

HALTOM CITY, TX

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2022



CITY OF HALTOM CITY, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2022

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

March 31, 2023

Honorable Mayor and City Council Members:

The annual comprehensive financial report of the City of Haltom City for the fiscal year ending September 30, 2022 is hereby submitted. 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 audited by a licensed public accountant. This report is published to satisfy that requirement and to provide the City Council, City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City government.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal controls over financial reporting. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from the control. The evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's current system of 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. Patillo, Brown and Hill, L.L.P., Certified Public Accountants, 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, 2022. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City, incorporated in 1950, is located six miles northeast of downtown Fort Worth in Tarrant County. The City has a land area of 12.4 square miles and an estimated population of 46,394. The City of Haltom City is a "home rule" unit of local government under State of Texas law. The City has a council-manager form of government. Policy-making and legislative authority are vested in a governing body (City Council) consisting of the mayor and seven council members, all elected at large through popular vote. Council members serve two-year terms, with four members elected in even numbered years and the mayor and 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 full range of services. These include public safety (police, fire, and emergency management), municipal court, parks, library, public works, and general administrative services. In addition, the City operates a water distribution system, a wastewater collection system, and a drainage utility system.

The 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 legally separate organizations that a primary government must include as a part of its financial reporting entity. The government-wide financial statements include not only the City itself (known as the primary government), but also the Crime Control Prevention District as discretely presented component units. The discretely presented component units are presented as separate columns in the government-wide financial statements.

The Haltom City Charter specifies that an operating budget be adopted prior to the first day of the fiscal year beginning October 1st. The City's budget process is a seven-month cycle, which begins in mid-February and ends in mid-September. Departments submit budget proposals by early May and during the months of May, June, and July. The City Manager develops the recommended budget based on the policy direction received from 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 receive citizen feedback and make final determinations about the eventual adopted budget. Prior to September 30th, the budget is legally enacted through the passage of an appropriation ordinance by fund. Budget changes that increase the total budgeted expenditures of a fund must be approved by the City Council. The City Charter provides that the budget may be amended by the City Council.

LOCAL ECONOMY

The City of Haltom City has always shared the good fortune of Fort Worth and Northeast Tarrant County in general, with expanded job markets and general economic activity. This past year, the Fort Worth Metropolitan Statistical Area (MSA), in which Haltom City is located, has seen significant expansive growth driven by commercial construction, retail sales, services and transportation. Overall, the North Texas region has fared better than the nation as a whole. The Dallas-Fort Worth MSA area's population and labor force are among the more rapidly growing in the nation, having grown more than most other major MSA in Texas since 2010. Due to 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) 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, which includes Haltom City.

Fiscal year 2022 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 nine percent from the prior year and with numerous new businesses, and expansion of some existing businesses, this amount will continue to increase. Because of the City's varied tax base, to include industrial-type businesses, keeps the City from relying on just retail in an economic down turn. Property tax values continue to increase each year and the demand of new homes and new neighborhoods will continue to drive growth within our City. With our second new housing development almost completed, new warehouses not yet assessed, and the development of a new Tax Increment Reinvestment Zone allows even more opportunity for revitalization and increased values along our major corridors. Our 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, unemployment is 3.1% and over 1% lower than last year. Haltom City's labor force is approximately 23,017 and the unemployment rate for September 2022 was 3.10% down from the previous year. The State of Texas unemployment rate is 3.8% down from 5.1% in the previous year. The national rate is 3.3%.

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

LONG-TERM FINANCIAL PLANNING

Each year, the City Council meets and sets forth the strategic goals for the City. The Haltom City City Council's Long-Term Strategic Goals are:

- Continue to cultivate the commercial and residential development plan for a successful economic development environment and approval of the TIRZ 2 Zone.
- 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.

The City continues to focus efforts on our strategic goals. These goals drive decision-making and help the City Council further the City's mission and vision, and translate that vision into actions. The City's limited resources are then prioritized to achieve that plan. The City's actions to implement the established strategic goals and address community issues are numerous and varied. However, the City continually addresses community issues through the best and most appropriate methods available.

Since 2004, the City's Finance Staff has worked with Department Heads and the City's financial advisor to develop financial models to be used in long-term financial planning. Models projecting revenues and expenditures/expenses for 5 years beyond the current year have been developed for all of the operational funds of the City and the Debt Service Fund. Assumptions have been developed for future tax rates and charges for service as well as projections for expenditures/expenses. Each possible program addition or change is analyzed in terms of impact over a 5-year window as a part of the decision-making process. The models also enable the City to make assumptions about the future debt capacity of the operational funds. The ability to determine available current resources and future debt proceeds has enabled the City to move forward with a yearly Capital Improvement Program. The program has identified projects based on their critical nature and the timeliness of available financing for the project.

In FY 2022, the City Council authorized a Certificate of Obligation Debt of \$10 million for streets and parks, and the citizens approved a General Obligation Debt of \$25 million for the construction of a new city hall.

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 statements address areas of reporting and auditing, budgeting, revenues, capital improvements, debt, and grants to name a few. The financial management policies are designed to ensure the financial integrity and assist the City in achieving the following:

- Quality of 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 in sound fiscal condition.
- Cost effective services to citizens through cooperation with other government entities.
- An adequate capital improvement program that maintains and enhances the public's assets.

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, 2021. 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 1987-2021) 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 received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2022. 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 preparation of this report could not be accomplished without the efficient and dedicated endeavors of the entire staff of the Finance Department, our Audit Committee, and our independent auditors. We would like to express our sincere appreciation to all employees who contributed to the preparation. We would also like to thank the Mayor, City Council, and the City Manager for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



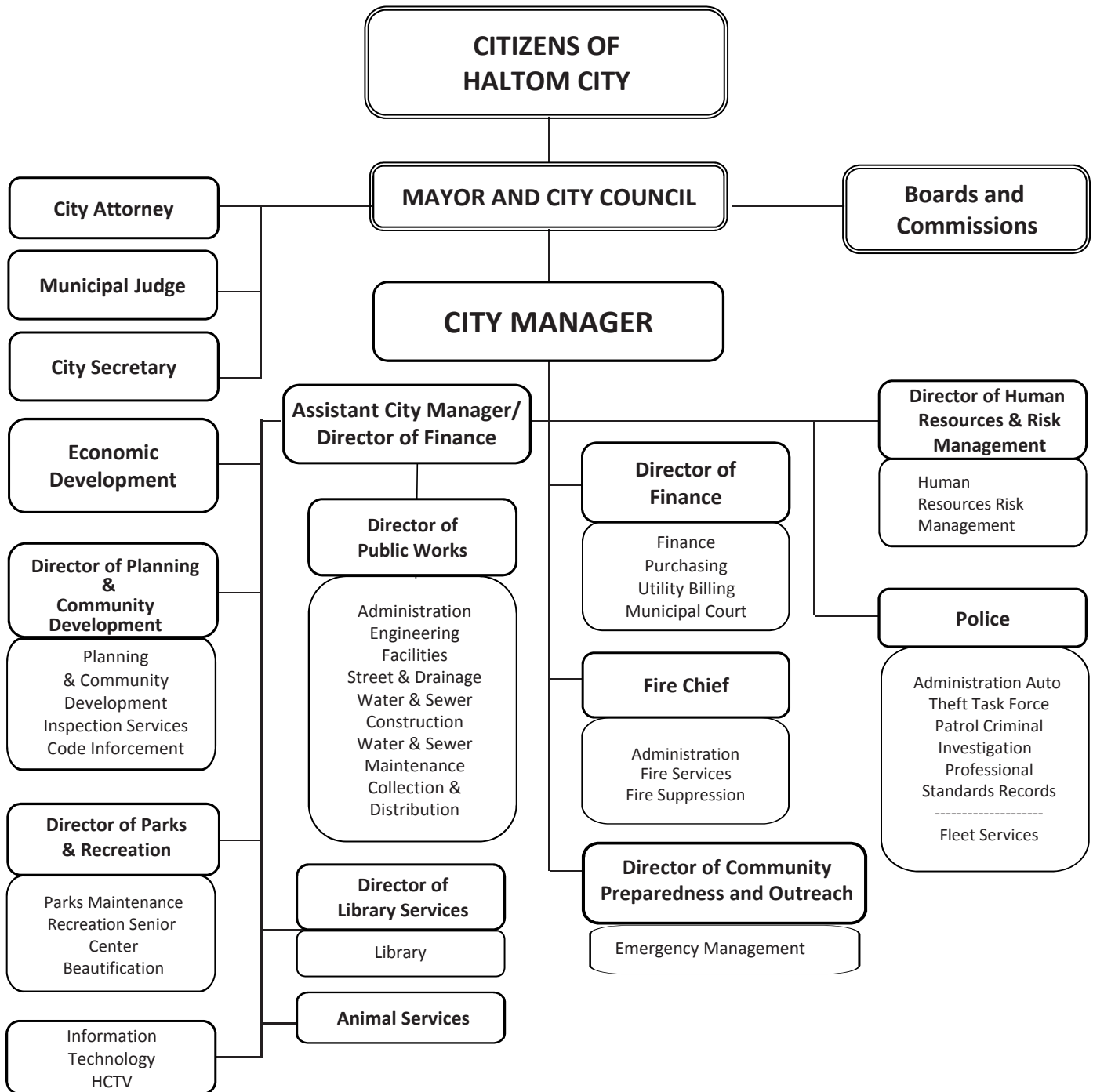
Sidonna Foust
Assistant City Manager/Director of Finance



Jon Stevenson
Assistant Director of Finance/Controller

ORGANIZATION CHART

FISCAL YEAR 2023



CITY COUNCIL



DR. AN TROUNG
MAYOR



MARIAN HILLIARD
PLACE 1



TIFFANY CHANDLER
PLACE 2



LIN THOMPSON
PLACE 3



ERIC MORRIS
PLACE 4



SUSAN SOULE
PLACE 5



KYLE SMITH
PLACE 6



DON COOPER
PLACE 7

CITY OF HALTOM CITY

Management Staff

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



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, 2021

Christopher P. Morrell

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Haltom City, Texas (the "City") as of and for the year ended September 30, 2022, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Haltom City, Texas, as of September 30, 2022, 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.

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 due 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 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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 March 31, 2023, 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
March 31, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

MDA MANAGEMENT'S DISCUSSION AND ANALYSIS

The financial management team of the City of Haltom City offers the following narrative overview and analysis of the financial activities of the City of Haltom City for the fiscal year ended September 30, 2022. Please read this in conjunction with the transmittal letter at the beginning of the report 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, 2022 by \$174.8 million (net position). Of this amount, about \$57.1 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 \$19.7 million for the year ended September 30, 2022. Out of this, \$9.2 million is from governmental activities and \$10.5 million from business activities.
- On a government-wide basis, the City's total assets increased by \$50.4 million or 18.6% and total liabilities increased by \$28.3 million or 25%.
- As of September 30, 2022, the City's governmental funds reported combined ending fund balances of \$118.3 million, an increase of \$36.6 million in comparison with prior year. Approximately, \$19.9 million of the fund balance is available for spending at the government's discretion (unassigned fund balance).

II. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis 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 all of the City's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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:** Most of the City's basic services are reported here, including the police, fire, street maintenance, culture and recreation and general administration. Property taxes, sales taxes, franchise fees, and charges for services provide the majority of funding for these activities.
- **Business-type activities:** The City charges a fee to customers to cover all or most of the cost of certain services provided. The City's water and sewer system, and drainage utility system are reported here.

The government-wide financial statements include not only the City itself (known as the primary government), but also include the Economic Development Corporation and the Crime Control District, which are legally separate entities. The Economic Development Fund accounts for the local sales tax used to stimulate the local economy, development, and redevelopment. In October 2021, the Economic Development Corporation formally dissolved and transferred their net assets to the City. As such, the Economic Development Fund is presented to show the transfer of assets to the primary government. The Crime Control District accounts for the accumulation and use of sales tax proceeds designated 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 required to be established by State law. However, the City establishes many other funds to control and manage money for particular purposes or to show the legal responsibilities for using certain revenues.

The City's two kinds of funds, governmental and proprietary, use different accounting approaches.

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, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

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 may serve over time 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 \$174.8 million as of September 30, 2022.

By far the largest portion of the City's net position, \$90.8 million (or 52.0%) reflects its net investment in capital assets (e.g. land, buildings, machinery, equipment, and right to use equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

A portion of the City's net position (\$26.7 million, or 15.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$57.2 million, or 32.7%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported a positive balance in all three categories of net position. The governmental activities showed a \$16.4 million positive unrestricted net position and the business-type activities showed a positive unrestricted net position of \$40.8 million. The net position for governmental activities and business-type activities are summarized as follows:

	Governmental Activities		Business Type Activities		Total	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Assets						
Current and other assets	\$ 133,042,085	\$ 91,730,489	\$ 47,079,482	\$ 39,076,156	\$ 180,121,567	\$ 130,806,645
Capital assets	<u>84,037,234</u>	<u>81,937,536</u>	<u>55,933,034</u>	<u>56,943,141</u>	<u>139,970,268</u>	<u>138,880,677</u>
Total assets	<u>217,079,319</u>	<u>173,668,025</u>	<u>103,012,516</u>	<u>96,019,297</u>	<u>320,091,835</u>	<u>269,687,322</u>
Deferred Outflows of Resources	<u>4,454,159</u>	<u>2,987,606</u>	<u>605,089</u>	<u>441,133</u>	<u>5,059,248</u>	<u>3,428,739</u>
Liabilities						
Other liabilities	14,353,861	8,738,528	3,689,101	3,110,960	18,042,962	11,849,488
Long-term liabilities	<u>110,655,270</u>	<u>84,230,577</u>	<u>12,042,356</u>	<u>16,377,531</u>	<u>122,697,626</u>	<u>100,608,108</u>
Total Liabilities	<u>125,009,131</u>	<u>92,969,105</u>	<u>15,731,457</u>	<u>19,488,491</u>	<u>140,740,588</u>	<u>112,457,596</u>
Deferred Inflows of Resources	<u>8,495,230</u>	<u>4,866,346</u>	<u>1,154,062</u>	<u>735,384</u>	<u>9,649,292</u>	<u>5,601,730</u>
Net Position						
Net investment in capital assets	44,884,303	48,488,519	45,964,147	43,641,248	90,848,450	92,129,767
Restricted	26,722,373	22,380,151	-	-	26,722,373	22,380,151
Unrestricted	<u>16,422,441</u>	<u>7,951,510</u>	<u>40,767,939</u>	<u>32,595,307</u>	<u>57,190,380</u>	<u>40,546,817</u>
Total Net Position	<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>

Analysis of the City's operations

The City of Haltom City's net position increased by \$19.7 million to \$174.8 million during the current fiscal year. An increase of \$9.2 million in governmental activities and an increase of \$10.5 million in business-type activities accounted for this increase. Details are listed as follows:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 4,388,500	\$ 4,361,566	\$ 27,321,794	\$ 25,748,215	\$ 31,710,294	\$ 30,109,781
Operating grants and contributions	4,076,899	1,522,728	-	-	4,076,899	1,522,728
Capital grants and contributions	656,164	240,588	40,309	1,027,514	696,473	1,268,102
General Revenues:						
Taxes:						
Property taxes levied for general purposes	18,098,327	18,206,031	-	-	18,098,327	18,206,031
Other taxes	20,278,850	18,829,967	-	-	20,278,850	18,829,967
Gain on sale of capital assets	-	-	-	-	-	-
Other revenues	457,816	98,093	-	-	457,816	98,093
Investment income	(59,349)	(132,667)	48,743	(74,113)	(10,606)	(206,780)
Total revenues	<u>47,897,207</u>	<u>43,126,306</u>	<u>27,410,846</u>	<u>26,701,616</u>	<u>75,308,053</u>	<u>69,827,922</u>
Expenses:						
General government	9,354,014	9,241,073	-	-	9,354,014	9,241,073
Public safety	20,546,631	21,334,383	-	-	20,546,631	21,334,383
Streets	2,189,131	2,549,723	-	-	2,189,131	2,549,723
Culture and recreation	3,188,306	3,416,953	-	-	3,188,306	3,416,953
Interest and other fees	2,292,843	1,710,224	-	-	2,292,843	1,710,224
Water & wastewater	-	-	16,612,615	17,919,526	16,612,615	17,919,526
Drainage	-	-	1,420,045	1,515,957	1,420,045	1,515,957
Total expenses	<u>37,570,925</u>	<u>38,252,356</u>	<u>18,032,660</u>	<u>19,435,483</u>	<u>55,603,585</u>	<u>57,687,839</u>
Change in net position before transfers	10,326,282	4,873,950	9,378,186	7,266,133	19,704,468	12,140,083
Transfers	(1,117,345)	579,996	1,117,345	(579,996)	-	-
Change in net position	9,208,937	5,453,946	10,495,531	6,686,137	19,704,468	12,140,083
Net position - beginning	<u>78,820,180</u>	<u>73,366,234</u>	<u>76,236,555</u>	<u>69,550,418</u>	<u>155,056,735</u>	<u>142,916,652</u>
Net position - ending	<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>

Governmental activities

The net position of governmental activities at end of the fiscal year was at \$88.0 million compared to \$78.8 million for prior year. This was an increase in net position of \$9.2 million. Total revenues increased over the prior year from \$43.1 million to \$47.9 million. Total expenses for the fiscal year decreased to \$37.6 million from \$38.3 million.

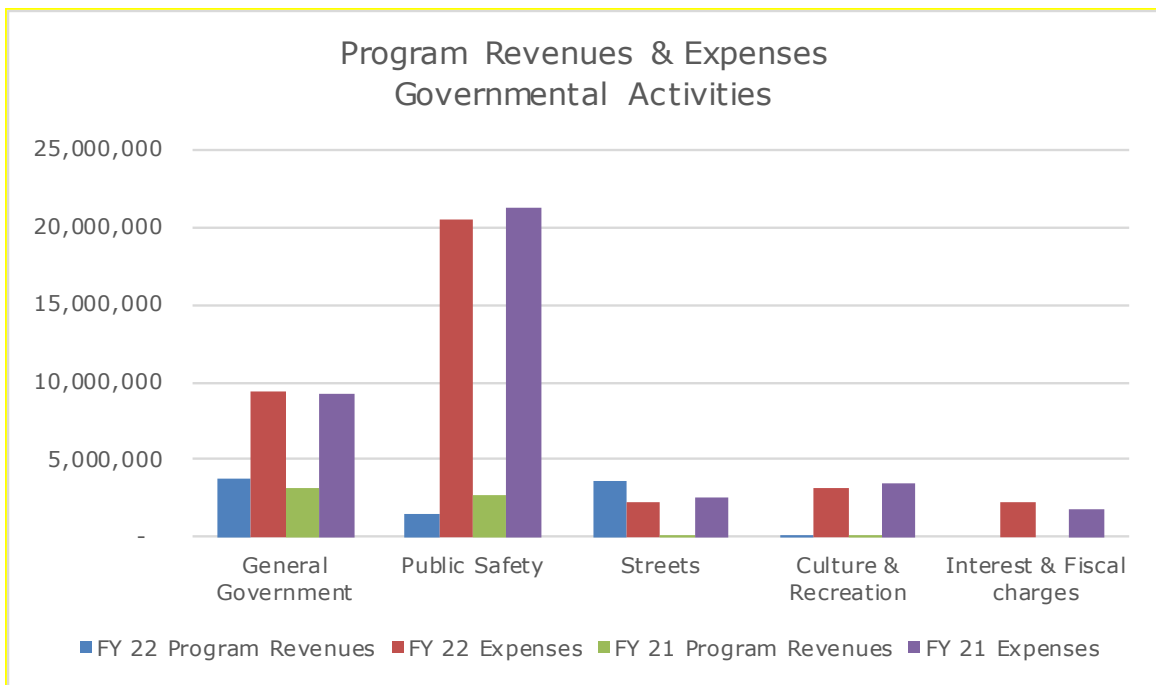
Key changes of revenues and expenses are as follows:

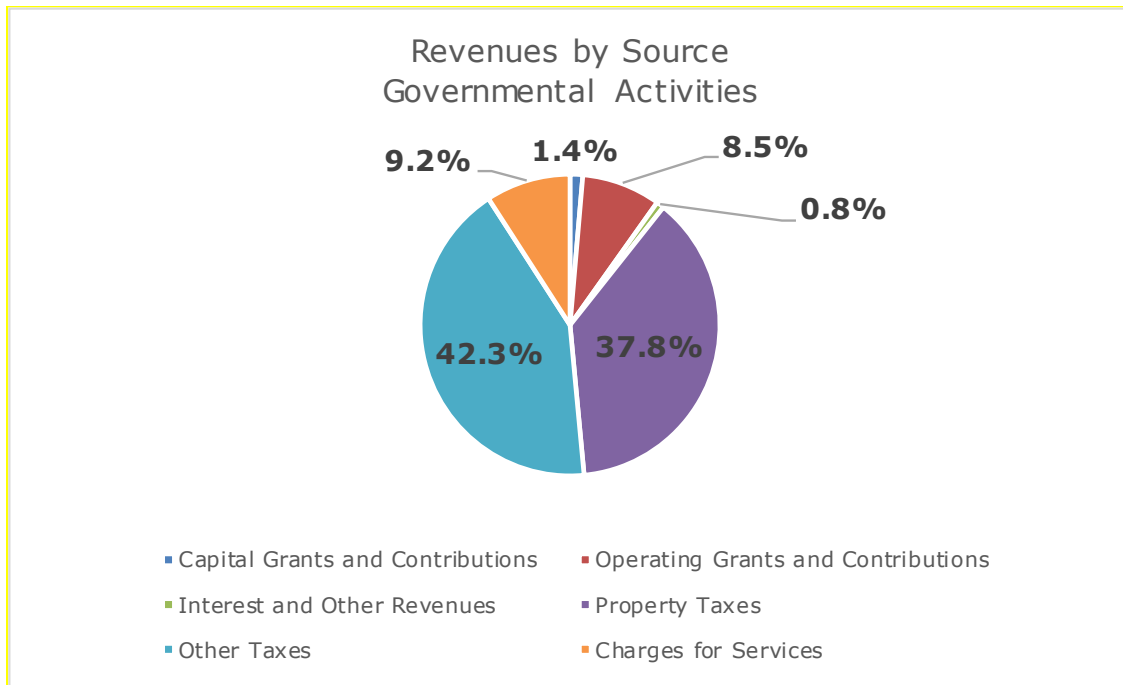
Revenues:

- Total revenue increased by \$4.8 million or 11% from previous year.
- Operating grants and contributions increased by \$2.6 million or 107% due to the transfer of net assets from the Economic Development Corporation to the primary government.
- Other Taxes increased by 1.4 million or 7.7% due to economic development and new businesses.

