



# **Annual Report of Certain Financial and Local Debt Information**

**Fiscal Year Ended September 30, 2018**

Denotes Required Information Pursuant to Local Government Code, Section 140.008

This report was posted on the City's website on March 27, 2019



## ☑ Overview of Certain Financial/Bond Ratings

- ☐ **Credit Ratings:** The City of Friendswood, Texas (the “City”) maintains independent ratings from certain nationally recognized credit rating agencies, such as S&P Global Ratings that evaluates the City’s financial strength and its ability to pay its existing bonds. The current credit ratings for the City are displayed below:

Bond Credit Ratings	S&P
General Obligation Debt	AA+
Waterworks and Sewer System Revenue Debt	AA-

- ✓ **S&P Global Ratings:** Defines the credit rating of the City as: “Having a very strong capacity to meet its financial commitments. It differs from the highest-rating only to a small degree.”



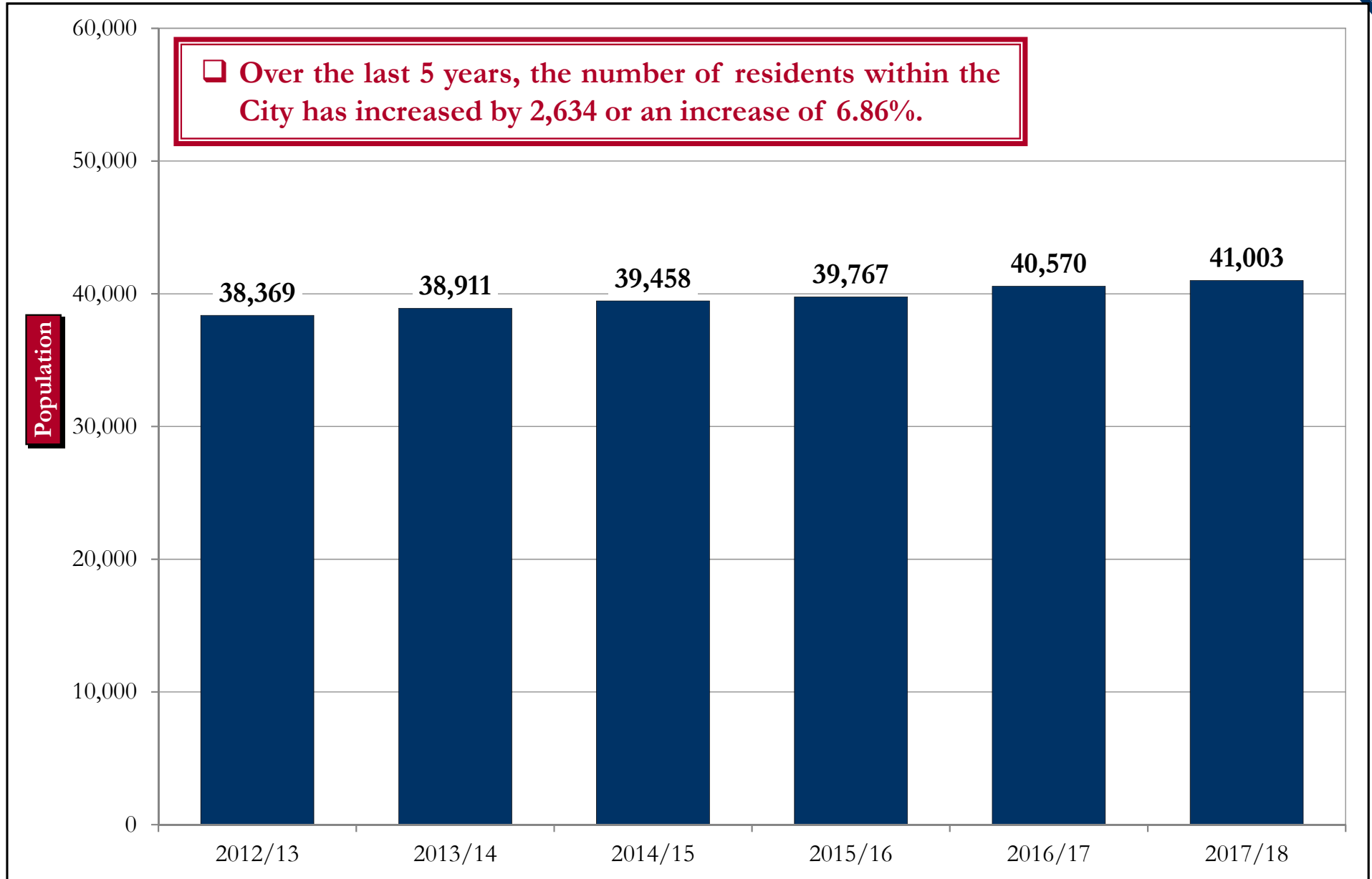
## ☑ Overview of Historical Bond Elections

- The following summarizes the City's General Obligation bond programs approved by voters over the last 14 years:

<b>City's Historical Bond Elections Approved By Voters</b>				
<b>Election Date</b>	<b>Purpose</b>	<b>Population</b>	<b>Election Amount</b>	<b>Dollar Amount Remaining To Be Issued</b>
February 1, 2003	Public Safety Facilities	33,800	\$7,380,000	\$0
February 1, 2003	Drainage Improvements	33,800	\$5,575,000	\$0
February 1, 2003	Street and Thoroughfares	33,800	\$4,055,000	\$0
February 1, 2003	Centennial Park	33,800	\$3,075,000	\$0
November 5, 2013	Fire Stations	38,911	\$6,565,000	\$0
November 5, 2013	Library	38,911	\$2,525,000	\$0
November 5, 2013	Park Improvements	38,911	\$7,285,000	\$0
November 5, 2013	Road	38,911	\$7,710,000	\$0
<b>Total Dollar Amount Of Authorized But Unissued Bonds - As of September 30, 2018:</b>				<b>\$0</b>

