

City of Ennis, Texas

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2020

City of Ennis, Texas
September 30, 2020

Contents

Introductory Section (Unaudited)

Letter of Transmittal.....	i
Organization Chart	iv
Principal Officers.....	v

Financial Section

Independent Auditor’s Report	1
Management’s Discussion and Analysis (Unaudited).....	4

Basic Financial Statements

Government-wide Financial Statements:

Statement of Net Position	16
Statement of Activities	17

Fund Financial Statements:

Balance Sheet – Governmental Funds.....	18
Reconciliation of the Balance Sheet of Governmental Funds 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	21
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	22
Statement of Net Position – Proprietary Funds	23
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds	25
Notes to the Financial Statements	26

City of Ennis, Texas
September 30, 2020

Contents (Continued)

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios	65
Schedule of Contributions	66
Schedule of Changes in Total OPEB Liability and Related Ratios	67

Combining and Individual Fund Financial Statements and Schedules

Combining Balance Sheet – Nonmajor Governmental Funds.....	70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	71
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	74
Combining Balance Sheet – Nonmajor Capital Projects Funds	76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –Nonmajor Capital Projects Funds	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	79
Statement of Net Position – Nonmajor Proprietary Funds	81
Statement of Revenues, Expenditures, and Changes in Net Position – Nonmajor Proprietary Funds	82
Statement of Cash Flows – Nonmajor Proprietary Funds	83
Schedule of Operating Revenues and Operating Expenses – Budget and Actual – Enterprise Fund – Utility.....	84
Schedule of Operating Revenues and Operating Expenses – Budget and Actual – Enterprise Fund – Sanitation.....	85
Schedule of Operating Revenues and Operating Expenses – Budget and Actual – Enterprise Fund – Airport	86

City of Ennis, Texas
September 30, 2020

Contents (Continued)

Statistical Section

Net Position by Component.....	88
Changes in Net Position	89
Fund Balances – Governmental Funds.....	91
Changes in Fund Balances – Governmental Funds	92
Appraised Value of Property	93
Direct and Overlapping Property Tax Rates – All Governments	94
Principal Property Taxpayers	95
Property Tax Levies and Collections.....	96
Legal Debt Margin Information	97
Ratios of Outstanding Debt by Type	98
Direct and Overlapping Governmental Activities Debt	99
Ratios of Net General Bonded Debt to Assessed Value and Net Value Bonded Debt Per Capita	100
Pledged Revenue Coverage	101
Demographic and Economic Statistics.....	102
Principal Employers	103
Full-Time Equivalents /City Government Employees by Function/Program	104
Operating Indicators by Function/Program	105
Capital Asset Statistics by Function/Program	106

This Page Intentionally Left Blank



P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086
www.ennistx.gov

April 14, 2021

To the Honorable Mayor, Members of the City Commission, and Citizens of the City of Ennis, Texas:

State and Federal regulations require that local governments publish a complete set of audited financial statements within six months of each fiscal year's close. This Comprehensive Annual Financial Report for the City of Ennis, Texas (City) is published to fulfill those requirements for the fiscal year ended September 30, 2020. Management assumes full responsibility for the completeness and reliability of the information in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. **BKD, LLP**, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2020. The independent auditors' report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY OF ENNIS

The City, incorporated in 1872, is located 30 miles south of Dallas in Ellis County. The City has a land area of 28.06 square miles and a population of approximately 20,764, as estimated by the United States Census Bureau. The City has operated under the Commission-Manager form of government since 1956. Policy-making and legislative authority are vested in a governing body (City Commission) consisting of the mayor and six commission members, all elected through popular vote. Commission members serve three-year terms, with five of the commissioners elected by single-member ward and the mayor and mayor pro-tem elected at large. Terms of the commission members are staggered so that an election is held every year.

The City provides a full range of services. These include public safety (police and fire), municipal court, sanitation, parks, library, public works, and general administrative services. In addition, the City owns and operates a water distribution system, wastewater collection system, and an airport.



P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086

www.ennistx.gov

The Commission is required to adopt an initial budget for the fiscal year during September of each year for the new budget year, beginning on October 1. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund and department. The City Manager is authorized by ordinance to make intra-departmental and inter-departmental fund transfers within a fund as becomes necessary to avoid over-expenditure of a particular account or department. The City Charter provides that the City Commission may amend the budget in the same manner in which the budget is approved.

LOCAL ECONOMY

The City has always shared the good fortune of proximity to the Dallas-Fort Worth Metroplex (DFW) and its location at the convergence of significant transportation routes. At the same time, far enough away to enjoy lower business operating and living costs. Ennis is strategically located at the intersection of Interstate 45 and State highway 287. Traffic from DFW traverse these highways to Houston, 205 miles to the South. Ennis started as a railway hub, and rail transportation continues to be a major asset to the City's economy. From Ennis, rail access extends in all four cardinal directions and accentuates the City's attractiveness to business dependent upon multiple forms of transportation.

Ennis is home to 650 businesses employing more than 8,500 people. Home to a diverse industrial base including information technology, manufacturers, processors, and distribution centers. The manufacturing facilities produce and distribute plastics, electronic components, bedding and furniture, structural steel, roofing and siding, traffic solutions, and drilling/pipeline products. Other businesses located within the City's boundaries include a regional medical center, financial institutions, Texas Motorplex, Bardwell Lake, Sugar Ridge Winery, retail stores, and restaurants.

Due to the strong local economy, the City has a tax bond credit rating of AA- from Standard & Poor's.

The City is experiencing a period of significant growth and investment. New development and re-development throughout the downtown and surrounding areas have allowed Ennis to become a hub for the region. This development, combined with retail and service industries, the presence of recreational, educational, and health facilities, has even further strengthened the City's already strong economic base. Thanks to its commercial base's diversity, the City expects a full recovery in all sectors of its local economy as the state and national economy improves.



The bluebonnet spirit of Texas

P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086

www.ennistx.gov

LONG-TERM FINANCIAL PLANNING

In 2014, the City began formulating a comprehensive plan to establish a direction for the foreseeable future. Community input has been considerable and has provided significant insight into a collective view for quality of life, economic development, and sustainability. Visible progress on the Downtown Master Plan is already paying dividends in terms of occupancy and business activity.

Internally, the Staff is formulating financial-planning models to support the long-term planning effort. Each possible program addition or change is analyzed in terms of the impact over a five-year window as a part of the decision-making process. The models also enable the City to make assumptions about the future debt capacity of the operational funds. The ability to determine current resources and future debt proceeds will enable the City to move forward with a new Capital Improvement Program. Major capital improvements have and will be funded through the issuance of long-term debt instead of being funded via appropriations in the operating budget.

This report's preparation could not be accomplished on a timely basis without the Finance Staff and the independent auditors' efficient and dedicated endeavors. We want to express our sincere appreciation to all employees who contributed to the preparation. We would also like to thank the Mayor, City Commission, and City Manager for their continued support in planning and conducting the City's financial operations responsibly and progressively.

Respectfully submitted,



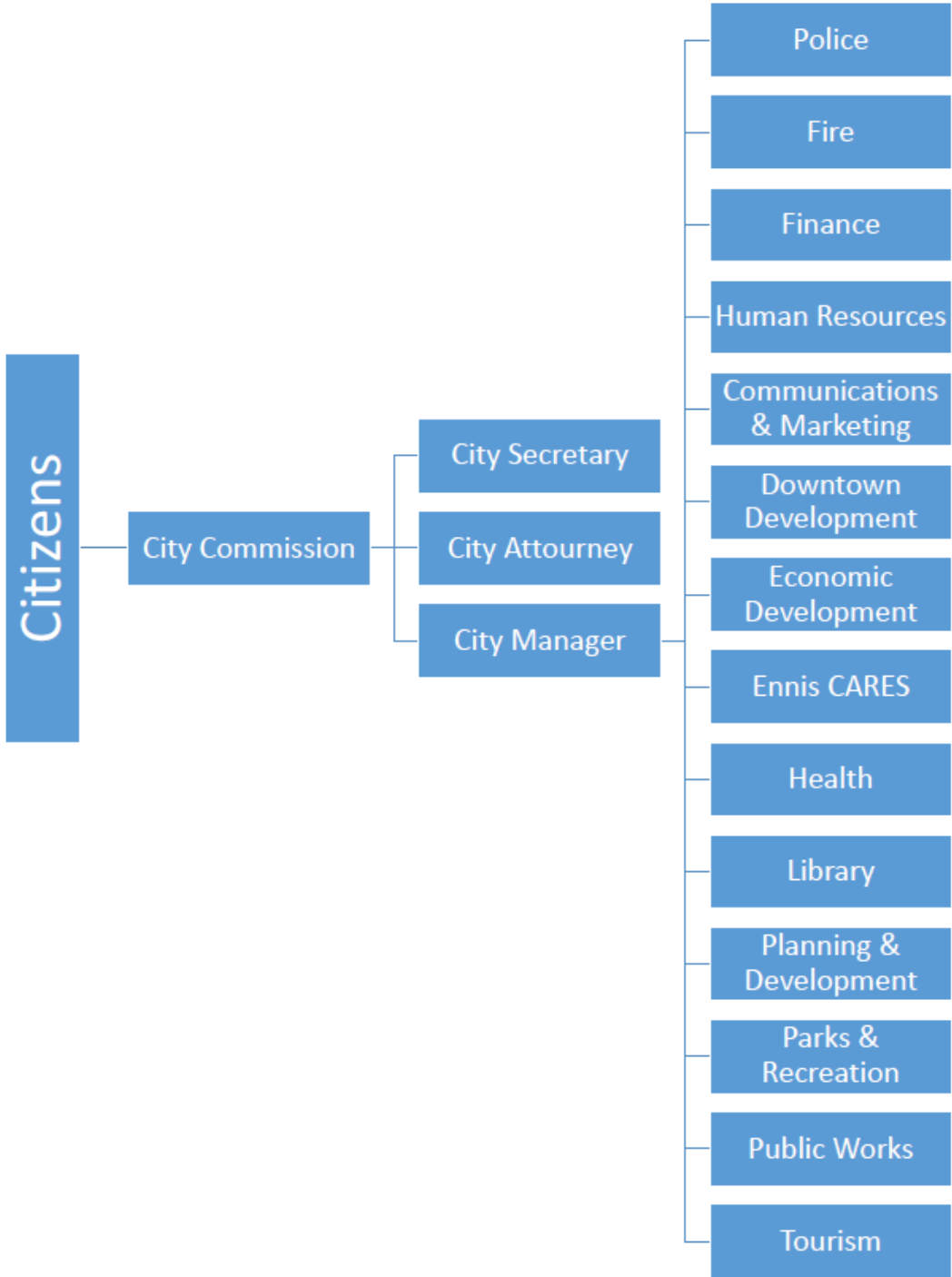
Marty Nelson, City Manager



Stephen Barnes, Finance Director

This Page Intentionally Left Blank

City of Ennis, Texas
Organizational Chart
September 30, 2020



This Page Intentionally Left Blank

City of Ennis, Texas
List of Elected Officials, Administrators, and Consultants
September 30, 2020

Mayor (at large)	Angeline Jueneman
Mayor Pro Tem (at large)	Jake Holland
Commissioner – Ward 1	Rowdy Pruitt
Commissioner – Ward 2	Marco A. Hernandez
Commissioner – Ward 3	Scott Hejny
Commissioner – Ward 4	Shirley Watson
Commissioner – Ward 5	Bill Honza

ADMINISTRATION

City Manager	Marty Nelson
City Secretary	Angie Wade
Police Chief	David Anthony
Fire Chief	Jeff Aycock
Finance Director	Stephen Barnes
Communications & Marketing Director	Ashley Colunga
Downtown Development Director	Becky McCarty
Economic Development Director	Jim Wehmeier
Ennis CARES Coordinator	Christen Vick
Health Director	Chauncy Williams
Library Director	Jessica Diaz
Planning & Development Director	Mark Richardson
Parks & Recreation Director	Paul Liska
Director of Public Works	Ed Green
Tourism Director	Gina Rokas
City Attourney	Messer, Rockfeller, & Fort, PLLC
Auditors	BKD, LLP

This Page Intentionally Left Blank

Financial Section

This Page Intentionally Left Blank

Independent Auditor's Report

To the Honorable Mayor and City Commissioners
City of Ennis, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Ennis, Texas (City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City as of September 30, 2020, 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 and pension, and other postemployment information 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements, and schedules and statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting, and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Mayor and City Commissioners
City of Ennis, Texas
Page 3

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Dallas, Texas
April 14, 2021

This Page Intentionally Left Blank



The bluebonnet spirit of Texas

P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086

www.ennistx.gov

As management of the City of Ennis, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$69,393,827 (*net position*). Of this amount, \$6,355,390 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$6,674,656.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$38,650,672, an increase of \$8,904,922 in comparison with the prior year primarily as the result of bond proceeds. Approximately 22 percent of this amount (\$8,378,881) is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,879,055, or approximately 43 percent of the total general fund expenditures.

Overview of the Financial Statements

The *management's discussion and analysis* provided here are intended to serve as an introduction to the City's *basic financial statements*. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.



P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086
www.ennistx.gov

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, streets, health, equipment services, cultural and recreational, hospital, and public works. The business-type activities of the City include water, sewer, sanitation, and airport operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate economic development corporation and a legally separate industrial development corporation for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. Complete financial statements for the component unit are available from the City Finance Director upon request.

The government-wide financial statements can be found on pages 16-17 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.



P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086

www.ennistx.gov

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twenty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, QIPP Fund, General Capital Projects Fund, Certificates of Obligation Series 2019 Fund, and the Debt Service Fund, which are considered to be major funds. Data from the other twenty governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-22 of this report.



P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086
www.ennistx.gov

Proprietary Funds. The City maintains one type of proprietary fund. The *enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses the enterprise funds to account for its water and sewer, sanitation, and airport operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the management of its self-insurance. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility fund, which is considered to be a major fund of the City. Data from the other two enterprise funds are combined into a single aggregated presentation. Data for the internal service fund is also presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 23-25 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-64 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligations to provide pension benefits to its employees. Required supplementary information can be found on pages 65-67 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 68-87 of this report.



The bluebonnet spirit of Texas

P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086

www.ennistx.gov

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$69,393,827, at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 53,090,365	\$ 37,383,878	\$ 12,203,986	\$ 13,288,318	\$ 65,294,351	\$ 50,672,196
Capital assets	86,744,470	77,555,183	44,483,081	37,556,798	131,227,551	115,111,981
Total assets	139,834,835	114,939,061	56,687,067	50,845,116	196,521,902	165,784,177
Total deferred outflows of resources	1,903,376	4,325,247	437,205	1,078,545	2,340,581	5,403,792
Long term liabilities	92,112,268	81,107,715	20,733,975	18,232,530	112,846,243	99,340,245
Other liabilities	12,186,580	6,487,203	1,435,263	1,940,704	13,621,843	8,427,907
Total liabilities	104,298,848	87,594,918	22,169,238	20,173,234	126,468,086	107,768,152
Total deferred inflows of resources	2,406,370	551,665	594,200	148,981	3,000,570	700,646
Net position						
Net investment in capital assets	26,969,958	28,875,948	32,807,774	29,033,174	59,777,732	57,909,122
Restricted	3,493,100	2,136,186	-	-	3,493,100	2,136,186
Unrestricted	4,569,935	105,591	1,553,060	2,568,272	6,122,995	2,673,863
Total net position	\$ 35,032,993	\$ 31,117,725	\$ 34,360,834	\$ 31,601,446	\$ 69,393,827	\$ 62,719,171

By far, the largest portion of the City's net position (84.63 percent) reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, and water rights), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (6.21 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$6,355,390 is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

The City's total net investment in capital assets increased as the additions from capital outlays and work-in-progress exceeded capital related debt issued, depreciation, and retirements.



The bluebonnet spirit of Texas

P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086

www.ennistx.gov

The City's overall net position increased \$6,674,656 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 105,436,055	\$ 13,583,372	\$ 12,598,028	\$ 11,885,615	\$ 118,034,083	\$ 25,468,987
Operating grants and contributions	3,395,699	1,180,486	-	19,970	3,395,699	1,200,456
Capital grants and contributions	3,562,566	466,874	3,261,807	52,824	6,824,373	519,698
General revenues						
Property taxes	14,185,118	11,865,422	-	-	14,185,118	11,865,422
Sales taxes	6,326,040	5,324,306	-	-	6,326,040	5,324,306
Franchise taxes	1,640,222	1,494,793	-	-	1,640,222	1,494,793
Hotel occupancy taxes	231,856	391,787	-	-	231,856	391,787
Alcoholic beverage taxes	49,051	52,512	-	-	49,051	52,512
Investment earnings	257,103	391,289	79,097	169,245	336,200	560,534
Gain (loss) on sale of capital assets	-	14,800	5,117	-	5,117	14,800
Miscellaneous	244,162	403,138	-	-	244,162	403,138
Total revenues	135,327,872	35,168,779	15,944,049	12,127,654	151,271,921	47,296,433
Expenses						
General government	9,654,303	3,323,582	-	-	9,654,303	3,323,582
Public safety	12,703,761	10,731,634	-	-	12,703,761	10,731,634
Streets	2,990,759	3,805,200	-	-	2,990,759	3,805,200
Health	103,331,831	14,151,551	-	-	103,331,831	14,151,551
Equipment services	401,137	405,495	-	-	401,137	405,495
Cultural and recreational	1,908,687	1,696,613	-	-	1,908,687	1,696,613
Airport	-	-	108,390	165,814	108,390	165,814
Hospital	-	1,160,052	-	-	-	1,160,052
Public works	557,302	869,278	-	-	557,302	869,278
Interest on long-term debt	2,381,383	1,818,008	-	-	2,381,383	1,818,008
Utility	-	-	9,259,784	8,199,646	9,259,784	8,199,646
Sanitation	-	-	1,299,928	1,180,725	1,299,928	1,180,725
Total expenses	133,929,163	37,961,413	10,668,102	9,546,185	144,597,265	47,507,598
Change in net position before transfers	1,398,709	(2,792,634)	5,275,947	2,581,469	6,674,656	(211,165)
Transfers	2,516,559	203,424	(2,516,559)	(203,424)	-	-
Change in net position	3,915,268	(2,589,210)	2,759,388	2,378,045	6,674,656	(211,165)
Net Position – Beginning	31,117,725	33,706,935	31,601,446	29,223,401	62,719,171	62,930,336
Net Position – Ending	\$ 35,032,993	\$ 31,117,725	\$ 34,360,834	\$ 31,601,446	\$ 69,393,827	\$ 62,719,171



P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086
www.ennistx.gov

Certain reclassifications have been made to the prior year data to conform with the current year presentation.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$3,915,268 from the prior fiscal year for an ending balance of \$35,032,993. Revenues and expenses rose 285 percent and 253 percent, respectively, primarily as a result of the City's QIPP program expanded in 2020.

Business-type Activities. For the City's business-type activities, the results for the current fiscal year resulted in an increase in net position to an ending balance of \$34,360,834. The total increase in net position for business-type activities (utility, sanitation, and airport operations) was \$2,759,388 or 8.73 percent from the prior fiscal year. Revenues from charges for services rose 31 percent. Total expenses before transfers increased \$1,121,917 in fiscal year 2020.

Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Commissioners.

At September 30, 2020, the City's governmental funds reported combined fund balances of \$38,650,672, an increase of \$8,904,922 in comparison with the prior year. Approximately 21.68 percent of this amount (\$8,378,881) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable or restricted to indicate that it is 1) not in spendable form (\$33,482), 2) legally required to be maintained intact (\$28,966), or 3) restricted for particular purposes (\$30,209,343).



P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086
www.ennistx.gov

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8,879,055, while total fund balance increased to \$8,912,537. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 43.2 percent of total general fund expenditures, while total fund balance represents approximately 50.4 percent of that same amount.

The fund balance of the City's general fund increased by \$837,010 during the current fiscal year. Revenues increased by \$2,647,415 (14.78 percent) above the previous year with property taxes revenue contributing \$904,910 to the increase. General fund expenditures experienced an increase of \$2,251,193 due to increased projects ongoing throughout the City.

The QIPP fund, a major governmental fund, has a \$1,070,440 increase in fund balance during the current fiscal year which increased total fund balance to a negative \$467,064. The increase in revenue and expenditures is primarily related to the City's expansion in the program during 2020 from 3 to 15 nursing homes.

The general capital projects fund, a major governmental fund, has an \$12,471,245 increase in fund balance during the current fiscal year which increased total fund balance to \$25,625,657. The increase is primarily the result of bond proceeds received during the year.

The Certificate of Obligations Series 2019 fund, a major governmental fund, has a \$6,272,662 decrease in fund balance during the current fiscal year which decreased total fund balance to \$1,090,586. The decrease is primarily the result of bond proceeds spent during the year.

The debt service fund, a major fund, had an increase in fund balance during the current year of \$70,776 to bring the year-end fund balance to \$803,308. The increase was primarily related to increased property tax revenue.