Expenses:

- Total expenses for the governmental activities decreased by \$0.7 million or 0.2%.
- Streets division expenses decreased by \$.4 million (14%) due to lower maintenance costs.
- Public safety expenses were \$.8 million (8.5%) lower due to a high number of vacant positions.





Business-type activities

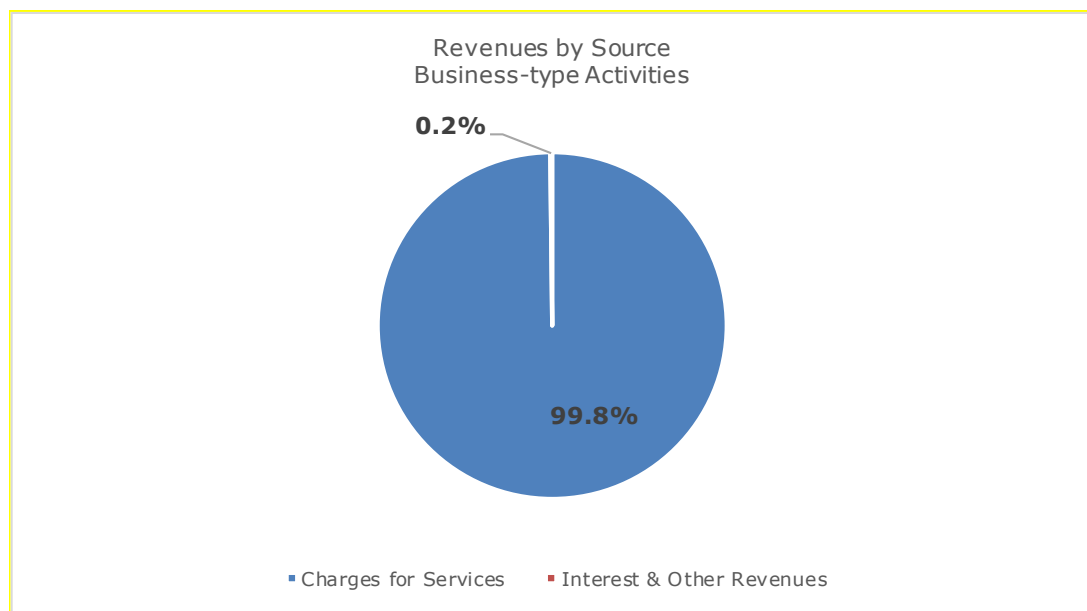
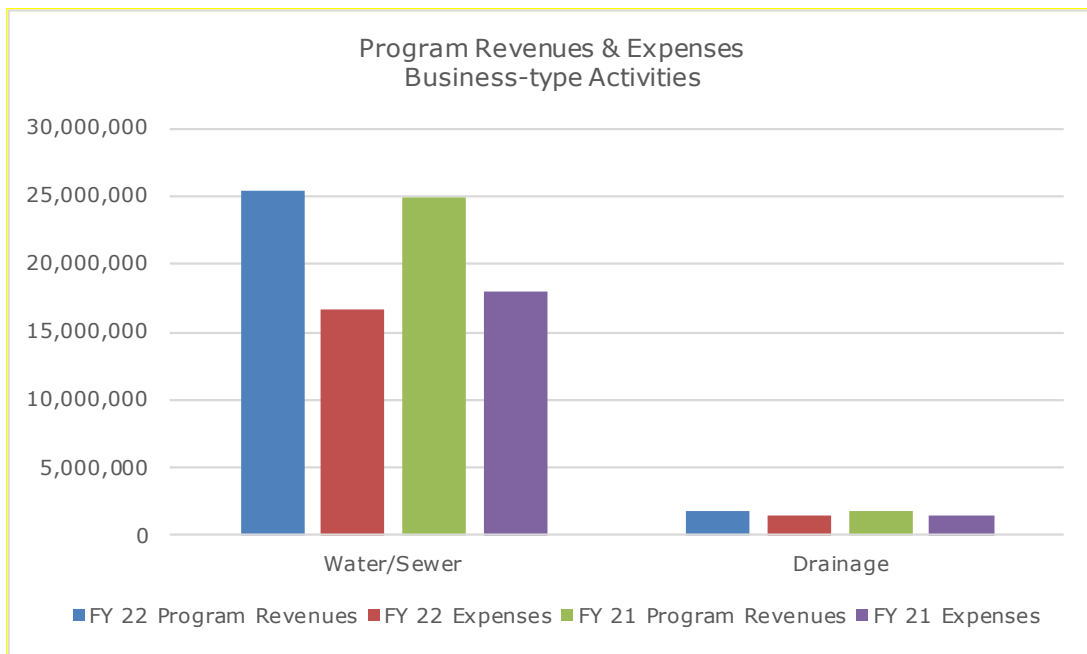
The net position of business-type activities at end of the fiscal year was at \$86.7 million compared to \$76.2 million for prior year. This was an increase in net position of \$10.5 million. The City generally can only use the net position to finance the continuing operations of the business-type activities. Total revenues for business-type activities increased over the prior year from \$26.7 million to \$27.4 million due to growth which increased sales and service fees. Total expenses for the fiscal year decreased to \$18.0 million from \$19.4 million. The decrease was due to lower operating costs for both water/sewer and drainage activities.

Water and Sewer Fund:

- The Water and Sewer Fund program revenues increased from \$23.9 million in the prior year to \$25.5 million in the current year, driven mostly by an increase in water and sewer sales and service fees.
- Expenses for Water and Sewer Fund decreased by about \$1.3 million (7.3%). The decrease is due to supply chain delays when ordering budgeted equipment.

Drainage Fund:

- Program revenues for the current year were \$1.9 compared to \$1.8 in the prior year. This represents a .75% increase.
- Drainage expenses decreased from \$1.5 million in the prior year to \$1.4 million in 2022. This represents a 6.3% decrease, primarily caused by a delay in equipment orders.



Analysis of City's Funds

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for 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 about \$118.3 million, an increase of \$36.6 million (44.7%) in comparing to the prior year. About \$19.9 million (16.8%) of this fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balance of \$98.4 million (83.2%), is not available for general spending.

The General Fund balance had an increase of \$6.4 million (25.8%) this fiscal year. For fiscal year 2022, total General Fund revenues increased by \$5.2 million (16.1%). Two major increases were taxes and intergovernmental revenues. Total tax revenues increased by \$3 million (5.9%) contributed by property tax, sales tax and licenses and permit fees. Intergovernmental revenue increased by \$0.8 million (202.9%) due to the Economic Development Corporation's transfer of net assets to the City.

General Fund expenditures were \$2.3 million (8.2%) higher compared to prior year. Most department expenditures decreased due to unfilled positions and conservative spending.

The Debt Service Fund had a fund balance of \$1.9 million, all of which is restricted for the payment of debt. The City is to limit general obligation annual debt requirements to 25% of general government expenditures. The fiscal year 2022 debt requirement was about 23% of the General Fund expenditures.

The fund balance of Street Reconstruction Capital Project Fund ended the year at about \$20.1 million. The fund balance is restricted for street capital projects. Total expenditures for the current year decreased \$0.1 million over the prior year. This is due to delayed purchases of equipment and projects.

The fund balance of the Capital Improvement Fund ended the year at about \$62.3 million. The fund balance is restricted for capital improvement projects. The increase in the fund was approximately \$28.8 million, caused by the issuance of debt in FY22.

Proprietary funds. The City's proprietary fund statements provide the same type of information found in the government-wide financial statements. Factors concerning the finances of the proprietary funds have already been addressed in the discussion of the City of Haltom City's business-type activities.

General Fund Budgetary Highlights

General Fund balance increased by \$6.4 million (25.8%) for fiscal year 2022.

When comparing to the budget, actual total revenues were \$7.3 million higher than the budget due to increases in property taxes, sales taxes, and intergovernmental revenues. Intergovernmental revenues include federal funding received to help offset costs incurred to deal with the COVID-19 pandemic, and the transfer of net assets from the Economic Development Corporation.

The total expenditures were lower than budgeted by \$3.8 million. Most departments spent less than their budgeted amounts except for Administrative, City Secretary, Fleet Service, and Animal Control. These overages were offset by savings in the non-departmental department attributed to software implementation expenses that will carry over into the next year.

IV. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - At September 30, 2022, the City had \$140 million (net of accumulated depreciation) invested in capital assets including police and fire equipment, buildings, park facilities, roads, water, sewer, and storm water facilities. This amount represents a net increase of \$1.1 million (0.8%) from last year. Details of capital assets are listed below.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 15,803,948	\$ 15,803,948	\$ 6,125,273	\$ 6,125,273	\$ 21,929,221	\$ 21,929,221
Buildings	8,079,721	8,297,417	42,238,464	43,406,678	50,318,185	51,704,095
Improvements	37,895,046	40,101,699	-	-	37,895,046	40,101,699
Machinery & equipment	1,247,098	3,379,717	1,027,928	182,669	2,275,026	3,562,386
Waterworks & sewer system	-	-	3,940,747	5,371,978	3,940,747	5,371,978
Right to use:						
Machinery & equipment	495,634	-	-	-	495,634	-
Construction in progress	<u>20,515,787</u>	<u>14,354,755</u>	<u>2,600,622</u>	<u>1,856,543</u>	<u>23,116,409</u>	<u>16,211,298</u>
Total	<u>\$ 84,037,234</u>	<u>\$ 81,937,536</u>	<u>\$ 55,933,034</u>	<u>\$ 56,943,141</u>	<u>\$ 139,970,268</u>	<u>\$ 138,880,677</u>

Significant increases in capital assets include construction in progress of approximately \$6.9 million. These additions were offset annual depreciation. Upon adoption of GASB Standard No. 87, *Leases*, the City also recognized \$496 thousand in right to use assets in FY22.

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 \$122.7 million. Of this amount, \$110.7 million was from governmental activities and \$12 million were from business-type activities.

The City had total bonded debt outstanding of \$103.1 million. Of this amount, \$93.2 million was comprised of debt backed by the full faith and credit of the City and \$9.9 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	
	2022	2021	2022	2021	2022	2021
Certificates of obligations	\$ 16,210,000	\$ 8,535,000	\$ 6,370,000	\$ 8,900,000	\$ 22,580,000	\$ 17,435,000
General obligation bonds	71,235,000	49,730,000	-	-	71,235,000	49,730,000
General obligation refunding bonds	-	-	3,295,000	4,085,000	3,295,000	4,085,000
Premium on bond issuance	<u>5,774,575</u>	<u>3,512,731</u>	<u>227,811</u>	<u>320,379</u>	<u>6,002,386</u>	<u>3,833,110</u>
Total bonded debt	93,219,575	61,777,731	9,892,811	13,305,379	103,112,386	75,083,110
Compensated absences	3,496,292	3,452,334	435,112	399,495	3,931,404	3,851,829
Leases payable	<u>1,319,192</u>	<u>1,314,418</u>	<u>-</u>	<u>-</u>	<u>1,319,192</u>	<u>1,314,418</u>
Total long-term debt	<u>\$ 98,035,059</u>	<u>\$ 66,544,483</u>	<u>\$ 10,327,923</u>	<u>\$ 13,704,874</u>	<u>\$ 108,362,982</u>	<u>\$ 80,249,357</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 2023 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 2023 budget include:

- Lower property tax rate to \$0.608162 per \$100 value
- 10% salary increase for employees to retain and attract great staff
- Total City budget of \$138 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.

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BASIC FINANCIAL STATEMENTS

CITY OF HALTOM CITY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Economic Development	Crime Control District
ASSETS					
Cash and investments	\$ 127,159,613	\$ 44,400,673	\$ 171,560,286	\$ -	\$ 2,794,567
Receivables, net:					
Taxes	250,273	-	250,273	-	-
Accounts receivable	-	2,431,310	2,431,310	-	-
Intergovernmental	3,231,782	-	3,231,782	-	440,339
Accrued Interest	58,200	20,537	78,737	-	1,292
Other	848,387	-	848,387	-	1,716
Inventory	164,542	226,962	391,504	-	-
Prepaid expenses	1,329,288	-	1,329,288	-	-
Capital assets					
Land	15,803,948	6,125,273	21,929,221	-	-
Construction-in-progress	20,515,787	2,600,622	23,116,409	-	-
Building and improvements	19,593,864	45,131,595	64,725,459	-	-
Improvements other than Buildings	90,999,680	-	90,999,680	-	-
Water and sewer system	-	39,929,593	39,929,593	-	-
Machinery and equipment	13,189,498	6,073,138	19,262,636	-	-
Right to use assets:					
Machinery and equipment	1,848,987	-	1,848,987	-	-
Less: accumulated depreciation	(77,914,530)	(43,927,187)	(121,841,717)	-	-
Total assets	<u>217,079,319</u>	<u>103,012,516</u>	<u>320,091,835</u>	<u>-</u>	<u>3,237,914</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	3,848,678	522,835	4,371,513	-	81,944
OPEB related (RHP)	385,429	52,360	437,789	-	8,206
OPEB related (SDBF)	<u>220,052</u>	<u>29,894</u>	<u>249,946</u>	<u>-</u>	<u>4,685</u>
Total deferred outflows of resources	<u>4,454,159</u>	<u>605,089</u>	<u>5,059,248</u>	<u>-</u>	<u>94,835</u>

The accompanying notes are an integral part of these financial statements.

CITY OF HALTOM CITY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Economic Development	Crime Control District
LIABILITIES					
Accounts payable	\$ 1,556,964	\$ 1,961,429	\$ 3,518,393	\$ -	\$ 32,096
Accrued liabilities	1,455,146	300,423	1,755,569	-	161,075
Accrued interest payable	459,648	47,664	507,312	-	-
Customer deposits	-	1,303,509	1,303,509	-	-
Retainage payable	-	76,076	76,076	-	-
Unearned revenue	10,882,103	-	10,882,103	-	-
Noncurrent liabilities:					
Due within one year					
Long-term debt	5,889,307	1,478,047	7,367,354	-	10,817
Total OPEB liability - SDBF	14,516	1,973	16,489	-	272
Due in more than one year					
Long-term debt	92,145,752	8,849,876	100,995,628	-	43,266
Net pension liability	8,249,123	1,120,629	9,369,752	-	175,635
Net OPEB liability - RHP	3,270,375	444,274	3,714,649	-	69,631
Total OPEB liability - SDBF	<u>1,086,197</u>	<u>147,557</u>	<u>1,233,754</u>	<u>-</u>	<u>23,164</u>
Total liabilities	<u>125,009,131</u>	<u>15,731,457</u>	<u>140,740,588</u>	<u>-</u>	<u>515,956</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related	7,332,660	996,129	8,328,789	-	156,122
OPEB related (RHP)	1,078,927	146,571	1,225,498	-	22,972
OPEB related (SDBF)	<u>83,643</u>	<u>11,362</u>	<u>95,005</u>	<u>-</u>	<u>1,781</u>
Total deferred inflows of resources	<u>8,495,230</u>	<u>1,154,062</u>	<u>9,649,292</u>	<u>-</u>	<u>180,875</u>
NET POSITION					
Net investment in capital assets	44,884,303	45,964,147	90,848,450	-	-
Restricted for:					
Capital projects	20,125,578	-	20,125,578	-	-
Donor restrictions for libraries, parks and law enforcement	754,929	-	754,929	-	-
Debt service	1,562,948	-	1,562,948	-	-
Promotion of tourism and business	235,185	-	235,185	-	-
Public safety	364,731	-	364,731	-	-
Economic development	3,679,002	-	3,679,002	-	-
Unrestricted	<u>16,422,441</u>	<u>40,767,939</u>	<u>57,190,380</u>	<u>-</u>	<u>2,635,918</u>
Total net position	<u>\$ 88,029,117</u>	<u>\$ 86,732,086</u>	<u>\$ 174,761,203</u>	<u>\$ -</u>	<u>\$ 2,635,918</u>

CITY OF HALTOM CITY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 9,354,014	\$ 3,267,606	\$ 9,633	\$ 537,478
Public safety	20,546,631	970,643	369,335	118,686
Streets	2,189,131	-	3,679,002	-
Culture and recreation	3,188,306	150,251	18,929	-
Interest and fiscal charges	2,292,843	-	-	-
Total governmental activities	<u>37,570,925</u>	<u>4,388,500</u>	<u>4,076,899</u>	<u>656,164</u>
Business-type activities:				
Water and sewer services	16,612,615	25,460,383	-	-
Drainage services	1,420,045	1,861,411	-	40,309
Total business-type activities	<u>18,032,660</u>	<u>27,321,794</u>	<u>-</u>	<u>40,309</u>
Total primary government	<u>55,603,585</u>	<u>31,710,294</u>	<u>4,076,899</u>	<u>696,473</u>
Component units				
Economic Development	3,679,002	-	-	-
Crime Control District	1,975,328	-	-	-
Total component units	<u>\$ 5,654,330</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

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	Economic Development	Crime Control District
\$(5,539,297)	\$ -	\$(5,539,297)	\$ -	\$ -
(19,087,967)	-	(19,087,967)	-	-
1,489,871	-	1,489,871	-	-
(3,019,126)	-	(3,019,126)	-	-
(2,292,843)	-	(2,292,843)	-	-
(28,449,362)	-	(28,449,362)	-	-
-	8,847,768	8,847,768	-	-
-	481,675	481,675	-	-
-	9,329,443	9,329,443	-	-
(28,449,362)	9,329,443	(19,119,919)	-	-
-	-	-	(3,679,002)	-
-	-	-	-	(1,975,328)
\$ -	\$ -	\$ -	\$(3,679,002)	\$(1,975,328)
\$ 18,098,327	\$ -	\$ 18,098,327	\$ -	\$ -
16,678,001	-	16,678,001	-	2,311,232
3,507,541	-	3,507,541	-	-
54,469	-	54,469	-	-
329,444	-	329,444	-	-
38,839	-	38,839	-	-
(59,349)	48,743	(10,606)	-	5,918
128,372	-	128,372	-	-
(1,117,345)	1,117,345	-	-	-
37,658,299	1,166,088	38,824,387	-	2,317,150
9,208,937	10,495,531	19,704,468	(3,679,002)	341,822
78,820,180	76,236,555	155,056,735	3,679,002	2,294,096
\$ 88,029,117	\$ 86,732,086	\$ 174,761,203	\$ -	\$ 2,635,918

CITY OF HALTOM CITY, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	General	Debt Service	Street Reconstruction Capital Projects
ASSETS			
Cash and investments	\$ 39,661,682	\$ 1,882,365	\$ 19,473,847
Receivables (net of allowance):			
Taxes	127,061	123,212	-
Intergovernmental	2,474,373	-	676,180
Accrued interest	18,973	17,019	9,125
Other	843,934	-	-
Due from other funds	76,583	-	-
Prepaid expenses	1,299,877	-	-
Inventory	164,542	-	-
Total assets	<u>44,667,025</u>	<u>2,022,596</u>	<u>20,159,152</u>
LIABILITIES			
Accounts payable	816,420	-	33,574
Accrued liabilities	1,188,666	-	-
Due to other funds	-	-	-
Unearned revenue	10,882,103	-	-
Total liabilities	<u>12,887,189</u>	<u>-</u>	<u>33,574</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	113,778	115,991	-
Unavailable revenue - court fines	593,174	-	-
Unavailable revenue - street assessments	32,330	-	-
Total deferred inflows of resources	<u>739,282</u>	<u>115,991</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
Prepaid expenses	1,299,877	-	-
Inventory	164,542	-	-
Restricted for:			
Construction of capital assets	-	-	20,125,578
Promotion of tourism	-	-	-
Grantors, trustees and donors	-	-	-
Public safety	-	-	-
Debt service	-	1,906,605	-
Economic development	3,679,002	-	-
Committed for purchase of capital assets	-	-	-
Assigned for:			
Subsequent year's budget	6,002,133	-	-
Unassigned	19,895,000	-	-
Total fund balances	<u>31,040,554</u>	<u>1,906,605</u>	<u>20,125,578</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 44,667,025</u>	 <u>\$ 2,022,596</u>	 <u>\$ 20,159,152</u>

The accompanying notes are an integral part of these financial statements.

