



Haltom City, TX

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024



CITY OF HALTOM CITY, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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INTRODUCTORY SECTION

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February 24, 2025

Honorable Mayor, City Council and Citizens,

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Haltom City, covering the fiscal year ending September 30, 2024. State Law Section 103 requires that all governmental units publish within six months of the close of each fiscal year financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and has undergone an audit by licensed public accountants, Pattillo, Brown and Hill, L.L.P. This report was published to satisfy the requirements and to provide the City Council, City staff, our citizens, our bondholders, and other interested parties with a comprehensive insight into the City's financial conditions and activities.

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

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

Section 5.06 of the City Charter and State Law require the City's basic financial statements to be audited by independent certified public accountants. Pattillo, Brown and Hill, L.L.P., Certified Public Accountants (CPA) firm, performed the required audit and have issued an unmodified ("clean") opinion on the City of Haltom City's financial statements for the year ended September 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Established in 1950, the City of Haltom City is situated six miles northeast of downtown Fort Worth in Tarrant County, covering a land area of 12.4 square miles and boasting an estimated population of 46,505. Operating as a "home rule" unit of local government under Texas state law, the City adopted a council-manager form of governance. Policy-making and legislative authority are held by the City Council, consisting of the mayor and seven council members, all elected 'at large' through popular vote. The governing City Council members serve two-year terms, with elections staggered—four members elected in even numbered years and the mayor plus three members elected in odd numbered years. The Council appoints the City Manager, who, in turn, appoints the heads of the various departments.

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

Basic financial statements of the City include all government activities, organizations, and functions for which the City is financially accountable. The criteria considered in determining governmental activities to be reported within the City's basic financial statements are based upon, and consistent with, those set forth in the Codification of Governmental Accounting and Financial Reporting Standards. Component units are distinct legal entities that a primary government must include as a part of its financial reporting entity. The government-wide financial statements encompass not only the primary government, recognized as the City itself, but also include discretely presented component unit(s) such as the Crime Control Prevention District. The discretely presented component unit(s) are presented as separate columns in the government-wide financial statements.

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

LOCAL ECONOMY

Haltom City, located in the thriving Dallas–Fort Worth (DFW) Metroplex, experienced robust economic growth in 2024. With a population of approximately 46,505 residents, the City continues to build on its dynamic community, which supports economic development and cultural vitality (Census.gov).

The City's economic progress is further evidenced by the recent upgrade in its credit rating from Standard & Poor's (S&P) Global Ratings, which improved from AA- to AA. This marks the highest credit rating in Haltom City's history and reflects its strong financial management, fiscal responsibility, and economic health. The improved rating strengthens the City's position in the bond market, reduces borrowing costs, and underscores its ability to meet future financial commitments.

The City's strategic three-pronged approach—attracting new businesses, fostering residential development, and adhering to high development and code standards—has laid the foundation for sustained economic growth. The ongoing 50-acre mixed-use development at Loop 820 and Beach Street, anchored by H Mart and more than 50 retail shops, is a prime example of this approach in action. This project is set to enhance economic activity and provide new amenities for residents. Additionally, the establishment of the City's Tax Increment Reinvestment Zone (TIRZ) in the southern portion of Haltom City and a second TIRZ located in the Denton highway and Belknap corridor, is revitalizing underdeveloped areas and driving long-term property value appreciation.

Developments such as the luxury multi-family housing project by Alpha-Barnes Real Estate and Alpine Construction, which will introduce over 1,000 new residential units upon completion and the entry of DG Market into the Texas market with a new store in Haltom City, highlight the City's commitment to sustainable growth while addressing the needs of its residents.

Unemployment has remained stable with “DFW unemployment rate held steady at 3.8 percent, below the state's jobless rate of 4.0 percent and the nation's 3.9 percent” (Federal Reserve of Dallas, 2024).

Financially, Haltom City continues to excel, with sales tax revenue increasing by over 2.6% in 2024, ranking 90th out of 1,172 Texas cities for sales tax revenue according to the Sales Tax Allocation City report for September 2024 (Texas Comptroller , 2024). Rising property values, driven by residential and commercial development, have further bolstered property tax revenue. The combination of strong financial management and diverse revenue streams has enabled the City to reduce its property tax rate, providing relief to residents while maintaining investments in critical infrastructure and public services.

Regionally, the DFW Metroplex continues to thrive. Retail occupancy across the area reached a record high of 95.1%, reflecting strong consumer demand and a healthy retail market (Community Impact Report). The Metroplex was also named the top U.S. region for real estate investment and development in 2025, cementing its reputation as a leading business-friendly environment (NY Post Real Estate Ranking).

Haltom City's improved credit rating, strategic initiatives, and alignment with regional economic trends position it for continued growth and long-term prosperity. These efforts ensure that the City can sustain its financial health while meeting the needs of its growing community.

LONG-TERM FINANCIAL PLANNING

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

- Continue to cultivate the commercial and residential development plan for a successful economic development environment.
- Establish and maintain competitive employee compensation to retain and attract high quality and diverse staff while maintaining a relationships-driven culture along with other incentives such as alternative work schedules, increased number of paid holidays, etc.
- Practice fiscal responsibility while utilizing Performance Measures.
- Promote and support safety and security within our community while providing quality services and increase safety around schools.
- Build and maintain partnerships with non-profit sector to advance the revitalization and beautification of the city.
- Address critical facility and infrastructure needs.
- Implement innovative technology solutions for security and performance.

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

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

In 2024, the City successfully completed several key projects that had been previously funded. Among these, the new Law Enforcement Building, a \$29 million investment, and the new City Hall, a \$25 million project, were both completed and officially opened. These state-of-the-art facilities now stand as significant accomplishments and sources of pride for the community.

RELEVANT FINANCIAL POLICIES

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

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for the City of Haltom City for the fiscal year ended September 30, 2023. 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-fifth consecutive year (fiscal years ended 1987-2023) that the government has achieved this prestigious award.

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

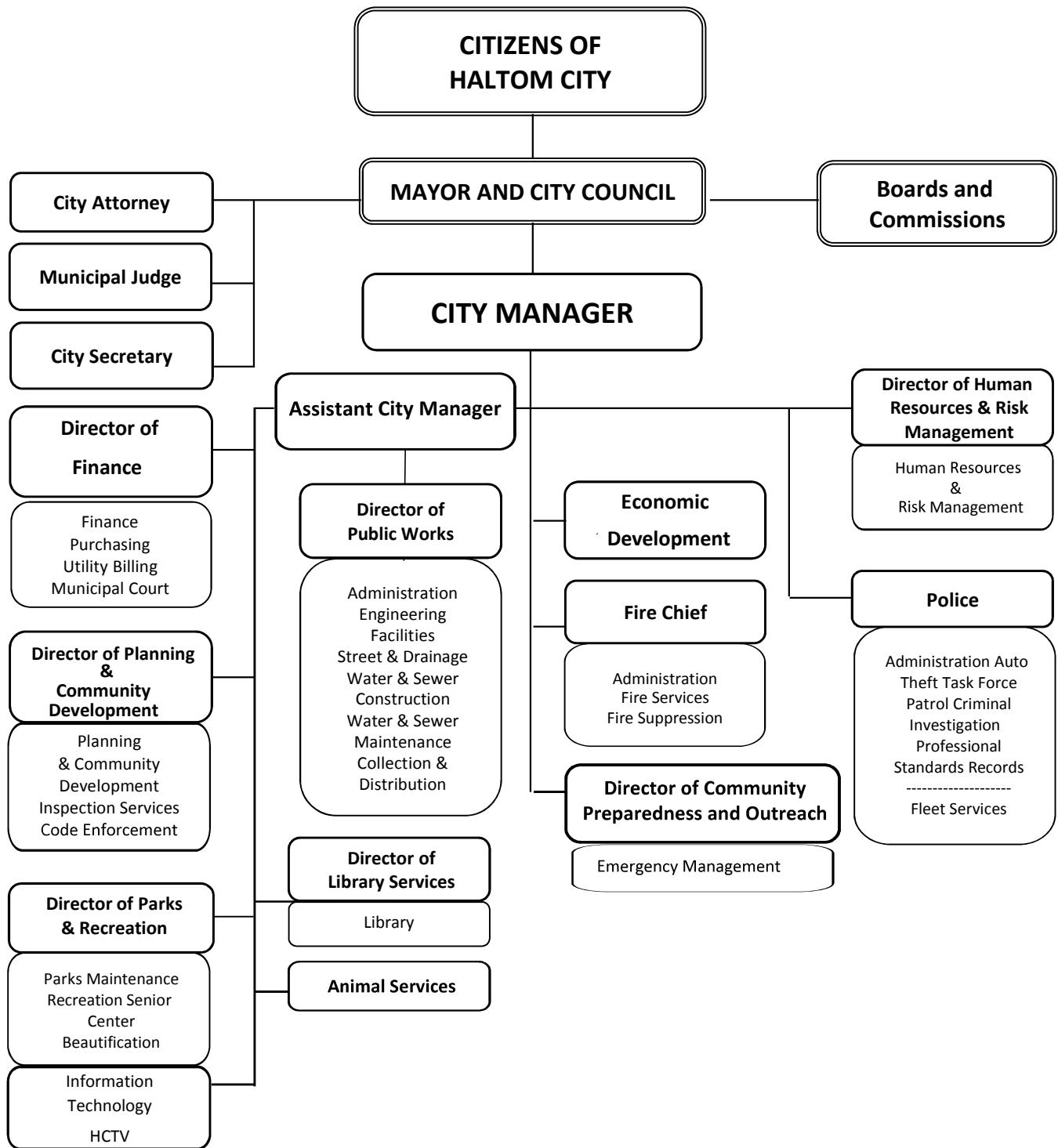
In addition, the City also submitted the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2023. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan,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

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

Respectfully Submitted,

Finance Department

City of Haltom City



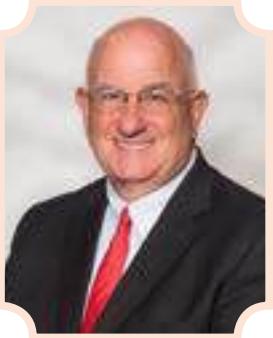
CITY COUNCIL



An Truong
Mayor



Kyle Smith
Place 1



Kyle Hantz
Place 2



Ollie Anderson
Place 3



Scott Lindgren
Place 4



Troy Dunn
Place 5



Dana Coffman
Place 6



Don Cooper
Place 7

MANAGEMENT STAFF

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



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Haltom City
Texas**

For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended

September 30, 2023

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the government of City of Haltom City, Texas as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Haltom City, Texas, as of September 30, 2024, 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 date, including any currently known information that may raise substantial doubt shortly thereafter.

OFFICE LOCATIONS

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Haltom City, Texas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Haltom City, Texas' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information included in the Annual Comprehensive Financial Report

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2025 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's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Haltom City, Texas' internal control over financial reporting and compliance.

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

Waco, Texas
February 24, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) offers an insightful overview of the City of Haltom City's financial performance and position for the fiscal year concluding on September 30, 2024. Designed to enhance reader understanding, this analysis should be read in conjunction with the transmittal letter and the City's financial statements following this section.

I. FINANCIAL HIGHLIGHTS

- **Credit Rating Upgrade:** The City's credit rating from Standard & Poor's (S&P) Global Ratings improved from AA- to AA.
- **Increase in Net Position:** The City's total net position grew by approximately \$24.7 million, comprising \$9.6 million from governmental activities and \$15 million from business-type activities.
- **Asset Growth:** Total assets increased by \$28.7 million (18%) over the prior year. Key investments included \$9.8 million for the new Law Enforcement Building and \$15 million for the new City Hall. These projects, funded through voter-approved bonds in 2021 and 2022, are nearing completion.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

- 1) Government-wide financial statements,
- 2) Fund financial statements and
- 3) Notes to the financial statements.

Additional supplementary information is also included in this report.

Government-wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of the City's Financial Position

As noted earlier, net position serves as a useful indicator of a government's financial position. For the City of Haltom City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$232.2 million as of September 30, 2024.

Of this total net position, 46.1%, or \$107 million, represents the City's substantial investment in capital assets, encompassing land, buildings, machinery, equipment, and the right to use equipment, adjusted for outstanding debt related to their acquisition. The restricted net position totaled \$24.6, or 10.6% with \$21.7 million for contractual capital projects obligations and encumbrances and \$2.9 million of the externally restricted net position to be used for purposes like donations and debt service. The remaining 43.3% unrestricted net position is available to fulfill the government's ongoing obligations to citizens and creditors and unforeseen contingencies.

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

	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 102,129,110	\$ 120,364,092	\$ 74,943,067	\$ 62,454,634	\$ 157,221,504	\$ 182,818,726
Capital assets	<u>132,641,656</u>	<u>104,304,802</u>	<u>55,092,394</u>	<u>54,713,199</u>	<u>187,734,050</u>	<u>159,018,001</u>
Total assets	<u>234,770,766</u>	<u>224,668,894</u>	<u>130,035,461</u>	<u>117,167,833</u>	<u>364,806,227</u>	<u>341,836,727</u>
Deferred Outflows of Resources	<u>10,077,696</u>	<u>13,908,526</u>	<u>1,368,154</u>	<u>1,873,007</u>	<u>11,445,850</u>	<u>15,781,533</u>
Liabilities						
Other liabilities	10,178,989	6,850,596	3,906,110	2,986,652	14,085,099	9,837,248
Long-term liabilities	<u>117,001,971</u>	<u>123,884,848</u>	<u>10,774,555</u>	<u>14,388,855</u>	<u>127,776,526</u>	<u>138,273,703</u>
Total Liabilities	<u>127,180,960</u>	<u>130,735,444</u>	<u>14,680,665</u>	<u>17,375,507</u>	<u>141,861,625</u>	<u>148,110,951</u>
Deferred Inflows of Resources	<u>1,886,067</u>	<u>1,707,260</u>	<u>256,054</u>	<u>229,911</u>	<u>2,142,121</u>	<u>1,937,171</u>
Net Position						
Net investment in capital assets	58,579,976	62,241,776	48,385,309	44,864,397	106,965,285	107,106,173
Restricted	24,611,843	23,024,062	-	-	24,611,843	23,024,062
Unrestricted	<u>32,589,616</u>	<u>20,868,878</u>	<u>68,081,587</u>	<u>56,571,025</u>	<u>100,671,203</u>	<u>77,439,903</u>
Total Net Position	<u>\$ 115,781,435</u>	<u>\$ 106,134,716</u>	<u>\$ 116,466,896</u>	<u>\$ 101,435,422</u>	<u>\$ 232,248,331</u>	<u>\$ 207,570,138</u>

Analysis of the City's operations

The City of Haltom City's Net Position increased by \$24.7 million to \$232.2 million during the current fiscal year. An increase of \$9.6 million in governmental activities and an increase of \$15 million in business-type activities accounted for this increase. A key factor was \$8.5 million investment earnings, largely influenced by the historically two-decade high-interest rate environment. Additionally, \$5.5 million increase in charges for services revenue helped offset the wholesaler increased cost, future planned CIP projects, and other rising operational cost reinforcing the City's financial stability.

Details are listed as follows:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 5,342,762	\$ 3,931,644	\$ 32,692,642	\$ 28,629,475	\$ 38,035,404	\$ 32,561,119
Operating grants and contributions	437,020	10,959,717	-	-	437,020	10,959,717
Capital grants and contributions	446,470	26,479	528,675	-	975,145	26,479
General Revenues:						
Taxes:						
Property taxes levied for general purposes	22,136,941	20,703,504	-	-	22,136,941	20,703,504
Other taxes	23,206,581	21,844,192	-	-	23,206,581	21,844,192
Gain on sale of capital assets	-	284,289	-	-	-	284,289
Other revenues	250,808	312,756	-	-	250,808	312,756
Investment income	<u>4,906,435</u>	<u>5,693,953</u>	<u>3,643,608</u>	<u>2,253,782</u>	<u>8,550,043</u>	<u>7,947,735</u>
Total revenues	<u>56,727,017</u>	<u>63,756,534</u>	<u>36,864,925</u>	<u>30,883,257</u>	<u>93,591,942</u>	<u>94,639,791</u>
Expenses:						
General government	14,294,525	9,309,793	-	-	14,294,525	9,309,793
Public safety	23,743,389	25,007,275	-	-	23,743,389	25,007,275
Streets	2,434,923	2,211,855	-	-	2,434,923	2,211,855
Culture and recreation	3,682,768	3,856,693	-	-	3,682,768	3,856,693
Interest and other fees	2,048,661	2,375,311	-	-	2,048,661	2,375,311
Water & wastewater	-	20,786,877	17,614,783	-	20,786,877	17,614,783
Drainage	-	-	1,922,606	1,455,146	1,922,606	1,455,146
Total expenses	<u>46,204,266</u>	<u>42,760,927</u>	<u>22,709,483</u>	<u>19,069,929</u>	<u>68,913,749</u>	<u>61,830,856</u>
Change in net position before transfers	10,522,751	20,995,607	14,155,442	11,813,328	24,678,193	32,808,935
Transfers	(876,032)	(2,890,008)	876,032	2,890,008	-	-
Change in net position	9,646,719	18,105,599	15,031,474	14,703,336	24,678,193	32,808,935
Net position - beginning	<u>106,134,716</u>	<u>88,029,117</u>	<u>101,435,422</u>	<u>86,732,086</u>	<u>207,570,138</u>	<u>174,761,203</u>
Net position - ending	<u>\$ 115,781,435</u>	<u>\$ 106,134,716</u>	<u>\$ 116,466,896</u>	<u>\$ 101,435,422</u>	<u>\$ 232,248,331</u>	<u>\$ 207,570,138</u>

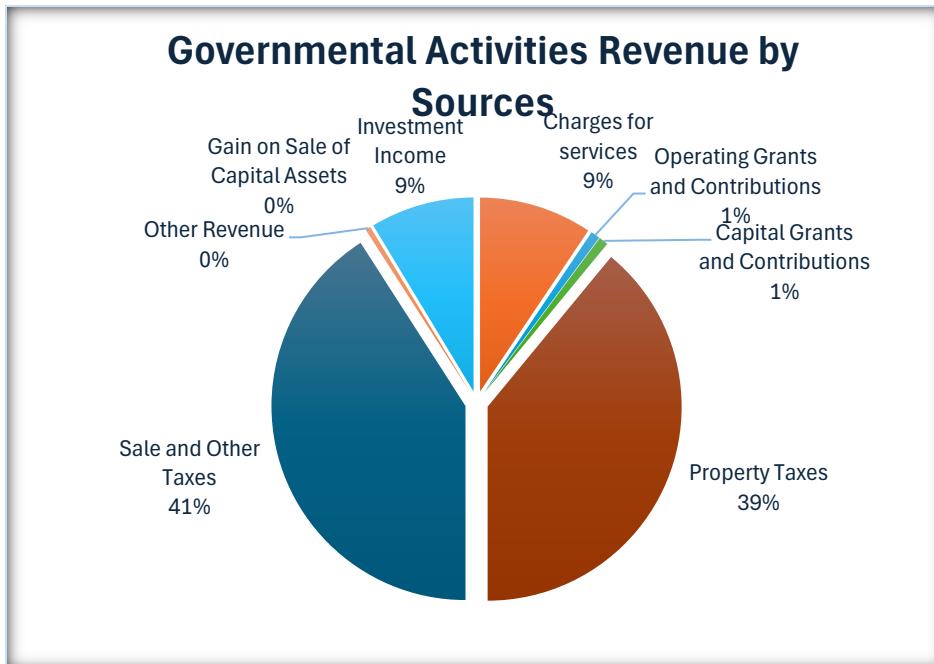
Governmental activities

In the fiscal year's closing, the Net Position of governmental activities totaled \$115.8 million compared to the prior year's \$106.1 million. This growth was primarily driven by revenues exceeding expenditures by 22.8% during the current year although total revenues decreased from \$63.8 million to \$56.7 million due to a one-time \$9.4 million federal grant recognized last year. Meanwhile expenses rose from \$42.8 million last year to \$46.2 million driven by operational and development costs associated with personnel, maintenance and replacement of infrastructure, and new facilities.

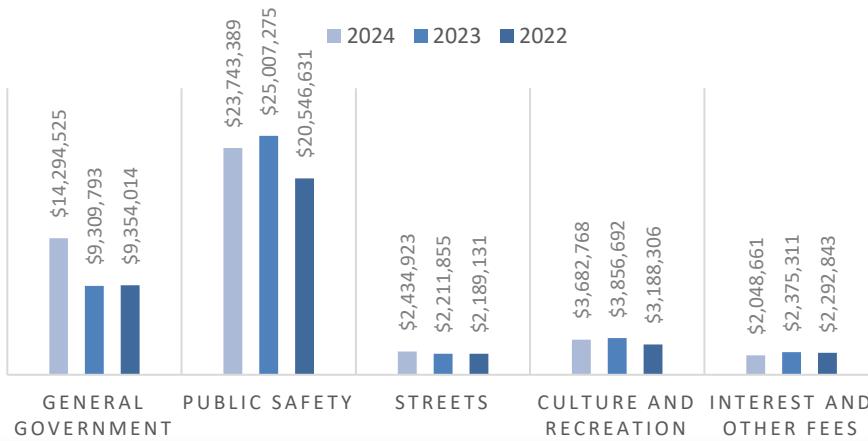
Key changes of revenues and expenses are as follows:

Revenues:

- Building permits service fee revenue increased by 229% over last year, rising from \$930,400 to \$2.1 million. This growth reflects a strengthening local economy and heightened development activity across the City. This growth was further reflected in \$2.8 million, or 6.5% in combined sales and property tax revenue increase compared to the previous year.
- Majority of the net \$9.4 decrease in Operating Grants and Contributions this year compared to last year was the prior year one-time revenue recognition of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act in 2021.
- The Federal Reserve aggressive monetary policy raised interest rates from 0.25% in March 2022 to 5.50% as of July 2023, the highest in 22 years. While rates have stabilized in fiscal year 2024, the City's cash balance decrease 16% as the City's two major bond-funded projects near completion. Despite the decline, the City earned \$4.9 million in interest earnings this year – 14% below the prior year's \$5.7 million but still well above historical averages.



