

FRIENDSWOOD™



STRONG

CITY OF FRIENDSWOOD

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR 2018-2019



City of
Friendswood
Texas

CITY OF FRIENDSWOOD, TEXAS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED**

September 30, 2019

Officials Issuing Report:

**Morad Kabiri
City Manager**

**Katina Hampton
Director of Administrative Services**

City of
Friendswood
Texas

CITY OF FRIENDSWOOD, TEXAS
TABLE OF CONTENTS

	<u>Page</u>
Introductory Section	
Letter of Transmittal	i
Principal Officials	v
GFOA Certificate of Achievement	vi
Organizational Chart	vii
Financial Section	
Report of Independent Auditors	3
Management's Discussion and Analysis	8
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	23
Statement of Activities	24
Fund Financial Statements:	
Balance Sheet - Governmental Funds	26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	27
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Net Position - Proprietary Funds	30
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	32
Statement of Cash Flows - Proprietary Funds	33
Notes to the Financial Statements	35

CITY OF FRIENDSWOOD, TEXAS
TABLE OF CONTENTS (continued)

Page

Financial Section (continued)

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	74
Notes to Budgetary Schedule Information	82
Schedule of Changes in the Net Pension Liability and Related Ratios - Texas Municipal Retirement System -	84
Schedule of City Contributions - Texas Municipal Retirement System - Notes to Schedule of Contributions	85
Schedule of Changes in the Total OPEB Liability and Related Ratios - Texas Municipal Retirement System Supplemental Death Benefits Fund	86
Schedule of Changes in the Total OPEB Liability and Related Ratios - City of Friendswood Retiree Health Care Plan	87
	88

Other Supplementary Information:

Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	94
Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual:	
Police Investigation	96
Fire/EMS Donation	97
Court Security and Technology	98
Debt Service	99
1776 Park	100
Sidewalk Installation	101
Park Land Dedication	102
Street Improvement	103
Bond Construction	104

CITY OF FRIENDSWOOD, TEXAS
TABLE OF CONTENTS *(continued)*

	<u>Table</u>	<u>Page</u>
Unaudited Statistical Section:		
Net Position by Component	1	108
Changes in Net Position	2	110
Fund Balances of Governmental Funds	3	114
Changes in Fund Balances of Governmental Funds	4	116
Assessed Value and Taxable Value of Property	5	118
Direct and Overlapping Property Tax Rates	6	120
Principal Property Taxpayers	7	121
Property Tax Levies and Collections	8	122
Ratios of Outstanding Debt by Type	9	123
Ratio of Net General Bonded Debt Outstanding	10	124
Direct and Overlapping Governmental Activities Debt	11	125
Legal Debt Margin Information	12	126
Pledged Revenue Coverage	13	127
Demographic and Economic Statistics	14	128
Principal Employers	15	129
Full-Time Equivalent City Government Employees by Function/ Program	16	130
Operating Indicators by Function/ Program	17	132
Capital Asset Statistics by Function/ Program	18	134

City of
Friendswood
Texas

INTRODUCTORY SECTION

City of
Friendswood
Texas



CITY OF FRIENDSWOOD

February 26, 2020

The Honorable Mayor, Members of the City Council, and the Citizens of Friendswood:

The Comprehensive Annual Financial Report (CAFR) of the City of Friendswood for the fiscal year ended September 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City Charter requires an annual audit of the financial statements of all of the various funds of the City by independent certified public accountants. The accounting firm of Whitley Penn LLP has performed such an audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

Established in 1895 as a Quaker colony, the City of Friendswood is rich in heritage. The City was incorporated in 1960 and chartered a home-rule city under Texas law in 1971. The City operates under a Council-Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and six (6) Council Members. The Mayor and Council are responsible, among other things, for passing ordinances, adopting the budget, appointing board and committee members and hiring the City Manager, City Attorney, Municipal Judge, and City Secretary. The City Manager is responsible for carrying out the policies and ordinances of the City Council and overseeing the day-to-day operations of the City government, and for appointing heads of various departments. The Mayor and Council are elected on an at-large, non-partisan basis. The Mayor and Council are elected to serve no more than four consecutive three-year terms.

The City provides a full range of municipal services including public safety (police, fire and emergency medical), maintenance of streets and infrastructure, sanitation services, maintenance of the treated waste distribution system and both sanitary and storm sewer collection transmission systems, recreational activities and cultural events as well as general administrative services.

FACTORS AFFECTING FINANCIAL CONDITION

Location

Encompassing 21 square miles, Friendswood is located in southeast Texas near the Texas Gulf Coast, between downtown Houston and Galveston, spanning across two counties – northern Galveston County and southern Harris County. The current estimated population is 41,003. Residents and visitors can access Friendswood through FM 2351, FM 518, and FM 528 (NASA Parkway). Hobby Airport and Ellington Airport are located within a 15 minute drive from Friendswood, and Bush Intercontinental Airport is just 45 minutes away. Major sectors of the area’s economic base include aerospace, specialty chemicals, health care, retail, and tourism.

Community

Friendswood has been nationally recognized as one of the best places to live in the country. With low tax rates, outstanding public education, and the lowest crime rate in the region, Friendswood is the perfect place to live, work, and play. The city features beautiful parks and lush landscaping, along with a championship golf course. Children academically excel via two superior public school systems – Friendswood ISD and Clear Creek ISD. These attributes perfectly match Friendswood’s affluent resident base of well-educated, high-income families. More than 50% of residents work in executive, professional, and managerial positions and generate an average household income of over \$140,000, one of the highest in the Houston area.

Business

Friendswood is the perfect choice for many types of commercial enterprises. Target markets include professional offices, retail, commercial, and light industrial developments. A key City focus is to encourage redevelopment of the downtown area and development of the City’s panhandle area. City leaders have approved special tools and incentives to revitalize downtown to promote mixed-use, multi-story developments with pedestrian streetscapes and other amenities. The City offers competitive business

incentives, including a municipal grant program, tax abatement that includes “green” development, freeport tax exemption, and downtown development fee waivers.