Capital Improvement	Other Governmental	Total Governmental Funds
\$ 63,268,258	\$ 2,873,461	\$ 127,159,613
-	-	250,273
-	81,229	3,231,782
12,353	730	58,200
-	4,453	848,387
-	-	76,583
-	29,411	1,329,288
-	-	164,542
<u>63,280,611</u>	<u>2,989,284</u>	<u>133,118,668</u>
671,307	35,663	1,556,964
263,246	3,234	1,455,146
-	76,583	76,583
-	-	10,882,103
<u>934,553</u>	<u>115,480</u>	<u>13,970,796</u>
-	-	229,769
-	-	593,174
-	-	32,330
<u>-</u>	<u>-</u>	<u>855,273</u>
-	29,411	1,329,288
-	-	164,542
62,346,058	202,574	82,674,210
-	235,185	235,185
-	754,929	754,929
-	364,731	364,731
-	-	1,906,605
-	-	3,679,002
-	1,320,968	1,320,968
-	-	6,002,133
-	(33,994)	19,861,006
<u>62,346,058</u>	<u>2,873,804</u>	<u>118,292,599</u>
\$ <u>63,280,611</u>	\$ <u>2,989,284</u>	\$ <u>133,118,668</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, 2022

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

Total Governmental Fund Balances	\$ 118,292,599
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	84,037,234
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Deferred outflows of resources are not reported in the governmental funds.

Deferred outflow related to pensions	\$ 3,848,678	
Deferred outflow related to retiree health plan OPEB	385,429	
Deferred outflow related to SDBF OPEB	<u>220,052</u>	4,454,159

Other long-term assets are not available to pay for current-period expenditures and therefore are unearned in the funds.	855,273
--	---------

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	(87,445,000)	
Premium on bond issuance	(5,774,575)	
Accrued interest payable	(459,648)	
Net pension obligation	(8,249,123)	
Net OPEB liability - retiree health plan	(3,270,375)	
Total OPEB liability - SDBF OPEB	(1,100,713)	
Compensated absences	(3,496,292)	
Leases payable	<u>(1,319,192)</u>	(111,114,918)

Deferred inflows of resources are not reported in the governmental funds.

Deferred inflows related to pensions	(7,332,660)	
Deferred inflows related to retiree health plan OPEB	(1,078,927)	
Deferred inflows related to SDBF OPEB	<u>(83,643)</u>	<u>(8,495,230)</u>

Net position of government activities	\$ <u>88,029,117</u>
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CITY OF HALTOM CITY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General	Debt Service	Street Reconstruction Capital Projects
REVENUES			
Taxes	\$ 28,070,835	\$ 7,166,425	\$ 3,576,458
Licenses and permits	1,684,308	-	-
Intergovernmental	4,461,822	-	-
Fines and fees	936,508	-	-
Charges for services	1,519,325	-	-
Oil and gas lease	183,444	-	-
Contributions	537,624	-	-
Interest and investment gains (losses)	46,325	(185,288)	38,226
Miscellaneous	34,090	-	-
Total revenues	<u>37,474,281</u>	<u>6,981,137</u>	<u>3,614,684</u>
EXPENDITURES			
Current:			
General government	7,552,009	-	12,443
Public safety	19,298,544	-	-
Streets	1,142,223	-	791,569
Cultural and recreation	2,858,582	-	-
Debt service:			
Principal	19,429	5,510,000	-
Interest and other	-	1,609,054	-
Bond issuance costs	-	3,046	-
Capital outlay	<u>103,615</u>	<u>-</u>	<u>1,034,617</u>
Total expenditures	<u>30,974,402</u>	<u>7,122,100</u>	<u>1,838,629</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,499,879</u>	<u>(140,963)</u>	<u>1,776,055</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Issuance of refunding debt	-	5,445,000	-
Premium on issuance of debt	-	781,295	-
Payment to escrow agent	-	(4,397,197)	-
Issuance of lease	70,576	-	-
Sale of capital assets	286	-	-
Transfers in	1,542,996	293,412	-
Transfers out	<u>(1,751,904)</u>	<u>(1,690,000)</u>	<u>(900,000)</u>
Total other financing sources and uses	<u>(138,046)</u>	<u>432,510</u>	<u>(900,000)</u>
NET CHANGE IN FUND BALANCES	6,361,833	291,547	876,055
FUND BALANCES, BEGINNING	<u>24,678,721</u>	<u>1,615,058</u>	<u>19,249,523</u>
FUND BALANCES, ENDING	\$ <u>31,040,554</u>	\$ <u>1,906,605</u>	\$ <u>20,125,578</u>

The accompanying notes are an integral
part of these financial statements.

Capital Improvement	Other Governmental	Total Governmental Funds
\$ -	\$ 135,484	\$ 38,949,202
-	-	1,684,308
-	52,129	4,513,951
-	48,899	985,407
-	79,828	1,599,153
-	-	183,444
-	37,140	574,764
35,951	5,437	(59,349)
-	10,916	45,006
<u>35,951</u>	<u>369,833</u>	<u>48,475,886</u>
-	33,777	7,598,229
-	139,420	19,437,964
-	-	1,933,792
-	92,352	2,950,934
68,324	444,401	6,042,154
-	-	1,609,054
614,342	-	617,388
<u>6,884,543</u>	<u>439,473</u>	<u>8,462,248</u>
<u>7,567,209</u>	<u>1,149,423</u>	<u>48,651,763</u>
(7,531,258)	(779,590)	(175,877)
33,550,000	-	33,550,000
-	-	5,445,000
1,889,925	-	2,671,220
-	-	(4,397,197)
324,738	186,090	581,404
-	-	286
600,000	858,492	3,294,900
-	(63,000)	(4,404,904)
<u>36,364,663</u>	<u>981,582</u>	<u>36,740,709</u>
28,833,405	201,992	36,564,832
<u>33,512,653</u>	<u>2,671,812</u>	<u>81,727,767</u>
\$ <u>62,346,058</u>	\$ <u>2,873,804</u>	\$ <u>118,292,599</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, 2022

Net change in fund balances - total governmental funds:	\$ 36,564,832
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	7,921,149
Deletion of capital assets	(200,979)
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.	(5,978,469)
Changes in revenues in the statement of activities that does not provide current financial resources.	(576,494)
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	(28,644,087)
Premium on bond issuance	(2,444,534)
Accrued interest payable	(292,075)
Net pension obligation	2,842,303
Net OPEB liability - retiree health plan	249,931
Total OPEB liability - SDBF OPEB	(97,177)
Compensated absences	(43,958)
Loss on bond refundings are recorded as expenditures in the fund financial statements but are capitalized and amortized in the government-wide financial statements.	(91,505)
Change in net position of governmental activities	\$ <u>9,208,937</u>

CITY OF HALTOM CITY, TEXAS**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

SEPTEMBER 30, 2022

	Water and Sewer Fund	Drainage Fund	Total
ASSETS			
Current assets:			
Cash and investments	\$ 41,408,590	\$ 2,992,083	\$ 44,400,673
Receivables:			
Accounts receivable, net	2,234,538	196,772	2,431,310
Accrued interest	19,152	1,385	20,537
Inventory	226,962	-	226,962
Total current assets	<u>43,889,242</u>	<u>3,190,240</u>	<u>47,079,482</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	4,890,975	1,182,163	6,073,138
Construction-in-progress	1,004,755	1,595,867	2,600,622
Accumulated depreciation	(39,059,504)	(4,867,683)	(43,927,187)
Total noncurrent assets	<u>40,775,826</u>	<u>15,157,208</u>	<u>55,933,034</u>
Total assets	<u>84,665,068</u>	<u>18,347,448</u>	<u>103,012,516</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	469,394	53,441	522,835
Deferred outflow related to retiree health plan	47,008	5,352	52,360
Deferred outflow related to SDBF OPEB	26,838	3,056	29,894
Total deferred outflows of resources	<u>543,240</u>	<u>61,849</u>	<u>605,089</u>

CITY OF HALTOM CITY, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2022

	Water and Sewer Fund	Drainage Fund	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,940,293	\$ 21,136	\$ 1,961,429
Accrued liabilities	148,787	151,636	300,423
Retainage payable	76,076	-	76,076
Accrued interest payable	43,773	3,891	47,664
Customer deposits	1,303,509	-	1,303,509
Due within one year			
Compensated absences	82,111	936	83,047
Total OPEB liability - SDBF	1,771	202	1,973
Revenue bonds payable	1,140,000	255,000	1,395,000
Total current liabilities	<u>4,736,320</u>	<u>432,801</u>	<u>5,169,121</u>
Noncurrent liabilities:			
Compensated absences	335,480	16,585	352,065
Net pension liability	1,006,084	114,545	1,120,629
Net OPEB liability - retiree health plan	398,863	45,411	444,274
Total OPEB liability - SDBF	132,475	15,082	147,557
Revenue bonds payable	7,907,811	590,000	8,497,811
Total noncurrent liabilities	<u>9,780,713</u>	<u>781,623</u>	<u>10,562,336</u>
Total liabilities	<u>14,517,033</u>	<u>1,214,424</u>	<u>15,731,457</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	894,310	101,819	996,129
Deferred inflow related to retiree health plan OPEB	131,589	14,982	146,571
Deferred inflow related to SDBF OPEB	10,201	1,161	11,362
Total deferred inflows of resources	<u>1,036,100</u>	<u>117,962</u>	<u>1,154,062</u>
NET POSITION			
Net investment in capital assets	31,651,939	14,312,208	45,964,147
Unrestricted	38,003,236	2,764,703	40,767,939
Total net position	<u>\$ 69,655,175</u>	<u>\$ 17,076,911</u>	<u>\$ 86,732,086</u>

CITY OF HALTOM CITY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Water and Sewer Fund	Drainage Fund	Total
OPERATING REVENUES			
Water and sewer sales	\$ 24,030,937	\$ -	\$ 24,030,937
Drainage fee revenue	-	1,812,960	1,812,960
Service fees	1,324,502	48,451	1,372,953
Administrative fees	34,645	-	34,645
Other	70,299	-	70,299
	<u>25,460,383</u>	<u>1,861,411</u>	<u>27,321,794</u>
OPERATING EXPENSES			
General and administrative	3,457,129	336,772	3,793,901
Construction	339,706	-	339,706
Water and sewer maintenance	1,024,236	-	1,024,236
Collection and distribution	8,380,174	-	8,380,174
Drainage maintenance	-	376,106	376,106
Franchise fees	1,100,004	132,000	1,232,004
Depreciation	2,139,182	549,887	2,689,069
	<u>16,440,431</u>	<u>1,394,765</u>	<u>17,835,196</u>
Total operating expenses			
	<u>16,440,431</u>	<u>1,394,765</u>	<u>17,835,196</u>
Operating income	<u>9,019,952</u>	<u>466,646</u>	<u>9,486,598</u>
NON-OPERATING REVENUES (EXPENSES)			
Gain (loss) on disposal of assets	(152,057)	(21,417)	(173,474)
Interest and investment gains (losses)	43,330	5,413	48,743
Interest expense and bond issuance costs	(172,184)	(25,280)	(197,464)
	<u>(280,911)</u>	<u>(41,284)</u>	<u>(322,195)</u>
Total non-operating expenses			
	<u>(280,911)</u>	<u>(41,284)</u>	<u>(322,195)</u>
Income before transfers and capital contributions	8,739,041	425,362	9,164,403
TRANSFERS IN (OUT) AND CONTRIBUTIONS			
Capital contributions	148,393	72,731	221,124
Transfers in	1,690,000	-	1,690,000
Transfers out	(459,996)	(120,000)	(579,996)
	<u>10,117,438</u>	<u>378,093</u>	<u>10,495,531</u>
CHANGE IN NET POSITION			
	<u>10,117,438</u>	<u>378,093</u>	<u>10,495,531</u>
NET POSITION, BEGINNING	<u>59,537,737</u>	<u>16,698,818</u>	<u>76,236,555</u>
NET POSITION, ENDING	<u>\$ 69,655,175</u>	<u>\$ 17,076,911</u>	<u>\$ 86,732,086</u>

CITY OF HALTOM CITY, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Water and Sewer Fund	Drainage Fund	Total
Cash flows from operating activities			
Receipts from customers and users	\$ 26,019,301	\$ 1,869,368	\$ 27,888,669
Payments to suppliers	(11,136,201)	(512,335)	(11,648,536)
Payments to employees	(3,246,211)	(454,474)	(3,700,685)
Net cash provided by operating activities	<u>11,636,889</u>	<u>902,559</u>	<u>12,539,448</u>
Cash flows from noncapital financing activities			
Transfer from governmental funds	1,690,000	-	1,690,000
Transfer to governmental funds	(459,996)	(120,000)	(579,996)
Net cash provided (used) by noncapital financing activities	<u>1,230,004</u>	<u>(120,000)</u>	<u>1,110,004</u>
Cash flow from capital and related financing activities			
Debt principal payments	(3,162,568)	(250,000)	(3,412,568)
Interest payments	(185,994)	(26,370)	(212,364)
Loss on disposal of assets	(152,057)	(21,417)	(173,474)
Purchases of property and equipment	(791,638)	(590,124)	(1,381,762)
Net cash used by capital and related financing activities	<u>(4,292,257)</u>	<u>(887,911)</u>	<u>(5,180,168)</u>
Cash flows from investing activities			
Interest on investments	<u>41,524</u>	<u>5,664</u>	<u>47,188</u>
Net cash provided (used) by investing activities	<u>41,524</u>	<u>5,664</u>	<u>47,188</u>
Net increase (decrease) in cash and cash equivalents	8,616,160	(99,688)	8,516,472
Cash and investments - beginning of year	<u>32,792,430</u>	<u>3,091,771</u>	<u>35,884,201</u>
Cash and investment - end of year	<u>41,408,590</u>	<u>2,992,083</u>	<u>44,400,673</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	9,019,952	466,646	9,486,598
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,139,182	549,887	2,689,069
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	508,571	7,957	516,528
Decrease in inventory and prepaid	(1,827)	-	(1,827)
Increase in other postemployment assets	12,353	2,461	14,814
(Increase) decrease in deferred outflows of resources	(163,465)	(15,305)	(178,770)
Increase (decrease) in accounts payable and accrued expenses	479,584	(12,966)	466,618
Increase (decrease) in compensated absences	43,324	(7,707)	35,617
Increase (decrease) in deferred inflows of resources	383,061	41,113	424,174
Increase (decrease) in customer deposits	50,347	-	50,347
Increase in pension obligation	(770,877)	(109,520)	(880,397)
Increase in other postemployment obligation	(63,316)	(20,007)	(83,323)
Net cash provided by operating activities	<u>11,636,889</u>	<u>902,559</u>	<u>12,539,448</u>
Schedule of non-cash capital and financing activities:			
Capital contributions	148,393	72,731	221,124

The accompanying notes are an integral part of these financial statements.

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CITY OF HALTOM CITY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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 entities is discretely presented as single columns in the government-wide financial statements. Separate financial statements for the Economic Development Corporation and the Crime Control District are not prepared.

Haltom City Economic Development Corporation (the "Corporation") was incorporated on September 11, 1995 under the Development Corporation Act of 1979. The Corporation, legally separate from the City, operates under a seven-member Board of Directors appointed by the City Council. The majority of the Board consists of non-council members. The Corporation was created to stimulate economic development activities within the City. The City is able to impose its will on the Corporation. The Corporation does not provide services entirely, or almost entirely, to the primary government or exclusively benefits the primary government. In October 2021, the Corporation formally dissolved and transferred their remaining net assets to the City. The Corporation used to account for the accumulation and use of a half-cent sales tax proceeds, which the City now collects and uses for economic development purposes. Separate financial statements are not available for this component unit.

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, 2022.

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.

Payments made to vendors for services that will benefit periods subsequent to September 30, 2022 are recorded as prepaid items.

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 financial 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

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	120
Year five through completion of year nine	10	120	240	180
Beginning of year ten	13.33	160	320	240

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	180
Beginning of year ten	13.33	160	320	240

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	252
Beginning of year ten	20	240	480	360

Termination: Upon termination, an employee who has completed the probationary period will be paid his/her unused accrued vacation leave up to 1.5 times the annual accrual. Appointed employees with accruals above 1.5 times the annual accrual as of April 1, 2011, will have the excess hours (those hours above 1.5 the employee's annual accrual) transferred to a separate account (for accounting purposes). The excess hours transferred will not be allowed to increase at any time. The excess hours transferred may be used by an employee if all other accrued vacation leave is exhausted. Upon termination, appointed employees will be paid in accordance with the non-sworn employees chart, above, based upon length of service. Upon termination, the appointed employee will also be paid for any remaining excess vacation hours that were transferred to the separate account for accounting purposes.

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.

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 Equity

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 of 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. 87, *Leases*, was adopted effective October 1, 2021. The statement addresses accounting and financial reporting for lease contracts. Statement No. 87 establishes standards for recognizing and measuring assets, liabilities, deferred outflows of resources, deferred inflows of resources, and revenues and expenses related to leases 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 the beginning fund balance or net position, but assets 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 authorized to transfers budgeted amount 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, 2022. The collateral is held in the City's name by the Federal Reserve Bank of Dallas, an agent of the City's financial institution.

Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among 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, 2022:

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	N/A	70%	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, 2022 are classified in the accompanying financial statement as follows:

Governmental activities	\$ 127,159,613
Business-type activities	<u>44,400,673</u>
Total primary government	<u>171,560,286</u>
Crime Control District	<u>2,794,567</u>
Total component units	<u>2,794,567</u>
Total	<u>\$ 174,354,853</u>

Cash and investments as of September 30, 2022 consist of the following:

Cash deposits	\$ 5,196,738
Investments	<u>169,158,115</u>
Total	<u>\$ 174,354,853</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 manages 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, 2022.