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



P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086
www.ennistx.gov

Unrestricted net position (deficit) of the Utility and Nonmajor Enterprise funds at the end of the year amounts to \$2,048,909 and (\$1,059,790). Net position increased in 2020 by \$2,502,721 in the Utility fund and decreased by \$94,898 in the Nonmajor Enterprise funds. For the Utility fund, operating revenues increased in 2020 by \$329,705 (3.2 percent). Operating expenses increased \$790,789 (9.8 percent). For the Nonmajor Enterprise funds, operating revenues increased in 2020 by \$31,143 (1.9 percent). Operating expenses decreased by \$30,521 (2.1 percent).

General Fund Budgetary Highlights

Final Budget Compared to Actual Results. General fund actual revenues of \$17,907,785 exceeded budgeted revenues of \$15,720,939 by \$2,186,846. Following are the main components that experienced an increase or decrease of actual revenue compared to budgeted revenue:

- The \$1,291,212 increase in intergovernmental is the result of increased grants and contributions.
- The \$583,233 increase in sales tax due to increased sales tax in 2020.

Budgeted general fund expenditures of \$21,316,802 exceeded actual expenditures of \$20,573,842. This \$742,960 positive variance in expenditures was achieved through a series of expenditure restrictions imposed during the year.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$131,227,551 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, and water rights. The total increase in capital assets for the current fiscal year was approximately 14 percent.



The bluebonnet spirit of Texas

P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086

www.ennistx.gov

**Capital Assets
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 6,403,372	\$ 6,403,372	\$ 1,088,290	\$ 1,088,290	\$ 7,491,662	\$ 7,491,662
Construction in progress	9,565,428	14,279,466	10,734,765	6,003,131	20,300,193	20,282,597
Buildings	34,995,499	22,970,197	3,158,613	3,342,108	38,154,112	26,312,305
Improvements	2,005,321	1,865,464	28,502,562	25,977,152	30,507,883	27,842,616
Machinery and equipment	4,012,622	4,442,670	631,509	745,381	4,644,131	5,188,051
Infrastructure	29,762,228	27,594,014	-	-	29,762,228	27,594,014
Water rights	-	-	367,342	400,736	367,342	400,736
Total	\$ 86,744,470	\$ 77,555,183	\$ 44,483,081	\$ 37,556,798	\$ 131,227,551	\$ 115,111,981

Certain reclassifications have been made to the prior year data to conform with the current year presentation.

Major capital asset events during the current fiscal year included the following:

- Buildings additions of approximately 11,841,807 was due to completion of the Public Safety Facility and other smaller improvements.
- Improvement additions of approximately \$2,665,267 primarily consisting of developer contributions of water and wastewater additions from Buc-ee's and housing developments.
- Infrastructure additions of approximately \$2,168,214 consisting of developer contributions of street additions from Buc-ee's and Housing Developments. Additional information on the City's capital assets can be found in *Note 2* on pages 38-40 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$85,075,000, which is backed by the full faith and credit of the government. The remainder of the City's long-term obligations comprises development agreement payable and capital leases.



The bluebonnet spirit of Texas

P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086

www.ennistx.gov

Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Certificates of obligation	\$ 59,720,000	\$ 44,810,000	\$ 16,475,000	\$ 12,130,000	\$ 76,195,000	\$ 56,940,000
General obligations	7,180,000	9,150,000	1,700,000	3,300,000	8,880,000	12,450,000
Development agreement payable	14,666,718	15,211,611	-	-	14,666,718	15,211,611
Capital leases	-	170,217	-	-	-	170,217
Total	\$ 81,566,718	\$ 69,341,828	\$ 18,175,000	\$ 15,430,000	\$ 99,741,718	\$ 84,771,828

The City's total debt increased by \$14,969,890 (17.66 percent) during the current fiscal year. The reason for the increase is primarily the result of the issuance of certificates of obligation.

The City's General Obligation and Combination Tax and Revenue Certificates of Obligation ratings are listed below.

Standard's & Poor's

General Obligation Bonds	AA-
Certificates of Obligation	AA

Additional information on the City's long term-debt can be found in *Note 2* on pages 46-49 of this report.

Economic Factors and Next Year's Budget Rates

The City considered many factors in setting the budget; most significantly was the impact of COVID-19 and the uncertainty relating to the pandemic. A more conservative approach was taken when projecting revenue, especially in determining Sales Tax revenue and other similar income sources. Property Tax revenue was budgeted at an increase due to an increase in Net Taxable Valuation from the prior year. Budgeted Expenditures were reduced, and a position freeze implanted to limit any negative impact and to preserve existing positions.

The 2021 budgeted expenditures for the Utility Fund increased by \$650 thousand from 2020. This increase is primarily attributable to the planned financing of capital projects. The increase in expenditures was matched with an increase in budgeted revenue as the customer base for City Utilities is continuing to grow, both residential and commercial.



P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086
www.ennistx.gov

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 115 W. Brown Street, Ennis, Texas 75119.

Basic Financial Statements

This Page Intentionally Left Blank

City of Ennis, Texas
Statement of Net Position
September 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Ennis Economic Development Corporation
Assets				
Cash and cash equivalents	\$ 43,468,198	\$ 3,896,706	\$ 47,364,904	6,370,218
Receivables (net of allowance for uncollectibles)	2,774,783	1,390,155	4,164,938	-
Intergovernmental receivables	1,763,370	-	1,763,370	-
Internal balances	775,381	(775,381)	-	-
Inventories	33,482	159,192	192,674	-
Prepaid items	4,275,151	-	4,275,151	-
Restricted cash and cash equivalents	-	7,533,314	7,533,314	-
Capital assets				
Non-depreciable	15,968,800	11,823,055	27,791,855	3,467,796
Depreciable (net of accumulated depreciation)	70,775,670	32,660,026	103,435,696	4,927,068
Total assets	<u>139,834,835</u>	<u>56,687,067</u>	<u>196,521,902</u>	<u>14,765,082</u>
Deferred Outflows of Resources				
Deferred charges on refunding	324,400	40,920	365,320	140,474
Deferred outflows of resources related to pension	1,286,109	322,697	1,608,806	-
Deferred outflows of resources related to OPEB	292,867	73,588	366,455	-
Total deferred outflows of resources	<u>1,903,376</u>	<u>437,205</u>	<u>2,340,581</u>	<u>140,474</u>
Liabilities				
Accounts payable and other current liabilities	4,005,474	578,203	4,583,677	85,190
Accrued payroll payable	764,709	174,465	939,174	-
Accrued interest payable	469,355	82,680	552,035	18,855
Line of credit	6,947,042	-	6,947,042	-
Customer deposits payable	-	599,915	599,915	-
Noncurrent liabilities:				
Due within one year	4,614,431	1,750,462	6,364,893	580,000
Due in more than one year	87,497,837	18,983,513	106,481,350	5,610,640
Total Liabilities	<u>104,298,848</u>	<u>22,169,238</u>	<u>126,468,086</u>	<u>6,294,685</u>
Deferred Inflows of Resources				
Deferred inflows of resources related to pension	2,139,277	527,428	2,666,705	-
Deferred inflows of resources related to OPEB	267,093	66,772	333,865	-
Total deferred inflows of resources	<u>2,406,370</u>	<u>594,200</u>	<u>3,000,570</u>	<u>-</u>
Net Position				
Net investment in capital assets	26,969,958	32,807,774	59,777,732	2,344,698
Restricted for:				
Capital projects	895,036	-	895,036	-
Cultural and recreational	926,290	-	926,290	-
Debt service	803,308	-	803,308	-
Economic development	-	-	-	6,266,173
Public safety	645,366	-	645,366	-
Streets	118,188	-	118,188	-
Tourism	104,912	-	104,912	-
Unrestricted	4,569,935	1,553,060	6,122,995	-
Total net position	<u>\$ 35,032,993</u>	<u>\$ 34,360,834</u>	<u>\$ 69,393,827</u>	<u>\$ 8,610,871</u>

The notes to the financial statements are an integral part of this statement.

City of Ennis, Texas
Balance Sheet
Governmental Funds
September 30, 2020

Assets	General	QIPP	General Capital Projects	Certificates Of Obligation Series 2019	Debt Service	Total Nonmajor Funds	Total Governmental Funds
Cash and cash equivalents	\$ 7,120,510	\$ 3,105,029	\$ 26,259,582	\$ 1,134,321	\$ 803,308	\$ 2,393,686	\$ 40,816,436
Receivables (net of allowance for uncollectibles)	2,336,901	-	-	-	-	437,882	2,774,783
Intergovernmental receivables	-	1,763,370	-	-	-	-	1,763,370
Due from other funds	887,752	-	-	-	-	-	887,752
Inventories	33,482	-	-	-	-	-	33,482
Prepaid items	-	4,275,151	-	-	-	-	4,275,151
Total assets	10,378,645	9,143,550	26,259,582	1,134,321	803,308	2,831,568	50,550,974
Liabilities							
Accounts payable	313,530	2,598,443	633,925	43,735	-	19,841	3,609,474
Accrued payroll payable	751,001	-	-	-	-	13,708	764,709
Due to other funds	-	-	-	-	-	112,371	112,371
Accrued interest payable	-	65,129	-	-	-	-	65,129
Line of credit	-	6,947,042	-	-	-	-	6,947,042
Total liabilities	1,064,531	9,610,614	633,925	43,735	-	145,920	11,498,725
Deferred Inflows of Resources							
Unavailable revenue – property taxes	127,740	-	-	-	-	-	127,740
Unavailable revenue – court	191,847	-	-	-	-	-	191,847
Unavailable revenue – other	81,990	-	-	-	-	-	81,990
Total deferred inflows of resources	401,577	-	-	-	-	-	401,577
Fund Balances (Deficit)							
Nonspendable							
Endowment	-	-	-	-	-	28,966	28,966
Inventories	33,482	-	-	-	-	-	33,482
Restricted							
Capital projects	-	-	25,625,657	1,090,586	-	895,036	27,611,279
Cultural and recreational	-	-	-	-	-	926,290	926,290
Debt service	-	-	-	-	803,308	-	803,308
Public safety	-	-	-	-	-	645,366	645,366
Streets	-	-	-	-	-	118,188	118,188
Tourism	-	-	-	-	-	104,912	104,912
Unassigned (deficit)	8,879,055	(467,064)	-	-	-	(33,110)	8,378,881
Total fund balances (deficit)	8,912,537	(467,064)	25,625,657	1,090,586	803,308	2,685,648	38,650,672
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,378,645	\$ 9,143,550	\$ 26,259,582	\$ 1,134,321	\$ 803,308	\$ 2,831,568	\$ 50,550,974

City of Ennis, Texas
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of
Net Position
September 30, 2020

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$	38,650,672	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			86,744,470
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.			401,577
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds:			
Deferred charges on refunding	\$	324,400	
Deferred outflows of resources related to pension		1,286,109	
Deferred outflows of resources related to OPEB		<u>292,867</u>	1,903,376
Internal service funds are used by management to charge the cost of self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			2,255,762
Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in the governmental funds balance sheet.			(404,226)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Due within one year		(4,614,431)	
Due in more than one year		<u>(87,497,837)</u>	(92,112,268)
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds:			
Deferred inflows of resources related to pension		(2,139,277)	
Deferred inflows of resources related to OPEB		<u>(267,093)</u>	<u>(2,406,370)</u>
Net position of governmental activities	\$		<u><u>35,032,993</u></u>

City of Ennis, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2020

Revenues	General	QIPP	General Capital Projects	Certificates Of Obligation Series 2019	Debt Service	Total Nonmajor Funds	Total Governmental Funds
Property taxes	\$ 8,715,583	\$ -	\$ -	\$ -	\$ 5,295,663	\$ 173,213	\$ 14,184,459
Sales taxes	4,283,703	-	-	-	-	2,042,337	6,326,040
Franchise taxes	1,640,222	-	-	-	-	-	1,640,222
Hotel occupancy taxes	-	-	-	-	-	231,856	231,856
Alcoholic beverage taxes	49,051	-	-	-	-	-	49,051
Licenses and permits	700,874	-	-	-	-	-	700,874
Fines and forfeitures	319,623	-	-	-	-	12,787	332,410
Charges for services	215,684	102,778,824	-	-	-	-	102,994,508
Investment earnings	96,296	10,854	91,250	22,378	17,618	18,707	257,103
Miscellaneous	491,357	-	-	-	36,885	235,202	763,444
Intergovernmental	1,395,392	643,012	1,437,836	-	-	187,393	3,663,633
Contributions and donations	-	-	-	-	-	53,589	53,589
Total revenues	17,907,785	103,432,690	1,529,086	22,378	5,350,166	2,955,084	131,197,189
Expenditures							
Current							
General government	4,606,569	-	-	389,011	-	471,814	5,467,394
Public safety	11,732,611	-	-	-	-	167,385	11,899,996
Streets	1,211,476	-	-	-	-	246,084	1,457,560
Health	536,061	102,160,369	-	-	-	-	102,696,430
Equipment services	322,337	-	-	-	-	-	322,337
Cultural and recreational	1,654,224	-	-	-	-	25,335	1,679,559
Public works	510,564	-	-	-	-	-	510,564
Capital outlay:							
General government	-	-	2,463,629	-	-	10,000	2,473,629
Public safety	-	-	-	9,426,029	-	-	9,426,029
Streets	-	-	-	-	-	-	-
Equipment services	-	-	590,297	-	-	-	590,297
Cultural and recreational	-	-	575,232	-	-	-	575,232
Public works	-	-	1,566,568	-	-	-	1,566,568
Debt service:							
Principal retirement	-	-	-	-	3,980,000	-	3,980,000
Interest and fiscal charges	-	201,881	-	-	1,999,830	-	2,201,711
Bond issuance costs	-	-	208,671	-	-	-	208,671
Total expenditures	20,573,842	102,362,250	5,404,397	9,815,040	5,979,830	920,618	145,055,977
Excess (deficiency) of revenues over (under) expenditures	(2,666,057)	1,070,440	(3,875,311)	(9,792,662)	(629,664)	2,034,466	(13,858,788)
Other Financing Sources (Uses)							
Transfers in	4,132,542	-	161,119	3,520,000	700,440	79,108	8,593,209
Transfers out	(677,793)	-	(4,013,396)	-	-	(1,385,461)	(6,076,650)
Certificates of obligation issued	-	-	16,920,000	-	-	-	16,920,000
Premium on bonds issued	-	-	3,278,833	-	-	-	3,278,833
Sale of capital assets	48,318	-	-	-	-	-	48,318
Total other financing sources (uses)	3,503,067	-	16,346,556	3,520,000	700,440	(1,306,353)	22,763,710
Net change in fund balances	837,010	1,070,440	12,471,245	(6,272,662)	70,776	728,113	8,904,922
Fund Balances (Deficit), Beginning	8,075,527	(1,537,504)	13,154,412	7,363,248	732,532	1,957,535	29,745,750
Fund Balances (Deficit), Ending	\$ 8,912,537	\$ (467,064)	\$ 25,625,657	\$ 1,090,586	\$ 803,308	\$ 2,685,648	\$ 38,650,672

City of Ennis, Texas
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2020

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

Net Change in Fund Balances - total governmental funds		\$ 8,904,922
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay recorded as capital assets in the current period.		14,368,879
Governmental funds do not recognize contributed capital assets. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		3,508,977
The net effect of various miscellaneous transactions involving capital assets (i.e., asset retirements/disposals), and the transfer of capital assets from business-type activities to governmental activities to decrease net position.		
Transfer of capital assets	\$ (4,072,181)	
Asset retirements/disposals	(567,600)	(4,639,781)
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.		(4,048,788)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Bonds issued	\$ (16,920,000)	
Premium on bonds issued	(3,278,833)	
Bond principal retirement	3,980,000	
Amortization of bond premiums/discounts	140,318	
Amortization of deferred charge on refunding	(72,520)	
Development agreement payable retirement	544,893	
Capital lease retirement	<u>170,217</u>	(15,435,925)
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds. Change in accrued interest.		(38,799)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(83,049)
Pension and OPEB contributions are recorded as expenditures in the governmental funds. However, in the statement of activities, these contributions are converted to the full accrual GASBS 68 pension amounts.		
Deferred outflows/inflows of resources related to pension	(3,997,498)	
Deferred outflows/inflows of resources related to OPEB	<u>(206,558)</u>	(4,204,056)
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 the governmental funds.		
Compensated absences	124,635	
Net pension liability	4,076,685	
OPEB liability	<u>157,532</u>	4,358,852
The internal service funds are used by management to charge the costs of self-insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>1,224,036</u>
Change in net position of governmental activities		<u>\$ 3,915,268</u>

The notes to the financial statements are an integral part of this statement.

City of Ennis, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2020

Revenues	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
Property taxes	\$ 8,645,471	\$ 8,645,471	\$ 8,715,583	\$ 70,112
Sales taxes	3,700,470	3,700,470	4,283,703	583,233
Franchise taxes	1,648,193	1,648,193	1,640,222	(7,971)
Alcoholic beverage taxes	47,076	47,076	49,051	1,975
Licenses and permits	534,569	534,569	700,874	166,305
Fines and forfeitures	481,093	481,093	319,623	(161,470)
Charges for services	209,019	209,019	215,684	6,665
Investment earnings	109,815	109,815	96,296	(13,519)
Miscellaneous	224,759	241,053	491,357	250,304
Intergovernmental	53,180	104,180	1,395,392	1,291,212
Total revenues	<u>15,653,645</u>	<u>15,720,939</u>	<u>17,907,785</u>	<u>2,186,846</u>
Expenditures				
Current:				
General government:				
City commission	232,429	232,429	226,439	5,990
Administration	668,371	1,048,155	813,047	235,108
Finance	366,823	386,809	386,154	655
Economic development	561,170	539,353	439,388	99,965
Information technology	117,696	117,696	26,210	91,486
Human resources	385,253	370,271	352,373	17,898
Nondepartmental	681,182	2,300,065	2,362,958	(62,893)
Total general government	<u>3,012,924</u>	<u>4,994,778</u>	<u>4,606,569</u>	<u>388,209</u>
Public safety:				
Police protection	5,214,194	5,372,157	5,397,233	(25,076)
Judicial	298,057	292,057	288,728	3,329
Fire protection	5,259,382	5,478,988	5,454,099	24,889
Planning and inspection	571,370	596,840	592,551	4,289
Total public safety	<u>11,343,003</u>	<u>11,740,042</u>	<u>11,732,611</u>	<u>7,431</u>
Streets	1,202,648	1,197,739	1,211,476	(13,737)
Health	624,978	600,731	536,061	64,670
Equipment services	371,985	365,985	322,337	43,648
Cultural and recreational:				
Parks and recreation	1,086,913	1,244,956	1,074,550	170,406
Library	563,906	536,493	543,423	(6,930)
Museum	35,209	35,209	36,251	(1,042)
Total cultural and recreational	<u>1,686,028</u>	<u>1,816,658</u>	<u>1,654,224</u>	<u>162,434</u>
Public works	512,866	512,866	510,564	2,302
Debt service:				
Principal retirement	84,159	84,159	-	84,159
Interest and fiscal charges	3,844	3,844	-	3,844
Total debt service	<u>88,003</u>	<u>88,003</u>	<u>-</u>	<u>88,003</u>
Total expenditures	<u>18,842,435</u>	<u>21,316,802</u>	<u>20,573,842</u>	<u>742,960</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,188,790)</u>	<u>(5,595,863)</u>	<u>(2,666,057)</u>	<u>1,443,886</u>
Other Financing Sources (Uses)				
Transfers in	4,682,799	4,682,799	4,132,542	(550,257)
Transfers out	(414,310)	(414,310)	(677,793)	263,483
Sale of capital assets	-	-	48,318	48,318
Total other financing sources and uses	<u>4,268,489</u>	<u>4,268,489</u>	<u>3,503,067</u>	<u>(238,456)</u>
Net change in fund balance	1,079,699	(1,327,374)	837,010	1,205,430
Fund balance – beginning	8,075,527	8,075,527	8,075,527	-
Fund balance – ending	<u>\$ 9,155,226</u>	<u>\$ 6,748,153</u>	<u>\$ 8,912,537</u>	<u>\$ 1,205,430</u>

City of Ennis, Texas
Statement of Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2020