Quality Lifestyle

As with any city, the goal is planning for continued quality growth to create a well-balanced community. Friendswood offers single-family residential housing in pleasant park-like settings, tucked-away from the busy stream of vehicular traffic. Friendswood is committed to attracting more local enterprises that will complement and enhance the unique community environment that has been carefully built over the past 100 years; one that has come to be cherished by residents and business owners alike.

LONG TERM PLANNING

Budgeting Controls

The objective of the City’s budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by Council. The charter requires the City Manager to submit a proposed budget and an accompanying message to the City Council on or before August 1. The council shall review and revise as deemed appropriate prior to general circulation for the public hearing. The Public Notice and Hearing must be posted in the city hall and published in the official newspaper. The budget must be adopted by the 15th of September or as soon thereafter as practical. The City legally adopts annual budgets for the General, Special Revenue and Debt Service Funds. Annual and project budgets are also adopted for the Proprietary and Capital Projects Funds, respectively.

The level of budgetary control; that is, the level at which expenditures cannot legally exceed the appropriated amount, is established by department within a fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances lapse at fiscal year end, but can be re-appropriated through a budget amendment the following fiscal year. The City Manager is authorized to transfer budgeted amounts within departments in any fund, but revisions that increase the total expenditures of any fund or transfers between departments must be approved by Council.

Multi-Year Financial Planning

A Multi-Year financial plan (MYFP) was developed in 2006. Originally, staff was directed to develop a plan to forecast the City’s financial condition through 2020, the projected build-out date. The first version of this plan was drafted and later reduced in scope to a five year projection.

The MYFP is based on the City’s strategic planning efforts, including the Comprehensive Land Use Plan, Vision 2020 and the Capital Improvements Plan. Departmental operational plans funding requirements to provide programs and services are included in the MYFP as well. Funding needs and available resources, both current and alternative revenue enhancements, are identified. Expenditures are projected based on departmental needs assessments and are organized based on “one-time” and “on-going” expenditures. In collaboration with Council, the plan is updated at least annually and serves as the basis of budget development.

Relevant Financial Policies

As part of the annual budget process, the City adopts Financial Management Policy Statements that establish a framework for fiscal decision making and that ensure that financial resources are available to meet the present and future needs of its citizens. These statements provide guidelines for financial planning and management, addressing every major financial function and process.

Most importantly, the Financial Management Policy requires that the City maintain the General Fund unassigned fund balance at a minimum of 90 days of prior year audited operating expenditures. Any unassigned funds after the fiscal year-end audit will be allowed to accumulate to build this 90-day reserve. After the General Fund has gathered sufficient resources, additional unassigned funds will be allowed to accumulate for future General Fund capital improvements.

The Financial Management Policy also requires the minimum working capital in the Water and Sewer Fund be 90 days of prior year audited operating expenditures. Any unrestricted funds after the fiscal year-end audit will be allowed to accumulate to build this 90-day reserve. After these funds have gathered sufficient resources, additional unrestricted funds will be allowed to accumulate in working capital for future utility /operating fund capital improvements.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Friendswood for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the thirty-first consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Administrative Services Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

In closing, I also express my thanks to the Mayor, members of the City Council and the City Manager for their leadership, interest and support in conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,

A handwritten signature in cursive script that reads "Katina Hampton". The signature is written in black ink and is positioned below the word "Sincerely,".

Katina Hampton
Director of Administrative Services

CITY OF FRIENDSWOOD, TEXAS**PRINCIPAL OFFICIALS***September 30, 2019*

Elected Officials	Position	Term Expires
Mike Foreman	Mayor	May 2021
Steve Rockey	Council Member - Position No. 1	May 2021
Sally Branson	Council Member - Position No. 2	May 2020
Trish Hanks	Council Member - Position No. 3	May 2021
Robert J. Griffon	Council Member - Position No. 4	May 2022
John H. Scott	Council Member - Position No. 5	May 2020
Brent Erenwert	Council Member - Position No. 6	May 2022

Key Staff	Position
Morad Kabiri	City Manager
Steven Rhea	Assistant City Manager
Katina Hampton	Director of Administrative Services
Aubrey Harbin	Director of Community Development
Jildardo Arias	Director of Engineering
Matt Riley	Library Director
Karen Capps	Economic Development Coordinator
Brian Mansfield	Fire Marshal/Emergency Management Coordinator
Rene Ibarra	Director of Public Works
Melinda Welsh	City Secretary
James Toney	Director of Parks and Recreation
Robert B. Wieners	Police Chief
Mary K. Fischer	City Attorney
James W. Woltz	Judge - Municipal Court