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, 2022, the City had the following investments:

Investment Type	Amount	Weighted Average Maturity (Days)	Minimum Legal Rating	Rating
TexPool	\$ 130,612	38	AAA	AAAm
Texas CLASS	140,365,824	84	AAA	AAAm
Texas Term	454,057	57	AAA	AAAm
Certificate of deposits	3,103,197	762	N/A	N/A
FFCB	4,822,195	478	AA	AA+
FHLB	11,466,487	562	AA	AA+
Farmer Mac	1,993,730	81	AA	AA+
Freddie Mac	994,530	1096	AA	AA+
Municipal bonds	<u>5,827,483</u>	913	AA	AA-/AA3 or higher
Total	<u>\$ 169,158,115</u>			
Portfolio weighted average maturity		174		

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, 2022:

- \$5,163,122 valued using a documented trade history in exact security (Level 1 inputs).
- \$5,105,437 valued using a documented trade history in exact security (Level 2 inputs).
- \$9,939,188 are valued using an option-adjusted discounted cash flow model (Level 2 inputs).
- \$7,999,877 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, 2022, 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, 2022, 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, 2022 are as follows:

Fund	Accounts Receivable	Allowance for Doubtful Accounts	Accounts Receivable, Net
Governmental	\$ 6,982,992	\$ (2,594,350)	\$ 4,388,642
Enterprise	<u>2,619,003</u>	<u>(167,156)</u>	<u>2,451,847</u>
Total	<u>\$ 9,601,995</u>	<u>\$ (2,761,506)</u>	<u>\$ 6,840,489</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 2022 tax rate was \$0.64561 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, 2022:

	9/30/2021	Additions	Deletions	Transfers/ Adjustments	9/30/2022
Capital assets, not being depreciated:					
Land	\$ 15,803,948	\$ -	\$ -	\$ -	\$ 15,803,948
Construction in progress	14,354,755	7,327,910	(180,815)	(986,063)	20,515,787
Total capital assets not being depreciated	30,158,703	7,327,910	(180,815)	(986,063)	36,319,735
Capital assets, being depreciated:					
Buildings	19,100,895	492,969	-	-	19,593,864
Improvements other than building	90,013,617	-	-	986,063	90,999,680
Machinery and equipment	13,109,392	100,270	(20,164)	-	13,189,498
Right to use assets:					
Machinery and equipment	1,267,583	581,404	-	-	1,848,987
Total capital assets being depreciated	123,491,487	1,174,643	(20,164)	986,063	125,632,029
Less accumulated depreciation for:					
Buildings	(10,803,478)	(710,665)	-	-	(11,514,143)
Improvements other than building	(49,911,918)	(3,192,716)	-	-	(53,104,634)
Machinery and equipment	(11,220,665)	(721,735)	-	-	(11,942,400)
Right to use assets:					
Machinery and equipment	(626,311)	(727,042)	-	-	(1,353,353)
Total accumulated depreciation	(72,562,372)	(5,352,158)	-	-	(77,914,530)
Total capital assets being depreciated, net	50,929,115	(4,177,515)	(20,164)	986,063	47,717,499
Governmental capital assets, net	\$ 81,087,818	\$ 3,150,395	\$(200,979)	\$ -	\$ 84,037,234

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 1,282,102
Public safety	3,245,823
Highway and streets	326,302
Culture and recreation	497,931
Total	\$ 5,352,158

The following is a summary of the changes in business-type activities capital assets during the fiscal year ended September 30, 2022:

	9/30/2021	Additions	Deletions	Transfers/ Adjustments	9/30/2022
Capital assets, not being depreciated:					
Land	\$ 6,125,273	\$ -	\$ -	\$ -	\$ 6,125,273
Construction in progress	1,856,543	563,265	-	180,814	2,600,622
Total capital assets not being depreciated	7,981,816	563,265	-	180,814	8,725,895
Capital assets, being depreciated:					
Building and improvements	45,131,595	-	-	-	45,131,595
Machinery and equipment	5,138,255	934,883	-	-	6,073,138
Water works and sewer system	39,929,593	-	-	-	39,929,593
Total capital assets being depreciated	90,199,443	934,883	-	-	91,134,326
Less accumulated depreciation for:					
Buildings and improvements	(1,724,917)	(1,168,214)	-	-	(2,893,131)
Machinery and equipment	(4,955,586)	(89,624)	-	-	(5,045,210)
Water works and sewer system	(34,557,615)	(1,431,231)	-	-	(35,988,846)
Total accumulated depreciation	(41,238,118)	(2,689,069)	-	-	(43,927,187)
Total capital assets being depreciated, net	48,961,325	(1,754,186)	-	-	47,207,139
Total business-type capital assets, net	\$ 56,943,141	\$(1,190,921)	\$ -	\$ 180,814	\$ 55,933,034

Depreciation was charged to functions as follows:

Business-type activities:	
Water and sewer fund	\$ 2,139,182
Drainage fund	549,887
Total	\$ 2,689,069

VII. INTERFUND TRANSACTIONS

In 2022, 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 2022 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 2022 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>
<u>Discretely Presented Component Units</u>	
Crime Control Prevention District	\$ <u>39,600</u>
Total	\$ <u>39,600</u>

Interfund transfers during the year ended September 30, 2022 were as follows:

Transfer from:	Transfer to:	Amount
General Fund	Debt Service	\$ 293,412
General Fund	Nonmajor Governmental Funds	858,492
General Fund	Streets Reconstruction	600,000
Nonmajor Governmental Funds	General Fund	63,000
Street Reconstruction	General Fund	900,000
Debt service	Water and Sewer	1,690,000
Water and Sewer	General Fund	459,996
Drainage	General Fund	120,000
Governmental activities	Business-type activities	180,815
Business-type activities	Governmental activities	<u>173,474</u>
Total		\$ <u>4,984,900</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.

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, 2022 consisted of \$72,000 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, 2022, the following changes in liabilities occurred:

	9/30/2021	Increases	Reductions	9/30/2022	Due Within One Year
Governmental Activities:					
Certificates of obligation	\$ 8,535,000	\$ 9,440,000	\$ 1,765,000	\$ 16,210,000	\$ 860,000
General obligation bonds	49,730,000	29,555,000	8,050,000	71,235,000	3,790,000
Premium on bond issuances	3,512,731	2,671,220	409,376	5,774,575	-
Leases payable	1,269,942	581,404	532,154	1,319,192	540,049
Compensated absence obligations	<u>3,452,334</u>	<u>2,525,887</u>	<u>2,481,929</u>	<u>3,496,292</u>	<u>699,258</u>
	<u>\$ 66,500,007</u>	<u>\$ 44,773,511</u>	<u>\$ 13,238,459</u>	<u>\$ 98,035,059</u>	<u>\$ 5,889,307</u>
Business-Type Activities:					
General obligation refunding bonds	\$ 4,080,000	\$ -	\$ 785,000	\$ 3,295,000	\$ 680,000
Certificates of obligation	8,900,000	-	2,530,000	6,370,000	715,000
Premium on bond issuances	320,379	-	92,568	227,811	-
Compensated absences	<u>399,495</u>	<u>295,146</u>	<u>259,529</u>	<u>435,112</u>	<u>83,047</u>
	<u>\$ 13,699,874</u>	<u>\$ 295,146</u>	<u>\$ 3,667,097</u>	<u>\$ 10,327,923</u>	<u>\$ 1,478,047</u>
Crime Control District:					
Compensated absences	\$ 101,928	\$ 31,997	\$ 79,842	\$ 54,083	\$ 10,817
Total crime control district	<u>\$ 101,928</u>	<u>\$ 31,997</u>	<u>\$ 79,842</u>	<u>\$ 54,083</u>	<u>\$ 10,817</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, 2022.

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, and obligations under compensated absence agreements. At September 30, 2022, 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%	\$ 400,000	\$ 125,000	\$ -	\$ -
\$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%	275,000	65,000	985,000	230,000
\$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%	1,380,000	255,000	280,000	50,000

	Governmental Activities	Due Within One Year	Business-Type Activities	Due Within One Year
\$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	\$ 1,390,000	\$ 475,000	\$ -	\$ -
\$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	360,000	55,000	925,000	380,000
\$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	735,000	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%	3,250,000	550,000	550,000	85,000
\$2,860,000 Series 2018 General Obligation due 2/1/2023	260,000	260,000	-	-
\$6,720,000 Series 2018 Non BQ, Water Meter CO's due 2/1/2032	-	-	5,105,000	435,000
\$7,460,000 Series 2019 General Obligation Bond, due 2/1/2034	3,705,000	240,000	-	-
\$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	5,115,000	225,000	-	-
\$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%	-	-	1,820,000	215,000
\$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%.	5,785,000	575,000	-	-
\$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%	25,795,000	450,000	-	-
\$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%	5,445,000	455,000	-	-
\$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%	24,110,000	500,000	-	-
\$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%	9,440,000	315,000	-	-
Premium on issuance of debt	5,774,575	-	227,811	-
Total bonds and notes outstanding	\$ 93,219,575	\$ 4,650,000	\$ 9,892,811	\$ 1,395,000

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, 2022, follow:

Governmental Activities					
Due Fiscal Year Ending	General Obligation Refunding Bonds	General Obligation Bonds	Certificate of Obligation	Interest	Total
2023	\$ 2,110,000	\$ 1,680,000	\$ 860,000	\$ 3,008,249	\$ 7,658,249
2024	2,200,000	1,750,000	865,000	2,833,033	7,648,033
2025	2,245,000	1,390,000	900,000	2,660,758	7,195,758
2026	1,855,000	1,910,000	935,000	2,490,590	7,190,590
2027	1,635,000	1,825,000	900,000	2,320,861	6,680,861
2028-2032	5,895,000	10,370,000	3,410,000	9,054,992	28,729,992
2033-2037	290,000	11,170,000	4,140,000	5,877,338	21,477,338
2038-2042	-	12,200,000	4,200,000	3,345,500	19,745,500
2043-2047	-	12,710,000	-	982,194	13,692,194
Total	\$ 16,230,000	\$ 55,005,000	\$ 16,210,000	\$ 32,573,515	\$ 120,018,515

Business-Type Activities				
Due Fiscal Year Ending	General Obligation Refunding Bonds	Certificate of Obligation	Interest	Total
2023	\$ 680,000	\$ 715,000	\$ 274,004	\$ 1,669,004
2024	670,000	745,000	234,374	1,649,374
2025	485,000	775,000	193,537	1,453,537
2026	315,000	805,000	152,099	1,272,099
2027	325,000	565,000	116,654	1,006,654
2028-2032	820,000	2,765,000	236,810	3,821,810
Total	\$ 3,295,000	\$ 6,370,000	\$ 1,207,478	\$ 10,872,478

Leases payable

Governmental activities:

A summary of leases payable as of September 30, 2022, are as follows:

Purpose of Lease	Interest Rates	Initial Year of Lease	Amount of Initial Liability	Interest Current Year	Amounts Outstanding 9/30/2022
Governmental Activities					
Right to use:					
Server equipment	2.60%	2022	\$ 324,739	\$ -	\$ 256,415
Vehicles	0.25 - 0.48%	Various	186,090	3,677	1,009,273
Office equipment	2.09%	Various	70,576	-	53,504
Total			\$ 581,405	\$ 3,677	\$ 1,319,192

The future principal and interest lease payments as of September 30, 2022, are as follows:

Governmental Activities			
Due Fiscal Year Ending	Principal	Interest	Total
2023	\$ 540,049	\$ 9,459	\$ 549,508
2024	403,550	6,462	410,012
2025	243,236	3,827	247,063
2026	110,203	1,755	111,958
2027	22,154	-	22,154
Total	<u>\$ 1,319,192</u>	<u>\$ 21,503</u>	<u>\$ 1,340,695</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, 2022, the City had no general obligation bonds which were authorized and unissued.

Advance refunding

In the current fiscal year, the City issued \$5,445,000 in general obligation refunding bonds with an interest rate at 2.00%. The proceeds were used to refund \$1,690,000 of outstanding Series 2012 Combination Tax and Limited Pledge Revenue Certificates of Obligation which had interest rates ranging from 2.00% to 3.00%; \$1,140,000 of outstanding Series 2012 General Obligation bonds which had interest rates ranging from 2.00% to 3.00%; \$2,065,000 of outstanding Series 2013 General Obligation bonds which had interest rates ranging from 3.00% to 3.75%; and \$1,100,000 of outstanding Series 2013 Combination Tax and Limited Pledge Revenue Certificates of Obligation which had interest rates ranging from 3.00% to 3.50%. The net proceeds of \$6,183,993 (including bond issuance costs of \$170,203) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the Series 2012 Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2012 General Obligation bonds, Series 2013 General Obligation bonds, and Series 2013 Combination Tax and Limited Pledge Revenue Certificates of Obligation are considered defeased and the liabilities have been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$188,993. The advance refunding reduced its total debt service payments by \$439,992 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$407,675.

IX. DEFINED BENEFIT PENSION PLAN

Plan Descriptions. The City participates as one of 901 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas.

TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

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

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

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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	246
Inactive employees entitled to but not yet receiving benefits	157
Active employees	<u>261</u>
Total	<u>664</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 19.23% in calendar years 2022 and 2021, respectively. The City's total contributions to TMRS for the year ended September 30, 2022, were \$3,982,891.

Net Pension Liability. The City's Net Pension Liability (NPL) was measured as of December 31, 2021, 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, 2021 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% net of pension plan investment expense

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	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2020	\$ 134,264,466	\$ 118,704,388	\$ 15,560,078
Changes for the year:			
Service cost	3,283,604	-	3,283,604
Interest	8,988,508	-	8,988,508
Difference between expected and actual experience	2,000,685	-	2,000,685
Contributions - employer	-	3,566,932	(3,566,932)
Contributions - employee	-	1,313,441	(1,313,441)
Net investment income	-	15,478,225	(15,478,225)
Benefit payments, including refunds of employee contributions	(5,486,381)	(5,486,381)	-
Administrative expense	-	(71,601)	71,601
Other changes	-	491	(491)
Net changes	<u>8,786,416</u>	<u>14,801,107</u>	<u>(6,014,691)</u>
Balance at 12/31/2021	<u>\$ 143,050,882</u>	<u>\$ 133,505,495</u>	<u>\$ 9,545,387</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%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 29,350,538	\$ 9,369,752	\$(7,048,693)
Component unit's net pension liability	<u>550,173</u>	<u>175,635</u>	<u>(132,127)</u>
Total	<u>\$ 29,900,711</u>	<u>\$ 9,545,387</u>	<u>\$(7,180,820)</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.tmrs.com.

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

For the year ended September 30, 2022, the City recognized pension expense of \$421,077. At September 30, 2022, 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	\$ 1,449,770	\$ 523,443
Changes in actuarial assumptions	71,278	-
Difference between projected and actual investment earnings	-	7,805,346
Contributions subsequent to the measurement date	<u>2,850,465</u>	<u>-</u>
Total	<u>\$ 4,371,513</u>	<u>\$ 8,328,789</u>

For the year ended September 30, 2022, the discretely presented component unit recognized pension expense of \$7,893. At September 30, 2022, 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	\$ 27,176	\$ 9,812
Changes in actuarial assumptions	1,336	-
Difference between projected and actual investment earnings	-	146,310
Contributions subsequent to the measurement date	53,432	-
Total	\$ 81,944	\$ 156,122

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, 2023. 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
2023	\$(1,131,046)	\$(21,201)
2024	(2,982,923)	(55,915)
2025	(1,228,110)	(23,021)
2026	(1,465,662)	(27,473)

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 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		Retiree Health	
	City	Component Unit	City	Component Unit
OPEB liability	1,250,243	23,436	3,714,649	69,631
Deferred outflows of resources	249,946	4,685	437,789	8,206
Deferred inflows of resources	95,005	1,781	1,225,498	22,972
OPEB expense	121,804	2,283	137,427	2,576

TMRS Supplemental Death Benefits Fund

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

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.

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	157
Inactive employees entitled to but not yet receiving benefits	24
Active employees	<u>261</u>
Total	<u>442</u>

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.23% for 2022 and 0.22% for 2021, of which 0.13% 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, 2022 and 2021 were \$27,204 and \$19,515, 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, 2021 and was determined by an actuarial valuation as of that date.

The Total OPEB Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Measurement year ended December 31,	2021
Inflation rate	2.50% per annum
Actuarial cost method	Entry Age Normal Method
Discount rate	1.84%
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, 2021 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, 2021.

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 1.84%, 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 Discount Rate (0.84%)	Discount Rate (1.84%)	1% Increase in Discount Rate (2.84%)
City's total OPEB liability	\$ 1,518,722	\$ 1,250,243	\$ 1,040,300
Component unit's total OPEB liability	28,468	23,436	19,500
Total	<u>\$ 1,547,190</u>	<u>\$ 1,273,679</u>	<u>\$ 1,059,800</u>

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2020	\$ 1,186,596
Changes for the year:	
Service cost	56,290
Interest	24,051
Differences between expected and actual experience	(6,657)
Changes of assumptions	37,790
Benefit payments	(24,391)
Net changes	<u>87,083</u>
Balance at 12/31/2021	<u>\$ 1,273,679</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 2.00% to 1.84%.

OPEB Expense and Deferred Outflows of Resources Related to OPEB. For the year ended September 30, 2022, the city recognized OPEB expense of \$107,236 for governmental activities, and \$14,568 for business-type activities. At September 30, 2022, 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	\$ 13,580	\$ 74,499
Changes in actuarial assumptions	216,863	20,506
Contributions subsequent to the measurement date	<u>19,503</u>	<u>-</u>
Totals	<u>\$ 249,946</u>	<u>\$ 95,005</u>

For the year ended September 30, 2022, the component unit recognized OPEB expense of \$2,283. At September 30, 2022, 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	\$ 255	\$ 1,396
Changes in actuarial assumptions	4,065	385
Contributions subsequent to the measurement date	<u>365</u>	<u>-</u>
Totals	<u>\$ 4,685</u>	<u>\$ 1,781</u>

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, 2023. 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
2023	\$ 42,942	805
2024	34,183	641
2025	32,955	618
2026	21,508	403
2027	3,850	72

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, 2022, the City's contributions to the plan were \$517,522, which consist of a trust contribution of \$200,000 for the year and benefit payments of \$317,522, 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 benefits	57
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>264</u>
Total	<u>321</u>

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	12/31/2020
Actuarial Cost Method	Individual Entry Age Normal Cost Method
Discount Rate	6.50% as of December 31, 2021
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 used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for
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:	None

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 12/31/2020	\$ 7,706,838	\$ 3,670,793	\$ 4,036,045
Changes for the year:			
Service cost	207,795	-	207,795
Interest	497,378	-	497,378
Benefit Terms	-	-	-
Difference between expected and actual experience	(21,464)	-	(21,464)
Changes of assumptions	-	-	-
Contributions - employer	-	517,522	(517,522)
Net investment income	-	431,441	(431,441)
Benefit payments	(317,522)	(317,522)	-
Administrative expense	-	(13,489)	13,489
Net changes	<u>366,187</u>	<u>617,952</u>	<u>(251,765)</u>
Balance at 12/31/2021	<u>\$ 8,073,025</u>	<u>\$ 4,288,745</u>	<u>\$ 3,784,280</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 (6.50%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (5.50%)	Discount Rate (6.50%)	1% Increase in Discount Rate (7.50%)
City's total OPEB	\$ 4,612,062	\$ 3,707,081	\$ 2,927,794
Component unit's total OPEB Liability	<u>96,045</u>	<u>77,199</u>	<u>60,971</u>
Total	<u>\$ 4,708,107</u>	<u>\$ 3,784,280</u>	<u>\$ 2,988,765</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	\$ 3,307,785	\$ 3,707,081	\$ 4,178,350
Component unit's total OPEB Liability	<u>68,884</u>	<u>77,199</u>	<u>87,013</u>
Total	<u>\$ 3,376,669</u>	<u>\$ 3,784,280</u>	<u>\$ 4,265,363</u>

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

At September 30, 2022, the City reported a liability of \$3,784,280 for its net OPEB Liability. The net OPEB Liability was determined by an actuarial valuation as of December 31, 2021. The City recognized OPEB expense of \$120,991 for governmental activities, \$16,436 for business-type activities and \$2,576 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, 2022, 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	\$ 16,488	\$ 563,698
Changes in assumptions		228,364
Difference between expected and actual experience, assets	-	433,436
Contributions subsequent to the measurement date	<u>421,302</u>	<u>-</u>
Totals	<u>\$ 437,790</u>	<u>\$ 1,225,498</u>

At September 30, 2022, 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	\$ 309	\$ 10,566
Changes in assumptions	-	4,281
Difference between expected and actual experience, assets	-	8,125
Contributions subsequent to the measurement date	<u>7,897</u>	<u>-</u>
Totals	<u>\$ 8,206</u>	<u>\$ 22,972</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, 2023. 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
2023	\$(305,856)	\$(5,733)
2024	(366,054)	(6,862)
2025	(258,054)	(4,837)
2026	(215,940)	(4,048)
2027	(47,142)	(884)
Thereafter	(15,964)	(299)

XII. RISK MANAGEMENT

The Texas Municipal League Intergovernmental Risk Pool (TMLIRP) is a self-insurance program offering and providing other units of local governments with a stable and economic source of risk financing and loss prevention services. The Pool is governed by a Board of Trustees elected by the members who understand these needs. This appointed board serves as the regulatory authority and is not subject to state regulation by the Texas Department of Insurance. The trustees have created programs that are tailored to the risks faced by Texas political subdivisions.