GOVERNMENTAL ACTIVITIES EXPENSES BY TYPE



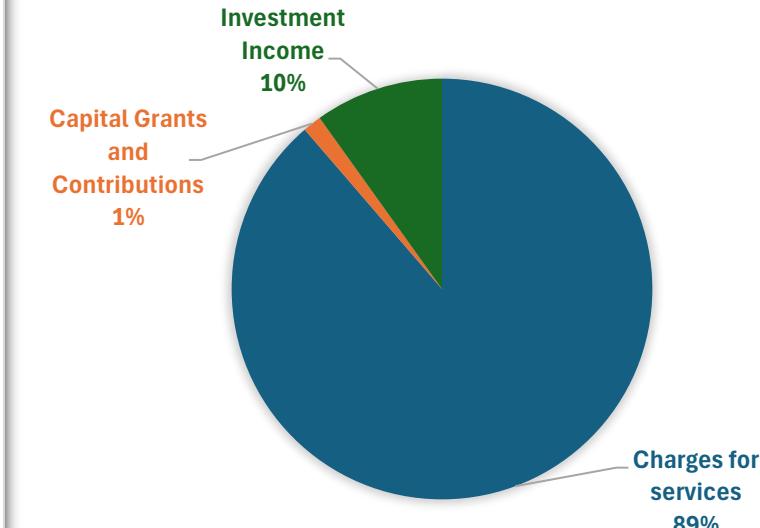
Expenses:

- To remain competitive and retain employees, wages and benefits have increased, resulting in a 7% rise in personnel expenses.
- \$1.1 million more than last year was allocated this year for equipment and vehicle replacements, including \$909,000 for a new fire department pumper.
- The City invested \$1.5 million in economic incentives to support development initiatives.

Business-type activities

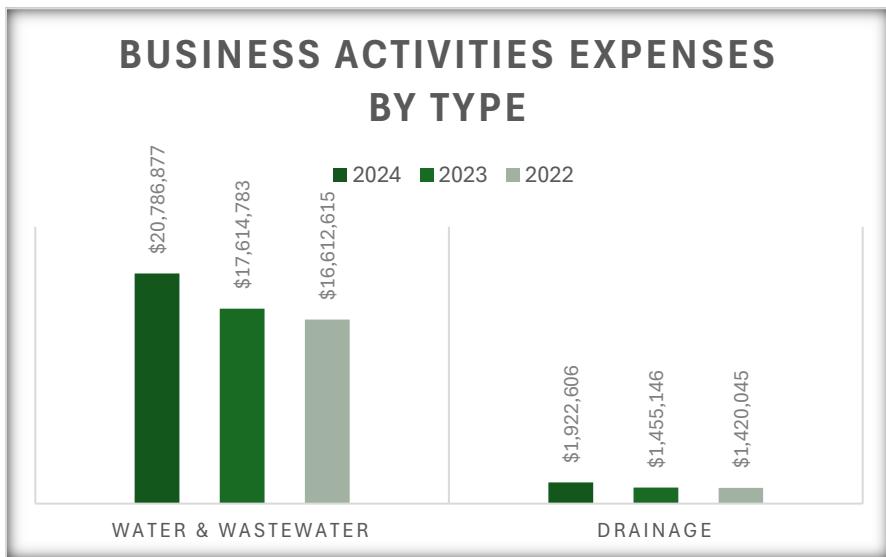
The net position of business-type activities at end of the fiscal year was at \$116.5 million compared to \$101.4 million for the prior year. This was an increase in net position of \$15.1 million. The City generally can only use the net position to finance the continuing operations of the business-type activities. Total revenues for business-type activities increased over the prior year from \$30.9 million to \$36.9 million due to growth which increased sales and service fees collected and capital contributions from governmental activities. Total expenses for the fiscal year increased from \$19.1 million to \$22.7 million. The increase was due to higher operating costs for both water/sewer and drainage activities. The unrestricted net position is used to fund much needed future water, sewer, and drainage projects.

BUSINESS ACTIVITIES REVENUE BY SOURCES



Water and Sewer Fund:

- Water and Sewer Fund revenues increased from \$26.7 million in the prior year to \$30.6 million in the current year, primarily driven by a pass-through sewer cost increase to offset higher wholesale costs. Additionally, the City earned \$3.1 million more in interest than budgeted.



Analysis of City's Funds

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

As of the end of the current fiscal year, the City's governmental funds had a combined ending fund balance of approximately \$91.7 million, marking a decrease of \$21.3 million (18.9%) compared to the prior year, primarily due to ongoing completion of two major projects funded with bond issuances in fiscal 2021 and 2022. Of this, \$40.7 million (44%) of this fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion while the remaining fund balance of \$51 million (56%), is not available for general spending due to restrictions, previously assigned or committed, or is nonspendable as classified on the balance sheet.

The General Fund balance increased by \$2.3 million (5.3%) this fiscal year, primarily driven by \$2.1 million in building permit revenue from developers, reflecting a 229% increase from the previous year and higher than expected interest earnings. While other revenue sources also grew, these gains were offset by nearly equal operating cost. The fund reported a net surplus of \$838,397, as revenues exceeded expenses. This surplus, combined with net proceeds from other financial sources, contributed to the overall increase in the General Fund balance.

The Debt Service Fund year ending fund balance is \$2.9 million, designated for debt payments, reflecting a \$1 million decrease due to a one-time offset to the CIP fund. The City mandates a cap of the general obligation annual debt requirements to 25% of General Fund expenditures. For fiscal year 2024, the debt requirement amounted to approximately 18.6% of General Fund expenditures, which is 6.4% less than the maximum permitted.

The fund balance of Street Reconstruction Capital Project Fund is financed by a .375% of the Sales and Use tax of the 8.25% collected by the state along with interest earned on the fund balance. The ending fund balance was \$20.7 million, an increase of \$2.6 million from the prior year for future operational project use. Revenue received was \$4.8 million, while expenditures and transfers totaled \$2.2 million.

The Capital Improvement Fund, restricted for CIP projects only, ended the year at \$17.8 million. The fund budgeted for the \$25.8 million decrease as two major voter approved bond-funded projects are completed: the new Law Enforcement Center and the new City Hall. Both projects are expected to be finished as scheduled by late 2024.

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

- Expenses rose by approximately \$3.3 million (19%), largely due to a \$2 million increase in sewer wholesaler fees and increased operational cost.

Drainage Fund:

- Program revenues increased by 5.2%, rising from \$1.95 million in the prior year to \$2.05 million in the current year, reflecting higher drainage sales.
- Drainage expenses rose by \$477,000, reaching approximately \$1.9 million, primarily due to increased maintenance costs.

General Fund Budgetary Highlights

The General Fund balance reached \$46.4 million, reflecting a 5.3% increase over the prior year. Total revenues exceeded the budget by \$4.7 million, primarily due to \$1.2 million in higher-than-expected building permit revenue, \$1.6 million in additional interest earnings over budget, and \$819,000 in surplus city sales tax collections. These revenue gains were driven by increased development activity, favorable investment returns, and strong consumer spending.

Meanwhile, total expenditures came in \$4 million under budget, as most departments operated below their allocated funding. This combination of higher-than-expected revenues and cost savings contributed to the overall growth of the General Fund balance, strengthening the City's financial position.

IV. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - As of September 30, 2024, the City had \$187.7 million invested in capital assets, net of \$136.6 million of accumulated depreciation. These assets include police and fire equipment, buildings, parking facilities, roads, water, sewer, and stormwater facilities. This figure reflects a net increase of \$28.7 million (18%) from the previous year, primarily attributed to the recognition of the new Law Enforcement Center, currently classified as Construction in Progress until its expected completion in late 2024.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 15,803,948	\$ 15,803,948	\$ 6,125,273	\$ 6,125,273	\$ 21,929,221	\$ 21,929,221
Buildings	12,334,602	13,122,139	41,069,398	41,070,250	53,404,000	54,192,389
Improvements	34,903,492	37,813,726	-	-	34,903,492	37,813,726
Machinery & equipment	4,326,800	1,623,011	3,226,602	2,269,164	7,553,402	3,892,175
Waterworks & sewer system	-	-	1,078,287	2,509,517	1,078,287	2,509,517
Right to use:						-
Subscriptions	2,352,772	1,892,946	-	-	2,352,772	1,892,946
Machinery & equipment	1,657,153	717,547	-	-	1,657,153	717,547
Construction in progress	61,262,889	33,331,485	3,592,834	2,738,995	64,855,723	36,070,480
Total	<u>\$ 132,641,656</u>	<u>\$ 104,304,802</u>	<u>\$ 55,092,394</u>	<u>\$ 54,713,199</u>	<u>\$ 187,734,050</u>	<u>\$ 159,018,001</u>

The Right to use assets classification on the Capital Asset schedule incorporates GASB Standard No. 87, *Leases* and GASB Standard No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. In FY24 the City recognized a total right-to-use assets for machinery and equipment and for right-to-use subscription assets of \$4 million.

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

Long-term Liabilities - The City's underlying AA bond rating from Standard & Poor's was upgraded in 2024, reflecting its strong financial management, fiscal responsibility, and adherence to governmental accounting standards. 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 \$97.6 million. Of this amount, \$90.4 million was from governmental activities, \$7.2 million were from business-type activities.

The City had total bonded debt outstanding of \$89.2 million. Of this amount, \$82.5 million was comprised of debt backed by the full faith and credit of the City and \$6.7 million represents bonds secured by the full faith and credit of the City but serviced by specific revenue sources from the proprietary funds. The 2024 bond rating increase strengthens the City's ability to secure favorable financing terms, supporting future infrastructure investments and ensuring long-term financial stability.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Certificates of obligations	\$ 15,375,000	\$ 15,350,000	\$ 4,020,000	\$ 5,655,000	\$ 19,395,000	\$ 21,005,000
General obligation bonds	62,770,000	66,035,000	2,670,000	4,025,000	65,440,000	70,060,000
Premium on bond issuance	4,394,472	5,168,659	-	151,717	4,394,472	5,320,376
Total bonded debt	<u>82,539,472</u>	<u>86,553,659</u>	<u>6,690,000</u>	<u>9,831,717</u>	<u>89,229,472</u>	<u>96,385,376</u>
Compensated absences	3,764,868	3,452,334	482,958	399,494	4,247,826	3,851,828
Subscription liability	1,652,474	1,465,710	-	-	1,652,474	1,465,710
Lease liability	2,516,176	1,539,441	-	-	2,516,176	1,539,441
Total other long-term debt	<u>7,933,518</u>	<u>6,457,485</u>	<u>482,958</u>	<u>399,494</u>	<u>8,416,476</u>	<u>6,856,979</u>
Total long-term debt	<u><u>\$ 90,472,990</u></u>	<u><u>\$ 93,011,144</u></u>	<u><u>\$ 7,172,958</u></u>	<u><u>\$ 10,231,211</u></u>	<u><u>\$ 97,645,948</u></u>	<u><u>\$103,242,355</u></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 strong, supported by solid fund reserves and continued economic growth. A favorable local economy has allowed the City to make strategic financial decisions, balancing fiscal responsibility with investments in infrastructure and workforce development. When setting the fiscal year 2025 budget, elected and appointed officials carefully evaluated multiple factors, particularly the tax rate, to ensure economic competitiveness. Efforts to maintain a lower tax rate, following the City's 10-year high of 0.699990, are expected to further attract revenue-generating businesses and support long-term growth.

Highlights of the 2025 budget include:

- Lower property tax rate to \$0.580727 per \$100 value
- 5% salary increase for employees to retain and attract great staff
- Total City budget of \$147.8 million

VI. REQUESTS FOR INFORMATION

This financial report provides our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives. For questions or additional financial information, please contact the Finance Department at 4801 Haltom Road, Haltom City, Texas.

BASIC FINANCIAL STATEMENTS

CITY OF HALTOM CITY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Primary Government			Crime Control District
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 95,389,999	\$ 69,468,636	\$ 164,858,635	\$ 4,741,520
Receivables, net:				
Taxes	174,641	-	174,641	-
Accounts receivable	-	5,173,089	5,173,089	-
Intergovernmental	3,539,893	-	3,539,893	470,940
Accrued Interest	184,053	95,206	279,259	5,907
Other	1,360,741	-	1,360,741	1,716
Inventory	179,906	206,136	386,042	-
Prepaid items	1,299,877	-	1,299,877	-
Capital assets				
Land	15,803,948	6,125,273	21,929,221	-
Construction-in-progress	61,262,889	3,592,834	64,855,723	-
Building and improvements	25,416,492	46,374,212	71,790,704	-
Improvements other than Buildings	93,679,763	-	93,679,763	-
Water and sewer system	-	39,929,593	39,929,593	-
Machinery and equipment	17,044,216	8,369,263	25,413,479	-
Right to use assets:				
Machinery and equipment	3,727,376	-	3,727,376	-
Subscriptions	3,048,415	-	3,048,415	-
Less: accumulated depreciation	<u>(87,341,443)</u>	<u>(49,298,781)</u>	<u>(136,640,224)</u>	<u>-</u>
Total assets	<u>\$ 234,770,766</u>	<u>\$ 130,035,461</u>	<u>\$ 364,806,227</u>	<u>\$ 5,220,083</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	9,317,121	1,264,898	10,582,019	256,882
OPEB related (RHP)	628,289	85,297	713,586	17,323
OPEB related (SDBF)	<u>132,286</u>	<u>17,959</u>	<u>150,245</u>	<u>3,647</u>
Total deferred outflows of resources	<u>\$ 10,077,696</u>	<u>\$ 1,368,154</u>	<u>\$ 11,445,850</u>	<u>\$ 277,852</u>

CITY OF HALTOM CITY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Primary Government			Crime Control District
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Accounts payable	\$ 3,003,474	\$ 2,102,099	\$ 5,105,573	\$ 45,213
Accrued liabilities	2,737,805	407,190	3,144,995	182,750
Accrued interest payable	461,317	121,310	582,627	-
Customer deposits	-	1,258,426	1,258,426	-
Retainage payable	3,023,637	17,085	3,040,722	-
Unearned revenue	952,756	-	952,756	-
Noncurrent liabilities:				
Due within one year				
Long-term debt	7,195,130	740,740	7,935,870	17,580
Total OPEB liability - SDBF	16,010	3,194	19,204	230
Due in more than one year				
Long-term debt	83,277,860	6,432,218	89,710,078	52,740
Net pension liability	22,351,197	3,034,417	25,385,614	616,244
Net OPEB liability - RHP	3,356,547	455,688	3,812,235	92,543
Total OPEB liability - SDBF	805,227	108,298	913,525	22,412
Total liabilities	<u>127,180,960</u>	<u>14,680,665</u>	<u>141,861,625</u>	<u>1,029,712</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related	618,605	83,982	702,587	17,056
OPEB related (RHP)	986,468	133,924	1,120,392	27,197
OPEB related (SDBF)	<u>280,994</u>	<u>38,148</u>	<u>319,142</u>	<u>7,748</u>
Total deferred inflows of resources	<u>1,886,067</u>	<u>256,054</u>	<u>2,142,121</u>	<u>52,001</u>
NET POSITION				
Net investment in capital assets	58,579,976	48,385,309	106,965,285	-
Restricted for:				
Capital projects	20,663,534	-	20,663,534	-
Donor restrictions for libraries, parks and law enforcement	820,794	-	820,794	-
Debt service	2,492,981	-	2,492,981	-
Promotion of tourism and business	379,880	-	379,880	-
Public safety	254,654	-	254,654	-
Unrestricted	<u>32,589,616</u>	<u>68,081,587</u>	<u>100,671,203</u>	<u>4,416,222</u>
Total net position	<u>\$ 115,781,435</u>	<u>\$ 116,466,896</u>	<u>\$ 232,248,331</u>	<u>\$ 4,416,222</u>

CITY OF HALTOM CITY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 14,294,525	\$ 4,098,727	\$ (121,163)	\$ -
Public safety	23,743,389	1,067,745	533,276	264,474
Streets	2,434,923	6,299	-	30,496
Culture and recreation	3,682,768	169,991	24,907	151,500
Interest	2,048,661	-	-	-
Total governmental activities	<u>46,204,266</u>	<u>5,342,762</u>	<u>437,020</u>	<u>446,470</u>
Business-type activities:				
Water and sewer services	20,786,877	30,641,809	-	528,675
Drainage services	<u>1,922,606</u>	<u>2,050,833</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>22,709,483</u>	<u>32,692,642</u>	<u>-</u>	<u>528,675</u>
Total primary government	<u>68,913,749</u>	<u>38,035,404</u>	<u>437,020</u>	<u>975,145</u>
Component units:				
Crime Control District	<u>2,430,901</u>	<u>-</u>	<u>492,354</u>	<u>-</u>
Total component units	<u>\$ 2,430,901</u>	<u>\$ -</u>	<u>\$ 492,354</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	Crime Control District
\$	(10,316,961)	\$	-	\$ (10,316,961)	\$ -
	(21,877,894)		-	(21,877,894)	-
	(2,398,128)		-	(2,398,128)	-
	(3,336,370)		-	(3,336,370)	-
	(2,048,661)		-	(2,048,661)	-
	<u>(39,978,014)</u>			<u>(39,978,014)</u>	
	-		10,383,607	10,383,607	-
	-		128,227	128,227	-
	-		<u>10,511,834</u>	<u>10,511,834</u>	
	<u>(39,978,014)</u>		<u>10,511,834</u>	<u>(29,466,180)</u>	
	-		-	-	(1,938,547)
	-		-	-	<u>(1,938,547)</u>
\$	22,136,941	\$	-	\$ 22,136,941	\$ -
	18,351,400		-	18,351,400	2,545,833
	4,439,522		-	4,439,522	-
	124,918		-	124,918	-
	235,301		-	235,301	-
	290,741		-	290,741	-
	4,906,435		3,643,608	8,550,043	223,109
	15,507		-	15,507	-
	<u>(876,032)</u>		<u>876,032</u>	-	-
	<u>49,624,733</u>		<u>4,519,640</u>	<u>54,144,373</u>	<u>2,768,942</u>
	9,646,719		15,031,474	24,678,193	830,395
	<u>106,134,716</u>		<u>101,435,422</u>	<u>207,570,138</u>	<u>3,585,827</u>
\$	<u>115,781,435</u>	\$	<u>116,466,896</u>	<u>\$ 232,248,331</u>	<u>\$ 4,416,222</u>

CITY OF HALTOM CITY, TEXAS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2024

	General	Debt Service	Street Reconstruction Capital Projects
ASSETS			
Cash and investments	\$ 44,519,725	\$ 2,839,243	\$ 19,907,785
Receivables (net of allowance):			
Taxes	109,377	65,264	-
Intergovernmental	2,724,328	-	743,938
Accrued interest	69,243	62,880	27,738
Other	1,324,143	-	7,440
Due from other funds	1,528	-	-
Prepaid items	1,299,877	-	-
Inventory	179,906	-	-
Total assets	50,228,127	2,967,387	20,686,901
LIABILITIES			
Accounts payable	1,249,047	-	23,367
Accrued liabilities	1,944,217	13,089	-
Retainage Payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	3,193,264	13,089	23,367
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	70,782	41,701	-
Unavailable revenue - court fines	558,685	-	-
Unavailable revenue - street assessments	27,497	-	-
Unavailable revenue - grants	-	-	-
Total deferred inflows of resources	656,964	41,701	-
FUND BALANCES			
Nonspendable:			
Prepaid items	1,299,877	-	-
Inventory	179,906	-	-
Restricted for:			
Construction of capital assets	-	-	20,663,534
Promotion of tourism	-	-	-
Grantors, trustees and donors	-	-	-
Public safety	-	-	-
Debt service	-	2,912,597	-
Committed for purchase of capital assets	-	-	-
Assigned for:			
Subsequent year's budget	4,188,475	-	-
Unassigned	40,709,641	-	-
Total fund balances	46,377,899	2,912,597	20,663,534
Total liabilities, deferred inflows of resources, and fund balances	\$ 50,228,127	\$ 2,967,387	\$ 20,686,901

Capital Improvement	Other Governmental	Total Governmental Funds
\$ 24,149,643	\$ 3,973,603	\$ 95,389,999
-	-	174,641
-	71,627	3,539,893
18,559	5,633	184,053
-	29,158	1,360,741
-	-	1,528
-	-	1,299,877
-	-	179,906
<u>24,168,202</u>	<u>4,080,021</u>	<u>102,130,638</u>
1,644,595	86,465	3,003,474
709,873	70,626	2,737,805
3,023,637	-	3,023,637
-	1,528	1,528
<u>952,756</u>	<u>-</u>	<u>952,756</u>
<u>6,330,861</u>	<u>158,619</u>	<u>9,719,200</u>
-	-	112,483
-	-	558,685
-	-	27,497
-	4,776	4,776
-	4,776	703,441
-	-	1,299,877
-	-	179,906
17,837,341	764,967	39,265,842
-	379,880	379,880
-	820,794	820,794
-	254,654	254,654
-	-	2,912,597
-	1,697,859	1,697,859
-	-	4,188,475
-	(1,528)	40,708,113
<u>17,837,341</u>	<u>3,916,626</u>	<u>91,707,997</u>
<u>\$ 24,168,202</u>	<u>\$ 4,080,021</u>	<u>\$ 102,130,638</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, 2024