	Business-type Activities - Enterprise			Governmental
	Utility	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities Internal Service Fund
Assets				
Current Assets				
Cash and cash equivalents	\$ 3,233,765	\$ -	\$ 3,233,765	\$ 3,314,703
Restricted cash and cash equivalents - bond construction	7,533,314	-	7,533,314	-
Receivables (net of allowance for uncollectibles)	1,196,563	193,592	1,390,155	-
Inventories	130,897	28,295	159,192	-
Total current assets	<u>12,094,539</u>	<u>221,887</u>	<u>12,316,426</u>	<u>3,314,703</u>
Noncurrent Assets				
Capital assets (net, where applicable of accumulated depreciation)	43,106,440	1,376,641	44,483,081	-
Total noncurrent assets	<u>43,106,440</u>	<u>1,376,641</u>	<u>44,483,081</u>	<u>-</u>
Total assets	<u>55,200,979</u>	<u>1,598,528</u>	<u>56,799,507</u>	<u>3,314,703</u>
Deferred Outflows of Resources				
Deferred charges on refunding	40,920	-	40,920	-
Deferred outflows of resources related to pension	243,322	79,375	322,697	-
Deferred outflows of resources related to OPEB	55,450	18,138	73,588	-
Total deferred outflows of resources	<u>339,692</u>	<u>97,513</u>	<u>437,205</u>	<u>-</u>
Liabilities				
Current Liabilities				
Accounts payable	437,960	41,243	479,203	495,000
Accrued payroll payable	131,947	42,518	174,465	-
Due to other funds	-	775,381	775,381	-
Customer deposits payable	599,915	-	599,915	-
Bonds payable	1,750,462	-	1,750,462	-
Accrued interest payable	82,680	-	82,680	-
Total current liabilities	<u>3,002,964</u>	<u>859,142</u>	<u>3,862,106</u>	<u>495,000</u>
Noncurrent Liabilities				
Bonds payable	17,499,079	-	17,499,079	-
Net pension liability	1,008,541	335,564	1,344,105	-
Total OPEB liability	105,247	35,082	140,329	-
Total noncurrent liabilities	<u>18,612,867</u>	<u>370,646</u>	<u>18,983,513</u>	<u>-</u>
Total liabilities	<u>21,615,831</u>	<u>1,229,788</u>	<u>22,845,619</u>	<u>495,000</u>
Deferred Inflows of Resources				
Deferred inflows of resources related to pension	394,719	132,709	527,428	-
Deferred inflows of resources related to OPEB	50,079	16,693	66,772	-
Total deferred inflows of resources	<u>444,798</u>	<u>149,402</u>	<u>594,200</u>	<u>-</u>
Net Position (Deficit)				
Net investment in capital assets	31,431,133	1,376,641	32,807,774	-
Unrestricted (Deficit)	2,048,909	(1,059,790)	989,119	2,819,703
Total net position (deficit)	<u>\$ 33,480,042</u>	<u>\$ 316,851</u>	<u>33,796,893</u>	<u>\$ 2,819,703</u>
Adjustment to report the cumulative internal balance for the net effect of the between the internal service fund and the enterprise funds over time			<u>563,941</u>	
Net position of business-type activities			<u>\$ 34,360,834</u>	

City of Ennis, Texas
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2020

	Business-type Activities - Enterprise			Governmental
	Utility	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Operating Revenues				
Water revenue	\$ 6,223,003	\$ -	\$ 6,223,003	\$ -
Sewer revenue	4,370,075	-	4,370,075	-
Sanitation revenue	-	1,555,371	1,555,371	-
Airport revenue	-	98,014	98,014	-
Charges for insurance and services	-	-	-	4,904,811
Total operating revenues	<u>10,593,078</u>	<u>1,653,385</u>	<u>12,246,463</u>	<u>4,904,811</u>
Operating Expenses				
Personnel	2,719,649	835,046	3,554,695	-
Supplies	1,358,474	120,865	1,479,339	-
Maintenance and replacement	972,232	121,160	1,093,392	-
Miscellaneous services	1,581,738	164,805	1,746,543	-
Insurance claims and expenses	-	-	-	3,329,210
Depreciation and amortization	2,211,093	166,442	2,377,535	-
Total operating expenses	<u>8,843,186</u>	<u>1,408,318</u>	<u>10,251,504</u>	<u>3,329,210</u>
Operating income	<u>1,749,892</u>	<u>245,067</u>	<u>1,994,959</u>	<u>1,575,601</u>
Nonoperating Revenue (Expenses)				
Investment earnings	79,097	-	79,097	-
Gain on disposal of property	5,117	-	5,117	-
Interest expense	(416,598)	-	(416,598)	-
Total nonoperating revenue (expenses)	<u>(332,384)</u>	<u>-</u>	<u>(332,384)</u>	<u>-</u>
Income before contributions and transfers	1,417,508	245,067	1,662,575	1,575,601
Capital contributions	3,261,567	240	3,261,807	-
Transfer in	353,653	-	353,653	-
Transfer out	(2,530,007)	(340,205)	(2,870,212)	-
Change in net position	2,502,721	(94,898)	2,407,823	1,575,601
Net position (deficit) – beginning	<u>30,977,321</u>	<u>411,749</u>	<u>31,389,070</u>	<u>1,244,102</u>
Net position – ending	<u>\$ 33,480,042</u>	<u>\$ 316,851</u>	<u>33,796,893</u>	<u>\$ 2,819,703</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time			<u>351,565</u>	
Change in net position of business-type activities			<u>\$ 2,759,388</u>	

City of Ennis, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2020

	Business-type Activities - Enterprise			Governmental
	Utility	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers	\$ 10,699,560	\$ 1,638,615	\$ 12,338,175	\$ -
Receipts from interfund charges for self-insurance	-	-	-	4,904,811
Payments to suppliers and service providers	(3,719,760)	(398,556)	(4,118,316)	(3,416,210)
Payments to employees for salaries and benefits	(2,754,033)	(844,280)	(3,598,313)	-
Net cash provided by operating activities	<u>4,225,767</u>	<u>395,779</u>	<u>4,621,546</u>	<u>1,488,601</u>
Cash Flows From Noncapital Financing Activities				
Transfers from other funds	-	28,061	28,061	-
Transfers to other funds	(2,487,015)	(3,268)	(2,490,283)	(448,308)
Net cash provided by (used for) noncapital financing activities	<u>(2,487,015)</u>	<u>24,793</u>	<u>(2,462,222)</u>	<u>(448,308)</u>
Cash Flows From Capital And Related Financing Activities				
Capital contributions	-	240	240	-
Acquisition and construction of capital assets	(6,462,771)	(424,307)	(6,887,078)	-
Proceeds from disposal of capital assets	5,117	-	5,117	-
Proceeds from sale of bonds	5,569,004	-	5,569,004	-
Principal paid on bond maturities	(1,920,000)	-	(1,920,000)	-
Interest and fiscal charges paid on bonds	(376,248)	-	(376,248)	-
Net cash provided by (used for) capital and related financing activities	<u>(3,184,898)</u>	<u>(424,067)</u>	<u>(3,608,965)</u>	<u>-</u>
Cash Flows From Investing Activities				
Interest on investments	79,097	-	169,245	-
Net cash provided by investing activities	<u>79,097</u>	<u>-</u>	<u>169,245</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(1,367,049)	(3,495)	(1,280,396)	1,040,293
Cash and cash equivalents, October 1 (includes \$7,869,345 reported in restricted cash)	12,134,128	3,495	12,137,623	2,274,410
Cash and cash equivalents, September 30 (includes \$7,533,314 reported in restricted cash)	<u>\$ 10,767,079</u>	<u>\$ -</u>	<u>\$ 10,857,227</u>	<u>\$ 3,314,703</u>
Operating Income to Net Cash Provided by Operating Activities				
Operating income	\$ 1,749,892	\$ 245,067	\$ 1,994,959	\$ 1,575,601
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation and amortization	2,211,093	166,442	2,377,535	-
(Increase) decrease in accounts receivable	106,482	(14,770)	91,712	-
(Increase) decrease in inventory	24,786	-	24,786	-
(Increase) decrease in pension related deferred inflows/outflows	749,534	249,845	999,379	-
(Increase) decrease in OPEB related deferred inflows/outflows	38,727	12,909	51,636	-
Increase (decrease) in accounts payable	167,898	8,274	176,172	(87,000)
Increase (decrease) in accrued payroll payable	18,692	(6,966)	11,726	-
Increase (decrease) in compensated absences	(48,842)	-	(48,842)	-
Increase (decrease) in customer deposits	5,645	-	5,645	-
Increase (decrease) in net pension liability	(764,378)	(254,793)	(1,019,171)	-
Increase (decrease) in OPEB liability	(33,762)	(10,229)	(43,991)	-
Total adjustments	<u>2,475,875</u>	<u>150,712</u>	<u>2,626,587</u>	<u>(87,000)</u>
Net cash provided by (used for) operating activities	<u>\$ 4,225,767</u>	<u>\$ 395,779</u>	<u>\$ 4,621,546</u>	<u>\$ 1,488,601</u>
Schedule of Non-cash Transactions				
Contributions of capital assets	\$ 3,261,567	\$ -	\$ -	\$ -

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Note 1: Summary of Significant Accounting Policies

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting Entity

The City of Ennis, Texas (City) was incorporated May 2, 1872, and operates under a Commission-Manager form of government. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and: (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units.

Discretely Presented Component Unit. The Corporation described is included in the City's reporting entity because the City appoints the governing body and the Corporation is fiscally dependent on the City. The Corporation is reported as discretely presented component unit since the governing body is not substantively the same as the governing body of the City, and they provide service to the citizens of Ennis and the surrounding area as opposed to only the primary government. To emphasize that they are legally separate from the City, they are reported in separate columns in the financial statements.

The *Ennis Economic Development Corporation, Inc.* (Corporation) is responsible for collecting and disbursing the one-half percent sales tax to be used for economic development within the City. The members of the Corporation's board are appointed by the City. The City can impose its will on the Corporation by significantly influencing the program, projects, activities, or level of service performed by the Corporation. The Corporation is presented as a governmental fund type and has a September 30 year-end.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Separately issued financial reports are available for the Corporation. This report may be obtained by contacting the following office.

City of Ennis
115 West Brown Street
Ennis, Texas 75119

Basis of Presentation

Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service fund, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the City has discretely presented component units. The Economic Development Corporation and Industrial Development Corporation are considered to be major component units and are shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer and sanitation functions, and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *QIPP fund* is used to account for revenues and expenditures generated from the City's participation in the Quality Incentive Payment Program for nursing homes.

The *general capital projects fund* is used to account for improvements to streets and building construction from issuance of certificates of obligation.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

The *Certificates of Obligation Series 2019 fund* is used to account for building construction from issuance of certificates of obligation.

The *debt service fund* is used to account for the accumulation of resources that are restricted for the payment of principal and interest on long-term obligations of governmental funds.

The City reports the following major enterprise fund:

The *utility fund* accounts for the activities of the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

Additionally, the City reports the following fund type:

Internal service funds account for self-insurance services provided to other departments of the City on a cost-reimbursement basis.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activity's column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and debt service fund. The annual budgets for the utility and nonmajor enterprise funds are prepared on the budgetary basis of accounting. Appropriations in all budgeted funds lapse at the end of the fiscal year. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

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

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

External Investment Pools

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in TexPool. In accordance with state law, TexPool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the *Investment Company Act of 1940*, as amended. Accordingly, TexPool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. TexPool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

The State Comptroller of Public Accounts oversees TexPool. Federated Investors is the full service provider to the pool managing the assets, providing participant services, and arranging for all custody and other functions in support of the pool operations under a contract with the Comptroller.

TexPool is managed conservatively to provide a safe, efficient, and liquid investment alternative to Texas governments. The pool seeks to maintain a \$1.00 value per share as required by the *Texas Public Funds Investment Act*. TexPool investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. TexPool is rated AAAM by Standard & Poor's, the highest rating a local government investment pool can achieve. The weighted average maturities of the pool cannot exceed 60 days, with the maximum maturity of any investment limited to 13 months. TexPool, like its participants, is governed by the *Texas Public Funds Investment Act*, and is in full compliance with the Act.

Restricted Assets

Certain proceeds of the City's enterprise fund general obligation bonds are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue bond construction" account is used to report those proceeds of revenue bond issuances that are restricted for use in construction.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

As the government constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Lives
Buildings	7-50
Improvements	7-50
Machinery and equipment	5-30
Infrastructure	10-50
Water rights	30

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Deferred Outflows/Inflows 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. Deferred outflows of resources reported in this year's financial statements include: (1) the differences between the projected and actual investment earnings; (2) a deferred outflow of resources for contributions made to the City's defined benefit pension plan and OPEB plan between the measurement date and the end of the City's fiscal year; (3) a deferred outflow of resources for the difference between expected and actual experience data used by the actuary for the pension and OPEB plans; and (4) deferred charge on refunding. Deferred outflows of resources for the differences between the projected and actual investment earnings are attributed to pension expense over a total of 5 years, including the current year. Deferred outflows for pension and OPEB contributions will be recognized in the subsequent fiscal year. Deferred outflows of resources for the difference between expected and actual experience data is attributed to pension expense over a total of 3.5 years, including the current year and OPEB expense over a total of 7.8 years, including the current year. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. No deferred outflows of resources affect the governmental funds financial statements in the current year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources are reported in the City's various statements of net position for: (1) a deferred inflow of resources related to changes in actuarial assumptions of the City's defined benefit pension plan; (2) a deferred inflow of resources related to changes in actuarial assumptions of the City's OPEB plan; and (3) the difference between expected and actual experience data used by the actuary for the pension plan. Deferred inflows for changes in actuarial assumptions is attributed to pension expense over a total of 2.42 years. Deferred inflows for changes in actuarial assumptions is attributed to OPEB expense over a total of 7.28 years. The deferred inflow of resources related to the difference between expected and actual experience data used by the actuary is attributed to pension expense over a total of 5.88 years, including the current year. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The City will not recognize the related revenues until they are available (collected not later than 60 days after the end of the City's fiscal year) under the modified accrual basis of accounting. Accordingly, *unavailable revenues* from property taxes, court, and intergovernmental revenues are reported in the governmental funds balance sheet.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Long-term Obligations

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

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.

Pensions and Other Post-Employment Benefits (OPEB)

For purposes of measuring the net pension asset/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.

GASB 75 requires recognition of the Total OPEB Liability (TOL), deferred (inflows)/outflows of resources, and total OPEB expense on the face of the employer's financial statements. The TOL is calculated by the System's actuary in accordance with the provisions of GASB 75. The OPEB expense and deferred (inflows)/outflows of resources related to OPEB, which are required to be reported by an employer, primarily result from changes in the components of the TOL. Most changes in the TOL will be included in OPEB expense in the period of the change. For example, changes in the TOL resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in OPEB expense immediately. Changes in the TOL that have not been included in OPEB expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to OPEB.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Net Position Flow Assumption

Net position represent the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements. Net positions are classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Balance Flow Assumption

The governmental fund financial statements present fund balance categorized based on the nature and extent of the constraints placed on the specific purposes for which a government's funds may be spent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance — amounts that are not in spendable form (such as inventories and prepaid items) or are required to be maintained intact.

Restricted Fund Balance — amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance — amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Commissioners). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

Assigned Fund Balance — amounts the City intends to use for a specific purpose. Intent can be expressed by the City Commissioners or by an official or body to which the City Commissioners delegates the authority.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Unassigned Fund Balance— amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned. Positive balances are reported only in the general fund.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Library Endowment

Under terms of the endowment, and consistent with State statutes, the City is authorized on a total-return policy to spend the net appreciation for the benefit of the Ennis Public Library. All available net appreciation has been expended as of September 30, 2020.

Deficit Fund Equity

As of September 30, 2020, the QIPP fund, a major governmental fund, has a deficit fund balance of \$467,064.

As of September 30, 2020, the Court Technology fund, a nonmajor governmental fund, has a deficit fund balance of \$33,110.

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Property Taxes

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property. Appraised values are established by the Ellis Appraisal District as market value and assessed at 100 percent of appraised value. Property taxes attach as an enforceable lien on property as of January 1. The Ellis County Tax Assessor/Collector bills and collects the City's property taxes, which are due October 1. Full payment can be made prior to the next January 31 to avoid penalty and interest charges. Over time substantially all property taxes are collected.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility, nonmajor enterprise, and internal service funds are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds and internal service fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Self-Insurance

The City is self-insured for medical and prescription drug claims. The Internal Service Fund is used to account for the activity of this program. It is the City's policy to provide in each fiscal year, through premiums charged to all operating funds, amounts sufficient for self-insurance program expenses and reserves associated with claims, that are determined based on loss experience. The amount recorded as liability for known claims and for incurred but not reported claims (IBNRs), if any, is based on the recommendations of a third-party claim's administrator. Detailed Notes on All Activities and Funds.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Note 2: Detailed Notes on All Activities and Funds

Cash Deposits with Financial Institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The City's deposits were fully insured or collateralized as required by State statutes at September 30, 2020. At year-end, the bank balance of the City's deposits was \$54,641,796 (with a carrying value of \$54,899,246). Of the bank balance, \$500,000 was covered by federal depository insurance and the remaining balance, \$54,141,796, was covered by collateral pledged in the City's name. The collateral was held in the City's name by the safekeeping department of the pledging bank's agent and had a fair value of approximately \$59,575,457.

Investments

State statutes authorize the City to invest in certificates of deposit, obligations of the U.S. Treasury and the State Treasurer's Investment Pool.

The State Treasurer's Investment Pool (TexPool) operates in accordance with state law, which requires it to meet all of the requirements of Rule 2a-7 of the Securities and Exchange Commission. See *Note 1* for a discussion of how the shares in the Pool are valued. TexPool invests in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state.

Investment Type	Fair Value
TexPool	\$ 320,122

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of September 30, 2020, the City’s investment in TexPool was rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of Credit Risk. The City’s investment policy contains no limitations on the amount that can be invested in any one issuer.

TexPool is considered a cash equivalent on the Government-wide Statement of Net Position and on the Balance Sheets of the Fund Financial Statements.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible) line for certain funds and aggregated columns. Below is the detail of receivables for the general, nonmajor governmental, utility, and nonmajor enterprise funds, including the applicable allowances for uncollectible accounts:

Receivables	General	Nonmajor Governmental	Utility	Nonmajor Enterprise	Total
Taxes	\$ 2,090,411	\$ 409,296	\$ -	\$ -	\$ 2,499,707
Accounts	313,332	28,586	1,356,933	251,144	1,949,995
Other	93,297	-	-	-	93,297
Gross receivables	2,497,040	437,882	1,356,933	251,144	4,542,999
Less: allowance for uncollectibles	(160,139)	-	(160,370)	(57,552)	(378,061)
Net total receivables	<u>\$ 2,336,901</u>	<u>\$ 437,882</u>	<u>\$ 1,196,563</u>	<u>\$ 193,592</u>	<u>\$ 4,164,938</u>

Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 6,403,372	\$ -	\$ -	\$ -	\$ 6,403,372
Construction in progress	14,279,466	14,212,399	-	(18,926,437)	9,565,428
Total capital assets not being depreciated	20,682,838	14,212,399	-	(18,926,437)	15,968,800
Capital assets being depreciated:					
Buildings	33,769,685	-	-	13,265,634	47,035,319
Improvements	3,953,874	315,392	-	-	4,269,266
Machinery and equipment	15,562,875	1,429,709	(1,311,912)	-	15,680,672
Infrastructure	50,326,775	1,920,356	-	1,588,622	53,835,753
Totals capital assets being depreciated	103,613,209	3,665,457	(1,311,912)	14,854,256	120,821,010
Less accumulated depreciation for:					
Buildings	(10,799,488)	(1,240,332)	-	-	(12,039,820)
Improvements	(2,088,410)	(175,535)	-	-	(2,263,945)
Machinery and equipment	(11,120,205)	(1,292,157)	744,312	-	(11,668,050)
Infrastructure	(22,732,761)	(1,340,764)	-	-	(24,073,525)
Total accumulated depreciation	(46,740,864)	(4,048,788)	744,312	-	(50,045,340)
Total capital assets, being depreciated, net	56,872,345	(383,331)	(567,600)	14,854,256	70,775,670
Governmental activities capital assets, net	<u>\$ 77,555,183</u>	<u>\$ 13,829,068</u>	<u>\$ (567,600)</u>	<u>\$ (4,072,181)</u>	<u>\$ 86,744,470</u>

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Depreciation expense was charged to the functions/programs of the governmental activities of the primary government as follows:

Governmental Activities

General government	\$ 6,647
Public safety	973,982
Streets	1,533,199
Health	20,241
Equipment services	78,800
Cultural and recreational	229,128
Hospital	1,160,053
Public works	<u>46,738</u>
Total depreciation expense	<u><u>\$ 4,048,788</u></u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 1,088,290	\$ -	\$ -	\$ 1,088,290
Construction in progress	<u>6,003,131</u>	<u>5,385,722</u>	<u>(654,088)</u>	<u>10,734,765</u>
Total capital assets not being depreciated	<u>7,091,421</u>	<u>5,385,722</u>	<u>(654,088)</u>	<u>11,823,055</u>
Capital assets being depreciated:				
Buildings	9,480,906	-	(9,418)	9,471,488
Improvements	55,474,838	4,302,516	-	59,777,354
Machinery and equipment	3,031,394	275,523	(311,439)	2,995,478
Water rights	<u>1,001,831</u>	<u>-</u>	<u>-</u>	<u>1,001,831</u>
Total capital assets being depreciated	<u>68,988,969</u>	<u>4,578,039</u>	<u>(320,857)</u>	<u>73,246,151</u>
Less accumulated depreciation for:				
Buildings	(6,138,798)	(182,146)	8,069	(6,312,875)
Improvements	(29,497,686)	(1,777,106)	-	(31,274,792)
Machinery and equipment	(2,286,013)	(384,890)	306,934	(2,363,969)
Water rights	<u>(601,095)</u>	<u>(33,394)</u>	<u>-</u>	<u>(634,489)</u>
Total accumulated depreciation	<u>(38,523,592)</u>	<u>(2,377,536)</u>	<u>315,003</u>	<u>(40,586,125)</u>
Total capital assets being depreciated, net	<u>30,465,377</u>	<u>2,200,503</u>	<u>(5,854)</u>	<u>32,660,026</u>
Business-type capital assets, net	<u><u>\$ 37,556,798</u></u>	<u><u>\$ 7,586,225</u></u>	<u><u>\$ (659,942)</u></u>	<u><u>\$ 44,483,081</u></u>

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Depreciation expense was charged to the functions/programs of the business-type activities of the primary government as follows:

Business-type Activities	
Utility	\$ 2,211,094
Sanitation	155,766
Airport	<u>10,676</u>
Total depreciation expense	<u>\$ 2,377,536</u>

Construction Commitments

Construction Commitments. The City has active construction projects as of September 30, 2020. The projects include buildings, park improvements, street improvements, infrastructure and water, and sewer improvements. At year-end the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Commitment</u>
Park improvements	\$ 241,833	\$ 245,504
Street improvements	259,756	226,560
Infrastructure	7,091,771	5,602,062
Water and sewer improvements	<u>10,376,073</u>	<u>11,695,692</u>
	<u>\$ 17,969,433</u>	<u>\$ 17,769,818</u>

The buildings, park improvements, street improvements, and infrastructure projects are commitments of the City's capital projects fund. The projects are being funded by operating revenues, grant proceeds and bond proceeds.

