

CITY OF HALTOM CITY, TX

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023



CITY OF HALTOM CITY, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2023

Prepared By:
City of Haltom City, Texas
Finance Department

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CITY OF HALTOM CITY, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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INTRODUCTORY SECTION

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CITY OF HALTOM CITY

February 26, 2024

Honorable Mayor, City Council Members and Citizens:

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Haltom City, covering the fiscal year ending September 30, 2023. State Law requires that all governmental units publish within six months of the close of each fiscal year financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and has undergone an audit by licensed public accountants, Pattillo, Brown and Hill, L.L.P. This report was published to satisfy the requirements and to provide the City Council, City staff, our citizens, our bondholders, and other interested parties with a comprehensive insight into the City's financial conditions and activities.

Haltom City upholds responsibility for the accuracy, completeness, and fairness of the presented data, including all necessary disclosures. The City also is responsible for establishing and maintaining internal controls to safeguard the government from loss, theft, or misuse and to ensure the compilation of adequate accounting data for the preparation of financial statements in conformity with GAAP. To the best of our knowledge and belief, the enclosed data is materially accurate and is reported in a manner designed to fairly present the City's financial position and results of operations of the various funds. All necessary disclosures enabling the reader to gain an understanding of the City's financial activities have been incorporated.

In evaluating our accounting system, careful consideration is given to the adequacy of internal controls over financial reporting. These controls are designed to provide reasonable, but not absolute, assurance safeguarding assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability of assets. Our commitment is to ensure that the cost of controls remains proportionate to the benefits derived. The evaluation of costs and benefits requires estimates and judgments by management. Management believes the City's internal controls over financial reporting adequately safeguards assets and provides reasonable assurance for proper recording of financial transactions.

The City Charter and State Law require the City's basic financial statements to be audited by independent certified public accountants. Pattillo, Brown and Hill, L.L.P., Certified Public Accountants (CPA) firm, performed the required audit and have issued an unmodified ("clean") opinion on the City of Haltom City's financial statements for the year ended September 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This MD&A serves as a complementary companion to this Letter of Transmittal and is recommended to be read in conjunction for a comprehensive understanding of the financial information presented.

PROFILE OF THE GOVERNMENT

Established in 1950, the City of Haltom City is situated six miles northeast of downtown Fort Worth in Tarrant County, covering a land area of 12.4 square miles and boasting an estimated population of 46,382. Operating as a "home rule" unit of local government under Texas state law, the City adopted a council-manager form of governance. Policy-making and legislative authority are held by the City Council, consisting of the mayor and seven council members, all elected 'at large' through popular vote. The governing City Council members serve two-year terms, with elections staggered—four members elected in even numbered years and the mayor plus three members elected in odd numbered years. The Council appoints the City Manager, who, in turn, appoints the heads of the various departments.

The City provides a comprehensive range of services to its residents. Vital public safety services are the police, fire, and emergency management; as well as other key departments including municipal court, parks, library, public works, and general administrative services. Additionally, the City is actively involved in the operation of essential infrastructure: water distribution system, a wastewater collection system, and a drainage utility system.

Basic financial statements of the City include all government activities, organizations, and functions for which the City is financially accountable. The criteria considered in determining governmental activities to be reported within the City's basic financial statements are based upon, and consistent with, those set forth in the Codification of Governmental Accounting and Financial Reporting Standards. Component units are distinct legal entities that a primary government must include as a part of its financial reporting entity. The government-wide financial statements encompass not only the primary government,

recognized as the City itself, but also include discretely presented component unit(s) such as the Crime Control Prevention District. The discretely presented component unit(s) are presented as separate columns in the government-wide financial statements.

As stipulated by the Haltom City Charter, the adoption of an operating budget must precede the first day of the fiscal year, commencing on October 1st. The City's budget process is a seven-month cycle, beginning in mid-February and concluding in mid-September. Departments actively participate in the process by submitting budget proposals in early May and updates span through May, June, and July. The City Manager then formulates the recommended budget, aligning it with policy directives received from the City Council. Prior to August 15th, the City Manager submits to the Council a proposed budget of expenditures and the means to finance them for the next year. The Council holds workshop meetings and a public hearing on the proposed budget to facilitate citizen feedback and make final determinations leading to the eventual adopted budget. Prior to September 30th, the budget is legally enacted through the passage of an appropriation ordinance by fund. Any budget changes that increase the total budgeted expenditure of a fund necessitate approval by the City Council. The City Charter outlines provisions for budget amendments, granting the City Council the authority to amend the budget as deemed necessary.

LOCAL ECONOMY

Haltom City's economic condition reflects a positive trajectory, closely aligned with the growth and prosperity observed in Fort Worth-Dallas-Arlington Metroplex (DFW) and Northeast Tarrant County. Tarrant County is the 3rd largest county in the state with a population of 2.2 million in Texas, with Haltom City making up 2% of the county's population. The per capita is driven by commercial construction, retail sales, services, and transportation. Overall, the North Texas region has fared better than the nation as a whole. The DFW area's population and labor force are among the more rapidly growing areas in the nation, having grown to the 4th largest in the nation, according to BEA.gov. Relatively low taxes, housing and energy costs make the area attractive to business, with the additional enticement that Texas has no state personal income tax.

The City is strategically located less than 12 miles southwest of the Dallas / Fort Worth International Airport (DFW Airport), named the 5th largest airport in the world according to AFAR.com, and less than 8 miles southeast of Fort Worth's Alliance Airport, the world's first industrial airport. Each airport is a major economic development catalyst for all cities in the surrounding area including Haltom City.

Fiscal year 2023 proved to be a significant year for economic growth. This growth, along with the City Council's leadership, vision, and commitment made it possible to accomplish great things for the future prosperity of our community. Sales Tax increased over eight percent from the prior year and with numerous new businesses and expansion of some existing businesses, this amount is expected to continue to increase. Because the City's varied tax base, including industrial-type businesses, the City is not overly reliant on retail. This diversification helps mitigate the impact during an economic downturn, as retail is more susceptible to decreases during such periods. Property tax values continue to increase each year and the demand of new homes and new neighborhoods has continued to drive growth within our City. With our second new housing development almost completed, new warehouses, and the development of a new Tax Increment Reinvestment Zone, additional opportunity for revitalization and increased values along our major corridors are anticipated. The City's three-pronged approach of attracting new businesses, increasing new residential housing, and holding to development and code standards, continues to facilitate prosperous economic development and growth.

Because of the City's location in a region with a varied economic base, the unemployment is 3.3%, only .2% higher than last year according to TWC.texas.gov. Haltom City's labor force is approximately 24,125 and the unemployment rate from September 2023 was 6% up from the previous year. The State of Texas overall unemployment rate is 3.5%, down from 7.9% in the previous year, and which is comparable to the national rate of 3.5%.

The general obligation bond rating for the City is AA- from Standard & Poor's. The rating is based on strong financial management and budgetary flexibility and is likely to improve due to the amount of economic growth, increasing local wealth, and income levels.

LONG-TERM FINANCIAL PLANNING

Each year the City Council convenes to establish the strategic goals for the City. The Long-Term Strategic Goals of the Haltom City Council are:

- Continue to cultivate the commercial and residential development plan for a successful economic development environment.
- Establish and maintain competitive employee compensation to retain and attract high quality and diverse staff while maintaining a relationships-driven culture along with other incentives such as alternative work schedules, increased number of paid holidays, etc.
- Practice fiscal responsibility while utilizing Performance Measures.
- Promote and support safety and security within our community while providing quality services and increase safety

around schools.

- Build and maintain partnerships with non-profit sector to advance the revitalization and beautification of the city.
- Address critical facility and infrastructure needs.
- Implement innovative technology solutions for security and performance.

Haltom City's commitment to strategic goals drives decision-making, enabling the City Council to further the mission and vision and translate them into impactful actions for the community's well-being and prosperity. The City then strategically allocates its limited resources to prioritize and achieve the established plan, ensuring efficient and effective utilization for the advancement of its goals and initiatives. The City's actions to implement the established strategic goals and address community issues are numerous and varied. However, there is a consistent commitment to continually address community issues using the best and most appropriate means available, reflecting an adaptive and thoughtful approach to community challenges.

Since 2004, the City's finance staff collaborated with Department Heads and the City's financial advisors to construct financial models for long-term planning. These models project revenues and expenditures for the next five years, extending beyond the current year, encompassing all operational funds and the Debt Service Fund. Assumptions have been developed for future tax rates and charges for service, as well as expenditures projections. Each program is analyzed in terms of its impact over a 5-year window as a part of the decision-making process. These models provide the City with the capability to make informed assumptions about the future debt capacity of operational funds. This insight enables the City to advance its annual Capital Improvement Program (CIP). CIP prioritizes projects based on their critical importance and the availability of financing within specific timeframes. The ability to assess current resources and anticipate future debt proceeds has empowered the City to make strategic decisions in implementing the annual CIP.

During the fiscal year 2023, the City continued its efforts to finalize previously funded projects. Notable among these projects is the construction of the new Law Enforcement building, a \$29 million initiative set to conclude in the spring of 2024. And the construction of a new City Hall, a \$25 million project anticipated to reach completion by September 2024.

RELEVANT FINANCIAL POLICIES

Financial policies guide the development and implementation of the budget and are a framework for fiscal decision making that ensure financial resources are available to meet the current and future needs of the City. The policy address areas of reporting and auditing, budgeting, revenues, capital improvements, debt, and grants are designed to ensure the financial integrity and achieving the following:

- Quality basic City services that meet the needs and desires of the citizens.
- A financial base sufficient to maintain or enhance City assets required to support community service demands.
- Responsiveness to constant changing needs, desires, and service requirements of the City.
- Prudent and professional financial management practices to assure residents of Haltom City and the financial community that City government is well managed and insound fiscal condition.
- Cost effective services to citizens through cooperation with other government entities.
- An adequate capital improvement program dedicated to maintaining and enhancing the public's assets for the benefit of the community.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for the City of Haltom City for the fiscal year ended September 30, 2022. The Certificate of Achievement is a prestigious national award- recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the thirty-fourth consecutive year (fiscal years ended 1987-2022) that the government has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only and we believe our current annual comprehensive financial report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

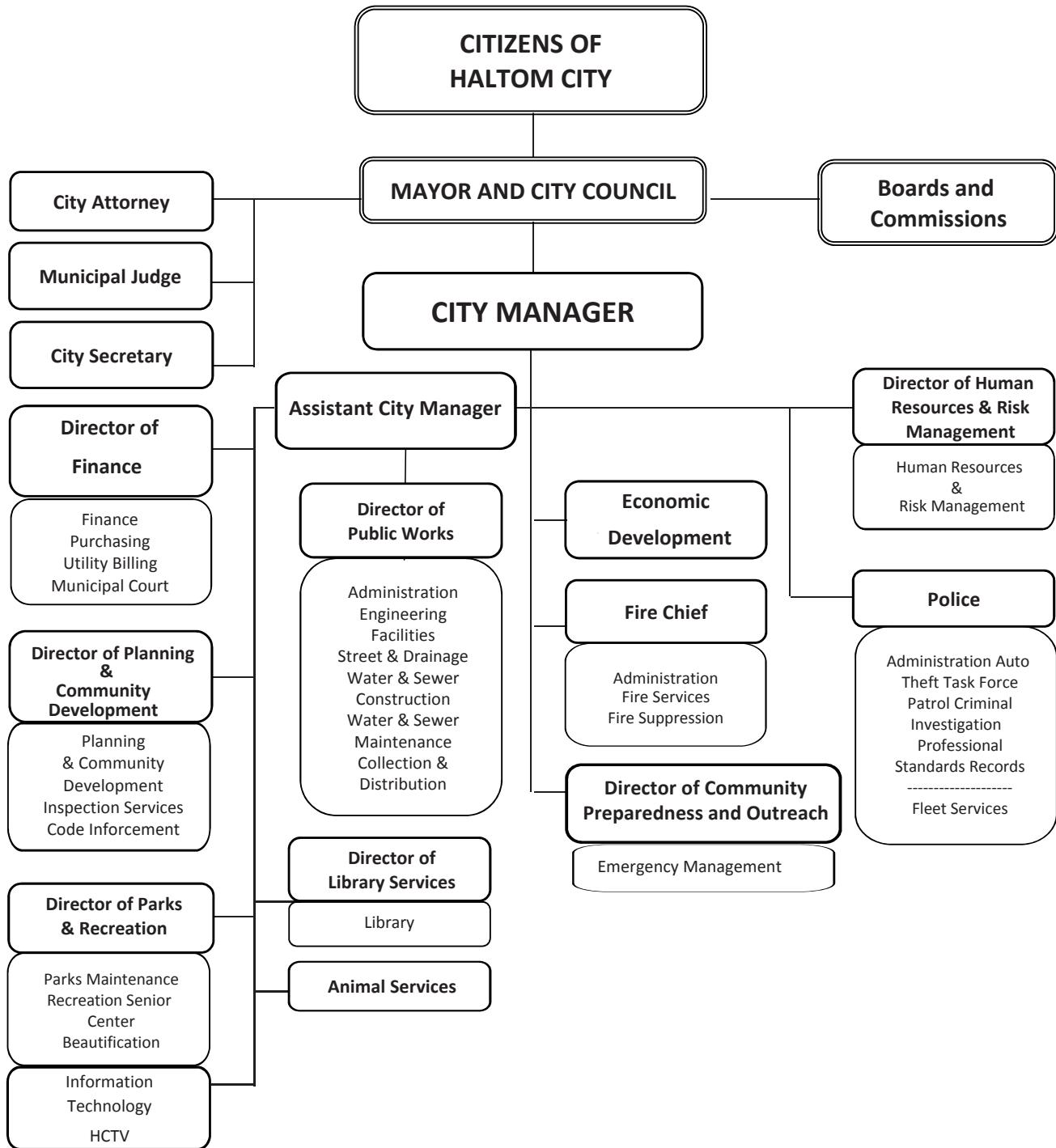
In addition, the City also submitted the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2023. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, and operating guide, and a communications device.

The successful preparation of this report owes much to the efficient and dedicated efforts of the Finance Department staff, our Audit Committee, and independent auditors. Our sincere appreciation extends to all employees who played a vital role in this process. Additionally, we express gratitude to the Mayor, City Council, City Manager, and Assistant City Manager for their unwavering support in planning and executing the financial operations of the City in a responsible and progressive manner. Respectfully submitted,



Sidonna Foust
Assistant City Manager

ORGANIZATION CHART



CITY COUNCIL



An Truong
Mayor



Marian Hilliard
Place 1



Kyle Hantz
Place 2



Lin Thompson
Place 3



Eric Morris
Place 4



Susan Soule
Place 5



Kyle Smith
Place 6



Don Cooper
Place 7

MANAGEMENT STAFF

City Manager	Rex Phelps
Assistant City Manager	Sidonna Foust
City Secretary	Art Camacho
Director of Human Resources & Risk Management	Toni Beckett
Police Chief	Cody Phillips
Fire Chief	Brian Jacobs
Director of Community Preparedness and Outreach	Bryce Davis
Director of Finance	Stormy Johnson
Director of Information Technology	Dave Klopfenstein
Municipal Judge	Lorraine Irby
Director of Library Services	Erica Gill
Director of Parks & Recreation	Christi Pruitt
Director of Planning & Community Development	Glenna Batchelor
Director of Public Works	Gregory Van Nieuwenhuize



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Haltom City
Texas**

For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended

September 30, 2022

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
and Members of City Council
City of Haltom City, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the 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 Haltom City, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Haltom City, Texas' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Haltom City, Texas, as of September 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Haltom City, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Change of Accounting Principle

As described in the notes to the financial statements, in fiscal year 2023 the City of Haltom City, Texas adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based IT Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Haltom City, Texas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Haltom City, Texas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Haltom City, Texas' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Haltom City, Texas' basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2024 on our consideration of the City of Haltom City, Texas' 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 of Haltom City, Texas' 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 of Haltom City, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
February 26, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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MDA MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) offers an insightful overview of the City of Haltom City's financial performance and position for the fiscal year concluding on September 30, 2023. Designed to enhance reader understanding, this analysis should be read in conjunction with the transmittal letter and the City's financial statements following this section.

I. FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year ended September 30, 2023 by \$207.6 million (net position). Of this amount, about \$77 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by about \$32.8 million for the year ended September 30, 2023. Out of this, \$18.1 million is from governmental activities and \$14.7 million from business activities.
- The City's total assets increased by \$21.7 million, or 6.8%, from the prior year of which \$15 million was for the new Law Enforcement building and \$6 million for the new City Hall. Both were funded through voter approved bonds in 2021 and 2022 and are expected to be completed by the end of fiscal 2024.
- As of September 30, 2023, the City's governmental funds reported combined ending fund balances of \$113 million, an decrease of \$5.2 million in comparison with prior year. Approximately, \$36.6 million of the fund balance is available for spending at the government's discretion (unassigned fund balance).

II. OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's 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 contains other supplementary information in addition to the basic financial statements.

Government-wide Financial 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 information on the City's assets, deferred outflows, liabilities, and deferred inflows; with the difference reported as the net position. The increases or decreases in the net position over time may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental activities:** Governmental activities encompass the core services provided by the City, covering essential areas such as police, fire, street maintenance, culture and recreation, and general administration. Funding for these fundamental services is primarily derived from diverse sources, including sales taxes, property taxes, franchise fees, and charges for services.
- **Business-type activities:** The City charges a fee to customers to cover all or most of the cost associated with specific services provided. The City's business type activities include the provision of water and sewer systems, as well as the management of the drainage utility system. In these areas, the City operates as a service provider, ensuring the sustainability and functionality of critical infrastructure while recovering costs through user fees.

The government-wide financial statements include not only the City itself, referred to as the primary government, but also includes the Crime Control District as a legally separate entity. The Crime Control District is specifically responsible for the accumulation and utilization of sales tax proceeds earmarked for crime reduction programs. Additional information on these two component units can be found in Note 1 in the notes to the financial statements.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are mandated by State law, others are established by the City to manage funds for specific purposes or to demonstrate legal responsibilities tied to particular revenues.

The City's two kinds of funds, governmental and proprietary, use different accounting approaches. This dual-fund approach ensures a comprehensive and nuanced representation of the City's financial landscape, enabling a thorough understanding of its diverse financial activities and obligations.

Governmental funds: Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the City's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations beside the fund financial statements.

Proprietary funds: When the City charges customers for the full cost of the services it provides whether to outside customers or to other units of the City, categorizing these transactions as business-type activities. Proprietary funds follow a reporting structure consistent with all activities in the Statement of Net Position and the Statement of Activities. The City's enterprise funds, a component of the proprietary funds, are similar as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other Information

In addition to basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-retirement healthcare benefits to its employees. This report also contains combined financial statements, as well as individual detailed budgetary comparisons for all non-major governmental funds.

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of the City's Financial Position

As noted earlier, net position serves as a useful indicator of a government's financial position. For the City of Haltom City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$207.6 million as of September 30, 2023.

Of the City's \$207.6 million total net position, 51.7%, or \$107.1 million, is predominantly attributed to its substantial investment in capital assets, encompassing land, buildings, machinery, equipment, and the right to use equipment, adjusted for outstanding debt related to their acquisition. An additional \$18 million of the City's net position is specifically restricted to contractual capital projects obligations. The remaining \$5 million of the externally restricted Net Position is to be used for purposes like donations and debt service. Consequently, 37% of the unrestricted net position remains available to fulfill the government's ongoing obligations to citizens and creditors.

The net position for governmental activities and business-type activities are summarized as follows:

	Governmental Activities		Business Type Activities		Total	
	2023	FY 2022	2023	FY 2022	2023	FY 2022
Assets						
Current and other assets	\$ 120,364,092	\$ 133,042,085	\$ 54,713,199	\$ 47,079,482	\$ 175,077,291	\$ 180,121,567
Capital assets	<u>104,304,802</u>	<u>84,037,234</u>	<u>62,454,634</u>	<u>55,933,034</u>	<u>166,759,436</u>	<u>139,970,268</u>
Total assets	<u>224,668,894</u>	<u>217,079,319</u>	<u>117,167,833</u>	<u>103,012,516</u>	<u>341,836,727</u>	<u>320,091,835</u>
Deferred Outflows of Resources	<u>13,908,526</u>	<u>4,454,159</u>	<u>1,873,007</u>	<u>605,089</u>	<u>15,781,533</u>	<u>5,059,248</u>
Liabilities						
Other liabilities	6,850,596	14,353,861	2,986,652	3,689,101	9,837,248	18,042,962
Long-term liabilities	<u>123,884,848</u>	<u>110,655,270</u>	<u>14,388,855</u>	<u>12,042,356</u>	<u>138,273,703</u>	<u>122,697,626</u>
Total Liabilities	<u>130,735,444</u>	<u>125,009,131</u>	<u>17,375,507</u>	<u>15,731,457</u>	<u>148,110,951</u>	<u>140,740,588</u>
Deferred Inflows of Resources	<u>1,707,260</u>	<u>8,495,230</u>	<u>229,911</u>	<u>1,154,062</u>	<u>1,937,171</u>	<u>9,649,292</u>
Net Position						
Net investment in capital assets	62,241,776	44,884,303	44,864,397	45,964,147	107,106,173	90,848,450
Restricted	23,024,062	26,722,373	-	-	23,024,062	26,722,373
Unrestricted	<u>20,868,878</u>	<u>16,422,441</u>	<u>56,571,025</u>	<u>40,767,939</u>	<u>77,439,903</u>	<u>57,190,380</u>
Total Net Position	<u>\$ 106,134,716</u>	<u>\$ 88,029,117</u>	<u>\$ 101,435,422</u>	<u>\$ 86,732,086</u>	<u>\$ 207,570,138</u>	<u>\$ 174,761,203</u>

Analysis of the City's operations

The City of Haltom City's Net Position increased by \$32.8 million to \$207.8 million during the current fiscal year. An increase of \$18.1 million in governmental activities and an increase of \$14.7 million in business-type activities accounted for this increase. The largest two factors for the increases were a one-time federal grant revenue recognition in the governmental activities and interest earnings due to the fed's rate increase. Details are listed as follows:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$ 3,931,644	\$ 4,388,500	\$ 28,629,475	\$ 27,321,794	\$ 32,561,119	\$ 31,710,294
Operating grants and contributions	10,959,717	4,076,899	-	-	10,959,717	4,076,899
Capital grants and contributions	26,479	656,164	-	40,309	26,479	696,473
General Revenues:						
Taxes:						
Property taxes levied for general purposes	20,703,504	18,098,327	-	-	20,703,504	18,098,327
Other taxes	21,844,192	20,278,850	-	-	21,844,192	20,278,850
Gain on sale of capital assets	284,289	-	-	-	284,289	-
Other revenues	312,756	457,816	-	-	312,756	457,816
Investment income	<u>5,693,953</u>	<u>(59,349)</u>	<u>2,253,782</u>	<u>48,743</u>	<u>7,947,735</u>	<u>(10,606)</u>
Total revenues	<u>63,756,534</u>	<u>47,897,207</u>	<u>30,883,257</u>	<u>27,410,846</u>	<u>94,639,791</u>	<u>75,308,053</u>
Expenses:						
General government	9,309,793	9,354,014	-	-	9,309,793	9,354,014
Public safety	25,007,275	20,546,631	-	-	25,007,275	20,546,631
Streets	2,211,855	2,189,131	-	-	2,211,855	2,189,131
Culture and recreation	3,856,693	3,188,306	-	-	3,856,693	3,188,306
Interest and other fees	2,375,311	2,292,843	-	-	2,375,311	2,292,843
Water & wastewater	-	-	17,614,783	16,612,615	17,614,783	16,612,615
Drainage	-	-	<u>1,455,146</u>	<u>1,420,045</u>	<u>1,455,146</u>	<u>1,420,045</u>
Total expenses	<u>42,760,927</u>	<u>37,570,925</u>	<u>19,069,929</u>	<u>18,032,660</u>	<u>61,830,856</u>	<u>55,603,585</u>
Change in net position before transfers	20,995,607	10,326,282	11,813,328	9,378,186	32,808,935	19,704,468
Transfers	(2,890,008)	(1,117,345)	2,890,008	1,117,345		
Change in net position	18,105,599	9,208,937	14,703,336	10,495,531	32,808,935	19,704,468
Net position - beginning	<u>88,029,117</u>	<u>78,820,180</u>	<u>86,732,086</u>	<u>76,236,555</u>	<u>174,761,203</u>	<u>155,056,735</u>
Net position - ending	<u>\$ 106,134,716</u>	<u>\$ 88,029,117</u>	<u>\$ 101,435,422</u>	<u>\$ 86,732,086</u>	<u>\$ 207,570,138</u>	<u>\$ 174,761,203</u>

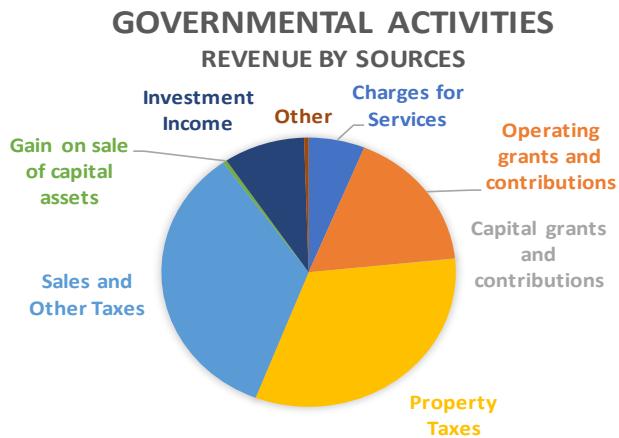
Governmental activities

In the fiscal year's closing, the Net Position of governmental activities totaled \$106.1 million compared to \$88.0 million from the prior year. The \$18.1 million increase in net position noted was a 20.6% increase over last year primarily driven by the 33.1% increase in revenue offset by 13.8% increases in expenses. Revenues went from \$47.9 million to \$63.8 million in the current year while expenses went from \$37.6 million to \$42.7 million during the same period.

Key changes of revenues and expenses are as follows:

Revenues:

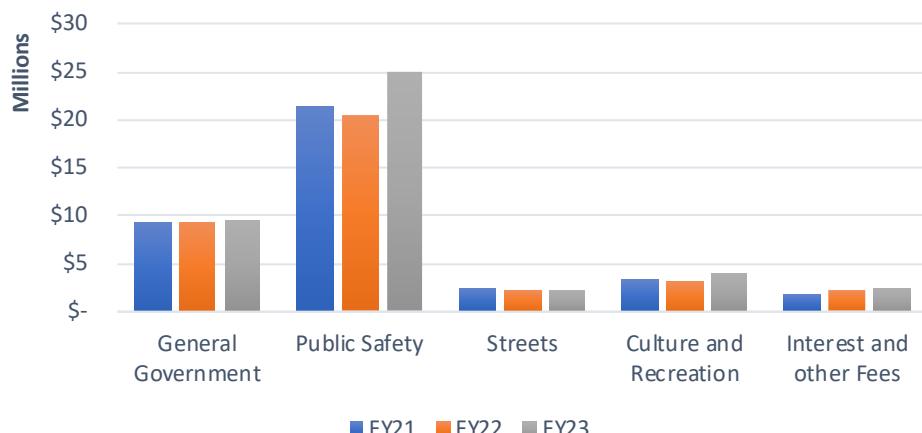
- Majority of the net \$6.9 million increases in Operating Grants and Contributions was the one-time revenue recognition of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act in 2021.
- The Federal Reserve has implemented an aggressive monetary policy to combat inflation, resulting in interest rates increasing from 0.25% in March 2022 to 5.50% as of July 2023. Consequently, the City recognized a \$5.7 million increase over last year in interest earnings.
- Property and Sales Taxes saw a combined increase of \$4.2 million, or 10.9%, growth from economic development and new businesses.



