400,849	1,373,604	98.06%	27,000	1,400,604	99.98%
2012	1,398,293	1,370,446	98.01%	26,615	1,397,061	99.91%
2013	1,364,383	1,330,473	97.51%	30,831	1,361,304	99.77%
2014	1,370,843	1,331,545	97.13%	31,912	1,363,457	99.46%
2015	1,426,329	1,381,178	96.83%	24,442	1,405,620	98.55%
2016	1,533,321	1,500,645	97.87%	4,233	1,504,878	98.15%
2017	1,662,953	1,651,564	99.32%	6,028	1,657,592	99.68%
2018	2,092,969	2,073,293	99.06%	3,554	2,076,847	99.23%
2019	2,356,087	2,347,747	99.65%	-	2,347,747	99.65%

Source: Bexar County Tax Assessor Collector and City of Kirby Finance Department.

CITY OF KIRBY, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

TABLE 10

Fiscal Year	Governmental Activities			Business-Type Activity		Per Capita*
	General	Certificates	Capital Leases	Certificates	Total	
	Obligation Bonds	of Obligation		of Obligation	Primary Government	
2010	\$ 590,000	\$ 2,735,000	\$ -	\$ -	\$ 3,325,000	382
2011	460,000	2,465,000	-	-	2,925,000	336
2012	370,000	2,190,000	-	-	2,560,000	297
2013	305,000	1,905,000	-	-	2,210,000	269
2014	235,000	1,610,000	-	-	1,845,000	223
2015	160,000	1,310,000	439,658	-	1,909,658	226
2016	85,000	1,000,000	611,108	-	1,696,108	198
2017	-	680,000	508,468	-	1,188,468	138
2018	6,985,017	345,000	402,668	-	7,732,685	888
2019	6,971,517	-	325,671	-	7,297,188	834

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

*Note: Per Capita is the total primary government debt divided by the population of the City. Population totals may be found in Table 13.

CITY OF KIRBY, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

TABLE 11

General Bonded Debt Outstanding						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita*
2010	\$ 590,000	\$ 2,735,000	\$ 3,325,000	\$ 199,391,873	1.67%	382
2011	460,000	2,465,000	2,925,000	200,775,070	1.46%	336
2012	370,000	2,190,000	2,560,000	196,535,239	1.30%	297
2013	305,000	1,905,000	2,210,000	191,794,074	1.15%	269
2014	160,000	1,310,000	1,470,000	187,883,815	0.78%	177
2015	160,000	1,310,000	1,470,000	195,499,932	0.75%	174
2016	85,000	1,000,000	1,085,000	210,159,825	0.52%	127
2017	-	680,000	680,000	227,925,770	0.30%	79
2018	6,985,017	345,000	7,330,017	286,838,073	2.56%	842
2019	6,971,517	-	6,971,517	322,853,160	2.16%	797

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

*Note: Per Capita is equal to the actual taxable value divided by the population of the City. Population totals may be found in Table 13.

CITY OF KIRBY, TEXAS
LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

TABLE 12

Taxable Value				<u><u>\$ 322,853,160</u></u>
Debt Limit - 10% of taxable value [1]				32,285,316
Amount of Debt Applicable to Debt Limit:				
Total Bonded Debt	\$	6,971,517		
Less Fund Balance in Debt Service Fund		<u>52,199</u>		
Total Amount of Debt Applicable to Debt Limit			<u>6,919,318</u>	
Legal Debt Margin			<u><u>\$ 25,365,998</u></u>	

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 19,939,187	\$ 20,077,507	\$ 19,653,524	\$ 19,179,407
Total Net Debt Applicable to Limit	(3,324,098)	(2,925,000)	(2,384,727)	(2,184,707)
Legal Debt Margin	<u><u>\$ 16,615,089</u></u>	<u><u>\$ 17,152,507</u></u>	<u><u>\$ 17,268,797</u></u>	<u><u>\$ 16,994,700</u></u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 18,788,382	\$ 19,549,917	\$ 21,015,983	\$ 22,792,577
Total Net Debt Applicable to Limit	(1,832,360)	(1,461,567)	(1,079,648)	(655,410)
Legal Debt Margin	<u><u>\$ 16,956,022</u></u>	<u><u>\$ 18,088,350</u></u>	<u><u>\$ 19,936,335</u></u>	<u><u>\$ 22,137,167</u></u>

	<u>2018</u>	<u>2019</u>		
Debt Limit	\$ 28,683,807	\$ 32,285,316		
Total Net Debt Applicable to Limit	(7,283,859)	(6,919,318)		
Legal Debt Margin	<u><u>\$ 21,399,948</u></u>	<u><u>\$ 25,365,998</u></u>		

CITY OF KIRBY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

TABLE 13

Year	Population	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2010	8695	\$ 46,481	33.30	1,755	5.9%
2011	8695	46,639	33.30	1,748	5.9%
2012	8633	46,639	33.70	1,641	5.8%
2013	8222	48,606	35.90	1,847	6.1%
2014	8289	49,254	35.70	1,775	4.7%
2015	8442	48,545	35.70	1,712	4.2%
2016	8550	48,545	36.70	1,366	3.2%
2017	8640	48,303	39.70	1366	3.2%
2018	8705	44,063	38.20	1475	3.3%
2019	8747	37,781	35.70	1563	3.0%

Sources: Population, Per Capita Income and median age information provided by the United States Census Bureau. School enrollment information was provided by the Judson Independent School District. Unemployment rate was provided by the U.S Department of Labor for the City of San Antonio, Texas.

CITY OF KIRBY, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE 14

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lackland Air Force Base	37,000	1	3.12%	28,100	2	2.97%
Fort Sam Houston	32,000	2	2.70%	30,793	1	3.25%
HEB Food Stores	20,000	3	1.69%	14,588	4	1.54%
USAA	18,305	4	1.54%	14,852	3	1.57%
Randolph Air Force Base	11,000	5	0.93%	10,700	6	1.13%
Methodist Healthcare System	9,620	6	0.81%	7,013	10	0.74%
City of San Antonio	9,145	7	0.77%	9,000	8	0.95%
Baptist Healthcare System	6,383	8	0.54%			
Wells Fargo	5,073	9	0.43%			
Harland Clarke	5,000	10	0.42%			
Northside ISD				12,597	5	1.33%
North East ISD				10,223	7	1.08%
San Antonio ISD				7,581	9	0.80%
Total	<u>153,526</u>		<u>12.95%</u>	<u>145,447</u>		<u>15.36%</u>

The City of Kirby is surrounded by the City of San Antonio and no data is available for the employers in Kirby. The above data is for San Antonio.

Source: San Antonio Economic Development Foundation

