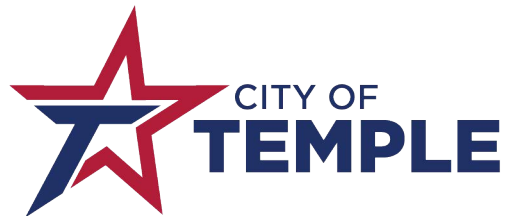


# **Annual Comprehensive Financial Report**



## **City of Temple, Texas**

**For the year ended  
September 30, 2021**

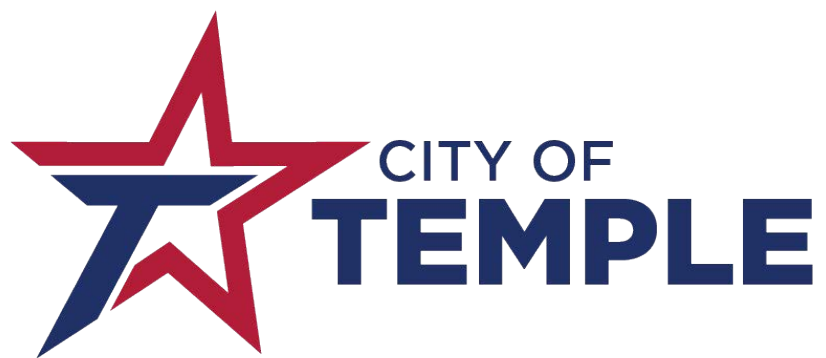
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**CITY OF TEMPLE, TEXAS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
Year Ended September 30, 2021**

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**INTRODUCTORY  
SECTION**









February 17, 2022

Honorable Mayor and City Council  
City of Temple  
Temple, Texas

Dear Council Members:

The Annual Comprehensive Financial Report (ACFR) of the City of Temple, Texas (the City) for the fiscal year ended September 30, 2021, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Brockway, Gersbach, Franklin & Niemeier, P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Temple financial statements for the year ended September 30, 2021. The independent auditors' report is located at the front of the financial section of this report.

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

#### GENERAL INFORMATION – CITY OF TEMPLE

Temple is located near the geographic and population center of the State of Texas, 67 miles north of Austin, 130 miles north of San Antonio, 160 miles northwest of Houston, and 120 miles south of the Dallas-Fort Worth Metroplex. There are approximately 75 square miles in the City's corporate boundary.

The City was founded on June 20, 1881, when the original town lots were sold by the Gulf, Colorado and Santa Fe Railway. It was subsequently chartered on March 27, 1907 and operates under a Council-Manager form of government. The City Council is comprised of a Mayor and four members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing members of various statutory and advisory boards, the City Manager, City Attorney, Director of Finance, City Secretary, and a Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the executive directors and heads of departments, and the performance of functions within the municipal organization.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of Temple as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The government provides a full range of services including police and fire protection; economic development; sanitation services; community development; building inspection; parks and recreation; the construction and operation of water, sewer, drainage, solid waste services, streets and infrastructure; convention and tourism activities and a civic center, library and airport facilities.

Discretely presented component units are legally separate entities and not part of the primary government's operations. Accordingly, the Temple Economic Development Corporation and the Tax Increment Financing District (Reinvestment Zone No. 1) are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Temple Housing Authority, a related organization, is not a part of this report, as the City's accountability does not extend beyond appointing some members of the Board.

## ECONOMIC CONDITIONS AND OUTLOOK

After experiencing the initial impact of COVID-19 pandemic during the previous fiscal year, the City had to prepare for fiscal year 2021 operations in a different manner. While trying to respond to the needs and desires of the community still in the midst of a pandemic, the City had to make several difficult choices in regard to operations and services being offered. Fortunately, the City does not foresee any major negative financial impacts resulting from the ongoing COVID-19 pandemic. The City's location, which is close to the geographic center of the State of Texas, provides a strategic location in the State and has been important for economic development. Temple continues to be a regional center for manufacturers, distribution centers and medical facilities in the Central Texas area. Temple's location is enhanced being located at the intersection of Interstate Highway 35 (NAFTA link with Mexico and the U.S.), Interstate 14, State Highways 36, 53, 93 and 95. Additionally, major rail services intersect within Temple's city limits. During the past year, the City has experienced a steady increase in economic development despite the ongoing COVID-19 pandemic. Significant new construction permits of \$ 195,138,601 for FY 2021 underscore the continued steady expansion of our residential base. Sales tax receipts of \$ 28,357,487 show an increase of 16.13% over fiscal year 2020. Local unemployment is currently 5.09%, representing one of the lowest rates in the State of Texas.