Expenses:

- Total expenses for governmental activities increased by 13.8%, totaling \$5.2 million, with inflation and other economic conditions impacting all programs.
- The public safety program saw a 21.7% increase, resulting in a \$4.5 million rise, largely due to the department's recovery from the high vacancy of the previous year.
- The culture and recreation program experienced a 20.9% increase in cost, driven by the increased cost and \$100,000 budgeted one-time capital assets purchases, leading to a \$668,000 rise in expenses.

GOVERNMENTAL ACTIVITIES 3 YEAR EXPENDITURE BY PROGRAM



Business-type activities

The net position of business-type activities at end of the fiscal year was at \$101.4 million compared to \$86.7 million for the prior year. This was an increase in net position of \$14.7 million. The City generally can only use the net position to finance the continuing operations of the business-type activities. Total revenues for business-type activities increased over the prior year from \$27.4 million to \$30.9 million due to growth which increased sales and service fees collected. Total expenses for the fiscal year increased to \$19.1 million from \$18.0 million. The increase was due to higher operating costs for both water/sewer and drainage activities.

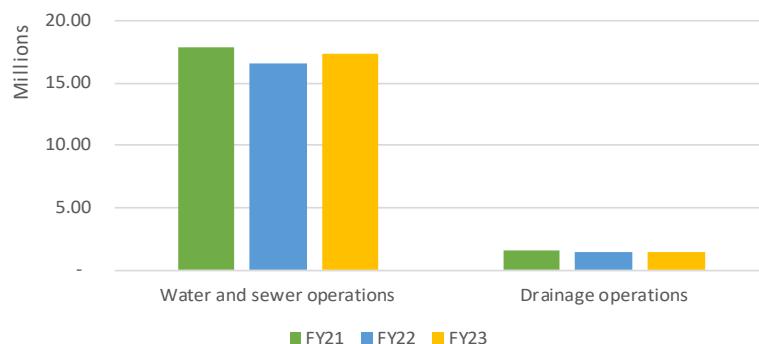
Water and Sewer Fund:

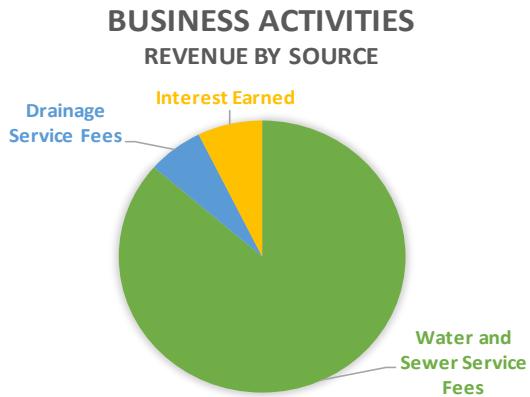
- The Water and Sewer Fund revenues increased from \$25.5 million in the prior year to \$26.7 million in the current year, driven mostly by an increase in water and sewer sales.
- Expenses for the Water and Sewer Fund rose by approximately \$1.0 million (5.8%), attributed to the recovery of supply chain delays from the prior year, offsetting the \$1.3 million decrease experienced in the previous year.

Drainage Fund:

- Program revenues for the current year were \$1.95 million compared to \$1.86 million in the prior year. This represents a 4.6% increase reflecting an increase in Drainage sales.
- Drainage expenses remained comparable to the prior year at approximately \$1.4 million, exhibiting a less than 3% increase, primarily driven by increase in drainage maintenance and depreciation of capital assets expenses.

BUSINESS-TYPE ACTIVITIES 3 YEAR EXPENSES BY FUND





Analysis of City's Funds

Governmental funds. The focus of the City's governmental funds is to provide insight on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Notably, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds had a combined ending fund balance of approximately \$118.3 million, marking a decrease of \$5.2 million (4.4%) compared to the prior year, primarily due to ongoing completion of two major projects funded with bond issuances in fiscal 2021 and 2022. About \$36.6 million (32.4%) of this fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion while the remaining fund balance of \$76.4.4 million (67.6%), is not available for general spending.

The General Fund balance increased by \$13 million (41.9%) this fiscal year. The three largest contributors were the recognition of a one-time federal grant of nearly \$9.6 million, an additional \$1.9 million in interest due to the Fed's rate hikes, and the required implementation of GASB 96, resulting in the recognition of \$1.6 million for the issuance of Subscription-Based Information Technology Arrangements (SBITAs). The revenue increases are reflected in fiscal year 2023, with General Fund revenues increasing by \$9 million (24%), while Other Financing Sources showed a \$2.1 million increase compared to the negative \$138,046 recorded in the previous period. However, General Fund expenditures also increased by \$4.5 million (14.5%) compared to the prior year, as the City addressed vacant positions and resolved supply chain issues from the previous year.

The Debt Service Fund year ending fund balance is \$3.9 million, designated for debt payment. The City mandates a cap of the general obligation annual debt requirements to 25% of General Fund expenditures. For fiscal year 2023, the debt requirement amounted to approximately 21.1% of General Fund expenditures, which is 3.9% less than the maximum permitted.

The fund balance of Street Reconstruction Capital Project Fund is financed by a .375% of the Sales and Use tax of the 8.25% collected by the state along with interest earned on the fund balance. The ending fund balance was \$18 million, a decrease of \$2.1 million from the prior year. Revenue received was \$4.7 million, while expenditures and transfers totaled \$6.8 million. Five million of the transfer was a one-time transfer to the drainage construction fund to cover the drainage portion of building and reconstructing City roads.

The fund balance of the Capital Improvement Fund ended the year at \$43.6 million. The fund balance is restricted for capital improvement projects. The decrease in the fund is expect to continue as two major voter approved bond-funded projects are completed: the new Law Enforcement Center and the new City Hall. Both projects are expected to be finished as scheduled by the fall of 2024.

Proprietary funds. The City's proprietary funds serve to furnish similar types of information to those found in the governmental funds. In contrast to the Governmental Wide financial statements, proprietary funds encompass all of the fund's finances, which have been already been addressed in the overview of the City of Haltom City's Business-Type Activities.

General Fund Budgetary Highlights

General Fund balance increased by \$13.0 million (41.9%) for fiscal year 2023. When comparing the budget, actual total revenues were \$13.6 million higher than the budget due to a one-time federal grant recognition of \$9.6 million, \$1.9 issuance of the SBITAs as part of the GASB 96 implementation, and an additional \$1.4 million City sales taxes than previously estimated. The federal funding grant received is to help offset costs incurred as repayment for lost revenues during the COVID-19 pandemic.

The total expenditures were lower than budgeted by \$3.2 million. Most departments spent less than their budgeted amounts except for the City Manager and the City Secretary's department. Also, capital outlay was over the budget of \$1.2 million, which offset some of the saving from all other departments.

IV. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - As of September 30, 2023, the City had \$158.3 million invested in capital assets, net of \$128.5 million of accumulated depreciation. These assets include police and fire equipment, buildings, parking facilities, roads, water, sewer, and stormwater facilities. This figure reflects a net increase of \$18.3 million (13.1%) from the previous year, primarily attributed to the recognition of the new Law Enforcement Center, currently classified as Construction in Progress until its expected completion in the fall of 2024.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 15,803,948	\$ 15,803,948	\$ 6,125,273	\$ 6,125,273	\$ 21,929,221	\$ 21,929,221
Buildings	13,124,690	8,079,721	41,070,250	42,238,464	54,194,940	50,318,185
Improvements	37,812,283	37,895,046	-	-	37,812,283	37,895,046
Machinery & equipment	1,623,011	1,247,098	2,269,164	1,027,928	3,892,175	2,275,026
Waterworks & sewer system	-	-	2,509,517	3,940,747	2,509,517	3,940,747
Right to use:						
Subscriptions	1,892,946	495,634	-	-	1,892,946	495,634
Machinery & equipment	717,547	-	-	-		
Construction in progress	<u>33,331,485</u>	<u>20,515,787</u>	<u>2,732,762</u>	<u>2,600,622</u>	<u>36,064,247</u>	<u>23,116,409</u>
Total	<u>\$ 104,305,910</u>	<u>\$ 84,037,234</u>	<u>\$ 54,706,966</u>	<u>\$ 55,933,034</u>	<u>\$ 158,295,329</u>	<u>\$ 139,970,268</u>

The Right to use assets classification on the Capital Asset schedule incorporates GASB Standard No. 87, Leases. In FY23, the City recognized \$2.4 million in right to use assets for Machinery & equipment, with the majority allocated for vehicles. Furthermore, with this year's implementation of GASB Standard No. 96, Subscription-Based Information Technology Arrangements (SBITAs), an additional \$2.1 million was recognized in the current year for right-to-use subscription assets.

Additional information on the City of Haltom City's capital assets can be found in Note VI of this report.

Long-term Liabilities - At the end of the current fiscal year, the City had total general obligation bonds, refunding bonds, certificates of obligation, tax notes, premium on bonds, compensated absences, and leases payable outstanding of \$103.3 million. Of this amount, \$93 million was from governmental activities, \$10.2 million were from business-type activities and another \$102 thousand for the component unit for the Crime Control District.

The City had total bonded debt outstanding of \$96.4 million. Of this amount, \$86.6 million was comprised of debt backed by the full faith and credit of the City and \$9.8 million represents bonds secured by the full faith and credit of the City but serviced by specific revenue sources from the proprietary funds. The City's underlying General Obligation Bond rating is AA- by Standard & Poor's.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Certificates of obligations	\$ 15,350,000	\$ 16,210,000	\$ 5,655,000	\$ 6,370,000	\$ 21,005,000	\$ 22,580,000
General obligation bonds	66,035,000	71,235,000	4,025,000	3,295,000	70,060,000	74,530,000
Premium on bond issuance	<u>5,168,659</u>	<u>5,774,575</u>	<u>151,717</u>	<u>227,811</u>	<u>5,320,376</u>	<u>6,002,386</u>
Total bonded debt	<u>86,553,659</u>	<u>93,219,575</u>	<u>9,831,717</u>	<u>9,892,811</u>	<u>96,385,376</u>	<u>103,112,386</u>
Compensated absences	3,452,334	3,496,292	399,494	435,112	3,851,828	3,931,404
Subscription liability	1,465,710	-	-	-	1,465,710	-
Lease liability	<u>1,539,441</u>	<u>1,319,192</u>	<u>-</u>	<u>-</u>	<u>1,539,441</u>	<u>1,319,192</u>
Total other long-term debt	<u>6,457,485</u>	<u>4,815,484</u>	<u>399,494</u>	<u>435,112</u>	<u>6,856,979</u>	<u>5,250,596</u>
Total long-term debt	<u>\$ 93,011,144</u>	<u>\$ 98,035,059</u>	<u>\$ 10,231,211</u>	<u>\$ 10,327,923</u>	<u>\$ 103,242,355</u>	<u>\$ 108,362,982</u>

Additional information on the City's long-term debt can be found in note VIII of this report.

V. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's budgetary flexibility remains very strong with solid fund reserves. The City's economy remains favorable due to the continued economic growth the City is experiencing. The City's elected and appointed officials considered many factors when setting the fiscal year 2024 budget, especially the tax rate and how lowering the tax rate as values continue to increase will continue to attract revenue generating businesses.

Highlights of the 2024 budget include:

- Lower property tax rate to \$0.567283 per \$100 value
- 7% salary increase for employees to retain and attract great staff
- Total City budget of \$145.7 million

VI. REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Finance Department at 5024 Broadway Avenue, Haltom City, Texas.

BASIC FINANCIAL STATEMENTS

CITY OF HALTOM CITY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	Primary Government			Crime Control District
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 113,574,405	\$ 58,737,170	\$ 172,311,575	\$ 3,645,063
Receivables, net:				
Taxes	197,100	-	197,100	-
Accounts receivable	-	3,391,418	3,391,418	-
Intergovernmental	3,620,284	-	3,620,284	440,339
Accrued Interest	149,222	76,942	226,164	4,776
Other	1,360,067	-	1,360,067	19,701
Inventory	163,137	249,104	412,241	-
Prepaid expenses	1,299,877	-	1,299,877	-
Capital assets				
Land	15,803,948	6,125,273	21,929,221	-
Construction-in-progress	33,331,485	2,738,995	36,070,480	-
Building and improvements	25,403,892	45,131,595	70,535,487	-
Improvements other than Buildings	93,664,490	-	93,664,490	-
Water and sewer system	-	39,929,593	39,929,593	-
Machinery and equipment	13,768,491	7,145,414	20,913,905	-
Right to use assets:				
Machinery and equipment	2,403,056	-	2,403,056	-
Subscriptions	2,111,931	-	2,111,931	-
Less: accumulated depreciation	<u>(82,182,491)</u>	<u>(46,357,671)</u>	<u>(128,540,162)</u>	<u>-</u>
Total assets	<u>\$ 224,668,894</u>	<u>\$ 117,167,833</u>	<u>\$ 341,836,727</u>	<u>\$ 4,109,879</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	13,046,352	1,756,902	14,803,254	187,384
OPEB related (RHP)	707,473	95,271	802,744	10,161
OPEB related (SDBF)	<u>154,701</u>	<u>20,834</u>	<u>175,535</u>	<u>2,222</u>
Total deferred outflows of resources	<u>\$ 13,908,526</u>	<u>\$ 1,873,007</u>	<u>\$ 15,781,533</u>	<u>\$ 199,767</u>

CITY OF HALTOM CITY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	Primary Government			Crime Control District
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Accounts payable	\$ 2,888,916	\$ 1,251,730	\$ 4,140,646	\$ 29,456
Accrued liabilities	1,046,267	313,956	1,360,223	124,477
Accrued interest payable	473,206	51,853	525,059	-
Customer deposits	-	1,352,028	1,352,028	-
Retainage payable	1,114,510	17,085	1,131,595	-
Unearned revenue	1,327,697	-	1,327,697	-
Noncurrent liabilities:				
Due within one year				
Long-term debt	6,144,596	1,624,898	7,769,494	20,385
Total OPEB liability - SDBF	16,010	2,156	18,166	230
Due in more than one year				
Long-term debt	86,866,548	8,606,313	95,472,861	81,542
Net pension liability	26,476,321	3,565,465	30,041,786	380,276
Net OPEB liability - RHP	3,615,828	486,930	4,102,758	51,934
Total OPEB liability - SDBF	765,545	103,093	868,638	10,997
Total liabilities	<u>130,735,444</u>	<u>17,375,507</u>	<u>148,110,951</u>	<u>699,297</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related	167,368	22,539	189,907	2,404
OPEB related (RHP)	1,171,808	157,803	1,329,611	16,831
OPEB related (SDBF)	<u>368,084</u>	<u>49,569</u>	<u>417,653</u>	<u>5,287</u>
Total deferred inflows of resources	<u>1,707,260</u>	<u>229,911</u>	<u>1,937,171</u>	<u>24,522</u>
NET POSITION				
Net investment in capital assets	62,241,776	44,864,397	107,106,173	-
Restricted for:				
Capital projects	18,047,430	-	18,047,430	-
Donor restrictions for libraries, parks and law enforcement	775,813	-	775,813	-
Debt service	3,579,677	-	3,579,677	-
Promotion of tourism and business	295,014	-	295,014	-
Public safety	326,128	-	326,128	-
Unrestricted	<u>20,868,878</u>	<u>56,571,025</u>	<u>77,439,903</u>	<u>3,585,827</u>
Total net position	<u>\$ 106,134,716</u>	<u>\$ 101,435,422</u>	<u>\$ 207,570,138</u>	<u>\$ 3,585,827</u>

CITY OF HALTOM CITY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 9,309,793	\$ 2,617,974	\$ 9,701,413	\$ -
Public safety	25,007,275	1,122,025	1,239,428	26,479
Streets	2,211,855	15,750	-	-
Culture and recreation	3,856,693	175,895	18,876	-
Interest	2,375,311	-	-	-
Total governmental activities	<u>42,760,927</u>	<u>3,931,644</u>	<u>10,959,717</u>	<u>26,479</u>
Business-type activities:				
Water and sewer services	17,614,783	26,679,452	-	-
Drainage services	<u>1,455,146</u>	<u>1,950,023</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>19,069,929</u>	<u>28,629,475</u>	<u>-</u>	<u>-</u>
Total primary government	<u>61,830,856</u>	<u>32,561,119</u>	<u>10,959,717</u>	<u>26,479</u>
Component units				
Crime Control District	<u>1,700,044</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ 1,700,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Property taxes, penalty and interest				
Sales taxes				
Franchise taxes				
Occupancy taxes				
Oil and gas leases				
Mixed beverage and bingo taxes				
Interest and investment gains (losses)				
Miscellaneous				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year				
Net position - end of year				

Net (Expense) Revenue and Changes in Net Position

Primary Government				
Governmental Activities	Business-type Activities	Total	Crime Control District	
\$ 3,009,594	\$ -	\$ 3,009,594	\$ -	
(22,619,343)	-	(22,619,343)		
(2,196,105)	-	(2,196,105)		
(3,661,922)	-	(3,661,922)		
(2,375,311)	-	(2,375,311)		
<u>(27,843,087)</u>	<u>-</u>	<u>(27,843,087)</u>		
	9,064,669	9,064,669		-
	<u>494,877</u>	<u>494,877</u>		
	<u>9,559,546</u>	<u>9,559,546</u>		
	<u>(27,843,087)</u>	<u>9,559,546</u>	<u>(18,283,541)</u>	
		-		(1,700,044)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (1,700,044)</u>
\$ 20,703,504	\$ -	\$ 20,703,504	\$ -	
17,964,593	-	17,964,593		2,505,652
3,775,230	-	3,775,230		-
67,212	-	67,212		-
232,446	-	232,446		-
37,157	-	37,157		-
5,693,953	2,253,782	7,947,735		144,301
80,310	-	80,310		-
284,289	-	284,289		-
(2,890,008)	<u>2,890,008</u>	<u>-</u>		
<u>45,948,686</u>	<u>5,143,790</u>	<u>51,092,476</u>		<u>2,649,953</u>
<u>18,105,599</u>	<u>14,703,336</u>	<u>32,808,935</u>		<u>949,909</u>
<u>88,029,117</u>	<u>86,732,086</u>	<u>174,761,203</u>		<u>2,635,918</u>
<u>\$ 106,134,716</u>	<u>\$ 101,435,422</u>	<u>\$ 207,570,138</u>		<u>\$ 3,585,827</u>

CITY OF HALTOM CITY, TEXAS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Street Reconstruction Capital Projects</u>
ASSETS			
Cash and investments	\$ 42,811,564	\$ 3,804,556	\$ 17,116,265
Receivables (net of allowance):			
Taxes	55,578	141,522	-
Intergovernmental	2,789,188	55,922	676,180
Accrued interest	55,741	50,883	22,440
Other	1,097,850	-	258,550
Due from other funds	10,864	-	-
Prepaid expenses	1,299,877	-	-
Inventory	<u>163,137</u>	<u>-</u>	<u>-</u>
Total assets	<u>48,283,799</u>	<u>4,052,883</u>	<u>18,073,435</u>
LIABILITIES			
Accounts payable	1,124,276	-	26,005
Accrued liabilities	1,042,091	-	-
Retainage Payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	<u>1,327,697</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,494,064</u>	<u>-</u>	<u>26,005</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	41,445	134,301	-
Unavailable revenue - court fines	586,457	-	-
Unavailable revenue - street assessments	31,747	-	-
Unavailable revenue - grants	<u>76,679</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>736,328</u>	<u>134,301</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
Prepaid expenses	1,299,877	-	-
Inventory	<u>163,137</u>	<u>-</u>	<u>-</u>
Restricted for:			
Construction of capital assets	-	-	18,047,430
Promotion of tourism	-	-	-
Grantors, trustees and donors	-	-	-
Public safety	-	-	-
Debt service	-	3,918,582	-
Committed for purchase of capital assets	-	-	-
Assigned for:			
Subsequent year's budget	5,964,351	-	-
Unassigned	<u>36,626,042</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>44,053,407</u>	<u>3,918,582</u>	<u>18,047,430</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,283,799</u>	<u>\$ 4,052,883</u>	<u>\$ 18,073,435</u>

Capital Improvement	Other Governmental	Total Governmental Funds
\$ 46,454,374	\$ 3,387,646	\$ 113,574,405
-	-	197,100
-	98,994	3,620,284
15,017	5,141	149,222
-	3,667	1,360,067
-	-	10,864
-	-	1,299,877
-	-	163,137
<u>46,469,391</u>	<u>3,495,448</u>	<u>120,374,956</u>
1,728,258	10,377	2,888,916
-	4,176	1,046,267
1,114,510	-	1,114,510
-	10,864	10,864
-	-	1,327,697
<u>2,842,768</u>	<u>25,417</u>	<u>6,388,254</u>
-	-	175,746
-	-	586,457
-	-	31,747
-	59,815	136,494
<u>-</u>	<u>59,815</u>	<u>930,444</u>
-	-	1,299,877
-	-	163,137
43,626,623	389,814	62,063,867
-	295,014	295,014
-	775,813	775,813
-	326,128	326,128
-	-	3,918,582
-	1,634,311	1,634,311
-	-	5,964,351
-	(10,864)	36,615,178
<u>43,626,623</u>	<u>3,410,216</u>	<u>113,056,258</u>
<u>\$ 46,469,391</u>	<u>\$ 3,495,448</u>	<u>\$ 120,374,956</u>

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CITY OF HALTOM CITY, TEXAS

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION

AS OF SEPTEMBER 30, 2023

Amounts reported for governmental activities in the Statement of Net Position is different because:

Total Governmental Fund Balances	\$ 113,056,258
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	104,304,802
Deferred outflows of resources are not reported in the governmental funds.	
Deferred outflow related to pensions	\$ 13,046,352
Deferred outflow related to retiree health plan OPEB	707,473
Deferred outflow related to SDBF OPEB	<u>154,701</u> 13,908,526
Other long-term assets are not available to pay for current-period expenditures and therefore are unearned in the funds.	930,444
Long-term liabilities, including bonds payable, compensated absences, OPEB liabilities and leases are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(81,385,000)
Premium on bond issuance	(5,168,659)
Accrued interest payable	(473,206)
Net pension obligation	(26,476,321)
Net OPEB liability - retiree health plan	(3,615,828)
Total OPEB liability - SDBF OPEB	(781,555)
Compensated absences	(3,452,334)
Subscriptions payable	(1,465,710)
Leases payable	<u>(1,539,441)</u> (124,358,054)
Deferred inflows of resources are not reported in the governmental funds.	
Deferred inflows related to pensions	(167,368)
Deferred inflows related to retiree health plan OPEB	(1,171,808)
Deferred inflows related to SDBF OPEB	<u>(368,084)</u> (1,707,260)
Net position of government activities	<u>\$ 106,134,716</u>

CITY OF HALTOM CITY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General	Debt Service	Street Reconstruction Capital Projects
REVENUES			
Taxes	\$ 30,267,573	\$ 7,753,181	\$ 3,851,197
Licenses and permits	1,469,963	-	-
Intergovernmental	10,091,891	-	-
Fines and fees	1,014,068	-	-
Charges for services	1,503,511	-	-
Oil and gas lease	86,446	-	-
Contributions	106	-	-
Interest and investment gains (losses)	1,954,457	1,737,381	843,105
Miscellaneous	<u>68,521</u>	-	-
Total revenues	<u>46,456,536</u>	<u>9,490,562</u>	<u>4,694,302</u>
EXPENDITURES			
Current:			
General government	8,158,149	-	1,873
Public safety	20,333,989	-	-
Streets	1,135,698	-	757,100
Cultural and recreation	3,110,658	-	-
Debt service:			
Principal	307,408	4,530,000	-
Interest and other	9,685	2,945,485	-
Bond issuance costs	-	3,100	-
Capital outlay	<u>2,362,123</u>	-	<u>113,473</u>
Total expenditures	<u>35,417,710</u>	<u>7,478,585</u>	<u>872,446</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,038,826</u>	<u>2,011,977</u>	<u>3,821,856</u>
OTHER FINANCING SOURCES (USES)			
Issuance of lease	-	-	-
Issuance of SBITA	1,629,234	-	-
Sale of capital assets	284,289	-	-
Transfers in	1,518,996	-	-
Transfers out	<u>(1,458,492)</u>	-	<u>(5,900,004)</u>
Total other financing sources and uses	<u>1,974,027</u>	-	<u>(5,900,004)</u>
NET CHANGE IN FUND BALANCES	<u>13,012,853</u>	<u>2,011,977</u>	<u>(2,078,148)</u>
FUND BALANCES, BEGINNING	<u>31,040,554</u>	<u>1,906,605</u>	<u>20,125,578</u>
FUND BALANCES, ENDING	<u>\$ 44,053,407</u>	<u>\$ 3,918,582</u>	<u>\$ 18,047,430</u>

Capital Improvement	Other Governmental	Total Governmental Funds
\$ -	\$ 729,768	\$ 42,601,719
-	-	1,469,963
550,000	111,721	10,753,612
-	55,751	1,069,819
-	94,143	1,597,654
-	-	86,446
-	43,492	43,598
1,020,552	138,458	5,693,953
-	11,789	80,310
<u>1,570,552</u>	<u>1,185,122</u>	<u>63,397,074</u>
-	524,685	8,684,707
-	204,840	20,538,829
-	-	1,892,798
-	107,157	3,217,815
-	520,566	5,357,974
-	9,399	2,964,569
-	-	3,100
<u>20,889,987</u>	<u>937,806</u>	<u>24,303,389</u>
<u>20,889,987</u>	<u>2,304,453</u>	<u>66,963,181</u>
<u>(19,319,435)</u>	<u>(1,119,331)</u>	<u>(3,566,107)</u>
-	836,251	836,251
-	-	1,629,234
-	-	284,289
600,000	858,492	2,977,488
-	(39,000)	(7,397,496)
<u>600,000</u>	<u>1,655,743</u>	<u>(1,670,234)</u>
(18,719,435)	536,412	(5,236,341)
<u>62,346,058</u>	<u>2,873,804</u>	<u>118,292,599</u>
<u>\$ 43,626,623</u>	<u>\$ 3,410,216</u>	<u>\$ 113,056,258</u>