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Friendswood
Texas**

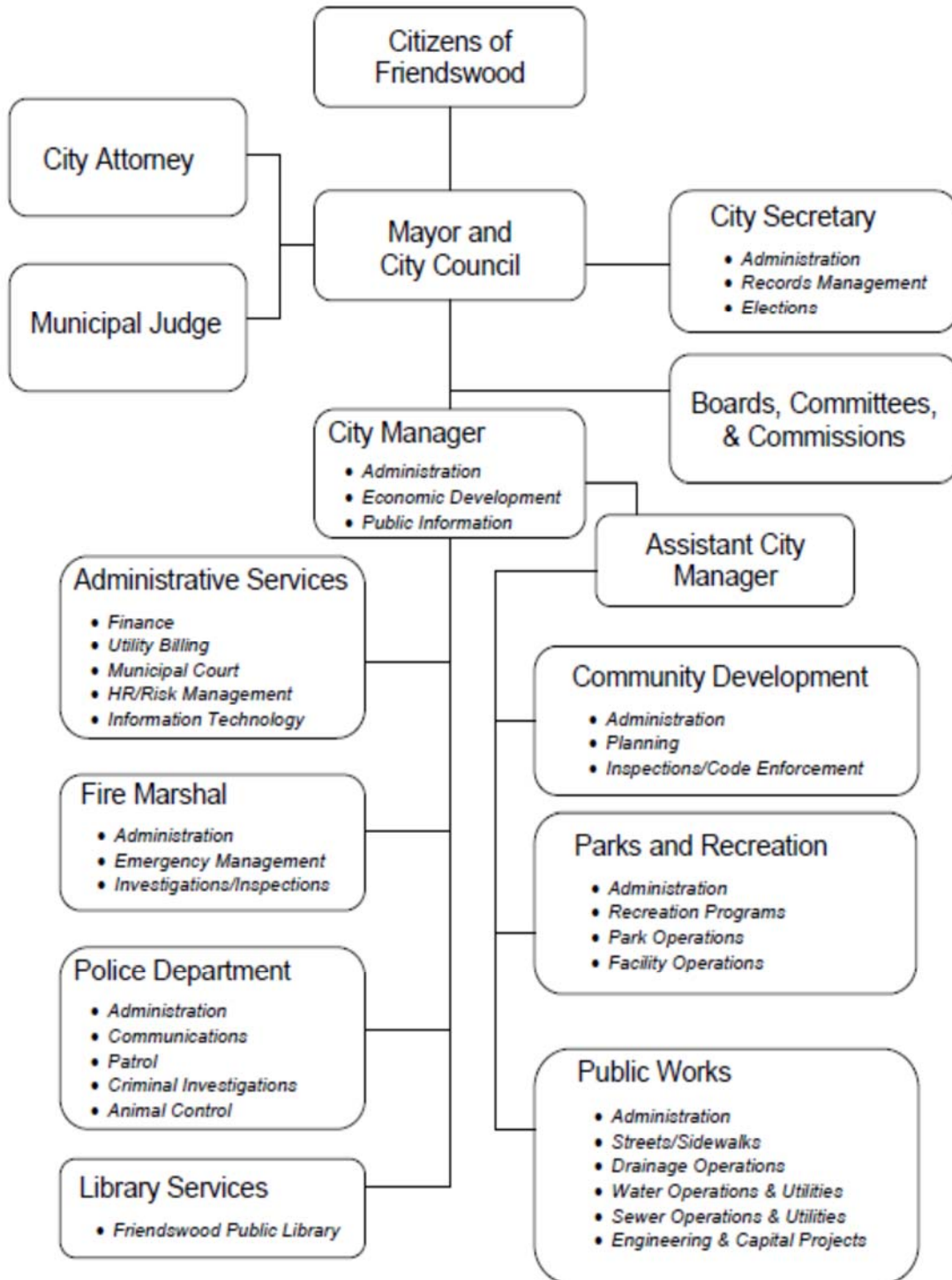
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF FRIENDSWOOD, TEXAS
ORGANIZATIONAL CHART



City of
Friendswood
Texas

FINANCIAL SECTION

City of
Friendswood
Texas

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

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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 19, budgetary comparison information on pages 74 through 83, pension system supplementary information and other post-employment benefit supplementary information on pages 84 through 88, 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 nonmajor fund financial statements, budgetary schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The combining and individual nonmajor fund financial statements and budgetary schedules are the responsibility of management and were derived from and relates 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 nonmajor fund financial statements and budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 February 26, 2020, 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 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 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 and has been issued under separate cover.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
February 26, 2020

City of
Friendswood
Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

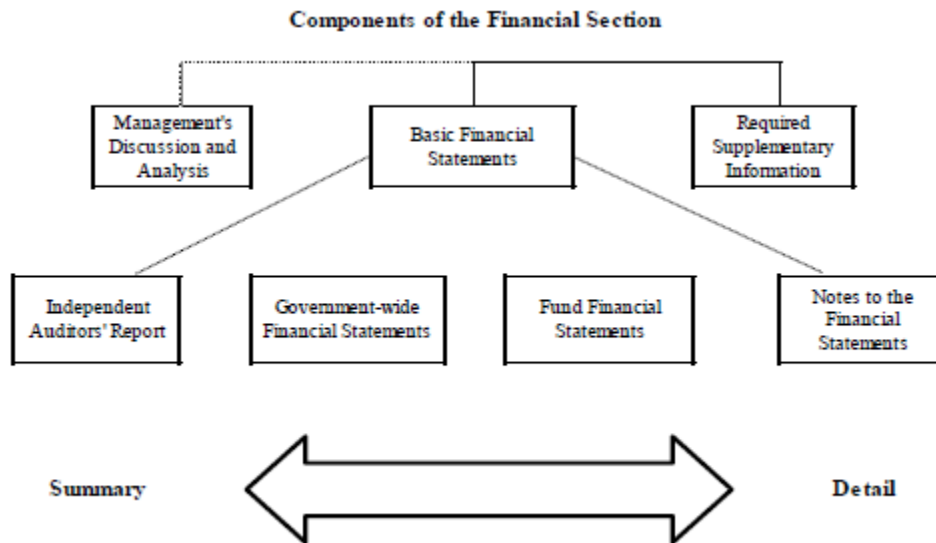
As management of the City of Friendswood, Texas (“the City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. Please read this information in conjunction with the basic financial statements that follow this section.

Financial Highlights

Some of the City’s financial highlights for the fiscal year ending September 30, 2019 include:

- 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 \$117,327,079.
- The City’s total net position decreased during the year by \$2,619,541. The City’s net pension and total OPEB liabilities were \$14.4 million and \$1.6 million, respectively. The net pension liability increased by \$6.5 million and the total OPEB liability decreased by \$159 thousand compared to the prior year.
- As of the close of the current fiscal year, the City reported unrestricted net position of \$17,479,876.
- Program revenues of \$17,659,889 reduced the net cost of the City’s functions to be financed from the City’s general revenues to \$32,751,752.

Overview of the Financial Statements



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

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Government-wide Financial Statements

The government-wide financial statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or significant portion of their costs through user fees (business-type activities).