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

Total Governmental Fund Balances	\$ 91,707,997
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	132,641,656
Deferred outflows of resources are not reported in the governmental funds.	
Deferred outflow related to pensions	\$ 9,317,121
Deferred outflow related to retiree health plan OPEB	628,289
Deferred outflow related to SDBF OPEB	<u>132,286</u>
	10,077,696
Other long-term assets are not available to pay for current-period expenditures and therefore are unearned in the funds.	703,441
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	(78,145,000)
Premium on bond issuance	(4,394,472)
Accrued interest payable	(461,317)
Net pension obligation	(22,351,197)
Net OPEB liability - retiree health plan	(3,356,547)
Total OPEB liability - SDBF OPEB	(821,237)
Compensated absences	(3,764,868)
Subscriptions payable	(1,652,474)
Leases payable	<u>(2,516,176)</u>
	(117,463,288)
Deferred inflows of resources are not reported in the governmental funds.	
Deferred inflows related to pensions	(618,605)
Deferred inflows related to retiree health plan OPEB	(986,468)
Deferred inflows related to SDBF OPEB	<u>(280,994)</u>
	<u>(1,886,067)</u>
Net position of government activities	<u><u>\$ 115,781,435</u></u>

CITY OF HALTOM CITY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General	Debt Service	Street Reconstruction Capital Projects
REVENUES			
Taxes	\$ 32,621,399	\$ 7,912,363	\$ 3,932,587
Licenses and permits	2,905,962	-	-
Intergovernmental	338,552	-	30,496
Fines and fees	992,685	-	-
Charges for services	1,618,884	-	-
Oil and gas lease	34,630	-	-
Contributions	749	-	-
Interest and investment gains (losses)	2,381,300	469,417	875,865
Miscellaneous	15,333	-	-
Total revenues	<u>40,909,494</u>	<u>8,381,780</u>	<u>4,838,948</u>
EXPENDITURES			
Current:			
General government	10,776,266	-	-
Public safety	22,504,213	-	-
Streets	1,241,162	-	1,021,509
Cultural and recreation	3,501,700	-	-
Debt service:			
Principal	380,876	4,685,000	-
Interest and other	1,976	2,776,606	-
Bond issuance costs	-	3,700	-
Capital outlay	<u>1,664,904</u>	<u>-</u>	<u>301,335</u>
Total expenditures	<u>40,071,097</u>	<u>7,465,306</u>	<u>1,322,844</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>838,397</u>	<u>916,474</u>	<u>3,516,104</u>
OTHER FINANCING SOURCES (USES)			
Issuance of lease	-	-	-
Issuance of SBITA	548,834	-	-
Sale of capital assets	174	-	-
Transfers in	1,813,087	-	-
Transfers out	(876,000)	(1,922,459)	(900,000)
Total other financing sources and uses	<u>1,486,095</u>	<u>(1,922,459)</u>	<u>(900,000)</u>
NET CHANGE IN FUND BALANCES	<u>2,324,492</u>	<u>(1,005,985)</u>	<u>2,616,104</u>
FUND BALANCES, BEGINNING	<u>44,053,407</u>	<u>3,918,582</u>	<u>18,047,430</u>
FUND BALANCES, ENDING	<u>\$ 46,377,899</u>	<u>\$ 2,912,597</u>	<u>\$ 20,663,534</u>

Capital Improvement	Other Governmental	Total Governmental Funds
\$ -	\$ 940,436	\$ 45,406,785
-	-	2,905,962
374,942	32,882	776,872
-	49,506	1,042,191
-	51,392	1,670,276
-	-	34,630
-	194,613	195,362
974,890	204,963	4,906,435
-	-	15,333
<u>1,349,832</u>	<u>1,473,792</u>	<u>56,953,846</u>

-	542,250	11,318,516
-	165,731	22,669,944
-	-	2,262,671
-	166,024	3,667,724
64,087	655,179	5,785,142
4,237	48,218	2,831,037
-	-	3,700
<u>28,688,130</u>	<u>1,941,787</u>	<u>32,596,156</u>
<u>28,756,454</u>	<u>3,519,189</u>	<u>81,134,890</u>

(27,406,622) (2,045,397) (24,181,044)

-	1,714,807	1,714,807
-	-	548,834
-	-	174
1,617,340	876,000	4,306,427
-	(39,000)	(3,737,459)
<u>1,617,340</u>	<u>2,551,807</u>	<u>2,832,783</u>
(25,789,282)	506,410	(21,348,261)
<u>43,626,623</u>	<u>3,410,216</u>	<u>113,056,258</u>
<u>\$ 17,837,341</u>	<u>\$ 3,916,626</u>	<u>\$ 91,707,997</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, 2024

Net change in fund balances - total governmental funds:	\$ (21,348,261)
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	33,947,334
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.	(5,610,480)
Changes in revenues in the statement of activities that does not provide current financial resources.	(227,003)
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	2,076,501
Premium on bond issuance	774,187
Accrued interest payable	11,889
Net pension obligation	(55,344)
Net OPEB liability - retiree health plan	365,437
Total OPEB liability - SDBF OPEB	24,993
Compensated absences	<u>(312,534)</u>
Change in net position of governmental activities	<u>\$ 9,646,719</u>

CITY OF HALTOM CITY, TEXAS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

SEPTEMBER 30, 2024

	Water and Sewer Fund	Drainage Fund	Total
ASSETS			
Current assets:			
Cash and investments	\$ 60,329,853	\$ 9,138,783	\$ 69,468,636
Receivables:			
Accounts receivable, net	4,888,931	284,158	5,173,089
Accrued interest	81,084	14,122	95,206
Inventory	206,136	-	206,136
Total current assets	<u>65,506,004</u>	<u>9,437,063</u>	<u>74,943,067</u>
Noncurrent assets:			
Land	522,999	5,602,274	6,125,273
Buildings and improvements	40,811,689	5,562,523	46,374,212
Water and sewer system	33,847,529	6,082,064	39,929,593
Machinery and equipment	6,577,824	1,791,439	8,369,263
Construction-in-progress	1,951,725	1,641,109	3,592,834
Accumulated depreciation	<u>(43,354,743)</u>	<u>(5,944,038)</u>	<u>(49,298,781)</u>
Total noncurrent assets	<u>40,357,023</u>	<u>14,735,371</u>	<u>55,092,394</u>
Total assets	<u>105,863,027</u>	<u>24,172,434</u>	<u>130,035,461</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	1,113,154	151,744	1,264,898
Deferred outflow related to retiree health plan	75,064	10,233	85,297
Deferred outflow related to SDBF OPEB	<u>15,805</u>	<u>2,154</u>	<u>17,959</u>
Total deferred outflows of resources	<u>1,204,023</u>	<u>164,131</u>	<u>1,368,154</u>

CITY OF HALTOM CITY, TEXAS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

SEPTEMBER 30, 2024

	Water and Sewer Fund	Drainage Fund	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 2,076,877	\$ 25,222	\$ 2,102,099
Accrued liabilities	211,873	195,317	407,190
Retainage payable	-	17,085	17,085
Accrued interest payable	121,310	-	121,310
Customer deposits	1,258,426	-	1,258,426
Due within one year			
Compensated absences	110,045	10,695	120,740
Total OPEB liability - SDBF	2,811	383	3,194
Revenue bonds payable	620,000	-	620,000
Total current liabilities	<u>4,401,342</u>	<u>248,702</u>	<u>4,650,044</u>
Noncurrent liabilities:			
Compensated absences	330,134	32,084	362,218
Net pension liability	2,670,391	364,026	3,034,417
Net OPEB liability - retiree health plan	401,021	54,667	455,688
Total OPEB liability - SDBF	95,306	12,992	108,298
Revenue bonds payable	6,070,000	-	6,070,000
Total noncurrent liabilities	<u>9,566,852</u>	<u>463,769</u>	<u>10,030,621</u>
Total liabilities	<u>13,968,194</u>	<u>712,471</u>	<u>14,680,665</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	73,907	10,075	83,982
Deferred inflow related to retiree health plan	117,858	16,066	133,924
Deferred inflow related to SDBF OPEB	33,572	4,576	38,148
Total deferred inflows of resources	<u>225,337</u>	<u>30,717</u>	<u>256,054</u>
NET POSITION			
Net investment in capital assets	33,667,023	14,718,286	48,385,309
Unrestricted	<u>59,206,496</u>	<u>8,875,091</u>	<u>68,081,587</u>
Total net position	<u>\$ 92,873,519</u>	<u>\$ 23,593,377</u>	<u>\$ 116,466,896</u>

CITY OF HALTOM CITY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Water and Sewer Fund	Drainage Fund	Total
OPERATING REVENUES			
Water and sewer sales	\$ 28,326,302	\$ -	\$ 28,326,302
Drainage fee revenue	- -	1,969,724	1,969,724
Service fees	2,250,825	81,109	2,331,934
Administrative fees	35,483	- -	35,483
Other	29,199	- -	29,199
Total operating revenues	<u>30,641,809</u>	<u>2,050,833</u>	<u>32,692,642</u>
OPERATING EXPENSES			
General and administrative	4,793,864	514,393	5,308,257
Construction	315,876	- -	315,876
Water and sewer maintenance	1,707,899	- -	1,707,899
Collection and distribution	9,550,868	- -	9,550,868
Drainage maintenance	- -	762,498	762,498
Franchise fees	1,944,000	60,000	2,004,000
Depreciation	2,365,663	575,447	2,941,110
Total operating expenses	<u>20,678,170</u>	<u>1,912,338</u>	<u>22,590,508</u>
Operating income	<u>9,963,639</u>	<u>138,495</u>	<u>10,102,134</u>
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental revenues	144,328	- -	144,328
Capital contributions	1,494,347	335,000	1,829,347
Interest and investment gains (losses)	3,164,176	479,432	3,643,608
Interest expense and bond issuance costs	<u>(108,707)</u>	<u>(10,268)</u>	<u>(118,975)</u>
Total non-operating expenses	<u>4,694,144</u>	<u>804,164</u>	<u>5,498,308</u>
Income before transfers	<u>14,657,783</u>	<u>942,659</u>	<u>15,600,442</u>
TRANSFERS IN (OUT)			
Transfers out	<u>(528,972)</u>	<u>(39,996)</u>	<u>(568,968)</u>
CHANGE IN NET POSITION			
	14,128,811	902,663	15,031,474
NET POSITION, BEGINNING	<u>78,744,708</u>	<u>22,690,714</u>	<u>101,435,422</u>
NET POSITION, ENDING	<u>\$ 92,873,519</u>	<u>\$ 23,593,377</u>	<u>\$ 116,466,896</u>

CITY OF HALTOM CITY, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Water and Sewer Fund	Drainage Fund	Total
Cash flows from operating activities			
Receipts from customers and users	\$ 28,818,737	\$ 1,998,632	\$ 30,817,369
Payments to suppliers	(15,033,614)	(982,687)	(16,016,301)
Payments to employees	(2,459,789)	(280,041)	(2,739,830)
Net cash provided by operating activities	<u>11,325,334</u>	<u>735,904</u>	<u>12,061,238</u>
Cash flows from noncapital financing activities			
Transfer to governmental funds	(528,972)	(39,996)	(568,968)
Net cash provided (used) by noncapital financing activities	<u>(528,972)</u>	<u>(39,996)</u>	<u>(568,968)</u>
Cash flow from capital and related financing activities			
Debt principal payments	(1,290,000)	(255,000)	(1,545,000)
Interest payments	(35,957)	(13,561)	(49,518)
Capital contributions	528,675	-	528,675
Purchases of property and equipment	<u>(2,840,445)</u>	<u>(479,860)</u>	<u>(3,320,305)</u>
Net cash used by capital and related financing activities	<u>(3,637,727)</u>	<u>(748,421)</u>	<u>(4,386,148)</u>
Cash flows from investing activities			
Interest on investments	<u>3,148,602</u>	<u>476,742</u>	<u>3,625,344</u>
Net cash provided (used) by investing activities	<u>3,148,602</u>	<u>476,742</u>	<u>3,625,344</u>
Net increase (decrease) in cash and cash equivalents	<u>10,307,237</u>	<u>424,229</u>	<u>10,731,466</u>
Cash and investments - beginning of year	<u>50,022,616</u>	<u>8,714,554</u>	<u>58,737,170</u>
Cash and investment - end of year	<u>60,329,853</u>	<u>9,138,783</u>	<u>69,468,636</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	9,963,639	138,495	10,102,134
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,213,946	575,447	2,789,393
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(1,729,470)	(52,201)	(1,781,671)
Decrease in inventory and prepaid	42,968	-	42,968
Increase in other postemployment assets	12,655	194	12,849
(Increase) decrease in deferred outflows	453,367	38,637	492,004
Increase (decrease) in accounts payable and accrued expenses	913,164	30,439	943,603
Increase (decrease) in compensated absences	65,913	17,551	83,464
Increase (decrease) in deferred inflows	20,339	7,633	27,972
Increase (decrease) in customer deposits	(93,602)	-	(93,602)
Increase in pension obligation	(508,714)	(22,334)	(531,048)
Increase in other postemployment obligation	(28,871)	2,043	(26,828)
Net cash provided by operating activities	<u>\$ 11,325,334</u>	<u>\$ 735,904</u>	<u>\$ 12,061,238</u>
Schedule of non-cash capital and related financing activities:			
Transfer of debt to governmental activities	<u>\$ 1,110,000</u>	<u>\$ 335,000</u>	<u>\$ 1,445,000</u>

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, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

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

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

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

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

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. Governmental activities which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which primarily rely on fees and charges for support. Fiduciary activities are not reported in the government-wide financial statements.

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

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

Fund Financial Statements

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

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

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

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

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

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

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

There were no non-major proprietary funds for the fiscal year ended September 30, 2024.

Cash, Cash Equivalents, and Investments

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

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

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

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

Inventories and Prepaid Items

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

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

Interfund Receivables/Payables and Transactions

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

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

Capital Assets

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

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

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

Accrued Vacation/Compensated Absences

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

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

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

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

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 2,080 hours per year.

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

Leases

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

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

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

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

Subscription-Based Information Technology Arrangements

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

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

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

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

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

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits

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

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

Deferred Outflows/Inflows of Resources

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

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

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

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

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

Fund Balance

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

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

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

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

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

Net Position

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

Use of Estimates

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

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

III. BANK DEPOSITS AND INVESTMENTS

Bank Deposits

The City's funds (exclusive of the Postemployment Benefits Trust) are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with its agent bank, approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository banks' dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. The City's deposits were fully insured or collateralized as required by States statutes as of September 30, 2024. 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, 2024:

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

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

Cash and investments as of September 30, 2024 are classified in the accompanying financial statement as follows:

Governmental activities	\$ 95,389,999
Business-type activities	<u>69,468,636</u>
Total primary government	<u>164,858,635</u>
Crime Control District	<u>4,741,520</u>
Total component units	<u>4,741,520</u>
Total	<u>\$ 169,600,155</u>

Cash and investments as of September 30, 2024 consist of the following:

Cash deposits	\$ 5,685,619
Investments	<u>163,914,536</u>
Total	<u>\$ 169,600,155</u>

Disclosures relating to interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. One of the ways that the City managers its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 30 days thus reducing the interest rate risk. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. City policy limits the weighted average maturity of its portfolio to a period less than 720 days. Presented below is the weighted average maturity in days of the types of investment the City held at September 30, 2024.

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, 2024, the City had the following investments:

Investment Type	Amount	Maturity (Days)	Weighted Average	Minimum Legal Rating	Rating
TexPool	\$ 21,682,446	26	AAA	AAAm	AAAm
Texas CLASS	89,687,027	83	AAA	AAAm	AAAm
Texas Range	21,727,057	37	AAA	AAAm	AAAm
Certificate of deposits	6,275,744	805	N/A	N/A	N/A
FFCB	3,033,883	531	AA	AA+	AA+
FHLB	4,572,765	1248	AA	AA+	AA+
Freddie Mac	6,011,672	365	AA	AA+	AA+
Municipal bonds	<u>10,923,942</u>	1208	AA	AA-/AA3 or higher	AA-/AA3 or higher
Total	<u>\$ 163,914,536</u>				
Portfolio weighted average maturity		226			

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, 2024:

- \$1,953,260 valued using a documented trade history in exact security (Level 1 inputs).
- \$1,584,399 valued using a documented trade history in exact security (Level 2 inputs).
- \$13,877,460 are valued using an option-adjusted discounted cash flow model (Level 2 inputs).
- \$13,402,887 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, 2024, 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, 2024, 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, 2024 are as follows:

Fund	Amounts Receivable	Allowance for Doubtful Accounts		Accounts Receivable, Net
		Doubtful Accounts	Allowance for Doubtful Accounts	
Governmental	\$ 7,986,308	\$ (2,726,980)	\$ 5,259,328	
Enterprise	<u>5,435,451</u>	<u>(167,156)</u>	<u>5,268,295</u>	
Total	<u>\$ 13,421,759</u>	<u>\$ (2,894,136)</u>	<u>\$ 10,527,623</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 2024 tax rate was \$0.567283 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, 2024:

	9/30/2023	Additions	Deletions	9/30/2024
Capital assets, not being depreciated:				
Land	\$ 15,803,948	\$ -	\$ -	\$ 15,803,948
Construction in progress	33,331,485	27,931,404	-	61,262,889
Total capital assets not being depreciated	49,135,433	27,931,404	-	77,066,837
Capital assets, being depreciated:				
Buildings	25,403,892	12,600	-	25,416,492
Improvements other than building	93,664,490	15,273	-	93,679,763
Machinery and equipment	13,768,491	3,336,766	(61,041)	17,044,216
Right to use assets:				
Subscriptions	2,111,931	936,484	-	3,048,415
Machinery and equipment	2,403,056	1,714,807	(390,487)	3,727,376
Total capital assets being depreciate	137,351,860	6,015,930	(451,528)	142,916,262
Less accumulated depreciation for:				
Buildings	(12,281,753)	(800,137)	-	(13,081,890)
Improvements other than building	(55,850,764)	(2,925,507)	-	(58,776,271)
Machinery and equipment	(12,145,480)	(632,977)	61,041	(12,717,416)
Right to use assets:				
Subscriptions	(218,985)	(476,658)	-	(695,643)
Machinery and equipment	(1,685,509)	(775,201)	390,487	(2,070,223)
Total accumulated depreciation	(82,182,491)	(5,610,480)	451,528	(87,341,443)
Total capital assets being depreciated, net	55,169,369	405,450	-	55,574,819
Governmental capital assets, net	\$ 104,304,802	\$ 28,336,854	\$ -	\$ 132,641,656

Depreciation was charged to functions as follows:

Governmental activities:		
General government	\$ 4,313,554	
Public safety	1,120,208	
Highway and streets	163,930	
Culture and recreation	12,788	
Total	\$ 5,610,480	

The following is a summary of the changes in the business-type activities' capital assets during the fiscal year ended September 30, 2024:

	Beginning	Additions	Reclass/ Deletions	Ending
Capital assets, not being depreciated:				
Land	\$ 6,125,273	\$ -	\$ -	\$ 6,125,273
Construction in progress	<u>2,738,995</u>	<u>1,465,716</u>	<u>(611,877)</u>	<u>3,592,834</u>
Total capital assets not being depreciated	<u>8,864,268</u>	<u>1,465,716</u>	<u>(611,877)</u>	<u>9,718,107</u>
Capital assets, being depreciated:				
Building and improvements	45,131,595	630,740	611,877	46,374,212
Machinery and equipment	7,145,414	1,223,849	-	8,369,263
Water works and sewer system	<u>39,929,593</u>	<u>-</u>	<u>-</u>	<u>39,929,593</u>
Total capital assets being depreciated	<u>92,206,602</u>	<u>1,854,589</u>	<u>611,877</u>	<u>94,673,068</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,061,345)	(1,243,469)	-	(5,304,814)
Machinery and equipment	(4,876,250)	(266,411)	-	(5,142,661)
Water works and sewer system	<u>(37,420,076)</u>	<u>(1,431,230)</u>	<u>-</u>	<u>(38,851,306)</u>
Total accumulated depreciation	<u>(46,357,671)</u>	<u>(2,941,110)</u>	<u>-</u>	<u>(49,298,781)</u>
Total capital assets being depreciated, net	<u>45,848,931</u>	<u>(1,086,521)</u>	<u>611,877</u>	<u>45,374,287</u>
Total business-type capital assets, net	<u>\$ 54,713,199</u>	<u>\$ 379,195</u>	<u>\$ -</u>	<u>\$ 55,092,394</u>

Depreciation was charged to functions as follows:

Business-type activities:	
Water and sewer fund	\$ 2,365,663
Drainage fund	<u>575,447</u>
Total	<u>\$ 2,941,110</u>

VII. INTERFUND TRANSACTIONS

In 2024, 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 2024 are as follows:

Fund	Franchise Fees
Water and Sewer Proprietary Fund	\$ 1,944,000
Drainage Utility Proprietary Fund	<u>60,000</u>
Total	<u>\$ 2,004,000</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 2024 administrative fees were as follows:

Fund	Administrative Charges
Water and Sewer Fund	\$ 907,128
Drainage Utility Fund	<u>274,500</u>
Total	<u>\$ 1,181,628</u>

Discretely Presented Component Units

Crime Control Prevention District	\$ 50,004
Total	<u>\$ 50,004</u>

Interfund transfers during the year ended September 30, 2024 were as follows:

Transfer from:	Transfer to:	Amount
Drainage	General	\$ 39,996
Nonmajor Governmental	General	39,000
Street Reconstruction Capital Projects	General	900,000
Water and Sewer	General	528,972
Debt service	General	305,119
Debt service	Capital Improvement	1,617,340
General	Nonmajor Governmental	876,000
Total		<u>\$ 4,306,427</u>
Transfer from:	Transfer to:	Amount
Business-type activities	Governmental activities	<u>\$ 1,445,000</u>

Transfers are primarily used to move funds from:

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

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

The composition of interfund balances as of September 30, 2024 consisted of \$1,528 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, 2024, the following changes in liabilities occurred:

	Beginning	Increases	Reductions	Transfers	Ending	Due Within One Year
Governmental Activities:						
<u>Publicly sold bonds</u>						
Certificates of obligation	\$ 14,015,000	\$ -	\$ 535,000	\$ 200,000	\$ 13,680,000	\$ 755,000
General obligation bonds	<u>63,910,000</u>	<u>-</u>	<u>3,060,000</u>	<u>380,000</u>	<u>61,230,000</u>	<u>2,845,000</u>
Total publicly sold	<u>77,925,000</u>	<u>-</u>	<u>3,595,000</u>	<u>580,000</u>	<u>74,910,000</u>	<u>3,600,000</u>
<u>Direct placement bonds</u>						
Certificates of obligation	1,335,000	-	330,000	690,000	1,695,000	655,000
General obligation bonds	<u>2,125,000</u>	<u>-</u>	<u>760,000</u>	<u>175,000</u>	<u>1,540,000</u>	<u>920,000</u>
Total direct placements	<u>3,460,000</u>	<u>-</u>	<u>1,090,000</u>	<u>865,000</u>	<u>3,235,000</u>	<u>1,575,000</u>
<u>Other long-term debt</u>						
Premium on bond issuances	5,168,659	-	774,187	-	4,394,472	-
Leases	1,539,441	1,714,807	738,072	-	2,516,176	733,290
SBITAs	1,465,710	548,834	362,070	-	1,652,474	345,623
Compensated absences	<u>3,452,334</u>	<u>1,481,555</u>	<u>1,169,021</u>	<u>-</u>	<u>3,764,868</u>	<u>941,217</u>
Total other long-term debt	<u>11,626,144</u>	<u>3,745,196</u>	<u>3,043,350</u>	<u>-</u>	<u>12,327,990</u>	<u>2,020,130</u>
Total governmental activities	<u>\$ 93,011,144</u>	<u>\$ 3,745,196</u>	<u>\$ 7,728,350</u>	<u>\$ 1,445,000</u>	<u>\$ 90,472,990</u>	<u>\$ 7,195,130</u>
Business-Type Activities:						
<u>Publicly sold bonds</u>						
Certificates of obligation	\$ 4,670,000	\$ -	\$ 450,000	\$ (200,000)	\$ 4,020,000	\$ 265,000
General obligation bonds	<u>1,875,000</u>	<u>-</u>	<u>215,000</u>	<u>(380,000)</u>	<u>1,280,000</u>	<u>135,000</u>
Total publicly sold	<u>6,545,000</u>	<u>-</u>	<u>665,000</u>	<u>(580,000)</u>	<u>5,300,000</u>	<u>400,000</u>
<u>Direct placement bonds</u>						
Certificates of obligation	985,000	-	295,000	(690,000)	-	-
General obligation bonds	<u>2,150,000</u>	<u>-</u>	<u>585,000</u>	<u>(175,000)</u>	<u>1,390,000</u>	<u>220,000</u>
Total direct placements	<u>3,135,000</u>	<u>-</u>	<u>880,000</u>	<u>(865,000)</u>	<u>1,390,000</u>	<u>220,000</u>
<u>Other long-term debt</u>						
Premium on bond issuances	151,717	-	151,717	-	-	-
Compensated absences	<u>399,494</u>	<u>193,238</u>	<u>109,774</u>	<u>-</u>	<u>482,958</u>	<u>120,740</u>
Total other long-term debt	<u>551,211</u>	<u>193,238</u>	<u>261,491</u>	<u>-</u>	<u>482,958</u>	<u>120,740</u>
Total business-type activities	<u>\$ 10,231,211</u>	<u>\$ 193,238</u>	<u>\$ 1,806,491</u>	<u>\$ (1,445,000)</u>	<u>\$ 7,172,958</u>	<u>\$ 740,740</u>
Crime Control District:						
<u>Other long-term debt</u>						
Compensated absences	\$ 101,927	\$ 25,322	\$ 56,929	\$ -	\$ 70,320	\$ 17,580
Total crime control district	<u>\$ 101,927</u>	<u>\$ 25,322</u>	<u>\$ 56,929</u>	<u>\$ -</u>	<u>\$ 70,320</u>	<u>\$ 17,580</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, 2024.

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

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

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

Long-term debt of the City consists of refunding bonds, certificates of obligation, contractual obligations, tax notes, leases payable, SBITAs, and obligations under compensated absence agreements. At September 30, 2024, 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%	\$ 140,000	\$ 140,000	\$ -	\$ -
\$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%	660,000	325,000	-	-
\$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%	1,035,000	330,000	-	-
\$4,955,000 Series 2013 General Obligation Refunding Bonds, dated December 19, 2013; due in annual installments of \$420,000 to \$495,000; through February 1, 2025, interest at 2.29%, issued at par value	450,000	450,000	-	-
\$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	425,000	225,000	-	-
\$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	525,000	105,000	-	-
\$7,970,000 Series 2017 General Obligation and Refunding Bonds, dated January 9, 2017; due in annual installments of \$530,000 to \$965,000; through August 1, 2028; interest at 3.00% to 4.00%	2,515,000	675,000	-	-
\$6,720,000 Series 2018 Non BQ, Water Meter CO's due 2/1/2032	200,000	200,000	4,020,000	265,000
\$7,460,000 Series 2019 General Obligation Bond, due 2/1/2034	3,215,000	265,000	-	-
\$5,730,000 Series 2020 Combination Tax and Limited Pledge Revenue Certificates of Obligation, dated July 15, 2020; due in annual installments of \$240,000 to \$400,000; through September 30, 2040, interest at 2.0%, issued at a premium of \$429,778	4,660,000	235,000	-	-
\$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%	-	-	1,390,000	220,000

	Governmental Activities	Due Within One Year	Business-Type Activities	Due Within One Year
\$6,340,000 Series 2021 General Obligation Refunding Bonds, dated January 1, 2021; due in annual installments of \$520,000 to \$625,000; through February 1, 2032; interest at 1.00% to 4.00%.	\$ 4,615,000	\$ 615,000	\$ -	\$ -
\$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%	24,845,000	500,000	-	-
\$5,445,000 Series 2021A General Obligation Refunding Bonds, dated October 25, 2021; due in annual installments of \$290,000 to \$615,000; through February 1, 2033; interest at 2.00% to 5.00%	3,190,000	410,000	1,280,000	135,000
\$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%	22,850,000	380,000	-	-
\$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%	8,820,000	320,000	-	-
Premium on issuance of debt	4,394,472	-	-	-
Total bonds and notes outstanding	\$ 82,539,472	\$ 5,175,000	\$ 6,690,000	\$ 620,000

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, 2024, follow:

Year Ending September 30	Governmental Activities					
	Publicly Sold			Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 3,600,000	\$ 2,625,176	\$ 6,225,176	\$ 1,575,000	\$ 79,825	\$ 1,654,825
2026	4,135,000	2,425,919	6,560,919	835,000	40,031	875,031
2027	3,850,000	2,276,338	6,126,338	515,000	15,994	530,994
2028	4,055,000	2,115,613	6,170,613	155,000	5,384	160,384
2029	3,435,000	1,936,863	5,371,863	155,000	1,795	156,795
2030-2034	17,670,000	7,672,213	25,342,213	-	-	-
2035-2039	15,580,000	5,058,675	20,638,675	-	-	-
2040-2044	15,295,000	2,365,544	17,660,544	-	-	-
2045-2049	7,290,000	333,963	7,623,963	-	-	-
Total	\$ 74,910,000	\$ 26,810,301	\$ 101,720,301	\$ 3,235,000	\$ 143,029	\$ 3,378,029

Year Ending September 30	Business-Type Activities					
	Publicly Sold			Notes for Direct Borrowings and Direct Placement		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service
2025	\$ 400,000	\$ 123,949	\$ 523,949	\$ 220,000	\$ 25,344	\$ 245,344
2026	625,000	155,800	780,800	225,000	20,939	245,939
2027	655,000	128,750	783,750	230,000	16,434	246,434
2028	675,000	103,225	778,225	235,000	11,831	246,831
2029	700,000	79,400	779,400	240,000	7,128	247,128
2030-2034	2,245,000	96,625	2,341,625	240,000	2,376	242,376
Total	\$ 5,300,000	\$ 687,749	\$ 5,987,749	\$ 1,390,000	\$ 84,051	\$ 1,474,051

Arbitrage

The Tax Reform act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the City. The City has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations and the City has reported an arbitrage liability at year end in the amount of \$812,419.

Leases Payable

Governmental activities:

A summary of leases payable as of September 30, 2024, are as follows:

Governmental Activities	Interest Rates	Initial Year of Lease	Interest Current Year	Amounts Outstanding
Right to use:				
Server equipment	2.60%	2022	\$ 4,237	\$ 132,351
Vehicles	0.25 - 0.48%	Various	48,218	2,368,048
Office equipment	2.09%	Various	253	15,777
Total			<u>\$ 52,708</u>	<u>\$ 2,516,176</u>

The future principal and interest lease payments as of September 30, 2024, are as follows:

Year Ending September 30	Governmental Activities - Leases		
	Principal	Interest	Total
2025	\$ 733,290	\$ 29,430	\$ 762,720
2026	610,354	21,952	632,306
2027	537,069	14,478	551,547
2028	460,130	7,194	467,324
2029	175,333	1,823	177,156
Total	<u>\$ 2,516,176</u>	<u>\$ 74,877</u>	<u>\$ 2,591,053</u>

Subscriptions Payable

Governmental activities:

A summary of subscription-based IT arrangements payable as of September 30, 2024, are as follows:

Governmental Activities	Interest Rates	Initial Year of Subscription	Interest Current Year	Amounts Outstanding
Right to use:				
Software	2.60%	Various	\$ 42,495	\$ 1,652,474
Total			<u>\$ 42,495</u>	<u>\$ 1,652,474</u>

The future principal and interest lease payments as of September 30, 2024, are as follows:

Year Ending September 30	Governmental Activities - SBITA		
	Principal	Interest	Total
2025	\$ 345,623	\$ 46,082	\$ 391,705
2026	308,211	36,619	344,830
2027	154,959	28,488	183,447
2028	159,380	24,067	183,447
2029	163,926	19,521	183,447
2030-2032	520,375	29,968	550,343
Total	<u>\$ 1,652,474</u>	<u>\$ 154,777</u>	<u>\$ 1,807,251</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, 2024, the City had no general obligation bonds which were authorized and unissued.

IX. DEFINED BENEFIT PENSION PLAN

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

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

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

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

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

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

Employees covered by benefit terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	263
Inactive employees entitled to but not yet receiving benefits	173
Active employees	<u>269</u>
Total	<u>705</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 21.08% and 19.47% in calendar years 2024 and 2023, respectively. The City's total contributions to TMRS for the year ended September 30, 2024, were \$5,018,842.

Net Pension Liability. The City's Net Pension Liability (NPL) was measured as of December 31, 2023, 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, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Other Public and Private Markets	12.0%	8.00%
Real Estate	12.0%	7.60%
Hedge Funds	5.0%	6.40%
Private Equity	<u>10.0%</u>	11.60%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in the statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

Primary Government:	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2022	\$ 149,399,601	\$ 119,698,542	\$ 29,701,059
Changes for the year:			
Service cost	3,930,863	-	3,930,863
Interest	10,013,086	-	10,013,086
Difference between expected and actual experience	2,242,303	-	2,242,303
Contributions - employer	-	4,217,627	(4,217,627)
Contributions - employee	-	1,544,110	(1,544,110)
Net investment income	-	13,853,802	(13,853,802)
Change in assumptions	(974,909)	-	(974,909)
Benefit payments, including refunds of employee contributions	(6,046,029)	(6,046,029)	-
Administrative expense	-	(88,135)	88,135
Other changes	-	(616)	616
Net changes	<u>9,165,314</u>	<u>13,480,759</u>	<u>(4,315,445)</u>
Balance at 12/31/2023	<u>\$ 158,564,915</u>	<u>\$ 133,179,301</u>	<u>\$ 25,385,614</u>

Component Unit:	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2022	\$ 3,626,724	\$ 2,905,721	\$ 721,003
Changes for the year:			
Service cost	95,423	-	95,423
Interest	243,071	-	243,071
Difference between expected and actual experience	54,433	-	54,433
Change in assumptions	(23,666)	-	(23,666)
Contributions - employer	-	102,384	(102,384)
Contributions - employee	-	37,484	(37,484)
Net investment income	-	336,306	(336,306)
Benefit payments, including refunds of employee contributions	(146,769)	(146,769)	-
Administrative expense	-	(2,139)	2,139
Other changes	-	(15)	15
Net changes	<u>222,492</u>	<u>327,251</u>	<u>(104,759)</u>
Balance at 12/31/2023	<u>\$ 3,849,216</u>	<u>\$ 3,232,972</u>	<u>\$ 616,244</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	\$ (47,216,009)	\$ 25,385,614	\$ (125,840,911)
Component unit's net pension liability	<u>(2,086,788)</u>	616,244	(3,054,830)
Total	<u><u>\$ (49,302,797)</u></u>	<u><u>\$ 26,001,858</u></u>	<u><u>\$ (128,895,741)</u></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, 2024, the City recognized pension expense of \$4,993,829. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,556,863	\$ -
Changes of assumptions	-	702,587
Difference between projected and actual investment earnings	3,270,144	-
Contributions subsequent to the measurement date	<u>3,755,012</u>	<u>-</u>
Total	<u><u>\$ 10,582,019</u></u>	<u><u>\$ 702,587</u></u>

For the year ended September 30, 2024, the discretely presented component unit recognized pension expense of \$305,226. At September 30, 2024, 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	\$ 86,344	\$ -
Changes of assumptions	-	17,056
Difference between projected and actual investment earnings	79,384	-
Contributions subsequent to the measurement date	<u>91,154</u>	<u>-</u>
Total	<u><u>\$ 256,882</u></u>	<u><u>\$ 17,056</u></u>

For the City and component unit, amounts reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. 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
2025	\$ 2,509,865	\$ 60,928
2026	2,056,222	49,915
2027	2,713,162	65,863
2028	(1,154,829)	(28,034)

X. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Employee Post-Employment Benefit Plans

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

	TMRS SDBF	Retiree Health	Total
<u>City:</u>			
OPEB liability	\$ 932,729	\$ 3,812,235	\$ 4,744,964
Deferred outflows of resources	150,245	713,586	863,831
Deferred inflows of resources	319,142	1,120,392	1,439,534
OPEB expense	27,357	120,785	148,142
<u>Component Unit:</u>			
OPEB liability	\$ 22,642	\$ 92,543	\$ 115,185
Deferred outflows of resources	3,647	17,323	20,970
Deferred inflows of resources	7,748	27,197	34,945
OPEB expense	664	2,932	3,596

TMRS Supplemental Death Benefits Fund

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

Benefits Provided. Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other post-employment benefit and is a fixed amount of \$7,500.

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

Inactive employees or beneficiaries currently receiving benefits	165
Inactive employees entitled to but not yet receiving benefits	25
Active employees	269
Total	459

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.35% for 2024 and 0.35% for 2023, of which 0.15% and 0.15%, 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, 2024 and 2023 were \$36,403 and \$25,680, 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, 2023 and was determined by an actuarial valuation as of that date.

The Total OPEB Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Measurement year ended December 31,	2023
Inflation rate	2.50% per annum
Actuarial cost method	Entry Age Normal Method
Discount rate	3.77%
Projected salary increases	3.60% to 11.85% 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, 2023, 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 3.77% 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, 2023.

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 3.77%, 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 (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
City's total OPEB liability	\$ 1,103,745	\$ 932,729	\$ 364,946
Component unit's total OPEB liability	26,794	22,642	8,859
Total	<u>\$ 1,130,539</u>	<u>\$ 955,371</u>	<u>\$ 373,805</u>

Changes in the Total OPEB Liability

	Total OPEB Liability	
	City	Component Unit
Balance at 12/31/2022	\$ 876,746	\$ 21,283
Changes for the year:		
Service cost	28,676	696
Interest	35,419	860
Differences between expected and actual expense	(17,712)	(430)
Changes of assumptions	42,688	1,036
Benefit payments	(33,088)	(803)
Net changes	55,983	1,359
Balance at 12/31/2023	<u>\$ 932,729</u>	<u>\$ 22,642</u>

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

OPEB Expense and Deferred Outflows of Resources Related to OPEB. For the year ended September 30, 2024, the city recognized OPEB expense of \$24,087 for governmental activities, and \$3,270 for business-type activities. At September 30, 2024, 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	\$ 2,449	\$ 42,084
Changes in actuarial assumptions	121,076	277,058
Contributions subsequent to the measurement date	26,720	-
Totals	<u>\$ 150,245</u>	<u>\$ 319,142</u>

For the year ended September 30, 2024, the component unit recognized OPEB expense of \$664. At September 30, 2024, 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	\$ 59	\$ 1,022
Changes in actuarial assumptions	2,939	6,726
Contributions subsequent to the measurement date	649	-
Totals	<u>\$ 3,647</u>	<u>\$ 7,748</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, 2025. 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
2025	\$ (37,958)	\$ (921)
2026	(49,344)	(1,198)
2027	(66,911)	(1,624)
2028	(43,634)	(1,059)
2029	2,229	52

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, 2024, the City's contributions to the plan were \$275,938 which consisted only of benefit payments of \$275,938, 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	62
Active employees	245
Total	<u>307</u>

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	12/31/2022
Actuarial Cost Method	Individual Entry Age Normal Cost Method
Discount Rate	6.50% as of December 31, 2023
Inflation Rate	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Participation Rates	85% for retirees with over 20 years of City service at retirement; 5% for retirees with less than 20 years of City service at retirement; 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 15 years. The City's \$350/month explicit subsidy is not expected to increase in future years.
Note:	The demographic and salary increase assumptions were updated to reflect the 2023 TMRS experience study to reflect the plan's anticipated experience.

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

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

Discount Rate

A Single Discount Rate of 6.50% was used to measure the total OPEB liability. This Single Discount Rate was based on a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.50%; the municipal bond rate is 3.77% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-year Municipal GO AA Index"); and the resulting single discount rate is 6.50%.

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

Changes in the Net OPEB Liability

Primary Government:	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 12/31/2022	\$ 7,593,415	\$ 3,537,189	\$ 4,056,226
Changes for the year:			
Service cost	195,455	-	195,455
Interest	491,169	-	491,169
Benefit Terms	-	-	-
Difference between expected and actual experience	(54,478)	-	(54,478)
Changes of assumptions	(53,226)	-	(53,226)
Contributions - employer	-	269,398	(269,398)
Net investment income	-	565,519	(565,519)
Benefit payments	(269,398)	(269,398)	-
Administrative expense	-	(12,006)	12,006
Net changes	<u>309,522</u>	<u>553,513</u>	<u>(243,991)</u>
Balance at 12/31/2023	<u>\$ 7,902,937</u>	<u>\$ 4,090,702</u>	<u>\$ 3,812,235</u>

Component Unit:	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 12/31/2022	\$ 184,332	\$ 85,866	\$ 98,466
Changes for the year:			
Service cost	4,745	-	4,745
Interest	11,923	-	11,923
Benefit Terms	-	-	-
Difference between expected and actual experience	(1,322)	-	(1,322)
Changes of assumptions	(1,292)	-	(1,292)
Contributions - employer	-	6,540	(6,540)
Net investment income	-	13,728	(13,728)
Benefit payments	(6,540)	(6,540)	-
Administrative expense	-	(291)	291
Net changes	7,514	13,437	(5,923)
Balance at 12/31/2023	<u>\$ 191,846</u>	<u>\$ 99,303</u>	<u>\$ 92,543</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 net OPEB Liability	\$ 4,689,784	\$ 3,812,235	\$ 3,053,214
Component unit's net OPEB Liability	<u>113,846</u>	<u>92,543</u>	<u>74,118</u>
Total	<u>\$ 4,803,630</u>	<u>\$ 3,904,778</u>	<u>\$ 3,127,332</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 net OPEB Liability	\$ 3,379,238	\$ 3,812,235	\$ 4,312,366
Component unit's net OPEB Liability	<u>82,032</u>	<u>92,543</u>	<u>104,684</u>
Total	<u>\$ 3,461,270</u>	<u>\$ 3,904,778</u>	<u>\$ 4,417,050</u>

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

At September 30, 2024, the City reported a liability of \$3,904,778 for its net OPEB Liability. The net OPEB Liability was determined by an actuarial valuation as of December 31, 2022. The City recognized OPEB expense of \$106,347 for governmental activities, \$14,438 for business-type activities and \$2,932 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, 2024, 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	\$ 6,708	\$ 949,375
Changes in assumptions	121,319	171,017
Difference between expected and actual experience	160,226	-
Contributions subsequent to the measurement date	<u>425,333</u>	<u>-</u>
 Totals	 <u>\$ 713,586</u>	 <u>\$ 1,120,392</u>

At September 30, 2024, 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	\$ 163	\$ 23,046
Changes in assumptions	2,945	4,151
Difference between expected and actual experience	3,890	-
Contributions subsequent to the measurement date	<u>10,325</u>	<u>-</u>
 Totals	 <u>\$ 17,323</u>	 <u>\$ 27,197</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, 2025. 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
2025	\$ (240,894)	\$ (5,848)
2026	(199,008)	(4,831)
2027	(31,122)	(755)
2028	(179,656)	(4,361)
2029	(101,078)	(2,454)
Thereafter	(80,381)	(1,950)

XII. RISK MANAGEMENT

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

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

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

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claims settlement trends, including frequency and amount of payouts and other economic and social factors. The liabilities are due within one year of the date of the statement of net position. Changes in the claims liability for fiscal year 2024 and 2023 are listed as follows:

	2024	2023
Claims payable, beginning of year	\$ 1,459,037	\$ 1,316,229
Current year claims and changes in estimates	472,982	279,528
Payments on claims	139,577	136,720
Claims payable, end of year	<u>\$ 1,792,442</u>	<u>\$ 1,459,037</u>

XIII. COMMITMENTS AND CONTINGENT LIABILITIES

On September 30, 2024, the City had a remaining contractual commitment of \$8.5 million to finalize the construction of two vital projects: the new Haltom City Law Enforcement building and the new Haltom City - City Hall building. Both are expected to be completed within one year and were funded by voter approved bonds.

In March of 2022, the City entered into a 48-month financing arrangement for the purchase of Dark Fiber service. As of September 30, 2024, the remaining obligation amount is \$0.95 million.