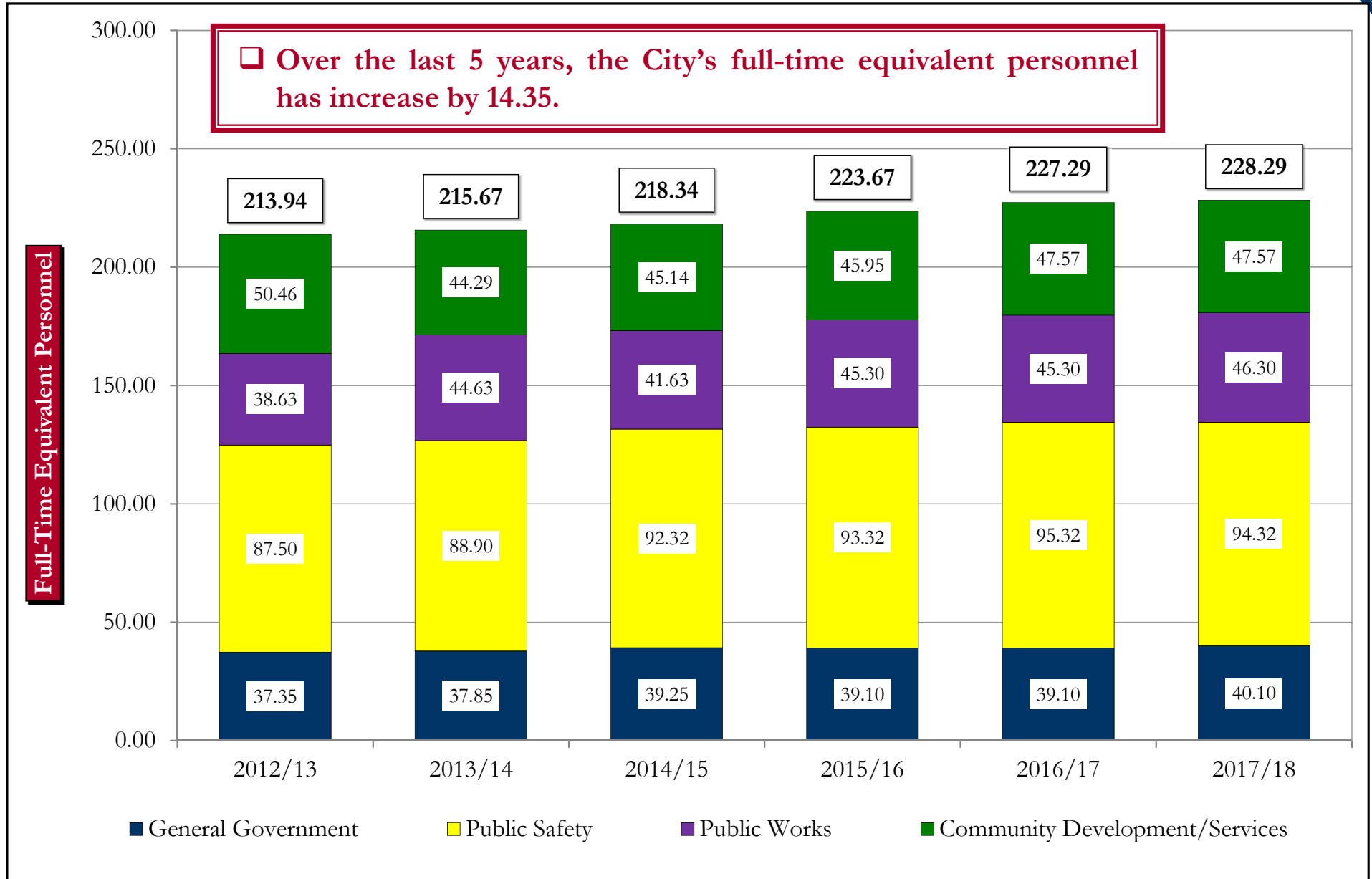


# Historical Population



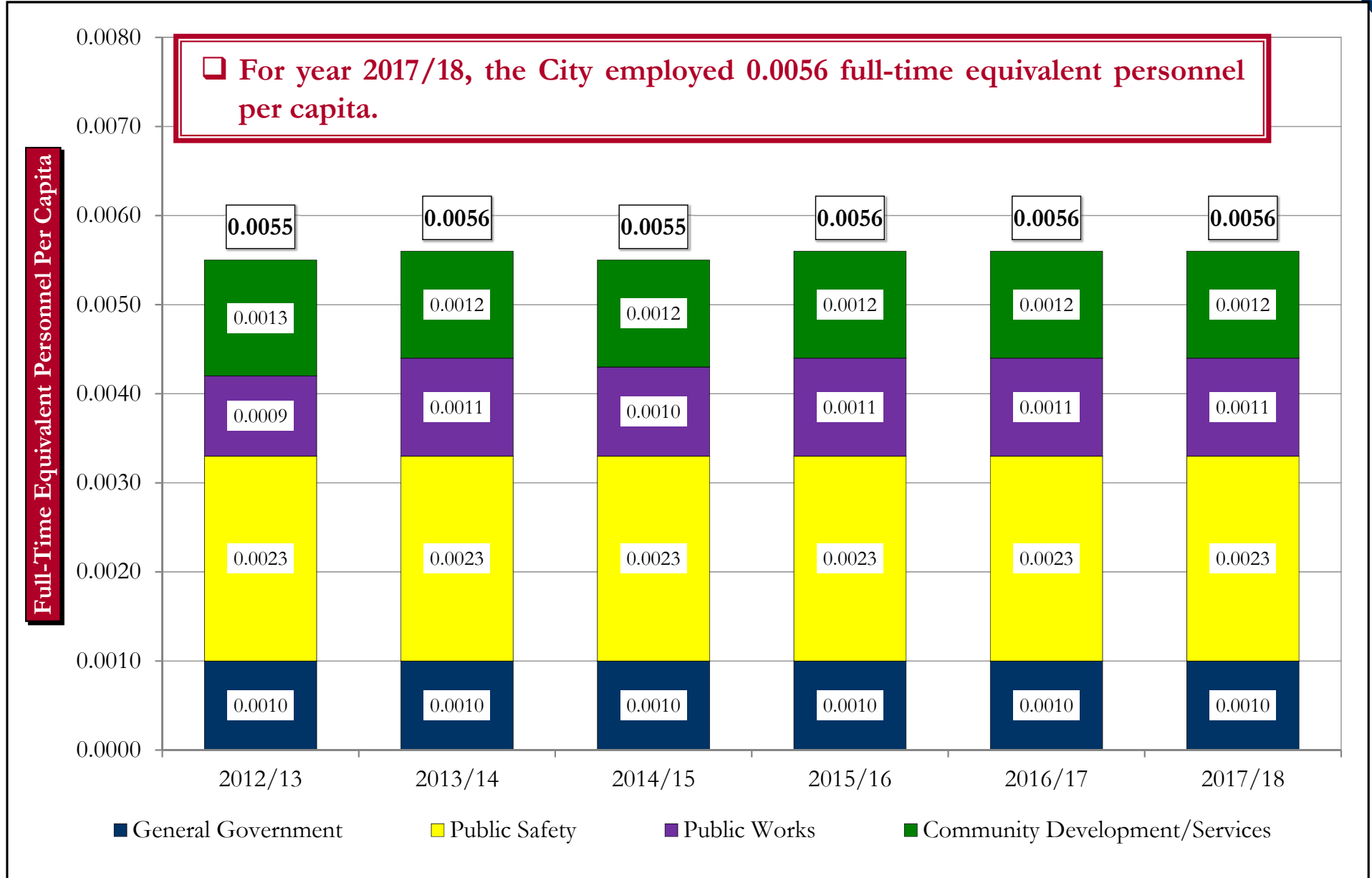


# Full-Time Equivalent Personnel



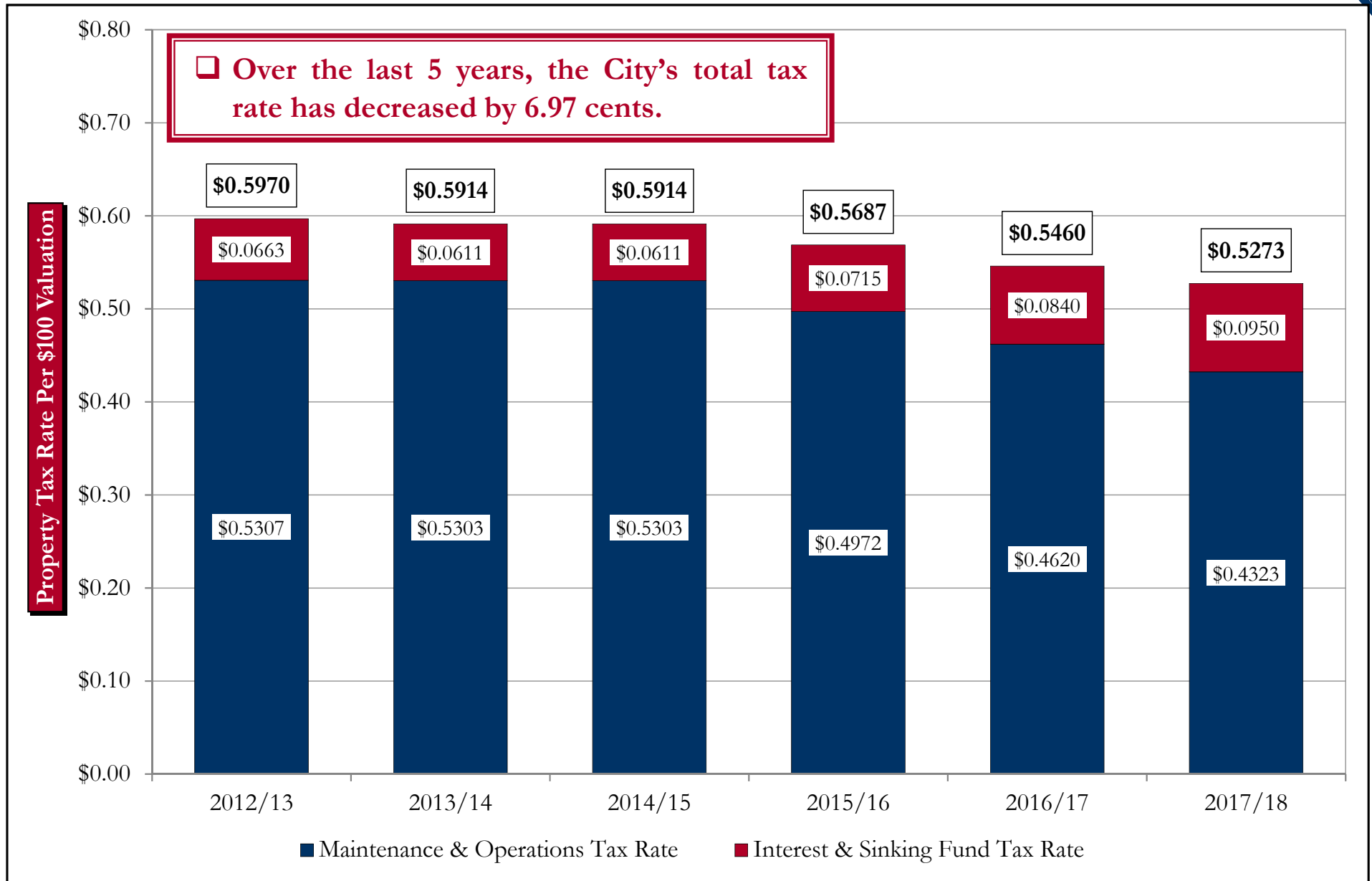


# Full-Time Equivalent Personnel Per Capita



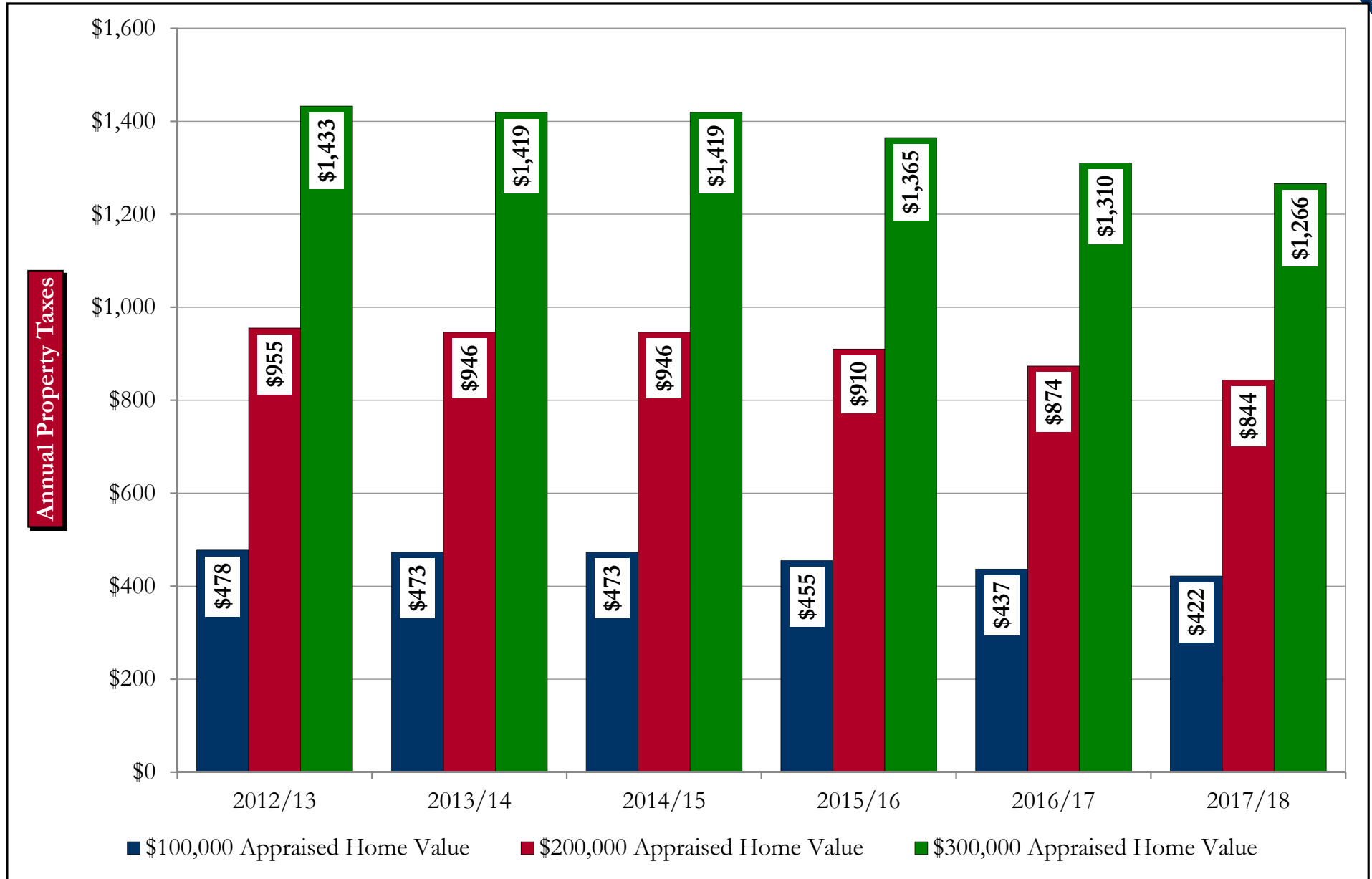


# Historical Tax Rates





# Historical Total Property Taxes For Various Appraised Home Values



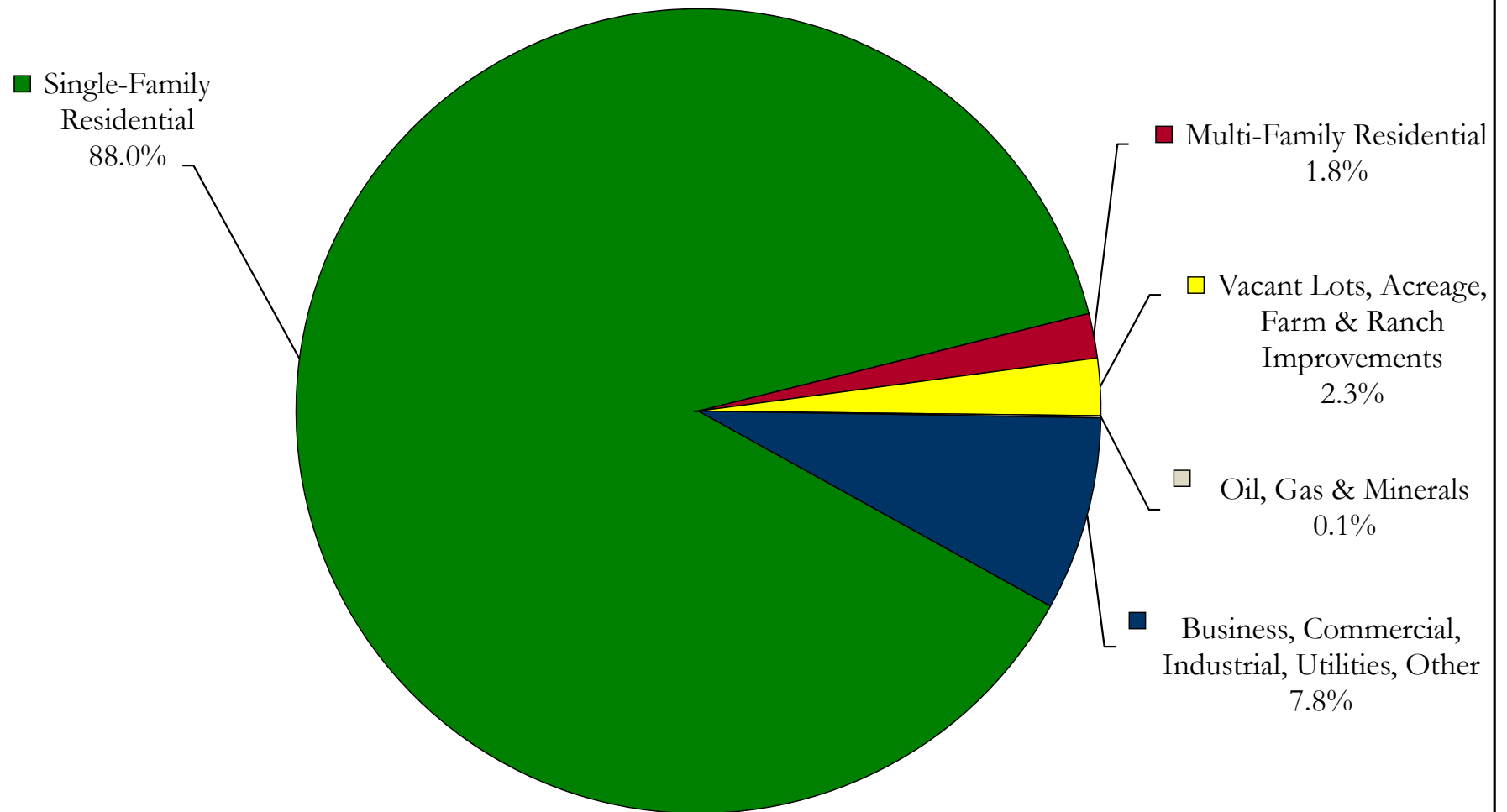