- Governmental activities – Most of the City's basic services are reported here including general government (mayor and council, city secretary, city manager, and administrative services); public safety (police, volunteer fire department and fire marshal); public works (streets and drainage); community development (engineering, building inspection and planning and zoning); community services (parks, facility operations and community activities) and library. Interest payments on the City's debt are also reported here. Property tax, sales tax, franchise taxes, municipal court fines and permit fees finance most of the activities.
- Business-type activities – Services involving a fee for those services, which include the City's water and sewer system are reported here.

Component Units – activities include activities of the West Ranch Management District and Friendswood Downtown Economic Development Corporation.

Fund Financial Statements

A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City uses two fund types – governmental and proprietary.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements with the exclusion of internal service fund activity. However, unlike the government-wide financial statements, governmental funds 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 evaluating the City's near-term financing requirements.

Because the focus of the 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, the reader may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental 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 ten governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, which is considered to be a major fund. The other nine funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements found in this report.

Proprietary Funds

The City maintains two types of proprietary funds: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its operation in water distribution and wastewater collection/treatment along with its water and wastewater impact fees, and water construction projects. Management would note that trash collection services are provided by a third party contract.

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 fleet management services. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information ("RSI"). The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided as RSI to demonstrate compliance with this budget. RSI can be found after the notes to the financial statements. The RSI also includes schedules related to the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The combining and individual nonmajor fund financial statements and budgetary schedules that further support the information in the financial statements are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$117,327,079 as of September 30, 2019 in the primary government, which is a decrease in the City's overall financial position compared to the prior year.

The largest portion of the City's net position (80.0%) reflects its investments in capital assets (e.g., land, buildings and improvements, machinery and equipment, infrastructure, water and sewer system, construction in progress and water rights); less any debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Position.

City of Friendswood's Net Position

	Governmental Activities		Business Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 23,878,061	\$ 26,380,091	\$ 37,757,920	\$ 16,558,162	\$ 61,635,981	\$ 42,938,253
Capital assets	98,039,901	98,051,133	59,766,588	60,852,047	157,806,489	158,903,180
Total assets	121,917,962	124,431,224	97,524,508	77,410,209	219,442,470	201,841,433
Deferred outflows of resources	5,468,313	2,526,225	1,389,888	1,131,793	6,858,201	3,658,018
Total assets and deferred outflows of resources	127,386,275	126,957,449	98,914,396	78,542,002	226,300,671	205,499,451
Long-term liabilities	47,625,985	44,331,338	55,624,449	35,757,863	103,250,434	80,089,201
Other Liabilities	3,092,062	1,832,500	2,101,516	1,212,658	5,193,578	3,045,158
Total Liabilities	50,718,047	46,163,838	57,725,965	36,970,521	108,444,012	83,134,359
Deferred inflows of resources	439,425	2,138,179	90,155	280,293	529,580	2,418,472
Net position:						
Net investment in capital assets	66,823,023	68,320,682	27,038,046	27,088,280	93,861,069	95,408,962
Restricted	4,003,468	4,085,999	1,982,666	582,697	5,986,134	4,668,696
Unrestricted	5,402,312	6,248,751	12,077,564	13,620,211	17,479,876	19,868,962
Total net position	\$ 76,228,803	\$ 78,655,432	\$ 41,098,276	\$ 41,291,188	\$ 117,327,079	\$ 119,946,620

A portion of the primary government's net position, \$5,986,134 or 5.1%, represents resources that are subject to external restrictions on how they may be used. These restrictions include monies accounted for in special revenue funds for which the use is legally restricted and capital project funds. The remaining balance of unrestricted net position, \$17,479,876 or 14.9%, may be used to meet the City's ongoing obligations to citizens and creditors.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The following table provides a summary of the City's changes in net position.

City of Friendswood's Changes in Net Position

	Governmental Activities		Business Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for services	\$ 2,147,633	\$ 2,287,138	\$ 13,669,552	\$ 12,183,711	\$ 15,817,185	\$ 14,470,849
Operating grants and contributions	1,842,704	4,924,228	-	-	1,842,704	4,924,228
General Revenues:						
Property taxes	18,111,247	17,608,094	-	-	18,111,247	17,608,094
Sales and alcohol taxes	8,407,249	7,965,662	-	-	8,407,249	7,965,662
Franchise taxes	2,054,395	1,617,121	-	-	2,054,395	1,617,121
Investment earnings	526,867	321,468	681,288	200,449	1,208,155	521,917
Miscellaneous	351,165	263,245	-	-	351,165	263,245
Total revenues	33,441,260	34,986,956	14,350,840	12,384,160	47,792,100	47,371,116
Expenses						
General government	5,912,467	5,734,611	-	-	5,912,467	5,734,611
Public safety	15,134,465	17,538,040	-	-	15,134,465	17,538,040
Public works	7,897,373	6,267,824	-	-	7,897,373	6,267,824
Community development	1,359,878	945,701	-	-	1,359,878	945,701
Parks and recreation	4,839,076	4,554,114	-	-	4,839,076	4,554,114
Library services	1,257,970	1,210,207	-	-	1,257,970	1,210,207
Water and sewer	-	-	11,507,880	9,019,197	11,507,880	9,019,197
Interest on long-term debt	923,350	953,509	1,579,182	1,029,715	2,502,532	1,983,224
Total Expenses	37,324,579	37,204,006	13,087,062	10,048,912	50,411,641	47,252,918
Increase (decrease) in net position						
before transfers	(3,883,319)	(2,217,050)	1,263,778	2,335,248	(2,619,541)	118,198
Transfers	1,456,690	1,554,849	(1,456,690)	(1,554,849)	-	-
Change in net position	(2,426,629)	(662,201)	(192,912)	780,399	(2,619,541)	118,198
Net position - beginning	78,655,432	80,697,702	41,291,188	40,150,896	119,946,620	120,848,598
Prior period adjustments	-	(1,380,069)	-	359,893	-	(1,020,176)
Net position - ending	\$ 76,228,803	\$ 78,655,432	\$ 41,098,276	\$ 41,291,188	\$ 117,327,079	\$ 119,946,620