In FY 2021, the City experienced a 14.06% increase in taxable assessed property value to bring the current value to \$ 5,568,407,064. The census figures for 2020 of 82,073 residents show an average growth of over 3.00% per year over the past ten years.

Given Temple's continued pro-business attitude and enthusiastic accommodation of industry, the City continues to prosper economically. Highlights include:

- An economic development agreement exists between the City, Temple Historic Arcadia Theatre, Inc., and Turner Behringer Development Company ("TB") for the redevelopment of the Hawn Hotel, Arcadia Theater, and the Sears Building properties in downtown Temple. This project will redevelop approximately 85,000 square feet of historic buildings in downtown Temple into mixed-use residential, retail space, and entertainment uses. The project includes the Hawn Hotel and Arcadia Theatre that will include approximately 40-50 for-lease residential units, as well as retail and restaurant space. The Arcadia Theatre will be redeveloped into a multi-purpose events and performance hall. The Sears Building will include retail, office, and/or residential units. A lease agreement was approved by the City in December 2020 to exclusively lease eighty-nine parking spaces and all the retail space in the parking garage to be constructed on the central parking lot, located east of North 4th Street and north of East Central Avenue. The project continues to move forward and is an exciting redevelopment project for downtown Temple.
- Niagara Bottling, the nation's largest family owned and operated beverage supplies, announced in February 2019 that they would construct a new 450,000 square foot bottling facility on a 50-acre site in the Temple Industrial Park creating 70 new jobs. The project construction is divided in two phase – the first phase was completed in April 2020, creating 49 jobs and the second phase is scheduled to be completed in December 2022, creating an additional 21 jobs. The City has entered into a tax abatement agreement with Niagara Bottling.
- In September 2020, it was announced that Lengefeld Lumber Company, LLC would relocate their current operations located at 8 North 13<sup>th</sup> Street to a 15.35-acre lot in Temple's Central Pointe Industrial Park. This project was designed to expand Lengefeld Lumber's current business operations, as well as allow for the job creation and retention of 45 positions. Relocation was completed by December 2021.
- Universal Health Services (UHS) completed construction on Canyon Creek Behavioral Health, a multi-million dollar 102-bed inpatient psychiatric hospital located on Canyon Creek Drive. The new hospital partially opened in Fall 2020 and became fully operational in 2021. The new facility has added approximately 360 jobs to the area.
- It was announced in June 2021, Revol Greens plans to expand its operations to Temple. The Minnesota-based producer of greenhouse lettuce plans to construct a 40-acre advanced greenhouse as part of an investment representing over \$ 100,000,000. This includes two phases, of what will ultimately be a four-phase expansion, expected to be the largest lettuce greenhouse globally at full build out. Revol Greens will add 150

competitive, family-waged jobs with benefits over the next three to four years. Revol Greens broke ground on the new operation in 2021, with plans to be operational in 2022.

- In September 2021, SAF, a global metals distributor, fabricator, and finisher opened a new manufacturing location in Temple. The 60,000 square foot facility will specialize in metal fabrication and distribution, including the manufacturing of panel systems and extrusion, sheet distribution, and custom metal fabrication. SAF intentionally hired up to 10 employees in various roles as operations begin but eventually plan to employ up to 50 people in the coming years.
- Lock Joint Tube (LJT), a mechanical grade steel tubing manufacturer, announced plans to grow its existing facility currently located on Eberhard Road. The \$ 20,000,000 investment will include a 37,500 square foot expansion creating more than 30 new positions with competitive wages and benefits.
- FedEx Ground will open a new 250,000 square foot distribution center by the end of 2022. The \$ 40,000,000 investment will be located on a 52-acre lot in the Temple Industrial Park between NW H.K. Dodgen Loop and Trino Road. Although there is not a potential number of jobs this new distribution center will create, typically a facility this size requires 180 to 200 employees.