Note: Taxes are net of the 20% local optional homestead exemption.





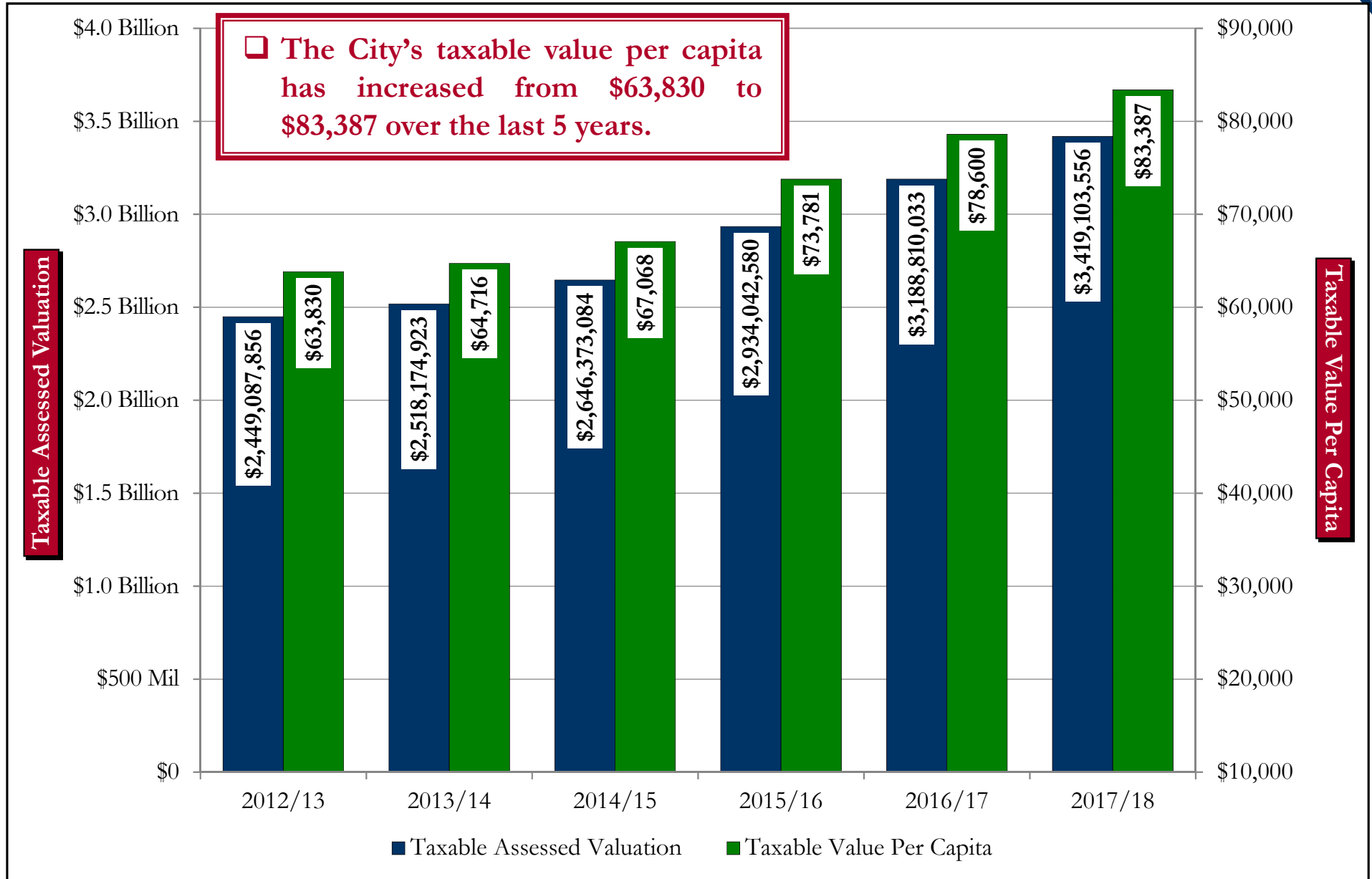
# Composition of Total Assessed Valuation – Year 2017/18

For year 2017/18, Single-Family Residential properties comprised 88.0% of the City's total assessed valuation and other property categories comprised 12.0%.