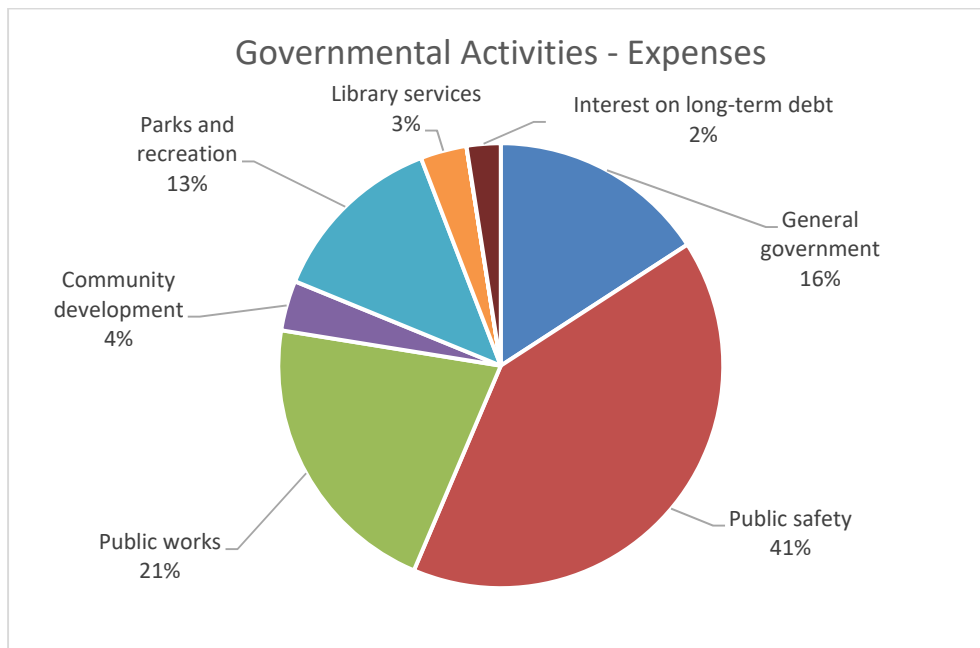
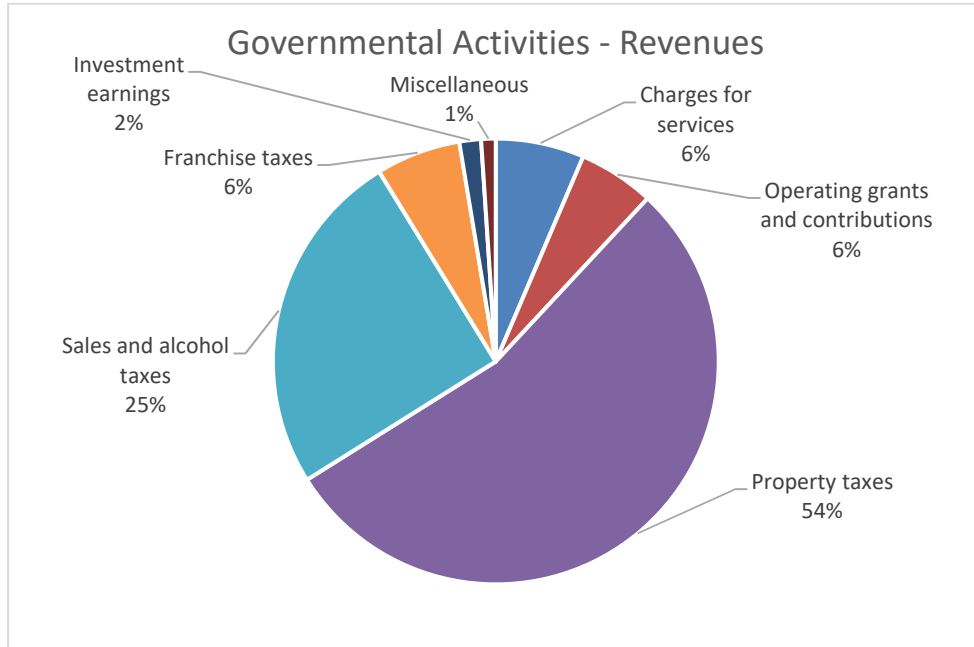
Governmental Activities

Governmental activities decreased the City's net position by \$2,426,629. Key elements of this change are as follows:

- Property taxes continue to be the City's largest revenue source. Property tax revenue increased by \$503,153 due to new construction within the City.
- Sales and alcohol tax revenue remained strong during fiscal year 2019, providing a 5.54% increase for the year, from \$8.0 million to \$8.4 million. This increase is primarily a result of improved economic conditions.
- Operating grants and contributions decreased \$3.1 million from prior year. The City is still in the process of submitting projects to FEMA for reimbursement as a result of Hurricane Harvey. In the prior year the City received \$3.4 million from FEMA compared to \$905,992 in fiscal year 2019.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- Total expenses increased \$120 thousand from the prior year. The largest increase was in Public Works of \$1.6 for ongoing construction projects, this increase was offset with a decrease in Public Safety (\$2.4 million) attributed to prior year Hurricane Harvey expenditures.