The City entered into a twenty-two year contract with the City of Fort Worth for the treatment and transportation of sanitary sewage in 2018. Pursuant to the terms of this agreement, payments are structured on a per-connection basis, reflecting the usage and demand for these crucial services. In the fiscal year 2024, payments made under this contract totaled approximately \$4.8 million. These payments are duly recognized as operating expenses within the financial records of the Water and Sewer Fund.

Haltom City entered into a twenty-year contract with the City of Fort Worth for the purchase of water in 2010. Under the terms of the contract, the City is obligated to make a minimum annual payment, subject to adjustment under certain conditions as provided in the contract, of approximately \$50,000. For the fiscal year 2024, payments made under this contractual arrangement amounted to approximately \$4.1 million. These payments are recognized as operating expenses within the financial records of the Water and Sewer Fund, reflecting the ongoing operational costs associated with securing a reliable water supply.

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

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

XIV. PROPERTY TAX ABATEMENTS

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

XV. 380 AGREEMENTS

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

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

XVI. NEW ACCOUNTING STANDARDS

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

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.

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2024, and the impact has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription- Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF HALTOM CITY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Property taxes	\$ 13,290,015	\$ 13,290,015	\$ 13,472,323	\$ 182,309
City sales taxes	13,600,000	13,600,000	14,418,813	818,813
Mixed beverage tax	38,000	38,000	34,636	(3,364)
Bingo taxes	22,000	22,000	256,105	234,105
Franchise taxes	<u>3,430,000</u>	<u>4,274,000</u>	<u>4,439,522</u>	<u>165,522</u>
Total	<u>30,380,015</u>	<u>31,224,015</u>	<u>32,621,399</u>	<u>1,397,385</u>
Licenses and permits:				
Electric	60,000	60,000	103,573	43,573
Plumbing A/C	91,700	91,700	190,697	98,997
Building/mobile home	900,400	900,400	2,288,081	1,387,681
Street/general contractor	74,000	74,000	67,743	(6,257)
Certificates of occupancy	15,000	15,000	24,100	9,100
Oil and gas	100,000	100,000	200,671	100,671
Garage sales permits	4,000	4,000	7,210	3,210
Special events permits	9,000	9,000	16,912	7,912
Alarm permits	30,000	30,000	5,975	(24,025)
Food truck permits	1,000	1,000	1,000	-
Total	<u>1,285,100</u>	<u>1,285,100</u>	<u>2,905,962</u>	<u>1,620,862</u>
Intergovernmental:				
State surtax on fines	66,500	40,000	39,847	(153)
Grants from other governments	66,000	155,130	298,705	143,575
Total	<u>132,500</u>	<u>195,130</u>	<u>338,552</u>	<u>143,422</u>
Fines and fees:				
Municipal court	810,520	812,890	849,414	36,524
Library	1,500	1,500	1,531	31
Warrants	85,000	85,000	100,916	15,916
Public hearing	18,000	18,000	17,100	(900)
False alarms	16,000	16,000	23,724	7,724
Total	<u>931,020</u>	<u>933,390</u>	<u>992,685</u>	<u>59,295</u>
Charges for services:				
Record duplication	2,500	2,500	1,881	(619)
Leased property	180,000	180,000	53,899	(126,101)
Grass cutting	50,000	50,000	26,271	(23,729)
Recreational activities/concessions	80,000	80,000	132,271	52,271
Kennel fees/vaccination	8,000	8,000	4,810	(3,190)
Admin/building/fleet services fees	1,391,173	1,344,673	1,391,172	46,499
Developer test/fire inspection	10,000	10,000	8,580	(1,420)
Nuisance abatement fees	1,000	1,000	-	(1,000)
Total	<u>1,722,673</u>	<u>1,676,173</u>	<u>1,618,884</u>	<u>(57,289)</u>
Oil and gas lease	150,000	150,000	34,630	(115,370)
Contributions	75	749	749	-
Interest and investment gains (losses)	779,711	728,611	2,381,300	1,652,689
Miscellaneous	<u>21,004</u>	<u>21,004</u>	<u>15,333</u>	<u>(5,671)</u>
Total				
Total revenues	<u>\$ 35,402,098</u>	<u>\$ 36,214,172</u>	<u>\$ 40,909,494</u>	<u>\$ 4,695,323</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
General government:				
City manager	\$ 739,554	\$ 618,312	\$ 775,015	\$ (156,703)
City secretary	325,885	325,885	319,395	6,490
City council	48,100	48,100	38,299	9,801
Finance	1,052,838	1,082,658	900,137	182,521
Human resources	791,491	775,591	520,214	255,377
Planning & community development	1,253,330	1,253,330	1,262,470	(9,140)
Information technology	1,128,145	1,363,145	989,106	374,039
Fleet services	1,382,089	1,382,089	1,301,235	80,854
Building maintenance	1,025,907	1,110,142	786,899	323,243
Economic development	2,227,344	2,077,344	1,553,717	523,627
Nondepartmental	<u>2,765,282</u>	<u>3,037,924</u>	<u>2,329,779</u>	<u>708,145</u>
Total general government	<u>12,739,965</u>	<u>13,074,520</u>	<u>10,776,266</u>	<u>2,298,254</u>
Public safety:				
Police	12,930,816	12,950,616	12,172,343	778,273
Fire & emergency management	10,042,856	9,988,638	9,356,928	631,710
Animal services	498,939	498,939	409,213	89,726
Municipal court	568,657	568,757	565,729	3,028
Total public safety	<u>24,041,268</u>	<u>24,006,950</u>	<u>22,504,213</u>	<u>1,502,737</u>
Streets & drainage:	<u>1,595,380</u>	<u>1,600,088</u>	<u>1,241,162</u>	<u>358,926</u>
Culture and Recreation:				
Library	1,243,093	1,243,093	1,222,467	20,626
Parks and recreation	2,529,496	2,529,496	2,279,233	250,263
Total culture and recreation	<u>3,772,589</u>	<u>3,772,589</u>	<u>3,501,700</u>	<u>270,889</u>
Debt service:				
Principal	-	-	380,876	(380,876)
Interest	-	-	1,976	(1,976)
Total debt service	<u>-</u>	<u>-</u>	<u>382,852</u>	<u>(382,852)</u>
Capital outlay:				
Total expenditures	<u>1,497,170</u>	<u>1,627,352</u>	<u>1,664,904</u>	<u>(37,552)</u>
Revenues over (under) expenditures	<u>(8,244,275)</u>	<u>(7,867,328)</u>	<u>838,397</u>	<u>8,705,725</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,507,976	1,907,976	1,813,087	94,889
Transfers out	(1,517,609)	(1,224,196)	(876,000)	348,196
Issuance of SBITA	-	-	548,834	548,834
Sale of capital assets	100	100	174	74
Total other financial sources (uses)	<u>(9,533)</u>	<u>683,880</u>	<u>1,486,095</u>	<u>802,215</u>
Net change in fund balance	(8,253,808)	(7,183,448)	2,324,492	9,507,940
Fund balance - beginning	<u>44,053,407</u>	<u>44,053,407</u>	<u>44,053,407</u>	<u>-</u>
Fund balance - ending	<u>\$ 35,799,600</u>	<u>\$ 36,869,960</u>	<u>\$ 46,377,899</u>	<u>\$ 9,507,940</u>

CITY OF HALTOM CITY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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
Change of benefit terms	-	-	-
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%

2017	2018	2019	2020	2021	2022	2023
\$ 2,939,312	\$ 2,931,913	\$ 3,071,536	\$ 3,076,962	\$ 3,283,604	\$ 3,680,324	\$ 4,026,286
7,529,054	7,899,680	8,236,772	8,620,742	8,988,508	9,557,329	10,256,157
-	-	-	-	-	-	-
(283,623)	(730,857)	(481,136)	(819,411)	2,000,685	3,339,754	2,296,736
-	-	325,920	-	-	-	(998,575)
(4,382,052)	(4,998,533)	(5,354,650)	(5,580,079)	(5,486,381)	(6,601,964)	(6,192,798)
5,802,691	5,102,203	5,798,442	5,298,214	8,786,416	9,975,443	9,387,806
<u>112,262,916</u>	<u>118,065,607</u>	<u>123,167,810</u>	<u>128,966,252</u>	<u>134,264,466</u>	<u>143,050,882</u>	<u>153,026,325</u>
<u>\$ 118,065,607</u>	<u>\$ 123,167,810</u>	<u>\$ 128,966,252</u>	<u>\$ 134,264,466</u>	<u>\$ 143,050,882</u>	<u>\$ 153,026,325</u>	<u>\$ 162,414,131</u>
\$ 3,141,962	\$ 3,169,004	\$ 3,584,207	\$ 3,353,325	\$ 3,566,932	\$ 3,968,567	\$ 4,320,011
1,172,915	1,168,758	1,220,247	1,232,193	1,313,441	1,462,104	1,581,594
12,274,019	(3,016,539)	14,992,491	8,450,415	15,478,225	(9,746,240)	14,190,108
(4,382,052)	(4,998,533)	(5,354,650)	(5,580,079)	(5,486,381)	(6,601,964)	(6,192,798)
(63,602)	(58,291)	(84,691)	(54,670)	(71,601)	(84,331)	(90,274)
(3,222)	(3,044)	(2,547)	(2,133)	490	100,632	(631)
<u>12,140,020</u>	<u>(3,738,645)</u>	<u>14,355,057</u>	<u>7,399,051</u>	<u>14,801,106</u>	<u>(10,901,232)</u>	<u>13,808,010</u>
<u>88,548,906</u>	<u>100,688,924</u>	<u>96,950,279</u>	<u>111,305,337</u>	<u>118,704,389</u>	<u>133,505,495</u>	<u>122,604,263</u>
<u>\$ 100,688,926</u>	<u>\$ 96,950,279</u>	<u>\$ 111,305,336</u>	<u>\$ 118,704,388</u>	<u>\$ 133,505,495</u>	<u>\$ 122,604,263</u>	<u>\$ 136,412,273</u>
<u>\$ 17,376,681</u>	<u>\$ 26,217,531</u>	<u>\$ 17,660,916</u>	<u>\$ 15,560,078</u>	<u>\$ 9,545,387</u>	<u>\$ 30,422,062</u>	<u>\$ 26,001,858</u>
85.28%	78.71%	86.31%	88.41%	93.33%	80.12%	83.99%
\$ 16,748,218	\$ 16,696,543	\$ 17,432,098	\$ 17,602,756	\$ 18,763,449	\$ 20,887,195	\$ 22,594,199
103.75%	157.02%	101.31%	88.40%	50.87%	145.65%	115.08%

CITY OF HALTOM CITY, TEXAS

CONTRIBUTIONS - TMRS PENSION PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Fiscal Year Ended September 30,	2015	2016	2017
Actuarial determined contribution	\$ 3,112,202	\$ 3,164,882	\$ 3,094,631
Contributions in relation to the actuarially determined contribution	<u>3,112,202</u>	<u>3,164,882</u>	<u>3,094,631</u>
Contribution deficiency (excess)	-	-	-
Covered payroll	15,955,040	16,754,656	16,562,414
Contributions as a percentage of covered payroll	19.51%	18.89%	18.68%

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	22 years
Asset Valuation Method	10 Year fair market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experiences-based table of rates that are specific to the city's plan of benefits. Last uploaded for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information

There were no benefit changes during the year.

2018	2019	2020	2021	2022	2023	2024
\$ 3,135,576	\$ 3,250,765	\$ 3,379,471	\$ 3,427,688	\$ 3,982,891	\$ 4,264,204	\$ 5,018,842
<u>3,135,576</u>	<u>3,550,765</u>	<u>3,379,471</u>	<u>3,427,688</u>	<u>3,982,891</u>	<u>4,264,204</u>	<u>5,018,842</u>
-	(300,000)	-	-	-	-	-
16,593,082	17,232,434	17,756,830	18,036,553	20,925,925	22,174,747	24,268,557
18.90%	18.86%	19.03%	19.00%	19.03%	19.23%	20.68%

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, 2024

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

Notes to Schedule:

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

2020	2021	2022	2023
\$ 40,486	\$ 56,290	\$ 62,662	\$ 29,370
28,238	24,051	23,762	36,279
(37,701)	(6,657)	2,118	(18,142)
153,378	37,790	(437,038)	43,724
(8,801)	(24,391)	(27,151)	(33,891)
175,600	87,083	(375,647)	57,340
<u>1,010,996</u>	<u>1,186,596</u>	<u>1,273,678</u>	<u>898,031</u>
<u>1,186,596</u>	<u>1,273,679</u>	<u>898,031</u>	<u>955,371</u>
\$ 17,602,756	\$ 18,763,449	\$ 20,887,195	\$ 22,594,199
6.74%	6.79%	4.30%	4.23%

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, 2024

Measurement Period Ended December 31,	2017	2018	2019
A. Total OPEB liability			
Service Cost	\$ 193,035	\$ 187,980	\$ 174,629
Interest (on the Total OPEB Liability)	394,886	421,954	351,147
Changes of benefit terms	-	-	-
Difference between expected and actual experience	41,617	(952,921)	(14,085)
Change of assumptions	(20,299)	(240,446)	(163,826)
Benefit payments, including refunds of employee contributions	(290,575)	(180,229)	(192,401)
Net change in total OPEB liability	318,664	(763,662)	155,464
Total OPEB liability - beginning	<u>5,864,465</u>	<u>6,183,129</u>	<u>5,419,467</u>
Total OPEB liability - ending (a)	<u>\$ 6,183,129</u>	<u>\$ 5,419,467</u>	<u>\$ 5,574,931</u>
B. Plan fiduciary net position			
Contributions - employer	\$ 490,575	\$ 380,229	\$ 192,401
Net investment income	265,412	(125,895)	715,285
Benefit payments	(290,575)	(180,229)	(192,401)
Administrative expenses	(6,545)	(7,893)	(16,801)
Other	-	(118,409)	-
Net change in plan fiduciary net position	458,867	(52,197)	698,484
Plan fiduciary net position - beginning	<u>2,142,711</u>	<u>2,601,578</u>	<u>2,549,381</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,601,578</u>	<u>\$ 2,549,381</u>	<u>\$ 3,247,865</u>
C. Net OPEB liability - ending (a) - (b)	<u>\$ 3,581,551</u>	<u>\$ 2,870,086</u>	<u>\$ 2,327,066</u>
D. Plan fiduciary net position as a percentage of total OPEB liability			
	42.08%	47.04%	58.26%
E. Covered-employee payroll	\$ 17,256,507	\$ 17,399,981	\$ 18,191,694
F. Net OPEB liability as a percentage of covered-employee payroll			
	20.75%	16.49%	12.79%
<p>- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.</p> <p>- The City has assets set aside that meet the criteria of GASB Statement No. 75, <i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i>. The balance of these assets as of the plan measurement date were \$4,190,005.</p> <p>- 2024: The demographic assumptions were updated to reflect the 2023 TMRS Experience Study were updated to reflect the plan's anticipated experience</p> <p>- 2023: The health care trend rate was modified.</p> <p>- 2021: Changes of benefit terms reflect an increase in the City's monthly explicit subsidy from \$200 to \$350</p> <p>- 2020: The demographic assumptions were updated to reflect the 2019 TMRS Experience Study.</p> <p>- 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%.</p> <p>- Changes of assumptions reflect the effects of changes in the Single Discount Rate each period.</p>			

2020	2021	2022	2023
\$ 175,940	\$ 207,795	\$ 202,669	\$ 200,200
358,684	497,378	519,906	503,092
1,974,446	-	-	-
(87,791)	(21,464)	(834,320)	(55,800)
-	-	168,086	(54,518)
<u>(289,372)</u>	<u>(317,522)</u>	<u>(351,619)</u>	<u>(275,938)</u>
2,131,907	366,187	(295,278)	317,036
<u>5,574,931</u>	<u>7,706,838</u>	<u>8,073,025</u>	<u>7,777,747</u>
<u>\$ 7,706,838</u>	<u>\$ 8,073,025</u>	<u>\$ 7,777,747</u>	<u>\$ 8,094,783</u>
\$ 289,372	\$ 517,522	\$ 351,619	\$ 275,938
433,137	431,441	(652,680)	579,247
(289,372)	(317,522)	(351,619)	(275,938)
(10,209)	(13,489)	(13,010)	(12,297)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
422,928	617,952	(665,690)	566,950
<u>3,247,865</u>	<u>3,670,793</u>	<u>4,288,745</u>	<u>3,623,055</u>
<u>\$ 3,670,793</u>	<u>\$ 4,288,745</u>	<u>\$ 3,623,055</u>	<u>\$ 4,190,005</u>
<u>\$ 4,036,045</u>	<u>\$ 3,784,280</u>	<u>\$ 4,154,692</u>	<u>\$ 3,904,778</u>
47.63%	53.12%	46.58%	51.76%
\$ 18,368,973	\$ 18,889,300	\$ 19,746,720	\$ 21,589,947
21.97%	20.03%	21.04%	18.09%

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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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Property taxes	\$ 7,081,428	\$ 7,081,428	\$ 7,842,662	\$ 761,234
Penalty and interest	70,000	70,000	69,701	(299)
Interest	<u>213,588</u>	<u>213,588</u>	<u>469,417</u>	<u>255,829</u>
Total revenues	<u>7,365,016</u>	<u>7,365,016</u>	<u>8,381,780</u>	<u>1,016,764</u>
EXPENDITURES:				
Principal retirement	4,685,000	4,685,000	4,685,000	-
Interest and other	2,786,984	2,786,984	2,776,606	10,378
Bond issuance costs	<u>17,000</u>	<u>17,000</u>	<u>3,700</u>	<u>13,300</u>
Total expenditures	<u>7,488,984</u>	<u>7,488,984</u>	<u>7,465,306</u>	<u>23,678</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(123,968)	(123,968)	916,474	1,040,442
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,911,016)	(1,922,459)	(11,443)
Total other financing sources	<u>-</u>	<u>(1,911,016)</u>	<u>(1,922,459)</u>	<u>(11,443)</u>
Net change in fund balance	(123,968)	(2,034,984)	(1,005,985)	1,028,999
Fund balance - beginning of year	<u>3,918,582</u>	<u>3,918,582</u>	<u>3,918,582</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,794,614</u>	<u>\$ 1,883,598</u>	<u>\$ 2,912,597</u>	<u>\$ 1,028,999</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 3,500,000	\$ 3,500,000	\$ 3,932,587	\$ 432,587
Intergovernmental	-	-	30,496	30,496
Interest	<u>118,486</u>	<u>118,486</u>	<u>875,865</u>	<u>757,379</u>
Total revenues	<u>3,618,486</u>	<u>3,618,486</u>	<u>4,838,948</u>	<u>1,220,462</u>
EXPENDITURES:				
Streets	5,320,000	5,320,000	1,021,509	4,298,491
Capital outlay	<u>480,000</u>	<u>480,000</u>	<u>301,335</u>	<u>178,665</u>
Total expenditures	<u>5,800,000</u>	<u>5,800,000</u>	<u>1,322,844</u>	<u>4,477,156</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,181,514)</u>	<u>(2,181,514)</u>	<u>3,516,104</u>	<u>5,697,618</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(900,000)	(900,000)	(900,000)	-
Total other financing sources	<u>(900,000)</u>	<u>(900,000)</u>	<u>(900,000)</u>	<u>-</u>
Net change in fund balance	(3,081,514)	(3,081,514)	2,616,104	5,697,618
Fund balance - beginning of year	<u>18,047,430</u>	<u>18,047,430</u>	<u>18,047,430</u>	<u>-</u>
Fund balance - end of year	<u>\$ 14,965,916</u>	<u>\$ 14,965,916</u>	<u>\$ 20,663,534</u>	<u>\$ 5,697,618</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental Interest	\$ -	\$ -	\$ 374,942	\$ 374,942
	<u>338,349</u>	<u>338,349</u>	<u>974,890</u>	<u>636,541</u>
Total revenues	<u>338,349</u>	<u>338,349</u>	<u>1,349,832</u>	<u>1,011,483</u>
EXPENDITURES:				
Capital outlay	32,102,128	32,380,296	28,688,130	3,692,166
Debt service:				
Principal	-	-	64,087	(64,087)
Interest and other	<u>-</u>	<u>-</u>	<u>4,237</u>	<u>(4,237)</u>
Total expenditures	<u>32,102,128</u>	<u>32,380,296</u>	<u>28,756,454</u>	<u>3,623,842</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(31,763,779)</u>	<u>(32,041,947)</u>	<u>(27,406,622)</u>	<u>4,635,325</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,617,340	1,617,340
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,617,340</u>	<u>1,617,340</u>
Net change in fund balance	(31,763,779)	(32,041,947)	(25,789,282)	6,252,665
Fund balance - beginning of year	<u>43,626,623</u>	<u>43,626,623</u>	<u>43,626,623</u>	<u>-</u>
Fund balance - end of year	<u>\$ 11,862,844</u>	<u>\$ 11,584,676</u>	<u>\$ 17,837,341</u>	<u>\$ 6,252,665</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 Fund - To account for Tax Incremental District revenues and expenditures.