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 Crime coverage (deductible of \$2,000) 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. The each occurrence deductible for Auto Physical Damage does not apply to hail loss. The auto catastrophe deductible is \$10,000 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. 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 2022 and 2021 are listed as follows:

	2022	2021
Claims payable, beginning of year	\$ 878,254	\$ 805,366
Current year claims and changes in estimates	744,854	184,315
Payments on claims	<u>306,879</u>	<u>111,427</u>
Claims payable, end of year	<u>\$ 1,316,229</u>	<u>\$ 878,254</u>

XIII. COMMITMENTS AND CONTINGENT LIABILITIES

In 2010, the City entered into a twenty-year contract with the City of Fort Worth for the purchase of water. 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. Payments under this contract were approximately \$4,705,937 in 2022 and are included as operating expenses of the Water and Sewer Fund.

In 2018, the City entered into a twenty-year contract with the City of Fort Worth for the treatment and transportation of sanitary sewage. Payments under this contract are on a per connection basis and were approximately \$3,231,789 in 2022 and are also included as operating expenses of the Water and Sewer Fund.

At September 30, 2022, the City was committed to several long-term construction contracts. The governmental funds were contractually committed to approximately \$10,298,000; the business-type funds were committed to \$14,337,000.

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 \$24,825.

XVI. SUBSEQUENT EVENTS

In March 2022, the City entered into a 48 month financing arrangement for the purchase of Dark Fiber services. The City will incur the \$1,321,496 liability upon installation of the service points in FY 2023.

XVII. NEW ACCOUNTING STANDARDS

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

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. GASB 94 will become effective for reporting periods beginning after June 15, 2022, and the impact has not yet been determined.

Statement No. 96, *Subscription-Based Information Technology Arrangements* - This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. This Statement will become effective for reporting periods beginning after June 15, 2022, and the impact has not yet been determined.

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.

**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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Property taxes	\$ 10,924,286	\$ 10,924,286	\$ 11,403,060	\$ 478,774
City sales taxes	11,460,000	11,460,000	13,101,543	1,641,543
Mixed beverage tax	21,000	21,000	38,839	17,839
Franchise taxes	3,548,000	3,548,000	3,527,393	(20,607)
	<u>25,953,286</u>	<u>25,953,286</u>	<u>28,070,835</u>	<u>2,117,549</u>
Licenses and permits:				
Electric	40,000	40,000	81,172	41,172
Plumbing A/C	69,000	69,000	164,255	95,255
Building/mobile home	576,400	576,400	1,160,229	583,829
Street/general contractor	59,400	59,400	74,672	15,272
Certificates of occupancy	15,000	15,000	19,350	4,350
Oil and gas	150,000	150,000	146,000	(4,000)
Garage sales permits	5,000	5,000	8,735	3,735
Special events permits	5,500	5,500	13,536	8,036
Alarm permits	30,000	30,000	15,859	(14,141)
Food truck permits	3,750	3,750	500	(3,250)
	<u>954,050</u>	<u>954,050</u>	<u>1,684,308</u>	<u>730,258</u>
Intergovernmental:				
State surtax on fines	35,000	35,000	41,183	6,183
Grants from other governments	253,990	400,000	4,420,639	4,166,649
	<u>288,990</u>	<u>435,000</u>	<u>4,461,822</u>	<u>4,172,832</u>
Fines and fees:				
Municipal court	618,620	618,620	817,171	198,551
Library	5,000	5,000	2,366	(2,634)
Warrants	80,000	80,000	95,943	15,943
Public hearing	15,000	15,000	18,750	3,750
False alarms	16,000	16,000	2,278	(13,722)
	<u>734,620</u>	<u>734,620</u>	<u>936,508</u>	<u>201,888</u>
Charges for services:				
Record duplication	6,500	6,500	1,542	(4,958)
Leased property	180,000	180,000	185,841	5,841
Grass cutting	20,000	20,000	51,446	31,446
Recreational activities/concessions	65,000	65,000	98,208	33,208
Kennel fees/vaccination	10,400	10,400	10,720	320
Admin/building/fleet services fees	1,319,646	1,319,646	1,163,604	(156,042)
Developer test/fire inspection	16,000	16,000	7,535	(8,465)
Nuisance abatement fees	3,000	3,000	429	(2,571)
	<u>1,620,546</u>	<u>1,620,546</u>	<u>1,519,325</u>	<u>(101,221)</u>
Oil and gas lease	60,000	60,000	183,444	123,444
Contributions	75	537,624	537,624	-
Interest and investment gains				
(losses)	326,000	(51,100)	46,325	97,425
Miscellaneous	28,504	28,504	34,090	5,586
	<u>29,966,071</u>	<u>30,272,530</u>	<u>37,474,281</u>	<u>7,347,761</u>
Total revenues	\$ <u>29,966,071</u>	\$ <u>30,272,530</u>	\$ <u>37,474,281</u>	\$ <u>7,347,761</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
General government:				
Administrative	\$ 605,725	\$ 605,725	\$ 740,513	\$(134,788)
City secretary	264,662	264,662	266,049	(1,387)
Human resources	640,168	640,168	564,807	75,361
Planning	1,171,456	1,171,456	1,107,388	64,068
City council	38,880	38,880	29,589	9,291
Finance	679,499	679,499	563,596	115,903
Fleet services	846,276	846,276	1,013,659	(167,383)
Building maintenance	866,476	866,476	571,648	294,828
Nondepartmental	<u>4,656,607</u>	<u>4,616,607</u>	<u>2,694,760</u>	<u>1,921,847</u>
Total general government	<u>9,769,749</u>	<u>9,729,749</u>	<u>7,552,009</u>	<u>2,177,740</u>
Public safety:				
Police	10,492,477	10,492,477	10,000,309	492,168
Fire	8,452,864	8,452,864	8,318,819	134,045
Animal Control	407,802	407,802	417,024	(9,222)
Municipal court	<u>593,155</u>	<u>593,155</u>	<u>562,392</u>	<u>30,763</u>
Total public safety	<u>19,946,298</u>	<u>19,946,298</u>	<u>19,298,544</u>	<u>647,754</u>
Streets	<u>1,364,280</u>	<u>1,364,280</u>	<u>1,142,223</u>	<u>222,057</u>
Culture and Recreation:				
Library	1,073,634	1,073,634	976,263	97,371
Parks and recreation	<u>2,155,504</u>	<u>2,155,504</u>	<u>1,882,319</u>	<u>273,185</u>
Total culture and recreation	<u>3,229,138</u>	<u>3,229,138</u>	<u>2,858,582</u>	<u>370,556</u>
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>19,429</u>	<u>19,429</u>
Total debt service	<u>-</u>	<u>-</u>	<u>19,429</u>	<u>19,429</u>
Capital outlay	<u>480,000</u>	<u>480,000</u>	<u>103,615</u>	<u>376,385</u>
Total expenditures	<u>34,789,465</u>	<u>34,749,465</u>	<u>30,974,402</u>	<u>3,775,063</u>
Revenues under expenditures	<u>(4,823,394)</u>	<u>(4,476,935)</u>	<u>6,499,879</u>	<u>10,976,814</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,943,000	1,943,000	1,542,996	400,004
Transfers out	(1,458,500)	(1,450,000)	(1,751,904)	(301,904)
Issuance of lease	-	-	70,576	70,576
Sale of capital assets	<u>10,000</u>	<u>10,000</u>	<u>286</u>	<u>(9,714)</u>
Total other financial sources (uses)	<u>494,500</u>	<u>503,000</u>	<u>(138,046)</u>	<u>(641,046)</u>
Net change in fund balance	<u>(4,328,894)</u>	<u>(3,973,935)</u>	<u>6,361,833</u>	<u>10,335,768</u>
Fund balance - beginning of year	<u>24,678,721</u>	<u>24,678,721</u>	<u>24,678,721</u>	<u>-</u>
Fund balance - end of year	<u>\$ 20,349,827</u>	<u>\$ 20,704,786</u>	<u>\$ 31,040,554</u>	<u>\$ 10,335,768</u>

CITY OF HALTOM CITY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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	(3,854)	(3,703)	(3,429)
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)	<u>\$ 18,476,735</u>	<u>\$ 23,272,820</u>	<u>\$ 23,714,010</u>
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
\$ 2,939,312	\$ 2,931,913	\$ 3,071,536	\$ 3,076,962	\$ 3,283,604
7,529,054	7,899,680	8,236,772	8,620,742	8,988,508
(283,623)	(730,857)	(481,136)	(819,411)	2,000,685
-	-	325,920	-	-
(4,382,052)	(4,998,533)	(5,354,650)	(5,580,079)	(5,486,381)
5,802,691	5,102,203	5,798,442	5,298,214	8,786,416
<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>118,065,607</u>	\$ <u>123,167,810</u>	\$ <u>128,966,252</u>	\$ <u>134,264,466</u>	\$ <u>143,050,882</u>
\$ 3,141,962	\$ 3,169,004	\$ 3,584,207	\$ 3,353,325	\$ 3,566,932
1,172,915	1,168,758	1,220,247	1,232,193	1,313,441
12,274,019	(3,016,539)	14,992,491	8,450,415	15,478,225
(4,382,052)	(4,998,533)	(5,354,650)	(5,580,079)	(5,486,381)
(63,602)	(58,291)	(84,691)	(54,670)	(71,601)
(3,222)	(3,044)	(2,547)	(2,133)	490
12,140,020	(3,738,645)	14,355,057	7,399,051	14,801,106
<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>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>17,376,681</u>	\$ <u>26,217,531</u>	\$ <u>17,660,916</u>	\$ <u>15,560,078</u>	\$ <u>9,545,387</u>
85.28%	78.71%	86.31%	88.41%	93.33%
\$ 16,748,218	\$ 16,696,543	\$ 17,432,098	\$ 17,602,756	\$ 18,763,449
103.75%	157.02%	101.31%	88.40%	50.87%

CITY OF HALTOM CITY, TEXAS
CONTRIBUTIONS - TMRS PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

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

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, 2022

Measurement Period Ended December 31,	2017	2018	2019	2020	2021
A. Total OPEB liability					
Service Cost	\$ 28,472	\$ 31,723	\$ 31,378	\$ 40,486	\$ 56,290
Interest (on the Total OPEB Liability)	28,465	28,842	33,509	28,238	24,051
Differences between expected and actual experience	-	39,218	(94,183)	(37,701)	(6,657)
Changes of assumptions	67,252	(59,226)	157,142	153,378	37,790
Benefit payments, including refunds of employee contributions	(6,700)	(8,347)	(8,716)	(8,801)	(24,391)
Net change in Total OPEB liability	117,489	32,210	119,130	175,600	87,083
Total OPEB liability - beginning	<u>742,167</u>	<u>859,656</u>	<u>891,866</u>	<u>1,010,996</u>	<u>1,186,596</u>
Total OPEB liability - ending (a)	<u>859,656</u>	<u>891,866</u>	<u>1,010,996</u>	<u>1,186,596</u>	<u>1,273,679</u>
B. Covered employee payroll					
	\$ 16,748,218	\$ 16,696,543	\$ 17,432,098	\$ 17,602,756	\$ 18,763,449
C. Total OPEB liability as a percentage of covered - employee payroll					
	5.13%	5.34%	5.80%	6.74%	6.79%

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.

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, 2022

Measurement Period Ended December 31,	2017	2018	2019	2020	2021
A. Total OPEB liability					
Service Cost	\$ 193,035	\$ 187,980	\$ 174,629	\$ 175,940	\$ 207,795
Interest (on the Total OPEB Liability)	394,886	421,954	351,147	358,684	497,378
Changes of benefit terms	-	-	-	1,974,446	-
Difference between expected and actual experience	41,617	(952,921)	(14,085)	(87,791)	(21,464)
Change of assumptions	(20,299)	(240,446)	(163,826)	-	-
Benefit payments, including refunds of employee contributions	(290,575)	(180,229)	(192,401)	(289,372)	(317,522)
Net change in total OPEB liability	318,664	(763,662)	155,464	2,131,907	366,187
Total OPEB liability - beginning	<u>5,864,465</u>	<u>6,183,129</u>	<u>5,419,467</u>	<u>5,574,931</u>	<u>7,706,838</u>
Total OPEB liability - ending (a)	<u>\$ 6,183,129</u>	<u>\$ 5,419,467</u>	<u>\$ 5,574,931</u>	<u>\$ 7,706,838</u>	<u>\$ 8,073,025</u>
B. Plan fiduciary net position					
Contributions - employer	\$ 490,575	\$ 380,229	\$ 192,401	\$ 289,372	\$ 517,522
Net investment income	265,412	(125,895)	715,285	433,137	431,441
Benefit payments	(290,575)	(180,229)	(192,401)	(289,372)	(317,522)
Administrative expenses	(6,545)	(7,893)	(16,801)	(10,209)	(13,489)
Other	-	(118,409)	-	-	-
Net change in plan fiduciary net position	458,867	(52,197)	698,484	422,928	617,952
Plan fiduciary net position - beginning	<u>2,142,711</u>	<u>2,601,578</u>	<u>2,549,381</u>	<u>3,247,865</u>	<u>3,670,793</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,601,578</u>	<u>\$ 2,549,381</u>	<u>\$ 3,247,865</u>	<u>\$ 3,670,793</u>	<u>\$ 4,288,745</u>
C. Net OPEB liability - ending (a) - (b)	<u>\$ 3,581,551</u>	<u>\$ 2,870,086</u>	<u>\$ 2,327,066</u>	<u>\$ 4,036,045</u>	<u>\$ 3,784,280</u>
D. Plan fiduciary net position as a percentage of total OPEB liability	42.08%	47.04%	58.26%	47.63%	53.12%
E. Covered payroll	\$ 17,256,507	\$ 17,399,981	\$ 18,191,694	\$ 18,368,973	\$ 18,889,300
F. Net OPEB liability as a percentage of covered payroll	20.75%	16.49%	12.79%	21.97%	20.03%

- 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 \$3,670,793.

- 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.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Property taxes	\$ 6,882,732	\$ 6,882,732	\$ 7,106,631	\$ 223,899
Penalty and interest	70,000	70,000	59,794	(10,206)
Interest	<u>8,671</u>	<u>8,671</u>	<u>(185,288)</u>	<u>(193,959)</u>
Total revenues	<u>6,961,403</u>	<u>6,961,403</u>	<u>6,981,137</u>	<u>19,734</u>
EXPENDITURES:				
Principal retirement	5,510,000	5,510,000	5,510,000	-
Interest and other	2,117,397	2,117,397	1,609,054	508,343
Bond issuance costs	<u>5,000</u>	<u>5,000</u>	<u>3,046</u>	<u>1,954</u>
Total expenditures	<u>7,632,397</u>	<u>7,632,397</u>	<u>7,122,100</u>	<u>510,297</u>
Revenues under expenditures	<u>(670,994)</u>	<u>(670,994)</u>	<u>(140,963)</u>	<u>530,031</u>
OTHER FINANCING SOURCES:				
Issuance of debt	-	5,445,000	5,445,000	-
Premium on issuance of debt	-	781,295	781,295	-
Payment to escrow agent	-	(4,397,197)	(4,397,197)	-
Transfers in	293,413	293,412	293,412	-
Transfers out	<u>-</u>	<u>-</u>	<u>(1,690,000)</u>	<u>(1,690,000)</u>
Total other financing sources	<u>293,413</u>	<u>2,122,510</u>	<u>432,510</u>	<u>(1,690,000)</u>
Net change in fund balance	<u>(377,581)</u>	<u>1,451,516</u>	<u>291,547</u>	<u>(1,159,969)</u>
Fund balance - beginning of year	<u>1,615,058</u>	<u>1,615,058</u>	<u>1,615,058</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,237,477</u>	<u>\$ 3,066,574</u>	<u>\$ 1,906,605</u>	<u>\$ (1,159,969)</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 2,747,258	\$ 2,747,258	\$ 3,576,458	\$ 829,200
Interest	275,000	275,000	38,226	(236,774)
Total revenues	<u>3,022,258</u>	<u>3,022,258</u>	<u>3,614,684</u>	<u>592,426</u>
EXPENDITURES:				
General government	5,000	5,000	12,443	(7,443)
Streets	4,310,000	3,855,000	791,569	3,063,431
Bond issuance costs	90,000	90,000	-	90,000
Capital outlay	<u>1,015,000</u>	<u>1,015,000</u>	<u>1,034,617</u>	<u>(19,617)</u>
Total expenditures	<u>5,420,000</u>	<u>4,965,000</u>	<u>1,838,629</u>	<u>3,126,371</u>
Revenue under expenditures	<u>(2,397,742)</u>	<u>(1,942,742)</u>	<u>1,776,055</u>	<u>3,718,797</u>
OTHER FINANCING SOURCES (USES):				
Bond proceeds	5,000,000	5,000,000	-	(5,000,000)
Premium on issuance	250,000	250,000	-	(250,000)
Transfers out	<u>(900,000)</u>	<u>(900,000)</u>	<u>(900,000)</u>	<u>-</u>
Total other financing sources	<u>4,350,000</u>	<u>4,350,000</u>	<u>(900,000)</u>	<u>(5,250,000)</u>
Net change in fund balance	1,952,258	2,407,258	876,055	(1,531,203)
Fund balance - beginning of year	<u>19,249,523</u>	<u>19,249,523</u>	<u>19,249,523</u>	<u>-</u>
Fund balance - end of year	<u>\$ 21,201,781</u>	<u>\$ 21,656,781</u>	<u>\$ 20,125,578</u>	<u>\$ (1,531,203)</u>

CITY OF HALTOM 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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 33,900	\$ 33,900	\$ 35,951	\$ 2,051
Total revenues	<u>33,900</u>	<u>33,900</u>	<u>35,951</u>	<u>2,051</u>
EXPENDITURES:				
Debt service:				
Principal	-	68,324	68,324	(68,324)
Bond issuance costs	-	-	614,342	(614,342)
Capital outlay	<u>13,470,126</u>	<u>3,470,126</u>	<u>6,884,543</u>	<u>6,585,583</u>
Total expenditures	<u>13,470,126</u>	<u>3,538,450</u>	<u>7,567,209</u>	<u>5,902,917</u>
Revenues over (under) expenditures	(13,436,226)	(3,504,550)	(7,531,258)	5,904,968
OTHER FINANCING SOURCES (USES):				
Bond proceeds	29,000,000	29,000,000	33,874,738	4,874,738
Premium on issuance	-	-	1,889,925	1,889,925
Transfers in	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Total other financing sources	<u>29,600,000</u>	<u>29,600,000</u>	<u>36,364,663</u>	<u>6,764,663</u>
Net change in fund balance	<u>16,163,774</u>	<u>26,095,450</u>	<u>28,833,405</u>	<u>2,737,955</u>
Fund balance - beginning of year	<u>33,512,653</u>	<u>33,512,653</u>	<u>33,512,653</u>	<u>-</u>
Fund balance - end of year	\$ <u>49,676,427</u>	\$ <u>59,608,103</u>	\$ <u>62,346,058</u>	\$ <u>2,737,955</u>