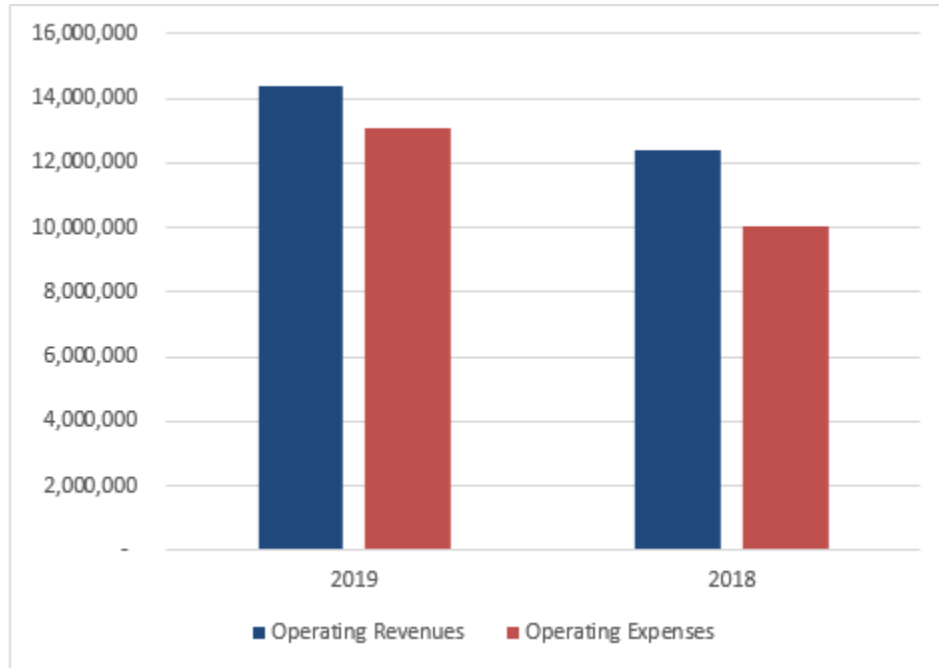


CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Business-Type Activities

Business-type activities decreased the City's net position by \$192,912. Key elements of this change are as follows:

- Revenues increased by \$2.0 million or 15.9%; resulting from a water and sewer rate increase effective in February 2019. Expenses increased \$3.0 million or 30.2% due to the purchase of additional wastewater treatment storage capacity.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information 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 the City's net resources available for spending at the end of the year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$19,816,622. Approximately 53.53% of this amount or \$10,608,815 is unassigned fund balance; however, \$6.8 million is set aside for the 90-day operating reserve, as set forth in the City's financial policies.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The remaining \$9,207,807 is nonspendable, restricted, committed, or assigned as follows:

2.04% - Nonspendable		
Prepaid items	\$	225,017
Notes receivable		153,719
Permanent fund		24,738
	\$	<u>403,474</u>
31.77% - Restricted		
Public education and government channels	\$	727,704
Debt service		57,009
Municipal court operations		231,733
Public safety operations		253,647
Capital projects		5,026,006
	\$	<u>6,296,099</u>
12.66% - Assigned		
Purchases on order	\$	421,486
Capital projects		1,086,748
Galveston County Bond		
Project/Friendswood Lakes Blvd		1,000,000
	\$	<u>2,508,234</u>

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance reached \$14.2 million of which unassigned fund balance of the General Fund was \$10.6 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 35.9% of total General Fund expenditures, while total fund balance represents 48.2% percent of that same amount. At year end, the City's operating reserve was \$6.8 million, representing 25% of total General Fund expenditures, excluding capital expenditures.

Key differences between last year's General Fund activity and this year's include:

- \$1.8 million decreases in total revenues – prior year included \$3.4 million of federal intergovernmental revenue for FEMA Hurricane Harvey. In the current year only \$905,992 was received from FEMA for Hurricane Harvey.
- \$1.9 million decrease in total expenditures, which was also attributed to prior year Hurricane Harvey expenditures.

Other non-major governmental funds fund balance decreased by \$3.7 million. This decrease was a result of capital expenditures of \$3.6 million in the Bond Construction Fund.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Proprietary Funds

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

At the end of the year, unrestricted net position was \$12.1 million for the Water and Sewer Fund. The total decrease in the net position of the Water and Sewer Fund was \$192,912. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

Unrestricted net position of the Internal Service Fund was \$549,699. The net position of the Internal Service Fund increased by \$316,985 resulting from lease revenue from the City's participating funds.

General Fund Budgetary Highlights

The City made revisions to the original appropriations approved by the City Council. Budgeted revenues increased by \$156,297 or 0.59% and expenditures were increased by \$4,215,426 or 14.94%.

Total revenues were above budget by \$1,355,860. The more significant variances are detailed below:

- \$396,696 above budget in sales and alcohol taxes due to improved economic conditions.
- \$378,429 above budget in franchise taxes as a result of a franchise rate increase by Texas New Mexico Power.
- \$495,527 below budget in permits and fees as a result of a decrease in residential growth.
- \$914,758 above budget in intergovernmental revenue primarily as a result of federal funds received for Hurricane Harvey.

Total expenditures of the General Fund were \$2,903,804 below the final expenditure budget. The more significant variances are detailed below:

- \$477,134 below budget in general government expenditures as a result of a decrease in other services and charges (legal, contract, consulting, etc).
- \$655,247 below budget in public safety as a result of a decrease in other services and charges primarily in the Friendswood Volunteer Fire Department division. This decrease is a result of contract quarterly payments being reduced by the revenue Friendswood Volunteer Fire Department received for EMS billings.
- \$264,208 below budget in public works due to payroll vacancies, decrease in streets and drainage repairs and a decrease in supplies and other services and charges.
- \$1,268,114 below budget in capital improvements due to projects either not being started or completed in the current fiscal year. These projects are primarily related to streets and drainage.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of September 30, 2019 is \$157.8 million. The investment in capital assets include land, buildings and improvements, machinery and equipment, infrastructure, water and sewer system, water rights and construction in progress.

Major capital events during the year included the following:

- Park improvements include Stevenson Park Pool Restroom and Ticket Building, Old City Park Restroom and Pavilion, Parking Lot at Old City Park, Friendswood Petsafe Dog Park, and a Parks Maintenance Building. The total cost of these projects was \$1.62 million.
- Drainage improvements include the Mud Gully clearing and de-snagging project. This was a joint project with Galveston County Consolidated Drainage District. The total cost of the City's portion of this project was \$1,000,000.
- The City purchased 14 new vehicles for Public Safety and Public Works. In addition to the service vehicles, the City also purchased three zero-turn mowers, two excavators, two trailers, a generator for the Mobile Command Trailer, a forklift, a striping machine, and a refurbished rescue boat. The total cost for all vehicles and equipment was approximately \$872,000.
- Technology additions and improvements included In-Car and Body Cameras for the Police Department, Security Audio & Video System, IT Sync Server, Self-Check Machine, Mobile Shelving Unit and Theater Projector for the Library. The total cost of these capital assets was approximately \$366,000.
- Concrete sidewalks were added along Greenbriar Street at a total cost of \$161,000.
- The Public Safety department also gained a new K-9 officer named Tigo. The cost for the dual purpose, patrol and detection, dog was \$14,500.
- The following major projects are in Construction in Progress at the end of fiscal year 2019: Blackhawk Blvd Phase II, Installation of Gates at Old City Park, Lift Station #23 Replacement, Blackhawk Waste Water Treatment Plant – 3rd Clarifier addition, and a 42" Southeast Transmission Water Line Phase 1.