The water and sewer improvements projects are a commitment of the Utility fund. The projects are being funded by certificates of obligation and grant proceeds.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Tax Abatements

The City has three programs through which tax abatements are provided:

The City is authorized by the *Texas Tax Code Chapter 312 Property Redevelopment and Tax Abatement Act* (Tax Abatement Act) to enter into property tax abatement agreements as an economic development tool available to cities to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions. Tax abatements, which can range from sixty percent to one-hundred percent of property tax on the value of the property improvement with a duration of three to ten years, may be established upon property which is industrial or commercial zoned within the City or the extra-territorial jurisdiction of the City. The threshold criteria used for the abatement include adding a minimum of ten full-time employees and an investment of at least \$1,000,000 in property improvements. The City recaptures any and all property tax revenue lost as a result of the agreement if the owner of the property fails to complete, make, and maintain the threshold criteria. The City Commission establishes the criteria and guidelines that govern all tax abatement agreements including the percentage amount and duration of the tax abatement, which is not to exceed ten years. The market value of the property is reduced by the exempted amount under the agreement to arrive at the taxable value used to bill the property owner.

Historic Landmark Tax Exemption Program. This program is authorized by City Ordinance and is intended to promote historic preservation and revitalization activities in the National Register Historic Downtown District. Historic landmark structures are eligible for a historical appraised tax value exemption of twenty-five (25) percent of the appraised value of the property not to exceed twenty-five thousand dollars (\$25,000). To be eligible for the historical appraised tax value exemption; the owner of the landmark or structure must make application annually prior to the 1st day of February to the tax collector of the City. The market value of the property is reduced by the exempted amount under the agreement to arrive at the taxable value used to bill the property owner.

Historic Reinvestment Tax Abatement Refund Program. This program is authorized by City Ordinance and is intended to promote historic preservation and revitalization activities in the National Register Historic Downtown District. Eligible historic landmark structures shall be entitled to reinvestment tax abatement equal to the amount of investment completed within a calendar year. The maximum tax abatement for a project shall not exceed the annual tax liability of the real property. The investments eligible shall be investments made for structural repairs and improvements, electrical repairs and improvements, plumbing repairs and improvements, mechanical repairs and improvements, interior repairs and improvements, or exterior restoration. Taxes incurred for investment in personal property shall not be eligible for abatement. Each landowner who desires to apply for a historic reinvestment tax abatement shall apply for said abatement on or before May 1st of the year the tax abatement is to be granted. The abatement, if granted, shall be applicable to only one year. Subsequent abatements for additional projects must be applied for each year.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Historic Preservation Tax Reimbursement Program. This program is authorized by City Ordinance and is intended to promote historic preservation and revitalization activities in the National Register Historic Downtown District. Historic preservation (construction, reconstruction or restoration) projects within the national register historic downtown district with documented expenditure for construction, reconstruction, or restoration in an amount in excess of fifteen thousand dollars (\$15,000) shall be eligible for a seven (7) year, one hundred (100) percent city tax reimbursement. Following full payment of taxes to the City, the City shall annually pay an eligible property owner one hundred percent of all real property taxes assessed against the existing real property that are paid to the City.

Tax Abatement Program	Amount Abated
Chapter 380 Tax Rebates	\$ 91,936
Historic Landmark Tax Exemption Program	15,681
Historic Reinvestment Tax Abatement Refund Program	10,100
Historic Preservation Tax Reimbursement Program	9,297

The City has also entered into Economic Development Agreements to promote local economic development and to stimulate business and commercial activity in the City. These agreements include provisions for repayment if the recipient fails to fully meet its commitments. The City's agreements were as follows at September 30, 2020:

An agreement to make annual grants in an amount not to exceed the equivalent of 75 percent of the ad valorem real property taxes paid for a period of five consecutive years for Spyglass Gen Par, LC to develop real property and construct thereon improvements for a multi-family residential development. The incentive period began November 2016. The abatement amounted to \$0 for the fiscal year ended September 30, 2020.

An agreement to make annual grants in the amount of \$30,000 per year, not to exceed the total amount of ad valorem real and personal property taxes paid for two consecutive five year terms for Kent Industries, Inc., Polyguard Products, Inc., Muncaster Capital of Texas, Inc. for construction and improvements made to the corporate headquarters and training facility. The incentive period began March 2017. The abatement amounted to \$30,000 for the fiscal year ended September 30, 2020.

An agreement to make annual grants in the amount of \$35,000 per year, not to exceed the total amount of ad valorem real and personal property taxes paid for a period of ten consecutive years for Globe Products, Inc., Milglo, LLC., Minimilglo, LTD., Extreme Dead Nuts, LLC. and DNM Holding, LLC., for construction of improvements for new and expanded business development. The incentive period began October 2017. The abatement amounted to \$35,000 for the fiscal year ended September 30, 2020.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

An agreement to make grant payments in an amount not to exceed a total of \$300,000 paid, in annual payments not to exceed 50 percent of the ad valorem property taxes paid by DA Ennis 45 Partner, LP., to develop approximately 6.7 acres of land and the construction and operation of multiple retail developments. The incentive period will begin upon the first tax year following the year after issuance of a certificate of occupancy. The abatement amounted to \$0 for the fiscal year ended September 30, 2020.

An agreement to make grant payments in an amount not to exceed 50 percent of the ad valorem property taxes paid by Forum Meat Company for a period of three years for construction of improvements for new and expanded business development. The incentive period began October 2018. The abatement amounted to \$0 for the fiscal year ended September 30, 2020.

An agreement to make grant payments in an amount not to exceed 50 percent of the ad valorem property taxes paid by GAF, LP., Elk Verashield Building Solutions and Elk Roofing Products for a period of 4 years for construction of improvements for manufacturing and industrial development. The incentive period will begin upon the first tax year following the year after issuance of a certificate of occupancy. The abatement amounted to \$0 for the fiscal year ended September 30, 2020.

An agreement to make annual grant payments in an amount not to exceed 50 percent of the ad valorem property taxes paid by Buc-ee's Ennis, LLC., for a period of 15 years for construction of retail developments. The incentive period will begin upon the first tax year following the year after development opens for business. The abatement amounted to \$0 for the fiscal year ended September 30, 2020.

An agreement to make annual grant payments equal to one percent of the sales that are subject to sales tax collection, minus fees deducted by the Texas Comptroller paid by Buc-ee's Ennis, LLC., for a period of 20 years. The incentive period will begin upon the first tax year following the year after development opens for business. The abatement amounted to \$0 for the fiscal year ended September 30, 2020.

Other Significant Commitments

The City has entered into a contract with Trinity River Authority of Texas whereby the City pays for operation and maintenance cost annually for the Bardwell Dam Reservoir. The Trinity River Authority (TRA) is a governmental agency, which is controlled by directors appointed by the governor. Actual payments for the year ended September 30, 2020, were \$506,770.

The City has entered into a contract with Trinity River Authority, subject to a Raw Water Supply Contract between Trinity River Authority and the Tarrant Regional Water District, whereby the City acquired the right to utilize .25 MGD of raw water from the Richland-Chambers and Cedar Creek Reservoir. Under the terms of the agreement the City is to make a payment if the City draws no water or a higher payment if the City draws water (Take or Pay Contract). Actual payments for the year ended September 30, 2020, were \$102,997.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Complete separate financial statements for the Trinity River Authority may be obtained at Trinity River Authority of Texas, 5300 South Collins, P.O. Box 60, Arlington, Texas 76004.

The City has entered into a contract with Union Pacific Railroad Company (Union Pacific) whereby the City agrees to reimburse Union Pacific in an amount not to exceed \$500,000 for preliminary engineering related to the proposed construction of underpasses under the Union Pacific s rail line. Actual payments for the year ended September 30, 2020, were \$175,540.

The City has entered into contracts with Schaumburg & Polk, Inc. for engineering services related to water, wastewater, and stormwater master planning in the amount of \$280,000 and for a raw water study in the amount of \$125,000. Actual payments for the year ended September 30, 2020, were \$255,200.

The City has entered into an agreement with Healthcare Quality Improvement Services, LLC (Consultant), as a consultant in relation to the QIPP. Under this agreement the Consultant provides certain financial, operations, and clinical review services for the City. The City pays a monthly base consulting fee in the amount of \$1,600 per facility. In addition to the base fee the City pays the Consultant \$600 per month of each quarter in the which the facility exceeds 90 percent of all QIPP component measures. Actual payments for the year ended September 30, 2020, were \$155,200.

Quality Improvement Payment Program

The City participates in the Quality Improvement Payment Program (QIPP). The program is designed to assist nursing facilities servicing indigent patients by providing funding to support increased access to healthcare within the community. It is also designed to allow participating providers to receive additional reimbursement if they either reach a national benchmark level or they make quarterly improvements in up to four predetermined quality measures. At September 30, 2020, the City recorded approximately \$4,275,151 of prepaid intergovernmental transfers, which the City is required to contribute as the state share of QIPP funding. Amounts receivable under this program was \$1,763,370 at September 30, 2020. The program described above is subject to review and scrutiny by both the Texas Legislature and CMS, and the program could be modified or terminated based on new legislation or regulation in future periods.

Risk Management

The City self-insured for medical and prescription drug claims. The City uses an internal service fund to account for and finance both insured and uninsured risks of loss. At September 30, 2020, the internal service fund has a fund balance of \$2,819,703. Stop-loss insurance is purchased for claims in excess of \$100,000.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

All operating funds of the City participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current claims. The estimated insurance claims payable of \$495,000 at September 30, 2020, is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended by GASB Statement No. 30, *Risk Financing Omnibus*, which requires that claims liabilities be based upon the estimated ultimate costs of settling the claims. The liability also includes incurred but not reported claims (IBNR) developed by the third-party claims administrator. Changes in the balance of estimated insurance claims payable for the year ended September 30, 2020, are:

Claims liability at beginning of year	\$ 582,000
Current year claims and estimate changes	1,600,332
Claims payments	<u>(2,677,332)</u>
 Claims liability at end of year	 <u>\$ (495,000)</u>

Operating Lease (as Lessor)

The City entered into a lease agreement with PRHC-Ennis GP, Inc. (subsequently LifePoint Hospitals, Inc.) (Company) for the purpose of managing, operating, and maintaining the new municipally owned hospital. Under the terms of the lease agreement the City has agreed to make the new hospital available to the Company for a term of forty years with two renewal periods of ten years, each. The Company has agreed to operate and maintain the hospital during the initial lease term and subsequent renewal periods and will pay the City \$3,200,000 for each lease renewal period (Total consideration for the initial term and two lease renewal periods will be \$28,195,735). The Company has the right to terminate the lease on 180 days' notice to the City and the rent paid or payable under the lease will be proportionately and equitably rebated in accordance with the terms of the lease. Rental revenue reported under the lease agreement for the year ended September 30, 2020, totaled \$544,893.

The assets leased under the agreement are as follows:

	Governmental Activities
Building	\$ 28,531,928
Machinery and equipment	7,524,584
Less: accumulated depreciation	<u>(16,000,624)</u>
Total	 <u>\$ 20,055,888</u>

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Long-term Liabilities

Certificates of Obligation

The City issues certificates of obligation to provide funds for the acquisition, construction, and maintenance of major capital facilities. Certificates of obligation have been issued for both governmental and business-type activities. Certificates of obligation are direct obligations and pledge the full faith and credit of the government. Certificates of obligation outstanding at September 30, 2020, are as follows:

Governmental Activities

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balances
2012	\$ 2,955,000	8/1/2020	2.0-3.0	\$ -
2014	6,000,000	2/1/2034	2.0-3.75	4,695,000
2015	5,990,000	8/1/2035	2.0-3.375	3,970,000
2016	2,770,000	8/1/2031	2.0-2.10	1,965,000
2017	5,225,000	2/1/2037	3.0	4,595,000
2018	1,495,000	8/1/2037	3.0-5.0	1,395,000
2019	9,835,000	2/1/2039	3.0-5.0	9,520,000
2019A	17,065,000	2/1/2039	3.0-5.0	16,660,000
2020	16,920,000	2/1/2040	3.0-5.0	<u>16,920,000</u>
Total				<u>\$ 59,720,000</u>

Business-type Activities

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balances
2015	\$ 4,005,000	8/1/2035	2.0-3.375	\$ 4,005,000
2016	715,000	8/1/2026	2.0	715,000
2017	2,285,000	2/1/2037	3.0	1,990,000
2018	1,095,000	8/1/2037	3.0-5.0	1,015,000
2018A	4,500,000	2/1/2038	0.14-1.54	4,085,000
2020	4,665,000	2/1/2040	3.0-5.0	<u>4,665,000</u>
Total				<u>\$ 16,475,000</u>

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition, construction, and maintenance of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding at September 30, 2020, are as follows:

Governmental Activities

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balances
2012A – Refunding	1,984,500	8/1/2022	2.00-3.00	\$ 185,000
2014 – Refunding	10,045,000	8/1/2025	2.00-3.75	4,970,000
2016 – Refunding	3,325,000	8/1/2027	1.79	1,210,000
2017 – Refunding	2,080,000	8/1/2022	1.47	<u>815,000</u>
Total				<u>\$ 7,180,000</u>

Business-type Activities

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balances
2012A – Refunding	\$ 3,685,500	8/1/2022	2.0-3.0	\$ 205,000
2017 – Refunding	3,300,000	8/1/2022	1.47	<u>605,000</u>
Total				<u>\$ 810,000</u>

Development Agreement Payable

The City entered into a development agreement with PRHC-Ennis GP, Inc. (subsequently LifePoint Hospitals, Inc.) (Company) for the construction, maintenance, and operation of an acute municipal hospital. Under the terms of the development agreement the City purchased the constructed hospital from the Company. The purchase price paid at closing was reduced by an amount identified as rent under the terms of the development agreement and the terms of a lease agreement (described in *Note 2*). This development agreement payable (\$21,795,735) was recorded at closing and is reduced as rent revenue under the lease agreement as earned.

The development agreement payable currently outstanding and reported as a liability of the City's governmental activities at September 30, 2020, totaled \$14,666,718. The amount due within one-year totals \$544,893.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Changes in Long-term Liabilities

Changes in the City's long-term liabilities for the year ended September 30, 2020, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
Certificates of obligation	\$ 44,810,000	\$ 16,920,000	\$ (2,010,000)	\$ 59,720,000	\$ 2,444,538
General obligation bonds	9,150,000	-	(1,970,000)	7,180,000	1,625,000
Less deferred amounts:					
For issuance discount	(1,034)	-	693	(341)	-
For issuance premium	2,110,956	3,278,833	(141,011)	5,248,778	-
Total bonds payable	<u>56,069,922</u>	<u>20,198,833</u>	<u>(4,120,318)</u>	<u>72,148,437</u>	<u>4,069,538</u>
Development agreement	15,211,611	-	(544,893)	14,666,718	544,893
Capital leases	170,217	-	(170,217)	-	-
Compensated absences	124,635	-	(124,635)	-	-
Net pension liability	8,812,479	-	(4,076,685)	4,735,794	-
OPEB liability	718,851	-	(157,532)	561,319	-
Long-term liabilities	<u>\$ 81,107,715</u>	<u>\$ 20,198,833</u>	<u>\$ (9,194,280)</u>	<u>\$ 92,112,268</u>	<u>\$ 4,614,431</u>

Certificates of obligation and general obligation bonds issued for governmental activity purposes are liquidated by the debt service fund. Governmental capital lease obligations, compensated absences, net pension liability, and OPEB liability will be liquidated by the general fund. Vacation leave shall be taken during the year following its accumulation.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Bonds payable:					
Certificates of obligation	\$ 12,130,000	\$ 4,665,000	\$ (320,000)	\$ 16,475,000	\$ 860,462
General obligation bonds	3,300,000	-	(1,600,000)	1,700,000	890,000
Less deferred amounts:					
For issuance discount	(5,990)	-	1,997	(3,993)	-
For issuance premium	200,596	904,004	(26,066)	1,078,534	-
Total bonds payable	<u>15,624,606</u>	<u>5,569,004</u>	<u>(1,944,069)</u>	<u>19,249,541</u>	<u>1,750,462</u>
Compensated absences	60,330	-	(60,330)	-	-
Net pension liability	2,363,275	-	(1,019,170)	1,344,105	-
OPEB liability	184,321	-	(43,992)	140,329	-
Business-type activity Long-term liabilities	<u>\$ 18,232,532</u>	<u>\$ 5,569,004</u>	<u>\$ (3,067,561)</u>	<u>\$ 20,733,975</u>	<u>\$ 1,750,462</u>

Certificates of obligation, general obligation bonds, compensated absences, net pension liability, and OPEB liability issued for business-type activities are repaid from those activities.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

The debt service requirements for the City's bonds are as follows:

Year Ending September 30	Governmental Activities			
	Certificates of Obligation		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 2,625,000	\$ 1,475,583	\$ 1,625,000	\$ 206,352
2022	3,040,000	1,417,270	1,600,000	166,254
2023	2,915,000	1,348,258	1,160,000	126,125
2024	3,040,000	1,265,733	1,195,000	88,432
2025	2,900,000	5,015,850	1,240,000	49,514
2026-2030	14,850,284	2,737,212	360,000	9,666
2031-2035	17,495,135	2,737,212	-	-
2036-2040	12,854,581	767,341	-	-
	<u>\$ 59,720,000</u>	<u>\$ 16,764,459</u>	<u>\$ 7,180,000</u>	<u>\$ 646,343</u>

Year Ending September 30	Business-Type Activities			
	Certificates of Obligation		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 860,462	\$ 269,012	\$ 890,000	\$ 21,555
2022	914,364	264,414	810,000	10,597
2023	861,689	251,910	-	-
2024	884,253	238,788	-	-
2025	907,898	225,692	-	-
2026-2030	4,396,050	902,848	-	-
2031-2035	4,934,865	497,767	-	-
2036-2040	2,715,419	77,253	-	-
	<u>\$ 16,475,000</u>	<u>\$ 2,727,684</u>	<u>\$ 1,700,000</u>	<u>\$ 32,152</u>

Fund Balance

Minimum Fund Balance Policy. In the general fund, the City strives to maintain an adequate General Fund Reserve which shall be at least the equivalent of ninety working days of general fund operating expenditures or \$1,000,000, whichever is the greater.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2020, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 112,371
General	Nonmajor enterprise funds	<u>775,381</u>
		<u>\$ 887,752</u>

The outstanding balances between funds result mainly from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made.