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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 No. 1 Fund - To account for Tax Incremental District No. 1 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, 2022

	Special Revenue Funds			
	Police Forfeiture	Police Donations	Red Light Camera	Police CART
ASSETS				
Cash and investments	\$ 56,781	\$ 42,111	\$ 151,292	\$ 6,633
Intergovernmental receivables	-	-	-	-
Accrued interest	26	19	70	3
Other receivables	-	437	-	-
Prepaid expenses	-	-	-	-
Total assets	<u>\$ 56,807</u>	<u>\$ 42,567</u>	<u>\$ 151,362</u>	<u>\$ 6,636</u>
LIABILITIES				
Accounts payable	-	-	2,884	-
Accrued liabilities	1,088	-	648	-
Due to other funds	-	-	-	-
Total liabilities	<u>1,088</u>	<u>-</u>	<u>3,532</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Prepaid expenses	-	-	-	-
Restricted:				
Public safety	55,719	-	147,830	-
Purpose of grantors, donators and trustees	-	42,567	-	6,636
Promotion of tourism and business	-	-	-	-
Purchase of capital assets	-	-	-	-
Committed for purchase of capital assets	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>55,719</u>	<u>42,567</u>	<u>147,830</u>	<u>6,636</u>
Total liabilities and fund balances	<u>\$ 56,807</u>	<u>\$ 42,567</u>	<u>\$ 151,362</u>	<u>\$ 6,636</u>

Special Revenue Funds

Park Donation	Park Dedication	Library Donation	Hotel/Motel Tax	Grants Fund	Fire Department Donations
\$ 57,642	\$ 146,466	\$ 234,988	\$ 237,996	\$ 133,908	\$ 11,388
-	-	-	-	81,229	-
27	68	109	110	62	5
428	-	669	-	-	355
-	-	-	-	-	-
<u>\$ 58,097</u>	<u>\$ 146,534</u>	<u>\$ 235,766</u>	<u>\$ 238,106</u>	<u>\$ 215,199</u>	<u>\$ 11,748</u>
472	-	120	2,180	596	-
160	-	-	741	597	-
-	-	-	-	-	-
<u>632</u>	<u>-</u>	<u>120</u>	<u>2,921</u>	<u>1,193</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
57,465	146,534	235,646	-	214,006	11,748
-	-	-	235,185	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>57,465</u>	<u>146,534</u>	<u>235,646</u>	<u>235,185</u>	<u>214,006</u>	<u>11,748</u>
<u>\$ 58,097</u>	<u>\$ 146,534</u>	<u>\$ 235,766</u>	<u>\$ 238,106</u>	<u>\$ 215,199</u>	<u>\$ 11,748</u>

CITY OF HALTOM CITY, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	<u>Special Revenue Funds</u>			
	<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case</u>	<u>Animal Shelter</u>
ASSETS				
Cash and investments	\$ -	\$ 107,817	\$ 53,290	\$ 38,926
Intergovernmental receivables	-	-	-	-
Accrued interest	-	50	25	18
Other receivables	-	-	-	1,383
Prepaid expenses	<u>29,411</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>29,411</u>	\$ <u>107,867</u>	\$ <u>53,315</u>	\$ <u>40,327</u>
LIABILITIES				
Accounts payable	29,411	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	<u>4,583</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>33,994</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Prepaid expenses	29,411	-	-	-
Restricted:				
Public safety	-	107,867	53,315	-
Purpose of grantors, donators and trustees	-	-	-	40,327
Promotion of tourism and business	-	-	-	-
Purchase of capital assets	-	-	-	-
Committed for purchase of capital assets	-	-	-	-
Unassigned	<u>(33,994)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(4,583)</u>	<u>107,867</u>	<u>53,315</u>	<u>40,327</u>
Total liabilities and fund balances	\$ <u>29,411</u>	\$ <u>107,867</u>	\$ <u>53,315</u>	\$ <u>40,327</u>

Special Revenue Funds		Capital Projects Funds		Total Nonmajor Governmental Funds
Safe Pathways Shelter	TIF Fund No.1	Street Assessments	Capital Replacement	
\$ 66,509	\$ 207,938	\$ 24,420	1,295,356	\$ 2,873,461
-	-	-	-	81,229
31	96	11	-	730
-	-	-	1,181	4,453
-	-	-	-	29,411
<u>\$ 66,540</u>	<u>\$ 208,034</u>	<u>\$ 24,431</u>	<u>\$ 1,296,537</u>	<u>\$ 2,989,284</u>
-	-	-	-	35,663
-	-	-	-	3,234
-	72,000	-	-	76,583
<u>-</u>	<u>72,000</u>	<u>-</u>	<u>-</u>	<u>115,480</u>
-	-	-	-	29,411
-	-	-	-	364,731
-	-	-	-	754,929
-	-	-	-	235,185
66,540	136,034	-	-	202,574
-	-	24,431	1,296,537	1,320,968
-	-	-	-	(33,994)
<u>66,540</u>	<u>136,034</u>	<u>24,431</u>	<u>1,296,537</u>	<u>2,873,804</u>
<u>\$ 66,540</u>	<u>\$ 208,034</u>	<u>\$ 24,431</u>	<u>\$ 1,296,537</u>	<u>\$ 2,989,284</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, 2022

	Special Revenue Funds			
	Police Forfeiture	Police Donations	Red Light Camera	Police CART
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and fees	-	-	-	-
Charges for services	5,403	-	-	-
Donations	-	7,131	-	-
Interest and investment gains (losses)	195	133	683	13
Miscellaneous	-	10,916	-	-
Total revenues	<u>5,598</u>	<u>18,180</u>	<u>683</u>	<u>13</u>
EXPENDITURES				
General government	-	-	-	-
Public safety				
Police	15,310	15,893	53,270	-
Fire	-	-	-	-
Municipal court	-	-	-	-
Library	-	-	-	-
Animal control	-	-	-	-
Parks & recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	58,740	-
Total expenditures	<u>15,310</u>	<u>15,893</u>	<u>112,010</u>	<u>-</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,712)</u>	<u>2,287</u>	<u>(111,327)</u>	<u>13</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>(9,712)</u>	<u>2,287</u>	<u>(111,327)</u>	<u>13</u>
FUND BALANCES, BEGINNING	<u>65,431</u>	<u>40,280</u>	<u>259,157</u>	<u>6,623</u>
FUND BALANCES, ENDING	<u>\$ 55,719</u>	<u>\$ 42,567</u>	<u>\$ 147,830</u>	<u>\$ 6,636</u>

Special Revenue Funds

Park Donation	Park Dedication	Library Donation	Hotel/Motel Tax	Grants Fund	Fire Department Donations
\$ -	\$ -	\$ -	\$ 54,469	\$ -	\$ -
-	-	-	-	52,129	-
-	-	-	-	-	-
36,321	-	13,356	-	-	-
3,769	-	15,160	-	-	5,117
147	440	457	266	742	19
-	-	-	-	-	-
<u>40,237</u>	<u>440</u>	<u>28,973</u>	<u>54,735</u>	<u>52,871</u>	<u>5,136</u>
-	-	-	9,777	-	-
-	-	-	-	10,568	-
-	-	-	-	-	4,131
-	-	-	-	-	-
-	-	26,987	-	-	-
-	-	-	-	-	-
38,662	23,372	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>38,662</u>	<u>23,372</u>	<u>26,987</u>	<u>9,777</u>	<u>10,568</u>	<u>4,131</u>
<u>1,575</u>	<u>(22,932)</u>	<u>1,986</u>	<u>44,958</u>	<u>42,303</u>	<u>1,005</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,575	(22,932)	1,986	44,958	42,303	1,005
<u>55,890</u>	<u>169,466</u>	<u>233,660</u>	<u>190,227</u>	<u>171,703</u>	<u>10,743</u>
\$ <u>57,465</u>	\$ <u>146,534</u>	\$ <u>235,646</u>	\$ <u>235,185</u>	\$ <u>214,006</u>	\$ <u>11,748</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, 2022

	<u>Special Revenue Funds</u>			
	<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case</u>	<u>Animal Shelter</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and fees	22,533	26,366	-	-
Charges for services	-	-	24,748	-
Donations	-	-	-	5,963
Interest and investment gains (losses)	6	161	211	78
Miscellaneous	-	-	-	-
Total revenues	<u>22,539</u>	<u>26,527</u>	<u>24,959</u>	<u>6,041</u>
EXPENDITURES				
General government	-	-	-	-
Public safety				
Police	-	-	-	-
Fire	-	-	-	-
Municipal court	40,248	-	-	-
Library	-	-	-	-
Animal Control	-	-	-	3,331
Parks & recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>40,248</u>	<u>-</u>	<u>-</u>	<u>3,331</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>(17,709)</u>	<u>26,527</u>	<u>24,959</u>	<u>2,710</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,496	-	-	-
Transfers out	-	(15,000)	(48,000)	-
Issuance of leases	-	-	-	-
Total other financing sources (uses)	<u>8,496</u>	<u>(15,000)</u>	<u>(48,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(9,213)</u>	<u>11,527</u>	<u>(23,041)</u>	<u>2,710</u>
FUND BALANCES, BEGINNING	<u>4,630</u>	<u>96,340</u>	<u>76,356</u>	<u>37,617</u>
FUND BALANCES, ENDING	<u>\$ (4,583)</u>	<u>\$ 107,867</u>	<u>\$ 53,315</u>	<u>\$ 40,327</u>

Special Revenue Funds		Capital Projects Funds		Total Nonmajor Governmental Funds
Safe Pathways Shelter	TIF Fund No.1	Street Assessments	Capital Replacement	
\$ -	\$ 81,015	\$ -	\$ -	\$ 135,484
-	-	-	-	52,129
-	-	-	-	48,899
-	-	-	-	79,828
-	-	-	-	37,140
129	(167)	48	1,876	5,437
-	-	-	-	10,916
<u>129</u>	<u>80,848</u>	<u>48</u>	<u>1,876</u>	<u>369,833</u>
-	24,000	-	-	33,777
-	-	-	-	95,041
-	-	-	-	4,131
-	-	-	-	40,248
-	-	-	-	26,987
-	-	-	-	3,331
-	-	-	-	62,034
-	-	-	444,401	444,401
-	-	-	3,677	3,677
-	-	-	377,056	435,796
<u>-</u>	<u>24,000</u>	<u>-</u>	<u>825,134</u>	<u>1,149,423</u>
<u>129</u>	<u>56,848</u>	<u>48</u>	<u>(823,258)</u>	<u>(779,590)</u>
-	-	-	849,996	858,492
-	-	-	-	(63,000)
-	-	-	186,090	186,090
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,036,086</u>	<u>981,582</u>
129	56,848	48	212,828	201,992
<u>66,411</u>	<u>79,186</u>	<u>24,383</u>	<u>1,083,709</u>	<u>2,671,812</u>
\$ <u>66,540</u>	\$ <u>136,034</u>	\$ <u>24,431</u>	\$ <u>1,296,537</u>	\$ <u>2,873,804</u>

CITY OF HALTOM CITY, TEXAS**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
POLICE FORFEITURE - SPECIAL REVENUE FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 220	\$ 220	\$ 195	\$(25)
Charges for services	<u>18,000</u>	<u>18,000</u>	<u>5,403</u>	<u>(12,597)</u>
Total revenue	<u>18,220</u>	<u>18,220</u>	<u>5,598</u>	<u>(12,622)</u>
EXPENDITURES:				
Police	<u>16,000</u>	<u>16,000</u>	<u>15,310</u>	<u>690</u>
Total expenditures	<u>16,000</u>	<u>16,000</u>	<u>15,310</u>	<u>690</u>
Net change in fund balance	2,220	2,220	(9,712)	(11,932)
Fund balance - beginning of year	<u>65,431</u>	<u>65,431</u>	<u>65,431</u>	<u>-</u>
Fund balance - end of year	<u>\$ 67,651</u>	<u>\$ 67,651</u>	<u>\$ 55,719</u>	<u>\$(11,932)</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Donations	\$ 8,000	\$ 8,000	\$ 7,131	\$ (869)
Interest	200	133	133	-
Miscellaneous	<u>15,000</u>	<u>15,000</u>	<u>10,916</u>	<u>(4,084)</u>
Total revenues	<u>23,200</u>	<u>23,133</u>	<u>18,180</u>	<u>(4,953)</u>
EXPENDITURES:				
Police	<u>27,500</u>	<u>27,500</u>	<u>15,893</u>	<u>11,607</u>
Total expenditures	<u>27,500</u>	<u>27,500</u>	<u>15,893</u>	<u>11,607</u>
Net change in fund balance	(4,300)	(4,367)	2,287	6,654
Fund balance - beginning of year	<u>40,280</u>	<u>40,280</u>	<u>40,280</u>	<u>-</u>
Fund balance - end of year	<u>\$ 35,980</u>	<u>\$ 35,913</u>	<u>\$ 42,567</u>	<u>\$ 6,654</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Interest	\$ <u>1,400</u>	\$ <u>1,400</u>	\$ <u>683</u>	\$ (<u>717</u>)
Total revenues	<u>1,400</u>	<u>1,400</u>	<u>683</u>	(<u>717</u>)
EXPENDITURES:				
Police	88,500	88,500	53,270	35,230
Capital outlay	<u>60,000</u>	<u>60,000</u>	<u>58,740</u>	<u>1,260</u>
Total expenditures	<u>148,500</u>	<u>148,500</u>	<u>112,010</u>	<u>36,490</u>
Net change in fund balance	(147,100)	(147,100)	(111,327)	35,773
Fund balance - beginning of year	<u>259,157</u>	<u>259,157</u>	<u>259,157</u>	<u>-</u>
Fund balance - end of year	\$ <u>112,057</u>	\$ <u>112,057</u>	\$ <u>147,830</u>	\$ <u>35,773</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Interest	\$ <u>150</u>	\$ <u>150</u>	\$ <u>13</u>	\$ (<u>137</u>)
Total revenues	<u>150</u>	<u>150</u>	<u>13</u>	(<u>137</u>)
EXPENDITURES:				
Police	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net change in fund balance	(850)	(850)	13	863
Fund balance - beginning of year	<u>6,361</u>	<u>6,623</u>	<u>6,623</u>	<u>-</u>
Fund balance - end of year	\$ <u>5,511</u>	\$ <u>5,773</u>	\$ <u>6,636</u>	\$ <u>863</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Donations	\$ 9,150	\$ 9,150	\$ 3,769	\$(5,381)
Charges for services	22,000	22,000	36,321	14,321
Interest	<u>1,000</u>	<u>1,000</u>	<u>147</u>	<u>(853)</u>
Total revenues	<u>32,150</u>	<u>32,150</u>	<u>40,237</u>	<u>8,087</u>
EXPENDITURES:				
Parks and recreation	<u>74,341</u>	<u>74,341</u>	<u>38,662</u>	<u>35,679</u>
Total expenditures	<u>74,341</u>	<u>74,341</u>	<u>38,662</u>	<u>35,679</u>
Net change in fund balance	(42,191)	(42,191)	1,575	43,766
Fund balance - beginning of year	<u>55,890</u>	<u>55,890</u>	<u>55,890</u>	<u>-</u>
Fund balance - end of year	<u>\$ 13,699</u>	<u>\$ 13,699</u>	<u>\$ 57,465</u>	<u>\$ 43,766</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 800	\$ 800	\$ 440	\$ (360)
Total revenues	<u>800</u>	<u>800</u>	<u>440</u>	<u>(360)</u>
EXPENDITURES:				
Parks and recreation	<u>26,650</u>	<u>26,650</u>	<u>23,372</u>	<u>3,278</u>
Total expenditures	<u>26,650</u>	<u>26,650</u>	<u>23,372</u>	<u>3,278</u>
Net change in fund balance	(25,850)	(25,850)	(22,932)	2,918
Fund balance - beginning of year	<u>169,466</u>	<u>169,466</u>	<u>169,466</u>	<u>-</u>
Fund balance - end of year	<u>\$ 143,616</u>	<u>\$ 143,616</u>	<u>\$ 146,534</u>	<u>\$ 2,918</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	\$ 19,600	\$ 19,000	\$ 13,356	\$ (6,244)
Donations	11,500	11,500	15,160	3,660
Interest	1,000	1,000	457	(543)
Miscellaneous	<u>600</u>	<u>600</u>	<u>-</u>	<u>(600)</u>
Total revenues	<u>32,700</u>	<u>32,100</u>	<u>28,973</u>	<u>(3,727)</u>
EXPENDITURES:				
Library	<u>36,500</u>	<u>36,500</u>	<u>26,987</u>	<u>9,513</u>
Total expenditures	<u>36,500</u>	<u>36,500</u>	<u>26,987</u>	<u>9,513</u>
Net change in fund balance	(3,800)	(4,400)	1,986	6,386
Fund balance - beginning of year	<u>233,660</u>	<u>233,660</u>	<u>233,660</u>	<u>-</u>
Fund balance - end of year	<u>\$ 229,860</u>	<u>\$ 229,260</u>	<u>\$ 235,646</u>	<u>\$ 5,786</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 45,000	\$ 45,000	\$ 54,469	\$ 9,469
Interest	<u>800</u>	<u>800</u>	<u>266</u>	<u>(534)</u>
Total revenues	<u>45,800</u>	<u>45,800</u>	<u>54,735</u>	<u>8,935</u>
EXPENDITURES:				
General Government	<u>44,836</u>	<u>44,836</u>	<u>9,777</u>	<u>35,059</u>
Total expenditures	<u>44,836</u>	<u>44,836</u>	<u>9,777</u>	<u>35,059</u>
Net change in fund balance	964	964	44,958	43,994
Fund balance - beginning of year	<u>190,227</u>	<u>190,227</u>	<u>190,227</u>	<u>-</u>
Fund balance - end of year	<u>\$ 191,191</u>	<u>\$ 191,191</u>	<u>\$ 235,185</u>	<u>\$ 43,994</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 130,000	\$ 130,000	\$ 52,129	\$ (77,871)
Interest	250	250	742	492
Total revenues	<u>130,250</u>	<u>130,250</u>	<u>52,871</u>	<u>(77,379)</u>
EXPENDITURES:				
Police	40,701	40,701	10,568	30,133
Fire	<u>115,000</u>	<u>115,000</u>	-	<u>115,000</u>
Total expenditures	<u>155,701</u>	<u>155,701</u>	<u>10,568</u>	<u>145,133</u>
Net change in fund balance	(25,451)	(25,451)	42,303	67,754
Fund balance - beginning of year	<u>171,703</u>	<u>171,703</u>	<u>171,703</u>	<u>-</u>
Fund balance - end of year	<u>\$ 146,252</u>	<u>\$ 146,252</u>	<u>\$ 214,006</u>	<u>\$ 67,754</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Donations	\$ 6,500	\$ 6,500	\$ 5,117	\$(1,383)
Interest	<u>50</u>	<u>50</u>	<u>19</u>	<u>(31)</u>
Total revenues	<u>6,550</u>	<u>6,550</u>	<u>5,136</u>	<u>(1,414)</u>
EXPENDITURES:				
Fire	<u>6,548</u>	<u>6,548</u>	<u>4,131</u>	<u>2,417</u>
Total expenditures	<u>6,548</u>	<u>6,548</u>	<u>4,131</u>	<u>2,417</u>
Net change in fund balance	2	2	1,005	1,003
Fund balance - beginning of year	<u>10,743</u>	<u>10,743</u>	<u>10,743</u>	<u>-</u>
Fund balance - end of year	<u>\$ 10,745</u>	<u>\$ 10,745</u>	<u>\$ 11,748</u>	<u>\$ 1,003</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and fees	\$ 26,000	\$ 26,000	\$ 22,533	\$ (3,467)
Interest	500	500	6	(494)
Total revenues	<u>26,500</u>	<u>26,500</u>	<u>22,539</u>	<u>(3,961)</u>
EXPENDITURES:				
Municipal court	<u>32,000</u>	<u>32,000</u>	<u>40,248</u>	<u>(8,248)</u>
Total expenditures	<u>32,000</u>	<u>32,000</u>	<u>40,248</u>	<u>(8,248)</u>
Revenues over (under) expenditures	(5,500)	(5,500)	(17,709)	(12,209)
OTHER FINANCING SOURCES (USES):				
Transfer in	<u>8,500</u>	<u>8,500</u>	<u>8,496</u>	<u>(4)</u>
Total other financing sources	<u>8,500</u>	<u>8,500</u>	<u>8,496</u>	<u>(4)</u>
Net change in fund balance	3,000	3,000	(9,213)	(12,213)
Fund balance - beginning of year	<u>4,630</u>	<u>4,630</u>	<u>4,630</u>	<u>-</u>
Fund balance - end of year	<u>\$ 7,630</u>	<u>\$ 7,630</u>	<u>\$ (4,583)</u>	<u>\$ (12,213)</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and fees	\$ 19,000	\$ 19,000	\$ 26,366	\$ 7,366
Interest	<u>2,100</u>	<u>2,100</u>	<u>161</u>	<u>(1,939)</u>
Total revenues	<u>21,100</u>	<u>21,100</u>	<u>26,527</u>	<u>5,427</u>
EXPENDITURES:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	21,100	21,100	26,527	5,427
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
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	11,527	5,427
Fund balance - beginning of year	<u>96,340</u>	<u>96,340</u>	<u>96,340</u>	<u>-</u>
Fund balance - end of year	\$ <u>102,440</u>	\$ <u>102,440</u>	\$ <u>107,867</u>	\$ <u>5,427</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	\$ 22,000	\$ 22,000	\$ 24,748	\$ 2,748
Interest	400	400	211	(189)
Total revenues	<u>22,400</u>	<u>22,400</u>	<u>24,959</u>	<u>2,559</u>
EXPENDITURES:				
Municipal court	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Revenues over (under) expenditures	21,400	21,400	24,959	3,559
OTHER FINANCING SOURCES (USES):				
Transfers out	(48,000)	(48,000)	(48,000)	-
Total other financing sources (uses)	<u>(48,000)</u>	<u>(48,000)</u>	<u>(48,000)</u>	<u>-</u>
Net change in fund balance	(26,600)	(26,600)	(23,041)	3,559
Fund balance - beginning of year	<u>76,356</u>	<u>129,570</u>	<u>76,356</u>	<u>-</u>
Fund balance - end of year	<u>\$ 49,756</u>	<u>\$ 102,970</u>	<u>\$ 53,315</u>	<u>\$ 3,559</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 500	\$ 500	\$ 78	\$ (422)
Donations	<u>6,000</u>	<u>6,000</u>	<u>5,963</u>	<u>(37)</u>
Total revenues	<u>6,500</u>	<u>6,500</u>	<u>6,041</u>	<u>(459)</u>
EXPENDITURES:				
Animal Control	<u>5,000</u>	<u>5,000</u>	<u>3,331</u>	<u>1,669</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>3,331</u>	<u>1,669</u>
Net change in fund balance	1,500	1,500	2,710	1,210
Fund balance - beginning of year	<u>37,617</u>	<u>37,617</u>	<u>37,617</u>	<u>-</u>
Fund balance - end of year	<u>\$ 39,117</u>	<u>\$ 39,117</u>	<u>\$ 40,327</u>	<u>\$ 1,210</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	\$ 1,250	\$ 1,250	\$ -	\$(1,250)
Interest	<u>1,000</u>	<u>1,000</u>	<u>129</u>	<u>(871)</u>
Total revenues	<u>2,250</u>	<u>2,250</u>	<u>129</u>	<u>(2,121)</u>
EXPENDITURES:				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,250	2,250	129	(2,121)
Fund balance - beginning of year	<u>66,411</u>	<u>66,411</u>	<u>66,411</u>	<u>-</u>
Fund balance - end of year	\$ <u>68,661</u>	\$ <u>68,661</u>	\$ <u>66,540</u>	\$ <u>(2,121)</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 100	\$ 100	\$ 48	\$ (52)
Total revenues	<u>100</u>	<u>100</u>	<u>48</u>	<u>(52)</u>
EXPENDITURES:				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	100	100	48	(52)
Fund balance - beginning year	<u>24,383</u>	<u>24,383</u>	<u>24,383</u>	<u>-</u>
Fund balance - end of year	<u>\$ 24,483</u>	<u>\$ 24,483</u>	<u>\$ 24,431</u>	<u>\$ (52)</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 3,000	\$ 3,000	\$ 1,876	\$(1,124)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>1,876</u>	<u>(1,124)</u>
EXPENDITURES:				
Capital Outlay:	850,000	401,922	380,733	21,189
Debt Service:				
Principal	-	444,401	444,401	-
Interest	<u>-</u>	<u>3,677</u>	<u>-</u>	<u>3,677</u>
Total expenditures	<u>850,000</u>	<u>850,000</u>	<u>825,134</u>	<u>24,866</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	850,000	850,000	849,996	(4)
Issuance of debt	<u>-</u>	<u>-</u>	<u>186,090</u>	<u>186,090</u>
Total other financing sources (uses)	<u>850,000</u>	<u>850,000</u>	<u>1,036,086</u>	<u>186,086</u>
Net change in fund balance	3,000	3,000	212,828	209,828
Fund balance - beginning of year	<u>1,083,709</u>	<u>1,083,709</u>	<u>1,083,709</u>	<u>-</u>
Fund balance - end of year	\$ <u>1,086,709</u>	\$ <u>1,086,709</u>	\$ <u>1,296,537</u>	\$ <u>209,828</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.	92 – 99
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and sales taxes.	100 – 109
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.	110 – 117
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.	118 – 119
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.	120 – 125