CAPITAL PROJECT FUNDS

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

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

CITY OF HALTOM CITY, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Special Revenue Funds		
	Police Forfeiture	Police Donations	Red Light Camera
ASSETS			
Cash and investments	\$ 130,614	\$ 67,072	\$ 26,485
Intergovernmental receivables	-	-	-
Accrued interest	113	97	154
Other receivables	-	663	-
Total assets	<u>\$ 130,727</u>	<u>\$ 67,832</u>	<u>\$ 26,639</u>
LIABILITIES			
Accounts payable	-	-	-
Accrued liabilities	68,113	-	-
Due to other funds	-	-	-
Total liabilities	<u>68,113</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - grants	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted:			
Public safety	62,614	-	26,639
Purpose of grantors, donators and trustees	-	67,832	-
Promotion of tourism and business	-	-	-
Purchase of capital assets	-	-	-
Committed for purchase of capital assets	-	-	-
Unassigned	-	-	-
Total fund balances	<u>62,614</u>	<u>67,832</u>	<u>26,639</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 130,727</u>	<u>\$ 67,832</u>	<u>\$ 26,639</u>

Special Revenue Funds

Police CART	Park Donation	Park Dedication	Library Donation	Hotel/Motel Tax	Grants Fund	Fire Department Donations
\$ 9,344	\$ 59,830	\$ 269,030	\$ 189,267	\$ 383,901	\$ 150,521 28,258	\$ 6,306
-	-	-	-	-	295	-
12	99	226	376	487		18
500	436	-	739	-	-	467
\$ 9,856	\$ 60,365	\$ 269,256	\$ 190,382	\$ 384,388	\$ 179,074	\$ 6,791
<hr/>						
-	2,165	989	5,384	4,508	151	-
-	-	-	-	-	2,513	-
-	-	-	-	-	-	-
-	2,165	989	5,384	4,508	2,664	-
<hr/>						
-	-	-	-	-	4,776	-
-	-	-	-	-	4,776	-
<hr/>						
9,856	58,200	268,267	184,998	-	171,634	6,791
-	-	-	-	379,880	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,856	58,200	268,267	184,998	379,880	171,634	6,791
<hr/>						
\$ 9,856	\$ 60,365	\$ 269,256	\$ 190,382	\$ 384,388	\$ 179,074	\$ 6,791

CITY OF HALTOM CITY, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Special Revenue Funds		
	Court Technology	Court Security	Juvenile Case
ASSETS			
Cash and investments	\$ -	\$ 147,406	\$ 17,727
Intergovernmental receivables	- -	- -	- -
Accrued interest	- -	208	60
Other receivables	- -	- -	- -
Total assets	<u>\$ -</u>	<u>\$ 147,614</u>	<u>\$ 17,787</u>
LIABILITIES			
Accounts payable	- -	- -	- -
Accrued liabilities	- -	- -	- -
Due to other funds	1,528	- -	- -
Total liabilities	<u>1,528</u>	<u>- -</u>	<u>- -</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - grants	- -	- -	- -
Total deferred inflows of resources	<u>- -</u>	<u>- -</u>	<u>- -</u>
FUND BALANCES			
Restricted:			
Public safety	- -	147,614	17,787
Purpose of grantors, donators and trustees	- -	- -	- -
Promotion of tourism and business	- -	- -	- -
Purchase of capital assets	- -	- -	- -
Committed for purchase of capital assets	- -	- -	- -
Unassigned	(1,528)	- -	- -
Total fund balances	<u>(1,528)</u>	<u>147,614</u>	<u>17,787</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 147,614</u>	<u>\$ 17,787</u>

Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
Animal Shelter	Safe Pathways Shelter	TIF Fund	Street Assessments	Capital Replacement		
\$ 51,423	\$ 96,544	\$ 624,283	\$ 26,892	\$ 1,716,958	\$ 3,973,603	
-	-	43,369	-	-	71,627	
72	138	633	41	2,604	5,633	
<u>1,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,632</u>	<u>29,158</u>	
<u>\$ 53,216</u>	<u>\$ 96,682</u>	<u>\$ 668,285</u>	<u>\$ 26,933</u>	<u>\$ 1,744,194</u>	<u>\$ 4,080,021</u>	
-	-	-	-	73,268	86,465	
-	-	-	-	-	70,626	
-	-	-	-	-	1,528	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,268</u>	<u>158,619</u>	
-	-	-	-	-	4,776	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,776</u>	
53,216	-	-	-	-	254,654	
-	-	-	-	-	820,794	
-	-	-	-	-	379,880	
-	96,682	668,285	-	-	764,967	
-	-	-	26,933	1,670,926	1,697,859	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,528)</u>	
<u>53,216</u>	<u>96,682</u>	<u>668,285</u>	<u>26,933</u>	<u>1,670,926</u>	<u>3,916,626</u>	
<u>\$ 53,216</u>	<u>\$ 96,682</u>	<u>\$ 668,285</u>	<u>\$ 26,933</u>	<u>\$ 1,744,194</u>	<u>\$ 4,080,021</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, 2024

	Special Revenue Funds		
	Police Forfeiture	Police Donations	Red Light Camera
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	- -	- -	- -
Fines and fees	- -	- -	- -
Charges for services	5,378 -	- -	- -
Donations	- 6,822	6,822 -	- -
Interest and investment gains (losses)	6,259 3,345	3,345 2,774	2,774 -
Total revenues	<u>11,637</u>	<u>10,167</u>	<u>2,774</u>
EXPENDITURES			
General government	- -	- -	- -
Public safety			
Police	15,042	2,908	11,713
Fire	- -	- -	- -
Municipal court	- -	- -	- -
Library	- -	- -	- -
Animal control	- -	- -	- -
Parks & recreation	- -	- -	- -
Debt Service:			
Principal	- -	- -	- -
Interest	- -	- -	- -
Capital outlay	- -	- 59,242	59,242 -
Total expenditures	<u>15,042</u>	<u>2,908</u>	<u>70,955</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,405)</u>	<u>7,259</u>	<u>(68,181)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	- -	- -	- -
Transfers out	- -	- -	- -
Issuance of leases	- -	- -	- -
Total other financing sources (uses)	<u>- -</u>	<u>- -</u>	<u>- -</u>
NET CHANGE IN FUND BALANCES	<u>(3,405)</u>	<u>7,259</u>	<u>(68,181)</u>
FUND BALANCES, BEGINNING	<u>66,019</u>	<u>60,573</u>	<u>94,820</u>
FUND BALANCES, ENDING	<u>\$ 62,614</u>	<u>\$ 67,832</u>	<u>\$ 26,639</u>

Special Revenue Funds

Police CART	Park Donation	Park Dedication	Library Donation	Hotel/Motel Tax	Grants Fund	Fire Department Donations
\$ -	\$ -	\$ -	\$ -	\$ 124,918	\$ -	\$ -
-	-	-	-	-	32,882	-
-	-	-	-	-	-	-
-	21,801	-	14,388	-	-	-
2,500	2,417	151,500	22,490	-	-	2,742
405	3,254	13,243	11,455	17,491	12,490	351
<u>2,905</u>	<u>27,472</u>	<u>164,743</u>	<u>48,333</u>	<u>142,409</u>	<u>45,372</u>	<u>3,093</u>
-	-	-	-	57,543	-	-
-	-	-	-	-	77,284	-
-	-	-	-	-	11,887	7,652
-	-	-	-	-	-	-
-	-	-	91,525	-	6,092	-
-	-	-	-	-	-	-
-	31,062	35,869	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>31,062</u>	<u>35,869</u>	<u>91,525</u>	<u>57,543</u>	<u>95,263</u>	<u>7,652</u>
<u>2,905</u>	<u>(3,590)</u>	<u>128,874</u>	<u>(43,192)</u>	<u>84,866</u>	<u>(49,891)</u>	<u>(4,559)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,905	(3,590)	128,874	(43,192)	84,866	(49,891)	(4,559)
<u>6,951</u>	<u>61,790</u>	<u>139,393</u>	<u>228,190</u>	<u>295,014</u>	<u>221,525</u>	<u>11,350</u>
<u>\$ 9,856</u>	<u>\$ 58,200</u>	<u>\$ 268,267</u>	<u>\$ 184,998</u>	<u>\$ 379,880</u>	<u>\$ 171,634</u>	<u>\$ 6,791</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, 2024

	Special Revenue Funds		
	Court Technology	Court Security	Juvenile Case
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	- -	- -	- -
Fines and fees	22,526	26,980	- -
Charges for services	- -	- -	3,526
Donations	- -	- -	- -
Interest and investment gains (losses)	51	7,148	1,458
Total revenues	<u>22,577</u>	<u>34,128</u>	<u>4,984</u>
EXPENDITURES			
General government	- -	- -	- -
Public safety			
Police	- -	- -	- -
Fire	- -	- -	- -
Municipal court	39,245	- -	- -
Library	- -	- -	- -
Animal Control	- -	- -	- -
Parks & recreation	- -	- -	- -
Debt Service:			
Principal	- -	- -	- -
Interest	- -	- -	- -
Capital outlay	- -	- -	- -
Total expenditures	<u>39,245</u>	<u>- -</u>	<u>- -</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>(16,668)</u>	<u>34,128</u>	<u>4,984</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	26,004	- -	- -
Transfers out	- -	(15,000)	(24,000)
Issuance of leases	- -	- -	- -
Total other financing sources (uses)	<u>26,004</u>	<u>(15,000)</u>	<u>(24,000)</u>
NET CHANGE IN FUND BALANCES	<u>9,336</u>	<u>19,128</u>	<u>(19,016)</u>
FUND BALANCES, BEGINNING	<u>(10,864)</u>	<u>128,486</u>	<u>36,803</u>
FUND BALANCES, ENDING	<u>\$ (1,528)</u>	<u>\$ 147,614</u>	<u>\$ 17,787</u>

Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
Animal Shelter	Safe Pathways Shelter	TIF Fund	Street Assessments	Capital Replacement		
\$ -	\$ -	\$ 815,518	\$ -	\$ -	\$ 940,436	
-	-	-	-	-	-	32,882
-	-	-	-	-	-	49,506
-	6,299	-	-	-	-	51,392
6,142	-	-	-	-	-	194,613
2,509	4,809	33,234	1,374	83,313		204,963
<u>8,651</u>	<u>11,108</u>	<u>848,752</u>	<u>1,374</u>	<u>83,313</u>		<u>1,473,792</u>
-	-	484,707	-	-	-	542,250
-	-	-	-	-	-	106,947
-	-	-	-	-	-	19,539
-	-	-	-	-	-	39,245
-	-	-	-	-	-	97,617
1,476	-	-	-	-	-	1,476
-	-	-	-	-	-	66,931
-	-	-	-	655,179	655,179	
-	-	-	-	48,218	48,218	
-	-	-	-	1,882,545	1,941,787	
<u>1,476</u>	<u>-</u>	<u>484,707</u>	<u>-</u>	<u>2,585,942</u>	<u>3,519,189</u>	
<u>7,175</u>	<u>11,108</u>	<u>364,045</u>	<u>1,374</u>	<u>(2,502,629)</u>	<u>(2,045,397)</u>	
-	-	-	-	849,996	876,000	
-	-	-	-	-	(39,000)	
-	-	-	-	1,714,807	1,714,807	
-	-	-	-	2,564,803	2,551,807	
7,175	11,108	364,045	1,374	62,174	506,410	
<u>46,041</u>	<u>85,574</u>	<u>304,240</u>	<u>25,559</u>	<u>1,608,752</u>	<u>3,410,216</u>	
<u>\$ 53,216</u>	<u>\$ 96,682</u>	<u>\$ 668,285</u>	<u>\$ 26,933</u>	<u>\$ 1,670,926</u>	<u>\$ 3,916,626</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 342	\$ 342	\$ 6,259	\$ 5,917
Charges for services	<u>16,000</u>	<u>16,000</u>	<u>5,378</u>	<u>(10,622)</u>
Total revenue	<u>16,342</u>	<u>16,342</u>	<u>11,637</u>	<u>(4,705)</u>
EXPENDITURES:				
Police	<u>16,000</u>	<u>16,000</u>	<u>15,042</u>	<u>958</u>
Total expenditures	<u>16,000</u>	<u>16,000</u>	<u>15,042</u>	<u>958</u>
Net change in fund balance	342	342	(3,405)	(3,747)
Fund balance - beginning of year	<u>66,019</u>	<u>66,019</u>	<u>66,019</u>	<u>-</u>
Fund balance - end of year	<u>\$ 66,361</u>	<u>\$ 66,361</u>	<u>\$ 62,614</u>	<u>\$ (3,747)</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Donations	\$ 5,000	\$ 5,000	\$ 6,822	\$ 1,822
Interest	600	600	3,345	2,745
Miscellaneous	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Total revenues	<u>15,600</u>	<u>15,600</u>	<u>10,167</u>	<u>(5,433)</u>
EXPENDITURES:				
Police	10,000	14,000	2,908	11,092
Total expenditures	<u>10,000</u>	<u>14,000</u>	<u>2,908</u>	<u>11,092</u>
Net change in fund balance	5,600	1,600	7,259	5,659
Fund balance - beginning of year	<u>60,573</u>	<u>60,573</u>	<u>60,573</u>	<u>-</u>
Fund balance - end of year	<u>\$ 66,173</u>	<u>\$ 62,173</u>	<u>\$ 67,832</u>	<u>\$ 5,659</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ -	\$ -	\$ 2,774	\$ 2,774
Total revenues	<u>-</u>	<u>-</u>	<u>2,774</u>	<u>2,774</u>
EXPENDITURES:				
Police	19,000	19,000	11,713	7,287
Capital outlay	60,830	60,830	59,242	1,588
Total expenditures	<u>79,830</u>	<u>79,830</u>	<u>70,955</u>	<u>8,875</u>
Net change in fund balance	(79,830)	(79,830)	(68,181)	11,649
Fund balance - beginning of year	<u>94,820</u>	<u>94,820</u>	<u>94,820</u>	<u>-</u>
Fund balance - end of year	<u>\$ 14,990</u>	<u>\$ 14,990</u>	<u>\$ 26,639</u>	<u>\$ 11,649</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Donations	\$ -	\$ -	\$ 2,500	\$ 2,500
Interest	<u>100</u>	<u>100</u>	<u>405</u>	<u>305</u>
Total revenues	<u>100</u>	<u>100</u>	<u>2,905</u>	<u>2,805</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	(900)	(900)	2,905	3,805
Fund balance - beginning of year	<u>6,361</u>	<u>6,951</u>	<u>6,951</u>	<u>-</u>
Fund balance - end of year	<u>\$ 5,461</u>	<u>\$ 6,051</u>	<u>\$ 9,856</u>	<u>\$ 3,805</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Donations	\$ 4,000	\$ 4,000	\$ 2,417	\$ (1,583)
Charges for services	28,000	28,000	21,801	(6,199)
Interest	300	300	3,254	2,954
Total revenues	<u>32,300</u>	<u>32,300</u>	<u>27,472</u>	<u>(4,828)</u>
EXPENDITURES:				
Parks and recreation	34,500	34,500	31,062	3,438
Total expenditures	<u>34,500</u>	<u>34,500</u>	<u>31,062</u>	<u>3,438</u>
Net change in fund balance	(2,200)	(2,200)	(3,590)	(1,390)
Fund balance - beginning of year	<u>61,790</u>	<u>61,790</u>	<u>61,790</u>	<u>-</u>
Fund balance - end of year	<u>\$ 59,590</u>	<u>\$ 59,590</u>	<u>\$ 58,200</u>	<u>\$ (1,390)</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Donations	\$ -	\$ -	151,500	\$ 151,500
Interest	<u>1,600</u>	<u>1,600</u>	13,243	<u>11,643</u>
Total revenues	<u>1,600</u>	<u>1,600</u>	164,743	<u>163,143</u>
EXPENDITURES:				
Parks and recreation	105,000	105,000	35,869	69,131
Total expenditures	<u>105,000</u>	<u>105,000</u>	35,869	<u>69,131</u>
Net change in fund balance	(103,400)	(103,400)	128,874	232,274
Fund balance - beginning of year	<u>139,393</u>	<u>139,393</u>	139,393	-
Fund balance - end of year	<u>\$ 35,993</u>	<u>\$ 35,993</u>	<u>\$ 268,267</u>	<u>\$ 232,274</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	\$ 15,000	\$ 15,000	\$ 14,388	\$ (612)
Donations	12,500	12,500	22,490	9,990
Interest	1,376	1,376	11,455	10,079
Total revenues	<u>28,876</u>	<u>28,876</u>	<u>48,333</u>	<u>19,457</u>
EXPENDITURES:				
Library	50,000	124,200	91,525	(41,525)
Total expenditures	<u>50,000</u>	<u>124,200</u>	<u>91,525</u>	<u>(41,525)</u>
Net change in fund balance	(21,124)	(95,324)	(43,192)	52,132
Fund balance - beginning of year	<u>228,190</u>	<u>228,190</u>	<u>228,190</u>	<u>-</u>
Fund balance - end of year	<u>\$ 207,066</u>	<u>\$ 132,866</u>	<u>\$ 184,998</u>	<u>\$ (22,068)</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 60,000	\$ 60,000	\$ 124,918	\$ 64,918
Interest	1,788	1,788	17,491	15,703
Total revenues	<u>61,788</u>	<u>61,788</u>	<u>142,409</u>	<u>80,621</u>
EXPENDITURES:				
General Government	20,700	50,000	57,543	(36,843)
Total expenditures	<u>20,700</u>	<u>50,000</u>	<u>57,543</u>	<u>(36,843)</u>
Net change in fund balance	41,088	11,788	84,866	43,778
Fund balance - beginning of year	<u>295,014</u>	<u>295,014</u>	<u>295,014</u>	<u>-</u>
Fund balance - end of year	<u>\$ 336,102</u>	<u>\$ 306,802</u>	<u>\$ 379,880</u>	<u>\$ 43,778</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 196,000	\$ 196,000	\$ 32,882	\$ (163,118)
Interest	1,500	1,500	12,490	10,990
Total revenues	<u>197,500</u>	<u>197,500</u>	<u>45,372</u>	<u>(152,128)</u>
EXPENDITURES:				
Police	13,000	13,000	77,284	(64,284)
Fire	180,000	206,201	11,887	168,113
Library	4,500	4,500	6,092	(1,592)
Total expenditures	<u>197,500</u>	<u>219,201</u>	<u>95,263</u>	<u>103,829</u>
Net change in fund balance	-	(21,701)	(49,891)	(28,190)
Fund balance - beginning of year	<u>221,525</u>	<u>221,525</u>	<u>221,525</u>	<u>-</u>
Fund balance - end of year	<u>\$ 221,525</u>	<u>\$ 199,824</u>	<u>\$ 171,634</u>	<u>\$ (28,190)</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Donations	\$ 6,000	\$ 6,000	\$ 2,742	\$ (3,258)
Interest	29	29	351	322
Total revenues	<u>6,029</u>	<u>6,029</u>	<u>3,093</u>	<u>(2,936)</u>
EXPENDITURES:				
Fire	8,198	8,198	7,652	546
Total expenditures	<u>8,198</u>	<u>8,198</u>	<u>7,652</u>	<u>546</u>
Net change in fund balance	(2,169)	(2,169)	(4,559)	(2,390)
Fund balance - beginning of year	<u>11,350</u>	<u>11,350</u>	<u>11,350</u>	<u>-</u>
Fund balance - end of year	<u>\$ 9,181</u>	<u>\$ 9,181</u>	<u>\$ 6,791</u>	<u>\$ (2,390)</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and fees	\$ 24,000	\$ 24,000	\$ 22,526	\$ (1,474)
Interest	500	500	51	(449)
Total revenues	<u>24,500</u>	<u>24,500</u>	<u>22,577</u>	<u>(1,923)</u>
EXPENDITURES:				
Municipal court	40,500	40,500	39,245	1,255
Total expenditures	<u>40,500</u>	<u>40,500</u>	<u>39,245</u>	<u>1,255</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(16,000)</u>	<u>(16,000)</u>	<u>(16,668)</u>	<u>(668)</u>
OTHER FINANCING SOURCES (USES):				
Transfer in	26,000	26,000	26,004	4
Total other financing sources	<u>26,000</u>	<u>26,000</u>	<u>26,004</u>	<u>4</u>
Net change in fund balance	10,000	10,000	9,336	(664)
Fund balance - beginning of year	<u>(10,864)</u>	<u>(10,864)</u>	<u>(10,864)</u>	<u>-</u>
Fund balance - end of year	<u>\$ (864)</u>	<u>\$ (864)</u>	<u>\$ (1,528)</u>	<u>\$ (664)</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and fees	\$ 28,000	\$ 28,000	\$ 26,980	\$ (1,020)
Interest	852	852	7,148	6,296
Total revenues	<u>28,852</u>	<u>28,852</u>	<u>34,128</u>	<u>5,276</u>
EXPENDITURES:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>28,852</u>	<u>28,852</u>	<u>34,128</u>	<u>5,276</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(15,000)	(15,000)	(15,000)	-
Total other financing sources (uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net change in fund balance	13,852	13,852	19,128	5,276
Fund balance - beginning of year	<u>128,486</u>	<u>128,486</u>	<u>128,486</u>	<u>-</u>
Fund balance - end of year	<u>\$ 142,338</u>	<u>\$ 142,338</u>	<u>\$ 147,614</u>	<u>\$ 5,276</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	\$ 20,000	\$ 20,000	\$ 3,526	\$ (16,474)
Interest	22	22	1,458	1,436
Total revenues	<u>20,022</u>	<u>20,022</u>	<u>4,984</u>	<u>(15,038)</u>
EXPENDITURES:				
Municipal court	2,600	2,600	-	2,600
Total expenditures	<u>2,600</u>	<u>2,600</u>	<u>-</u>	<u>2,600</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>17,422</u>	<u>17,422</u>	<u>4,984</u>	<u>(12,438)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(24,000)	(24,000)	(24,000)	-
Total other financing sources (uses)	<u>(24,000)</u>	<u>(24,000)</u>	<u>(24,000)</u>	<u>-</u>
Net change in fund balance	(6,578)	(6,578)	(19,016)	(12,438)
Fund balance - beginning of year	<u>36,803</u>	<u>36,803</u>	<u>36,803</u>	<u>-</u>
Fund balance - end of year	<u>\$ 30,225</u>	<u>\$ 30,225</u>	<u>\$ 17,787</u>	<u>\$ (12,438)</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 1,200	\$ 1,200	\$ 2,509	\$ 1,309
Donations	<u>6,000</u>	<u>6,000</u>	<u>6,142</u>	<u>142</u>
Total revenues	<u>7,200</u>	<u>7,200</u>	<u>8,651</u>	<u>1,451</u>
EXPENDITURES:				
Animal Control	5,000	5,000	1,476	3,524
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>1,476</u>	<u>3,524</u>
Net change in fund balance	2,200	2,200	7,175	4,975
Fund balance - beginning of year	<u>46,041</u>	<u>46,041</u>	<u>46,041</u>	<u>-</u>
Fund balance - end of year	<u>\$ 48,241</u>	<u>\$ 48,241</u>	<u>\$ 53,216</u>	<u>\$ 4,975</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	\$ -	\$ -	\$ 6,299	\$ 6,299
Interest	<u>2,000</u>	<u>2,000</u>	<u>4,809</u>	<u>2,809</u>
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>11,108</u>	<u>9,108</u>
EXPENDITURES:				
Net change in fund balance	2,000	2,000	11,108	9,108
Fund balance - beginning of year	<u>85,574</u>	<u>85,574</u>	<u>85,574</u>	<u>-</u>
Fund balance - end of year	<u>\$ 87,574</u>	<u>\$ 87,574</u>	<u>\$ 96,682</u>	<u>\$ 9,108</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 100	\$ 100	\$ 1,374	\$ 1,274
Total revenues	<u>100</u>	<u>100</u>	<u>1,374</u>	<u>1,274</u>
EXPENDITURES:	-	-	-	-
Net change in fund balance	100	100	1,374	1,274
Fund balance - beginning year	<u>25,559</u>	<u>25,559</u>	<u>25,559</u>	<u>-</u>
Fund balance - end of year	<u>\$ 25,659</u>	<u>\$ 25,659</u>	<u>\$ 26,933</u>	<u>\$ 1,274</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 9,054	\$ 9,054	\$ 83,313	\$ 74,259
Total revenues	<u>9,054</u>	<u>9,054</u>	<u>83,313</u>	<u>74,259</u>
EXPENDITURES:				
Capital Outlay:	850,000	840,601	1,882,545	(1,041,944)
Debt Service:				
Principal	-	-	655,179	(655,179)
Interest	50,000	9,399	48,218	(38,819)
Total expenditures	<u>900,000</u>	<u>850,000</u>	<u>2,585,942</u>	<u>(1,735,942)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(890,946)</u>	<u>(840,946)</u>	<u>(2,502,629)</u>	<u>(1,661,683)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	850,000	850,000	849,996	(4)
Issuance of leases	-	-	1,714,807	1,714,807
Total other financing sources (uses)	<u>850,000</u>	<u>850,000</u>	<u>2,564,803</u>	<u>1,714,803</u>
Net change in fund balance	(40,946)	9,054	62,174	53,120
Fund balance - beginning of year	<u>1,608,752</u>	<u>1,608,752</u>	<u>1,608,752</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,567,806</u>	<u>\$ 1,617,806</u>	<u>\$ 1,670,926</u>	<u>\$ 53,120</u>