Interfund Transfers

The composition of interfund transfers as of September 30, 2020, is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 4,132,542	\$ 677,793
Certificates of Obligation Series 2019	3,520,000	-
General Capital Projects	161,119	4,013,396
Debt Service	700,440	-
Nonmajor Governmental Funds	79,108	1,385,461
Utility Fund	353,653	2,530,007
Nonmajor Enterprise Funds	<u>-</u>	<u>340,205</u>
	<u>\$ 8,946,862</u>	<u>\$ 8,946,862</u>

Transfers are primarily used to reimburse General Fund for administrative services provided, moving bond proceeds from the Crime Control and Prevention District to capital project funds for construction, and moving capital construction costs from capital project funds to the Utility fund.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Ennis Economic Development Corporation, Inc. (Corporation)

Cash Deposits with Financial Institutions

At year-end, the Corporation's bank balance was \$6,370,218. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance, \$6,120,218 was covered by collateral pledged in the Corporation's name. The collateral was held in the Corporation's name by the safekeeping departments of the pledging bank's agent and had a fair value of approximately \$6,455,810.

Capital Assets

Capital asset activity for the Corporation for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 4,053,432	\$ -	\$ (585,636)	\$ -	\$ 3,467,796
Construction in progress	361,697	-	-	(361,697)	-
Total capital assets not being depreciated	4,415,129	-	(585,636)	(361,697)	3,467,796
Capital assets being depreciated:					
Building	567,855	-	-	4,433,878	5,001,733
Improvements	343,429	178,157	-	-	521,586
Totals capital assets being depreciated	911,284	178,157	-	4,433,878	5,523,319
Less accumulated depreciation					
Building	(59,940)	(166,724)	-	-	(226,664)
Improvements	(343,429)	(26,158)	-	-	(369,587)
Total accumulated depreciation	(403,369)	(192,882)	-	-	(596,251)
Total capital assets being depreciated, net	507,915	(14,725)	-	4,433,878	4,927,068
Corporation capital assets, net	\$ 4,923,044	\$ (14,725)	\$ (585,636)	\$ 4,072,181	\$ 8,394,864

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Economic Development Agreements

On May 20, 2016, the Corporation entered into an economic development agreement and land sales agreement with Schirm USA, Inc. (Schirm) to sale land to Schirm. Under the agreements Schirm agrees to expand its current manufacturing facility with a minimum cost of \$1,500,000. In the event Schirm fails to construct and maintain such facility, Schirm agrees to resell the property to the Corporation in the amount of the original purchase price without interest.

On September 30, 2016, the Corporation entered into an economic development agreement with Novelinks, LLC (Novelinks) to reimburse Novelinks for costs associated with the installation of infrastructure improvements through the payment of grants in an amount not to exceed \$175,000. Under the agreement Novelinks agrees to complete a minimum of \$2,500,000 of capital improvements not later than three years from the effective date of the agreement. In addition, Novelinks agrees to create and employ 20 full time jobs within one year of the completion of the improvements and to maintain those jobs for three years after the effective date. If Novelinks is unable to comply with requirements of this grant the Corporation shall have the right to demand repayment of the incentives. As of September 30, 2019, the Corporation has made payment of \$175,000 under this agreement.

On May 1, 2018, the Corporation entered into an economic development agreement with a DA Ennis 45 Partners, LP (DA Ennis). Under the agreement, the Corporation shall pay DA Ennis a grant of \$450,000 paid as four separate grants after specific project performance requirements are met by DA Ennis. The project includes the investment of approximately \$12,000,000 to develop approximately 6.7 acres of land and the construction and operation of multiple retail developments. As of September 30, 2020, the Corporation has made payments of \$225,000 under this agreement.

Sales Tax Revenue Bonds

Revenue bonds currently outstanding and reported as liabilities of the Corporation are:

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balances
1999	\$ 3,290,430	8/1/2034	3.50-8.45	\$ 455,430
2014 Refunding	2,745,000	8/1/2034	0.50-4.50	1,895,000
2019 Refunding	2,240,000	8/1/2024	2.30	<u>1,795,000</u>
Total				<u>\$ 4,145,430</u>

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending September 30	Component Unit	
	Sales Tax Revenue Bonds	
	Principal	Interest
2021	\$ 580,000	\$ 113,131
2022	600,000	99,806
2023	615,000	85,657
2024	625,000	70,981
2025	169,410	527,810
2026-2030	847,510	2,635,217
2031-2034	708,510	2,064,626
	<u>\$ 4,145,430</u>	<u>\$ 5,597,228</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Corporation					
Bonds payable:					
Sales tax revenue bonds	\$ 4,655,430	\$ 2,240,000	\$ (2,750,000)	\$ 4,145,430	\$ 580,000
Less deferred amounts:					
For issuance discount	(9,676)	-	2,287	(7,389)	-
	<u>\$ 4,645,754</u>	<u>\$ 2,240,000</u>	<u>\$ (2,747,713)</u>	<u>\$ 4,138,041</u>	<u>\$ 580,000</u>

Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor 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 government expects such amounts, if any, to be immaterial.

Line of Credit

The City has a \$6,947,042 revolving line of credit maturing June 22, 2021, secured by gross revenues. Interest is payable semi-annually at a rate equal to the lesser of the Prime Rate plus 1.00 percent or 4.50 percent. The outstanding balance on the line of credit as of September 30, 2020, was \$6,947,042.

Related Party Transactions

The significant transactions between the component unit and primary government during the year ended September 30, 2020, consisted of contributions of \$434,800 for administrative costs and \$150,000 for construction projects.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Subsequent Events

The City did not have any recognized or unrecognized subsequent events occurring after September 30, 2020, the date of the statement of net position/balance sheet.

Note 3: Defined Benefit Pension Plans

Plan Description

The City participates as one of 887 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 (TMRS Act) as an agent multiple- employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmr.com.

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

Benefits Provided

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

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

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 payments 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 percent of the member's deposits and interest.

	Plan Provisions
Employee deposit rate	2 - 1
Municipal current matching ratio	
Updated service credits:	100 T
Rate (%)	1998R
Year effective	
Increase benefits to retirees:	70
Rate (%) ⁽¹⁾	2001R
Year effective	
Vesting	5 years
Service retirement eligibilities	5 years/age 60, 20 years/any age
Restricted prior service credit effective date	1-93
Supplemental death benefits:	
Employees	Yes
Retirees	Yes
Statutory maximum (%)	Removed

⁽¹⁾ For years prior to 1982, the rate is the actual percentage in annuities. For 1982 and later, the rate is the percentage of the change in the CPI-U since retirement date, granted to each annuitant as an increase of the original annuity.

T – Includes Transfer Credits.

R - Annually Repeating. Ordinance automatically renews effective January 1 of each successive year.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Employees Covered by Benefit Terms

At the December 31, 2019, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	145
Inactive employees entitled to but not yet receiving benefits	63
Active employees	190
	398

Contributions

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

Employees for the City were required to contribute 7 percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.71 percent and 16.90 percent in calendar years 2020 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$2,064,308, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension (Asset) Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension (Asset) Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year	
Overall payroll growth	2.75% per year	
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation	

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109 percent and female rates multiplied by 103 percent. Based on the size of the City, rates are multiplied by a factor of 100 percent. 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 percent and female rates multiplied by 103 percent with a 3-year set-forward for both males and females. In addition, a 3 percent 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 percent floor.

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 expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between: (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75 percent. 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.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at October 1, 2019	\$ 70,358,397	\$ 59,182,643	\$ 11,175,754
Changes for the year:			
Service cost	2,282,005	-	2,282,005
Interest	4,705,505	-	4,705,505
Difference between expected and actual experience	(246,203)	-	(246,203)
Changes of assumptions	162,535	-	162,535
Contributions - employer	-	2,054,555	(2,054,555)
Contributions - employee	-	851,041	(851,041)
Net investment income	-	9,147,353	(9,147,353)
Benefit payments, including refunds of employee contrib	(3,576,427)	(3,576,427)	-
Administrative expense	-	(51,699)	51,699
Other changes	-	(1,553)	1,553
Net Changes	<u>3,327,415</u>	<u>8,423,270</u>	<u>(5,095,855)</u>
Balance at September 30, 2020	<u>\$ 73,685,812</u>	<u>\$ 67,605,913</u>	<u>\$ 6,079,899</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75 percent, 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 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1.0% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1.0% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 16,189,057	\$ 6,079,899	\$ (2,251,569)

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

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

For the year ended September 30, 2020, the City recognized pension expense of \$1,993,125.

At September 30, 2020, 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
Changes in assumptions	\$ 132,712	\$ 2
Difference between projected and actual investment earnings	-	2,064,788
Differences between expected and actual economic experience	15,592	601,915
Contributions subsequent to the measurement date	1,460,502	-
Total	\$ 1,608,806	\$ 2,666,705

\$1,460,502 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Net Deferred Outflows/ (Inflows) of Resources
2021	\$ (755,612)
2022	(701,836)
2023	64,961
2024	(1,119,006)
2025	(6,908)
Total	\$ (2,518,401)

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Note 4: Other Postemployment Benefit (OPEB) Obligations

Plan Description

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single-employer, defined benefit OPEB plan. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmr.com.

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500.

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

Employees Covered by Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	103
Inactive employees entitled to but not yet receiving benefits	15
Active employees	190
	308

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Total OPEB Liability

The City's total OPEB liability of \$701,648 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50%, including inflation
Discount rate*	2.75%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate was based on the Fidelity Index s "20-Year Municipal GO AA Index" rate as of December 31, 2019.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at October 1, 2019	\$ 903,171
Changes for the year:	
Service cost	20,668
Interest	33,778
Difference between expected and actual experience	(356,825)
Changes in assumptions or other inputs	106,935
Benefit payments**	(6,079)
Net Changes	(201,523)
Balance at September 30, 2020	\$ 701,648

Sensitivity of the total OPEB liability to changes in the discount rate -

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75 percent) or 1-percentage-point higher (3.75 percent) than the current rate:

	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
Total OPEB liability	\$ 844,169	\$ 701,648	\$ 590,840

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2020

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the City recognized OPEB expense of \$63,327. At September 30, 2020, the City reported deferred outflows and deferred inflows of resources and related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 117,017	\$ 28,382
Differences between expected and actual economic experience	233,705	305,483
Contributions subsequent to the measurement date	15,733	-
Total	\$ 366,455	\$ 333,865

\$15,733 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Net Deferred Outflows/ (Inflows) of Resources
2021	\$ 8,881
2022	8,881
2023	8,881
2024	8,881
2025	4,599
Thereafter	(23,266)
Total	\$ 16,857

This Page Intentionally Left Blank

Required Supplementary Information

This Page Intentionally Left Blank

City of Ennis, Texas

Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Calendar Years

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 1,491,053	\$ 1,671,627	\$ 1,840,901	\$ 2,048,680	\$ 2,160,079	\$ 2,282,005
Interest (on the Total Pension Liability)	3,884,019	4,045,832	4,058,860	4,283,551	4,513,388	4,705,505
Difference between expected and actual experience	(695,656)	(749,875)	57,172	(44,355)	(488,779)	(246,203)
Changes of assumptions	-	(37)	-	-	-	162,535
Benefit payments, including refunds of employee contributions	(2,288,691)	(2,627,506)	(2,809,516)	(2,654,647)	(3,222,511)	(3,576,427)
Net Change in Total Pension Liability	2,390,725	2,340,041	3,147,417	3,633,229	2,962,177	3,327,415
Total Pension Liability - Beginning	55,884,808	58,275,533	60,615,574	63,762,991	67,396,220	70,358,397
Total Pension Liability - Ending (a)	\$ 58,275,533	\$ 60,615,574	\$ 63,762,991	\$ 67,396,220	\$ 70,358,397	\$ 73,685,812
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,635,304	\$ 1,686,270	\$ 1,781,293	\$ 1,898,840	\$ 2,010,628	\$ 2,054,555
Contributions - Employee	608,568	636,329	695,429	765,657	804,713	851,041
Net Investment Income	2,775,570	75,581	3,443,016	7,486,574	(1,841,480)	9,147,353
Benefit payments, including refunds of employee contributions	(2,288,691)	(2,627,506)	(2,809,516)	(2,654,647)	(3,222,511)	(3,576,427)
Administrative Expense	(28,980)	(46,036)	(38,883)	(38,796)	(35,586)	(51,699)
Other	(2,383)	(2,273)	(2,095)	(1,966)	(1,859)	(1,553)
Net Change in Plan Fiduciary Net Position	2,699,388	(277,635)	3,069,244	7,455,662	(2,286,095)	8,423,270
Plan Fiduciary Net Position - Beginning	48,522,079	51,221,467	50,943,832	54,013,076	61,468,738	59,182,642
Plan Fiduciary Net Position - Ending (b)	\$ 51,221,467	\$ 50,943,832	\$ 54,013,076	\$ 61,468,738	\$ 59,182,642	\$ 67,605,912
Net Pension Liability - Ending (a) - (b)	\$ 7,054,066	\$ 9,671,742	\$ 9,749,915	\$ 5,927,482	\$ 11,175,754	\$ 6,079,900
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.90%	84.04%	84.71%	91.21%	84.12%	91.75%
Covered Payroll	8,682,504	9,070,142	9,934,705	10,937,960	11,495,895	12,157,727
Net Pension Liability as a Percentage of Covered Payroll	81.24%	106.63%	98.14%	54.19%	97.22%	50.01%

Notes to Schedule:

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10- year trend is compiled in accordance with the provision of GASB 68, only periods for which such information is available are presented.

City of Ennis, Texas

Schedule of Contributions

Last 10 Calendar Years

	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 1,673,240	\$ 1,683,257	\$ 1,827,529	\$ 2,006,005	\$ 1,987,824	\$ 2,064,308
Contributions in relation to the actuarially determined contribution	1,673,240	1,683,257	1,827,529	2,006,005	1,987,824	2,064,308
Contribution deficiency (excess)	-	-	-	-	-	-
Covered payroll	8,991,990	9,315,037	10,437,703	11,493,429	11,649,523	12,402,127
Contributions as a percentage of covered payroll	18.61%	18.07%	17.51%	17.45%	17.06%	16.64%

Schedule Notes:

Valuation Dates:

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% 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 2019 valuation pursuant to an experience study of the period 2014 -
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes

There were no benefit changes during the year.

City of Ennis, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Calendar Years

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB Liability			
Service Cost	\$ 18,595	\$ 22,992	\$ 20,668
Interest (on the Total Pension Liability)	19,447	19,591	33,778
Difference between expected and actual experience	-	322,231	(356,825)
Changes of assumptions and other inputs	43,318	(39,134)	106,935
Benefit payments	<u>(6,563)</u>	<u>(5,748)</u>	<u>(6,079)</u>
Net Change in Total OPEB Liability	74,797	319,932	(201,523)
Total OPEB Liability – Beginning	<u>508,442</u>	<u>583,239</u>	<u>903,171</u>
Total OPEB Liability – Ending	<u>\$ 583,239</u>	<u>\$ 903,171</u>	<u>\$ 701,648</u>
Covered Payroll	10,937,960	11,495,895	12,157,727
Total OPEB Liability as a Percentage of Covered Payroll	5.33%	7.86%	5.77%

Notes to Schedule:

The information in this schedule has been determined as of the measurement date (December 31) of the City's total OPEB liability and is intended to show information for 10 years. However, until a full 10- year trend is compiled in accordance with the provision of GASB 75, only periods for which such information is available are presented.

This Page Intentionally Left Blank

Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Museum Fund - This fund is used to account for revenues earned from operations and donations given to the City for the development and enhancement of the museum.

Forfeited Contraband Fund - This fund is used to account for seized property to be used for official purposes as provided by Article 59.06 Texas Code of Criminal Procedure.

Law Enforcement Education Fund - This fund is used to account for fines received to provide law enforcement training and education.

COPS More Grant Fund - This fund is used to account for grants received to hire additional career law enforcement officers.

COE 2010 Trust Library - This fund is used to account for improvements to the Ennis Public Library which are funded by an anonymous, conditional bequest to the City received during 2010.

Tourism Fund - This fund accounts for the 7 percent Hotel/Motel Occupancy Tax levied on all hotels and motels in the City. Funds are used for advertising and general promotion of the City, historical preservation.

Court Technology Fund - This fund accounts for the collection of a municipal court technology fee. The proceeds of a fee attached to each conviction are dedicated to acquisition of technology that enhances the operation efficiency of the court.

Court Security Fund - This fund accounts for the collection of a municipal court security fee. The proceeds of a fee attached to each conviction are dedicated to securing the municipal court.

Crime Control & Prevention District - This fund is used to account for the 1/4 cent Crime Control Tax. The revenue from this tax is intended to enhance the law enforcement capabilities of the Ennis Police Department by providing critical equipment and personnel.

Street Maintenance - This fund is used to account for the 1/4 cent Street Maintenance Tax revenues and expenditures devoted to street repair, mill and overlay, and reconstruction projects.

Police Donation - This fund is used to account for donations and contributions given to the City for the enhancement of the law enforcement capabilities.

Nonmajor Special Revenue Funds (Continued)

Fire Donation - This fund is used to account for donations and contributions given to the City for the enhancement of the fire protection capabilities.

Parks Donation - This fund is used to account for donations and contributions given to the City for the enhancement of the parks.

Cardinals Park Land Development – This fund is used to account for park land development in the subdivision.

Bluebonnet Estates Park Land Development – This fund is used to account for park land development in the subdivision.

Employee Appreciation - This fund is used to account for donations and contributions given to the City to fund employee appreciation incentives.

Nonmajor Capital Projects Fund

Capital project funds are used to account for the financial resources segregated for the acquisition of major capital facilities other than those financed by enterprise funds.

Airport Construction Fund - This fund is used to account for the improvements to the City's airport facilities which are funded from grants and require matching City contributions.

2012 Street Construction Fund - This fund is used to account for improvements to streets from issuance of certificates of obligation.

Tax Increment Reinvestment Zone #1 Fund - This fund is used to account for the taxes collected in a designated reinvestment zone to be used for public improvements.

Tax Increment Reinvestment Zone #2 Fund - This fund is used to account for the taxes collected in a designated reinvestment zone to be used for public improvements.

Nonmajor Permanent Fund

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the government's programs.

Library Endowment Fund - This fund is used to account for all donations and memorials given to the City for the purchase of library furnishings and books.

City of Ennis, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

Assets	Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Permanent	Total Nonmajor Governmental Funds
Cash and cash equivalents	\$ 1,276,789	\$ 895,036	\$ 221,861	\$ 2,393,686
Other receivables	437,882	-	-	437,882
Intergovernmental receivables	-	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 1,714,671</u>	<u>\$ 895,036</u>	<u>\$ 221,861</u>	<u>\$ 2,831,568</u>
Liabilities				
Accounts payable	\$ 19,841	\$ -	\$ -	\$ 19,841
Accrued payroll	13,708	-	-	13,708
Due to other funds	112,371	-	-	112,371
Total liabilities	<u>145,920</u>	<u>-</u>	<u>-</u>	<u>145,920</u>
Fund Balances				
Nonspendable:				
Endowment	-	-	28,966	28,966
Restricted:				
Capital projects	-	895,036	-	895,036
Cultural and recreational	733,395	-	192,895	926,290
Public safety	645,366	-	-	645,366
Streets	118,188	-	-	118,188
Tourism	104,912	-	-	104,912
Unassigned (Deficit)	<u>(33,110)</u>	<u>-</u>	<u>-</u>	<u>(33,110)</u>
Total fund balances	<u>1,568,751</u>	<u>895,036</u>	<u>221,861</u>	<u>2,685,648</u>
Total liabilities and fund balances	<u>\$ 1,714,671</u>	<u>\$ 895,036</u>	<u>\$ 221,861</u>	<u>\$ 2,831,568</u>

City of Ennis, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2020

	Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Permanent	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ 173,213	\$ -	\$ 173,213
Sales taxes	2,042,337	-	-	2,042,337
Hotel occupancy taxes	231,856	-	-	231,856
Fines and forfeitures	12,787	-	-	12,787
Interest	9,838	7,791	1,078	18,707
Miscellaneous	232,926	-	2,276	235,202
Intergovernmental	187,393	-	-	187,393
Contributions and donations	53,589	-	-	53,589
	<u>2,770,726</u>	<u>181,004</u>	<u>3,354</u>	<u>2,955,084</u>
Expenditures				
Current:				
General government	471,814	-	-	471,814
Public safety	167,385	-	-	167,385
Streets	246,084	-	-	246,084
Cultural and recreational	25,335	-	-	25,335
Capital outlay:				
General government	-	10,000	-	10,000
	<u>910,618</u>	<u>10,000</u>	<u>-</u>	<u>920,618</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,860,108</u>	<u>171,004</u>	<u>3,354</u>	<u>2,034,466</u>
Other Financing Sources (Uses)				
Transfers in	79,108	-	-	79,108
Transfers out	(1,385,461)	-	-	(1,385,461)
	<u>(1,306,353)</u>	<u>-</u>	<u>-</u>	<u>(1,306,353)</u>
Net Change in Fund Balances	553,755	171,004	3,354	728,113
Fund Balances, Beginning	<u>1,014,996</u>	<u>724,032</u>	<u>218,507</u>	<u>1,957,535</u>
Fund Balances, Ending	<u>\$ 1,568,751</u>	<u>\$ 895,036</u>	<u>\$ 221,861</u>	<u>\$ 2,685,648</u>