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)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 35,212,219	\$ 44,018,316	\$ 44,644,061	\$ 49,669,147
Restricted	5,680,532	7,522,651	11,087,769	8,566,493
Unrestricted	<u>9,147,395</u>	<u>3,155,882</u>	<u>(3,213,591)</u>	<u>(6,118,269)</u>
Total governmental activities net position	<u>50,040,146</u>	<u>54,696,849</u>	<u>52,518,239</u>	<u>52,117,371</u>
Business-type activities				
Net investment in capital assets	32,974,632	39,419,139	40,345,975	40,860,841
Unrestricted	<u>6,560,595</u>	<u>5,530,649</u>	<u>5,383,611</u>	<u>6,487,495</u>
Total business-type activities net position	<u>39,535,227</u>	<u>44,949,788</u>	<u>45,729,586</u>	<u>47,348,336</u>
Primary government				
Net investment in capital assets	68,186,851	83,437,455	84,990,036	90,529,988
Restricted	5,680,532	7,522,651	11,087,769	8,566,493
Unrestricted	<u>15,707,990</u>	<u>8,686,531</u>	<u>2,170,020</u>	<u>369,226</u>
Total primary government net position	<u>\$ 89,575,373</u>	<u>\$ 99,646,637</u>	<u>\$ 98,247,825</u>	<u>\$ 99,465,707</u>

TABLE 1

2017	2018	2019	2020	2021	2022
\$ 48,573,824	\$ 51,907,911	\$ 53,560,693	\$ 56,184,646	\$ 48,488,519	\$ 44,884,303
14,332,634	14,398,393	17,961,901	18,389,983	22,380,151	26,722,373
(7,282,612)	(9,177,231)	(9,182,445)	(1,208,395)	7,951,510	16,422,441
<u>55,623,846</u>	<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>
41,019,999	42,648,361	43,145,765	43,473,153	43,641,248	45,964,147
<u>10,344,876</u>	<u>15,850,355</u>	<u>19,753,480</u>	<u>26,077,265</u>	<u>32,595,307</u>	<u>40,767,939</u>
<u>51,364,875</u>	<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>
89,593,823	94,566,272	96,706,458	99,657,799	92,129,767	90,848,450
14,332,634	14,398,393	17,961,901	18,389,983	22,380,151	26,722,373
<u>3,062,264</u>	<u>6,673,104</u>	<u>10,571,035</u>	<u>24,868,870</u>	<u>40,546,817</u>	<u>57,190,380</u>
\$ <u>106,988,721</u>	\$ <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>

CITY OF HALTOM CITY, TEXAS

CHANGES IN NET POSITION

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities				
General government	\$ 5,490,063	\$ 5,972,582	\$ 4,992,708	\$ 6,991,532
Public safety	15,223,623	15,929,472	15,702,918	18,140,988
Streets	4,259,384	4,237,146	3,180,893	2,661,889
Culture and recreation	2,867,987	3,140,140	2,894,363	3,101,708
Interest on long-term debt	<u>1,431,521</u>	<u>1,570,866</u>	<u>1,297,086</u>	<u>1,228,911</u>
Total governmental activities expenses	<u>29,272,578</u>	<u>30,850,206</u>	<u>28,067,968</u>	<u>32,125,028</u>
Business-type activities:				
Water and sewer services	14,862,348	15,679,502	15,990,278	17,611,699
Drainage services	<u>1,352,182</u>	<u>1,361,742</u>	<u>1,047,947</u>	<u>1,372,063</u>
Total business-type activities expenses	<u>16,214,530</u>	<u>17,041,244</u>	<u>17,038,225</u>	<u>18,983,762</u>
Total primary government expenses	<u>45,487,108</u>	<u>47,891,450</u>	<u>45,106,193</u>	<u>51,108,790</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	1,928,004	2,451,322	2,482,422	2,699,926
Public safety	2,357,634	2,053,885	1,827,337	1,840,804
Streets	5,240	22,138	1,305	41,140
Culture and recreation	253,282	262,606	251,285	249,830
Operating grants and contributions	572,559	1,140,514	717,407	272,414
Capital grants and contributions	<u>4,765,451</u>	<u>7,279,679</u>	<u>7,025,184</u>	<u>40,443</u>
Total governmental activities program revenues	<u>9,882,170</u>	<u>13,210,144</u>	<u>12,304,940</u>	<u>5,144,557</u>
Business-type activities:				
Charges for services:				
Water and sewer services	16,702,485	16,742,577	17,433,066	19,279,830
Drainage services	1,566,018	1,699,940	1,644,089	1,627,657
Capital grants and contributions	<u>51,581</u>	<u>3,835,132</u>	<u>1,224,660</u>	<u>305,962</u>
Total business-type activities program revenues	<u>18,320,084</u>	<u>22,277,649</u>	<u>20,301,815</u>	<u>21,213,449</u>
Total primary Government program revenues	\$ <u>28,202,254</u>	\$ <u>35,487,793</u>	\$ <u>32,606,755</u>	\$ <u>26,358,006</u>

TABLE 2

2017	2018	2019	2020	2021	2022
\$ 6,583,493	\$ 6,320,374	\$ 7,170,945	\$ 6,582,331	\$ 9,241,073	\$ 9,354,014
18,763,690	18,389,178	17,907,680	17,919,745	21,334,383	20,546,631
3,062,161	3,801,982	3,217,049	1,877,804	2,549,723	2,189,131
3,209,288	3,819,112	3,732,618	3,457,170	3,416,953	3,188,306
1,250,237	1,049,253	1,174,401	1,478,330	1,710,224	2,292,843
<u>32,868,869</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>
16,670,152	16,372,945	18,761,789	18,182,467	17,919,526	16,612,615
1,309,625	1,218,164	1,567,980	1,763,216	1,515,957	1,420,045
<u>17,979,777</u>	<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>50,848,646</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>
2,728,039	2,631,068	2,469,464	3,318,494	3,104,767	3,267,606
2,272,328	1,075,387	1,694,051	860,081	1,151,877	970,643
3,992	43,304	-	-	-	-
217,862	231,442	181,004	89,597	104,922	150,251
359,563	442,109	258,868	1,634,438	1,522,728	4,076,899
17,186	459,410	24,356	143,769	240,588	656,164
<u>5,598,970</u>	<u>4,882,720</u>	<u>4,627,743</u>	<u>6,046,379</u>	<u>6,124,882</u>	<u>9,121,563</u>
20,591,084	23,373,412	23,080,974	24,932,166	23,927,784	25,460,383
1,861,389	1,830,479	1,708,362	1,815,869	1,820,431	1,861,411
-	-	18,032,660	27,321,794	1,027,514	40,309
<u>22,452,473</u>	<u>25,203,891</u>	<u>42,821,996</u>	<u>54,069,829</u>	<u>26,775,729</u>	<u>27,362,103</u>
\$ <u>28,051,443</u>	\$ <u>30,086,611</u>	\$ <u>47,449,739</u>	\$ <u>60,116,208</u>	\$ <u>32,900,611</u>	\$ <u>36,483,666</u>

CITY OF HALTOM CITY, TEXAS

CHANGES IN NET POSITION

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net (Expense)/Revenue				
Governmental activities	\$(19,390,408)	\$(17,640,062)	\$(15,763,028)	\$(26,980,471)
Business-type activities	<u>2,105,554</u>	<u>5,236,405</u>	<u>3,263,590</u>	<u>2,229,687</u>
Total primary government net expense	<u>(17,284,854)</u>	<u>(12,403,657)</u>	<u>(12,499,438)</u>	<u>(24,750,784)</u>
General Revenues and Other				
Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	10,327,708	11,136,939	11,950,005	12,035,695
Sales taxes	6,902,685	7,103,791	7,622,096	8,437,024
Franchise taxes	3,977,397	4,105,002	4,055,193	4,044,133
Occupancy taxes	46,979	44,484	44,681	47,561
Interest	106,114	(122,596)	86,035	157,851
Unrestricted grants and contributions	-	-	500,020	989,140
Oil and gas leases	336,439	394,326	127,709	30,131
Mixed beverage taxes	11,908	12,582	14,554	13,887
Miscellaneous	676,880	721,957	407,255	124,181
Gain on sale of capital assets	4,100	122,503	-	-
Transfers	<u>(132,101)</u>	<u>(471,558)</u>	<u>684,658</u>	<u>700,000</u>
Total governmental activities	<u>22,258,109</u>	<u>23,047,430</u>	<u>25,492,206</u>	<u>26,579,603</u>
Business-type activities:				
Interest	46,587	(37,657)	20,466	89,063
Gain on sale of capital assets	-	20,118	-	-
Transfers	<u>132,101</u>	<u>471,558</u>	<u>(684,658)</u>	<u>(700,000)</u>
Total business-type activities	<u>178,688</u>	<u>454,019</u>	<u>(664,192)</u>	<u>(610,937)</u>
Total primary government	<u>22,436,797</u>	<u>23,501,449</u>	<u>24,828,014</u>	<u>(25,968,666)</u>
Change in Net Position				
Governmental activities	2,855,793	5,394,786	9,729,178	(400,868)
Business-type activities	<u>2,284,242</u>	<u>5,690,424</u>	<u>2,599,398</u>	<u>1,618,750</u>
Total primary government	<u>\$ 5,140,035</u>	<u>\$ 11,085,210</u>	<u>\$ 12,328,576</u>	<u>\$ 1,217,882</u>

TABLE 2

2017	2018	2019	2020	2021	2022
\$(27,269,899)	\$(28,497,179)	\$(28,574,950)	\$(25,269,001)	\$(32,127,474)	\$(28,449,362)
<u>4,472,696</u>	<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>
(22,797,203)	(20,884,397)	(24,115,383)	(18,466,649)	(24,787,228)	(19,119,919)
12,706,964	13,688,707	14,458,831	17,273,899	18,206,031	18,098,327
12,025,312	13,254,357	13,527,349	13,387,329	15,280,750	16,678,001
4,078,235	4,034,509	3,934,104	3,896,316	3,480,016	3,507,541
44,308	46,865	45,781	43,679	46,805	54,469
244,718	239,572	901,211	745,428	(132,667)	(59,349)
615,685	-	-	-	-	-
57,466	123,212	122,757	53,276	86,403	329,444
11,174	12,959	27,082	27,750	22,396	38,839
384,156	270,597	80,533	255,396	11,690	128,372
18,356	62,913	108,378	32,017	-	-
<u>580,000</u>	<u>580,000</u>	<u>580,000</u>	<u>579,996</u>	<u>579,996</u>	(1,117,345)
<u>30,766,374</u>	<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>
123,843	147,322	520,982	428,817	(74,113)	48,743
-	-	-	-	-	-
(580,000)	(580,000)	(580,000)	(579,996)	(579,996)	1,117,345
(456,157)	(432,678)	(59,018)	-	(654,109)	1,166,088
<u>30,320,217</u>	<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>
3,506,475	3,816,512	5,211,076	11,026,085	5,453,946	9,208,937
<u>4,016,539</u>	<u>7,180,104</u>	<u>4,400,549</u>	<u>6,651,173</u>	<u>6,686,137</u>	<u>10,495,531</u>
\$ <u>7,523,014</u>	\$ <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>

CITY OF HALTOM CITY, TEXAS**FUND BALANCES - GOVERNMENTAL FUNDS**

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable	\$ 189,295	\$ 205,828	\$ 180,936	\$ 170,743
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>11,195,537</u>	<u>11,323,984</u>	<u>11,381,345</u>	<u>9,402,292</u>
Total general fund	<u>11,384,832</u>	<u>11,529,812</u>	<u>11,562,281</u>	<u>9,573,035</u>
All Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	17,272,217	12,308,467	11,055,819	8,486,785
Committed	-	-	-	-
Unassigned	<u>(43,799)</u>	<u>(79,746)</u>	<u>35,828</u>	<u>517,510</u>
Total all other governmental funds	\$ <u>17,228,418</u>	\$ <u>12,228,721</u>	\$ <u>11,091,647</u>	\$ <u>9,004,295</u>

TABLE 3

2017	2018	2019	2020	2021	2022
\$ 200,738	\$ 201,427	\$ 168,876	\$ 179,195	\$ 164,542	\$ 1,464,419
-	-	-	-	-	3,679,002
-	-	833,338	-	6,002,133	6,002,133
<u>10,043,761</u>	<u>13,200,606</u>	<u>12,420,435</u>	<u>18,014,660</u>	<u>19,895,000</u>	<u>19,895,000</u>
<u>10,244,499</u>	<u>13,402,033</u>	<u>13,422,649</u>	<u>18,193,855</u>	<u>26,061,675</u>	<u>31,040,554</u>
15,534	61,500	-	-	-	29,411
14,254,552	17,872,985	26,266,982	30,308,944	85,935,660	85,935,660
-	-	-	-	1,320,968	1,320,968
(11,520)	(23,103)	(34,469)	(33,125)	(33,994)	(33,994)
<u>\$ 14,258,566</u>	<u>\$ 17,911,382</u>	<u>\$ 26,232,513</u>	<u>\$ 30,275,819</u>	<u>\$ 87,222,634</u>	<u>\$ 87,252,045</u>

CITY OF HALTOM CITY, TEXAS

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues				
Taxes [See Table 5]	\$ 21,590,984	\$ 22,547,214	\$ 23,345,404	\$ 24,497,264
Licenses and permits	332,908	484,736	851,870	814,128
Intergovernmental	591,897	8,285,812	660,422	205,337
Fines and fees	2,147,032	1,916,686	1,776,959	1,371,940
Charges for services	1,647,888	1,758,412	1,782,682	2,054,448
Oil and gas leases	336,439	394,326	127,709	30,131
Interest income	88,029	(84,217)	86,098	157,850
Contributions	646,002	653,585	858,043	1,405,165
Special assessments	4,681	2,613	11,592	-
Miscellaneous	438,684	471,393	818,530	465,094
Total revenues	<u>27,824,544</u>	<u>36,430,560</u>	<u>30,319,309</u>	<u>31,001,357</u>
Expenditures				
General government	5,440,470	11,486,467	5,132,507	6,181,093
Public safety	14,182,784	14,464,255	15,612,260	16,487,431
Streets	2,004,095	1,710,489	1,076,012	683,434
Culture and recreation	2,289,178	3,302,937	2,414,793	2,429,286
Capital outlay	5,971,871	7,419,305	3,433,813	5,187,830
Debt service:				
Principal	2,865,000	3,315,000	3,545,000	3,545,000
Interest	1,358,658	1,416,333	1,335,855	1,259,241
Bond issuance costs	198,369	106,727	26,640	4,640
Total expenditures	<u>34,310,425</u>	<u>43,221,513</u>	<u>32,576,880</u>	<u>35,777,955</u>
Excess of revenues over (under) expenditures	(6,485,881)	(6,790,953)	(2,257,571)	(4,776,598)
Other financial sources (uses)				
Bonds issued	7,330,000	7,330,000	365,000	-
Premium on issuance of debt	257,454	-	-	-
Payment to refunded bond escrow agent	-	(5,044,709)	-	-
Proceeds from lease	-	-	-	-
Sale of capital assets	4,100	122,503	27,554	-
Transfers in	1,008,777	1,348,725	1,567,949	1,778,250
Transfers out	(1,140,878)	(1,820,283)	(883,291)	(1,078,250)
Total other financing sources (uses)	<u>7,459,453</u>	<u>1,936,236</u>	<u>1,077,212</u>	<u>700,000</u>
Net change in fund balance	\$ <u>973,572</u>	\$ <u>(4,854,717)</u>	\$ <u>(1,180,359)</u>	\$ <u>(4,076,598)</u>
Debt service as a percentage of noncapital expenditures	14.9%	13.2%	16.7%	15.7%