The City of Temple is recognized by the medical community in the United States as a leading medical provider with two major hospitals located within Temple. Baylor Scott & White Health (BS&W) and the Olin E. Teague Veterans Hospital, combined, employ approximately 10,000 full time positions. The hospitals provide medical care to the surrounding local, state, and international community. Texas A&M University College of Medicine, in conjunction with BS&W and Veterans Hospital, provide the four years of medical school as well as research and development.

Baylor Scott & White Health includes 52 hospitals, more than 800 patient care sites, more than 7,300 active physicians, 49,000 employees and the Scott & White Health Plan. It is guided by a combined team of leaders from both Baylor and Scott & White. It is the largest not-for-profit health system in Texas and one of the largest in the United States.

In addition, the Temple Health and Bioscience District was created as a result of legislation passed by the State of Texas in 2003 and approved by Temple voters, to establish the district in that same year. The first such district created in Texas, Temple's Health and Bioscience District is devoted to the development and creation of health and bioscience/biotechnology opportunities within the City of Temple.

Serving the Temple area are fifteen major schools and universities, detailed in the statistical section of this document, which offer one of the highest levels of educational opportunities available in the nation.

The City of Temple also operates the Frank Mayborn Civic and Convention Center which can accommodate both small activities and major conventions. There is over 902 miles of developed

park acreage which includes public parks and special use areas, ranging from small neighborhood parks to major sport activity facilities, such as Lions Park which hosts major intra-mural softball events for teams throughout the State of Texas. The City has five swimming pools/water parks. The Hardin Swim Center, owned and operated by the Temple Independent School District, is a heated indoor junior Olympic size pool that hosts statewide high school and intra-mural competitions. The City has several neighborhood and recreational centers which provide day-time activities for the youth of Temple. There are two golf facilities; the City owned Sammons Park (18 holes), and the private Wildflower Country Club (18 holes).

Many new jobs continue to be created with the opening, expansion, and relocation of businesses to the City.

### LONG-TERM FINANCIAL PLANNING

The City of Temple is currently managing the largest capital improvement program in the history of the community. As of September 30, 2021, a total of \$ 469,438,701 has been allocated for various capital projects including such improvements as water and wastewater infrastructure, transportation infrastructure, parks improvements, and public safety infrastructure. Funding sources for these projects can be identified in eight major areas:

- ▶ Utility Revenue Bonds
- ▶ General Obligation Bonds
- ▶ Certificates of Obligation
- ▶ General Operating Budget Funding
- ▶ Limited Tax Notes
- ▶ TxDOT Reimbursable Utility Agreements
- ▶ Grants
- ▶ Reinvestment Zone No. 1

During FY 2021, several major capital projects were underway or have been completed such as road and utility improvements associated with Outer Loop Phase IIIB and Prairie View Road Phase IIB, various improvements at Draughon-Miller Central Texas Regional Airport, Azalea Drive Drainage improvements, Avenue T & Avenue R Drainage improvements, completion of Santa Fe Plaza and Santa Fe Market Trail, North 31<sup>st</sup> Street improvements, West Park Elevated Storage Tank pump upgrade, rehabilitation of 720 Elevated Tank, improvements to several parks (to include Von Rosenberg Park, Jaycee Park, and Prewitt Park), elevator refurbishment at the Library, several roof replacements (including the Jamie Hager Clements Complex, City Hall, Lanier Center, Fire Station #4, and Fire Station #5), partial roof replacements for Mayborn Convention Center and Police Station, foundation repair at Lanier Center, replacement of mobile data laptops for Public Safety, as well as various waterline and wastewater line replacements. The FY 2021 Budget includes \$ 11,636,074 for routine capital for the general operating budget which includes equipment and public infrastructure projects that are underway and/or planned for this fiscal year. Included in this amount is \$ 9,635,000 of Reinvestment Zone infrastructure improvements. In accordance with current fiscal and financial policies, \$ 1,625,386 of General Fund routine capital is funded with fund balance.