City of Ennis, Texas
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2020

Assets	Museum	Forfeited Contraband	Law Enforcement Education	COPS More Grant	COE 2010 Trust Library	Tourism	Court Technology
Cash and cash equivalents	\$ 7,918	\$ 66,055	\$ 7,234	\$ 2	\$ 496,282	\$ 86,157	\$ -
Other receivables	-	-	-	-	-	28,586	-
Total assets	\$ 7,918	\$ 66,055	\$ 7,234	\$ 2	\$ 496,282	\$ 114,743	\$ -
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 8,278	\$ 530	\$ -
Accrued payroll	-	-	-	-	-	9,301	-
Due to other funds	-	-	-	-	-	-	33,110
Total liabilities	-	-	-	-	8,278	9,831	33,110
Fund Balance							
Restricted:							
Cultural and recreation	7,918	-	-	-	488,004	-	-
Public safety	-	66,055	7,234	2	-	-	-
Streets	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	104,912	-
Unassigned (Deficit)	-	-	-	-	-	-	(33,110)
Total fund balance	7,918	66,055	7,234	2	488,004	104,912	(33,110)
Total liabilities and fund balances	\$ 7,918	\$ 66,055	\$ 7,234	\$ 2	\$ 496,282	\$ 114,743	\$ -

City of Ennis, Texas
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
September 30, 2020

Assets	Court Security	Crime Control and Prevention District	Street Maintenance	Police Donation	Fire Donation	Parks Donation	Cardinals Park Land Development	Bluebonnet Estates Park Land Development	Employee Appreciation	Totals
Cash and cash equivalents	\$ 16,305	\$ 314,525	\$ -	\$ 7,645	\$ 37,193	\$ 681	120,000	112,395	\$ 4,397	\$ 1,276,789
Other receivables	-	200,847	208,449	-	-	-	-	-	-	437,882
Total assets	\$ 16,305	\$ 515,372	\$ 208,449	\$ 7,645	\$ 37,193	\$ 681	\$ 120,000	\$ 112,395	\$ 4,397	\$ 1,714,671
Liabilities										
Accounts payable	\$ -	\$ 33	\$ 11,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,841
Accrued payroll	-	4,407	-	-	-	-	-	-	-	13,708
Due to other funds	-	-	79,261	-	-	-	-	-	-	112,371
Total liabilities	-	4,440	90,261	-	-	-	-	-	-	145,920
Fund Balance										
Restricted:										
Cultural and recreation	-	-	-	-	-	681	120,000	112,395	4,397	733,395
Public safety	16,305	510,932	-	7,645	37,193	-	-	-	-	645,366
Streets	-	-	118,188	-	-	-	-	-	-	118,188
Tourism	-	-	-	-	-	-	-	-	-	104,912
Unassigned (Deficit)	-	-	-	-	-	-	-	-	-	(33,110)
Total fund balance	16,305	510,932	118,188	7,645	37,193	681	120,000	112,395	4,397	1,568,751
Total liabilities and fund balances	\$ 16,305	\$ 515,372	\$ 208,449	\$ 7,645	\$ 37,193	\$ 681	\$ 120,000	\$ 112,395	\$ 4,397	\$ 1,714,671

City of Ennis, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
September 30, 2020

Revenues	Museum	Forfeited Contraband	Law Enforcement Education	COPS More Grant	COE 2010 Trust Library	Tourism	Court Technology
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel occupancy taxes	-	-	-	-	-	231,856	-
Fines and forfeitures	-	-	-	-	-	-	7,647
Charges for services	-	-	-	-	-	-	-
Interest	376	550	50	-	3,755	791	-
Miscellaneous	400	-	-	-	-	50	-
Intergovernmental	-	-	3,929	-	-	183,464	-
Contributions and donations	-	-	-	-	22,737	-	-
Total revenues	<u>776</u>	<u>550</u>	<u>3,979</u>	<u>-</u>	<u>26,492</u>	<u>416,161</u>	<u>7,647</u>
Expenditures							
Current:							
General government	-	-	-	-	-	470,814	-
Public safety	-	9,700	981	-	-	-	32,527
Streets	-	-	-	-	-	-	-
Cultural and recreation	242	-	-	-	25,093	-	-
Total expenditures	<u>242</u>	<u>9,700</u>	<u>981</u>	<u>-</u>	<u>25,093</u>	<u>470,814</u>	<u>32,527</u>
Excess (deficiency) of revenues over (under) expenditures	<u>534</u>	<u>(9,150)</u>	<u>2,998</u>	<u>-</u>	<u>1,399</u>	<u>(54,653)</u>	<u>(24,880)</u>
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	79,108	-
Transfers out	-	-	-	-	0	(96,108)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>534</u>	<u>(9,150)</u>	<u>2,998</u>	<u>-</u>	<u>1,399</u>	<u>(71,653)</u>	<u>(24,880)</u>
Fund Balances, Beginning	<u>7,384</u>	<u>75,205</u>	<u>4,236</u>	<u>2</u>	<u>486,605</u>	<u>176,565</u>	<u>(8,230)</u>
Fund Balances, Ending	<u>\$ 7,918</u>	<u>\$ 66,055</u>	<u>\$ 7,234</u>	<u>\$ 2</u>	<u>\$ 488,004</u>	<u>\$ 104,912</u>	<u>\$ (33,110)</u>

City of Ennis, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
September 30, 2020

Revenues	Court Security	Crime Control and Prevention District	Street Maintenance	Police Donation	Fire Donation	Parks Donation	Cardinals Park Land Development	Bluebonnet Estates Park Land Development	Employee Appreciation	Totals
Sales taxes	\$ -	\$ 1,006,724	\$ 1,035,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,042,337
Hotel occupancy taxes	-	-	-	-	-	-	-	-	-	231,856
Fines and forfeitures	5,140	-	-	-	-	-	-	-	-	12,787
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest	115	4,014	-	62	83	6	-	-	36	9,838
Miscellaneous	-	81	-	-	-	-	120,000	112,395	-	232,926
Intergovernmental	-	-	-	-	-	-	-	-	-	187,393
Contributions and donations	-	-	-	-	28,792	60	-	-	2,000	53,589
Total revenues	5,255	1,010,819	1,035,613	62	28,875	66	120,000	112,395	2,036	2,770,726
Expenditures										
Current:										
General government	-	-	-	-	-	-	-	-	1,000	471,814
Public safety	-	123,659	-	-	518	-	-	-	-	167,385
Streets	-	-	246,084	-	-	-	-	-	-	246,084
Cultural and recreation	-	-	-	-	-	-	-	-	-	25,335
Total expenditures	-	123,659	246,084	-	518	-	-	-	1,000	910,618
Excess (deficiency) of revenues over (under) expenditures	5,255	887,160	789,529	62	28,357	66	120,000	112,395	1,036	1,860,108
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	-	-	-	79,108
Transfers out	-	(778,337)	(511,016)	-	-	-	-	-	-	(1,385,461)
Total other financing sources (uses)	-	(778,337)	(511,016)	-	-	-	-	-	-	(1,306,353)
Net Change in Fund Balances	5,255	108,823	278,513	62	28,357	66	120,000	112,395	1,036	553,755
Fund Balances, Beginning	11,050	402,109	(160,325)	7,583	8,836	615	-	-	3,361	1,014,996
Fund Balances, Ending	\$ 16,305	\$ 510,932	\$ 118,188	\$ 7,645	\$ 37,193	\$ 681	\$ 120,000	\$ 112,395	\$ 4,397	\$ 1,568,751

City of Ennis, Texas
Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2020

Assets	2012 Street Construction	Tax Increment Reinvestment Zone #1	Tax Increment Reinvestment Zone #2	Total
Cash and cash equivalents	\$ 672,163	\$ 164,763	\$ 58,110	\$ 895,036
Total assets	<u>\$ 672,163</u>	<u>\$ 164,763</u>	<u>\$ 58,110</u>	<u>\$ 895,036</u>
Restricted				
Capital projects	\$ 672,163	\$ 164,763	\$ 58,110	\$ 895,036
Total fund balance	<u>672,163</u>	<u>164,763</u>	<u>58,110</u>	<u>895,036</u>
Total liabilities and fund balance	<u>\$ 672,163</u>	<u>\$ 164,763</u>	<u>\$ 58,110</u>	<u>\$ 895,036</u>

City of Ennis, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended September 30, 2020

Revenues	2012 Street Construction	Tax Increment Reinvestment Zone #1	Tax Increment Reinvestment Zone #2	Total
Property taxes	\$ -	\$ 117,785	\$ 55,428	\$ 173,213
Interest	6,397	1,072	322	7,791
Total revenues	<u>6,397</u>	<u>118,857</u>	<u>55,750</u>	<u>181,004</u>
Expenditures				
Capital outlay:				
General government	-	5,000	5,000	10,000
Total expenditures	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,397</u>	<u>113,857</u>	<u>50,750</u>	<u>181,004</u>
Net Change in Fund Balances	6,397	113,857	50,750	171,004
Fund Balances, Beginning	<u>665,766</u>	<u>50,906</u>	<u>7,360</u>	<u>724,032</u>
Fund Balances, Ending	<u>\$ 672,163</u>	<u>\$ 164,763</u>	<u>\$ 58,110</u>	<u>\$ 895,036</u>

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the payment of principal and interest on general long-term debt.

This Page Intentionally Left Blank

City of Ennis, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Debt Service Fund
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 5,329,704	\$ 5,329,704	\$ 5,295,663	\$ (34,041)
Interest	34,116	34,116	17,618	(16,498)
Miscellaneous	-	-	36,885	36,885
Total revenues	<u>5,363,820</u>	<u>5,363,820</u>	<u>5,350,166</u>	<u>(13,654)</u>
Expenditures				
Principal on bonds	3,880,000	3,880,000	3,980,000	(100,000)
Interest and fiscal charges	<u>2,104,730</u>	<u>2,104,730</u>	<u>1,999,830</u>	<u>104,900</u>
Total expenditures	<u>5,984,730</u>	<u>5,984,730</u>	<u>5,979,830</u>	<u>4,900</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(620,910)</u>	<u>(620,910)</u>	<u>(629,664)</u>	<u>(18,554)</u>
Other Financing Sources				
Transfers in	<u>700,438</u>	<u>700,438</u>	<u>700,440</u>	<u>2</u>
Total other financing sources	<u>700,438</u>	<u>700,438</u>	<u>700,440</u>	<u>2</u>
Net Change in Fund Balance	79,528	79,528	70,776	(18,552)
Fund Balance, Beginning	<u>732,532</u>	<u>732,532</u>	<u>732,532</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 812,060</u>	<u>\$ 812,060</u>	<u>\$ 803,308</u>	<u>\$ (18,552)</u>

This Page Intentionally Left Blank

Proprietary Funds

Nonmajor Enterprise Funds

Sanitation Fund - This fund is used to account for the sanitation operations.

Airport Fund - This fund is used to account for the airport operations.

This Page Intentionally Left Blank

City of Ennis, Texas
Statement of Net Position
Nonmajor Proprietary Funds
September 30, 2020

	Business-type Activities - Enterprise		
	Sanitation	Airport	Total Non-major Enterprise Funds
Assets			
Current Assets			
Receivables (net of allowance for uncollectibles)	\$ 193,592	\$ -	\$ 193,592
Inventories	-	28,295	28,295
Total current assets	<u>193,592</u>	<u>28,295</u>	<u>221,887</u>
Noncurrent Assets			
Capital assets (net, where applicable of accumulated depreciation)	530,954	845,687	1,376,641
Total noncurrent assets	<u>530,954</u>	<u>845,687</u>	<u>1,376,641</u>
Total assets	<u>724,546</u>	<u>873,982</u>	<u>1,598,528</u>
Deferred Outflows of Resources			
Deferred outflows of resources related to pension	79,375	-	79,375
Deferred outflows of resources related to OPEB	18,138	-	18,138
Total deferred outflows of resources	<u>97,513</u>	<u>-</u>	<u>97,513</u>
Liabilities			
Current Liabilities			
Accounts payable	35,097	6,146	41,243
Accrued payroll payable	42,518	-	42,518
Due to other funds	546,106	229,275	775,381
Total current liabilities	<u>623,721</u>	<u>235,421</u>	<u>859,142</u>
Noncurrent Liabilities			
Net pension liability	335,564	-	335,564
OPEB liability	35,082	-	35,082
Total noncurrent liabilities	<u>370,646</u>	<u>-</u>	<u>370,646</u>
Total liabilities	<u>994,367</u>	<u>235,421</u>	<u>1,229,788</u>
Deferred Inflows of Resources			
Deferred inflows of resources related to pension	132,709	-	132,709
Deferred inflows of resources related to OPEB	16,693	-	16,693
Total deferred inflows of resources	<u>149,402</u>	<u>-</u>	<u>149,402</u>
Net Position (Deficit)			
Net investment in capital assets	530,954	845,687	1,376,641
Unrestricted (Deficit)	(852,664)	(207,126)	(1,059,790)
Total net position (deficit)	<u>\$ (321,710)</u>	<u>\$ 638,561</u>	<u>\$ 316,851</u>

City of Ennis, Texas
Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
For the Fiscal Year Ended September 30, 2020

	Business-type Activities - Enterprise		Total Nonmajor Enterprise Funds
	Sanitation	Airport	
Operating Revenues			
Sanitation revenue	\$ 1,555,371	\$ -	\$ 1,555,371
Airport revenue	-	98,014	98,014
	<u>1,555,371</u>	<u>98,014</u>	<u>1,653,385</u>
Operating Expenses			
Personnel	835,046	-	835,046
Supplies	54,096	66,769	120,865
Maintenance and replacement	107,759	13,401	121,160
Miscellaneous services	147,261	17,544	164,805
Depreciation and amortization	155,766	10,676	166,442
	<u>1,299,928</u>	<u>108,390</u>	<u>1,408,318</u>
Operating income (loss)	<u>255,443</u>	<u>(10,376)</u>	<u>245,067</u>
Capital contributions	-	240	240
Transfer out	(340,205)	-	(340,205)
Change in net position	(84,762)	(10,136)	(94,898)
Net position (deficit) – beginning	<u>(236,948)</u>	<u>648,697</u>	<u>411,749</u>
Net position-ending	<u>\$ (321,710)</u>	<u>\$ 638,561</u>	<u>\$ 316,851</u>

City of Ennis, Texas
Statement of Cash Flows
Nonmajor Proprietary Funds
September 30, 2020

	Business-type Activities - Enterprise		
	Sanitation	Airport	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities			
Receipts from customers	\$ 1,540,601	\$ 98,014	\$ 1,638,615
Payments to suppliers and service providers	(303,570)	(94,986)	(398,556)
Payments to employees for salaries and benefits	(844,280)	-	(844,280)
Net cash provided by operating activities	<u>392,751</u>	<u>3,028</u>	<u>395,779</u>
Cash Flows From Noncapital Financing Activities			
Transfers to other funds	-	(3,268)	(3,268)
Transfers from other funds	28,061	-	28,061
Net cash provided by noncapital financing activities	<u>28,061</u>	<u>(3,268)</u>	<u>24,793</u>
Cash Flows From Capital And Related Financing Activities			
Capital contributions	-	240	240
Acquisition and construction of capital assets	(424,307)	-	(424,307)
Net cash provided by (used for) capital and related financing activities	<u>(424,307)</u>	<u>240</u>	<u>(424,067)</u>
Net increase in cash and cash equivalents	(3,495)	-	(3,495)
Cash and cash equivalents October 1	3,495	-	3,495
Cash and cash equivalents September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income (loss)	\$ 255,443	\$ (10,376)	\$ 245,067
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	155,766	10,676	166,442
(Increase) decrease in accounts receivable	(14,770)	-	(14,770)
(Increase) decrease in pension related deferred inflows/outflows	249,845	-	249,845
(Increase) decrease in OPEB related deferred inflows/outflows	12,909	-	12,909
Increase (decrease) in accounts payable	5,546	2,728	8,274
Increase (decrease) in accrued payroll payable	(6,966)	-	(6,966)
Increase (decrease) in net pension liability	(254,793)	-	(254,793)
Increase (decrease) in OPEB liability	(10,229)	-	(10,229)
Total adjustments	<u>137,308</u>	<u>13,404</u>	<u>150,712</u>
Net cash provided by (used for) operating activities	<u>\$ 392,751</u>	<u>\$ 3,028</u>	<u>\$ 395,779</u>

City of Ennis, Texas
Schedule of Operating Revenues and Operating Expenses
Budget and Actual
Enterprise Fund - Utility
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Water Operating Revenues				
Water sales	\$ 6,229,354	\$ 6,229,354	\$ 5,904,319	\$ (325,035)
Water taps and connections	39,913	39,913	140,929	101,016
Penalties	129,200	129,200	122,161	(7,039)
Reconnection charges	33,585	33,585	25,015	(8,570)
Miscellaneous	6,000	6,000	30,579	24,579
	<u>6,438,052</u>	<u>6,438,052</u>	<u>6,223,003</u>	<u>(215,049)</u>
Sewer Operating Revenues				
Sewer service charge	4,297,816	4,297,816	4,266,375	(31,441)
Sewer taps and connection	6,482	6,482	11,100	4,618
Penalties	-	-	-	-
EPA fees	41,575	41,575	92,600	51,025
	<u>4,345,873</u>	<u>4,345,873</u>	<u>4,370,075</u>	<u>24,202</u>
Total operating revenues	<u>\$ 10,783,925</u>	<u>\$ 10,783,925</u>	<u>\$ 10,593,078</u>	<u>\$ (190,847)</u>
Operating Expenses				
Administration:				
Personnel	\$ 310,023	\$ 303,554	\$ 298,148	\$ 5,406
Supplies	22,325	22,325	11,408	10,917
Maintenance and replacement	11,600	11,600	7,929	3,671
Miscellaneous services	127,854	127,854	106,660	21,194
	<u>471,802</u>	<u>465,333</u>	<u>424,145</u>	<u>41,188</u>
Water operations:				
Personnel	1,414,242	1,398,318	1,233,734	164,584
Supplies	974,119	974,119	1,004,410	(30,291)
Maintenance and replacement	676,516	676,546	510,385	166,161
Miscellaneous services	472,775	472,775	430,708	42,067
Capital outlay	-	181,000	-	181,000
	<u>3,537,652</u>	<u>3,702,758</u>	<u>3,179,237</u>	<u>523,521</u>
Sewer operations:				
Personnel	1,187,291	1,182,316	1,187,767	(5,451)
Supplies	306,260	306,260	342,656	(36,396)
Maintenance and replacement	384,328	384,328	453,918	(69,590)
Miscellaneous services	652,099	652,099	1,044,370	(392,271)
Capital outlay	-	5,710,874	-	5,710,874
	<u>2,529,978</u>	<u>8,235,877</u>	<u>3,028,711</u>	<u>5,207,166</u>
Total operating expenses before depreciation and amortization	6,539,432	12,403,968	6,632,093	5,771,875
Depreciation and amortization	-	-	2,211,093	2,071,721
Total operating expenses	<u>\$ 6,539,432</u>	<u>\$ 12,403,968</u>	<u>\$ 8,843,186</u>	<u>\$ 7,843,596</u>

City of Ennis, Texas
Schedule of Operating Revenues and Operating Expenses
Budget and Actual
Enterprise Fund - Sanitation
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		Actual GAAP Basis	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Sanitation revenues	\$ 1,496,728	\$ 1,496,728	\$ 1,530,485	\$ 33,757
Miscellaneous	-	-	24,886	24,886
	<u>\$ 1,496,728</u>	<u>\$ 1,496,728</u>	<u>\$ 1,555,371</u>	<u>\$ 58,643</u>
Operating Expenses				
Sanitation				
Personnel	\$ 1,016,121	\$ 1,016,121	\$ 835,046	\$ 181,075
Supplies	80,840	80,840	54,096	26,744
Maintenance and replacement	67,697	67,697	107,759	(40,062)
Miscellaneous services	-	-	147,261	(147,261)
	<u>1,164,658</u>	<u>1,164,658</u>	<u>1,144,162</u>	<u>20,496</u>
Total operating expenses before depreciation and amortization	1,164,658	1,164,658	1,144,162	20,496
Depreciation and amortization	-	-	155,766	(155,766)
	<u>\$ 1,164,658</u>	<u>\$ 1,164,658</u>	<u>\$ 1,299,928</u>	<u>\$ (135,270)</u>
Total operating expense	<u>\$ 1,164,658</u>	<u>\$ 1,164,658</u>	<u>\$ 1,299,928</u>	<u>\$ (135,270)</u>