City of Friendswood's Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 25,759,306	\$ 25,759,306	\$ 319,473	\$ 319,473	\$ 26,078,779	\$ 26,078,779
Buildings and improvements	23,351,127	23,283,754	378,120	397,877	23,729,247	23,681,631
Machinery and equipment	4,884,383	4,832,980	2,686,808	2,738,486	7,571,191	7,571,466
Infrastructure	40,295,186	41,660,541	29,883,125	31,505,264	70,178,311	73,165,805
Water rights	-	-	19,716,695	19,716,695	19,716,695	19,716,695
Construction in progress	3,749,899	2,514,552	6,782,367	6,174,252	10,532,266	8,688,804
	<u>\$ 98,039,901</u>	<u>\$ 98,051,133</u>	<u>\$ 59,766,588</u>	<u>\$ 60,852,047</u>	<u>\$ 157,806,489</u>	<u>\$ 158,903,180</u>

More detailed information on the City's capital assets is presented in Note 4 to the financial statements.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Debt Administration

At the end of the current fiscal year, the City had a total bonded debt, premiums and capital lease obligation of \$86.3 million.

City of Friendswood's Outstanding Debt

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 29,730,000	\$ 31,545,000	\$ 24,440,000	\$ 26,425,000	\$ 54,170,000	\$ 57,970,000
Revenue bonds	-	-	25,230,000	5,290,000	25,230,000	5,290,000
Premium on bond issuance	2,293,508	2,520,657	4,215,083	2,940,493	6,508,591	5,461,150
Capital leases	436,620	791,305	-	-	436,620	791,305
	<u>\$ 32,460,128</u>	<u>\$ 34,856,962</u>	<u>\$ 53,885,083</u>	<u>\$ 34,655,493</u>	<u>\$ 86,345,211</u>	<u>\$ 69,512,455</u>

The City's General Obligation and Revenue Bonds bond ratings are listed below:

	Standard & Poor's
General Obligation Bonds	AA+
Revenues Bonds	AA-

More detailed information about the City's outstanding debt can be found in Note 5 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Friendswood continues to experience moderate growth. The City's current population is estimated to be 41,253. Friendswood is expected to reach build out with an estimated population of 58,012. The City is continuing to focus on economic development initiatives, including the revitalization of downtown and a large residential and commercial development called West Ranch. The West ranch residential development is currently under way, with commercial construction scheduled to follow as the area's residential population grows.

The City's largest single source of revenue in the General Fund continues to be ad valorem taxes. The adopted budget for fiscal year 2020 has a tax rate of \$0.5214 per \$100 taxable value. This rate consists of a maintenance and operation (M&O) tax rate of \$0.4322 and an interest and sinking (debt service) tax rate of \$0.0892. The rate was set based on a net assessed value of \$3,690,585,683. This is an increase of \$316,348,624 from certified taxable values for tax year 2018. The City's financial management policy sets the guideline to maintain the fund balance and net position of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its financial position from unforeseeable emergencies.

The City second largest source of revenue in the General Fund is sales tax. The City anticipates an increase in this revenue stream from the prior year and has adjusted the budget from \$6,294,492 to \$6,597,532. The franchise fees budget increased from \$1,675,966 to \$2,155,318 and the budget for license and permits has been increased from \$849,000 to \$857,216. If all projections are accurate, the total General Fund unassigned fund balance net of the 90 day operating requirement (\$6.8 million) is estimated to be approximately \$4.6 million at September 30, 2020.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Water revenues are budgeted at \$9,070,883 which is an increase of \$1,991,072 in revenues, or 28.12 percent. Sewer revenues are budgeted at \$6,536,753 which is an increase of \$1,341,930 or 25.83 percent. Water and Sewer Fund net position, net of the 90 day operating requirement (\$2.3 million) is projected to be \$1.9 million at the end of fiscal year 2020.

Pursuant to the City's financial management policy, funds in excess of the 90 day operating reserve are designated for future capital improvements.

Requests for Information

The financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finance and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact Administrative Services, P.O. Box 1288, Friendswood, Texas 77549-1288, or call Katina Hampton at 281-996-3221, or email khampton@ci.friendswood.tx.us.

Separately issued financial statements for the West Ranch Management District can be obtained by writing to: West Ranch Management District, a Component Unity of the City of Friendswood, c/o Allen Boone Humphries LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