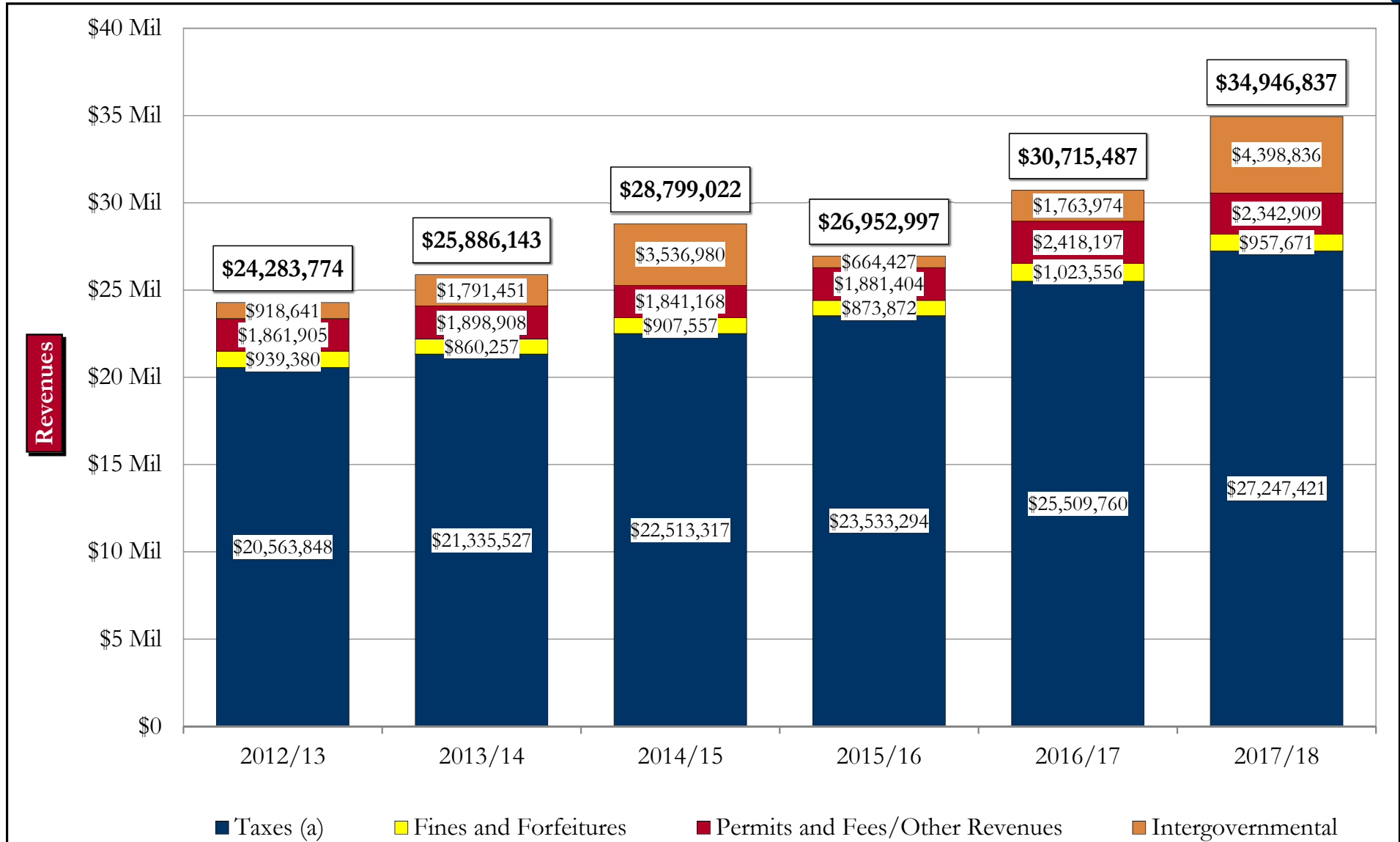


# Historical Taxable Assessed Valuation and Taxable Value Per Capita





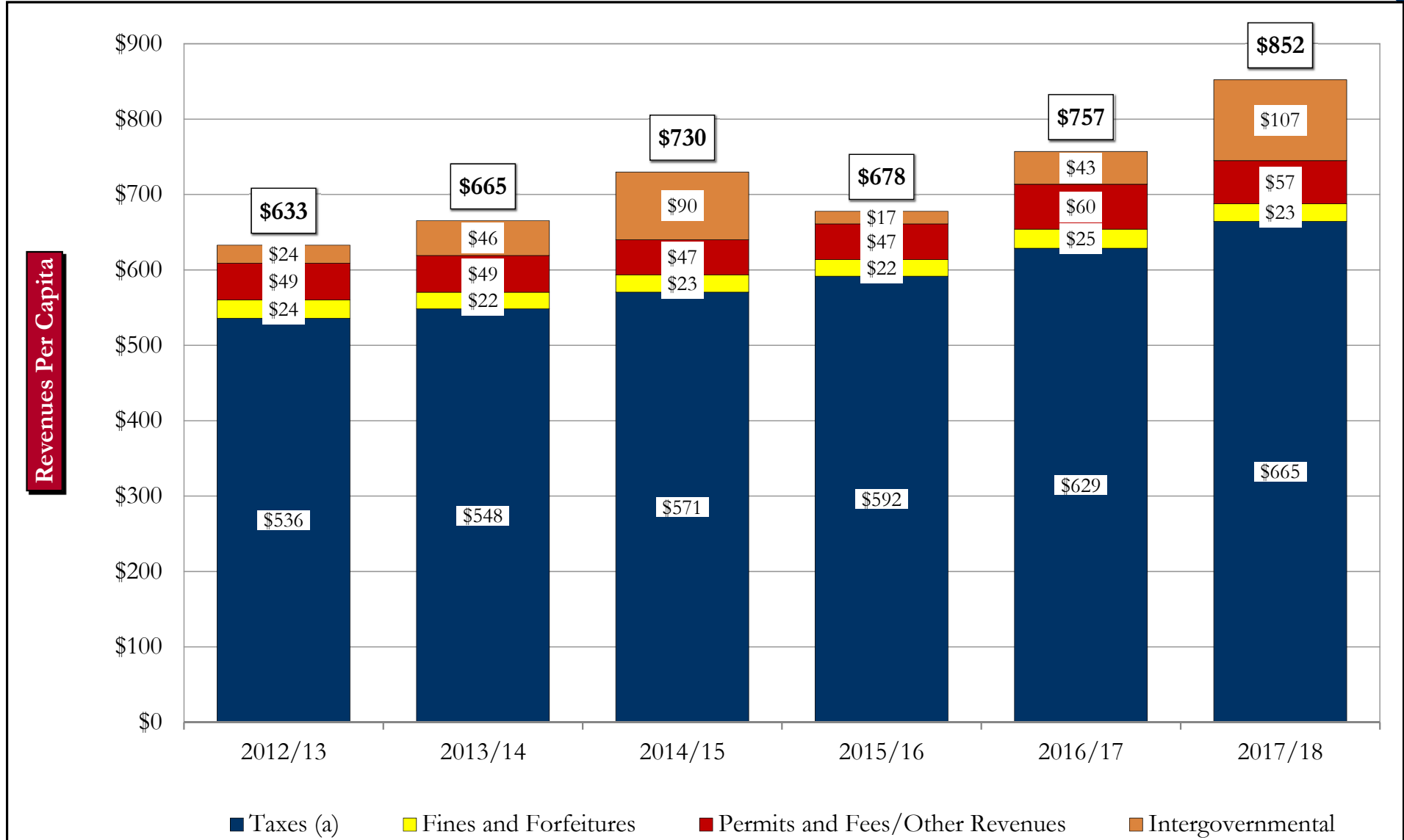
# Governmental Funds\* Revenues By Source



(a) Includes Property, Sales and Franchise Taxes collected by the City.



# Governmental Funds\* Revenues Per Capita

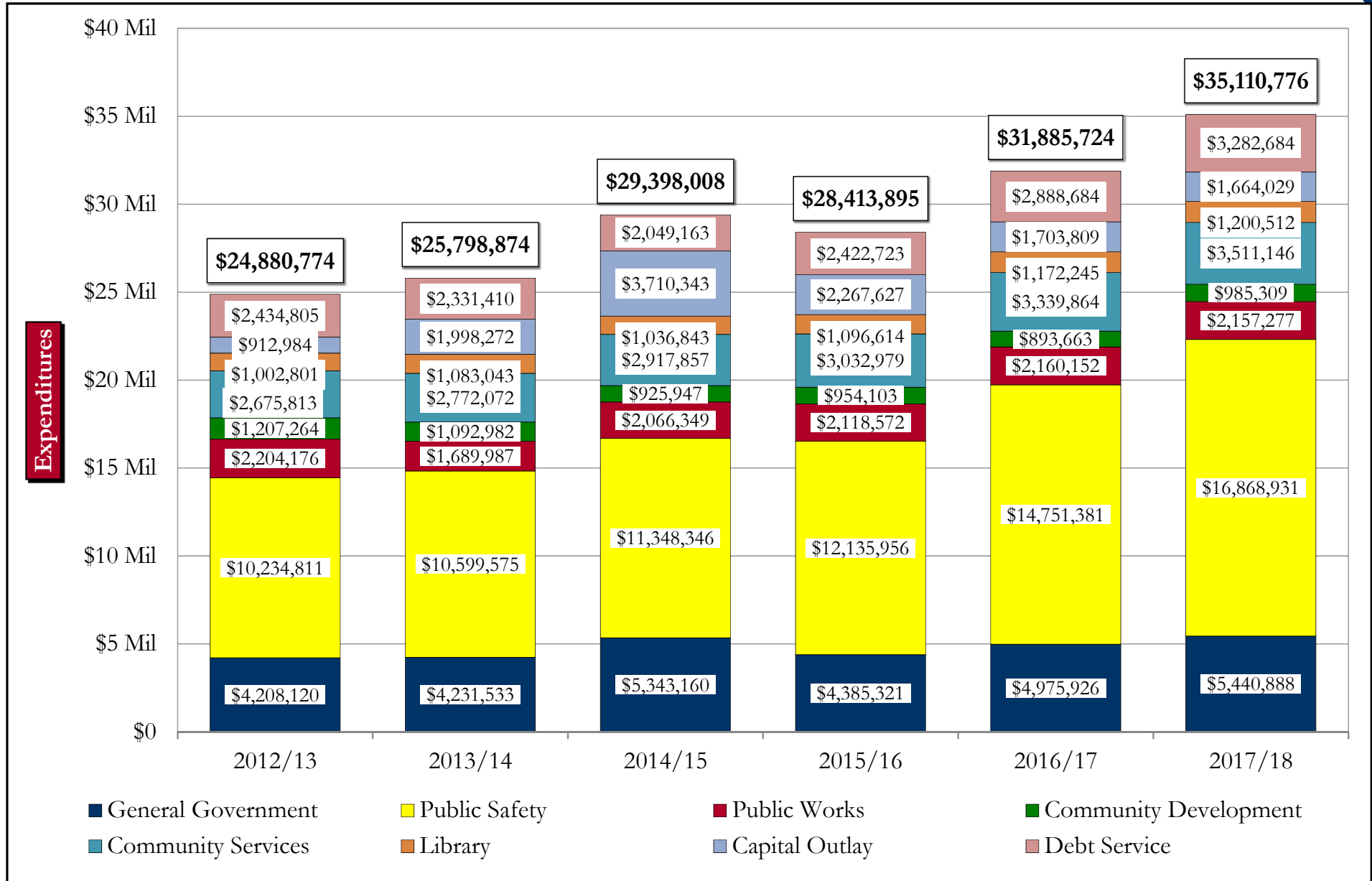


(a) Includes Property, Sales and Franchise Taxes collected by the City.