City of Ennis, Texas
Schedule of Operating Revenues and Operating Expenses
Budget and Actual
Enterprise Fund - Airport
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		Actual GAAP Basis	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Airport revenues	\$ 101,505	\$ 101,505	\$ 87,723	\$ (13,782)
Miscellaneous	59,162	59,162	10,291	(48,871)
Total operating revenues	<u>\$ 160,667</u>	<u>\$ 160,667</u>	<u>\$ 98,014</u>	<u>\$ (62,653)</u>
Operating Expenses				
Airport:				
Supplies	\$ 150,500	\$ 150,500	\$ 66,769	\$ 83,731
Maintenance and replacement	11,000	11,000	13,401	(2,401)
Miscellaneous services	77,813	77,813	17,544	60,269
Total operating expenses before depreciation and amortization	239,313	239,313	97,714	141,599
Depreciation and amortization	-	-	10,676	(10,676)
Total operating expenses	<u>\$ 239,313</u>	<u>\$ 239,313</u>	<u>\$ 108,390</u>	<u>\$ 130,923</u>

Statistical Section

This Page Intentionally Left Blank

City of Ennis, Texas

Table Descriptions

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

Contents Pages

Financial Trends	88-92
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	93-96
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	97-100
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	101-103
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	104-106
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Ennis, Texas
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities				
Net investment in capital assets	\$ 25,564,284	\$ 27,354,738	\$ 27,753,892	\$ 27,768,206
Restricted	1,330,338	1,386,755	1,380,264	1,378,049
Unrestricted	5,044,915	3,021,657	1,508,347	2,883,184
Total governmental activities net position	<u>\$ 31,939,537</u>	<u>\$ 31,763,150</u>	<u>\$ 30,642,503</u>	<u>\$ 32,029,439</u>
Business-type Activities				
Net investment in capital assets	\$ 22,419,047	\$ 22,389,792	\$ 22,522,216	\$ 22,632,356
Restricted	565,591	582,596	583,984	600,548
Unrestricted	3,687,067	3,619,923	3,532,258	2,946,577
Total business-type activities net position	<u>\$ 26,671,705</u>	<u>\$ 26,592,311</u>	<u>\$ 26,638,458</u>	<u>\$ 26,179,481</u>
Primary Government				
Net investment in capital assets	\$ 47,983,331	\$ 49,744,530	\$ 50,276,108	\$ 50,400,562
Restricted	1,895,929	1,969,351	1,964,248	1,978,597
Unrestricted	8,731,982	6,641,580	5,040,605	5,829,761
Total primary government net position	<u>\$ 58,611,242</u>	<u>\$ 58,355,461</u>	<u>\$ 57,280,961</u>	<u>\$ 58,208,920</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 27,488,955	\$ 28,345,988	\$ 30,870,870	\$ 29,095,218	\$ 28,875,948	\$ 25,918,970
2,392,432	3,470,822	4,423,202	4,037,124	2,136,186	4,311,693
451,345	(38,762)	(3,109,063)	(675,895)	105,591	4,802,330
<u>\$ 30,332,732</u>	<u>\$ 31,778,048</u>	<u>\$ 32,185,009</u>	<u>\$ 32,456,447</u>	<u>\$ 31,117,725</u>	<u>\$ 35,032,993</u>
\$ 22,776,396	\$ 23,387,335	\$ 23,918,285	\$ 25,043,255	\$ 29,033,174	\$ 32,807,774
-	-	-	-	-	-
2,213,968	2,328,080	2,215,764	2,930,528	2,568,272	1,553,060
<u>\$ 24,990,364</u>	<u>\$ 25,715,415</u>	<u>\$ 26,134,049</u>	<u>\$ 27,973,783</u>	<u>\$ 31,601,446</u>	<u>\$ 34,360,834</u>
\$ 50,265,351	\$ 51,733,323	\$ 54,789,155	\$ 54,138,473	\$ 57,909,122	\$ 58,726,744
2,392,432	3,470,822	4,423,202	4,037,124	2,136,186	4,311,693
2,665,313	2,289,318	(893,299)	2,254,633	2,673,863	6,355,390
<u>\$ 55,323,096</u>	<u>\$ 57,493,463</u>	<u>\$ 58,319,058</u>	<u>\$ 60,430,230</u>	<u>\$ 62,719,171</u>	<u>\$ 69,393,827</u>

City of Ennis, Texas
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental Activities:				
General government	\$ 994,977	\$ 961,270	\$ 983,979	\$ 1,103,543
Public Safety	7,387,968	7,281,415	7,701,614	7,980,862
Streets	2,200,631	3,153,983	4,989,549	2,253,495
Health	325,352	361,960	368,048	375,297
Equipment services	143,831	121,686	125,256	140,749
Cultural and recreational	1,172,426	1,166,598	1,160,194	1,222,311
Airport	147,273	478,439	126,414	194,828
Hospital	1,255,677	1,253,484	1,229,356	1,229,356
Public works	133,325	135,270	74,953	90,114
Sanitation services	927,171	957,114	1,034,298	1,011,691
Interest on long-term debt	1,207,331	1,054,040	944,094	1,051,856
Total governmental activities	<u>15,895,962</u>	<u>16,925,259</u>	<u>18,737,755</u>	<u>16,654,102</u>
Business-type Activities:				
Water	4,658,341	4,417,037	4,575,223	4,593,251
Sewer	3,543,646	3,347,831	3,372,048	3,584,615
Sanitation	-	-	-	-
Airport	-	-	-	-
Total business-type activities	<u>8,201,987</u>	<u>7,764,868</u>	<u>7,947,271</u>	<u>8,177,866</u>
Total expenses	<u>\$ 24,097,949</u>	<u>\$ 24,690,127</u>	<u>\$ 26,685,026</u>	<u>\$ 24,831,968</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$ 92,128	\$ 107,126	\$ 140,632	\$ 144,941
Public safety	568,602	574,785	664,705	744,872
Airport	101,381	188,145	117,162	149,848
Health	-	-	-	-
Cultural and recreational	24,647	21,898	19,822	19,385
Hospital	544,893	544,893	544,893	544,893
Public Works	19,459	5,775	13,400	21,917
Sanitation services	896,481	893,691	886,476	897,447
Operating grants and contributions	14,094	250,162	5,861	12,013
Capital grants and contributions	530,335	53,919	150,873	-
Total governmental activities	<u>2,792,020</u>	<u>2,640,394</u>	<u>2,543,824</u>	<u>2,535,316</u>
Business-type Activities:				
Charges for services:				
Water	5,641,924	5,438,537	5,325,409	5,193,440
Sewer	2,533,520	2,484,426	2,430,123	2,491,082
Sanitation	-	-	-	-
Airport	-	-	-	-
Operating grants and contributions	183,095	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities	<u>8,358,539</u>	<u>7,922,963</u>	<u>7,755,532</u>	<u>7,684,522</u>
Total Program Revenues	<u>\$ 11,150,559</u>	<u>\$ 10,563,357</u>	<u>\$ 10,299,356</u>	<u>\$ 10,219,838</u>
Net (Expense)/Revenue				
Government Activities	\$ (13,103,942)	\$ (14,284,865)	\$ (16,193,931)	\$ (14,118,786)
Business-type Activities	156,552	158,095	(191,739)	(493,344)
Total net expense	<u>\$ (12,947,390)</u>	<u>\$ (14,126,770)</u>	<u>\$ (16,385,670)</u>	<u>\$ (14,612,130)</u>

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 2,009,993	\$ 2,493,478	\$ 3,484,434	\$ 3,052,597	\$ 3,323,582	\$ 9,654,303	
8,355,627	9,328,294	11,271,841	10,408,224	10,731,634	12,703,761	
2,210,989	2,703,513	3,259,684	4,793,071	3,805,200	2,990,759	
384,148	334,096	449,742	502,639	14,151,551	103,331,831	
253,835	330,555	343,313	318,197	405,495	401,137	
1,270,123	1,278,502	1,710,782	1,540,188	1,696,613	1,908,687	
169,804	148,531	288,471	359,718	-	-	
1,229,356	1,229,321	1,223,582	1,160,052	1,160,052	-	
179,270	363,013	372,854	362,099	869,278	557,302	
-	-	-	-	-	-	
832,587	965,000	930,610	897,132	1,818,008	2,381,383	
<u>16,895,732</u>	<u>19,174,303</u>	<u>23,335,313</u>	<u>23,393,917</u>	<u>37,961,413</u>	<u>133,929,163</u>	
4,081,529	4,220,548	4,553,711	5,329,795	4,556,559	9,259,784	
3,293,496	3,619,526	3,508,245	3,501,855	3,643,086	-	
1,060,622	1,153,513	1,122,815	1,182,579	1,180,725	1,299,928	
-	-	-	-	165,814	108,390	
<u>8,435,647</u>	<u>8,993,587</u>	<u>9,184,771</u>	<u>10,014,229</u>	<u>9,546,185</u>	<u>10,668,102</u>	
<u>\$ 25,331,379</u>	<u>\$ 28,167,890</u>	<u>\$ 32,520,084</u>	<u>\$ 33,408,146</u>	<u>\$ 47,507,598</u>	<u>\$ 144,597,265</u>	
\$ 222,213	\$ 308,178	\$ 367,645	\$ 692,179	\$ 500,257	\$ 797,022	
611,883	763,986	700,651	721,657	556,997	887,422	
77,164	35,236	46,633	101,059	-	-	
-	-	-	-	11,915,091	102,778,824	
20,603	19,920	15,151	25,080	65,684	104,649	
544,893	544,893	544,893	544,893	544,893	868,138	
8,958	3,677	5,327	3,870	450	-	
-	-	-	-	-	-	
247,955	458,596	472,921	2,070,536	1,180,486	3,395,699	
12,037	270,773	1,345,067	11,596	466,874	3,562,566	
<u>1,745,706</u>	<u>2,405,259</u>	<u>3,498,288</u>	<u>4,170,870</u>	<u>15,230,732</u>	<u>112,394,320</u>	
5,071,828	5,236,246	5,319,864	6,184,312	6,027,408	10,944,643	
3,082,278	3,380,920	4,044,323	4,179,817	4,235,965	-	
970,323	1,112,661	1,509,792	1,511,592	1,481,012	1,555,371	
-	-	-	-	141,230	98,014	
-	-	-	-	19,970	-	
-	702,809	129,639	-	52,824	3,261,807	
<u>9,124,429</u>	<u>10,432,636</u>	<u>11,003,618</u>	<u>11,875,721</u>	<u>11,958,409</u>	<u>15,859,835</u>	
<u>\$ 10,870,135</u>	<u>\$ 12,837,895</u>	<u>\$ 14,501,906</u>	<u>\$ 16,046,591</u>	<u>\$ 27,189,141</u>	<u>\$ 128,254,155</u>	
\$ (15,150,026)	\$ (16,769,044)	\$ (19,837,025)	\$ (19,223,047)	\$ (22,730,681)	\$ (21,534,843)	
688,782	1,439,049	1,818,847	1,861,492	2,412,224	5,191,733	
<u>\$ (14,461,244)</u>	<u>\$ (15,329,995)</u>	<u>\$ (18,018,178)</u>	<u>\$ (17,361,555)</u>	<u>\$ (20,318,457)</u>	<u>\$ (16,343,110)</u>	

City of Ennis, Texas
Changes in Net Position
Last Ten Fiscal Years (Continued)
(Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
General Revenues				
Governmental Activities:				
Property taxes	\$ 9,215,876	\$ 9,358,803	\$ 10,006,830	\$ 9,909,883
Sales taxes	2,462,042	2,541,704	2,753,904	2,979,576
Franchise taxes	1,665,050	1,539,061	1,529,513	1,622,886
Hotel occupancy taxes	244,079	239,769	248,450	270,869
Alcoholic beverage taxes	30,986	24,867	27,836	34,385
Unrestricted grants and contributions	124,320	123,720	117,842	120,200
Investment earnings	256,726	310,712	299,994	330,224
Gain on sale of capital assets	-	-	-	-
Miscellaneous	117,237	395,302	88,915	237,699
Transfers	-	-	-	-
Total governmental activities	<u>14,116,316</u>	<u>14,533,938</u>	<u>15,073,284</u>	<u>15,505,722</u>
Business-type Activities:				
Investment on earnings	49,050	44,814	31,828	34,367
Gain on sale of capital assets	-	-	-	-
Miscellaneous	-	-	206,058	-
Transfers	-	-	-	-
Total business-type activities	<u>49,050</u>	<u>44,814</u>	<u>237,886</u>	<u>34,367</u>
Total primary government	<u>\$ 14,165,366</u>	<u>\$ 14,578,752</u>	<u>\$ 15,311,170</u>	<u>\$ 15,540,089</u>
Change in Net Position				
Governmental activities	\$ 1,012,374	\$ 249,073	\$ (1,120,647)	\$ 1,386,936
Business-type activities	205,602	202,909	46,147	(458,977)
Total change in net position	<u>\$ 1,217,976</u>	<u>\$ 451,982</u>	<u>\$ (1,074,500)</u>	<u>\$ 927,959</u>

Source: Comprehensive Annual Financial Report

Note 1: The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior years have not been restated for the effects of this standard.

Note 2: In 2015, the City transferred the sanitation services from governmental activities to business-type activities.

Note 3: In 2019, the City transferred the airport services from governmental activities to business-type activities.

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 9,893,516	\$ 10,005,334	\$ 10,957,007	\$ 11,290,108	\$ 11,865,422	\$ 14,185,118	
3,782,774	5,018,180	5,332,377	5,404,232	5,324,306	6,326,040	
1,606,673	1,550,923	1,629,324	1,647,872	1,494,793	1,640,222	
309,009	344,126	346,010	389,228	391,787	231,856	
38,206	43,442	42,885	46,153	52,512	49,051	
118,200	116,000	118,550	121,200	-	-	
273,786	283,228	131,188	146,149	391,289	257,103	
-	-	16,400	112,907	14,800	-	
163,812	107,252	211,749	507,296	403,138	244,162	
1,191,451	745,875	1,458,496	(97,570)	203,424	2,516,559	
<u>17,377,427</u>	<u>18,214,360</u>	<u>20,243,986</u>	<u>19,567,575</u>	<u>20,141,471</u>	<u>25,450,111</u>	
23,463	31,877	7,324	30,040	169,245	79,097	
-	-	50,959	(47,914)	-	5,117	
-	-	-	-	-	-	
<u>(1,191,451)</u>	<u>(745,875)</u>	<u>(1,458,496)</u>	<u>97,570</u>	<u>(203,424)</u>	<u>(2,516,559)</u>	
<u>(1,167,988)</u>	<u>(713,998)</u>	<u>(1,400,213)</u>	<u>79,696</u>	<u>(34,179)</u>	<u>(2,432,345)</u>	
<u>\$ 16,209,439</u>	<u>\$ 17,500,362</u>	<u>\$ 18,843,773</u>	<u>\$ 19,647,271</u>	<u>\$ 20,107,292</u>	<u>\$ 23,017,766</u>	
\$ 2,227,401	\$ 1,445,316	\$ 406,961	\$ 344,528	\$ (2,589,210)	\$ 3,915,268	
(479,206)	725,051	418,634	1,941,188	2,378,045	2,759,388	
<u>\$ 1,748,195</u>	<u>\$ 2,170,367</u>	<u>\$ 825,595</u>	<u>\$ 2,285,716</u>	<u>\$ (211,165)</u>	<u>\$ 6,674,656</u>	

City of Ennis, Texas
Fund Balance – Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
General fund				
Nonspendable	\$ 240,327	\$ 243,249	\$ 279,515	\$ 261,936
Restricted	44,875	50,494	46,874	35,950
Assigned	-	-	-	-
Unassigned	5,802,413	6,455,305	7,435,540	8,079,732
Total general fund	<u>\$ 6,087,615</u>	<u>\$ 6,749,048</u>	<u>\$ 7,761,929</u>	<u>\$ 8,377,618</u>
All other governmental funds				
Nonspendable	\$ 28,966	\$ 28,966	\$ 28,966	\$ 28,966
Restricted	2,876,881	4,766,407	1,627,368	6,307,671
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 2,905,847</u>	<u>\$ 4,795,373</u>	<u>\$ 1,656,334</u>	<u>\$ 6,336,637</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 311,358	\$ 69,308	\$ 84,625	\$ 84,454	\$ 53,213	\$ 33,482
3,096	3,096	4,650	4,652	4,708	-
-	203,464	-	-	-	-
7,801,393	7,712,536	5,779,072	6,769,432	8,017,606	8,879,055
<u>\$ 8,115,847</u>	<u>\$ 7,988,404</u>	<u>\$ 5,868,347</u>	<u>\$ 6,858,538</u>	<u>\$ 8,075,527</u>	<u>\$ 8,912,537</u>
\$ 28,966	\$ 32,554	\$ 36,961	\$ 36,961	\$ 28,966	\$ 28,966
3,640,617	13,255,506	18,812,318	11,427,256	23,347,316	30,209,343
-	-	-	-	(1,706,059)	(500,174)
<u>\$ 3,669,583</u>	<u>\$ 13,288,060</u>	<u>\$ 18,849,279</u>	<u>\$ 11,464,217</u>	<u>\$ 21,670,223</u>	<u>\$ 29,738,135</u>

City of Ennis, Texas
Changes in Fund Balance – Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Property taxes	\$ 9,278,158	\$ 9,502,311	\$ 10,062,727	\$ 9,903,070
Sales taxes	2,462,042	2,541,704	2,753,904	2,979,576
Franchise taxes	1,665,050	1,539,061	1,529,513	1,622,886
Hotel occupancy taxes	244,079	239,769	248,450	270,869
Alcoholic beverage taxes	30,986	24,867	27,836	34,385
Licenses and permits	90,868	105,806	140,632	144,941
Fines and forfeitures	397,684	408,162	510,652	605,176
Charges for current services	1,133,746	1,162,883	1,121,191	1,163,283
Revenues from use of money and property	256,726	310,712	299,994	330,224
Other	150,169	605,990	161,351	303,910
Intergovernmental	713,468	421,076	117,842	124,010
Contributions and donations	9,928	6,725	5,861	8,203
Total revenues	16,432,904	16,869,066	16,979,953	17,490,533
Expenditures				
Current:				
General government	968,905	951,284	972,299	1,124,725
Public Safety	6,954,545	8,216,556	7,560,985	7,850,808
Streets	1,053,937	1,060,271	1,052,162	1,246,624
Health	326,941	357,716	403,090	370,085
Equipment services	130,807	114,270	120,050	138,956
Cultural and recreational	1,046,692	1,024,531	1,000,738	1,060,585
Airport	103,325	183,007	106,613	165,174
Public works	125,247	129,134	84,971	89,434
Sanitation services	858,787	900,368	1,117,602	958,107
Capital outlay	609,922	1,380,183	3,168,293	1,369,145
Debt service:				
Principal retirement	2,609,285	2,443,646	2,695,699	2,956,333
Interest and fiscal charges	1,189,945	993,504	1,011,277	946,141
Bond issuance costs	-	151,930	-	141,483
Advance refunding escrow	-	64,977	-	-
Total expenditures	15,978,338	17,971,377	19,293,779	18,417,600
Excess (deficiency) of revenues over (under) expenditures	454,566	(1,102,311)	(2,313,826)	(927,067)
Other Financing Sources (Uses)				
Transfers in	3,548,456	3,456,882	4,815,596	3,531,473
Transfers out	(3,548,456)	(3,456,882)	(4,815,596)	(3,531,473)
Refunding bonds issued	-	3,670,000	-	10,045,000
Certificates of obligation issued	-	2,955,000	-	6,000,000
Premium on bonds issued	-	245,934	-	276,162
Discount on bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	(3,999,405)	-	(10,194,056)
Capital leases	-	781,741	187,668	95,953
Sale of capital assets	-	-	-	-
Total other financing sources	-	3,653,270	187,668	6,223,059
Net change in fund balances	\$ 454,566	\$ 2,550,959	\$ (2,126,158)	\$ 5,295,992
Debt service as a percentage of noncapital expenditures	24.98%	20.82%	20.04%	23.26%