City of
Friendswood
Texas

BASIC FINANCIAL STATEMENTS

City of
Friendswood
Texas

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF NET POSITION
September 30, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	West Ranch Management District	Friendswood Downtown EDC
Assets					
Cash and cash equivalents	\$ 1,822,211	\$ 1,145,847	\$ 2,968,058	\$ 2,249,780	\$ 102,984
Investments	17,732,005	9,440,741	27,172,746	2,905,003	844,618
Receivables, net of allowances					
Taxes	2,373,555	-	2,373,555	8,351	96,311
Customer accounts	386,932	2,945,125	3,332,057	-	-
Other	234,912	-	234,912	-	-
Accrued interest	34,739	16,989	51,728	64	1,142
Due from other governments	914,971	-	914,971	-	-
Prepaid items	225,017	60,654	285,671	309	-
Notes receivable	153,719	-	153,719	-	-
Working capital deposit	-	464,748	464,748	-	-
Restricted cash equivalents	-	23,683,816	23,683,816	-	-
Capital Assets:					
Non-depreciable	29,509,205	26,818,535	56,327,740	6,903,770	-
Depreciable, net	68,530,696	32,948,053	101,478,749	388,421	-
Total Capital Assets	98,039,901	59,766,588	157,806,489	7,292,191	-
Total Assets	121,917,962	97,524,508	219,442,470	12,455,698	1,045,055
Deferred Outflows of Resources					
Deferred loss on issuance of refunding bonds	303,970	811,605	1,115,575	11,383	-
Deferred outflow of resources for pensions	5,086,848	566,870	5,653,718	-	-
Deferred outflow of resources for OPEB	77,495	11,413	88,908	-	-
Total Deferred Outflows of Resources	5,468,313	1,389,888	6,858,201	11,383	-
Total Assets and Deferred Outflows of Resources	127,386,275	98,914,396	226,300,671	12,467,081	1,045,055
Liabilities					
Accounts payable	1,932,892	1,072,086	3,004,978	30,506	1,240
Accrued liabilities	696,197	47,777	743,974	-	-
Retainage payable	231,498	19,415	250,913	-	-
Accrued interest	84,716	165,374	250,090	382,903	-
Unearned revenue	-	264,473	264,473	-	-
Customer deposits	-	532,391	532,391	-	-
Due to other governments	146,759	-	146,759	10,466	-
Noncurrent liabilities:					
Due within one year	2,180,826	2,961,404	5,142,230	830,000	-
Due in more than one year	31,080,034	51,005,698	82,085,732	22,106,366	-
Net pension liability	12,978,474	1,447,626	14,426,100	-	-
Total OPEB liability	1,386,651	209,721	1,596,372	-	-
Total Liabilities	50,718,047	57,725,965	108,444,012	23,360,241	1,240
Deferred Inflows of Resources					
Deferred gain on issuance of refunding bonds	-	36,388	36,388	-	-
Deferred Inflows of resources for pensions	264,528	27,895	292,423	-	-
Deferred Inflows of resources for OPEB	174,897	25,872	200,769	-	-
Total Deferred Inflows of Resources	439,425	90,155	529,580	-	-
Net Position					
Net investment in capital assets	66,823,023	27,038,046	93,861,069	1,236,100	-
Restricted for:					
Public education and government channels	727,704	-	727,704	-	-
Debt service	18,302	1,912,622	1,930,924	1,939,531	-
Municipal court operations	231,733	-	231,733	-	-
Economic development	-	-	-	-	1,043,815
Public safety operations	253,647	-	253,647	-	-
Community development - nonexpendable	24,738	-	24,738	-	-
Capital projects	2,747,344	70,044	2,817,388	43,191	-
Unrestricted	5,402,312	12,077,564	17,479,876	(14,111,982)	-
Total Net Position	\$ 76,228,803	\$ 41,098,276	\$ 117,327,079	\$ (10,893,160)	\$ 1,043,815

See notes to the financial statements.

CITY OF FRIENDSWOOD, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenue	
		Charges for Services	Operating Grants and Contributions
Primary government			
Governmental Activities:			
General government	\$ 5,912,467	\$ 751,112	\$ 16,000
Public safety	15,134,465	811,768	1,810,229
Public works	7,897,373	236,352	-
Community development	1,359,878	6,841	-
Parks and recreation	4,839,076	341,560	16,475
Library services	1,257,970	-	-
Interest on long-term debt	923,350	-	-
Total Governmental Activities	37,324,579	2,147,633	1,842,704
Business-type Activities:			
Water and sewer	13,087,062	13,669,552	-
Total Business-type Activities	13,087,062	13,669,552	-
Total Primary Government	\$ 50,411,641	\$ 15,817,185	\$ 1,842,704
Component Units			
West Ranch Management District	\$ 1,283,479	\$ -	\$ -
Friendswood Downtown EDC	26,307	-	-
Total Component Units	\$ 1,309,786	\$ -	\$ -

General revenues:

Taxes:

Property taxes

Franchise and other taxes

Sales taxes

Interest

Gain on disposal of capital assets

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net Position - beginning

Net Position - ending

See notes to the financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	West Ranch Management District	Friendswood Downtown EDC
\$ (5,145,355)	\$ -	\$ (5,145,355)	\$ -	\$ -
(12,512,468)	-	(12,512,468)	-	-
(7,661,021)	-	(7,661,021)	-	-
(1,353,037)	-	(1,353,037)	-	-
(4,481,041)	-	(4,481,041)	-	-
(1,257,970)	-	(1,257,970)	-	-
(923,350)	-	(923,350)	-	-
<u>(33,334,242)</u>	<u>-</u>	<u>(33,334,242)</u>	<u>-</u>	<u>-</u>
-	582,490	582,490	-	-
-	582,490	582,490	-	-
<u>(33,334,242)</u>	<u>582,490</u>	<u>(32,751,752)</u>	<u>-</u>	<u>-</u>
			(1,283,479)	-
			-	(26,307)
			<u>(1,283,479)</u>	<u>(26,307)</u>
18,111,247	-	18,111,247	2,352,933	-
2,054,395	-	2,054,395	-	-
8,407,249	-	8,407,249	-	553,594
526,867	681,288	1,208,155	62,598	-
-	-	-	-	12,081
351,165	-	351,165	-	-
1,456,690	(1,456,690)	-	-	-
<u>30,907,613</u>	<u>(775,402)</u>	<u>30,132,211</u>	<u>2,415,531</u>	<u>565,675</u>
(2,426,629)	(192,912)	(2,619,541)	1,132,052	539,368
<u>78,655,432</u>	<u>41,291,188</u>	<u>119,946,620</u>	<u>(12,025,212)</u>	<u>504,447</u>
<u>\$ 76,228,803</u>	<u>\$ 41,098,276</u>	<u>\$ 117,327,079</u>	<u>\$ (10,893,160)</u>	<u>\$ 1,043,815</u>