STATISTICAL SECTION

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STATISTICAL SECTION

The City of Haltom City, Texas' 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

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

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

CITY OF HALTOM CITY, TEXAS

NET POSITION BY COMPONENT

**LAST TEN FISCAL YEARS
(UNAUDITED)**

	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 44,644,061	\$ 49,669,147	\$ 48,573,824	\$ 51,907,911
Restricted	11,087,769	8,566,493	14,332,634	14,398,393
Unrestricted	(3,213,591)	(6,118,269)	(7,282,612)	(9,177,231)
Total governmental activities net position	<u>52,518,239</u>	<u>52,117,371</u>	<u>55,623,846</u>	<u>57,129,073</u>
Business-type activities				
Net investment in capital assets	40,345,975	40,860,841	41,019,999	42,648,361
Unrestricted	5,383,611	6,487,495	10,344,876	15,850,355
Total business-type activities net position	<u>45,729,586</u>	<u>47,348,336</u>	<u>51,364,875</u>	<u>58,498,716</u>
Primary government				
Net investment in capital assets	84,990,036	90,529,988	89,593,823	94,566,272
Restricted	11,087,769	8,566,493	14,332,634	14,398,393
Unrestricted	2,170,020	369,226	3,062,264	6,673,104
Total primary government net position	<u>\$ 98,247,825</u>	<u>\$ 99,465,707</u>	<u>\$ 106,988,721</u>	<u>\$ 115,637,769</u>

TABLE 1

2019	2020	2021	2022	2023	2024
\$ 53,560,693	\$ 56,184,646	\$ 48,488,519	\$ 44,884,303	\$ 62,241,776	\$ 58,579,976
17,961,901	18,389,983	22,380,151	26,722,373	23,024,062	24,611,843
(9,182,445)	(1,208,395)	7,951,510	16,422,441	20,868,878	32,589,616
<u>62,340,149</u>	<u>73,366,234</u>	<u>78,820,180</u>	<u>88,029,117</u>	<u>106,134,716</u>	<u>115,781,435</u>
43,145,765	43,473,153	43,641,248	45,964,147	44,868,397	48,385,309
<u>19,753,480</u>	<u>26,077,265</u>	<u>32,595,307</u>	<u>40,767,939</u>	<u>56,571,025</u>	<u>68,081,587</u>
<u>62,899,245</u>	<u>69,550,418</u>	<u>76,236,555</u>	<u>86,732,086</u>	<u>101,439,422</u>	<u>116,466,896</u>
96,706,458	99,657,799	92,129,767	90,848,450	107,106,173	106,965,285
17,961,901	18,389,983	22,380,151	26,722,373	23,024,062	24,611,843
10,571,035	24,868,870	40,546,817	57,190,380	77,439,903	100,671,203
<u>\$ 125,239,394</u>	<u>\$ 142,916,652</u>	<u>\$ 155,056,735</u>	<u>\$ 174,761,203</u>	<u>\$ 207,570,138</u>	<u>\$ 232,248,331</u>

CITY OF HALTOM CITY, TEXAS

CHANGES IN NET POSITION

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

	2015	2016	2017	2018
Governmental activities				
General government	\$ 4,992,708	\$ 6,991,532	\$ 6,583,493	\$ 6,320,374
Public safety	15,702,918	18,140,988	18,763,690	18,389,178
Streets	3,180,893	2,661,889	3,062,161	3,801,982
Culture and recreation	2,894,363	3,101,708	3,209,288	3,819,112
Interest on long-term debt	1,297,086	1,228,911	1,250,237	1,049,253
Total governmental activities expenses	<u>28,067,968</u>	<u>32,125,028</u>	<u>32,868,869</u>	<u>33,379,899</u>
Business-type activities:				
Water and sewer services	15,990,278	17,611,699	16,670,152	16,372,945
Drainage services	1,047,947	1,372,063	1,309,625	1,218,164
Total business-type activities expenses	<u>17,038,225</u>	<u>18,983,762</u>	<u>17,979,777</u>	<u>17,591,109</u>
Total primary government expenses	<u>45,106,193</u>	<u>51,108,790</u>	<u>50,848,646</u>	<u>50,971,008</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	2,482,422	2,699,926	2,728,039	2,631,068
Public safety	1,827,337	1,840,804	2,272,328	1,075,387
Streets	1,305	41,140	3,992	43,304
Culture and recreation	251,285	249,830	217,862	231,442
Operating grants and contributions	717,407	272,414	359,563	442,109
Capital grants and contributions	7,025,184	40,443	17,186	459,410
Total governmental activities program revenues	<u>12,304,940</u>	<u>5,144,557</u>	<u>5,598,970</u>	<u>4,882,720</u>
Business-type activities:				
Charges for services:				
Water and sewer services	17,433,066	19,279,830	20,591,084	23,373,412
Drainage services	1,644,089	1,627,657	1,861,389	1,830,479
Capital grants and contributions	1,224,660	305,962	-	-
Total business-type activities program revenues	<u>20,301,815</u>	<u>21,213,449</u>	<u>22,452,473</u>	<u>25,203,891</u>
Total primary Government program revenues	<u>\$ 32,606,755</u>	<u>\$ 26,358,006</u>	<u>\$ 28,051,443</u>	<u>\$ 30,086,611</u>

TABLE 2

2019	2020	2021	2022	2023	2024
\$ 7,170,945	\$ 6,582,331	\$ 9,241,073	\$ 9,354,014	\$ 9,309,793	\$ 14,294,525
17,907,680	17,919,745	21,334,383	20,546,631	25,007,275	23,743,389
3,217,049	1,877,804	2,549,723	2,189,131	2,211,855	2,434,923
3,732,618	3,457,170	3,416,953	3,188,306	3,856,693	3,682,768
1,174,401	1,478,330	1,710,224	2,292,843	2,375,311	2,048,661
<u>33,202,693</u>	<u>31,315,380</u>	<u>38,252,356</u>	<u>37,570,925</u>	<u>42,760,927</u>	<u>46,204,266</u>
18,761,789	18,182,467	17,919,526	16,612,615	17,614,783	20,786,877
1,567,980	1,763,216	1,515,957	1,420,045	1,455,146	1,922,606
20,329,769	19,945,683	19,435,483	18,032,660	19,069,929	22,709,483
53,532,462	51,261,063	57,687,839	55,603,585	61,830,856	68,913,749
2,469,464	3,318,494	3,104,767	3,267,606	2,617,974	4,098,727
1,694,051	860,081	1,151,877	970,643	1,122,025	1,067,745
-	-	2,434,923	2,434,923	15,750	6,299
181,004	89,597	104,922	150,251	175,895	169,991
258,868	1,634,438	1,522,728	4,076,899	10,959,717	437,020
24,356	143,769	240,588	656,164	26,479	446,470
<u>4,627,743</u>	<u>6,046,379</u>	<u>8,559,805</u>	<u>11,556,486</u>	<u>14,917,840</u>	<u>6,226,252</u>
23,080,974	24,932,166	23,927,784	25,460,383	26,679,452	30,641,809
1,708,362	1,815,869	1,820,431	1,861,411	1,950,023	2,050,833
<u>19,069,929</u>	<u>22,709,483</u>	<u>1,027,514</u>	<u>-</u>	<u>-</u>	<u>528,675</u>
<u>43,859,265</u>	<u>49,457,518</u>	<u>26,775,729</u>	<u>27,321,794</u>	<u>28,629,475</u>	<u>33,221,317</u>
<u>\$ 48,487,008</u>	<u>\$ 55,503,897</u>	<u>\$ 35,335,534</u>	<u>\$ 38,878,280</u>	<u>\$ 43,547,315</u>	<u>\$ 39,447,569</u>

CITY OF HALTOM CITY, TEXAS

CHANGES IN NET POSITION

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

	2015	2016	2017	2018
Net (Expense)/Revenue				
Governmental activities	\$ (15,763,028)	\$ (26,980,471)	\$ (27,269,899)	\$ (28,497,179)
Business-type activities	<u>3,263,590</u>	<u>2,229,687</u>	<u>4,472,696</u>	<u>7,612,782</u>
Total primary government net expense	<u>(12,499,438)</u>	<u>(24,750,784)</u>	<u>(22,797,203)</u>	<u>(20,884,397)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	11,950,005	12,035,695	12,706,964	13,688,707
Sales taxes	7,622,096	8,437,024	12,025,312	13,254,357
Franchise taxes	4,055,193	4,044,133	4,078,235	4,034,509
Occupancy taxes	44,681	47,561	44,308	46,865
Interest	86,035	157,851	244,718	239,572
Unrestricted grants and contributions	500,020	989,140	615,685	-
Oil and gas leases	127,709	30,131	57,466	123,212
Mixed beverage taxes	14,554	13,887	11,174	12,959
Miscellaneous	407,255	124,181	384,156	270,597
Gain on sale of capital assets	-	-	18,356	62,913
Transfers	<u>684,658</u>	<u>700,000</u>	<u>580,000</u>	<u>580,000</u>
Total governmental activities	<u>25,492,206</u>	<u>26,579,603</u>	<u>30,766,374</u>	<u>32,313,691</u>
Business-type activities:				
Interest	20,466	89,063	123,843	147,322
Transfers	<u>(684,658)</u>	<u>(700,000)</u>	<u>(580,000)</u>	<u>(580,000)</u>
Total business-type activities	<u>(664,192)</u>	<u>(610,937)</u>	<u>(456,157)</u>	<u>(432,678)</u>
Total primary government	<u>24,828,014</u>	<u>(25,968,666)</u>	<u>30,320,217</u>	<u>31,881,031</u>
Change in Net Position				
Governmental activities	9,729,178	(400,868)	3,506,475	3,816,512
Business-type activities	<u>2,599,398</u>	<u>1,618,750</u>	<u>4,016,539</u>	<u>7,180,104</u>
Total primary government	<u>\$ 12,328,576</u>	<u>\$ 1,217,882</u>	<u>\$ 7,523,014</u>	<u>\$ 10,996,616</u>

TABLE 2

2019	2020	2021	2022	2023	2024
\$ (28,574,950)	\$ (25,269,001)	\$ (32,127,474)	\$ (28,449,362)	\$ (27,843,087)	\$ (39,978,014)
<u>4,459,567</u>	<u>6,802,352</u>	<u>7,340,246</u>	<u>9,329,443</u>	<u>9,559,546</u>	<u>10,511,834</u>
<u>(24,115,383)</u>	<u>(18,466,649)</u>	<u>(24,787,228)</u>	<u>(19,119,919)</u>	<u>(18,283,541)</u>	<u>(29,466,180)</u>
14,458,831	17,273,899	18,206,031	18,098,327	20,703,504	22,136,941
13,527,349	13,387,329	15,280,750	16,678,001	17,964,593	18,351,400
3,934,104	3,896,316	3,480,016	3,507,541	3,775,230	4,439,522
45,781	43,679	46,805	54,469	67,212	124,918
901,211	745,428	(132,667)	(59,349)	5,693,953	4,906,435
-	-	-	-	-	-
122,757	53,276	86,403	329,444	232,446	235,301
27,082	27,750	22,396	38,839	37,157	290,741
80,533	255,396	11,690	128,372	80,310	15,507
108,378	32,017	-	-	284,289	-
<u>580,000</u>	<u>579,996</u>	<u>579,996</u>	<u>(1,117,345)</u>	<u>(2,890,008)</u>	<u>(876,032)</u>
<u>33,786,026</u>	<u>36,295,086</u>	<u>37,581,420</u>	<u>37,658,299</u>	<u>45,948,686</u>	<u>49,624,733</u>
520,982	428,817	(74,113)	48,743	2,253,782	3,643,608
(580,000)	(579,996)	(579,996)	1,117,345	2,890,008	876,032
(59,018)	-	(654,109)	1,166,088	5,143,790	4,519,640
<u>33,727,008</u>	<u>36,295,086</u>	<u>36,927,311</u>	<u>38,824,387</u>	<u>51,092,476</u>	<u>54,144,373</u>
5,211,076	11,026,085	5,453,946	9,208,937	18,105,599	9,646,719
4,400,549	6,651,173	6,686,137	10,495,531	14,703,336	15,031,474
<u>\$ 9,611,625</u>	<u>\$ 17,677,258</u>	<u>\$ 12,140,083</u>	<u>\$ 19,704,468</u>	<u>\$ 32,808,935</u>	<u>\$ 24,678,193</u>

CITY OF HALTOM CITY, TEXAS

FUND BALANCES - GOVERNMENTAL FUNDS

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

	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 180,936	\$ 170,743	\$ 200,738	\$ 201,427
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>11,381,345</u>	<u>9,402,292</u>	<u>10,043,761</u>	<u>13,200,606</u>
Total general fund	<u><u>11,562,281</u></u>	<u><u>9,573,035</u></u>	<u><u>10,244,499</u></u>	<u><u>13,402,033</u></u>
All Other Governmental Funds				
Nonspendable	-	-	15,534	61,500
Restricted	11,055,819	8,486,785	14,254,552	17,872,985
Committed	-	-	-	-
Unassigned	<u>35,828</u>	<u>517,510</u>	<u>(11,520)</u>	<u>(23,103)</u>
Total all other governmental funds	<u><u>\$ 11,091,647</u></u>	<u><u>\$ 9,004,295</u></u>	<u><u>\$ 14,258,566</u></u>	<u><u>\$ 17,911,382</u></u>

TABLE 3

2019	2020	2021	2022	2023	2024
\$ 168,876	\$ 179,195	\$ 186,734	\$ 1,464,419	\$ 1,463,014	\$ 1,479,783
-	-	-	3,679,002	-	-
833,338	-	4,338,894	6,002,133	5,964,351	4,188,475
<u>12,420,435</u>	<u>18,014,660</u>	<u>20,153,093</u>	<u>19,895,000</u>	<u>36,626,042</u>	<u>40,709,641</u>
<u>13,422,649</u>	<u>18,193,855</u>	<u>24,678,721</u>	<u>31,040,554</u>	<u>44,053,407</u>	<u>46,377,899</u>
-	-	-	29,411	-	-
26,266,982	30,308,944	55,940,954	85,935,660	67,379,404	43,633,767
-	-	1,108,092	1,320,968	1,634,311	1,697,859
(34,469)	(33,125)	-	(33,994)	(10,864)	(1,528)
<u>\$ 26,232,513</u>	<u>\$ 30,275,819</u>	<u>\$ 57,049,046</u>	<u>\$ 87,252,045</u>	<u>\$ 69,002,851</u>	<u>\$ 45,330,098</u>

CITY OF HALTOM CITY, TEXAS

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

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

	2015	2016	2017	2018
Revenues				
Taxes [See Table 5]	\$ 23,345,404	\$ 24,497,264	\$ 29,076,841	\$ 31,059,455
Licenses and permits	851,870	814,128	638,032	987,167
Intergovernmental	660,422	205,337	254,000	758,074
Fines and fees	1,776,959	1,371,940	1,551,999	1,313,937
Charges for services	1,782,682	2,054,448	2,121,287	1,759,252
Oil and gas leases	127,709	30,131	67,466	123,212
Interest income	86,098	157,850	244,678	239,539
Contributions	858,043	1,405,165	748,839	144,310
Special assessments	11,592	-	3,183	6,059
Miscellaneous	818,530	465,094	667,635	547,405
Total revenues	<u>30,319,309</u>	<u>31,001,357</u>	<u>35,373,960</u>	<u>36,938,410</u>
Expenditures				
General government	5,132,507	6,181,093	5,804,710	6,274,768
Public safety	15,612,260	16,487,431	16,604,490	17,197,194
Streets	1,076,012	683,434	1,284,857	1,556,644
Culture and recreation	2,414,793	2,429,286	2,447,648	3,046,391
Capital outlay	3,433,813	5,187,830	1,595,455	2,098,253
Debt service:				
Principal	3,545,000	3,545,000	4,105,000	4,218,128
Interest	1,335,855	1,259,241	1,200,021	1,073,999
Bond issuance costs	26,640	4,640	147,289	54,598
Total expenditures	<u>32,576,880</u>	<u>35,777,955</u>	<u>33,189,470</u>	<u>35,519,975</u>
Excess of revenues over (under) expenditures	<u>(2,257,571)</u>	<u>(4,776,598)</u>	<u>2,184,490</u>	<u>1,418,435</u>
Other financing sources (uses)				
Bonds issued	365,000	-	7,115,000	2,860,000
Premium on issuance of debt	-	-	430,923	-
Payment to refunded bond escrow agent	-	-	(4,403,034)	-
Issuance of lease	-	-	-	809,444
Issuance of SBITA	-	-	-	-
Sale of capital assets	27,554	-	18,356	62,913
Transfers in	1,567,949	1,778,250	2,284,913	2,797,863
Transfers out	(883,291)	(1,078,250)	(1,704,913)	(2,217,863)
Total other financing sources (uses)	<u>1,077,212</u>	<u>700,000</u>	<u>3,741,245</u>	<u>4,312,357</u>
Net change in fund balance	<u>(1,180,359)</u>	<u>(4,076,598)</u>	<u>5,925,735</u>	<u>5,730,792</u>
Debt service as a percentage of noncapital expenditures	16.7%	15.7%	16.8%	16.0%

TABLE 4

	2019	2020	2021	2022	2023	2024
\$	32,191,601	\$ 34,410,674	\$ 37,047,887	\$ 38,949,202	\$ 42,601,719	\$ 45,406,785
1,095,526	1,935,600	1,721,763	1,684,308	1,469,963	2,905,962	
215,319	1,688,615	1,548,228	4,513,951	10,753,612	776,872	
1,292,692	764,796	1,107,243	985,407	1,069,819	1,042,191	
1,386,044	1,326,530	1,516,790	1,599,153	1,597,654	1,670,276	
122,757	53,276	86,403	183,444	86,446	34,630	
901,178	745,388	(132,667)	(59,349)	5,693,953	4,906,435	
68,187	72,319	23,679	574,764	43,598	195,362	
2,033	-	-	-	-	-	
<u>350,375</u>	<u>465,519</u>	<u>172,973</u>	<u>45,006</u>	<u>80,310</u>	<u>15,333</u>	
<u>37,625,712</u>	<u>41,462,717</u>	<u>43,092,299</u>	<u>48,475,886</u>	<u>63,397,074</u>	<u>56,953,846</u>	
7,250,795	6,490,804	7,443,056	7,598,229	8,684,707	11,318,516	
17,900,823	17,293,723	17,648,916	19,437,964	20,538,829	22,669,944	
2,099,806	2,824,221	2,958,596	1,933,792	1,892,798	2,262,671	
3,126,754	2,824,579	2,812,340	2,950,934	3,217,815	3,667,724	
1,903,015	4,255,104	4,147,546	8,458,571	24,303,389	32,596,156	
5,055,743	5,144,934	6,073,871	6,042,154	5,357,974	5,785,142	
1,054,336	1,422,774	1,067,252	1,612,731	2,964,569	2,831,037	
<u>168,065</u>	<u>165,522</u>	<u>652,873</u>	<u>617,388</u>	<u>3,100</u>	<u>3,700</u>	
<u>38,559,337</u>	<u>40,421,661</u>	<u>42,804,450</u>	<u>48,651,763</u>	<u>66,963,181</u>	<u>81,134,890</u>	
(933,625)	1,041,056	296,849	(175,877)	(3,566,107)	(24,181,044)	
7,460,000	5,730,000	34,160,000	38,995,000	-	-	
526,665	429,778	2,265,050	2,671,220	-	-	
-	-	(6,939,428)	(4,397,197)	-	-	
600,329	956,294	30,903	581,404	836,251	1,714,807	
-	-	-	-	1,629,234	548,834	
108,378	77,388	2,864,723	286	284,289	174	
2,898,688	2,356,440	3,151,018	3,294,900	2,977,488	4,306,427	
<u>(2,318,688)</u>	<u>(1,776,444)</u>	<u>(2,571,022)</u>	<u>(4,404,904)</u>	<u>(7,397,496)</u>	<u>(3,737,459)</u>	
<u>9,275,372</u>	<u>7,773,456</u>	<u>32,961,244</u>	<u>36,740,709</u>	<u>(1,670,234)</u>	<u>2,832,783</u>	
<u>8,341,747</u>	<u>8,814,512</u>	<u>33,258,093</u>	<u>36,564,832</u>	<u>(5,236,341)</u>	<u>(21,348,261)</u>	
17.5%	19.8%	19.8%	18.8%	20.0%	18.3%	