Fiscal Year						
	2015	2016	2017	2018	2019	2020
\$	9,899,156	\$ 10,014,934	\$ 10,953,855	\$ 11,337,170	\$ 11,838,643	\$ 14,184,459
	3,782,774	5,018,180	5,332,377	5,404,232	5,324,306	6,326,040
	1,606,673	1,550,923	1,629,324	1,647,872	1,494,793	1,640,222
	309,009	344,126	346,010	389,228	391,787	231,856
	38,206	43,442	42,885	46,153	52,512	49,051
	200,916	292,635	367,628	692,179	457,282	700,874
	470,713	625,830	569,395	592,443	426,638	332,410
	233,969	243,145	198,384	259,223	12,154,558	102,994,508
	273,786	283,228	131,188	146,149	391,289	257,103
	227,546	76,641	211,749	405,276	415,548	763,444
	486,000	722,471	1,397,186	2,213,233	1,093,469	3,663,633
	22,255	40,532	19,304	24,092	227,691	53,589
	17,551,003	19,256,087	21,199,285	23,157,250	34,268,516	131,197,189
	2,000,927	2,934,110	4,975,332	3,758,434	3,370,826	5,467,394
	8,304,576	8,875,792	9,698,196	11,268,840	10,977,766	11,899,996
	1,092,572	1,474,034	2,122,396	2,631,639	2,296,706	1,457,560
	375,606	317,168	389,665	519,089	14,247,239	102,696,430
	254,287	322,871	303,858	335,479	900,753	322,337
	1,137,874	1,105,233	1,472,159	1,454,924	1,541,631	1,679,559
	54,601	14,570	-	-	-	-
	179,385	297,208	306,571	339,063	324,467	510,564
	-	-	-	-	-	-
	3,798,531	362,581	847,885	6,733,013	13,889,614	14,631,755
	3,178,482	3,041,326	3,202,663	3,314,075	3,257,300	3,980,000
	837,011	804,256	818,200	841,789	1,129,696	2,201,711
	-	146,343	88,114	57,753	499,015	208,671
	-	-	-	-	-	-
	21,213,852	19,695,492	24,225,039	31,254,098	52,435,013	145,055,977
	(3,662,849)	(439,405)	(3,025,754)	(8,096,848)	(18,166,497)	(13,858,788)
	984,866	763,408	1,548,526	2,057,056	16,769,899	8,593,209
	(250,842)	(17,533)	(246,536)	(2,154,626)	(15,699,434)	(6,076,650)
	-	3,325,000	2,080,000	-	-	-
	-	8,760,000	5,225,000	1,495,000	26,900,000	16,920,000
	-	127,405	185,596	63,325	1,604,227	3,278,833
	-	-	-	-	-	-
	-	(3,299,300)	(2,085,009)	-	-	-
	-	-	-	-	-	-
	-	-	30,798	151,593	14,800	48,318
	734,024	9,658,980	6,738,375	1,612,348	29,589,492	22,763,710
\$	(2,928,825)	\$ 9,219,575	\$ 3,712,621	\$ (6,484,500)	\$ 11,422,995	\$ 8,904,922
	23.17%	20.49%	18.97%	16.95%	11.38%	4.74%

City of Ennis, Texas
Appraised Value of Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended September 30	Estimated Actual Value		Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Rate
	Real Property	Personal Property			
2011	\$ 1,159,480,785	\$ 499,627,779	\$ 351,533,750	\$ 1,307,574,814	0.69500
2012	1,158,181,442	534,976,383	353,485,909	1,339,671,916	0.69500
2013	1,148,522,273	536,978,364	310,253,824	1,375,246,813	0.69500
2014	1,143,218,632	563,332,312	294,789,804	1,411,761,140	0.69500
2015	1,147,947,475	544,574,734	282,434,339	1,410,087,870	0.69500
2016	1,175,090,290	598,711,617	288,761,727	1,485,040,180	0.66917
2017	1,197,278,670	636,795,500	279,113,745	1,554,960,425	0.69900
2018	1,273,620,820	603,809,367	296,237,653	1,581,192,534	0.71000
2019	1,355,650,141	617,022,962	317,159,911	1,655,513,192	0.71000
2020	1,620,978,908	682,277,579	350,565,657	1,952,690,830	0.72447

Source: City Administration Office

City of Ennis, Texas
Direct and Overlapping Property Tax Rates – All Governments
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year	City of Ennis			Overlapping Rates		Total Direct and Overlapping Rates
	Operating / General Rate	General Obligation Debt Service	Total Direct	Ennis Independent School District	Ellis County	
2011	0.42964	0.26536	0.69500	1.54000	0.39359	2.62859
2012	0.44174	0.25326	0.69500	1.54000	0.41360	2.64860
2013	0.45698	0.23802	0.69500	1.54000	0.41360	2.64860
2014	0.44871	0.24629	0.69500	1.54000	0.41360	2.64860
2015	0.42918	0.26582	0.69500	1.54000	0.41360	2.64860
2016	0.43989	0.22928	0.66917	1.54000	0.41360	2.62277
2017	0.45900	0.24000	0.69900	1.54000	0.41360	2.65260
2018	0.47000	0.24000	0.71000	1.53580	0.35971	2.60551
2019	0.47000	0.24000	0.71000	1.54000	0.33898	2.58898
2020	0.44547	0.27900	0.72447	1.48835	0.32956	2.54238

Source: City Administration Office

¹ Overlapping rates are those of local and county governments that apply to property owners within the city of Ennis

City of Ennis, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago

Tax Payer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
CVS Texas Distribution LP	\$ 108,897,170	1	5.58%	\$ 64,045,889	2	4.90%
Ennis Power Company, LLC	83,738,200	2	4.29%	74,450,415	1	5.69%
Elk Corporation of Texas	58,089,130	3	2.97%	51,756,047	3	3.96%
Sterilite Corporation of Texas	54,760,777	4	2.80%	49,522,165	4	3.79%
Legget Partners LP	34,547,867	5	1.77%	24,479,670	6	1.87%
Spyglass Apartments of Ennis LP	26,664,965	6	1.37%	-	-	-
JTEKT of Texas, Inc	26,571,115	7	1.36%	20,121,447	7	1.54%
Ennis-Flint, Inc.	24,235,780	8	1.24%	-	-	-
Ennis TX 287 LLC	21,800,000	9	1.12%	-	-	-
Atlas Sound	20,746,470	10	1.06%	12,791,620	9	0.98%
Associated Materials	-	-	-	27,577,540	5	2.11%
Wal-Mart Real Estate	-	-	-	17,000,120	8	1.30%
Oncor Electric Delivery Company	-	-	-	12,202,618	10	0.93%
Total	\$ 460,051,474		23.56%	\$ 353,947,531		27.07%
Total valuation of City net of exempt property	<u>\$ 1,952,690,830</u>			<u>\$ 1,307,574,814</u>		

Source: City Administration Office

City of Ennis, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2011	\$ 9,067,308	\$ 8,924,407	98.42 %	\$ 137,992	\$ 9,062,399	99.95 %
2012	9,282,003	9,167,040	98.76	109,470	9,276,510	99.94
2013	9,625,186	9,453,560	98.22	162,832	9,616,392	99.91
2014	9,827,953	9,705,917	98.76	114,353	9,820,270	99.92
2015	9,809,002	9,693,244	98.82	102,609	9,795,853	99.87
2016	9,931,494	9,817,879	98.86	93,698	9,911,577	99.80
2017	10,881,653	10,779,321	99.06	83,020	10,862,341	99.82
2018	11,215,175	11,118,724	99.14	62,524	11,181,248	99.70
2019	11,754,144	11,637,327	99.01	65,152	11,702,480	99.56
2020	14,160,100	13,927,146	98.35	-	13,927,146	98.35

Source: City Administration Office

City of Ennis, Texas
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Tax rate limit	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000
Current tax rate	0.6950	0.6950	0.6950	0.6950	0.6950	0.6692	0.6990	0.7100	0.7100	0.7245
Available tax rate	\$ 1.8050	\$ 1.8050	\$ 1.8050	\$ 1.8050	\$ 1.8050	\$ 1.8308	\$ 1.8010	\$ 1.7900	\$ 1.7900	\$ 1.7755

Note 1: The City Charter of the City of Ennis, Texas, does not provide for a debt limit. Under provisions of state law, the maximum tax rate is limited to \$2.50 per \$100 assessed valuation. No direct bond debt limitation is imposed on the City under current state law or the City's

City of Ennis, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(principal only; dollars in thousands, except per capita)

Fiscal Year	Government Activities					Business-Type Activities			Total Outstanding Debt	Percentage of Personal Income ¹	Debt Per Capital ¹
	General Obligation Bonds	Certificates of Obligation	Notes Payable	Development Agreement Payable	Capital Leases	General Obligation Bonds	Certificates of Obligation	Capital Leases			
2011	\$ 19,738,416	\$ 5,527,775	\$ 227,931	\$ 19,570,755	\$ 296,210	\$ 11,708,487	\$ 4,362,225	\$ 32,062	\$ 61,463,861	12.71%	\$ 3,320
2012	20,330,629	5,510,000	205,137	19,025,862	940,630	14,495,619	-	10,880	\$ 60,518,757	12.23%	\$ 3,266
2013	18,370,315	4,955,000	182,343	18,480,969	930,160	12,794,062	-	-	\$ 55,712,849	15.00%	\$ 2,979
2014	17,271,780	9,930,000	159,549	17,936,076	835,515	11,015,017	-	-	\$ 57,147,937	15.05%	\$ 3,036
2015	15,429,447	8,665,000	136,755	17,391,183	646,388	9,498,448	-	46,999	\$ 51,814,220	13.36%	\$ 2,605
2016	15,610,885	14,705,000	-	16,846,290	459,908	8,094,837	4,720,000	9,482	\$ 60,446,402	15.25%	\$ 2,974
2017	13,749,514	18,825,000	-	16,301,397	351,591	6,604,737	7,005,000	-	\$ 62,837,239	13.99%	\$ 3,092
2018	11,678,166	19,170,000	-	15,756,504	252,517	5,083,677	12,450,000	-	\$ 64,390,864	14.31%	\$ 3,163
2019	11,259,922	44,810,000	-	15,211,611	170,217	3,494,606	12,130,000	-	\$ 87,076,356	17.68%	\$ 4,264
2020	12,428,437	59,720,000	-	14,666,718	-	2,774,541	16,475,000	-	\$ 106,064,696	21.18%	\$ 5,108

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

¹ Personal Income data and population data can be found in the Schedule of Demographic and Economic Statistics on page

City of Ennis, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2020
(Dollars in Thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Amounts Applicable to Primary Government
Debt repaid with property taxes: Ellis County	\$ 33,785,000	11.02%	\$ 3,723,107
Debt repaid with property taxes: School District	\$ 120,314,341	77.46%	<u>93,195,489</u>
Subtotal, overlapping debt			96,918,596
City of Ennis, Texas direct debt			<u>60,886,692</u>
Total direct and overlapping debt			<u><u>\$ 157,805,288</u></u>

Source: Texas Municipal Reports

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

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county and school district's taxable assessed value that is within the City's boundaries and dividing it by the county and school district's total taxable assessed value.

City of Ennis, Texas
Ratios of Net General Bonded Debt to Assessed Value and
Net Value Bonded Debt per Capita
Last Ten Fiscal Years
(Principal Only; Dollars in Thousands, Except per Capita)

Fiscal Year Ended September 30	General Obligation Bonds	Certificates of Obligation	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value ¹ of Property	Per Capita ²
2011	\$ 31,446,903	\$ 5,527,775	\$ 412,965	\$ 36,561,713	2.80%	\$ 1,975
2012	34,826,248	5,510,000	416,953	39,919,295	2.98%	2,154
2013	31,164,377	4,955,000	407,021	35,712,356	2.60%	1,909
2014	28,286,797	9,930,000	417,928	37,798,869	2.68%	2,008
2015	24,927,895	8,665,000	636,046	32,956,849	2.34%	1,657
2016	23,705,722	14,705,000	834,307	37,576,415	2.53%	1,849
2017	20,354,251	18,825,000	966,622	38,212,629	2.46%	1,880
2018	16,761,843	19,170,000	694,244	35,237,599	2.23%	1,731
2019	14,754,528	44,810,000	723,532	58,840,996	3.55%	2,881
2020	15,202,978	59,720,000	803,308	74,119,670	3.80%	3,570

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

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property in page For property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics on page

City of Ennis, Texas
Pledged Revenue Coverage
Last Ten Fiscal Years

Waterworks and Sewer System Revenue Bonds						
Fiscal Year	Total Revenues¹	Less Operating Expenses²	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2011	\$ 8,224,494	\$ 5,686,990	\$ 2,537,504	\$ 1,564,323	\$ 706,642	1.12
2012	7,967,777	5,424,083	2,543,694	1,632,124	555,938	1.16
2013	7,787,360	5,680,378	2,106,982	1,689,558	519,273	0.95
2014	7,718,889	5,911,133	1,807,756	1,767,052	511,392	0.79
2015	8,177,569	5,245,884	2,931,685	1,504,573	399,667	1.54
2016	8,649,043	5,649,392	2,999,651	1,536,855	276,869	1.65
2017	9,371,511	5,528,336	3,843,175	1,545,654	301,801	2.08
2018	10,394,169	6,411,152	3,983,017	1,695,969	300,614	1.99
2019	10,432,409	5,980,676	4,451,733	1,885,000	371,705	1.97
2020	10,672,175	6,632,093	4,040,082	1,920,000	328,885	1.80

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

¹ Includes operating and nonoperating revenues

² Includes operating expenses minus depreciation.

City of Ennis, Texas

Demographic and Economic Statistics

Last Ten Calendar Years

Fiscal Year	Estimated Population ¹	Personal Income	Per Capita Personal Income ²	Median Age ²	Public School Enrollment ³	Unemployment Rate ⁴
2011	18,513	\$ 483,633,612	\$ 26,124	32.9	5,726	8.1 %
2012	18,530	\$ 494,843,650	\$ 26,705	*	5,790	6.2
2013	18,704	\$ 371,311,808	\$ 19,852	33.7	5,675	5.6
2014	18,823	\$ 379,603,441	\$ 20,167	34.5	5,675	5.6
2015	19,887	\$ 387,895,935	\$ 19,505	34.5	5,784	3.6
2016	20,324	\$ 396,419,620	\$ 19,505	34.4	5,829	3.6
2017	20,324	\$ 449,099,428	\$ 22,097	34.5	5,773	3.0
2018	20,357	\$ 449,828,629	\$ 22,097	33.1	5,797	3.3
2019	20,422	\$ 492,639,906	\$ 24,123	33.8	5,818	3.1
2020	20,764	\$ 500,893,349	\$ 24,123	33.7	5,939	7.3

Sources:

- ¹ North Central Texas Council of Governments, 2010 Census, 2013 Census Bureau
 - ² U.S. Census Bureau
 - ³ Ennis Independent School District
 - ⁴ DOL, Department of Commerce
- * Median age only available when released in census years.

City of Ennis, Texas
Principal Employers
Current Year and Nine Years Ago

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sterilite Corporation of Texas	750	1	9.08%	650	2	7.95%
Ennis Independent School District	733	2	8.87%	800	1	9.79%
Ennis, Inc.	359	3	4.35%			
Ennis Extruded Products	330	4	3.99%			
Leggett Partners LP	328	5	3.97%	206	7	2.52%
Walmart	250	6	3.03%	250	5	3.06%
CVS Texas Distribution LP	233	7	2.82%	191	8	2.34%
GAF	215	8	2.60%			
Schirm USA, Inc.	200	9	2.42%			
JTEKT of Texas, Inc.	185	10	2.24%	190	9	2.32%
Direct Energy (Alliance Data, Inc.)				390	3	4.77%
National Envelope Corporation				332	4	4.06%
Elk Corporation of Texas				238	6	2.91%
Ennis Paint, Inc.				184	10	2.25%
Total	3,583		43.37%	3,431		41.97%

Source: City Administration Office

City of Ennis, Texas
Full-time Equivalents City Government Employees
By Function/Program
Last Ten Fiscal Years

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Administration	10.0	10.0	10.0	12.5	12.2	12.2	17.2	16.7	16.9	14.4
Tourism	2.0	2.0	2.5	2.5	2.0	2.0	2.0	2.0	2.0	2.0
Public Safety										
Police	43.5	43.5	43.5	43.5	43.5	44.2	46.2	47.3	49.1	50.1
Judicial	2.0	2.0	2.0	2.0	2.0	2.0	4.5	3.8	3.8	3.8
Fire	29.0	29.0	30.0	30.0	30.0	30.0	30.0	41.5	43.5	41.1
Inspection	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Streets	11.0	11.0	13.0	13.0	13.0	11.0	8.0	10.3	10.0	8.4
Health	4.0	4.0	3.0	3.0	3.0	3.0	4.0	5.1	5.1	5.1
Equipment Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Cultural and Recreational										
Parks and Recreation	7.9	7.9	8.0	8.0	8.0	8.0	6.4	6.8	7.1	8.5
Library	5.6	5.6	6.0	6.0	5.6	5.6	5.6	5.6	5.6	5.4
Museum	1.0	1.0	1.0	1.0	1.0	1.0	1.1	0.7	0.8	0.7
Public Works	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1
Sanitation Services	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.3	14.7	12.1
Water and Wastewater										
Administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.9	5.1	4.0
Water	19.0	19.0	19.0	18.0	18.0	18.0	19.0	17.6	16.7	16.1
Wastewater	15.0	15.0	15.0	15.0	15.0	15.0	15.0	16.3	16.8	17.8
Total	181.0	181.0	183.0	184.5	183.3	182.0	189.0	204.0	207.3	199.4

Source: City Administration Office

City of Ennis, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function	Fiscal Year			
	2011	2012	2013	2014
Police				
UCR – Reported Crimes	1,107	1,155	1,024	860
Number of Violations (Citations)	9,065	8,509	7,934	9,083
Judicial				
Municipal Court Fines	\$ 347,604	\$ 363,863	\$ 446,042	\$ 500,672
Fire				
Fire Calls	68	10	18	14
First Response (Ambulance Assist.)	-	-	-	-
Fire Loss	\$ 66,050	\$ 159,650	\$ 169,950	\$ 20,500
Inspection				
Permits Issued (Units)	158	74	122	35
Permit Value	\$ 4,847,773	\$ 7,518,503	\$ 22,756,456	\$ 9,260,747
Streets				
Miles of Streets Maintained	103.67	103.67	103.67	103.67
Health				
Food Establishment Inspections	312	456	544	377
Animals Impounded	866	876	1,024	979
Equipment Services				
Equipment Maintained	127	127	125	276
Cultural and Recreational				
Parks				
Parks Maintained	12	12	12	12
Library				
Patrons	107,991	101,150	94,103	80,160
Circulation	80,934	81,970	75,682	73,482
Museum				
Paid Attendance	526	639	502	826
Sanitation Service				
Refuse Customers	5,150	5,169	5,167	5,156
Estimated Refuse Collected (in tons)	8,981	8,174	8,285	8,398
Water				
Number of Water Customers	5,775	5,702	5,167	5,754
Estimated Gallons Billed (in thousands)	1,089,054	1,086,971	952,797	943,507
Sewer				
Number of Wastewater Customers	5,460	5,390	5,491	5,488

Source: Various City Departments

Fiscal Year					
2015	2016	2017	2018	2019	2020
868	770	687	775	701	192
7,539	6,670	5,192	3,570	3,166	2,929
\$ 451,022	\$ 566,512	\$ 496,376	\$ 527,036	\$ 378,279	\$ 275,906
994	114	108	981	1,256	1,197
1,587	1,842	1,679	1,182	1,565	1,614
\$ 39,500	\$ 280,000	\$ 590,735	\$ 196,000	\$ 72,200	\$ 350,000
36	52	79	889	743	714
\$ 9,582,310	\$ 14,940,779	\$ 42,960,978	\$ 106,407,201	\$ 79,312,350	\$ 189,043,510
103.67	103.67	103.67	119.05	120.54	120.93
213	235	290	137	144	159
783	713	723	524	806	272
582	565	278	170	171	176
12	12	17	19	19	19
78,079	71,360	60,566	61,906	60,546	36,049
74,621	73,612	65,767	68,106	65,623	54,925
638	595	481	635	785	294
5,208	5,271	5,165	5,330	5,384	5,762
8,356	8,418	8,249	8,754	8,985	9,735
5,868	5,944	5,919	6,108	6,245	6,564
881,881	1,008,824	889,840	951,188	914,218	947,640
5,548	5,613	5,500	5,547	5,641	6,045

City of Ennis, Texas
Capital Asset Statistics
By Function/Program
Last Ten Fiscal Years

Function	Fiscal Year			
	2011	2012	2013	2014
Police				
Number of Stations	1	1	1	1
Fire				
Number of Stations	2	2	2	2
Fire Hydrants	953	1,048	1,048	1,048
Streets				
Miles of Streets	103.67	103.67	103.67	103.67
Equipment Services				
Equipment Maintained	127	127	125	276
Cultural and Recreational				
Parks Maintained	12	12	12	12
Library				
Number of Libraries	1	1	1	1
Museum				
Number of Museums	1	1	1	1
Water				
Water Plant Capacity (million gallons per day)	12.00	12.00	12.00	12.00
TCEQ Worst-Case Capacity (million gallons per day)	9.10	9.10	9.10	9.10
Water Storage Capacity (million gallons)	3.50	3.50	3.50	3.50
Sewer				
Sewer Plant Capacity (million gallons per day)	3.10	3.10	3.10	3.10

Sources: Various city departments

Fiscal Year					
2015	2016	2017	2018	2019	2020
1	1	1	1	1	1
2 1,048	2 1,048	2 1,050	3 1,055	3 1,064	3 1,064
103.67	103.67	103.67	103.67	103.67	103.67
582	565	278	170	171	176
12	12	17	19	19	19
1	1	1	1	1	1
1	1	1	1	1	1
12.00	12.00	12.00	12.00	12.00	12.00
9.10	9.10	9.10	9.10	9.10	9.10
3.50	3.50	3.50	3.50	3.50	3.50
3.10	3.10	3.10	3.10	3.10	3.10

This Page Intentionally Left Blank