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CITY OF HALTOM CITY, TEXAS

**RECONCILIATION OF THE CHANGES IN GOVERNMENTAL FUND BALANCES
TO THE CHANGE IN NET POSITION OF GOVERNMENT ACTIVITIES**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances - total governmental funds:	\$ (5,236,341)
Amounts reported for governmental activities in the Statement of Activities are	
Capital assets used in governmental activities are not reported in the funds.	
Capital outlay	25,260,670
Depreciation on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation is not reported as expenditures in the governmental funds.	(5,045,599)
Changes in revenues in the statement of activities that does not provide current financial resources.	75,171
The issuance of long-term debt (e.g., bonds, leases) 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.	
Bonds, tax notes and leases payable	4,429,089
Premium on bond issuance	605,916
Accrued interest payable	(13,558)
Net pension obligation	(1,864,232)
Net OPEB liability - retiree health plan	(116,290)
Total OPEB liability - SDBF OPEB	(30,634)
Compensated absences	<u>43,958</u>
Change in net position of governmental activities	<u>\$ 18,105,599</u>

CITY OF HALTOM CITY, TEXAS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

SEPTEMBER 30, 2023

	Water and Sewer Fund	Drainage Fund	Total
ASSETS			
Current assets:			
Cash and investments	\$ 50,022,616	\$ 8,714,554	\$ 58,737,170
Receivables:			
Accounts receivable, net	3,159,461	231,957	3,391,418
Accrued interest	65,510	11,432	76,942
Inventory	249,104	-	249,104
Total current assets	<u>53,496,691</u>	<u>8,957,943</u>	<u>62,454,634</u>
Noncurrent assets:			
Land	522,999	5,602,274	6,125,273
Buildings and improvements	39,569,072	5,562,523	45,131,595
Water and sewer system	33,847,529	6,082,064	39,929,593
Machinery and equipment	5,794,827	1,350,587	7,145,414
Construction-in-progress	1,136,894	1,602,101	2,738,995
Accumulated depreciation	<u>(40,989,080)</u>	<u>(5,368,591)</u>	<u>(46,357,671)</u>
Total noncurrent assets	<u>39,882,241</u>	<u>14,830,958</u>	<u>54,713,199</u>
Total assets	<u>93,378,932</u>	<u>23,788,901</u>	<u>117,167,833</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	1,566,521	190,381	1,756,902
Deferred outflow related to retiree health plan	84,948	10,323	95,271
Deferred outflow related to SDBF OPEB	<u>18,576</u>	<u>2,258</u>	<u>20,834</u>
Total deferred outflows of resources	<u>1,670,045</u>	<u>202,962</u>	<u>1,873,007</u>

CITY OF HALTOM CITY, TEXAS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

SEPTEMBER 30, 2023

	Water and Sewer Fund	Drainage Fund	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,227,769	\$ 23,961	\$ 1,251,730
Accrued liabilities	147,817	166,139	313,956
Retainage payable	-	17,085	17,085
Accrued interest payable	48,560	3,293	51,853
Customer deposits	1,352,028	-	1,352,028
Due within one year			
Compensated absences	74,853	5,045	79,898
Total OPEB liability - SDBF	1,922	234	2,156
Revenue bonds payable	1,290,000	255,000	1,545,000
Total current liabilities	<u>4,142,949</u>	<u>470,757</u>	<u>4,613,706</u>
Noncurrent liabilities:			
Compensated absences	299,413	20,183	319,596
Net pension liability	3,179,105	386,360	3,565,465
Net OPEB liability - retiree health plan	434,165	52,765	486,930
Total OPEB liability - SDBF	91,922	11,171	103,093
Revenue bonds payable	7,951,717	335,000	8,286,717
Total noncurrent liabilities	<u>11,956,322</u>	<u>805,479</u>	<u>12,761,801</u>
Total liabilities	<u>16,099,271</u>	<u>1,276,236</u>	<u>17,375,507</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	20,097	2,442	22,539
Deferred inflow related to retiree health plan OPEB	140,703	17,100	157,803
Deferred inflow related to SDBF OPEB	<u>44,198</u>	<u>5,371</u>	<u>49,569</u>
Total deferred inflows of resources	<u>204,998</u>	<u>24,913</u>	<u>229,911</u>
NET POSITION			
Net investment in capital assets	30,640,524	14,223,873	44,864,397
Unrestricted	<u>48,104,184</u>	<u>8,466,841</u>	<u>56,571,025</u>
Total net position	<u>\$ 78,744,708</u>	<u>\$ 22,690,714</u>	<u>\$ 101,435,422</u>

CITY OF HALTOM CITY, TEXAS

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Water and Sewer Fund	Drainage Fund	Total
OPERATING REVENUES			
Water and sewer sales	\$ 25,410,568	\$ -	\$ 25,410,568
Drainage fee revenue	-	1,885,905	1,885,905
Service fees	1,165,343	64,118	1,229,461
Administrative fees	35,435	-	35,435
Other	68,106	-	68,106
Total operating revenues	<u>26,679,452</u>	<u>1,950,023</u>	<u>28,629,475</u>
OPERATING EXPENSES			
General and administrative	3,948,626	345,430	4,294,056
Construction	519,850	-	519,850
Water and sewer maintenance	2,069,787	-	2,069,787
Collection and distribution	7,502,642	-	7,502,642
Drainage maintenance	-	394,563	394,563
Franchise fees	1,100,004	132,000	1,232,004
Depreciation	2,223,960	563,296	2,787,256
Total operating expenses	<u>17,364,869</u>	<u>1,435,289</u>	<u>18,800,158</u>
Operating income	<u>9,314,583</u>	<u>514,734</u>	<u>9,829,317</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment gains (losses)	2,014,860	238,922	2,253,782
Interest expense and bond issuance costs	<u>(249,914)</u>	<u>(19,857)</u>	<u>(269,771)</u>
Total non-operating expenses	<u>1,764,946</u>	<u>219,065</u>	<u>1,984,011</u>
Income before transfers	11,079,529	733,799	11,813,328
TRANSFERS IN (OUT)			
Transfers in	-	5,000,004	5,000,004
Transfers out	<u>(1,989,996)</u>	<u>(120,000)</u>	<u>(2,109,996)</u>
CHANGE IN NET POSITION	<u>9,089,533</u>	<u>5,613,803</u>	<u>14,703,336</u>
NET POSITION, BEGINNING	<u>69,655,175</u>	<u>17,076,911</u>	<u>86,732,086</u>
NET POSITION, ENDING	<u>\$ 78,744,708</u>	<u>\$ 22,690,714</u>	<u>\$ 101,435,422</u>

CITY OF HALTOM CITY, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Water and Sewer Fund	Drainage Fund	Total
Cash flows from operating activities			
Receipts from customers and users	\$ 25,803,048	\$ 1,914,838	\$ 27,717,886
Payments to suppliers	(13,337,041)	(499,140)	(13,836,181)
Payments to employees	<u>(2,372,815)</u>	<u>(289,605)</u>	<u>(2,662,420)</u>
Net cash provided by operating activities	<u>10,093,192</u>	<u>1,126,093</u>	<u>11,219,285</u>
Cash flows from noncapital financing activities			
Transfer from governmental funds	-	5,000,004	5,000,004
Transfer to governmental funds	<u>(1,989,996)</u>	<u>(120,000)</u>	<u>(2,109,996)</u>
Net cash provided (used) by noncapital financing activities	<u>(1,989,996)</u>	<u>4,880,004</u>	<u>2,890,008</u>
Cash flow from capital and related financing activities			
Debt principal payments	193,906	(255,000)	(61,094)
Interest payments	(245,127)	(20,455)	(265,582)
Purchases of property and equipment	<u>(1,406,451)</u>	<u>(237,046)</u>	<u>(1,643,497)</u>
Net cash used by capital and related financing activities	<u>(1,457,672)</u>	<u>(512,501)</u>	<u>(1,970,173)</u>
Cash flows from investing activities			
Interest on investments	<u>1,968,502</u>	<u>228,875</u>	<u>2,197,377</u>
Net cash provided (used) by investing activities	<u>1,968,502</u>	<u>228,875</u>	<u>2,197,377</u>
Net increase (decrease) in cash and cash equivalents	8,614,026	5,722,471	14,336,497
Cash and investments - beginning of year	<u>41,408,590</u>	<u>2,992,083</u>	<u>44,400,673</u>
Cash and investment - end of year	<u>50,022,616</u>	<u>8,714,554</u>	<u>58,737,170</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	9,314,583	514,734	9,829,317
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,223,960	563,296	2,787,256
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(924,923)	(35,185)	(960,108)
Decrease in inventory and prepaid	(22,142)	-	(22,142)
Increase in other postemployment assets	(29,678)	(4,173)	(33,851)
(Increase) decrease in deferred outflows of resources	(1,097,127)	(136,940)	(1,234,067)
Increase (decrease) in accounts payable and accrued expenses	(713,494)	34,413	(679,081)
Increase (decrease) in compensated absences	(43,325)	7,707	(35,618)
Increase (decrease) in deferred inflows of resources	(831,102)	(99,377)	(930,479)
Increase (decrease) in customer deposits	48,519	-	48,519
Increase in pension obligation	2,173,021	271,815	2,444,836
Increase in other postemployment obligation	(5,100)	9,803	4,703
Net cash provided by operating activities	<u>\$ 10,093,192</u>	<u>\$ 1,126,093</u>	<u>\$ 11,219,285</u>

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CITY OF HALTOM CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City adopted a Home Rule Charter on October 10, 1955, and operates under a Council/Manager form of government. The City Council consists of eight members: a mayor, and seven council members elected by the City's residents. All powers of the City are vested in an elected council that enacts local legislation, adopts budgets, determines policies, and appoints the City Manager. The City Manager is responsible for executing the laws and administering the government of the City.

The financial statements of the City of Haltom City, Texas (the "City") are presented in accordance with accounting principles generally accepted in the United States of America applicable to state and local governmental units as set forth by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies.

Financial Reporting Entity

The City's basis financial statements include the separate governmental entities that are controlled by or are dependent on the City. The determination to include separate governmental entities is based on the criteria of accounting standards and defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the component unit's board must be appointed by the primary government, and either (a) the primary government must be able to impose its will, or (b) the primary government may potentially benefit financially or be financially responsible for the component unit.

Blended component units are part of the City's operations and therefore data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the financial statements to emphasize it is legally separate from the City.

Based on these criteria, the financial information of the following entity is discretely presented as a single column in the government-wide financial statements. Separate financial statements for the Crime Control District are not prepared.

Haltom City Crime Control and Prevention District (the "District") was officially created on November 13, 1995 with the provision of Chapter 323, as amended, Texas Tax Code and the Act. The District is used to account for the accumulation and use of half-cent sales tax proceeds designed for crime reduction and is legally separate from the City. The District operates under a seven-member Board of Directors appointed by the City Council. The Board consists of non-council members. The City is able to impose its will on the District. The District does not provide services entirely, or almost entirely, to the primary government or exclusively benefit the primary government. Separate financial statements are not available for this component unit.

Resource flows (except those that affect the statement of net position only, such as loans and repayments) between the primary government and the discretely presented component units are reported as external transactions – that is, as revenues and expenses.

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 the non-fiduciary activities of the primary government. Governmental activities which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which primarily rely on fees and charges for support. Fiduciary activities are not reported in the government-wide financial statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statement for governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Elimination of these shares would distort the direct costs and program revenues reported for the various functions concerned.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are represented as general revenues.

Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major fund rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue such as property taxes, sale tax, franchise tax, and charges for service to be available if they are collected within 60 days of the end of the current fiscal period. Permits and municipal court fines and fees are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The following is a brief description of the major funds used by the City:

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of financial resources. The City reported the following major governmental funds:

The **General Fund** is the primary operating fund of the City. It is used to account for all financial resources except those required to be account for in another fund.

The **Debt Service Fund** is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs from taxes levied by the City.

The **Street Reconstruction Fund** is a capital project fund used to account for projects financed with resources from governmental funds and tax-supported debt. Proceeds are used for construction, renovation, and major improvement to various City facilities, and other large non-recurring projects.

The **Capital Improvement Fund** is a capital project fund used to account for projects financed with resources from governmental funds and tax-supported debt. Proceeds are used for construction, renovation, and major improvement to various City facilities, and other large non-recurring projects.

Proprietary Funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City has presented the following proprietary funds.

The **Water and Sewer Fund** is used to account for the City's water and sewer operations that are financed and operated in a manner similar to private business enterprise – where the intent is that costs (expenses including depreciation) of providing services are financed or recovered through user charges.

The **Drainage Fund** is used to account for the City's storm water management program.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

There were no non-major proprietary funds for the fiscal year ended September 30, 2023.

Cash, Cash Equivalents, and Investments

The City pools idle cash from all funds for the purpose of increasing income through investment activities. Interest income relating to consolidated investments is allocated to the individual funds monthly based on the funds' prorated share of the investment principal, which was allocated to the funds based on the funds' prorated cash balance at the date the investment was purchased.

For purposes of reporting cash flows, Enterprise Funds consider cash and all highly liquid investments with maturity of three months or less to be cash equivalents.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments for the City are reported at fair value, except for the position in investment pools.

Excess cash may be invested in certificates of deposit, United States treasury bills, notes, and bonds, government agencies, repurchase agreements, Texas local government investment pools, and local government general obligation or revenue bonds. Maturities on all investments are consistent with the City's cash flow requirements.

Inventories and Prepaid Items

Inventories consist of expendable supplies and automotive parts held for consumption. Inventories are valued at cost, which approximates market, using the first-in/first-out method. Inventories are recognized as expenditures as they are consumed.

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.

Interfund Receivables/Payables and Transactions

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from funds" (i.e., the non-current portion of interfund loans). All other outstanding balances are reported as either "due to/from other funds" or "advances to/from other funds."

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financials statements and in the fund financial statements for proprietary funds. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. All purchased capital assets are valued at historical records are available and at an estimated historical cost where not historical records exist. Donated capital assets are recorded at acquisition value, which is the price to acquire an asset with equivalent service potential at the acquisition date. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Intangible assets with definite lives are recorded at cost and amortized over the useful lives. Intangible assets with indefinite lives are recorded at cost and no amortization is taken. Intangible assets of the City consist of right of ways and easements.

Depreciation is recorded for each major class of depreciable property utilizing the straight-line method over the following estimated useful lives of the assets:

Buildings	50 years
Waterworks and sewer system	10-50 years
Improvements other than building	10-30 years
Machinery and equipment	3-10 years
Right to use machinery and equipment	3-5 years
Right to use subscriptions	1-5 years

Accrued Vacation/Compensated Absences

Accrual of Vacation Leave: The following table outlines the accrual rates, maximum accrual rates and maximum payout rates for various years of service. Appointed employees are not restricted by the maximum hour accumulation of vacation provision, but the maximum hours paid at termination after the effective date of this policy will be governed as set forth below.

Non-sworn Employee Months of Service	Monthly Accrual of Hours	Annual Equivalent Hours	Maximum Hour Accumulation	Maximum Hours Paid at Termination
Initial employment through completion of year four	6.67	80	160	160
Year five through completion of year nine	10	120	240	240
Beginning of year ten	13.33	160	320	320
Sworn Civil Service Working Regular Shifts Months of Service	Monthly Accrual of Hours	Annual Equivalent Hours	Maximum Hour Accumulation	Maximum Hours Paid at Termination
Initial employment through completion of year nine	10	120	240	240
Beginning of year ten	13.33	160	320	320
Sworn Civil Service Working 24-Hour Shifts Months of Service	Monthly Accrual of Hours	Annual Equivalent Hours	Maximum Hour Accumulation	Maximum Hours Paid at Termination
Initial employment through completion of year nine	14	168	336	336
Beginning of year ten	20	240	480	480

Termination: Upon termination, an employee who has completed the probationary period will be paid his/her unused accrued vacation leave up to 2 times the annual accrual.

Maximum Accumulation: Vacation leave hours will not accrue beyond the maximum limits outlined in this policy. Once at the maximum, an employee will not accrue vacation leave until the leave balance is reduced below the maximum accrual. After the employee's leave balance is below the maximum, the employee will resume accruals, but there will be no retroactive accruals.

Maximum Accumulation: Vacation leave hours will not accrue beyond the maximum limits outlined in this policy. Once at the maximum, an employee will not accrue vacation leave until the leave balance is reduced below the maximum accrual. After the employee's leave balance is below the maximum, the employee will resume accruals, but there will be no retroactive accruals.

Sick Leave Accumulation: A regular full-time employee accrues eight (8) hours of sick leave each month for an annual accrual of 96 hours. An employee who enters employment before the 16th or terminates employment after the 15th of any month shall accrue eight (8) hours of sick leave for that month.

Annual Sick Leave Payout: In November of each year, an eligible employee will be paid for all accrued sick leave in excess of 240 hours. In order to be eligible for the payout, an employee must be employed by the City on the day the payout is distributed. The payout will be made at the hourly rate in effect on the last day of the pay period prior to the checks being issued. Firefighters working 24-hour shifts will be paid the pay plan step rate associated with an employee working 2080 hours per year.

Vested compensated absences (unpaid to employees terminated before year-end) that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated benefits within proprietary funds, and for governmental activities at the government-wide level, are recorded as an expense and liability of those funds as the benefits accrue to employees.

Leases

The City has entered into various lease agreements as lessee. Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate, if available. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability or lease asset.

Lessee. The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements and proprietary fund financial statements. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscription-Based Information Technology Arrangements

The City is a lessee for subscription-based IT arrangements (SBITAs). The City recognizes liability and an intangible right-to-use asset in the government-wide financial statements.

At the commencement of a SBITA, the City initially measures the liability at the present value of payments expected to be made during the agreement term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected payments to present value, (2) agreement term, and (3) agreed upon payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate.
- The agreement term includes the noncancellable period of the SBITA.
- The agreed upon payments included in the measurement of the liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability. These right to use assets are reported with other capital assets and liabilities are reported with long - term debt on the statement of net position.

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in 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.

Other Post-Employment Benefits

TMRS Supplemental Death Benefits Fund. The City participates in the Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF), which is an optional single-employer defined benefit life insurance plan that is administered by TMRS. It provides death benefits to active and, if elected, retired employees of participating employers. Contribution rates are determined annually for each participating municipality as a percentage of that City's covered payroll. The death benefit for retirees is considered an other postemployment benefit (OPEB). The OPEB program is an unfunded trust because the SDBF trust covers both actives and retirees and is not segregated. The Total OPEB Liability of the plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the Total OPEB Liability, deferred inflows and outflows of resources, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Retiree Health Care Plan. The City has not established a formal funding policy and there is no actuarially determined contribution. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the City for benefits due and payable that are not reimbursed by plan assets. Information regarding the City's total OPEB liability is obtained from a report prepared by a consulting actuary, Gabriel Roeder Smith & Company.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charges on refunding – 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.
- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

- The difference in expected and actual pension and OPEB experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions – These changes are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position and/or balance sheet 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category.

- Unavailable revenues related to property taxes, court fines, and street assessments.
- The difference in expected and actual pension and OPEB experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

Fund Balance

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in the spendable form (such as inventory) 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 provision, or by enabling legislation;
- Committed fund balances – amounts constrained to specific purposes by a government itself, using its highest level of decision – making authority (ordinance); to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – this classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The City Charter gives the City Council the authority to constrain amounts to be used for a specific purpose or to delegate this responsibility to the City Manager.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentive). Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt services, or for other purposes).

The City maintains an unallocated fund balance to be used for unanticipated emergencies of at least 20% of the expenditure budgets of the major operation fund (General, Water & Sewer, and Drainage Utility Funds).

When fund balance resources are available for a specific purpose more than one classification, it is the City's policy to use the most restrictive funds first in the following order; restricted, committed, assigned, and unassigned as they are needed.

Net Position

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

Use of Estimates

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

Change in Accounting Principle

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, was adopted effective October 1, 2022. The statement addresses accounting and financial reporting for subscription contracts. Statement No. 96 establishes standards for recognizing and measuring assets, liabilities, deferred outflows of resources, deferred inflows of resources, and revenues and expenses related to SBITAs in the basic financial statements, in addition to requiring more extensive note disclosures. The adoption of this standard did not result in a restatement of beginning fund balance or net position, but assets, deferred inflows and liabilities were recognized, and more extensive note disclosures were required.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Budgets for the General, Special Revenue except the TIF fund, Capital Projects, Debt Service, and Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted for all funds.

The City Manager submits to the City Council, not less than 45 days prior to the beginning of each fiscal year, a proposed budget for most City funds. At the meeting of the City Council at which the budget is submitted, the City Council establishes the time and place of the public hearing on the budget and publishes a notice of the budget hearing. Upon adoption, the budget is filed with the City Secretary for public inspection.

During the fiscal year, the City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Unused appropriations lapse at year-end.

III. BANK DEPOSITS AND INVESTMENTS

Bank Deposits

The City's funds (exclusive of the Postemployment Benefits Trust) are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with its agent bank, approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository banks' dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. The City's deposits were fully insured or collateralized as required by States statutes as of September 30, 2023. The collateral is held in the City's name by the Federal Reserve Bank of Dallas, an agent of the City's financial institution.

other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes and the City's investment policy authorized the City to invest in the following investments as summarized in the following table as of September 30, 2023:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury obligations	3 years	100%	None
U.S. Agency obligations	3 years	75%	None
Certificates of deposit	3 years	50%	None
Repurchase agreements	3 years	50%	None
No-load money market mutual funds	3 years	50%	None
Public funds investment pool (50% per pool)	N/A	80%	None

The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

Cash and investments as of September 30, 2023 are classified in the accompanying financial statement as follows:

Governmental activities	\$ 113,574,405
Business-type activities	<u>58,737,170</u>
Total primary government	<u>172,311,575</u>
Crime Control District	<u>3,645,063</u>
Total component units	<u>3,645,063</u>
Total	<u>\$ 175,956,638</u>

Cash and investments as of September 30, 2023 consist of the following:

Cash deposits	\$ 3,682,171
Investments	<u>172,274,467</u>
Total	<u>\$ 175,956,638</u>

Disclosures relating to interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. One of the ways that the City managers its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 30 days thus reducing the interest rate risk. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. City policy limits the weighted average maturity of its portfolio to a period less than 720 days. Presented below is the weighted average maturity in days of the types of investment the City held at September 30, 2023.

Disclosures Relating to Credit Risk

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 assigned of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

As of September 30, 2023, the City had the following investments:

Investment Type	Amount	Weighted Average Maturity (Days)	Minimum Legal Rating	Rating
TexPool	\$ 20,534,367	38	AAA	AAAm
Texas CLASS	97,945,023	84	AAA	AAAm
Texas Term	20,853,344	57	AAA	AAAm
Certificate of deposits	3,608,277	549	N/A	N/A
FFCB	3,951,653	148	AA	AA+
Farmer Mac	1,997,162	13	AA	AA+
FHLB	13,660,647	309	AA	AA+
Freddie Mac	981,012	732	AA	AA+
Municipal bonds	<u>8,742,982</u>	569	AA	AA-/AA3 or higher
Total	<u>\$ 172,274,467</u>			
Portfolio weighted average maturity		132		

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

The City has the following recurring fair value measurements as of September 30, 2023:

- \$10,294,906 valued using a documented trade history in exact security (Level 2 inputs).
- \$13,124,471 are valued using an option-adjusted discounted cash flow model (Level 2 inputs).
- \$9,522,356 are valued using a present value of expected future cash flow model (Level 2 inputs).

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2023, other than external investment pools and securities guaranteed by the U.S. Government, the City did not have 5% or more of its investment with one issuer. The City's investment policy allows up to 100% to be invested in U.S. Treasury Bills/Notes/Bonds, and U.S. Agencies and Instrumentalities.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to receive its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counter party to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The Public Funds Investment Act and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

As of September 30, 2023, the City deposits with financial institutions in excess of federal depository insurance limits are fully collateralized.

Investment in State Investment Pools

The City is a voluntary participant in various investment pools. These pools included the following: TexPool, Texas Term, and Texas CLASS.

The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool uses amortized cost rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares. TexPool has a redemption period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets general banking moratorium or national state of emergency that affects the pool's liquidity.

Texas Term is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. A seven-member advisory board governs the Pool. As required by the Public Funds Investment Act, the Advisory Board is composed of participants in the Pool and other persons who do not have a business relationship with the Pool. Under agreement with the Texas Term Advisory Board, PFM Asset Management LLC provides administrative and investment services to the pool. The Pool purchases only investments of the type in which Texas local governments are permitted to invest their own funds. The fair value of the position in Texas Term is the same as the value of Texas Term shares. Texas Term has a redemption period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets general banking moratorium or national state of emergency that affects the pool's liquidity.

The Texas CLASS investment pool was organized in March 1996 in accordance with the Texas Public Funds Investment Act and Texas Government Code. MBIA Municipal Investors Service Corp. serves as investment adviser and administrator to the Pool. All investments are made in securities that are allowed by the Texas Public Funds Investment Act and are overseen by a Texas CLASS participant board of directors. The board is made up of seven trustees and seven advisory positions, which meet twice a year with one participant meeting, held annually. The board has the power to administer the affairs of the Pool and to enter into controls and agreements on behalf of the Pool. Texas CLASS also has a fair value position that is the same as the value of its shares. Texas CLASS has a redemption period of one day and may redeem daily.

The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets general banking moratorium or national state of emergency that affects the pool's liquidity.

IV. RECEIVABLES

Accounts receivable and the related allowance for doubtful accounts for the governmental funds and the enterprise funds at September 30, 2023 are as follows:

Fund	Amounts Receivable	Allowance for Doubtful Accounts	Accounts Receivable, Net
Governmental	\$ 7,982,558	\$ (2,655,885)	\$ 5,326,673
Enterprise	<u>3,635,516</u>	<u>(167,156)</u>	<u>3,468,360</u>
Total	<u>\$ 11,618,074</u>	<u>\$ (2,823,041)</u>	<u>\$ 8,795,033</u>

V. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1 and are levied for appropriation for the fiscal year beginning on October 1. Property taxes are accrued based on the period for which they are levied and available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within sixty days of the fiscal year-end are recorded as deferred revenues and are recognized when they become available. Taxes collected prior to the levy date to which they apply are recorded as deferred revenues and recognized as revenue in the period to which they apply. Current taxes are due on October 1 and become delinquent if unpaid on February 1. Taxes unpaid as of February 1 are subject to penalty and interest as provided by City ordinance and the Texas Property Tax Code. The City's charter provide that general property taxes are limited to \$1.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation bonds. Article XI, Section 5 of the State of Texas Constitution limits property taxes for cities, including those applicable to debt service, to \$2.50 per \$100 of assessed valuation. The City's FY 2023 tax rate was \$0.608162 per \$100 of assessed valuation.