\*Excludes the Capital Projects and Bond Construction Funds. Source: City's Audited Financial Statements and City records. Totals may differ due to rounding.



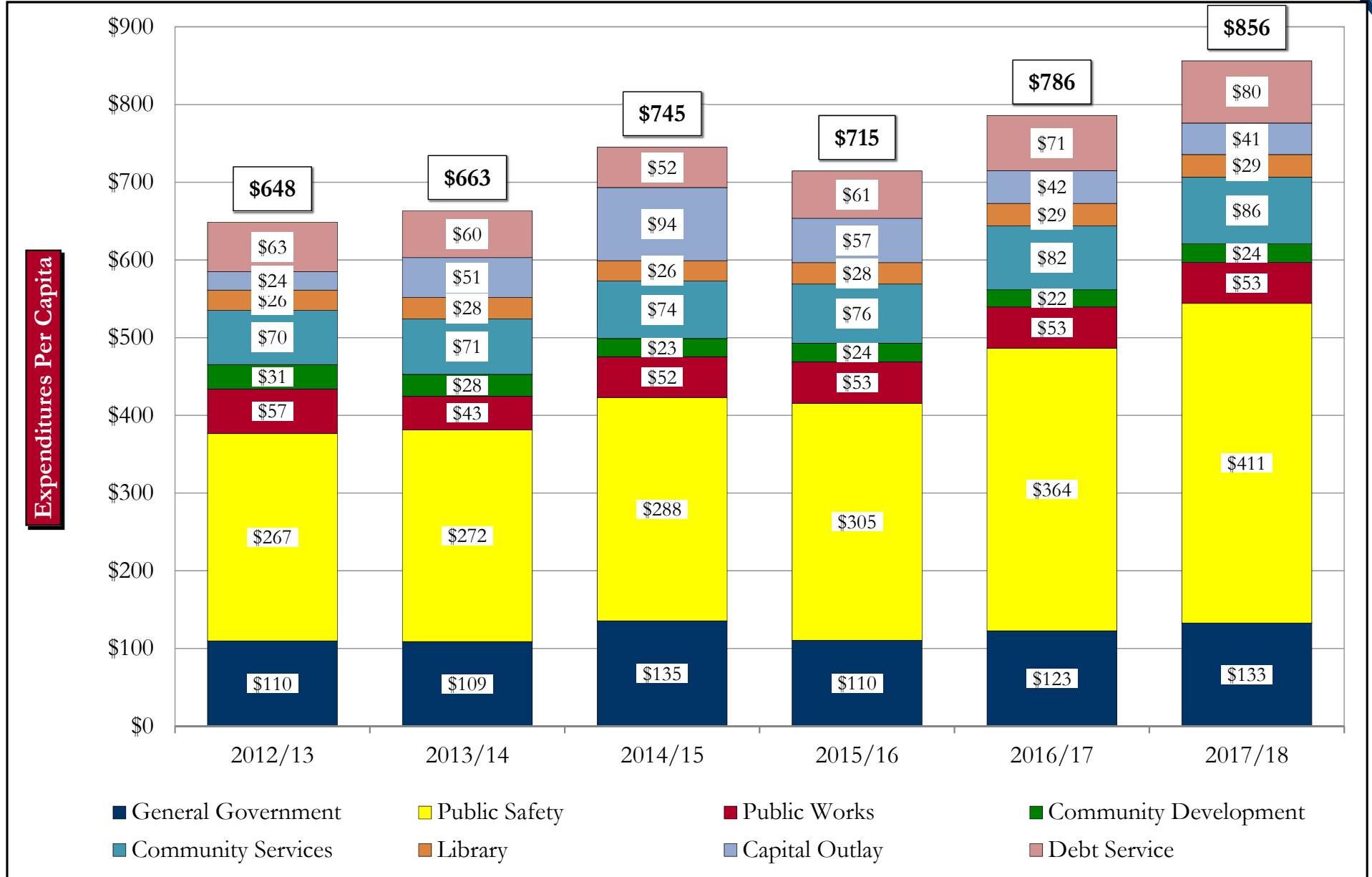
# Governmental Funds\* Expenditures By Source



\*Excludes the Capital Projects and Bond Construction Funds. Source: City's Audited Financial Statements and City records.



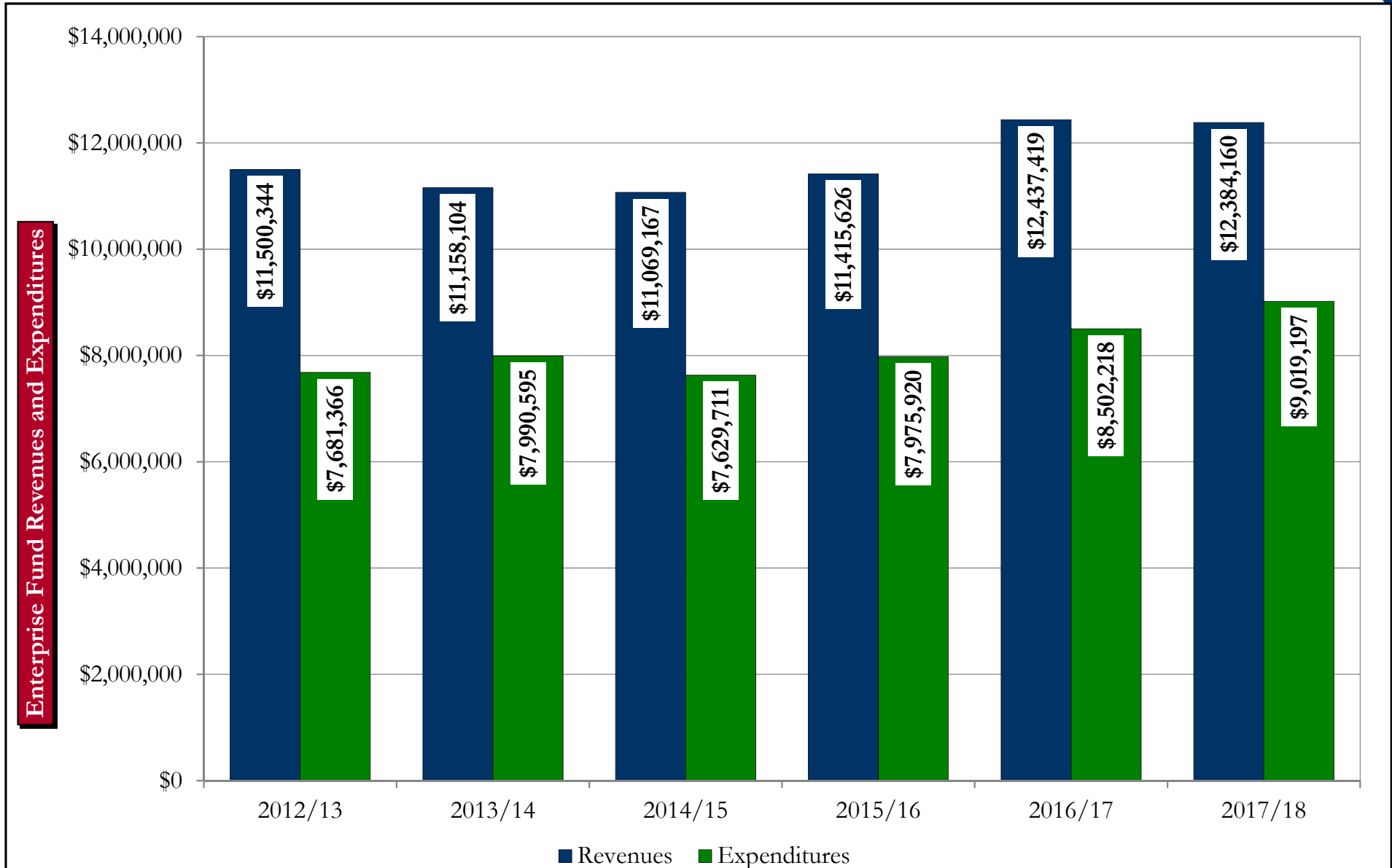
# Governmental Funds\* Expenditures Per Capita