TABLE 4

2017	2018	2019	2020	2021	2022
\$ 29,076,841	\$ 31,059,455	\$ 32,191,601	\$ 34,410,674	\$ 37,047,887	\$ 38,949,202
638,032	987,167	1,095,526	1,935,600	1,721,763	1,684,308
254,000	758,074	215,319	1,688,615	1,548,228	4,513,951
1,551,999	1,313,937	1,292,692	764,796	1,107,243	985,407
2,121,287	1,759,252	1,386,044	1,326,530	1,516,790	1,599,153
67,466	123,212	122,757	53,276	86,403	183,444
244,678	239,539	901,178	745,388	(132,667)	(59,349)
748,839	144,310	68,187	72,319	23,679	574,764
3,183	6,059	2,033	-	-	-
667,635	547,405	350,375	465,519	172,973	45,006
<u>35,373,960</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>
5,804,710	6,274,768	7,250,795	6,490,804	7,443,056	7,598,229
16,604,490	17,197,194	17,900,823	17,293,723	17,648,916	19,437,964
1,284,857	1,556,644	2,099,806	2,824,221	2,958,596	1,933,792
2,447,648	3,046,391	3,126,754	2,824,579	2,812,340	2,950,934
1,595,455	2,098,253	1,903,015	4,255,104	4,147,546	8,458,571
4,105,000	4,218,128	5,055,743	5,144,934	6,073,871	6,042,154
1,200,021	1,073,999	1,054,336	1,422,774	1,067,252	1,612,731
147,289	54,598	168,065	165,522	652,873	617,388
<u>33,189,470</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>
2,184,490	1,418,435	(933,625)	1,041,056	296,849	(175,877)
7,115,000	2,860,000	7,460,000	5,730,000	34,160,000	38,995,000
430,923	-	526,665	429,778	2,265,050	2,671,220
(4,403,034)	-	-	-	(6,939,428)	(4,397,197)
-	809,444	600,329	956,294	30,903	581,404
18,356	62,913	108,378	77,388	2,864,723	286
2,284,913	2,797,863	2,898,688	2,356,440	3,151,018	3,294,900
(1,704,913)	(2,217,863)	(2,318,688)	(1,776,444)	(2,571,022)	(4,404,904)
<u>3,741,245</u>	<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>5,925,735</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>
16.8%	16.0%	17.5%	19.8%	19.8%	18.8%

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
2013	\$ 10,650,864	\$ 6,902,684	\$ 3,977,397	\$ 46,979	\$ 1,151	\$ 11,908	\$ 21,590,983
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

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			
2013	\$ 1,612,456,483	\$ 295,394,543	\$ 411,254,238	\$ 1,496,596,788	\$ 0.67174
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	2,741,184,968	482,145,626	678,491,378	2,544,839,216	0.66576
2022	3,329,334,682	405,444,213	678,491,378	3,056,287,517	0.64565

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
2013	\$ 0.461740	\$ 0.210000	\$ 0.671740	\$ 1.435000	\$ 0.149500
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	1.338000	0.130170
2022	0.395769	0.249882	0.645651	1.338000	0.130170

Sources: City Records and Tarrant County Appraisal District

TABLE 7

Overlapping Rates				Total Direct & Overlapping	
Tarrant County Hospital		Tarrant County			
\$	0.227897	\$	0.264000	\$	2.748137
	0.227897		0.264000		2.776387
	0.227897		0.264000		2.776387
	0.227897		0.264000		2.776387
	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		0.229000		2.587359
	0.224429		0.229000		2.567250

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TABLE 8

CITY OF HALTOM CITY, TEXAS

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Taxpayer	2022			2013		
	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	\$ 92,300,000	1	2.78%	\$ -	-	-
KV Belmond Apartments LP	81,500,000	2	2.45%	-	-	-
Northern Cross Borrower LLC	59,900,000	4	1.81%	-	-	-
USLP Haltom City LP	57,906,711	5	1.74%	-	-	-
BREP Beach LP	51,000,000	6	1.54%	-	-	-
AV Haltom Lakeview	43,400,000	7	1.31%	-	-	-
Spring Lake Village LLC	39,000,000	8	1.17%	-	-	-
Emmitt Luxury Apartment Homes	38,600,000	9	1.16%	-	-	-
SRPF C/Midway Logistics Park LP	33,500,000	10	1.01%	-	-	-
M & A Crvi	-			39,043,500	1	2.51%
Somp-Beach LP	-			30,000,000	2	1.93%
Protea Amesbury Court	-			19,699,000	3	1.27%
State Fair Foods Inc	-			19,576,561	4	1.26%
Sara Lee Corporation	79,757,369	3	2.01%	15,865,489	5	1.02%
Chesapeake Operating	-		-	15,113,410	6	0.97%
Oncor Electric Delivery	-		-	12,320,073	7	0.79%
Hall Fossil Ridge	-		-	11,363,747	8	0.73%
Spring Lake Apartments	-		-	10,540,000	9	0.68%
Fossil Hill Ltd	-		-	10,500,000	10	0.68%
Total	\$ 576,864,080		16.98%	\$ 184,021,780		11.84%

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			
2013	\$	10,379,878	\$	110,523	\$	10,490,400	\$	10,276,942	97.97%
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%

Source: Tarrant County Tax Office

TABLE 9

Collections For Previous Years		Total Collections to Date	
		Amount	Percentage of Levy
\$	159,518	\$ 10,436,460	99.49%
	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%
	37,104	17,690,510	99.27%
	-	18,436,766	99.00%

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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	
2013	\$ 5,524,775	\$ 1,377,910	\$ 6,902,684	\$ 2,755,820	\$ 1,327,971	\$ 10,986,476
2014	5,681,874	1,421,917	7,103,791	2,843,834	1,355,192	11,302,817
2015	6,095,550	1,526,546	7,622,096	3,053,111	1,465,227	12,140,434
2016	6,747,264	1,689,760	8,437,024	3,379,538	1,643,414	13,459,977
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	10,511,668	2,875,661	13,387,329	-	1,833,806	15,221,135
2021	12,000,929	3,279,821	15,280,750	-	2,123,435	17,404,185
2022	13,101,543	3,576,458	16,678,001	-	2,311,232	18,989,233

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.

Source: City of Haltom City Records

CITY OF HALTOM CITY, TEXAS

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(Unaudited)

Governmental Activities						
Fiscal Year	General Obligation Bonds	General Obligation Refunding Bonds	Certificates of Obligation	Tax Notes	Financing Arrangements	Leases Payable
2013	\$ 17,115,000	\$ 8,946,950	\$ 15,360,000	\$ 2,185,000	\$ -	\$ -
2014	11,445,000	15,308,204	14,290,000	1,715,000	-	-
2015	12,580,000	11,645,000	13,150,000	1,655,000	-	-
2016	12,135,000	10,105,000	12,015,000	1,230,000	-	-
2017	11,680,000	15,901,648	6,605,000	845,000	-	-
2018	14,626,909	12,750,809	5,787,751	474,819	756,316	-
2019	20,166,672	11,169,858	5,128,497	234,908	1,131,026	-
2020	17,492,488	9,761,189	10,645,764	-	1,777,386	-
2021	37,876,940	14,845,027	9,055,764	-	1,314,418	-
2022	60,457,652	15,554,799	17,207,124	-	-	1,319,192

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 polulation data.

TABLE 11

Business-Type Activities						
General Obligation Refunding Bonds	Water and Sewer Revenue Bonds	Certificates of Obligation	Total Primary Government	Debt Percentage of Personal Income ^a	Total Debt Per Capita	
\$ 7,210,875	\$ -	\$ 12,940,000	\$ 63,757,825	7.29%	\$ 1,472	
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	53,465,158	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%	4,402	

CITY OF HALTOM CITY, TEXAS

RATIO OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(Unaudited)

Governmental Activities

Fiscal	General	Certificates				Less: Amount	
Year	Obligation	of	Tax	Financing	Leases	Available for	
	Bonds	Obligation	Notes	Arrangements	Payable	Debt Service	Total
2013	\$ 26,061,950	\$ 15,360,000	\$ 2,185,000	\$ -	\$ -	\$ 399,529	\$ 43,207,421
2014	26,753,204	14,290,000	1,715,000	-	-	222,030	42,536,174
2015	24,225,000	13,150,000	1,655,000	-	-	217,584	38,812,416
2016	22,240,000	12,015,000	1,230,000	-	-	493,055	34,991,945
2017	27,581,648	6,605,000	845,000	-	-	385,467	34,646,181
2018	27,525,285	5,787,751	474,816	-	-	374,761	33,413,091
2019	31,454,935	5,128,497	234,908	-	-	523,044	36,295,296
2020	27,253,677	10,645,764	-	1,777,386	-	1,033,177	38,643,650
2021	52,721,967	9,055,764	-	1,314,418	-	1,712,505	61,379,644
2022	76,012,451	17,207,124	-	-	1,319,192	1,562,948	92,975,819

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

Business-Type Activities					
General				Percentage of	General
Obligation	Certificates			General Debt to	Debt
Refunding	of	Total		Taxable Value	Per
Bonds	Obligation	Debt		of Property ^a	Capita ^b
\$ 7,210,875	\$ 12,940,000	\$ 63,358,296		2.73%	\$ 998
9,305,350	9,385,000	61,226,524		2.58%	970
7,890,000	9,000,000	55,702,416		3.39%	1,270
6,630,000	8,605,000	50,226,945		3.20%	1,175
6,200,000	7,330,000	48,176,181		2.89%	1,134
5,026,999	14,041,555	52,481,645		2.66%	1,224
3,682,796	13,224,703	53,202,795		2.51%	1,259
5,138,858	10,010,081	53,792,589		2.08%	1,144
4,183,858	9,121,521	74,685,023		2.93%	1,730
3,300,000	6,645,969	102,921,788		3.37%	2,250

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CITY OF HALTOM CITY, TEXAS

TABLE 13

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2022
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Birdville Independent School District	\$ 408,955,000	22.32%	\$ 91,278,756
Fort Worth Independent School District	1,249,690,590	0.24%	2,999,257
Keller Independent School District	788,352,167	0.58%	4,572,443
Tarrant County	213,675,000	1.33%	2,841,878
Tarrant County College District	610,315,000	1.33%	8,117,190
Tarrant County Hospital District	12,825,000	1.33%	<u>170,573</u>
Subtotal, overlapping debt			109,980,095
City of Haltom City (direct debt)			<u>94,538,767</u>
Total direct and overlapping debt			\$ <u>204,518,862</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)

	2013	2014	2015	2016
Debt limit	\$38,861,957	\$39,584,432	\$41,912,022	\$39,196,270
Total net debt applicable to limit	<u>25,662,421</u>	<u>26,531,174</u>	<u>24,007,416</u>	<u>21,746,945</u>
Legal debt margin	\$ <u>13,199,536</u>	\$ <u>13,053,258</u>	\$ <u>17,904,606</u>	\$ <u>17,449,325</u>
Total net debt applicable to the limit as a percentage of debt limit	61.28%	66.03%	67.02%	62.79%

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.

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	\$ 3,056,287,517
Debt limit (2.5% of assessed value)	76,407,188
Debt applicable to limit:	
General obligation bonds	75,630,845
Less: Amount set aside for repayment of general obligation debt	<u>(1,562,948)</u>
Total net debt applicable to limit	<u>74,067,897</u>
Legal debt margin	\$ <u>2,339,291</u>

2017	2018	2019	2020	2021	2022
\$41,869,231	\$49,140,200	\$53,631,294	\$60,850,155	\$63,610,678	\$76,407,188
<u>27,196,181</u>	<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>14,673,050</u>	\$ <u>21,989,676</u>	\$ <u>22,699,403</u>	\$ <u>34,629,655</u>	\$ <u>14,304,548</u>	\$ <u>6,351,985</u>
64.96%	55.25%	57.68%	43.09%	77.51%	96.94%

PLEDGED-REVENUE COVERAGE

LAST TEN FISCAL YEARS
(Unaudited)

Water & Sewer Revenue Bonds							
Fiscal Year	Total Revenues ^a	Less:	Net	Debt Service		Coverage	
		Operating Expenses ^b	Available Revenue	Principal	Interest		
2013	\$ 16,505,018	\$ 12,987,017	\$ 3,518,001	\$ 125,000	\$ 2,094	27.68	
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	23,863,779	15,397,186	8,466,593	-	-	-	-
2022	27,193,714	14,301,249	12,892,465	-	-	-	-

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

^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
2013	43,310	\$874,645	\$20,195	33.6	24,085	5.7%
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%

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>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Birdville ISD	3,103	1	12.46%	2,869	1	12.78%
Tyson Foods (formerly Hillshire & State Fair)	800	2	3.21%	-		-
Medtronic Midas Rex	350	3	1.41%	270	4	1.20%
City of Haltom City	289	4	1.16%	303	3	1.31%
GST Manufacturing	220	5	0.88%	-		-
MICA Corporation	200	6	0.80%	100	9	0.45%
Liberty Carton Company	154	7	0.62%	115	7	0.51%
Unifirst	137	8	0.55%	-		-
Falcon Steel Company	125	9	0.50%	121	6	0.54%
Blackmon Mooring	120	10	0.48%	-		-
Progressive Concepts, Inc	-		-	225	5	1.00%
Nurse Assist	-		-	114	8	0.49%
Sara Lee Corp	-		-	653	2	2.91%
Lewis & Lambert Metal	-		-	100	10	0.45%
Total	<u>5,498</u>		<u>22.07%</u>	<u>4,870</u>		<u>21.64%</u>

Source: City of Haltom City Records

CITY OF HALTOM CITY, TEXAS

FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government				
Administration	3	3	3	3
City Secretary	2	2	2	2
Finance	7	7	7	6
Human Resources	3	3	3	4
Planning	5	6	7	6
Information Tech./HCTV	5	5	5	6
Code Enforcement	3	3	3	5
Fleet services	6	6	6	6
Building maintenance	1	1	1	2
Economic development	7	7	7	1
Public safety				
Police	79	79	79	82
Animal control	5	5	5	5
Fire	55	55	55	54
Municipal court	8	8	8	8
Streets	14.5	11.5	11.5	11.5
Culture and recreation				
Library	13	13	13	13
Parks and recreation	13	13	13	18
Water & Sewer	46.5	46.5	46.5	41.5
Drainage	8	8	8	7
Total	<u>285</u>	<u>282</u>	<u>283</u>	<u>281</u>

Source: City of Haltom City Records

TABLE 18

2017	2018	2019	2020	2021	2022
3	3	3	3	3	2
2	2	2	2	2	2
6	6	6	5	5	5
4	4	2	4	4	4
7	7	7	7	13	13
6	6	6	6	6	6
5	5	5	6	-	-
5	4	4	4	4	4
2	2	2	2	2	2
-	-	1	-	-	-
82	82	83	85	85	86
5	5	4	4	59	59
54	55	56	59	6	6
8	7	5	6	4	5
11.5	11.5	10.0	12.5	12.5	12.5
13	13	13	13	10	10
19	19	24	24	23	23
41.5	42.5	38.0	41.5	44.5	45.5
7	7	6	7	6	7
<u>281</u>	<u>281</u>	<u>277</u>	<u>291</u>	<u>289</u>	<u>292</u>

CITY OF HALTOM CITY, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	2013	2014	2015	2016
General government				
Planning				
Residential permits issued	245	279	313	405
Commercial permits issued	199	208	298	260
New residential homes	6	5	4	11
New commercial buildings	11	12	17	16
Public safety				
Police				
Number of police officers	71	72	76	76
Number of physical arrests	2,316	2,182	2,034	1,863
Number of offenses*	5,001	1,377	1,503	1,693
Fire				
Number of firefighters	49	49	49	51
Number of fire runs	1,526	1,602	1,545	1,845
Number of EMS runs	3,066	2,917	2,846	2,906
Streets				
Street resurfacing (sq. yards)	-	56,822	9,455	14,070
Asphalt used for repairs (tons)	1,444	1,155	3,160	3,358
Culture and recreation				
Library				
Number of volumes	122,555	137,772	137,772	134,770
Average monthly circulation	29,857	30,000	17,925	25,791
Parks and recreation				
Average daily attendance	357	321	332	301
Water & sewer				
Number of water connections	13,473	12,898	13,456	13,456
Average daily consumption (millions of gallons)	4.96	4.69	5.18	4.28
Number of sewer connections	14,086	14,086	14,069	14,069
Residential accounts billed	10,850	10,832	10,909	10,872
Commercial accounts billed	1,497	1,490	1,399	1,350

*Part I offenses only.

Source: City of Haltom City Records

TABLE 19

2017	2018	2019	2020	2021	2022
409	437	667	1,043	774	953
190	123	146	142	149	157
16	10	19	116	56	80
10	18	13	17	19	9
76	83	78	78	78	78
1,798	1,950	1,739	1,422	1,584	1,642
1,712	1,945	1,909	1,909	2,029	1,500
52	59	59	51	51	51
1,307	1,745	1,865	1,688	2,012	2,067
3,166	2,902	2,814	2,728	3,185	3,124
6,725	5,859	1,192	1,085	1,904	1,152
2,837	3,775	1,611	2,801	1,590	1,003
134,942	125,494	134,308	71,442	85,158	86,868
24,020	22,409	22,667	12,859	10,856	9,862
361	320	295	196	168	196
12,272	13,101	13,147	13,173	13,294	13,011
4.32	4.01	3.95	3.74	3.97	3.74
12,186	12,716	12,739	12,717	12,826	12,867
11,023	11,544	11,128	11,544	10,226	11,323
1,379	1,565	1,502	1,565	1,283	1,276

CITY OF HALTOM CITY, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public safety					
Police stations	1	1	1	1	1
Police patrol units	31	35	37	37	37
Fire stations	3	3	3	3	3
Streets					
Streets (miles)	171	171	174	174	184
Traffic signals	10	10	14	14	15
Streetlights	1,707	1,707	1,767	1,767	1,777
Culture and recreation					
Parks	10	12	10	11	11
Park (acres)	218	220	220	220	220
Picnic areas	8	9	1	9	9
Playgrounds	15	15	15	15	15
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	305	306	307	310
Fire hydrants	1,662	1,662	1,700	1,700	1,724
Sanitary sewers (miles)	141	141	142	142	161
Drainage					
Storm sewers (miles)	306	306	307	307	310

Source: City of Haltom City Records

TABLE 20

2018	2019	2020	2021	2022
1	1	1	1	1
37	37	37	37	37
3	3	3	3	3
184	186	186	186	186
15	15	15	15	15
1,777	1,809	1,809	1,809	1,809
11	11	11	11	11
230	230	230	230	240
9	9	9	9	10
16	17	17	17	18
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
310	132	309	320	309
1,724	1,747	1,747	1,760	1,662
161	163	163	150	142
310	311	308	308	308

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COMPLIANCE SECTION

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2022, and the related notes to the financial statements, which collectively comprise the City of Haltom City, Texas' basic financial statements, and have issued our report thereon dated March 31, 2023.

Report on Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Haltom City, Texas' internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Haltom City, Texas internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Haltom City, Texas internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

OFFICE LOCATIONS

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Haltom City, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas
March 31, 2023