VI. CAPITAL ASSETS

The following is a summary of changes in the governmental activities' capital assets during the fiscal year ended September 30, 2023:

	9/30/2022	Additions	Deletions	Transfers/ Adjustments	9/30/2023
Capital assets, not being depreciated:					
Land	\$ 15,803,948	\$ -	\$ -	\$ -	\$ 15,803,948
Construction in progress	20,515,787	21,249,411	-	(8,433,713)	33,331,485
Total capital assets not being depreciated	36,319,735	21,249,411	-	(8,433,713)	49,135,433
Capital assets, being depreciated:					
Buildings	19,593,864	-	-	5,810,028	25,403,892
Improvements other than building	90,999,680	43,676	-	2,621,134	93,664,490
Machinery and equipment	13,189,498	1,074,449	(495,456)	-	13,768,491
Right to use assets:					
Subscriptions	55,048	2,056,883	-	-	2,111,931
Machinery and equipment	1,848,987	836,251	(282,182)	-	2,403,056
Total capital assets being depreciated	125,687,077	4,011,259	(777,638)	8,431,162	137,351,860
Less accumulated depreciation for:					
Buildings	(11,514,143)	(767,610)	-	-	(12,281,753)
Improvements other than building	(53,104,634)	(2,746,130)	-	-	(55,850,764)
Machinery and equipment	(11,942,400)	(698,536)	495,456	-	(12,145,480)
Right to use assets:					
Subscriptions	-	(218,985)	-	-	(218,985)
Machinery and equipment	(1,353,353)	(614,338)	282,182	-	(1,685,509)
Total accumulated depreciation	(77,914,530)	(5,045,599)	777,638	-	(82,182,491)
Total capital assets being depreciated, net	47,772,547	(1,034,340)	-	8,431,162	55,169,369
Governmental capital assets, net	\$ 84,092,282	\$ 20,215,071	\$ -	\$ (2,551)	\$ 104,304,802

Depreciation was charged to functions as follows:

Governmental activities:		
General government	\$	1,278,980
Public safety		3,016,378
Highway and streets		277,864
Culture and recreation		472,377
Total	\$	5,045,599

The following is a summary of the changes in the business-type activities' capital assets during the fiscal year ended September 30, 2023:

	9/30/2022	Additions	Deletions	Transfers/ Adjustments	9/30/2023
Capital assets, not being depreciated:					
Land	\$ 6,125,273	\$ -	\$ -	\$ -	\$ 6,125,273
Construction in progress	<u>2,600,622</u>	<u>138,373</u>	<u>-</u>	<u>-</u>	<u>2,738,995</u>
Total capital assets not being depreciated	<u>8,725,895</u>	<u>138,373</u>	<u>-</u>	<u>-</u>	<u>8,864,268</u>
Capital assets, being depreciated:					
Building and improvements	45,131,595	-	-	-	45,131,595
Machinery and equipment	6,073,138	1,429,048	(356,772)	-	7,145,414
Water works and sewer system	<u>39,929,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,929,593</u>
Total capital assets being depreciated	<u>91,134,326</u>	<u>1,429,048</u>	<u>(356,772)</u>	<u>-</u>	<u>92,206,602</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,893,131)	(1,168,214)	-	-	(4,061,345)
Machinery and equipment	(5,045,210)	(187,812)	356,772	-	(4,876,250)
Water works and sewer system	<u>(35,988,846)</u>	<u>(1,431,230)</u>	<u>-</u>	<u>-</u>	<u>(37,420,076)</u>
Total accumulated depreciation	<u>(43,927,187)</u>	<u>(2,787,256)</u>	<u>356,772</u>	<u>-</u>	<u>(46,357,671)</u>
Total capital assets being depreciated, net	<u>47,207,139</u>	<u>(1,358,208)</u>	<u>-</u>	<u>-</u>	<u>45,848,931</u>
Total business-type capital assets, net	<u>\$ 55,933,034</u>	<u>\$ (1,219,835)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,713,199</u>

Depreciation was charged to functions as follows:

Business-type activities:	
Water and sewer fund	\$ 2,223,960
Drainage fund	<u>563,296</u>
Total	<u>\$ 2,787,256</u>

VII. INTERFUND TRANSACTIONS

In 2023, the General Fund charged the Water and Sewer Proprietary Fund and the Drainage Utility Proprietary Fund a franchise fee equal to 8.5% of gross revenues based upon budgeted amounts. The franchise fee is recorded as tax revenue by the General Fund and an operating expense by both the Water and Sewer Fund and Drainage Utility Fund. The amount of the franchise fees charged in 2023 are as follows:

Fund	Franchise Fees
Water and Sewer Proprietary Fund	\$ 1,100,004
Drainage Utility Proprietary Fund	<u>132,000</u>
Total	<u>\$ 1,232,004</u>

The General Fund charges various funds an administrative fee for certain general and administrative services. Administrative charges are recorded as service revenue by the General Fund and operating expenses by the paying funds. The 2023 administrative fees were as follows:

Fund	Administrative Charges
Water and Sewer Fund	\$ 780,000
Drainage Utility Fund	<u>200,004</u>
Total	<u>\$ 980,004</u>

Discretely Presented Component Units

Crime Control Prevention District	\$ 39,600
Total	<u>\$ 39,600</u>

Interfund transfers during the year ended September 30, 2023 were as follows:

Transfer from:	Transfer to:	Amount
Drainage	General	\$ 120,000
Nonmajor Governmental	General	39,000
Street Reconstruction Capital Projects	General	900,000
Water and Sewer	General	459,996
General	Capital Improvement	600,000
Street Reconstruction Capital Projects	Drainage	5,000,004
General	Nonmajor Governmental	858,492
Water and Sewer	Governmental activities	<u>1,530,000</u>
Total		<u>\$ 9,507,492</u>

Transfers are primarily used to move funds from:

- The Water and Sewer and Drainage Utility Fund to the General Fund for a payment in lieu of taxes.
- The General Fund to the Capital Replacement Fund for future purchase of vehicles and equipment.
- The Water and Sewer fund to Governmental Activities for transfer of debt.

Interfund receivables, payables, and transfers are reported in the governmental activities and business-type activities fund financial statements. In the entity-wide statements, interfund receivables, payables, and transfers are eliminated within the governmental and business-type activities columns, as appropriate.

The composition of interfund balances as of September 30, 2023 consisted of \$82,864 owed to the General Fund from the nonmajor governmental funds. 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.

VIII. LONG-TERM LIABILITIES

Changes in Outstanding Debt

During the year ending September 30, 2023, the following changes in liabilities occurred:

	Beginning	Increases	Reductions	Transfers	Ending	Due Within One Year
Governmental Activities:						
<u>Publicly sold bonds</u>						
Certificates of obligation	\$ 14,555,000	\$ -	\$ 540,000	\$ -	\$ 14,015,000	\$ 535,000
General obligation bonds	<u>68,090,000</u>	<u>-</u>	<u>2,650,000</u>	<u>(1,530,000)</u>	<u>63,910,000</u>	<u>3,060,000</u>
Total publicly sold	<u>82,645,000</u>	<u>-</u>	<u>3,190,000</u>	<u>(1,530,000)</u>	<u>77,925,000</u>	<u>3,595,000</u>
<u>Direct placement bonds</u>						
Certificates of obligation	1,655,000	-	320,000	-	1,335,000	330,000
General obligation bonds	<u>3,145,000</u>	<u>-</u>	<u>1,020,000</u>	<u>-</u>	<u>2,125,000</u>	<u>760,000</u>
Total direct placements	<u>4,800,000</u>	<u>-</u>	<u>1,340,000</u>	<u>-</u>	<u>3,460,000</u>	<u>1,090,000</u>
<u>Other long-term debt</u>						
Premium on bond issuances	5,774,575	-	605,916	-	5,168,659	-
Leases	1,319,192	836,251	616,002	-	1,539,441	589,945
SBITAs	48,448	1,629,234	211,972	-	1,465,710	179,184
Compensated absences	<u>3,496,292</u>	<u>2,486,365</u>	<u>2,530,323</u>	<u>-</u>	<u>3,452,334</u>	<u>690,467</u>
Total other long-term debt	<u>10,638,507</u>	<u>4,951,850</u>	<u>3,964,213</u>	<u>-</u>	<u>11,626,144</u>	<u>1,459,596</u>
Total governmental activities	<u>\$ 98,083,507</u>	<u>\$ 4,951,850</u>	<u>\$ 8,494,213</u>	<u>\$ (1,530,000)</u>	<u>\$ 93,011,144</u>	<u>\$ 6,144,596</u>
Business-Type Activities:						
<u>Publicly sold bonds</u>						
Certificates of obligation	\$ 5,105,000	\$ -	\$ 435,000	\$ -	\$ 4,670,000	\$ 450,000
General obligation bonds	<u>550,000</u>	<u>-</u>	<u>205,000</u>	<u>1,530,000</u>	<u>1,875,000</u>	<u>215,000</u>
Total publicly sold	<u>5,655,000</u>	<u>-</u>	<u>640,000</u>	<u>-</u>	<u>6,545,000</u>	<u>665,000</u>
<u>Direct placement bonds</u>						
Certificates of obligation	1,265,000	-	280,000	-	985,000	295,000
General obligation bonds	<u>2,745,000</u>	<u>-</u>	<u>595,000</u>	<u>-</u>	<u>2,150,000</u>	<u>585,000</u>
Total direct placements	<u>4,010,000</u>	<u>-</u>	<u>875,000</u>	<u>-</u>	<u>3,135,000</u>	<u>880,000</u>
<u>Other long-term debt</u>						
Premium on bond issuances	227,811	-	76,094	-	151,717	-
Compensated absences	<u>435,112</u>	<u>262,098</u>	<u>297,716</u>	<u>-</u>	<u>399,494</u>	<u>79,899</u>
Total other long-term debt	<u>662,923</u>	<u>262,098</u>	<u>373,810</u>	<u>-</u>	<u>551,211</u>	<u>79,899</u>
Total business-type activities	<u>\$ 10,327,923</u>	<u>\$ 262,098</u>	<u>\$ 1,888,810</u>	<u>\$ -</u>	<u>\$ 10,231,211</u>	<u>\$ 1,624,899</u>
Crime Control District:						
<u>Other long-term debt</u>						
Compensated absences	\$ 54,083	\$ 82,492	\$ 34,648	\$ -	\$ 101,927	\$ 20,385
Total crime control district	<u>\$ 54,083</u>	<u>\$ 82,492</u>	<u>\$ 34,648</u>	<u>\$ -</u>	<u>\$ 101,927</u>	<u>\$ 20,385</u>

The ordinances authorizing the issuance of the Combination Tax and Limited Pledge Revenue Certificates of Obligation, and the General Obligation Refunding Bonds require that the City's ad valorem tax revenues be enough to generate net revenues sufficient to provide for the payment of the debt service requirements of the bonds issued. The City is in compliance with all requirements of the ordinances for the year ended September 30, 2023.

The liability for compensated absences is fully liquidated by the fund in which the employee was employed upon retirement.

The City's direct borrowings (leases payable) related to governmental activities are secured with equipment as collateral. The City's revenue bonds are collateralized by the revenue of the combined utility system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used, first, to pay operating and maintenance expenses of the system and, second, to establish and maintain the revenue bond funds.

Should the City default on its outstanding bonds, any registered owner of the bonds is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring specific performance from the City.

Long-term debt of the City consists of refunding bonds, certificates of obligation, contractual obligations, tax notes, leases payable, SBITAs, and obligations under compensated absence agreements. At September 30, 2023, total outstanding bonds and tax notes consisted of the following:

	Governmental Activities	Due Within One Year	Business-Type Activities	Due Within One Year
\$2,000,000 Series 2006 General Obligation Bonds, dated September 25, 2006; due in annual installments of \$50,000 to \$140,000; through February 1, 2025; interest at 4.00%	\$ 275,000	\$ 135,000	\$ -	\$ -
\$5,450,000 Series 2006 Certificates of Obligation, dated September 25, 2006; due in annual installments of \$180,000 to \$490,000; through February 1, 2026; interest at 4.00%	210,000	65,000	755,000	240,000
\$6,500,000 Series 2007 Certificates of Obligation, dated October 18, 2007; due in annual installments of \$250,000 to \$635,000; through February 1, 2027; interest at 3.90%	1,125,000	265,000	230,000	55,000
\$4,955,000 Series 2013 General Obligation Refunding Bonds, dated December 19, 2013; due in annual installments of \$420,000 to \$495,000; through February 1, 2025, interest at 2.29%, issued at par value	915,000	465,000	-	-
\$3,900,000 Series 2014 General Obligation Refunding Bonds, dated May 14, 2014; due in annual installments of \$50,000 to \$455,000; through February 1, 2029, interest at 2.16%, issued at par value	305,000	55,000	545,000	370,000
\$1,575,000 Series 2014 General Obligation Bonds, dated September 25, 2014; due in annual installments of \$105,000; through September 30, 2029, interest at 2.39%, issued at par value	630,000	105,000	-	-
\$7,970,000 Series 2017 General Obligation and Refunding Bonds, dated January 9, 2017; due in annual installments of \$530,000 to \$965,000; through August 1, 2028; interest at 3.00% to 4.00%	2,700,000	565,000	465,000	85,000
\$6,720,000 Series 2018 Non BQ, Water Meter CO's due 2/1/2032	-	-	4,670,000	450,000
\$7,460,000 Series 2019 General Obligation Bond, due 2/1/2034	3,465,000	250,000	-	-
\$5,730,000 Series 2020 Combination Tax and Limited Pledge Revenue Certificates of Obligation, dated July 15, 2020; due in annual installments of \$240,000 to \$400,000; through September 30, 2040, interest at 2.0%, issued at a premium of \$429,778	4,890,000	230,000	-	-
\$2,230,000 Series 2020 General Obligation Refunding Bonds, dated December 15, 2019; due in annual installments of \$200,000 to \$240,000; through February 1, 2030; interest at 1.98%	-	-	1,605,000	215,000

	Governmental Activities	Due Within One Year	Business-Type Activities	Due Within One Year
\$6,340,000 Series 2021 General Obligation Refunding Bonds, dated January 1, 2021; due in annual installments of \$520,000 to \$625,000; through February 1, 2032; interest at 1.00% to 4.00%.	\$ 5,210,000	\$ 595,000	\$ -	\$ -
\$27,820,000 Series 2021 General Obligation Bonds, dated August 1, 2021; due in annual installments of \$450,000 to \$2,025,000; through February 1, 2046; interest at 2.00% to 5.00%	25,345,000	500,000	-	-
\$5,445,000 Series 2021A General Obligation Refunding Bonds, dated October 25, 2021; due in annual installments of \$290,000 to \$615,000; through February 1, 2033; interest at 2.00% to 5.00%	3,580,000	390,000	1,410,000	130,000
\$24,110,000 Series 2022 General Obligation Bonds, dated August 8, 2022; due in annual installments of \$500,000 to \$1,350,000; through February 1, 2044; interest at 4.00% to 5.00%	23,610,000	760,000	-	-
\$9,440,000 Series 2022 Certificates of Obligation, dated August 8, 2022; due in annual installments of \$315,000 to \$690,000; through February 1, 2042; interest at 4.00% to 5.00%	9,125,000	305,000	-	-
Premium on issuance of debt	5,168,659	-	151,717	-
Total bonds and notes outstanding	<u>\$ 86,553,659</u>	<u>\$ 4,685,000</u>	<u>\$ 9,831,717</u>	<u>\$ 1,545,000</u>

Repayment of Long-Term Obligations

Retirement of the notes, bonds, certificates of obligation, and contractual obligations used in governmental activities is provided from taxes allocated for debt service together with interest earned within the debt service fund. Revenue bonds are retired from net revenues of the enterprise fund and certain certificates of obligation and tax notes are retired through sales taxes. The retirement of compensated absences are provided by financial resources of the general and proprietary funds.

Annual debt service requirements to amortize all obligations outstanding, except employee benefits and leases payable, as of September 30, 2023, follow:

Year Ending September 30	Governmental Activities					
	Publicly Sold			Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 3,595,000	\$ 2,687,050	\$ 6,282,050	\$ 1,090,000	\$ 89,533	\$ 1,179,533
2025	3,310,000	2,554,250	5,864,250	1,090,000	56,683	1,146,683
2026	4,045,000	2,416,319	6,461,319	515,000	31,321	546,321
2027	3,755,000	2,270,338	6,025,338	455,000	14,824	469,824
2028	3,950,000	2,112,463	6,062,463	155,000	5,384	160,384
2029-2033	17,915,000	8,287,438	26,202,438	155,000	1,795	156,795
2034-2038	15,455,000	5,360,338	20,815,338	-	-	-
2039-2043	15,860,000	2,831,719	18,691,719	-	-	-
2044-2048	<u>10,040,000</u>	<u>616,863</u>	<u>10,656,863</u>	-	-	-
Total	<u>\$ 77,925,000</u>	<u>\$ 29,136,775</u>	<u>\$ 107,061,775</u>	<u>\$ 3,460,000</u>	<u>\$ 199,539</u>	<u>\$ 3,659,539</u>

Year Ending September 30	Business-Type Activities					
	Publicly Sold			Notes for Direct Borrowings and Direct Placements		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service
2024	\$ 665,000	\$ 220,100	\$ 885,100	\$ 880,000	\$ 70,724	\$ 950,724
2025	690,000	194,875	884,875	705,000	48,487	753,487
2026	715,000	165,400	880,400	545,000	29,649	574,649
2027	750,000	134,750	884,750	290,000	17,604	307,604
2028	780,000	106,375	886,375	235,000	11,831	246,831
2029-2033	<u>2,945,000</u>	<u>176,025</u>	<u>3,121,025</u>	<u>480,000</u>	<u>9,504</u>	<u>489,504</u>
Total	<u>\$ 6,545,000</u>	<u>\$ 997,525</u>	<u>\$ 7,542,525</u>	<u>\$ 3,135,000</u>	<u>\$ 187,798</u>	<u>\$ 3,322,798</u>

Leases Payable

Governmental activities:

A summary of leases payable as of September 30, 2023, are as follows:

<u>Governmental Activities</u>	Interest Rates	Initial Year of Lease	Interest Current Year	Amounts Outstanding
Right to use:				
Server equipment	2.60%	2022	\$ -	\$ 196,438
Vehicles	0.25 - 0.48%	Various	3,677	1,308,421
Office equipment	2.09%	Various	-	34,582
Total			\$ 3,677	\$ 1,539,441

The future principal and interest lease payments as of September 30, 2023, are as follows:

Year Ending September 30	Governmental Activities - Leases		
	Principal	Interest	Total
2024	\$ 589,945	\$ 29,430	\$ 619,375
2025	434,473	21,952	456,425
2026	306,843	14,478	321,321
2027	199,913	7,194	207,107
2028	8,267	1,823	10,090
Total	<u>\$ 1,539,441</u>	<u>\$ 74,877</u>	<u>\$ 1,614,318</u>

Subscriptions Payable

Governmental activities:

A summary of subscription-based IT arrangements payable as of September 30, 2023, are as follows:

<u>Governmental Activities</u>	Interest Rates	Initial Year of Subscription	Interest Current Year	Amounts Outstanding
Right to use:				
Software	2.60%	Various	\$ 1,007	\$ 1,465,710
Total			\$ 1,007	\$ 1,465,710

The future principal and interest lease payments as of September 30, 2023, are as follows:

Year Ending September 30	Governmental Activities - SBITA		
	Principal	Interest	Total
2024	\$ 179,184	\$ 41,780	\$ 220,964
2025	146,483	36,964	183,447
2026	150,661	32,786	183,447
2027	154,959	28,488	183,447
2028	159,380	24,067	183,447
2029-2032	675,043	49,489	724,532
Total	<u>\$ 1,465,710</u>	<u>\$ 164,085</u>	<u>\$ 1,629,795</u>

Reserve Requirement

Water and Sewer System Revenues bond ordinances establish a Reserve Fund that must be maintained by the City. The total amount to be accumulated in the Reserve Fund is the average principal and interest on said bonds or equal parity bonds. The City issued surety bond insurance policies for the substitution of the reserve requirement as set forth in the bond ordinances. These bonds were paid off during 2014.

As of September 30, 2023, the City had no general obligation bonds which were authorized and unissued.

IX. DEFINED BENEFIT PENSION PLAN

Plan Descriptions. The City participates as one of 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas.

TMRS administers a defines net benefit cash-balance plan for the eligible employees of 919 participating cities. Under GASB, TMRS is an agent multiple-employer public employee retirement system. 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.

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

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, 5 years at age 60 and above
Updated service credit	100% Repeating transfers
Annuity increases (to retirees)	70% of CPI Repeating

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	259
Inactive employees entitled to but not yet receiving benefits	169
Active employees	<u>255</u>
Total	<u><u>683</u></u>

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year, respectively. The contribution rates for the City were 19.23% and 19.03% in calendar years 2023 and 2022, respectively. The City's total contributions to TMRS for the year ended September 30, 2023, were \$4,264,204.

Net Pension Liability. The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.50% to 11.50%, including inflation
Investment Rate of Return	6.75%

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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).

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	<u>10.0%</u>	10.00%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in the 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.

Changes in the Net Pension Liability

Primary Government:	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	\$	\$	\$
Balance at 12/31/2021	\$ 141,262,746	\$ 131,836,676	\$ 9,426,070
Changes for the year:			
Service cost	3,634,320	-	3,634,320
Interest	9,437,862	-	9,437,862
Difference between expected and actual experience	3,298,007	-	3,298,007
Contributions - employer	-	3,918,960	(3,918,960)
Contributions - employee	-	1,443,828	(1,443,828)
Net investment income	-	(9,624,412)	9,624,412
Benefit payments, including refunds of employee contributions	(6,519,439)	(6,519,439)	-
Administrative expense	-	(83,277)	83,277
Other changes	-	99,374	(99,374)
Net changes	<u>9,850,750</u>	<u>(10,764,966)</u>	<u>20,615,716</u>
Balance at 12/31/2022	<u>\$ 151,113,496</u>	<u>\$ 121,071,710</u>	<u>\$ 30,041,786</u>

Component Unit:	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	\$	\$	\$
Balance at 12/31/2021	\$ 1,788,136	\$ 1,668,819	\$ 119,317
Changes for the year:			
Service cost	46,004	-	46,004
Interest	119,467	-	119,467
Difference between expected and actual experience	41,747	-	41,747
Contributions - employer	-	49,607	(49,607)
Contributions - employee	-	18,276	(18,276)
Net investment income	-	(121,828)	121,828
Benefit payments, including refunds of employee contributions	(82,525)	(82,525)	-
Administrative expense	-	(1,054)	1,054
Other changes	-	1,258	(1,258)
Net changes	<u>124,693</u>	<u>(136,266)</u>	<u>260,959</u>
Balance at 12/31/2022	<u>\$ 1,912,829</u>	<u>\$ 1,532,553</u>	<u>\$ 380,276</u>

The net pension liability for governmental activities is primarily liquidated by the General Fund.

The following presents the net pension liability of the City and the discretely presented component unit, calculated using the discount rate of 6.75%, as well as what the City's and discretely presented component unit's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease in Discount Rate (5.75%)	1% Increase in Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 51,347,118	\$ 30,041,786	\$ 12,522,946
Component unit's net pension liability	649,964	380,276	158,518
Total	<u>\$ 51,997,082</u>	<u>\$ 30,422,062</u>	<u>\$ 12,681,464</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmrss.com.

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

For the year ended September 30, 2023, the City recognized pension expense of \$6,159,589. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,359,829	\$ 189,907
Difference between projected and actual investment earnings	8,356,512	-
Contributions subsequent to the measurement date	<u>3,086,914</u>	-
Total	<u>\$ 14,803,255</u>	<u>\$ 189,907</u>

For the year ended September 30, 2023, the discretely presented component unit recognized pension expense of \$77,969. At September 30, 2023, the discretely presented component unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 42,529	\$ 2,404
Difference between projected and actual investment earnings	105,779	-
Contributions subsequent to the measurement date	<u>39,076</u>	-
Total	<u>\$ 187,384</u>	<u>\$ 2,404</u>

For the City and component unit, amounts reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended September 30,	City	Component Unit	
2024	\$ 1,583,294	\$ 20,042	
2025	3,348,655	42,388	
2026	2,889,807	36,580	
2027	3,704,678	46,894	

X. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Employee Post-Employment Benefit Plans

The City of Haltom City, Texas participates in two post-employment benefit plans; Texas Municipal Retirement System (TMRS) single-employer defined benefit Other Postemployment Benefit (OPEB) plan and a and a retiree health care agent multi-employer plan as defined by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Both plans are described in detail below. Aggregate amounts for the two OPEB plans are as follows:

	TMRS SDBF	Retiree Health	Total
<u>City:</u>			
OPEB liability	\$ 886,804	\$ 4,102,758	\$ 4,989,562
Deferred outflows of resources	175,535	802,744	978,279
Deferred inflows of resources	417,653	1,329,611	1,747,264
OPEB expense	52,393	241,942	294,335
<u>Component Unit:</u>			
OPEB liability	\$ 11,227	\$ 51,934	\$ 63,161
Deferred outflows of resources	2,222	10,161	12,383
Deferred inflows of resources	5,287	16,831	22,118
OPEB expense	663	3,063	3,726

TMRS Supplemental Death Benefits Fund

Plan Description. The City voluntarily participates in the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF). The SDBF is a single-employer defined benefit Other Postemployment Benefit (OPEB) plan as defined by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. It is established and administered in accordance with the TMRS Act identically to the City's pension plan.

Benefits Provided. Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. 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 other post-employment benefit and is a fixed amount of \$7,500.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	164
Inactive employees entitled to but not yet receiving benefits	26
Active employees	255
Total	445

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.35% for 2023 and 0.23% for 2023, of which 0.15% and 0.13%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. 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 prefund retiree term life insurance during employees' entire careers. The City's retiree-only portion of contributions to the SDBF for the years ended September 30, 2023 and 2022 were \$25,680 and \$23,204, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Total OPEB Liability. The City's total OPEB liability was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Measurement year ended December 31,	2022
Inflation rate	2.50% per annum
Actuarial cost method	Entry Age Normal Method
Discount rate	4.05%
Projected salary increases	3.50% to 11.50% including inflation

Administrative expenses for the SDBF are paid through the TMRS pension trust fund and are wholly accounted for under provisions of GASB Statement No. 68.

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 107.5% and female rates multiplied by 107.5%. 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 male rates multiplied by 107.5% and female rates multiplied by 107.5% with a 3-year set-forward for both males and females. In addition, a 3.5% and 3% minimum mortality rate is applied to reflect the impairment for younger members who became disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Changes in assumptions reflect the annual change in the municipal bond rate. The actuarial assumptions used in the December 31, 2022, valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 2.00% was used to measure the Total OPEB Liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022.