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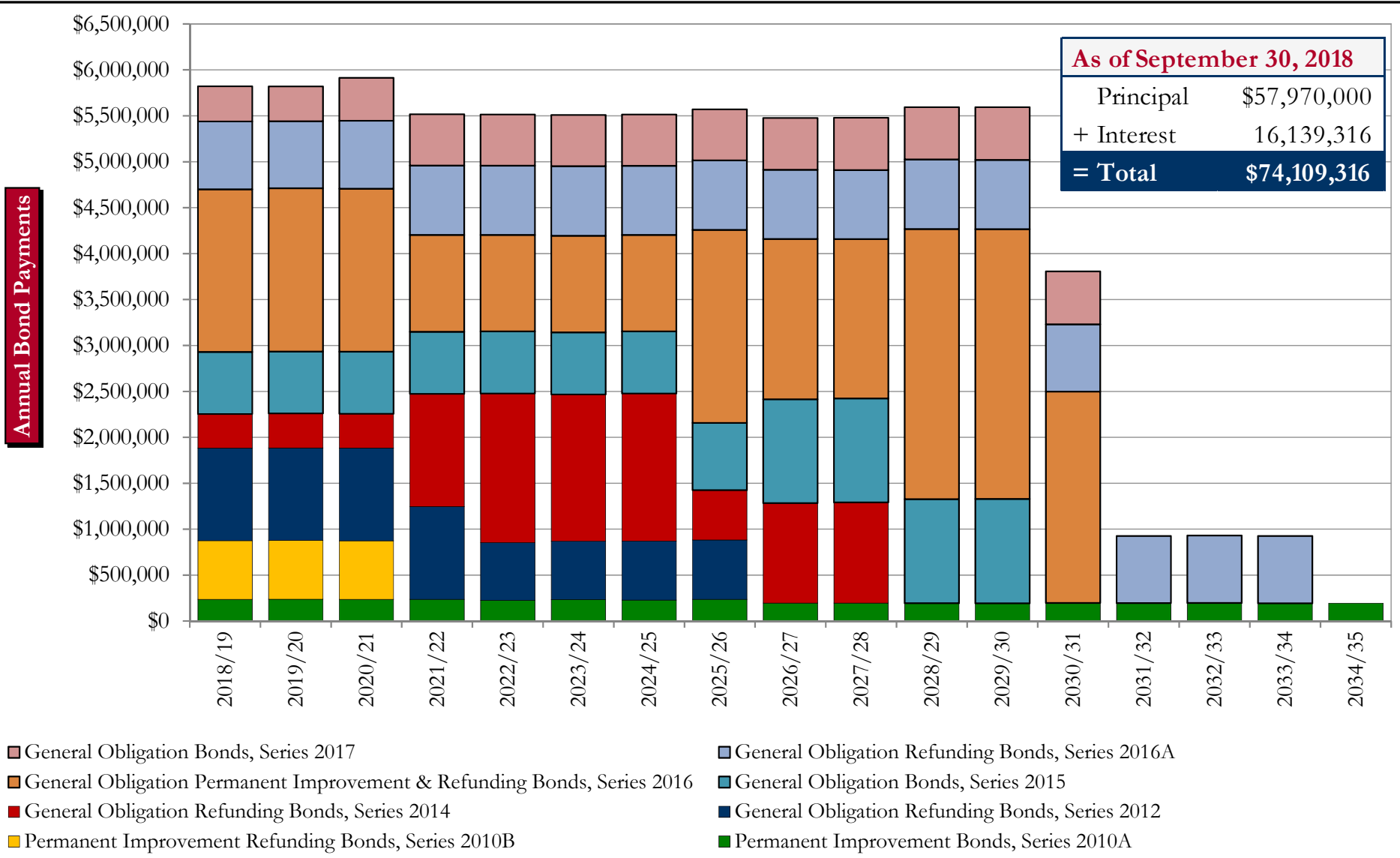
# Enterprise Fund (Business-Type Activities\*) Revenues and Expenditures



\* Does not include Grants, Contributions or Debt Service payments.



# ☑ Tax-Supported Debt Service By Series



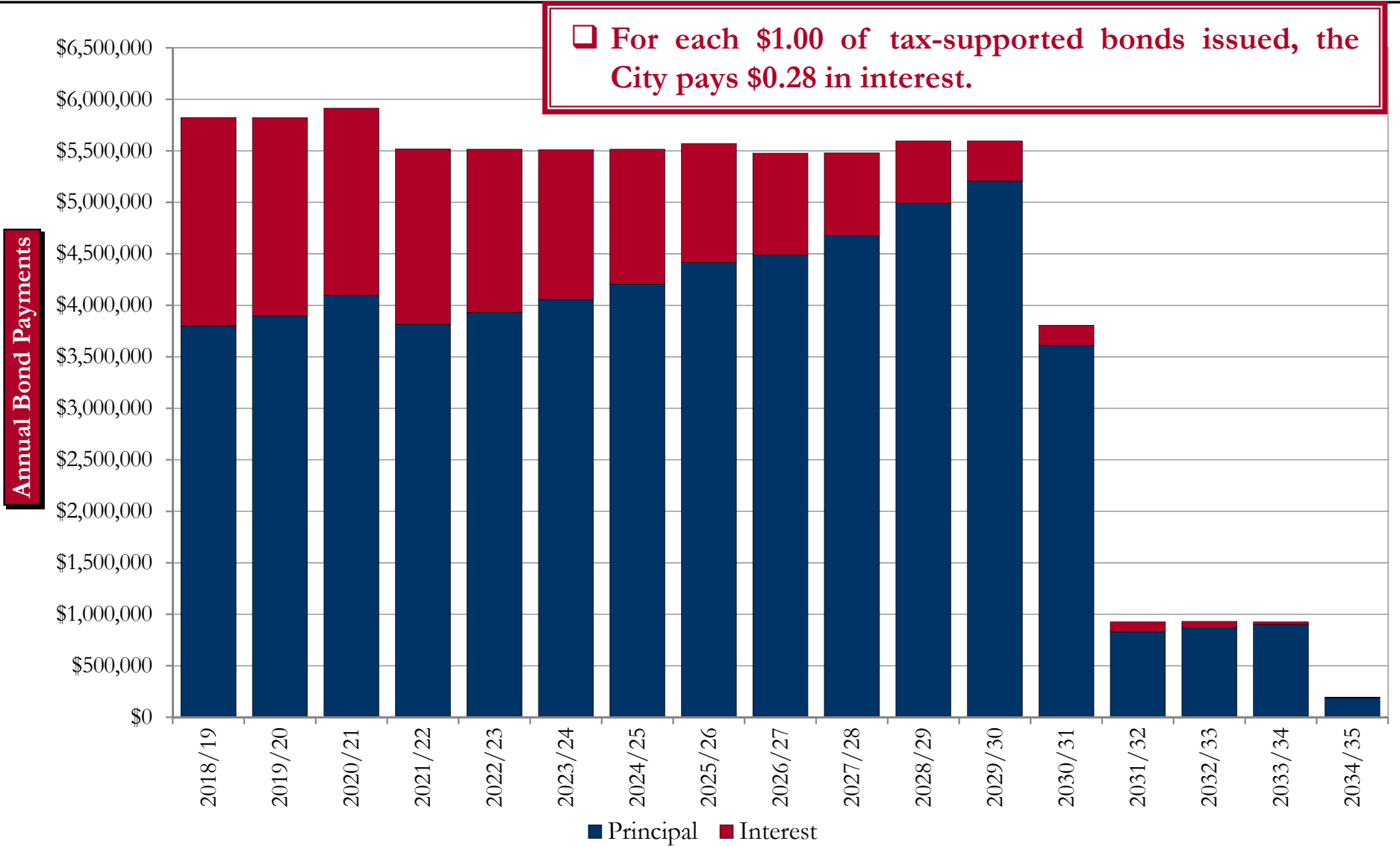
Note: Debt service payments reflect payments from October 1 through September 30. Includes \$33,794,250 in debt service requirements paid by the City's Waterworks and Sewer System.





# ☑ Tax-Supported Debt Service By Principal and Interest

☐ For each \$1.00 of tax-supported bonds issued, the City pays \$0.28 in interest.



Note: Debt service payments reflect payments from October 1 through September 30. Includes \$33,794,250 in debt service requirements paid by the City's Waterworks and Sewer System.