CITY OF HALTOM CITY, TEXAS

TABLE 5

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Bingo Tax	Mixed Beverage Tax	Total
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	18,989,233	3,527,393	54,469	-	38,839	41,260,434
2023	20,757,527	17,964,593	3,775,230	67,212	-	37,157	42,601,719
2024	22,200,204	18,351,400	4,439,522	124,918	256,105	34,636	45,406,785

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			
2015	\$ 1,748,908,695	\$ 310,614,488	\$ 417,359,896	\$ 1,642,163,287	0.69999
2016	1,659,993,768	314,318,393	406,461,354	1,567,850,807	0.69999
2017	1,778,726,503	326,663,818	430,621,079	1,674,769,242	0.69999
2018	2,126,037,240	349,464,064	509,893,316	1,965,607,988	0.66818
2019	2,296,595,267	357,883,712	509,227,200	2,145,251,779	0.65300
2020	2,540,379,473	496,278,229	602,651,495	2,434,006,207	0.66576
2021	2,751,616,395	439,846,344	646,623,523	2,544,839,216	0.66576
2022	3,148,051,068	405,444,213	678,491,378	2,875,003,903	0.64565
2023	3,633,895,514	421,959,781	733,491,150	3,322,364,145	0.60816
2024	4,310,088,755	544,182,282	898,363,851	3,955,907,186	0.56728

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
2015	0.479990	0.220000	0.699990	1.435000	0.149500
2016	0.462320	0.237670	0.699990	1.453900	0.149500
2017	0.462320	0.237670	0.699990	1.453900	0.144730
2018	0.455180	0.213000	0.668180	1.453900	0.140060
2019	0.423000	0.230000	0.653000	1.453900	0.136070
2020	0.413730	0.252030	0.665760	1.383900	0.130170
2021	0.403750	0.262010	0.665760	1.380300	0.130170
2022	0.395769	0.249882	0.645651	1.338000	0.130170
2023	0.376427	0.231735	0.608162	1.279800	0.130170
2024	0.371831	0.195452	0.567283	1.203100	0.112170

TABLE 7

Overlapping Rates		
Tarrant County Hospital	Tarrant County	Total Direct & Overlapping
0.227897	0.264000	2.776387
0.227897	0.264000	2.795287
0.227897	0.254000	2.780517
0.224429	0.244000	2.730569
0.224429	0.234000	2.701399
0.224429	0.234000	2.638259
0.224429	0.234000	2.634659
0.224429	0.229000	2.567250
0.224429	0.224000	2.466561
0.194500	0.194500	2.271553

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CITY OF HALTOM CITY, TEXAS

TABLE 8

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2024			2015		
	Taxable Assessed Value (in thousands)	Rank	Percentage of Total City	Taxable Assessed Value (in thousands)	Rank	Percentage of Total City
			Taxable Assessed Value			Taxable Assessed Value
Exponential Property Group	\$ 95,700,000	1	2.42%	\$ -	-	-
Jefferson Haltom City LLC	66,111,951	2	1.67%	-	-	-
Northern Cross TIC	62,500,000	3	1.58%	-	-	-
Hillshire Brands Company	57,576,628	4	1.46%	-	-	-
USLP Haltom City LP	53,809,359	5	1.36%	-	-	-
KV Belmond Apartments LP	52,200,000	6	1.32%	-	-	-
Brep Beach LP	49,500,000	7	1.25%	-	-	-
AV Haltom Lakeview/ AV Springlake LLC	49,160,000	8	1.24%	-	-	-
Springlake Village LLC	48,380,000	9	1.22%	-	-	-
Emmitt Luxury Apartment Homes	44,600,000	10	1.13%	-	-	-
The Hillshire Brands Company	-		-	44,159,391	1	2.63%
HWM Beach LLC	-		-	31,340,000	2	1.87%
Protea Amesbury Court	-		-	24,000,000	3	1.43%
Chesapeake Operating	-		-	23,364,510	4	1.39%
Hidden/820 LLC	-		-	23,000,000	5	1.37%
Fossil/820 LLC	-		-	21,600,000	6	1.29%
Fossil Garden Associates	-		-	16,120,000	7	0.96%
Alliance PJWE LP	-		-	15,965,000	8	0.95%
Hall Fossil Ridge Association Ltd.	-		-	15,000,000	9	0.89%
Oncor electric Delivery	-		-	13,738,153	10	0.82%
Total	<u>\$ 579,537,938</u>		<u>14.65%</u>	<u>\$228,287,054</u>		<u>13.60%</u>

\$ 3,955,907,186 Total Taxable Value

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
2015	\$ 11,615,861	\$ (76,711)	\$ 11,539,150	\$ 11,416,197	98.93%
2016	10,864,156	793,917	11,658,073	11,544,619	99.03%
2017	12,287,526	415,787	12,703,313	12,514,668	98.51%
2018	13,110,290	392,415	13,502,705	13,316,626	98.62%
2019	14,415,250	158,809	14,574,059	14,375,036	98.63%
2020	16,709,584	224,381	16,933,964	16,749,840	98.91%
2021	16,983,855	837,616	17,821,471	17,653,406	99.06%
2022	18,292,751	330,464	18,623,215	18,436,766	98.99%
2023	19,535,246	628,764	20,164,010	19,959,414	98.99%
2024	22,157,479	83,102	22,240,581	21,970,058	98.78%

Source: Tarrant County Tax Office

TABLE 9

Collections For Previous Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 114,360	\$ 11,530,557	99.92%
63,268	11,607,887	99.57%
142,888	12,657,556	99.64%
136,128	13,452,754	99.63%
74,294	14,449,330	99.14%
133,265	16,883,105	99.70%
96,608	17,750,014	99.60%
37,104	18,473,870	99.20%
90,600	20,050,014	99.43%
-	22,023,329	99.02%

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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	
2015	\$ 6,095,550	\$ 1,526,546	\$ 7,622,096	\$ 3,053,111	\$ 1,465,227	\$ 9,087,323
2016	6,747,264	1,689,760	8,437,024	3,379,538	1,643,414	10,080,438
2017	9,448,656	2,577,863	12,026,519	-	1,662,631	13,689,150
2018	10,402,719	2,851,638	13,254,357	-	1,838,595	15,092,952
2019	10,632,058	2,895,291	13,527,349	-	1,865,818	15,393,167
2020	10,539,418	2,875,661	13,415,079	-	1,833,806	15,248,885
2021	13,022,519	3,279,821	16,302,340	-	2,123,435	18,425,775
2022	13,101,543	3,576,458	16,678,001	-	2,311,232	18,989,233
2023	14,113,396	3,851,197	17,964,593	-	2,505,652	20,470,245
2024	14,418,813	3,932,587	18,351,400	-	2,545,833	20,897,233

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.

CITY OF HALTOM CITY, TEXAS

RATIO OF OUTSTANDING DEBT BY TYPE

**LAST TEN FISCAL YEARS
(UNAUDITED)**

Governmental Activities

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Tax Notes	Financing Arrangements	Leases Payable	Subscriptions Payable
2015	\$ 24,225,000	\$ 13,150,000	\$ 1,655,000	\$ -	\$ -	\$ -
2016	22,240,000	12,015,000	1,230,000	-	-	-
2017	27,581,648	6,605,000	845,000	-	-	-
2018	27,377,718	5,787,751	474,816	756,316	-	-
2019	31,336,530	5,128,497	234,908	1,131,026	-	-
2020	27,253,677	10,645,764	-	1,777,386	-	-
2021	52,721,967	9,055,764	-	1,314,418	-	-
2022	76,012,451	17,207,124	-	-	1,319,192	-
2023	70,228,021	16,325,638	-	-	1,539,441	1,465,710
2024	66,312,046	16,227,426	-	-	2,516,176	1,652,474

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

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

TABLE 11

Business-Type Activities		Total Primary Government	Debt Percentage of Personal Income ^a	Total Debt Per Capita
General Obligation Refunding Bonds	Certificates of Obligation			
\$ 7,890,000	\$ 9,000,000	\$ 55,920,000	6.45%	1,311
6,630,000	8,605,000	50,720,000	5.78%	1,187
6,200,000	7,330,000	48,561,648	5.62%	1,140
5,026,999	14,041,555	53,465,155	6.01%	1,221
3,682,796	13,224,703	54,738,460	5.93%	1,218
5,138,858	10,010,081	54,825,766	5.93%	1,156
4,183,858	9,121,521	76,397,528	8.18%	1,522
3,300,000	6,645,969	104,484,736	9.62%	2,284
5,655,000	4,176,717	99,390,527	8.06%	2,145
2,670,000	4,020,000	93,398,122	7.14%	1,914

CITY OF HALTOM CITY, TEXAS

RATIO OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(UNAUDITED)

Governmental Activities								Less: Amount Available for Debt Service
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Tax Notes	Financing Arrangements	Leases Payable	Subscriptions Payable		
2015	\$ 24,225,000	\$ 13,150,000	\$ 1,655,000	\$ -	\$ -	\$ -	\$ -	\$ 217,584
2016	22,240,000	12,015,000	1,230,000	-	-	-	-	493,055
2017	27,581,648	6,605,000	845,000	-	-	-	-	385,467
2018	27,525,285	5,787,751	474,816	-	-	-	-	374,761
2019	31,454,935	5,128,497	234,908	-	-	-	-	523,044
2020	27,253,677	10,645,764	-	1,777,386	-	-	-	1,033,177
2021	52,721,967	9,055,764	-	1,314,418	-	-	-	1,712,505
2022	76,012,451	17,207,124	-	-	1,319,192	48,448	1,562,948	
2023	70,228,021	16,325,638	-	-	1,539,441	1,465,710	3,579,677	
2024	66,312,046	16,227,426	-	-	2,516,176	1,652,474	2,506,070	

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

^a See Table 6 for property value data.

^b See Table 16 for population data.

TABLE 12

Governmental Activities	Business-Type Activities			Total Debt	Percentage of General Debt to Taxable Value of Property ^a	General Debt Per Capita ^b
	General Obligation Refunding Bonds	Certificates of Obligation				
Total						
\$ 37,157,416	\$ 7,890,000	\$ 9,000,000	\$ 55,702,416	3.39%	1,270	
33,761,945	6,630,000	8,605,000	50,226,945	3.20%	1,175	
33,801,181	6,200,000	7,330,000	48,176,181	2.89%	1,134	
32,938,275	5,026,999	14,041,555	52,481,645	2.66%	1,224	
36,060,388	3,682,796	13,224,703	52,967,887	2.51%	1,259	
36,866,264	5,138,858	10,010,081	52,015,203	2.08%	1,144	
60,065,226	4,183,858	9,121,521	73,370,605	2.88%	1,700	
93,024,267	3,300,000	6,645,969	102,970,236	3.58%	2,251	
85,979,133	5,655,000	4,176,717	95,810,850	2.88%	2,066	
84,202,052	2,670,000	4,020,000	90,892,052	2.30%	1,954	

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CITY OF HALTOM CITY, TEXAS

TABLE 13

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2024
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Birdville Independent School District	\$ 655,275,000	22.32%	\$ 146,257,380
Fort Worth Independent School District	1,504,885,000	0.24%	3,611,724
Keller Independent School District	782,924,989	0.58%	4,540,965
Tarrant County	376,120,000	1.33%	5,002,396
Tarrant County College District	591,230,000	1.33%	7,863,359
Tarrant County Hospital District	448,410,000	1.33%	<u>5,963,853</u>
Subtotal, overlapping debt			173,239,677
City of Haltom City (direct debt)			<u>86,708,122</u>
Total direct and overlapping debt			<u>\$ 259,947,799</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)**

	2015	2016	2017	2018
Debt limit	\$ 41,912,022	\$ 39,196,270	\$ 41,869,231	\$ 49,140,200
Total net debt applicable to limit	<u>24,007,416</u>	<u>21,746,945</u>	<u>27,196,181</u>	<u>27,150,524</u>
Legal debt margin	\$ 17,904,606	\$ 17,449,325	\$ 14,673,050	\$ 21,989,676
Total net debt applicable to the limit as a percentage of debt limit	67.02%	62.79%	64.96%	55.25%

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

TABLE 14**Legal Debt Margin Calculation for Fiscal Year 2024**

Assessed value	\$ 3,955,907,186
Debt limit (2.5% of assessed value)	98,897,680
Debt applicable to limit:	
General obligation bonds	68,982,046
Less: Amount set aside for repayment of general obligation debt	(2,506,070)
Total net debt applicable to limit	<u>66,475,976</u>
Legal debt margin	<u>\$ 32,421,704</u>

2019	2020	2021	2022	2023	2024
\$ 53,631,294	\$ 60,850,155	\$ 63,610,678	\$ 76,407,188	\$ 83,059,104	\$ 98,897,680
<u>30,931,891</u>	<u>26,220,500</u>	<u>49,306,130</u>	<u>74,067,897</u>	<u>72,303,344</u>	<u>66,475,976</u>
\$ 22,699,403	\$ 34,629,655	\$ 14,304,548	\$ 2,339,291	\$ 10,755,760	\$ 32,421,704
57.68%	43.09%	77.51%	96.94%	73.11%	67.22%

CITY OF HALTOM CITY, TEXAS**TABLE 15**

PLEDGED-REVENUE COVERAGE

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Water & Sewer Revenue Bonds						
	Less:		Net		Debt Service		
	Total Revenues ^a	Operating Expenses ^b	Available Revenue		Principal	Interest	Coverage
2015	\$ 16,871,764	\$ 14,052,528	\$ 2,819,236	\$ -	\$ -	\$ -	-
2016	18,773,943	15,828,200	2,945,743	-	-	-	-
2017	20,235,926	14,994,043	5,241,883	-	-	-	-
2018	23,042,346	14,187,868	8,854,478	-	-	-	-
2019	23,537,076	16,452,441	7,084,635	-	-	-	-
2020	26,548,509	15,761,697	10,786,812	-	-	-	-
2021	23,227,162	15,397,186	7,829,976	-	-	-	-
2022	27,193,714	14,301,249	12,892,465	-	-	-	-
2023	26,704,316	15,043,147	11,661,169	-	-	-	-
2024	33,895,442	18,312,507	15,582,935	-	-	-	-

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

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

^b Includes operating expenses minus depreciation and amortization.

CITY OF HALTOM CITY, TEXAS**TABLE 16****DEMOGRAPHIC AND ECONOMIC STATISTICS****LAST TEN FISCAL YEARS
(UNAUDITED)**

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2015	42,640	\$ 866,530	\$ 20,322	33.5	24,321	4.2%
2016	42,730	878,144	20,551	32.0	24,300	3.9%
2017	42,740	867,750	20,303	32.5	23,627	3.2%
2018	42,740	856,253	20,034	31.8	23,570	3.0%
2019	42,730	877,973	20,547	31.8	23,477	2.9%
2020	44,339	958,963	21,628	31.5	23,503	6.2%
2021	43,168	933,637	21,628	32.4	22,535	6.3%
2022	45,746	1,085,736	23,734	32.8	22,673	3.5%
2023	46,382	1,232,880	26,581	34.6	22,447	3.7%
2024	46,505	1,308,790	28,143	35.2	22,447	3.6%

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.

Note: Birdville ISD school enrollment has not been released per schools.texastribune.org as of 2/20/2025.

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CITY OF HALTOM CITY, TEXAS

TABLE 17

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

<u>Employer</u>	2024			2015		
	Percentage of Total City Employment			Percentage of Total City Employment		
	Employees	Rank		Employees	Rank	
Birdville ISD	3,103	1	12.74%	3,088	1	13.33%
Tyson Foods (formerly Hillshire & State Fair)	800	2	3.28%	735	2	3.17%
Medtronic Midas Rex	350	3	1.44%	270	4	1.17%
City of Haltom City	289	4	1.19%	286	3	1.27%
GST Manufacturing	220	5	0.90%	260	5	1.12%
MICA Corporation	200	6	0.82%	175	6	0.43%
Liberty Carton Company	154	7	0.63%	150	7	1.01%
Unifirst	137	8	0.56%	121	9	0.52%
Falcon Steel Company	125	9	0.51%	-	-	-
Blackmon Mooring	120	10	0.49%	120	10	0.52%
Nurse Assist	-	0	-	126	8	0.54%
 Total			<u>22.57%</u>	<u>5,331</u>		<u>23.08%</u>

CITY OF HALTOM CITY, TEXAS

FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	2015	2016	2017	2018
General government				
Administration	3	3	3	3
City Secretary	2	2	2	2
City Council	0	0	0	0
Finance	7	6	6	6
Human Resources	3	4	4	4
Planning	7	6	7	7
Information Tech./HCTV	5	6	6	6
Code Enforcement	3	5	5	5
Fleet services	6	6	5	4
Building maintenance	1	2	2	2
Economic development	7	1	0	0
Public safety				
Police	79	82	82	82
Fire	55	54	54	55
Emergency Management				
Municipal court	8	8	8	7
Animal control	5	5	5	5
Streets	11.5	11.5	11.5	11.5
Culture and recreation				
Library	13	13	13	13
Parks and recreation	13	18	19	19
Crime Control & Prevention District				
Water & Sewer	46.5	41.5	41.5	42.5
Drainage	8	7	7	7
Total	<u>283</u>	<u>281</u>	<u>281</u>	<u>281</u>

TABLE 18

2019	2020	2021	2022	2023	2024
3	3	3	2	2	2
2	2	2	2	2	2
0	0	0	0	0	0
6	5	5	5	6	6
2	4	4	4	3	4
7	7	13	13	12	12
6	6	6	6	5	6
5	6	0	0	0	0
4	4	4	4	4	5
2	2	2	2	1	3
1	0	0	0	0	0
83	85	85	86	85	84
56	59	59	59	57	58
	0	0	0	4	4
5	7	7	7	6	5
4	4	4	5	4	5
10	12.5	12.5	12.5	10	12.5
13	13	10	13	16	10
24	24	23	24	26	23
	5	5	5	6	6
38	41.5	44.5	45.5	35	49.5
6	7	6	7	7	7
277	297	295	302	291	304

CITY OF HALTOM CITY, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

	2015	2016	2017	2018
<u>Function/Program</u>				
General government				
Planning				
Residential permits issued	313	405	409	437
Commercial permits issued	298	260	190	123
New residential homes	4	11	16	10
New commercial buildings	17	16	10	18
Public safety				
Police				
Number of police officers	76	76	76	83
Number of physical arrests	2,034	1,863	1,798	1,950
Number of offenses*	1,503	1,693	1,712	1,945
Fire				
Number of firefighters	49	51	52	59
Number of fire runs	1,545	1,845	1,307	1,745
Number of EMS runs	2,846	2,906	3,166	2,902
Streets				
Street resurfacing (sq. yards)	9,455	14,070	6,725	5,859
Asphalt used for repairs (tons)	3,160	3,358	2,837	3,775
Culture and recreation				
Library				
Number of volumes	137,772	134,770	134,942	125,494
Average monthly circulation	17,925	25,791	24,020	22,409
Parks and recreation				
Average daily attendance	332	301	361	320
Water & sewer				
Average daily consumption (millions of gallons)	5.18	4.28	4.32	4.01
Number of sewer connections	14,069	14,069	14,069	12,716
Residential accounts billed	10,909	10,872	11,023	11,544
Commercial accounts billed	1,399	1,350	1,379	1,565

*Part I offenses only.

TABLE 19

2019	2020	2021	2022	2023	2024
667	1,043	774	953	792	792
146	142	149	157	143	127
19	116	56	80	46	202
13	17	19	9	17	17
78	78	78	78	81	80
1,739	1,422	1,584	1,642	1,600	1,271
1,909	1,909	2,029	1,500	1,308	1,347
59	51	51	51	52	54
1,865	1,688	2,012	2,067	1,955	1,450
2,814	2,728	3,185	3,124	3,409	4,125
1,192	1,085	1,904	1,152	13,457	465
1,611	2,801	1,590	1,003	1,700	759
134,308	71,442	115,363	124,849	124,837	139,796
22,667	12,859	10,856	9,862	9,609	9,780
295	196	140	196	161	219
3.95	3.74	3.97	3.74	3.74	4.26
12,739	12,717	12,826	12,867	12,884	12,965
11,128	11,544	10,226	11,323	11,290	11,290
1,502	1,565	1,283	1,276	1,429	1,438

CITY OF HALTOM CITY, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

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

Source: City of Haltom City Records

TABLE 20

2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
37	37	37	37	8	8
3	3	3	3	3	3
186	186	186	186	186	172
15	15	15	15	15	15
1,809	1,809	1,809	1,809	1,809	1,730
11	11	11	11	12	12
230	230	230	240	240	240
9	9	9	10	9	9
17	17	17	18	18	18
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
309	309	320	309	305	400
1,747	1,747	1,760	1,662	1,662	1,834
163	142	150	142	141	180
311	308	308	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 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 units, each major fund, and the aggregate remaining fund information of the City of Haltom City, Texas as of and for the year ended September 30, 2024, 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 February 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Haltom City, Texas' internal control over financial reporting as a basis for designing auditing 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 City of Haltom City, Texas' 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 over financial reporting 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.

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 City of Haltom City, Texas' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas
February 24, 2025