Discount Rate Sensitivity Analysis. The following presents the Total OPEB Liability of the City and discretely presented component unit, calculated using the discount rate of 4.05%, as well as what the City's and discretely presented component unit's total OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease in	1% Increase in	
	Discount Rate (3.05%)	Discount Rate (4.05%)	Discount Rate (5.05%)
City's total OPEB liability	\$ 1,053,070	\$ 886,804	\$ 755,980
City's total OPEB liability	13,330	11,227	9,569
Total	<u>\$ 1,066,400</u>	<u>\$ 898,031</u>	<u>\$ 765,549</u>

Changes in the Total OPEB Liability

	Total OPEB Liability	
	City	Component Unit
Balance at 12/31/2021	\$ 1,257,757	\$ 15,921
Changes for the year:		
Service cost	61,879	783
Interest	23,465	297
Differences between expected and actual experience	2,092	26
Changes of assumptions	(431,575)	(5,463)
Benefit payments	(26,814)	(337)
Net changes	(370,953)	(4,694)
Balance at 12/31/2022	<u>\$ 886,804</u>	<u>\$ 11,227</u>

The total OPEB liability for governmental activities is primarily liquidated by the General Fund.

Changes in actuarial assumptions and other inputs reflect a change in the discount rate from 1.84% to 4.05%.

OPEB Expense and Deferred Outflows of Resources Related to OPEB. For the year ended September 30, 2023, the city recognized OPEB expense of \$46,175 for governmental activities, and \$6,218 for business-type activities. At September 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 9,115	\$ 51,430
Changes in actuarial assumptions	148,253	366,223
Contributions subsequent to the measurement date	18,167	-
Totals	\$ 175,535	\$ 417,653

For the year ended September 30, 2023, the component unit recognized OPEB expense of \$663. At September 30, 2023, the component unit reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 115	\$ 651
Changes in actuarial assumptions	1,877	4,636
Contributions subsequent to the measurement date	230	-
Totals	\$ 2,222	\$ 5,287

For the City and component unit, amounts 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 total OPEB liability for the year ending September 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30	City	Component Unit
2024	\$ (41,761)	\$ (529)
2025	(42,996)	(544)
2026	(54,512)	(690)
2027	(72,280)	(915)
2028	(48,736)	(617)

XI. OTHER POSTEMPLOYMENT BENEFITS

Post-retirement Health Care Benefits

Plan Description.

Full-time employees of the City who retire from the Texas Municipal Retirement System (TMRS) are eligible to participate in the retiree health care plan. The requirement as defined by TMRS is any age with 20 years of service or 5 years of service for age 60 and above. Under State law, the City must offer health insurance to full-time employees that retire through our pension system, the Texas Municipal Retirement System. This affords the option to continue insurance, but the retiree must pay the full premiums for coverage unless eligible for additional coverage as outlined below.

The City established by ordinance the healthcare plan that covers retired employees of the City. The City established an irrevocable trust and contracted with an administrator, Public Agencies Retirement Services (PARS), as well as a custodial bank, to manage the plan's assets. Because plan assets are pooled by PARS with those of other plans for investment, the City's plan assets meet the criteria of an agent multiple-employer plan under GASB Statement No. 75.

Benefits Provided.

A retiree who worked as a full-time employee for a minimum of twenty (20) years may receive up to \$350 per month as reimbursement for retiree health care. The retiree can remain on the City's health plan and receive up to \$350 per month or purchase insurance elsewhere and provide proof of coverage and cost in order to receive up to \$350 per month for the cost of health care coverage.

If the actual monthly cost is less than \$350 per month, then the payment is capped at the total monthly cost. The maximum contribution by the City with twenty years of full-time service is \$350 per month.

For the fiscal year ended September 30, 2023, the City's contributions to the plan were \$351,619, which consisted only of benefit payments of \$351,619, which were paid by the City using its own assets.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefit	62
Inactive employees entitled to but not yet receiving benefit	-
Active employees	<u>245</u>
Total	<u><u>307</u></u>

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	12/31/2022
Actuarial Cost Method	Individual Entry Age Normal Cost Method
Discount Rate	6.50% as of December 31, 2022
Inflation Rate	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS)
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.
Participation Rates	85% for retirees with over 20 years of City service at retirement; 5% for retirees with less than 20 years of City service at retirement; and 60% of non-Medicare retirees are assumed to remain on the City's health plan.
Health care cost trend rates	Initial rates of 7.00%, declining to ultimate rate of 4.25% after 13 years. The City's \$350/month explicit subsidy is not expected to increase in future years.
Note:	The health care trend rates were updated to better reflect the plan's anticipated experience.

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

There is no separately issued audited benefit plan report available for the City's OPEB plan.

Discount Rate

A Single Discount Rate of 6.50% was used to measure the total OPEB liability. This Single Discount Rate was based on a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.50%; the municipal bond rate is 1.84% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-year Municipal GO AA Index"); and the resulting single discount rate is 6.50%.

The City's funding policy is to contribute \$200,000 every other fiscal year.

Changes in the Net OPEB Liability

Primary Government:	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 12/31/2021	\$ 7,972,112	\$ 4,235,136	\$ 3,736,976
Changes for the year:			
Service cost	200,136	-	200,136
Interest	513,407	-	513,407
Benefit Terms	-	-	-
Difference between expected and actual experience	(823,891)	-	(823,891)
Changes of assumptions	165,985	-	165,985
Contributions - employer	-	347,224	(347,224)
Net investment income	-	(644,522)	644,522
Benefit payments	(347,224)	(347,224)	-
Administrative expense	-	(12,847)	12,847
Net changes	(291,587)	(657,369)	365,782
Balance at 12/31/2022	<u>\$ 7,680,525</u>	<u>\$ 3,577,767</u>	<u>\$ 4,102,758</u>

Component Unit:	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 12/31/2021	\$ 100,913	\$ 53,609	\$ 47,304
Changes for the year:			
Service cost	2,533	-	2,533
Interest	6,499	-	6,499
Benefit Terms	-	-	-
Difference between expected and actual experience	(10,429)	-	(10,429)
Changes of assumptions	2,101	-	2,101
Contributions - employer	-	4,395	(4,395)
Net investment income	-	(8,159)	8,159
Benefit payments	(4,395)	(4,395)	-
Administrative expense	-	(162)	162
Net changes	(3,691)	(8,321)	4,630
Balance at 12/31/2022	<u>\$ 97,222</u>	<u>\$ 45,288</u>	<u>\$ 51,934</u>

The total OPEB liability for governmental activities is primarily liquidated by the General Fund.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.05%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
City's total OPEB Liability	\$ 4,986,651	\$ 4,102,758	\$ 3,341,803
Component unit's total OPEB Liability	63,122	51,934	42,301
Total	<u>\$ 5,049,773</u>	<u>\$ 4,154,692</u>	<u>\$ 3,384,104</u>

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the net OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the net OPEB liability.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
City's total OPEB Liability	\$ 3,704,768	\$ 4,102,758	\$ 4,561,649
Component unit's total OPEB Liability	46,896	51,934	57,742
Total	<u>\$ 3,751,664</u>	<u>\$ 4,154,692</u>	<u>\$ 4,619,391</u>

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs

At September 30, 2023, the City reported a liability of \$4,154,692 for its net OPEB Liability. The net OPEB Liability was determined by an actuarial valuation as of December 31, 2022. The City recognized OPEB expense of \$238,831 for governmental activities, \$3,112 for business-type activities and \$3,063 for the component unit. There were no changes of benefit terms that affected measurement of the net OPEB liability during the measurement period.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience, liability	\$ 11,685	\$ 1,151,662
Changes in assumptions	144,348	177,949
Difference between expected and actual experience, assets	428,365	-
Contributions subsequent to the measurement date	218,346	-
Totals	<u>\$ 802,744</u>	<u>\$ 1,329,611</u>

At September 30, 2023, the Component Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience, liability	\$ 148	\$ 14,578
Changes in assumptions	1,827	2,253
Difference between expected and actual experience, assets	5,422	-
Contributions subsequent to the measurement date	2,764	-
Totals	<u>\$ 10,161</u>	<u>\$ 16,831</u>

For the City and discretely presented component unit, amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the City paid with own assets and will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2024. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	City	Component Unit
2024	\$ (270,138)	\$ (3,419)
2025	(161,489)	(2,044)
2026	(119,122)	(1,508)
2027	50,691	642
2028	(99,547)	(1,260)
Thereafter	(145,608)	(1,845)

XII. RISK MANAGEMENT

The Texas Municipal League Intergovernmental Risk Pool (TMLIRP) provides statutory workers compensation coverage in accordance with the terms of Chapter 504 Texas Labor Code. Haltom City has a self-insured retention (SIR) or large deductible program in the amount of \$100,000 per accident claim. There is no aggregate limit. TMLIRP serves as the 3rd party administrator for these claims. The Pool pays for any claims up to the SIR and the City gets invoiced. TMLIRP provides statutory excess coverage for each claim over the SIR. Limits for workers' compensation employee benefits are set in the law. The pooling mechanism assists with stabilizing these rates for the members. The SIR or deductible credit is calculated and used in the total annual standard contribution cost.

TMLIRP Liability Fund Coverages will pay on behalf of Haltom City or covered party for damages or sums the City is legally obligated or responsible to pay for 3rd party occurrences due to bodily injury or property damage (General Liability, deductible of \$5,000), bodily injury or property damage arising from law enforcement activities (Law Enforcement Liability, deductible of \$5,000), civil claims or wrongful acts (Errors and Omissions, deductible of \$5,000), ownership or use of an automobile (Auto Liability, deductible of \$5,000), comprehensive and collision (Auto Physical Damage, deductible of \$1,000) and Public Employee Dishonesty coverage (deductible of \$1,000) are also provided to respond to 3rd party damages and loss.

Auto Catastrophe Coverage applies to non-collision losses, including hail, involving two or more vehicles. Each occurrence deductible for Auto Physical Damage does not apply to hail loss. The auto catastrophe deductible is \$25,000 per occurrence.

Property coverage is the broadest form of coverage available. Special Form is the most inclusive property coverage option which includes full Replacement Cost (RC). RC is limited to no more than 150% of the reported value on the property schedule. The per occurrence deductible (\$1,000 dollars) includes wind and hail. All perils are covered for physical loss of or damage to the City's scheduled or insured properties except those that are specifically excluded. Common exclusions are wear and tear, faulty design or workmanship, neglect, war, and intentional acts. Flood and Earthquake deductible is \$25,000 or 1% of building value, whichever is greater, with a \$5 million limit for flood and a \$10 million limit for earthquakes. Property coverage also includes Boiler and Machinery which has a deductible of \$5,000 and Mobile Equipment (loaders, backhoes, etc.) which has a deductible of \$5,000.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claims settlement trends, including frequency and amount of payouts and other economic and social factors. The liabilities are due within one year of the date of the statement of net position. Changes in the claims liability for fiscal year 2023 and 2022 are listed as follows:

	2023	2022
Claims payable, beginning of year	\$ 1,316,229	\$ 878,254
Current year claims and changes in estimates	279,528	744,854
Payments on claims	136,720	306,879
Claims payable, end of year	<u>\$ 1,459,037</u>	<u>\$ 1,316,229</u>

XIII. COMMITMENTS AND CONTINGENT LIABILITIES

On September 30, 2023, the City had a remaining contractual commitment of \$32.9 million to finalize the construction of two vital projects: the new Haltom City Law Enforcement building and the new Haltom City - City Hall building. Both are expected to be completed within one year and were funded by voter approved bonds.

In March of 2022, the City entered into a 48-month financing arrangement for the purchase of Dark Fiber service. As of September 30, 2023, the remaining obligation amount is \$1.3 million.

The City entered into a twenty-two year contract with the City of Fort Worth for the treatment and transportation of sanitary sewage in 2018. Pursuant to the terms of this agreement, payments are structured on a per-connection basis, reflecting the usage and demand for these crucial services. In the fiscal year 2023, payments made under this contract totaled approximately \$3.8 million. These payments are duly recognized as operating expenses within the financial records of the Water and Sewer Fund.

Haltom City entered into a twenty-year contract with the City of Fort Worth for the purchase of water in 2010. Under the terms of the contract, the City is obligated to make a minimum annual payment, subject to adjustment under certain conditions as provided in the contract, of approximately \$50,000. For the fiscal year 2023, payments made under this contractual arrangement amounted to approximately \$4.3 million. These payments are recognized as operating expenses within the financial records of the Water and Sewer Fund, reflecting the ongoing operational costs associated with securing a reliable water supply.

The City is a defendant in several legal actions involving various claims incident to the conduct of the City's operations. Management does not expect the City to suffer any material liability by reason of such actions.

The City has participated in a number of state and federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

XIV. PROPERTY TAX ABATEMENTS

Tax abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. In 1990, the City Council adopted a resolution setting guidelines and criteria for granting abatements in the reinvestment zones which specifically notes incentives are limited to companies which create new wealth and do not adversely affect existing businesses operating within the City. The abatement agreements authorize the appraisal district to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement.

XV. 380 AGREEMENTS

At times when alternate incentives may be preferable to a tax abatement, the City Council has the authority under Chapter 380 of the Texas Local Government Code to create a custom incentive in order to accomplish specific economic development goals. These incentives are considered on a case-by-case basis and may be considered based on: a certain number of net new jobs with wages above the City's median household; the relocation of a company promoting growth of targeted industry clusters such as high-tech companies; aviation/aerospace industry, or supply chain clusters supporting the City's existing primary employers; incentives for businesses causing infill redevelopment or other desirable development objectives; and/or any other activity which the City Council determines meets a specific public purpose for economic development.

- Lasiter and Lasiter Plumbing – The Company can purchase plumbing supplies through a Texas Direct Payment Permit which generates local sales tax revenue for the City that would otherwise not be available to the City. The original agreement was dated March 2007. The agreement was extended in 2017 for another ten-year period. This agreement will expire on March 31, 2027. The tax rebate amount for the current fiscal year was \$18,335.

XVI. NEW ACCOUNTING STANDARDS

Significant new accounting standards and guidance issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the District include the following:

The Government Accounting Standards Board (GASB) has amended the existing standards regarding capitalization thresholds for assets. The amended guidance for the capitalization threshold comes from GASB Implementation Guide 2021-1, Question 5.1. Capitalization policies adopted by governments include many considerations such as finding an appropriate balance between ensuring that all significant capital assets, collectively, are capitalized and minimizing the cost of recordkeeping for capital assets. A government should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. Computers, classroom furniture and library books are examples of asset types that may not meet a capitalization policy on an individual basis yet could be significantly collectively. In this example, if the \$150,000 aggregate amount (100 computers costing \$1,500 each) is significant, the government should capitalize the computers. The amended guidance is effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

GASB Statement No. 99, *Omnibus 2022* – The objective of this Statement is to correct practice issues identified during implementation and application of certain GASB Statements and financial reporting for financial guarantees. There are various effective dates 1.) upon issuance 2.) fiscal years beginning after June 15, 2022 and 3.) fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62 - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF HALTOM CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Property taxes	\$ 11,805,499	\$ 11,805,499	\$ 12,341,790	\$ 536,291
City sales taxes	12,749,000	12,749,000	14,113,396	1,364,396
Mixed beverage tax	23,100	23,100	37,157	14,057
Franchise taxes	3,536,220	3,536,220	3,775,230	239,010
Total	<u>28,113,819</u>	<u>28,113,819</u>	<u>30,267,573</u>	<u>2,153,754</u>
Licenses and permits:				
Electric	60,000	60,000	68,634	8,634
Plumbing A/C	111,700	111,700	78,189	(33,511)
Building/mobile home	824,000	1,092,400	1,039,849	(52,551)
Street/general contractor	73,500	73,500	93,495	19,995
Certificates of occupancy	15,000	15,000	25,500	10,500
Oil and gas	150,000	150,000	146,000	(4,000)
Garage sales permits	5,000	5,000	6,356	1,356
Special events permits	9,500	9,500	11,215	1,715
Alarm permits	30,000	30,000	225	(29,775)
Food truck permits	3,750	3,750	500	(3,250)
Total	<u>1,282,450</u>	<u>1,550,850</u>	<u>1,469,963</u>	<u>(80,887)</u>
Intergovernmental:				
State surtax on fines	35,000	35,000	45,864	10,864
Grants from other governments	<u>241,690</u>	<u>322,690</u>	<u>10,046,027</u>	<u>9,723,337</u>
Total	<u>276,690</u>	<u>357,690</u>	<u>10,091,891</u>	<u>9,734,201</u>
Fines and fees:				
Municipal court	618,620	618,620	914,470	295,850
Library	5,000	5,000	1,309	(3,691)
Warrants	80,000	80,000	84,421	4,421
Public hearing	15,000	15,000	13,500	(1,500)
False alarms	16,000	16,000	368	(15,632)
Total	<u>734,620</u>	<u>734,620</u>	<u>1,014,068</u>	<u>279,448</u>
Charges for services:				
Record duplication	6,500	6,500	2,375	(4,125)
Leased property	180,000	180,000	154,934	(25,066)
Grass cutting	20,000	20,000	68,761	48,761
Recreational activities/concessions	65,000	65,000	121,417	56,417
Kennel fees/vaccination	8,000	8,000	6,685	(1,315)
Admin/building/fleet services fees	1,366,146	1,319,646	1,139,604	(180,042)
Developer test/fire inspection	4,000	4,000	9,735	5,735
Nuisance abatement fees	3,000	3,000	-	(3,000)
Total	<u>1,652,646</u>	<u>1,606,146</u>	<u>1,503,511</u>	<u>(102,635)</u>
Oil and gas lease	120,000	120,000	86,446	(33,554)
Contributions	75	106	106	-
Interest and investment gains (losses)	115,036	63,936	1,954,457	1,890,521
Miscellaneous	<u>28,504</u>	<u>28,504</u>	<u>68,521</u>	<u>40,017</u>
Total				
Total revenues	<u>\$ 32,323,840</u>	<u>\$ 32,575,671</u>	<u>\$ 46,456,536</u>	<u>\$ 13,880,865</u>

CITY OF HALTOM CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
General government:				
City manager	\$ 658,792	\$ 537,550	\$ 684,917	\$ (147,367)
City secretary	268,988	268,988	284,752	(15,764)
City council	44,880	44,880	35,839	9,041
Finance	832,396	832,395	641,248	191,147
Human resources	717,218	717,217	531,224	185,993
Planning & community development	1,163,220	1,163,219	1,066,804	96,415
Information technology	1,152,065	1,152,065	999,281	152,784
Fleet services	1,008,302	1,008,299	1,001,859	6,440
Building maintenance	883,673	1,137,847	821,321	316,526
Economic development	617,165	617,165	175,422	441,743
Nondepartmental	<u>2,795,634</u>	<u>2,912,075</u>	<u>1,915,482</u>	<u>996,593</u>
Total general government	<u>10,142,333</u>	<u>10,391,700</u>	<u>8,158,149</u>	<u>2,233,551</u>
Public safety:				
Police	11,677,772	11,676,571	11,047,827	628,744
Fire & emergency management	9,363,485	9,368,735	8,338,867	1,029,868
Animal services	444,002	444,000	427,268	16,732
Municipal court	<u>603,951</u>	<u>604,049</u>	<u>520,027</u>	<u>84,022</u>
Total public safety	<u>22,089,210</u>	<u>22,093,355</u>	<u>20,333,989</u>	<u>1,759,366</u>
Streets & drainage:				
Culture and Recreation:				
Library	1,154,223	1,154,222	1,094,688	59,534
Parks and recreation	<u>2,422,300</u>	<u>2,422,295</u>	<u>2,015,970</u>	<u>406,325</u>
Total culture and recreation	<u>3,576,523</u>	<u>3,576,517</u>	<u>3,110,658</u>	<u>465,859</u>
Debt service:				
Principal	-	-	307,408	307,408
Interest	-	-	9,685	9,685
Total debt service	<u>-</u>	<u>-</u>	<u>317,093</u>	<u>317,093</u>
Capital outlay:				
Total expenditures	<u>1,124,000</u>	<u>1,124,000</u>	<u>2,362,123</u>	<u>(1,238,123)</u>
Revenues under (under) expenditures	<u>(6,046,989)</u>	<u>(6,048,663)</u>	<u>11,038,826</u>	<u>17,087,489</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,519,000	1,919,000	1,518,996	400,004
Transfers out	(1,458,500)	(1,165,087)	(1,458,492)	(293,405)
Issuance of SBITA	-	-	1,629,234	1,629,234
Sale of capital assets	10,000	10,000	284,289	274,289
Total other financial sources (uses)	<u>70,500</u>	<u>763,913</u>	<u>1,974,027</u>	<u>1,210,114</u>
Net change in fund balance	<u>(5,976,489)</u>	<u>(5,284,750)</u>	<u>13,012,853</u>	<u>18,297,603</u>
Fund balance - beginning	<u>31,040,554</u>	<u>31,040,554</u>	<u>31,040,554</u>	<u>-</u>
Fund balance - ending	<u>\$ 25,064,065</u>	<u>\$ 25,755,804</u>	<u>\$ 44,053,407</u>	<u>\$ 18,297,603</u>

CITY OF HALTOM CITY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Measurement Period Ended December 31,	2014	2015	2016
A. Total pension liability			
Service Cost	\$ 2,504,359	\$ 2,783,635	\$ 2,898,328
Interest (on the Total Pension Liability)	6,753,452	7,077,941	7,140,222
Difference between expected and actual experience	(692,358)	(374,424)	216,371
Change of assumptions	-	(364,224)	-
Benefit payments, including refunds of employee contributions	(3,761,568)	(4,377,490)	(4,647,814)
Net change in total pension liability	4,803,885	4,745,438	5,607,107
Total pension liability - beginning	<u>97,106,486</u>	<u>101,910,371</u>	<u>106,655,809</u>
Total pension liability - ending (a)	<u>\$ 101,910,371</u>	<u>\$ 106,655,809</u>	<u>\$ 112,262,916</u>
B. Plan fiduciary net position			
Contributions - employer	\$ 3,163,767	\$ 3,141,239	\$ 3,089,790
Contributions - employee	1,103,456	1,141,181	1,155,370
Net investment income	4,490,233	123,113	5,635,642
Benefit payments, including refunds of employee contributions	(3,761,568)	(4,377,490)	(4,647,814)
Administrative expenses	(46,878)	(74,987)	(63,642)
Other	<u>(3,854)</u>	<u>(3,703)</u>	<u>(3,429)</u>
Net change in plan fiduciary net position	4,945,156	(50,647)	5,165,917
Plan fiduciary net position - beginning	<u>78,488,480</u>	<u>83,433,636</u>	<u>83,382,989</u>
Plan fiduciary net position - ending (b)	<u>\$ 83,433,636</u>	<u>\$ 83,382,989</u>	<u>\$ 88,548,906</u>
C. Net pension liability - ending (a) - (b)	\$ 18,476,735	\$ 23,272,820	\$ 23,714,010
D. Pension liability	81.87%	78.18%	78.88%
E. Covered payroll	\$ 15,763,659	\$ 16,250,057	\$ 16,505,286
F. Net pension liability as a percentage of covered payroll	117.21%	143.22%	143.68%

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

2017	2018	2019	2020	2021	2022
\$ 2,939,312	\$ 2,931,913	\$ 3,071,536	\$ 3,076,962	\$ 3,283,604	\$ 3,680,324
7,529,054	7,899,680	8,236,772	8,620,742	8,988,508	9,557,329
(283,623)	(730,857)	(481,136)	(819,411)	2,000,685	3,339,754
-	-	325,920	-	-	-
(4,382,052)	(4,998,533)	(5,354,650)	(5,580,079)	(5,486,381)	(6,601,964)
5,802,691	5,102,203	5,798,442	5,298,214	8,786,416	9,975,443
<u>112,262,916</u>	<u>118,065,607</u>	<u>123,167,810</u>	<u>128,966,252</u>	<u>134,264,466</u>	<u>143,050,882</u>
<u>\$ 118,065,607</u>	<u>\$ 123,167,810</u>	<u>\$ 128,966,252</u>	<u>\$ 134,264,466</u>	<u>\$ 143,050,882</u>	<u>\$ 153,026,325</u>
\$ 3,141,962	\$ 3,169,004	\$ 3,584,207	\$ 3,353,325	\$ 3,566,932	\$ 3,968,567
1,172,915	1,168,758	1,220,247	1,232,193	1,313,441	1,462,104
12,274,019	(3,016,539)	14,992,491	8,450,415	15,478,225	(9,746,240)
(4,382,052)	(4,998,533)	(5,354,650)	(5,580,079)	(5,486,381)	(6,601,964)
(63,602)	(58,291)	(84,691)	(54,670)	(71,601)	(84,331)
(3,222)	(3,044)	(2,547)	(2,133)	490	100,632
<u>12,140,020</u>	<u>(3,738,645)</u>	<u>14,355,057</u>	<u>7,399,051</u>	<u>14,801,106</u>	<u>(10,901,232)</u>
<u>88,548,906</u>	<u>100,688,924</u>	<u>96,950,279</u>	<u>111,305,337</u>	<u>118,704,389</u>	<u>133,505,495</u>
<u>\$ 100,688,926</u>	<u>\$ 96,950,279</u>	<u>\$ 111,305,336</u>	<u>\$ 118,704,388</u>	<u>\$ 133,505,495</u>	<u>\$ 122,604,263</u>
<u>\$ 17,376,681</u>	<u>\$ 26,217,531</u>	<u>\$ 17,660,916</u>	<u>\$ 15,560,078</u>	<u>\$ 9,545,387</u>	<u>\$ 30,422,062</u>
85.28%	78.71%	86.31%	88.41%	93.33%	80.12%
\$ 16,748,218	\$ 16,696,543	\$ 17,432,098	\$ 17,602,756	\$ 18,763,449	\$ 20,887,195
103.75%	157.02%	101.31%	88.40%	50.87%	145.65%

CITY OF HALTOM CITY, TEXAS
CONTRIBUTIONS - TMRS PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Fiscal Year Ended September 30,	2014	2015	2016
Actuarial determined contribution	\$ 3,021,224	\$ 3,112,202	\$ 3,164,882
Contributions in relation to the actuarially determined contribution	<u>3,021,224</u>	<u>3,112,202</u>	<u>3,164,882</u>
Contribution deficiency (excess)	-	-	-
Covered employee payroll	15,763,659	15,955,040	16,754,656
Contributions as a percentage of covered payroll	19.17%	19.51%	18.89%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date 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	23 years
Asset Valuation Method	10 Year fair market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.5% 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 2014-2018.
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

Other Information There were no benefit changes during the year.