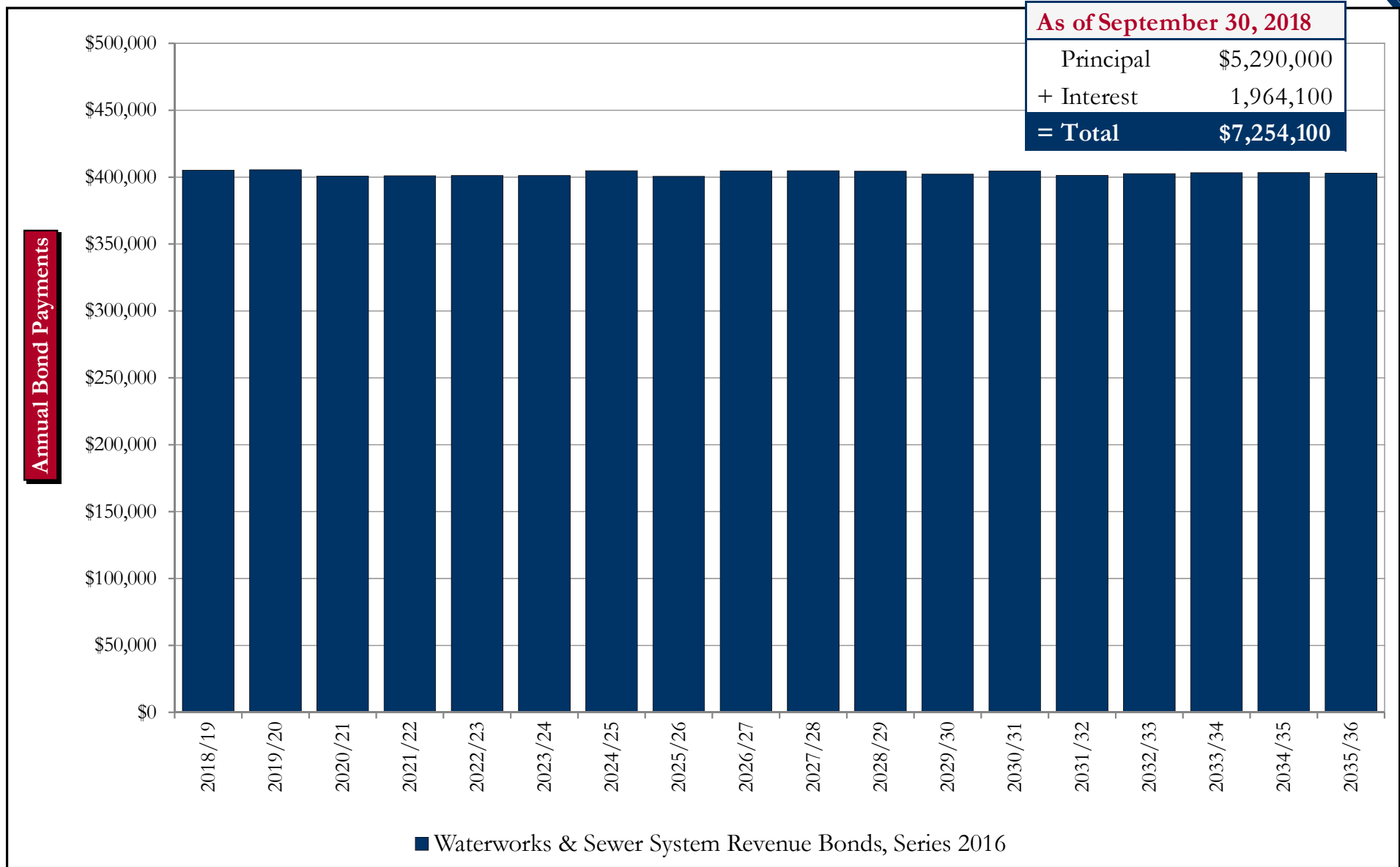


# ☑ Summary of Tax-Supported Debt Outstanding By Series – As of Fiscal Year Ended September 30, 2018

No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Partially Secured by Ad Valorem Taxes	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Permanent Improvement Bonds, Series 2010A	Capital Improvements	\$3,460,000.00	\$2,610,000.00	\$3,621,725.00	\$63.65	\$88.33	03/01/2035	Yes	\$3,549,580.95	\$3,547,695.84	\$1,885.11
2	Permanent Improvement Refunding Bonds, Series 2010B	Refunding at a lower interest rate, etc.	\$5,460,000.00	\$1,810,000.00	\$1,917,500.00	\$44.14	\$46.76	03/01/2021	Yes	\$5,621,971.15	\$5,621,971.15	\$0.00
3	General Obligation Refunding Bonds, Series 2012	Refunding at a lower interest rate, etc.	\$8,890,000.00	\$5,865,000.00	\$6,581,050.00	\$143.04	\$160.50	03/01/2026	Yes	\$9,393,658.05	\$9,393,658.05	\$0.00
4	General Obligation Refunding Bonds, Series 2014	Refunding at a lower interest rate, etc.	\$8,805,000.00	\$8,025,000.00	\$9,907,675.00	\$195.72	\$241.63	03/01/2028	Yes	\$9,680,068.40	\$9,680,068.40	\$0.00
5	General Obligation Bonds, Series 2015	Capital Improvements	\$9,595,000.00	\$8,325,000.00	\$9,993,315.71	\$203.03	\$243.72	03/01/2030	Yes	\$9,906,741.30	\$9,696,378.61	\$210,362.69
6	General Obligation Permanent Improvement & Refunding Bonds, Series 2016	Capital Improvements; Refunding at a	\$19,095,000.00	\$16,970,000.00	\$23,289,725.00	\$413.87	\$568.00	03/01/2031	Yes	\$21,917,308.48	\$20,777,744.62	\$1,139,563.86
7	General Obligation Refunding Bonds, Series 2016A	Refunding at a lower interest rate, etc.	\$9,765,000.00	\$8,960,000.00	\$11,932,150.00	\$218.52	\$291.01	03/01/2034	Yes	\$10,826,081.68	\$10,826,081.68	\$0.00
8	General Obligation Bonds, Series 2017	Capital Improvements	\$5,605,000.00	\$5,405,000.00	\$6,866,175.00	\$131.82	\$167.46	03/01/2031	Yes	\$5,996,915.85	\$1,197,871.51	\$4,799,044.34
<b>Totals:</b>			<b>\$70,675,000.00</b>	<b>\$57,970,000.00</b>	<b>\$74,109,315.71</b>	<b>\$1,413.80</b>	<b>\$1,807.41</b>			<b>\$76,892,325.86</b>	<b>\$70,741,469.86</b>	<b>\$6,150,856.00</b>



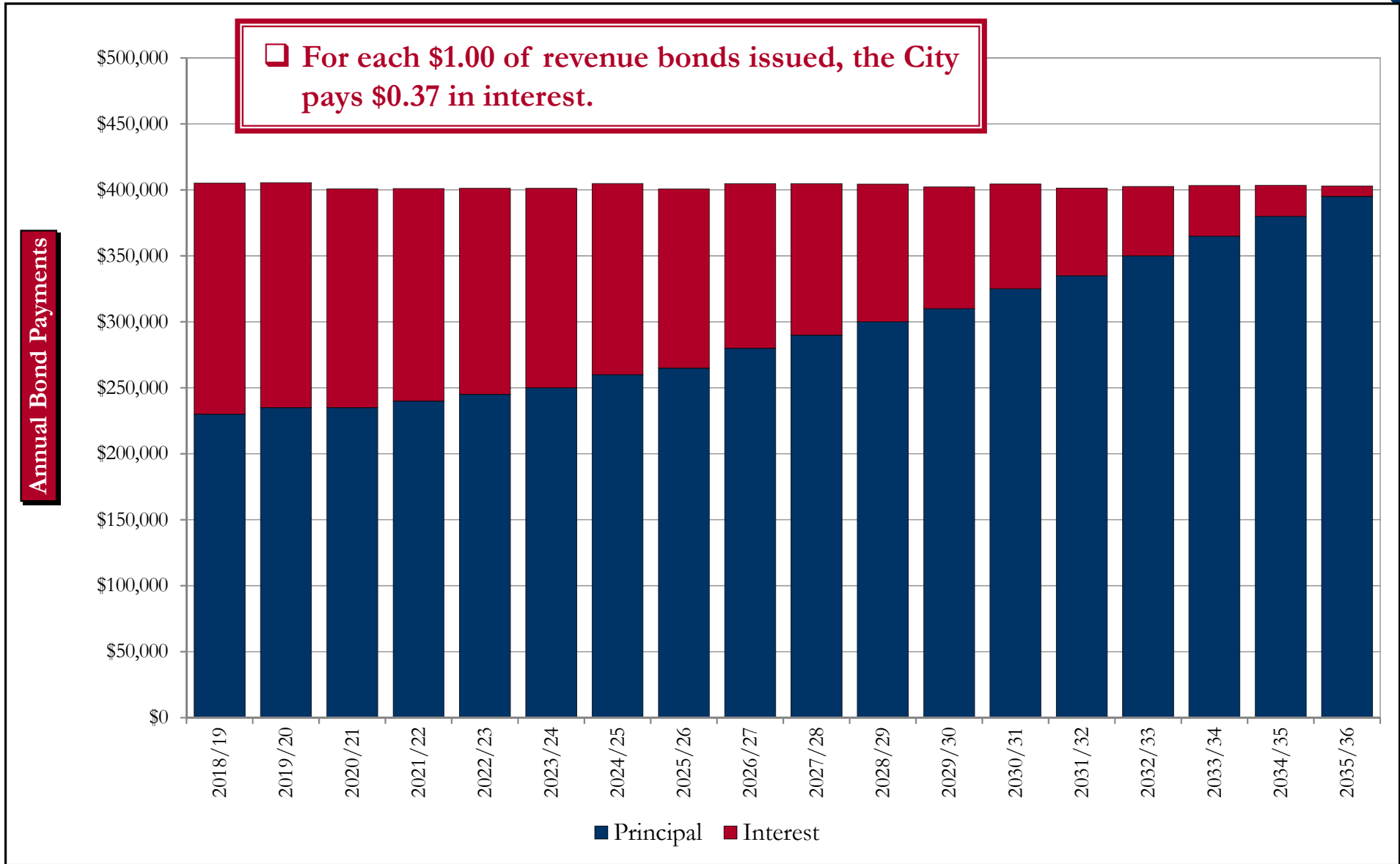
# ☑ Waterworks and Sewer System Revenue Debt Service By Series



Note: Debt service payments reflect payments from October 1 through September 30.



# ☑ Waterworks and Sewer System Revenue Debt Service By Principal and Interest



Note: Debt service payments reflect payments from October 1 through September 30.



# ☑ Summary of Water and Sewer System Revenue Debt Outstanding By Series – As of Fiscal Year Ended September 30, 2018

No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Partially Secured by Ad Valorem Taxes	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Waterworks & Sewer System Revenue Bonds, Series 2016	Capital Improvements	\$5,735,000.00	\$5,290,000.00	\$7,254,100.00	\$129.01	\$176.92	03/01/2036	No	\$6,088,342.07	\$3,077,186.34	\$3,011,155.73
<b>Totals:</b>			<b>\$5,735,000.00</b>	<b>\$5,290,000.00</b>	<b>\$7,254,100.00</b>	<b>\$129.01</b>	<b>\$176.92</b>			<b>\$6,088,342.07</b>	<b>\$3,077,186.34</b>	<b>\$3,011,155.73</b>