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

2017	2018	2019	2020	2021	2022	2023
\$ 3,094,631	\$ 3,135,576	\$ 3,250,765	\$ 3,379,471	\$ 3,427,688	\$ 3,982,891	\$ 4,264,204
<u>3,094,631</u>	<u>3,135,576</u>	<u>3,550,765</u>	<u>3,379,471</u>	<u>3,427,688</u>	<u>3,982,891</u>	<u>4,264,204</u>
-	-	(300,000)	-	-	-	-
16,562,414	16,593,082	17,232,434	17,756,830	18,036,553	20,925,925	22,174,747
18.68%	18.90%	18.86%	19.03%	19.00%	19.03%	19.23%

CITY OF HALTOM CITY, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFIT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Measurement Period Ended December 31,	2017	2018	2019
A. Total OPEB liability			
Service Cost	\$ 28,472	\$ 31,723	\$ 31,378
Interest (on the Total OPEB Liability)	28,465	28,842	33,509
Differences between expected and actual experience	-	39,218	(94,183)
Changes of assumptions	67,252	(59,226)	157,142
Benefit payments, including refunds of employee contributions	(6,700)	(8,347)	(8,716)
Net change in Total OPEB liability	117,489	32,210	119,130
Total OPEB liability - beginning	<u>742,167</u>	<u>859,656</u>	<u>891,866</u>
Total OPEB liability - ending (a)	<u>859,656</u>	<u>891,866</u>	<u>1,010,996</u>
B. Covered employee payroll			
	\$16,748,218	\$16,696,543	\$17,432,098
C. Total OPEB liability as a percentage of covered - employee payroll			
	5.13%	5.34%	5.80%

Notes to Schedule:

- No assets are accumulated in a trust for the SDBF plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	40,486	56,290	62,662
	28,238	24,051	23,762
	(37,701)	(6,657)	2,118
	153,378	37,790	(437,038)
	(8,801)	(24,391)	(27,151)
	175,600	87,083	(375,647)
	<u>1,010,996</u>	<u>1,186,596</u>	<u>1,273,678</u>
	<u>1,186,596</u>	<u>1,273,679</u>	<u>898,031</u>
	\$17,602,756	\$18,763,449	\$ 20,887,195
	6.74%	6.79%	4.30%

CITY OF HALTOM CITY, TEXAS

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTH CARE BENEFIT PLAN**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Measurement Period Ended December 31,	2017	2018	2019
A. Total OPEB liability			
Service Cost	\$ 193,035	\$ 187,980	\$ 174,629
Interest (on the Total OPEB Liability)	394,886	421,954	351,147
Changes of benefit terms	-	-	-
Difference between expected and actual experience	41,617	(952,921)	(14,085)
Change of assumptions	(20,299)	(240,446)	(163,826)
Benefit payments, including refunds of employee contributions	<u>(290,575)</u>	<u>(180,229)</u>	<u>(192,401)</u>
Net change in total OPEB liability	318,664	(763,662)	155,464
Total OPEB liability - beginning	<u>5,864,465</u>	<u>6,183,129</u>	<u>5,419,467</u>
Total OPEB liability - ending (a)	<u>\$ 6,183,129</u>	<u>\$ 5,419,467</u>	<u>\$ 5,574,931</u>
B. Plan fiduciary net position			
Contributions - employer	\$ 490,575	\$ 380,229	\$ 192,401
Net investment income	265,412	(125,895)	715,285
Benefit payments	(290,575)	(180,229)	(192,401)
Administrative expenses	(6,545)	(7,893)	(16,801)
Other	-	(118,409)	-
Net change in plan fiduciary net position	458,867	(52,197)	698,484
Plan fiduciary net position - beginning	<u>2,142,711</u>	<u>2,601,578</u>	<u>2,549,381</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,601,578</u>	<u>\$ 2,549,381</u>	<u>\$ 3,247,865</u>
C. Net OPEB liability - ending (a) - (b)	<u>\$ 3,581,551</u>	<u>\$ 2,870,086</u>	<u>\$ 2,327,066</u>
D. Plan fiduciary net position as a percentage of total OPEB liability	42.08%	47.04%	58.26%
E. Covered payroll	\$ 17,256,507	\$ 17,399,981	\$ 18,191,694
F. Net OPEB liability as a percentage of covered payroll	20.75%	16.49%	12.79%

- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

- The City has assets set aside that meet the criteria of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The balance of these assets as of the plan measurement date were \$3,623,055.

- 2023: The health care trend rate was modified.

- 2021: Changes of benefit terms reflect an increase in the City's monthly explicit subsidy from \$200 to \$350

- 2020: The demographic assumptions were updated to reflect the 2019 TMRS Experience Study.

- 2019: The participation rate for future non-Medicare retirees on the City's health plan and the health care assumptions were modified. In addition, the assumed long-term rate of return for the assets in the OPEB trust was changed from 6.85% to 6.50%.

- Changes of assumptions reflect the effects of changes in the Single Discount Rate each period.

	2020	2021	2022
\$	175,940	207,795	202,669
358,684	497,378	519,906	
1,974,446	-	-	
(87,791)	(21,464)	(834,320)	
-	-	168,086	
	<u>(289,372)</u>	<u>(317,522)</u>	<u>(351,619)</u>
2,131,907	366,187	(295,278)	
<u>5,574,931</u>	<u>7,706,838</u>	<u>8,073,025</u>	
<u>\$ 7,706,838</u>	<u>\$ 8,073,025</u>	<u>\$ 7,777,747</u>	
\$	289,372	517,522	351,619
433,137	431,441	(652,680)	
(289,372)	(317,522)	(351,619)	
(10,209)	(13,489)	(13,010)	
-	-	-	
422,928	617,952	(665,690)	
<u>3,247,865</u>	<u>3,670,793</u>	<u>4,288,745</u>	
<u>\$ 3,670,793</u>	<u>\$ 4,288,745</u>	<u>\$ 3,623,055</u>	
<u>\$ 4,036,045</u>	<u>\$ 3,784,280</u>	<u>\$ 4,154,692</u>	
47.63%	53.12%	46.58%	
\$ 18,368,973	\$ 18,889,300	\$ 19,746,720	
21.97%	20.03%	21.04%	

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF HALTOM CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Property taxes	\$ 7,216,336	\$ 7,216,336	\$ 7,693,959	\$ 477,623
Penalty and interest	20,000	20,000	59,222	39,222
Interest	<u>20,000</u>	<u>20,000</u>	<u>1,737,381</u>	<u>1,717,381</u>
Total revenues	<u>7,256,336</u>	<u>7,256,336</u>	<u>9,490,562</u>	<u>2,234,226</u>
EXPENDITURES:				
Principal retirement	4,530,000	4,530,000	4,530,000	-
Interest and other	2,945,550	2,945,546	2,945,485	61
Bond issuance costs	5,000	5,000	3,100	1,900
Total expenditures	<u>7,480,550</u>	<u>7,480,546</u>	<u>7,478,585</u>	<u>1,961</u>
Net change in fund balance	(224,214)	(224,210)	2,011,977	2,236,187
Fund balance - beginning of year	<u>1,906,605</u>	<u>1,906,605</u>	<u>1,906,605</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,682,391</u>	<u>\$ 1,682,395</u>	<u>\$ 3,918,582</u>	<u>\$ 2,236,187</u>

CITY OF HALTOM CITY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET RECONSTRUCTION - CAPITAL PROJECTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 2,967,039	\$ 2,967,038	\$ 3,851,197	\$ 884,159
Interest	<u>100,000</u>	<u>100,000</u>	<u>843,105</u>	<u>743,105</u>
Total revenues	<u>3,067,039</u>	<u>3,067,038</u>	<u>4,694,302</u>	<u>1,627,264</u>
EXPENDITURES:				
General government	-	-	1,873	(1,873)
Streets	6,223,000	6,268,352	757,100	5,511,252
Capital outlay	<u>1,400,000</u>	<u>1,400,000</u>	<u>113,473</u>	<u>1,286,527</u>
Total expenditures	<u>7,623,000</u>	<u>7,668,352</u>	<u>872,446</u>	<u>6,795,906</u>
Revenue under expenditures	<u>(4,555,961)</u>	<u>(4,601,314)</u>	<u>3,821,856</u>	<u>8,423,170</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	300,000	300,000	-	(300,000)
Transfers out	<u>(5,900,000)</u>	<u>(5,900,000)</u>	<u>(5,900,004)</u>	<u>(4)</u>
Total other financing sources	<u>(5,600,000)</u>	<u>(5,600,000)</u>	<u>(5,900,004)</u>	<u>(300,004)</u>
Net change in fund balance	(10,155,961)	(10,201,314)	(2,078,148)	8,123,166
Fund balance - beginning of year	<u>20,125,578</u>	<u>20,125,578</u>	<u>20,125,578</u>	<u>-</u>
Fund balance - end of year	<u>\$ 9,969,617</u>	<u>\$ 9,924,264</u>	<u>\$ 18,047,430</u>	<u>\$ 8,123,166</u>

CITY OF HALTON CITY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT - CAPITAL PROJECTS FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 550,000	\$ 550,000
Interest	35,000	35,000	1,020,552	985,552
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>1,570,552</u>	<u>1,535,552</u>
EXPENDITURES:				
Capital outlay	20,477,000	20,800,000	20,889,987	(89,987)
Total expenditures	<u>20,477,000</u>	<u>20,800,000</u>	<u>20,889,987</u>	<u>(89,987)</u>
Revenues over (under) expenditures	(20,442,000)	(20,765,000)	(19,319,435)	1,445,565
OTHER FINANCING SOURCES (USES):				
Transfers in	600,000	600,000	600,000	-
Total other financing sources	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Net change in fund balance	(19,842,000)	(20,165,000)	(18,719,435)	1,445,565
Fund balance - beginning of year	62,346,058	62,346,058	62,346,058	-
Fund balance - end of year	<u>\$ 42,504,058</u>	<u>\$ 42,181,058</u>	<u>\$ 43,626,623</u>	<u>\$ 1,445,565</u>

NONMAJOR FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

Police Forfeiture Fund - To account for proceeds from sales of assets seized in drug arrests. Revenues are used solely for Police Department expenditures.

Police Donations Fund - To account for contributions designated for Police Department.

Red Light Camera Fund - To account for fines resulting from the red-light camera program and related expenditures for traffic safety.

Police CART Fund - To account for funds used for a multi-jurisdictional effort to properly allocate resources to missing/endangered children cases.

Park Donation Fund - To account for contributions used to improve and beautify park facilities.

Park Dedication Fund - To account for developer contributions for acquiring and developing parkland.

Library Donation Fund - To account for contributions used to improve library services.

Hotel / Motel Tax Fund - To account for the receipt and allocation of the City's hotel-motel occupancy tax. Revenues are used primarily for advertising and promotion of the City.

Grants Fund - To account for federal, state, and local grants received and related expenditures.

Fire Department Donations Fund - To account for contributions designated for Fire Department.

Court Technology Fund - To account for technology fees and expenditures for Municipal Court.

Court Security Fund - To account for security fees and related expenditures for Municipal Court.

Juvenile Case Management Fund - To account for court fees and expenditures for juvenile case management program.

Animal Shelter Fund - To account for contributions received and expenditures for animal shelter.

Safe Pathways Program Fund - To account developer contributions for the construction of new sidewalks.

TIF Fund - To account for Tax Incremental District revenues and expenditures.

CAPITAL PROJECT FUNDS

Street Assessments - To account for various street improvements financed by adjacent land owners.

Capital Replacement Fund - To account for purchases of vehicles, machinery and equipment.

CITY OF HALTOM CITY, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Special Revenue Funds			
	Police Forfeiture	Police Donations	Red Light Camera	Police CART
ASSETS				
Cash and investments	\$ 69,929	\$ 59,891	\$ 94,705	\$ 6,942
Intergovernmental receivables	-	-	-	-
Accrued interest	92	79	125	9
Other receivables	-	603	-	-
Total assets	<u>70,021</u>	<u>60,573</u>	<u>94,830</u>	<u>6,951</u>
LIABILITIES				
Accounts payable	-	-	10	-
Accrued liabilities	4,002	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>4,002</u>	<u>-</u>	<u>10</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - grants	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted:				
Public safety	66,019	-	94,820	-
Purpose of grantors, donators and trustees	-	60,573	-	6,951
Promotion of tourism and business	-	-	-	-
Purchase of capital assets	-	-	-	-
Committed for purchase of capital assets	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>66,019</u>	<u>60,573</u>	<u>94,820</u>	<u>6,951</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 70,021</u>	<u>\$ 60,573</u>	<u>\$ 94,830</u>	<u>\$ 6,951</u>

Special Revenue Funds

Park Donation	Park Dedication	Library Donation	Hotel/Motel Tax	Grants Fund	Fire Department Donations
\$ 61,265	\$ 139,210	\$ 231,887	\$ 300,280	\$ 182,281	\$ 10,955
-	-	-	-	98,994	-
81	183	304	395	239	14
445	-	704	-	-	381
<u>\$ 61,791</u>	<u>\$ 139,393</u>	<u>\$ 232,895</u>	<u>\$ 300,675</u>	<u>\$ 281,514</u>	<u>\$ 11,350</u>
 1	 -	 4,705	 5,661	 -	 -
-	-	-	-	174	-
-	-	-	-	-	-
<u>1</u>	<u>-</u>	<u>4,705</u>	<u>5,661</u>	<u>174</u>	<u>-</u>
 -	 -	 -	 -	<u>59,815</u>	 -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,815</u>	<u>-</u>
 61,790	 139,393	 228,190	 -	 221,525	 11,350
-	-	-	295,014	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>61,790</u>	<u>139,393</u>	<u>228,190</u>	<u>295,014</u>	<u>221,525</u>	<u>11,350</u>
 <u>\$ 61,791</u>	 <u>\$ 139,393</u>	 <u>\$ 232,895</u>	 <u>\$ 300,675</u>	 <u>\$ 281,514</u>	 <u>\$ 11,350</u>

CITY OF HALTOM CITY, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Special Revenue Funds			
	Court Technology	Court Security	Juvenile Case	Animal Shelter
ASSETS				
Cash and investments	\$ -	\$ 128,318	\$ 36,755	\$ 44,449
Intergovernmental receivables	- -	- -	- -	- -
Accrued interest	- -	168	48	58
Other receivables	- -	- -	- -	1,534
Total assets	<u>\$ -</u>	<u>\$ 128,486</u>	<u>\$ 36,803</u>	<u>\$ 46,041</u>
LIABILITIES				
Accounts payable	- -	- -	- -	- -
Accrued liabilities	- -	- -	- -	- -
Due to other funds	10,864	- -	- -	- -
Total liabilities	<u>10,864</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - grants	- -	- -	- -	- -
Total deferred inflows of resources	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
FUND BALANCES				
Restricted:				
Public safety	- -	128,486	36,803	- -
Purpose of grantors, donators and trustees	- -	- -	- -	46,041
Promotion of tourism and business	- -	- -	- -	- -
Purchase of capital assets	- -	- -	- -	- -
Committed for purchase of capital assets	- -	- -	- -	- -
Unassigned	(10,864)	- -	- -	- -
Total fund balances	<u>(10,864)</u>	<u>128,486</u>	<u>36,803</u>	<u>46,041</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 128,486</u>	<u>\$ 36,803</u>	<u>\$ 46,041</u>

Special Revenue Funds		Capital Projects Funds		Total Nonmajor Governmental Funds
Safe Pathways Shelter	TIF Fund	Street Assessments	Capital Replacement	
\$ 85,462	\$ 303,728	\$ 25,526	\$ 1,606,063	\$ 3,387,646
-	-	-	-	98,994
112	512	33	2,689	5,141
-	-	-	-	3,667
<u>\$ 85,574</u>	<u>\$ 304,240</u>	<u>\$ 25,559</u>	<u>\$ 1,608,752</u>	<u>\$ 3,495,448</u>
-	-	-	-	10,377
-	-	-	-	4,176
-	-	-	-	10,864
-	-	-	-	25,417
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,815</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,815</u>
-	-	-	-	326,128
-	-	-	-	775,813
-	-	-	-	295,014
85,574	304,240	-	-	389,814
-	-	25,559	1,608,752	1,634,311
-	-	-	-	(10,864)
<u>85,574</u>	<u>304,240</u>	<u>25,559</u>	<u>1,608,752</u>	<u>3,410,216</u>
<u>\$ 85,574</u>	<u>\$ 304,240</u>	<u>\$ 25,559</u>	<u>\$ 1,608,752</u>	<u>\$ 3,495,448</u>

CITY OF HALTOM CITY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Special Revenue Funds</u>			
	<u>Police Forfeiture</u>	<u>Police Donations</u>	<u>Red Light Camera</u>	<u>Police CART</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and fees	-	-	-	-
Charges for services	19,729	-	-	-
Donations	-	14,964	-	-
Interest and investment gains (losses)	2,768	2,169	5,664	315
Miscellaneous	-	11,789	-	-
Total revenues	<u>22,497</u>	<u>28,922</u>	<u>5,664</u>	<u>315</u>
EXPENDITURES				
General government	-	-	-	-
Public safety				
Police	12,197	10,916	28,025	-
Fire	-	-	-	-
Municipal court	-	-	-	-
Library	-	-	-	-
Animal control	-	-	-	-
Parks & recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	30,649	-
Total expenditures	<u>12,197</u>	<u>10,916</u>	<u>58,674</u>	<u>-</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>10,300</u>	<u>18,006</u>	<u>(53,010)</u>	<u>315</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of leases	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>10,300</u>	<u>18,006</u>	<u>(53,010)</u>	<u>315</u>
FUND BALANCES, BEGINNING	<u>55,719</u>	<u>42,567</u>	<u>147,830</u>	<u>6,636</u>
FUND BALANCES, ENDING	<u>\$ 66,019</u>	<u>\$ 60,573</u>	<u>\$ 94,820</u>	<u>\$ 6,951</u>

Special Revenue Funds

Park Donation	Park Dedication	Library Donation	Hotel/Motel Tax	Grants Fund	Fire Department Donations
\$ -	\$ -	\$ -	\$ 67,212	\$ -	\$ -
-	-	-	-	111,721	-
-	-	-	-	-	-
39,494	-	13,675	-	-	-
2,535	-	16,341	-	-	3,409
2,436	6,678	10,635	11,795	7,519	584
-	-	-	-	-	-
44,465	6,678	40,651	79,007	119,240	3,993
 - - - - - 19,178 - -					
-	-	-	-	34,926	-
-	-	-	-	74,075	4,391
-	-	-	-	-	-
-	-	48,107	-	2,720	-
-	-	-	-	-	-
40,140	13,819	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
40,140	13,819	48,107	19,178	111,721	4,391
 4,325 (7,141) (7,456) 59,829 7,519 (398)					
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,325	(7,141)	(7,456)	59,829	7,519	(398)
57,465	146,534	235,646	235,185	214,006	11,748
\$ 61,790	\$ 139,393	\$ 228,190	\$ 295,014	\$ 221,525	\$ 11,350

CITY OF HALTOM CITY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Special Revenue Funds</u>			
	Court Technology	Court Security	Juvenile Case	Animal Shelter
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	- -	- -	- -	- -
Fines and fees	25,383	30,368	- -	- -
Charges for services	- -	- -	5,495	- -
Donations	- -	- -	- -	6,243
Interest and investment gains (losses)	- -	5,251	2,143	1,842
Miscellaneous	- -	- -	- -	- -
Total revenues	<u>25,383</u>	<u>35,619</u>	<u>7,638</u>	<u>8,085</u>
EXPENDITURES				
General government	- -	- -	- -	- -
Public safety				
Police	- -	- -	- -	- -
Fire	- -	- -	- -	- -
Municipal court	40,160	- -	150	- -
Library	- -	- -	- -	- -
Animal Control	- -	- -	- -	2,371
Parks & recreation	- -	- -	- -	- -
Debt Service:				
Principal	- -	- -	- -	- -
Interest	- -	- -	- -	- -
Capital outlay	- -	- -	- -	- -
Total expenditures	<u>40,160</u>	<u>- -</u>	<u>150</u>	<u>2,371</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>(14,777)</u>	<u>35,619</u>	<u>7,488</u>	<u>5,714</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,496	- -	- -	- -
Transfers out	- -	(15,000)	(24,000)	- -
Issuance of leases	- -	- -	- -	- -
Total other financing sources (uses)	<u>8,496</u>	<u>(15,000)</u>	<u>(24,000)</u>	<u>- -</u>
NET CHANGE IN FUND BALANCES	<u>(6,281)</u>	<u>20,619</u>	<u>(16,512)</u>	<u>5,714</u>
FUND BALANCES, BEGINNING	<u>(4,583)</u>	<u>107,867</u>	<u>53,315</u>	<u>40,327</u>
FUND BALANCES, ENDING	<u>\$ (10,864)</u>	<u>\$ 128,486</u>	<u>\$ 36,803</u>	<u>\$ 46,041</u>

Special Revenue Funds		Capital Projects Funds		Total Nonmajor Governmental Funds
Safe Pathways Shelter	TIF Fund	Street Assessments	Capital Replacement	
\$ -	\$ 662,556	\$ -	\$ -	\$ 729,768
-	-	-	-	111,721
-	-	-	-	55,751
15,750	-	-	-	94,143
-	-	-	-	43,492
3,284	11,157	1,128	63,090	138,458
-	-	-	-	11,789
19,034	673,713	1,128	63,090	1,185,122
-	505,507	-	-	524,685
-	-	-	-	86,064
-	-	-	-	78,466
-	-	-	-	40,310
-	-	-	-	50,827
-	-	-	-	2,371
-	-	-	-	53,959
-	-	-	520,566	520,566
-	-	-	9,399	9,399
-	-	-	907,157	937,806
-	505,507	-	1,437,122	2,304,453
 19,034	 168,206	 1,128	 (1,374,032)	 (1,119,331)
-	-	-	849,996	858,492
-	-	-	-	(39,000)
-	-	-	<u>836,251</u>	<u>836,251</u>
-	-	-	1,686,247	1,655,743
 19,034	 168,206	 1,128	 312,215	 536,412
 66,540	 136,034	 24,431	 1,296,537	 2,873,804
 \$ 85,574	 \$ 304,240	 \$ 25,559	 \$ 1,608,752	 \$ 3,410,216

CITY OF HALTOM CITY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUGET AND ACTUAL
POLICE FORFEITURE - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 250	\$ 250	\$ 2,768	\$ 2,518
Charges for services	<u>18,000</u>	<u>18,000</u>	<u>19,729</u>	<u>1,729</u>
Total revenue	<u>18,250</u>	<u>18,250</u>	<u>22,497</u>	<u>4,247</u>
EXPENDITURES:				
Police	16,000	16,000	12,197	3,803
Total expenditures	<u>16,000</u>	<u>16,000</u>	<u>12,197</u>	<u>3,803</u>
Net change in fund balance	2,250	2,250	10,300	8,050
Fund balance - beginning of year	55,719	55,719	55,719	-
Fund balance - end of year	<u>\$ 57,969</u>	<u>\$ 57,969</u>	<u>\$ 66,019</u>	<u>\$ 8,050</u>

CITY OF HALTOM CITY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
POLICE DONATIONS - SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Donations	\$ 5,000	\$ 5,000	\$ 14,964	\$ 9,964
Interest	-	-	2,169	2,169
Miscellaneous	<u>15,000</u>	<u>15,000</u>	<u>11,789</u>	<u>(3,211)</u>
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>28,922</u>	<u>8,922</u>
EXPENDITURES:				
Police	30,500	30,500	10,916	19,584
Total expenditures	<u>30,500</u>	<u>30,500</u>	<u>10,916</u>	<u>19,584</u>
Net change in fund balance	(10,500)	(10,500)	18,006	28,506
Fund balance - beginning of year	<u>42,567</u>	<u>42,567</u>	<u>42,567</u>	-
Fund balance - end of year	<u>\$ 32,067</u>	<u>\$ 32,067</u>	<u>\$ 60,573</u>	<u>\$ 28,506</u>

CITY OF HALTOM CITY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
RED LIGHT CAMERA - SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ -	\$ -	\$ 5,664	\$ 5,664
Total revenues	<u>-</u>	<u>-</u>	<u>5,664</u>	<u>5,664</u>
EXPENDITURES:				
Police	28,000	28,000	28,025	(25)
Capital outlay	40,000	40,000	30,649	9,351
Total expenditures	<u>68,000</u>	<u>68,000</u>	<u>58,674</u>	<u>9,326</u>
Net change in fund balance	(68,000)	(68,000)	(53,010)	14,990
Fund balance - beginning of year	<u>147,830</u>	<u>147,830</u>	<u>147,830</u>	-
Fund balance - end of year	<u>\$ 79,830</u>	<u>\$ 79,830</u>	<u>\$ 94,820</u>	<u>\$ 14,990</u>

CITY OF HALTOM CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
POLICE CART - SPECIAL REVENUE FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 100	\$ 100	\$ 315	\$ 215
Total revenues	<u>100</u>	<u>100</u>	<u>315</u>	<u>215</u>
EXPENDITURES:				
Police	<u>1,000</u>	<u>1,000</u>	-	1,000
Total expenditures	<u>1,000</u>	<u>1,000</u>	-	<u>1,000</u>
Net change in fund balance	(900)	(900)	315	1,215
Fund balance - beginning of year	<u>6,361</u>	<u>6,636</u>	<u>6,636</u>	-
Fund balance - end of year	<u>\$ 5,461</u>	<u>\$ 5,736</u>	<u>\$ 6,951</u>	<u>\$ 1,215</u>

CITY OF HALTOM CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARK DONATIONS - SPECIAL REVENUE FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Donations	\$ 21,150	\$ 21,150	\$ 2,535	\$ (18,615)
Charges for services	7,000	7,000	39,494	32,494
Interest	1,000	1,000	2,436	1,436
Total revenues	<u>29,150</u>	<u>29,150</u>	<u>44,465</u>	<u>15,315</u>
EXPENDITURES:				
Parks and recreation	40,500	40,500	40,140	360
Total expenditures	<u>40,500</u>	<u>40,500</u>	<u>40,140</u>	<u>360</u>
Net change in fund balance	(11,350)	(11,350)	4,325	15,675
Fund balance - beginning of year	<u>57,465</u>	<u>57,465</u>	<u>57,465</u>	<u>-</u>
Fund balance - end of year	<u>\$ 46,115</u>	<u>\$ 46,115</u>	<u>\$ 61,790</u>	<u>\$ 15,675</u>

CITY OF HALTOM CITY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARK DEDICATION - SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 800	\$ 800	\$ 6,678	\$ 5,878
Total revenues	<u>800</u>	<u>800</u>	<u>6,678</u>	<u>5,878</u>
EXPENDITURES:				
Parks and recreation	85,000	85,000	13,819	71,181
Total expenditures	<u>85,000</u>	<u>85,000</u>	<u>13,819</u>	<u>71,181</u>
Net change in fund balance	(84,200)	(84,200)	(7,141)	77,059
Fund balance - beginning of year	<u>146,534</u>	<u>146,534</u>	<u>146,534</u>	-
Fund balance - end of year	<u>\$ 62,334</u>	<u>\$ 62,334</u>	<u>\$ 139,393</u>	<u>\$ 77,059</u>

CITY OF HALTOM CITY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIBRARY DONATIONS - SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	19,000	19,000	13,675	(5,325)
Donations	11,500	11,500	16,341	4,841
Interest	1,000	1,000	10,635	9,635
Miscellaneous	600	600	-	(600)
Total revenues	<u>32,100</u>	<u>32,100</u>	<u>40,651</u>	<u>8,551</u>
EXPENDITURES:				
Library	123,842	123,842	48,107	75,735
Total expenditures	<u>123,842</u>	<u>123,842</u>	<u>48,107</u>	<u>75,735</u>
Net change in fund balance	(91,742)	(91,742)	(7,456)	84,286
Fund balance - beginning of year	<u>235,646</u>	<u>235,646</u>	<u>235,646</u>	-
Fund balance - end of year	<u>143,904</u>	<u>143,904</u>	<u>228,190</u>	<u>84,286</u>

CITY OF HALTOM CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOTEL/MOTEL TAX - SPECIAL REVENUE FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 45,000	\$ 45,000	\$ 67,212	\$ 22,212
Interest	800	800	11,795	10,995
Total revenues	<u>45,800</u>	<u>45,800</u>	<u>79,007</u>	<u>33,207</u>
EXPENDITURES:				
General Government	44,872	44,872	19,178	25,694
Total expenditures	<u>44,872</u>	<u>44,872</u>	<u>19,178</u>	<u>25,694</u>
Net change in fund balance	928	928	59,829	58,901
Fund balance - beginning of year	<u>235,185</u>	<u>235,185</u>	<u>235,185</u>	-
Fund balance - end of year	<u>\$ 236,113</u>	<u>\$ 236,113</u>	<u>\$ 295,014</u>	<u>\$ 58,901</u>

CITY OF HALTOM CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GRANTS - SPECIAL REVENUE FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	130,000	130,000	111,721	(18,279)
Interest	-	-	7,519	7,519
Total revenues	<u>130,000</u>	<u>130,000</u>	<u>119,240</u>	<u>(10,760)</u>
EXPENDITURES:				
Police	36,500	36,500	34,926	1,574
Fire	115,000	115,000	74,075	40,925
Library			2,720	
Total expenditures	<u>151,500</u>	<u>151,500</u>	<u>111,721</u>	<u>42,499</u>
Net change in fund balance	(21,500)	(21,500)	7,519	29,019
Fund balance - beginning of year	<u>214,006</u>	<u>214,006</u>	<u>214,006</u>	<u>-</u>
Fund balance - end of year	<u>192,506</u>	<u>192,506</u>	<u>221,525</u>	<u>29,019</u>

CITY OF HALTOM CITY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE DEPARTMENT DONATIONS - SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Donations	\$ 6,500	\$ 6,500	\$ 3,409	\$ (3,091)
Interest	100	100	584	484
Total revenues	<u>6,600</u>	<u>6,600</u>	<u>3,993</u>	<u>(2,607)</u>
EXPENDITURES:				
Fire	6,548	6,548	4,391	2,157
Total expenditures	<u>6,548</u>	<u>6,548</u>	<u>4,391</u>	<u>2,157</u>
Net change in fund balance	52	52	(398)	(450)
Fund balance - beginning of year	<u>11,748</u>	<u>11,748</u>	<u>11,748</u>	<u>-</u>
Fund balance - end of year	<u>\$ 11,800</u>	<u>\$ 11,800</u>	<u>\$ 11,350</u>	<u>\$ (450)</u>

CITY OF HALTOM CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COURT TECHNOLOGY - SPECIAL REVENUE FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and fees	\$ 26,000	\$ 26,000	\$ 25,383	\$ (617)
Interest	500	500	-	(500)
Total revenues	<u>26,500</u>	<u>26,500</u>	<u>25,383</u>	<u>(1,117)</u>
EXPENDITURES:				
Municipal court	32,000	32,000	40,160	(8,160)
Total expenditures	<u>32,000</u>	<u>32,000</u>	<u>40,160</u>	<u>(8,160)</u>
Revenues over (under) expenditures	(5,500)	(5,500)	(14,777)	(9,277)
OTHER FINANCING SOURCES (USES):				
Transfer in	-	-	8,496	8,496
Total other financing sources	<u>-</u>	<u>-</u>	<u>8,496</u>	<u>8,496</u>
Net change in fund balance	(5,500)	(5,500)	(6,281)	(781)
Fund balance - beginning of year	<u>(4,583)</u>	<u>(4,583)</u>	<u>(4,583)</u>	<u>-</u>
Fund balance - end of year	<u>\$ (10,083)</u>	<u>\$ (10,083)</u>	<u>\$ (10,864)</u>	<u>\$ (781)</u>

CITY OF HALTOM CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COURT SECURITY - SPECIAL REVENUE FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and fees	\$ 19,000	\$ 19,000	\$ 30,368	\$ 11,368
Interest	2,100	2,100	5,251	3,151
Total revenues	<u>21,100</u>	<u>21,100</u>	<u>35,619</u>	<u>14,519</u>
EXPENDITURES:	-	-	-	-
Revenues over (under) expenditures	21,100	21,100	35,619	14,519
OTHER FINANCING SOURCES (USES):				
Transfers out	(15,000)	(15,000)	(15,000)	-
Total other financing sources (uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net change in fund balance	6,100	6,100	20,619	14,519
Fund balance - beginning of year	107,867	107,867	107,867	-
Fund balance - end of year	<u>\$ 113,967</u>	<u>\$ 113,967</u>	<u>\$ 128,486</u>	<u>\$ 14,519</u>

CITY OF HALTOM CITY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
JUVENILE CASE MANAGER - SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	\$ 22,000	\$ 22,000	\$ 5,495	\$ (16,505)
Interest	400	400	2,143	1,743
Total revenues	<u>22,400</u>	<u>22,400</u>	<u>7,638</u>	<u>(14,762)</u>
EXPENDITURES:				
Municipal court	1,000	1,000	150	850
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>150</u>	<u>850</u>
Revenues over (under) expenditures	21,400	21,400	7,488	(13,912)
OTHER FINANCING SOURCES (USES):				
Transfers out	(24,000)	(24,000)	(24,000)	-
Total other financing sources (uses)	<u>(24,000)</u>	<u>(24,000)</u>	<u>(24,000)</u>	<u>-</u>
Net change in fund balance	(2,600)	(2,600)	(16,512)	(13,912)
Fund balance - beginning of year	<u>53,315</u>	<u>53,315</u>	<u>53,315</u>	<u>-</u>
Fund balance - end of year	<u>\$ 50,715</u>	<u>\$ 50,715</u>	<u>\$ 36,803</u>	<u>\$ (13,912)</u>

CITY OF HALTOM CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ANIMAL SHELTER - SPECIAL REVENUE FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 400	\$ 400	\$ 1,842	\$ 1,442
Donations	<u>6,000</u>	<u>6,000</u>	<u>6,243</u>	<u>243</u>
Total revenues	<u>6,400</u>	<u>6,400</u>	<u>8,085</u>	<u>1,685</u>
EXPENDITURES:				
Animal Control	<u>5,000</u>	<u>5,000</u>	<u>2,371</u>	<u>2,629</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,371</u>	<u>2,629</u>
Net change in fund balance	1,400	1,400	5,714	4,314
Fund balance - beginning of year	<u>40,327</u>	<u>40,327</u>	<u>40,327</u>	<u>-</u>
Fund balance - end of year	<u>\$ 41,727</u>	<u>\$ 41,727</u>	<u>\$ 46,041</u>	<u>\$ 4,314</u>

CITY OF HALTOM CITY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SAFE PATHWAYS PROGRAM - SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	\$ 1,250	\$ 1,250	\$ 15,750	\$ 14,500
Interest	240	240	3,284	3,044
Total revenues	<u>1,490</u>	<u>1,490</u>	<u>19,034</u>	<u>17,544</u>
EXPENDITURES:	-	-	-	-
Net change in fund balance	1,490	1,490	19,034	17,544
Fund balance - beginning of year	<u>66,540</u>	<u>66,540</u>	<u>66,540</u>	<u>-</u>
Fund balance - end of year	<u>\$ 68,030</u>	<u>\$ 68,030</u>	<u>\$ 85,574</u>	<u>\$ 17,544</u>

CITY OF HALTOM CITY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET ASSESSMENTS - CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 100	\$ 100	\$ 1,128	\$ 1,028
Total revenues	<u>100</u>	<u>100</u>	<u>1,128</u>	<u>1,028</u>
EXPENDITURES:	-	-	-	-
Net change in fund balance	100	100	1,128	1,028
Fund balance - beginning year	<u>24,431</u>	<u>24,431</u>	<u>24,431</u>	<u>-</u>
Fund balance - end of year	<u>\$ 24,531</u>	<u>\$ 24,531</u>	<u>\$ 25,559</u>	<u>\$ 1,028</u>

CITY OF HALTOM CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**
CAPITAL REPLACEMENT - CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 3,000	\$ 3,000	\$ 63,090	\$ 60,090
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>63,090</u>	<u>60,090</u>
EXPENDITURES:				
Capital Outlay:	850,000	1,010,380	907,157	103,223
Debt Service:				
Principal	-	591,472	520,566	70,906
Interest	-	9,399	9,399	-
Total expenditures	<u>850,000</u>	<u>1,611,251</u>	<u>1,437,122</u>	<u>174,129</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	850,000	850,000	849,996	(4)
Issuance of leases	-	836,251	836,251	-
Total other financing sources (uses)	<u>850,000</u>	<u>1,686,251</u>	<u>1,686,247</u>	<u>(4)</u>
Net change in fund balance	3,000	78,000	312,215	234,215
Fund balance - beginning of year	<u>1,296,537</u>	<u>1,296,537</u>	<u>1,296,537</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,299,537</u>	<u>\$ 1,374,537</u>	<u>\$ 1,608,752</u>	<u>\$ 234,215</u>

STATISTICAL SECTION

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STATISTICAL SECTION

The City of Haltom City's statistical section presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information, which details the City's overall financial health and well-being.

Contents

	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changes over time.	95 - 102
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and sales taxes.	103 - 112
Debt Capacity 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.	113 - 120
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	121 - 122
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	123 - 128

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

CITY OF HALTOM CITY, TEXAS

NET POSITION BY COMPONENT

**LAST TEN FISCAL YEARS
(UNAUDITED)**

	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 44,018,316	\$ 44,644,061	\$ 49,669,147	\$ 48,573,824
Restricted	7,522,651	11,087,769	8,566,493	14,332,634
Unrestricted	<u>3,155,882</u>	<u>(3,213,591)</u>	<u>(6,118,269)</u>	<u>(7,282,612)</u>
Total governmental activities net position	<u>54,696,849</u>	<u>52,518,239</u>	<u>52,117,371</u>	<u>55,623,846</u>
Business-type activities				
Net investment in capital assets	39,419,139	40,345,975	40,860,841	41,019,999
Unrestricted	<u>5,530,649</u>	<u>5,383,611</u>	<u>6,487,495</u>	<u>10,344,876</u>
Total business-type activities net position	<u>44,949,788</u>	<u>45,729,586</u>	<u>47,348,336</u>	<u>51,364,875</u>
Primary government				
Net investment in capital assets	83,437,455	84,990,036	90,529,988	89,593,823
Restricted	7,522,651	11,087,769	8,566,493	14,332,634
Unrestricted	<u>8,686,531</u>	<u>2,170,020</u>	<u>369,226</u>	<u>3,062,264</u>
Total primary government net position	<u>\$ 99,646,637</u>	<u>\$ 98,247,825</u>	<u>\$ 99,465,707</u>	<u>\$106,988,721</u>

TABLE 1

2018	2019	2020	2021	2022	2023
\$ 51,907,911	\$ 53,560,693	\$ 56,184,646	\$ 48,488,519	\$ 44,884,303	\$ 62,241,776
14,398,393	17,961,901	18,389,983	22,380,151	26,722,373	23,024,062
(9,177,231)	(9,182,445)	(1,208,395)	7,951,510	16,422,441	20,868,878
<u>57,129,073</u>	<u>62,340,149</u>	<u>73,366,234</u>	<u>78,820,180</u>	<u>88,029,117</u>	<u>106,134,716</u>
42,648,361	43,145,765	43,473,153	43,641,248	45,964,147	44,864,397
15,850,355	19,753,480	26,077,265	32,595,307	40,767,939	56,571,025
<u>58,498,716</u>	<u>62,899,245</u>	<u>69,550,418</u>	<u>76,236,555</u>	<u>86,732,086</u>	<u>101,435,422</u>
94,566,272	96,706,458	99,657,799	92,129,767	90,848,450	107,106,173
14,398,393	17,961,901	18,389,983	22,380,151	26,722,373	23,024,062
6,673,104	10,571,035	24,868,870	40,546,817	57,190,380	77,439,903
<u>\$ 115,637,769</u>	<u>\$ 125,239,394</u>	<u>\$ 142,916,652</u>	<u>\$ 155,056,735</u>	<u>\$ 174,761,203</u>	<u>\$ 207,570,138</u>

CITY OF HALTOM CITY, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2014	2015	2016	2017
Governmental activities				
General government	\$ 5,972,582	\$ 4,992,708	\$ 6,991,532	\$ 6,583,493
Public safety	15,929,472	15,702,918	18,140,988	18,763,690
Streets	4,237,146	3,180,893	2,661,889	3,062,161
Culture and recreation	3,140,140	2,894,363	3,101,708	3,209,288
Interest on long-term debt	1,570,866	1,297,086	1,228,911	1,250,237
Total governmental activities expenses	<u>30,850,206</u>	<u>28,067,968</u>	<u>32,125,028</u>	<u>32,868,869</u>
Business-type activities:				
Water and sewer services	15,679,502	15,990,278	17,611,699	16,670,152
Drainage services	1,361,742	1,047,947	1,372,063	1,309,625
Total business-type activities expenses	<u>17,041,244</u>	<u>17,038,225</u>	<u>18,983,762</u>	<u>17,979,777</u>
Total primary government expenses	<u>47,891,450</u>	<u>45,106,193</u>	<u>51,108,790</u>	<u>50,848,646</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	2,451,322	2,482,422	2,699,926	2,728,039
Public safety	2,053,885	1,827,337	1,840,804	2,272,328
Streets	22,138	1,305	41,140	3,992
Culture and recreation	262,606	251,285	249,830	217,862
Operating grants and contributions	1,140,514	717,407	272,414	359,563
Capital grants and contributions	7,279,679	7,025,184	40,443	17,186
Total governmental activities program revenues	<u>13,210,144</u>	<u>12,304,940</u>	<u>5,144,557</u>	<u>5,598,970</u>
Business-type activities:				
Charges for services:				
Water and sewer services	16,742,577	17,433,066	19,279,830	20,591,084
Drainage services	1,699,940	1,644,089	1,627,657	1,861,389
Capital grants and contributions	3,835,132	1,224,660	305,962	-
Total business-type activities program revenues	<u>22,277,649</u>	<u>20,301,815</u>	<u>21,213,449</u>	<u>22,452,473</u>
Total primary Government program revenues	<u>\$35,487,793</u>	<u>\$ 32,606,755</u>	<u>\$ 26,358,006</u>	<u>\$28,051,443</u>

TABLE 2

2018	2019	2020	2021	2022	2023
\$ 6,320,374	\$ 7,170,945	\$ 6,582,331	\$ 9,241,073	\$ 9,354,014	\$ 9,309,793
18,389,178	17,907,680	17,919,745	21,334,383	20,546,631	25,007,275
3,801,982	3,217,049	1,877,804	2,549,723	2,189,131	2,211,855
3,819,112	3,732,618	3,457,170	3,416,953	3,188,306	3,856,693
<u>1,049,253</u>	<u>1,174,401</u>	<u>1,478,330</u>	<u>1,710,224</u>	<u>2,292,843</u>	<u>2,375,311</u>
<u>33,379,899</u>	<u>33,202,693</u>	<u>31,315,380</u>	<u>38,252,356</u>	<u>37,570,925</u>	<u>42,760,927</u>
16,372,945	18,761,789	18,182,467	17,919,526	16,612,615	17,614,783
1,218,164	1,567,980	1,763,216	1,515,957	1,420,045	1,455,146
<u>17,591,109</u>	<u>20,329,769</u>	<u>19,945,683</u>	<u>19,435,483</u>	<u>18,032,660</u>	<u>19,069,929</u>
<u>50,971,008</u>	<u>53,532,462</u>	<u>51,261,063</u>	<u>57,687,839</u>	<u>55,603,585</u>	<u>61,830,856</u>
2,631,068	2,469,464	3,318,494	3,104,767	3,267,606	2,617,974
1,075,387	1,694,051	860,081	1,151,877	970,643	1,122,025
43,304	-	-	15,750	15,750	15,750
231,442	181,004	89,597	104,922	150,251	175,895
442,109	258,868	1,634,438	1,522,728	4,076,899	10,959,717
<u>459,410</u>	<u>24,356</u>	<u>143,769</u>	<u>240,588</u>	<u>656,164</u>	<u>26,479</u>
<u>4,882,720</u>	<u>4,627,743</u>	<u>6,046,379</u>	<u>6,140,632</u>	<u>9,137,313</u>	<u>14,917,840</u>
23,373,412	23,080,974	24,932,166	23,927,784	25,460,383	26,679,452
1,830,479	1,708,362	1,815,869	1,820,431	1,861,411	1,950,023
-	19,069,929	28,629,475	1,027,514	-	-
<u>25,203,891</u>	<u>43,859,265</u>	<u>55,377,510</u>	<u>26,775,729</u>	<u>27,321,794</u>	<u>28,629,475</u>
<u>\$ 30,086,611</u>	<u>\$ 48,487,008</u>	<u>\$ 61,423,889</u>	<u>\$ 32,916,361</u>	<u>\$ 36,459,107</u>	<u>\$ 43,547,315</u>

CITY OF HALTOM CITY, TEXAS

CHANGES IN NET POSITION

**LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	2014	2015	2016	2017
Net (Expense)/Revenue				
Governmental activities	\$ (17,640,062)	\$ (15,763,028)	\$ (26,980,471)	\$ (27,269,899)
Business-type activities	<u>5,236,405</u>	<u>3,263,590</u>	<u>2,229,687</u>	<u>4,472,696</u>
Total primary government net expense	<u>(12,403,657)</u>	<u>(12,499,438)</u>	<u>(24,750,784)</u>	<u>(22,797,203)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	11,136,939	11,950,005	12,035,695	12,706,964
Sales taxes	7,103,791	7,622,096	8,437,024	12,025,312
Franchise taxes	4,105,002	4,055,193	4,044,133	4,078,235
Occupancy taxes	44,484	44,681	47,561	44,308
Interest	(122,596)	86,035	157,851	244,718
Unrestricted grants and contributions	-	500,020	989,140	615,685
Oil and gas leases	394,326	127,709	30,131	57,466
Mixed beverage taxes	12,582	14,554	13,887	11,174
Miscellaneous	721,957	407,255	124,181	384,156
Gain on sale of capital assets	122,503	-	-	18,356
Transfers	<u>(471,558)</u>	<u>684,658</u>	<u>700,000</u>	<u>580,000</u>
Total governmental activities	<u>23,047,430</u>	<u>25,492,206</u>	<u>26,579,603</u>	<u>30,766,374</u>
Business-type activities:				
Interest	(37,657)	20,466	89,063	123,843
Gain on sale of capital assets	20,118	-	-	-
Transfers	<u>471,558</u>	<u>(684,658)</u>	<u>(700,000)</u>	<u>(580,000)</u>
Total business-type activities	<u>454,019</u>	<u>(664,192)</u>	<u>(610,937)</u>	<u>(456,157)</u>
Total primary government	<u>23,501,449</u>	<u>24,828,014</u>	<u>(25,968,666)</u>	<u>30,320,217</u>
Change in Net Position				
Governmental activities	5,394,786	9,729,178	(400,868)	3,506,475
Business-type activities	5,690,424	2,599,398	1,618,750	4,016,539
Total primary government	<u>\$ 11,085,210</u>	<u>\$ 12,328,576</u>	<u>\$ 1,217,882</u>	<u>\$ 7,523,014</u>

TABLE 2

2018	2019	2020	2021	2022	2023
\$ (28,497,179)	\$ (28,574,950)	\$ (25,269,001)	\$ (32,127,474)	\$ (28,449,362)	\$ (27,843,087)
<u>7,612,782</u>	<u>4,459,567</u>	<u>6,802,352</u>	<u>7,340,246</u>	<u>9,329,443</u>	<u>9,559,546</u>
<u>(20,884,397)</u>	<u>(24,115,383)</u>	<u>(18,466,649)</u>	<u>(24,787,228)</u>	<u>(19,119,919)</u>	<u>(18,283,541)</u>
13,688,707	14,458,831	17,273,899	18,206,031	18,098,327	20,703,504
13,254,357	13,527,349	13,387,329	15,280,750	16,678,001	17,964,593
4,034,509	3,934,104	3,896,316	3,480,016	3,507,541	3,775,230
46,865	45,781	43,679	46,805	54,469	67,212
239,572	901,211	745,428	(132,667)	(59,349)	5,693,953
-	-	-	-	-	-
123,212	122,757	53,276	86,403	329,444	232,446
12,959	27,082	27,750	22,396	38,839	37,157
270,597	80,533	255,396	11,690	128,372	80,310
62,913	108,378	32,017	-	-	284,289
580,000	580,000	579,996	579,996	(1,117,345)	(2,890,008)
<u>32,313,691</u>	<u>33,786,026</u>	<u>36,295,086</u>	<u>37,581,420</u>	<u>37,658,299</u>	<u>45,948,686</u>
147,322	520,982	428,817	(74,113)	48,743	2,253,782
-	-	-	-	-	-
(580,000)	(580,000)	(579,996)	(579,996)	1,117,345	2,890,008
(432,678)	(59,018)	-	(654,109)	1,166,088	5,143,790
<u>31,881,031</u>	<u>33,727,008</u>	<u>36,295,086</u>	<u>36,927,311</u>	<u>38,824,387</u>	<u>51,092,476</u>
3,816,512	5,211,076	11,026,085	5,453,946	9,208,937	18,105,599
7,180,104	4,400,549	6,651,173	6,686,137	10,495,531	14,703,336
<u>\$ 10,996,616</u>	<u>\$ 9,611,625</u>	<u>\$ 17,677,258</u>	<u>\$ 12,140,083</u>	<u>\$ 19,704,468</u>	<u>\$ 32,808,935</u>

CITY OF HALTOM CITY, TEXAS

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable	\$ 205,828	\$ 180,936	\$ 170,743	\$ 200,738
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	11,323,984	11,381,345	9,402,292	10,043,761
Total general fund	<u>11,529,812</u>	<u>11,562,281</u>	<u>9,573,035</u>	<u>10,244,499</u>
All Other Governmental Funds				
Nonspendable	-	-	-	15,534
Restricted	12,308,467	11,055,819	8,486,785	14,254,552
Committed	-	-	-	-
Unassigned	(79,746)	35,828	517,510	(11,520)
Total all other governmental funds	<u>\$ 12,228,721</u>	<u>\$ 11,091,647</u>	<u>\$ 9,004,295</u>	<u>\$ 14,258,566</u>

TABLE 3

2018	2019	2020	2021	2022	2023
\$ 201,427	\$ 168,876	\$ 179,195	\$ 186,734	\$ 1,464,419	\$ 1,463,014
-	-	-	-	3,679,002	-
-	833,338	-	4,338,894	6,002,133	5,964,351
13,200,606	12,420,435	18,014,660	20,153,093	19,895,000	36,626,042
<u>13,402,033</u>	<u>13,422,649</u>	<u>18,193,855</u>	<u>24,678,721</u>	<u>31,040,554</u>	<u>44,053,407</u>
 61,500	 -	 -	 -	 29,411	 -
17,872,985	26,266,982	30,308,944	55,940,954	85,935,660	67,379,404
-	-	-	1,108,092	1,320,968	1,634,311
(23,103)	(34,469)	(33,125)	-	(33,994)	(10,864)
<u>\$ 17,911,382</u>	<u>\$ 26,232,513</u>	<u>\$ 30,275,819</u>	<u>\$ 57,049,046</u>	<u>\$ 87,252,045</u>	<u>\$ 69,002,851</u>

CITY OF HALTOM CITY, TEXAS

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

**LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	2014	2015	2016	2017
Revenues				
Taxes [See Table 5]	\$ 22,547,214	\$ 23,345,404	\$ 24,497,264	\$ 29,076,841
Licenses and permits	484,736	851,870	814,128	638,032
Intergovernmental	8,285,812	660,422	205,337	254,000
Fines and fees	1,916,686	1,776,959	1,371,940	1,551,999
Charges for services	1,758,412	1,782,682	2,054,448	2,121,287
Oil and gas leases	394,326	127,709	30,131	67,466
Interest income	(84,217)	86,098	157,850	244,678
Contributions	653,585	858,043	1,405,165	748,839
Special assessments	2,613	11,592	-	3,183
Miscellaneous	471,393	818,530	465,094	667,635
Total revenues	<u>36,430,560</u>	<u>30,319,309</u>	<u>31,001,357</u>	<u>35,373,960</u>
Expenditures				
General government	11,486,467	5,132,507	6,181,093	5,804,710
Public safety	14,464,255	15,612,260	16,487,431	16,604,490
Streets	1,710,489	1,076,012	683,434	1,284,857
Culture and recreation	3,302,937	2,414,793	2,429,286	2,447,648
Capital outlay	7,419,305	3,433,813	5,187,830	1,595,455
Debt service:				
Principal	3,315,000	3,545,000	3,545,000	4,105,000
Interest	1,416,333	1,335,855	1,259,241	1,200,021
Bond issuance costs	106,727	26,640	4,640	147,289
Total expenditures	<u>43,221,513</u>	<u>32,576,880</u>	<u>35,777,955</u>	<u>33,189,470</u>
Excess of revenues over (under) expenditures	(6,790,953)	(2,257,571)	(4,776,598)	2,184,490
Other financial sources (uses)				
Bonds issued	7,330,000	365,000	-	7,115,000
Premium on issuance of debt	-	-	-	430,923
Payment to refunded bond escrow agent	(5,044,709)	-	-	(4,403,034)
Issuance of lease	-	-	-	-
Issuance of SBITA	-	-	-	-
Sale of capital assets	122,503	27,554	-	18,356
Transfers in	1,348,725	1,567,949	1,778,250	2,284,913
Transfers out	(1,820,283)	(883,291)	(1,078,250)	(1,704,913)
Total other financing sources (uses)	<u>1,936,236</u>	<u>1,077,212</u>	<u>700,000</u>	<u>3,741,245</u>
Net change in fund balance	<u>(4,854,717)</u>	<u>(1,180,359)</u>	<u>(4,076,598)</u>	<u>5,925,735</u>
Debt service as a percentage of noncapital expenditures	13.2%	16.7%	15.7%	16.8%