## Bond Issues No Longer Outstanding with Unspent Bond Proceeds (a)

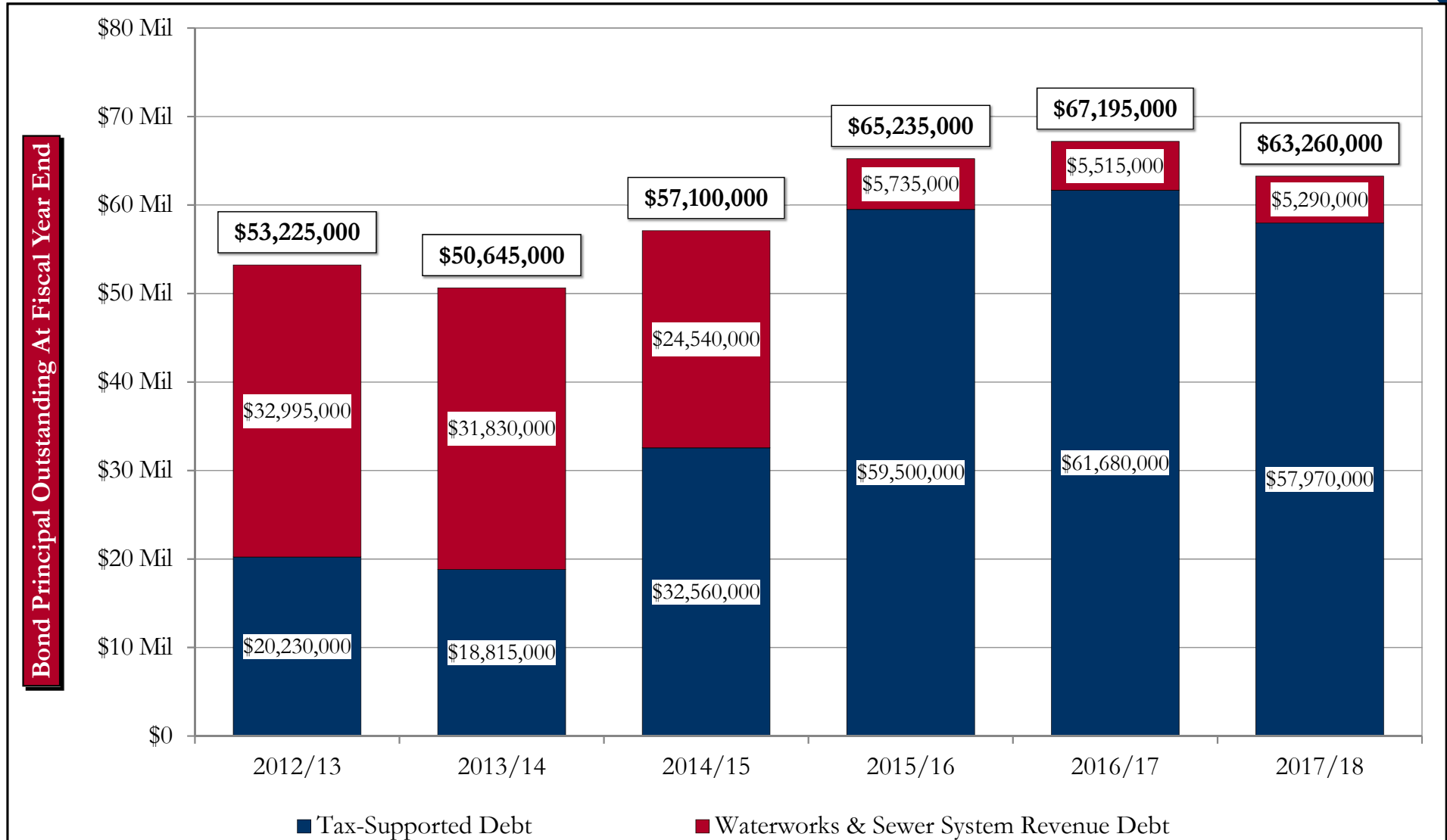
No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Partially Secured by Ad Valorem Taxes	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Waterworks & Sewer System Revenue and Refunding Bonds, Series 2006	Capital Improvements; Refunding at a lower interest rate, etc.	\$24,285,000.00	\$0.00	\$0.00	\$0.00	\$0.00	03/01/2016	No	\$24,511,647.55	\$24,468,578.20	\$43,069.35
2	Waterworks & Sewer System Revenue Bonds, Series 2009	Capital Improvements	\$12,120,000.00	\$0.00	\$0.00	\$0.00	\$0.00	03/01/2016	No	\$11,978,775.45	\$11,640,492.91	\$338,282.54
<b>Totals:</b>			<b>\$36,405,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>			<b>\$36,490,423.00</b>	<b>\$36,109,071.11</b>	<b>\$381,351.89</b>

(a) Represents Bond Issues that have either matured or been refunded and have remaining Unspent Bond Proceeds.

✓ Additionally, on December 27, 2018, the City issued \$20,170,000 Waterworks and Sewer System Revenue Bonds, Series 2018, which generated proceeds for the City of \$20,000,000 and proceeds to fund the Reserve Fund Requirement.



# Total Bond Principal Outstanding At Fiscal Year End



Note: Debt service payments reflect payments from October 1 through September 30. As of September 30, 2018, \$26,425,000 in principal amount of General Obligation Bonds are paid by revenues from the Waterworks and Sewer System.



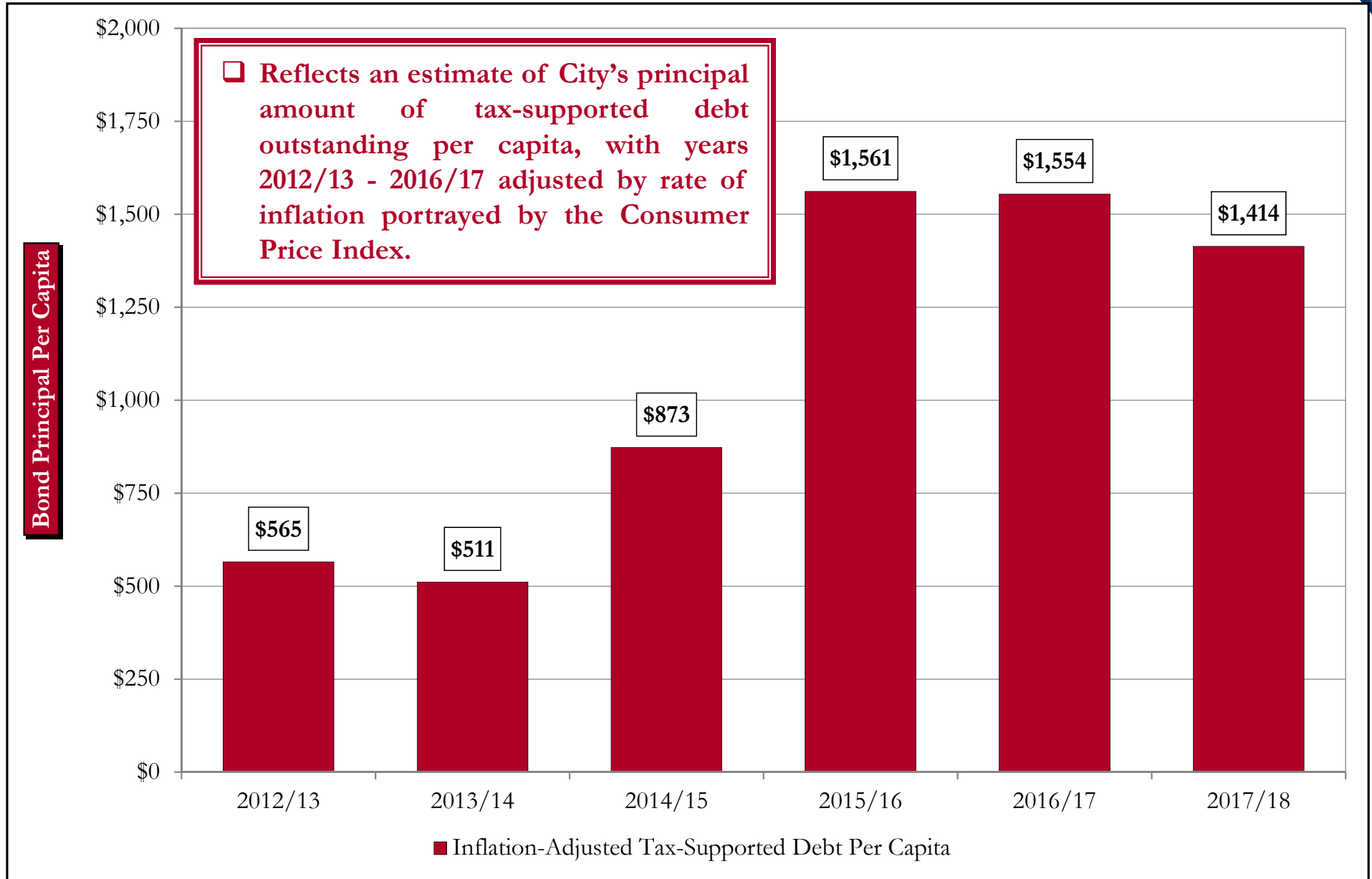
# Savings from City's Recent Bond Refunding Programs to Lower Interest Costs

## Summary of Interest Cost Savings – Bond Refunding Programs

<b>Issue/Description</b>	<b>Series Refunded</b>	<b>Principal Amount Refunded</b>	<b>Total Savings</b>
<b>Tax-Supported Debt</b>			
Refunding Bonds, Series 2002	1992	\$ 3,765,000	\$ 228,642
Permanent Improvement and Refunding Bonds, Series 2005	1995	1,910,000	51,868
Permanent Improvement Refunding Bonds, Series 2010B	2001 WWSS	5,400,000	654,824
General Obligation Refunding Bonds, Series 2012	2003, 2005	8,905,000	1,026,111
General Obligation Refunding Bonds, Series 2014	2005, 2006 WWSS	9,080,000	1,509,749
General Obligation Permanent Improvement and Refunding Bonds, Series 2016	2006 WWSS	13,145,000	2,425,878
General Obligation Refunding Bonds, Series 2016A	2009 WWSS	10,155,000	1,793,347
<b>Waterworks and Sewer System Revenue Debt</b>			
Waterworks and Sewer System Revenue and Refunding Bonds, Series 2006	1999 WWSS, 2000 WWSS	7,480,000	408,889
<b>Totals</b>	---	<b>\$ 59,840,000</b>	<b>\$ 8,099,308</b>



# Inflation-Adjusted Tax-Supported Debt Per Capita







## Contact Information and Links to Additional Resources

### City Hall Contact Information:

Physical and Mailing Address:  
910 South Friendswood Drive  
Friendswood, Texas 77546

Phone: (281) 996-3200

### For additional information regarding this report, please contact:

Ms. Katina Hampton, MBA, CGFO  
Director of Administrative Services  
Phone: (281) 996-3221  
Email: [khampton@friendswood.com](mailto:khampton@friendswood.com)

### Links to Additional Resources:

<https://www.comptroller.texas.gov/transparency/local/debt/cities.php>

[http://www.brb.state.tx.us/local\\_debt\\_search.aspx](http://www.brb.state.tx.us/local_debt_search.aspx)