TABLE 4

2018	2019	2020	2021	2022	2023
\$ 31,059,455	\$ 32,191,601	\$ 34,410,674	\$ 37,047,887	\$ 38,949,202	\$ 42,601,719
987,167	1,095,526	1,935,600	1,721,763	1,684,308	1,469,963
758,074	215,319	1,688,615	1,548,228	4,513,951	10,753,612
1,313,937	1,292,692	764,796	1,107,243	985,407	1,069,819
1,759,252	1,386,044	1,326,530	1,516,790	1,599,153	1,597,654
123,212	122,757	53,276	86,403	183,444	86,446
239,539	901,178	745,388	(132,667)	(59,349)	5,693,953
144,310	68,187	72,319	23,679	574,764	43,598
6,059	2,033	-	-	-	-
<u>547,405</u>	<u>350,375</u>	<u>465,519</u>	<u>172,973</u>	<u>45,006</u>	<u>80,310</u>
<u>36,938,410</u>	<u>37,625,712</u>	<u>41,462,717</u>	<u>43,092,299</u>	<u>48,475,886</u>	<u>63,397,074</u>
6,274,768	7,250,795	6,490,804	7,443,056	7,598,229	8,684,707
17,197,194	17,900,823	17,293,723	17,648,916	19,437,964	20,538,829
1,556,644	2,099,806	2,824,221	2,958,596	1,933,792	1,892,798
3,046,391	3,126,754	2,824,579	2,812,340	2,950,934	3,217,815
2,098,253	1,903,015	4,255,104	4,147,546	8,458,571	24,303,389
4,218,128	5,055,743	5,144,934	6,073,871	6,042,154	5,357,974
1,073,999	1,054,336	1,422,774	1,067,252	1,612,731	2,964,569
<u>54,598</u>	<u>168,065</u>	<u>165,522</u>	<u>652,873</u>	<u>617,388</u>	<u>3,100</u>
<u>35,519,975</u>	<u>38,559,337</u>	<u>40,421,661</u>	<u>42,804,450</u>	<u>48,651,763</u>	<u>66,963,181</u>
1,418,435	(933,625)	1,041,056	296,849	(175,877)	(3,566,107)
2,860,000	7,460,000	5,730,000	34,160,000	38,995,000	-
-	526,665	429,778	2,265,050	2,671,220	-
-	-	-	(6,939,428)	(4,397,197)	-
809,444	600,329	956,294	30,903	581,404	836,251
-	-	-	-	-	1,629,234
62,913	108,378	77,388	2,864,723	286	284,289
2,797,863	2,898,688	2,356,440	3,151,018	3,294,900	2,977,488
(2,217,863)	(2,318,688)	(1,776,444)	(2,571,022)	(4,404,904)	(7,397,496)
<u>4,312,357</u>	<u>9,275,372</u>	<u>7,773,456</u>	<u>32,961,244</u>	<u>36,740,709</u>	<u>(1,670,234)</u>
<u>5,730,792</u>	<u>8,341,747</u>	<u>8,814,512</u>	<u>33,258,093</u>	<u>36,564,832</u>	<u>(5,236,341)</u>
16.0%	17.5%	19.8%	19.8%	18.8%	20.0%

CITY OF HALTOM CITY, TEXAS**TABLE 5**

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Bingo Tax	Mixed Beverage Tax	Total
2014	\$ 11,136,939	\$ 7,103,791	\$ 4,105,002	\$ 44,484	\$ 2,716	\$ 12,582	\$ 22,405,514
2015	11,522,289	7,622,096	4,141,784	44,681	-	14,554	23,345,404
2016	11,898,232	8,437,022	4,100,319	47,804	-	13,887	24,497,264
2017	12,867,349	12,025,312	4,128,461	44,545	-	11,174	29,076,841
2018	13,688,514	13,254,357	4,056,346	47,279	-	12,959	31,059,455
2019	14,605,834	13,527,349	3,984,935	46,401	6,255	20,827	32,191,601
2020	16,992,361	13,387,329	3,946,276	56,958	10,994	16,756	34,410,674
2021	18,157,393	15,280,750	3,540,543	46,805	-	22,396	37,047,887
2022	18,650,500	16,678,001	3,527,393	54,469	-	38,839	38,949,202
2023	20,757,527	17,964,593	3,775,230	67,212	-	37,157	42,601,719

CITY OF HALTOM CITY, TEXAS**TABLE 6****ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Fiscal Year	Taxable Value		Less: Tax-Exempt Property	Net Taxable Value	Total Direct Tax Rate
	Real Property	Personal Property			
2014	\$ 1,641,000,800	\$ 302,497,948	\$ 407,876,393	\$ 1,535,622,355	0.69999
2015	1,748,908,695	310,614,488	417,359,896	1,642,163,287	0.69999
2016	1,659,993,768	314,318,393	406,461,354	1,567,850,807	0.69999
2017	1,778,726,503	326,663,818	430,621,079	1,674,769,242	0.69999
2018	2,126,037,240	349,464,064	509,893,316	1,965,607,988	0.66818
2019	2,296,595,267	357,883,712	509,227,200	2,145,251,779	0.65300
2020	2,540,379,473	496,278,229	602,651,495	2,434,006,207	0.66576
2021	2,751,616,395	439,846,344	646,623,523	2,544,839,216	0.66576
2022	3,148,051,068	405,444,213	678,491,378	2,875,003,903	0.64565
2023	3,633,895,514	421,959,781	733,491,150	3,322,364,145	0.60816

Source: Tarrant County Appraisal District

CITY OF HALTOM CITY, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(PER \$100 OF ASSESSED VALUE)

LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	City Direct Rates			Overlapping Rates	
	Operating/ General Fund	Debt Service Fund	Total (A) Direct	Birdville School District	Tarrant College District
2014	0.479990	0.220000	0.699990	1.435000	0.149500
2015	0.479990	0.220000	0.699990	1.435000	0.149500
2016	0.462320	0.237670	0.699990	1.453900	0.149500
2017	0.462320	0.237670	0.699990	1.453900	0.144730
2018	0.455180	0.213000	0.668180	1.453900	0.140060
2019	0.423000	0.230000	0.653000	1.453900	0.136070
2020	0.413730	0.252030	0.665760	1.383900	0.130170
2021	0.403750	0.262010	0.665760	1.380300	0.130170
2022	0.395769	0.249882	0.645651	1.338000	0.130170
2023	0.376427	0.231735	0.608162	1.279800	0.130170

TABLE 7

Overlapping Rates		
Tarrant County Hospital	Tarrant County	Total Direct & Overlapping
0.227897	0.264000	2.776387
0.227897	0.264000	2.776387
0.227897	0.264000	2.795287
0.227897	0.254000	2.780517
0.224429	0.244000	2.730569
0.224429	0.234000	2.701399
0.224429	0.234000	2.638259
0.224429	0.234000	2.634659
0.224429	0.229000	2.567250
0.224429	0.224000	2.466561

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CITY OF HALTOM CITY, TEXAS

TABLE 8

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Taxpayer	2023			2014		
	Taxable Assessed Value (in thousands)	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value (in thousands)	Rank	Percentage of Total City Taxable Assessed Value
Exponential Property Group	\$ 98,200,000	1	2.96%	\$ -	-	-
KV Belmond Apartments LP	90,500,000	2	2.72%	-	-	-
Goodrich Landing Gear LLC	70,849,111	3	2.13%	-	-	-
Northern Cross TIC	65,200,000	4	1.96%	-	-	-
Hillshire Brands Company	62,033,400	5	1.87%	-	-	-
Brep Beach LP	52,400,000	6	1.58%	-	-	-
USLP Haltom City LP	51,594,259	7	1.55%	-	-	-
Emmitt Luxury Apartment Homes	51,000,000	8	1.54%	-	-	-
AV Haltom Lakeview/ AV Springlake LLC	49,880,000	9	1.50%	-	-	-
Springlake Village LLC	48,800,000	10	1.47%	-	-	-
The Hillshire Brands Company	-	-	-	41,466,670	1	2.47%
Chesapeake Operating	-	-	-	30,910,610	2	1.84%
HWM Beach LLC	-	-	-	30,248,000	3	1.80%
Hidden/820 LLC	-	-	-	22,823,000	4	1.36%
Protea Amesbury Court	-	-	-	21,200,000	5	1.26%
Fossil/820 LLC	-	-	-	20,900,000	6	1.25%
Oncor Electric Delivery	-	-	-	13,738,153	7	0.82%
Alliance PJWE LP	-	-	-	13,250,000	8	0.79%
Fossil Hill Ltd	-	-	-	11,900,000	9	0.71%
Spring Lake Apartments	-	-	-	11,000,000	10	0.66%
Total	\$ 640,456,770		19.27%	\$ 217,436,433		12.30%

Source: Tarrant County Appraisal District

CITY OF HALTOM CITY, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Adjustments to Levy	Adjusted Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy	
				Amount	Percentage of Levy
2014	\$ 11,002,623	\$ 60,540	\$ 11,063,163	\$ 10,856,887	98.14%
2015	11,615,861	(76,711)	11,539,150	11,416,197	98.93%
2016	10,864,156	793,917	11,658,073	11,544,619	99.03%
2017	12,287,526	415,787	12,703,313	12,514,668	98.51%
2018	13,110,290	392,415	13,502,705	13,316,626	98.62%
2019	14,415,250	158,809	14,574,059	14,375,036	98.63%
2020	16,709,584	224,381	16,933,964	16,749,840	98.91%
2021	16,983,855	837,616	17,821,471	17,653,406	99.06%
2022	18,292,751	330,464	18,623,215	18,436,766	98.99%
2023	19,535,246	628,764	20,164,010	19,959,414	98.99%

Source: Tarrant County Tax Office

TABLE 9

Collections For Previous Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 161,250	\$ 11,018,137	99.59%
114,360	11,530,557	99.92%
63,268	11,607,887	99.57%
142,888	12,657,556	99.64%
136,128	13,452,754	99.63%
74,294	14,449,330	99.14%
133,265	16,883,105	99.70%
96,608	17,750,014	99.60%
37,104	18,473,870	99.20%
90,600	20,050,014	99.43%

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CITY OF HALTOM CITY, TEXAS**TABLE 10****SALES TAX COLLECTIONS BY FUND****LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	General	Street Reconstruction	Total Primary Government	Component Units		Total Sales Tax Collections
				Economic Development	Crime Control District	
2014	\$ 5,681,874	\$ 1,421,917	\$ 7,103,791	\$ 2,843,834	\$ 1,355,192	\$ 8,458,983
2015	6,095,550	1,526,546	7,622,096	3,053,111	1,465,227	9,087,323
2016	6,747,264	1,689,760	8,437,024	3,379,538	1,643,414	10,080,438
2017	9,448,656	2,577,863	12,026,519	-	1,662,631	13,689,150
2018	10,402,719	2,851,638	13,254,357	-	1,838,595	15,092,952
2019	10,632,058	2,895,291	13,527,349	-	1,865,818	15,393,167
2020	10,539,418	2,875,661	13,415,079	-	1,833,806	15,248,885
2021	13,022,519	3,279,821	16,302,340	-	2,123,435	18,425,775
2022	13,101,543	3,576,458	16,678,001	-	2,311,232	18,989,233
2023	14,113,396	3,851,197	17,964,593	-	2,505,652	20,470,245

Note:

The Economic Development Corporation and the Crime District are presented separately which are discretely presented component units, but part of the City's Sales Tax Rate and Collections. Starting FY2017, there will be no allocation of sales tax to Economic Development Corporation.

CITY OF HALTOM CITY, TEXAS

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(Unaudited)

Governmental Activities							
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Tax Notes	Financing Arrangements	Leases Payable	Subscriptions Payable	
2014	\$ 26,753,204	\$ 14,290,000	\$ 1,715,000	\$ -	\$ -	\$ -	
2015	24,225,000	13,150,000	1,655,000	-	-	-	
2016	22,240,000	12,015,000	1,230,000	-	-	-	
2017	27,581,648	6,605,000	845,000	-	-	-	
2018	27,377,718	5,787,751	474,816	756,316	-	-	
2019	31,336,530	5,128,497	234,908	1,131,026	-	-	
2020	27,253,677	10,645,764	-	1,777,386	-	-	
2021	52,721,967	9,055,764	-	1,314,418	-	-	
2022	76,012,451	17,207,124	-	-	1,319,192	-	
2023	70,228,021	16,325,638	-	-	1,539,441	1,465,710	

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

^a See Table 16 for personal income and population data.

TABLE 11

Business-Type Activities			Total Primary Government	Debt Percentage of Personal Income ^a	Total Debt Per Capita
General Obligation Refunding Bonds	Certificates of Obligation				
\$ 9,305,350	\$ 9,385,000	\$ 61,448,554	7.03%	1,419	
7,890,000	9,000,000	55,920,000	6.45%	1,311	
6,630,000	8,605,000	50,720,000	5.78%	1,187	
6,200,000	7,330,000	48,561,648	5.62%	1,140	
5,026,999	14,041,555	53,465,155	6.01%	1,221	
3,682,796	13,224,703	54,738,460	5.93%	1,218	
5,138,858	10,010,081	54,825,766	5.93%	1,156	
4,183,858	9,121,521	76,397,528	8.18%	1,522	
3,300,000	6,645,969	104,484,736	9.62%	2,284	
5,655,000	4,176,717	99,390,527	8.06%	2,145	

CITY OF HALTOM CITY, TEXAS

RATIO OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(Unaudited)

Governmental Activities								Less: Amount Available for Debt Service
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Tax Notes	Financing Arrangements	Leases Payable	Subscriptions Payable		
2014	\$ 26,753,204	\$ 14,290,000	\$ 1,715,000	\$ -	\$ -	\$ -	\$ -	\$ 222,030
2015	24,225,000	13,150,000	1,655,000	-	-	-	-	217,584
2016	22,240,000	12,015,000	1,230,000	-	-	-	-	493,055
2017	27,581,648	6,605,000	845,000	-	-	-	-	385,467
2018	27,525,285	5,787,751	474,816	-	-	-	-	374,761
2019	31,454,935	5,128,497	234,908	-	-	-	-	523,044
2020	27,253,677	10,645,764	-	1,777,386	-	-	-	1,033,177
2021	52,721,967	9,055,764	-	1,314,418	-	-	-	1,712,505
2022	76,012,451	17,207,124	-	-	1,319,192	48,448	48,448	1,562,948
2023	70,228,021	16,325,638	-	-	1,539,441	1,465,710	1,465,710	3,579,677

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

^a See Table 6 for property value data.

^b See Table 16 for population data.

TABLE 12

Governmental Activities	Business-Type Activities			Total Debt	Percentage of General Debt to Taxable Value of Property ^a	General Debt Per Capita ^b
	General Obligation Refunding Bonds	Certificates of Obligation				
Total						
\$ 40,821,174	\$ 9,305,350	\$ 9,385,000	\$ 61,226,524	2.58%	970	
37,157,416	7,890,000	9,000,000	55,702,416	3.39%	1,270	
33,761,945	6,630,000	8,605,000	50,226,945	3.20%	1,175	
33,801,181	6,200,000	7,330,000	48,176,181	2.89%	1,134	
32,938,275	5,026,999	14,041,555	52,481,645	2.66%	1,224	
36,060,388	3,682,796	13,224,703	52,967,887	2.51%	1,259	
36,866,264	5,138,858	10,010,081	52,015,203	2.08%	1,144	
60,065,226	4,183,858	9,121,521	73,370,605	2.88%	1,700	
93,024,267	3,300,000	6,645,969	102,970,236	3.58%	2,251	
85,979,133	5,655,000	4,176,717	95,810,850	2.88%	2,066	

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CITY OF HALTON CITY, TEXAS**TABLE 13****DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**AS OF SEPTEMBER 30, 2023
(Unaudited)

<u>Governmental Unit</u>	Debt Outstanding	Estimated Percentage Applicable^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Birdville Independent School District	\$ 655,275,000	22.32%	\$ 146,257,380
Fort Worth Independent School District	1,504,885,000	0.24%	3,611,724
Keller Independent School District	782,924,989	0.58%	4,540,965
Tarrant County	376,120,000	1.33%	5,002,396
Tarrant County College District	591,230,000	1.33%	7,863,359
Tarrant County Hospital District	448,410,000	1.33%	<u>5,963,853</u>
Subtotal, overlapping debt			173,239,677
City of Haltom City (direct debt)			<u>91,065,000</u>
Total direct and overlapping debt			<u>\$ 264,304,677</u>

Sources: Texas Municipal Reports published by Municipal Advisory Council of Texas

^a The percentage of overlapping debt applicable is estimated using the area of each taxing unit located within Haltom City.

CITY OF HALTOM CITY, TEXAS

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(Unaudited)

	2014	2015	2016	2017
Debt limit	\$ 39,584,432	\$ 41,912,022	\$ 39,196,270	\$ 41,869,231
Total net debt applicable to limit	<u>26,531,174</u>	<u>24,007,416</u>	<u>21,746,945</u>	<u>27,196,181</u>
Legal debt margin	\$ 13,053,258	\$ 17,904,606	\$ 17,449,325	\$ 14,673,050
Total net debt applicable to the limit as a percentage of debt limit	66.03%	67.02%	62.79%	64.96%

Note: Under state finance law, the city's outstanding general obligation debt should not exceed 2.5 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

TABLE 14**Legal Debt Margin Calculation for Fiscal Year 2023**

Assessed value	\$ 3,322,364,145
Debt limit (2.5% of assessed value)	83,059,104
Debt applicable to limit:	
General obligation bonds	75,883,021
Less: Amount set aside for repayment of general obligation debt	<u>(3,579,677)</u>
Total net debt applicable to limit	<u>72,303,344</u>
Legal debt margin	<u>\$ 10,755,760</u>

2018	2019	2020	2021	2022	2023
\$ 49,140,200	\$ 53,631,294	\$ 60,850,155	\$ 63,610,678	\$ 76,407,188	\$ 83,059,104
<u>27,150,524</u>	<u>30,931,891</u>	<u>26,220,500</u>	<u>49,306,130</u>	<u>74,067,897</u>	<u>72,303,344</u>
<u>\$ 21,989,676</u>	<u>\$ 22,699,403</u>	<u>\$ 34,629,655</u>	<u>\$ 14,304,548</u>	<u>\$ 2,339,291</u>	<u>\$ 10,755,760</u>
55.25%	57.68%	43.09%	77.51%	96.94%	87.05%

CITY OF HALTOM CITY, TEXAS**TABLE 15****PLEDGED-REVENUE COVERAGE****LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Water & Sewer Revenue Bonds						Coverage	
	Less:		Net		Debt Service			
	Total Revenues ^a	Operating Expenses ^b	Available Revenue		Principal	Interest		
2014	\$ 16,845,772	\$ 13,782,236	\$ 3,063,536	\$ -	\$ -	\$ -	-	
2015	16,871,764	14,052,528	2,819,236	-	-	-	-	
2016	18,773,943	15,828,200	2,945,743	-	-	-	-	
2017	20,235,926	14,994,043	5,241,883	-	-	-	-	
2018	23,042,346	14,187,868	8,854,478	-	-	-	-	
2019	23,537,076	16,452,441	7,084,635	-	-	-	-	
2020	26,548,509	15,761,697	10,786,812	-	-	-	-	
2021	23,227,162	15,397,186	7,829,976	-	-	-	-	
2022	27,193,714	14,301,249	12,892,465	-	-	-	-	
2023	26,704,316	15,043,147	11,661,169	-	-	-	-	

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

^a Includes operating revenues, investment interest, gain on sale of assets, and operating transfers.

^b Includes operating expenses minus depreciation and amortization.

CITY OF HALTOM CITY, TEXAS**TABLE 16**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
(Unaudited)

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2014	43,851	\$ 891,140	\$ 20,322	33.5	24,317	5.0%
2015	42,640	866,530	20,322	33.5	24,321	4.2%
2016	42,730	878,144	20,551	32.0	24,300	3.9%
2017	42,740	867,750	20,303	32.5	23,627	3.2%
2018	42,740	856,253	20,034	31.8	23,570	3.0%
2019	42,730	877,973	20,547	31.8	23,477	2.9%
2020	44,339	958,963	21,628	31.5	23,503	6.2%
2021	43,168	933,637	21,628	32.4	22,535	6.3%
2022	45,746	1,085,736	23,734	32.8	22,673	3.5%
2023	46,382	1,232,880	26,581	34.6	22,447	3.7%

Sources: Estimated population before 2015 provided by Oncor Economic Development. Estimated population for 2015 to 2018 were provided by the North Central Texas Council of Governments. Median age from Census-factfinder.census.gov. School enrollment provided by Birdville ISD. Unemployment rates from US Bureau of Labor Statistic.

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CITY OF HALTOM CITY, TEXAS

TABLE 17

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>Employer</u>	2023			2014		
	<u>Employees</u>	<u>Rank</u>	Percentage of Total City Employment	<u>Employees</u>	<u>Rank</u>	Percentage of Total City Employment
Birdville ISD	3,300	1	13.72%	3,088	1	13.33%
Tyson Foods (formerly Hillshire & State Fair)	813	2	3.38%	735	2	3.17%
Medtronic Midas Rex	342	3	1.42%	270	4	1.17%
City of Haltom City	304	4	1.26%	294	3	1.27%
GST Manufacturing	216	5	0.90%	260	5	1.12%
MICA Corporation	198	6	0.82%	100	12	0.43%
Liberty Carton Company	162	7	0.67%	175	6	0.76%
Unifirst	146	8	0.61%	120	10	0.52%
Falcon Steel Company	139	9	0.58%	121	9	0.52%
Blackmon Mooring	127	10	0.53%	120	10	0.52%
Progressive Concepts, Inc	-		-	150	6	0.65%
Nurse Assist	-		-	126	8	0.54%
Total	<u>5,747</u>		<u>23.88%</u>	<u>5,559</u>		<u>24.00%</u>

CITY OF HALTOM CITY, TEXAS

FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	2014	2015	2016	2017
General government				
Administration	3	3	3	3
City Secretary	2	2	2	2
City Council	0	0	0	0
Finance	7	7	6	6
Human Resources	3	3	4	4
Planning	6	7	6	7
Information Tech./HCTV	5	5	6	6
Code Enforcement	3	3	5	5
Fleet services	6	6	6	5
Building maintenance	1	1	2	2
Economic development	7	7	1	0
Public safety				
Police	79	79	82	82
Fire	55	55	54	54
Emergency Management				
Municipal court	8	8	8	8
Animal control	5	5	5	5
Streets	11.5	11.5	11.5	11.5
Culture and recreation				
Library	13	13	13	13
Parks and recreation	13	13	18	19
Crime Control & Prevention District				
Water & Sewer	46.5	46.5	41.5	41.5
Drainage	8	8	7	7
Total	<u>282</u>	<u>283</u>	<u>281</u>	<u>281</u>

TABLE 18

2018	2019	2020	2021	2022	2023
3	3	3	3	2	2
2	2	2	2	2	2
0	0	0	0	0	0
6	6	5	5	5	6
4	2	4	4	4	3
7	7	7	13	13	12
6	6	6	6	6	5
5	5	6	0	0	0
4	4	4	4	4	4
2	2	2	2	2	1
0	1	0	0	0	0
82	83	85	85	86	85
55	56	59	59	59	57
		0	0	0	4
7	5	7	7	7	6
5	4	4	4	5	4
11.5	10	12.5	12.5	12.5	10
13	13	13	10	13	16
19	24	24	23	24	26
		5	5	5	6
42.5	38	41.5	44.5	45.5	35
7	6	7	6	7	7
281	277	297	295	302	291

CITY OF HALTOM CITY, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	2014	2015	2016	2017
General government				
Planning				
Residential permits issued	279	313	405	409
Commercial permits issued	208	298	260	190
New residential homes	5	4	11	16
New commercial buildings	12	17	16	10
Public safety				
Police				
Number of police officers	72	76	76	76
Number of physical arrests	2,182	2,034	1,863	1,798
Number of offenses*	1,377	1,503	1,693	1,712
Fire				
Number of firefighters	49	49	51	52
Number of fire runs	1,602	1,545	1,845	1,307
Number of EMS runs	2,917	2,846	2,906	3,166
Streets				
Street resurfacing (sq. yards)	56,822	9,455	14,070	6,725
Asphalt used for repairs (tons)	1,155	3,160	3,358	2,837
Culture and recreation				
Library				
Number of volumes	137,772	137,772	134,770	134,942
Average monthly circulation	30,000	17,925	25,791	24,020
Parks and recreation				
Average daily attendance	321	332	301	361
Water & sewer				
Average daily consumption (millions of gallons)	4.69	5.18	4.28	4.32
Number of sewer connections	12,641	14,069	14,069	14,069
Residential accounts billed	10,832	10,909	10,872	11,023
Commercial accounts billed	1,490	1,399	1,350	1,379

*Part I offenses only.

TABLE 19

2018	2019	2020	2021	2022	2023
437	667	1,043	774	953	792
123	146	142	149	157	143
10	19	116	56	80	46
18	13	17	19	9	17
83	78	78	78	78	81
1,950	1,739	1,422	1,584	1,642	1,600
1,945	1,909	1,909	2,029	1,500	1,308
59	59	51	51	51	52
1,745	1,865	1,688	2,012	2,067	1,955
2,902	2,814	2,728	3,185	3,124	3,409
5,859	1,192	1,085	1,904	1,152	13,457
3,775	1,611	2,801	1,590	1,003	1,700
125,494	134,308	71,442	115,363	124,849	124,837
22,409	22,667	12,859	10,856	9,862	9,609
320	295	196	140	196	161
4.01	3.95	3.74	3.97	3.74	3.74
12,716	12,739	12,717	12,826	12,867	12,884
11,544	11,128	11,544	10,226	11,323	11,290
1,565	1,502	1,565	1,283	1,276	1,429

CITY OF HALTOM CITY, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	2014	2015	2016	2017	2018
Public safety					
Police stations	1	1	1	1	1
Police patrol units	35	37	37	37	37
Fire stations	3	3	3	3	3
Streets					
Streets (miles)	171	174	174	184	184
Traffic signals	10	14	14	15	15
Streetlights	1,707	1,767	1,767	1,777	1,777
Culture and recreation					
Parks	12	10	11	11	11
Park (acres)	220	220	220	220	230
Picnic areas	9	8	9	9	9
Playgrounds	15	15	15	15	16
Recreation center	1	1	1	1	1
Senior center	1	1	1	1	1
Libraries	1	1	1	1	1
Water & sewer					
Water mains (miles)	305	306	307	310	310
Fire hydrants	1,662	1,700	1,700	1,724	1,724
Sanitary sewers (miles)	141	142	142	161	161
Drainage					
Storm sewers (miles)	306	307	307	310	310

Source: City of Haltom City Records

TABLE 20

2019	2020	2021	2022	2023
1 37 3	1 37 3	1 37 3	1 37 3	1 8 3
186 15 1,809	186 15 1,809	186 15 1,809	186 15 1,809	186 15 1,809
11 230 9 17 1 1 1	11 230 9 17 1 1 1	11 230 9 17 1 1 1	11 240 10 18 1 1 1	12 240 9 18 1 1 1
132 1,747 163	309 1,747 142	320 1,760 150	309 1,662 142	305 1,662 141
311	308	308	308	308

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