## FINANCIAL INFORMATION

### Accounting Procedures and Budgetary Controls

The City's accounting records for general governmental activities are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City's water and sewer utility fund are maintained on the accrual basis.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is maintained at the department level. Encumbrances are entered at the time a purchase order is issued. Open encumbrances are recorded as reservations of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these carried-forward encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff, and expenditure estimates by each City department. Budgets are reviewed by the Director of Finance. The City Manager makes final decisions and submits a recommended budget to the City Council. The proposed budget is reviewed extensively by the City Council, a process which includes a Charter-mandated public hearing, in addition to work sessions, which are open to the public. The City Charter requires adoption of the City budget in conformity with State law. If City Council fails to adopt the annual budget before the start of the fiscal year to which it applies, appropriations of the last budget adopted shall be considered as adopted for the current fiscal year on a month-to-month pro rata basis until the next budget is adopted.

While the budget is developed and controlled at the departmental level, appropriations are made at the account level. An ordinance establishes the budget for operating expenditures, debt service payments, and interfund transfers while a separate ordinance establishes the property tax rate.

During the course of the fiscal year, expenditure controls are maintained by each department head with overall review exercised by the Director of Finance and the City Manager. Monthly departmental expenditure reports are generated by an automated management accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month, as well as a year-to-date total, and an actual versus planned rate of expenditure.

Constant review of revenue and expenditure trends is maintained with specific responsibility assigned to the Director of Finance. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure compliance with the adopted budget.

The City's Finance Department publishes a Quarterly Financial Report directed at providing internal and external users with the general awareness of the City's financial positions and economic activity. The report includes a Financial Summary section reporting the performances of the major operating funds and a status report of the City's capital projects; a section summarizing key economic indicators and an in-depth review with graphic illustrations; and a section describing investment activity, interest earnings and the City's investment portfolio. The highlights of each quarter's report are presented to the City Council.

GENERAL GOVERNMENTAL FUNCTIONS

Tax Rates

All eligible property within the City is subject to assessment, levy, and collection by the City of a continuing, direct ad valorem tax sufficient to provide for the payment of principal and interest on outstanding bonds within the limits prescribed by law, and the payment of operation and maintenance costs as approved by the City Council. Under State law and provisions of the City Charter, the City is limited to a maximum tax rate of \$ 1.20 per \$ 100 assessed valuation. As shown below, the tax rate adopted by the City Council has historically been substantially lower than the maximum allowed by law.

The allocation of the property tax rate by purpose (General Fund operations and Debt Service) for FY 2020-21 and the preceding four fiscal years is reflected in the following table:

Purpose	Fiscal Year				
	2021	2020	2019	2018	2017
General Fund	\$ 0.3000	\$ 0.3097	\$ 0.2982	\$ 0.3142	\$ 0.3142
Debt Service	0.3525	0.3630	0.3630	0.3630	0.3430
Total Tax Rate	<u>\$ 0.6525</u>	<u>\$ 0.6727</u>	<u>\$ 0.6612</u>	<u>\$ 0.6772</u>	<u>\$ 0.6572</u>

Tax Appraisal/Collection Responsibilities

Under Texas law enacted in 1979, and subsequent revisions to the State Property Tax Code, the appraised value of taxable property in Temple is established by the Tax Appraisal District of Bell County. The City of Temple and other taxing jurisdictions in Bell County pay a pro rata share of the budgeted expenditures incurred by the Appraisal District, based upon individual levy. In fiscal year 2020-21, the City's payment to the Appraisal District for tax collection and appraisal services was \$ 387,538, an increase of \$ 13,106 from the amount paid by the City in FY 2019-20.

Debt Administration

Two ratios traditionally used to analyze the debt structure of municipalities are presented below. Revenue debt has been excluded since service and user charges made by utility system

customers are used to retire such debt and no ad valorem tax proceeds are used for utility revenue bond debt service.

Outstanding General Bonded Debt at 9-30-21 (Net of Debt Service)	\$ 205,538,992
Estimated Population	86,075
Net Bonded Debt per Capita	\$ 2,388
Net Bonded Debt per Assessed Value	4.21%

The City's latest bond issues received the rating of "AA" from Standard & Poor's.

### Cash Management

According to the City of Temple's Investment Policy, the Investment Officer has three main objectives in managing the portfolio, in order of priority: safety, liquidity and yield.

#### **Safety**

Safety is insured in several ways: investing only in securities allowed by state statute and the City's investment policy; using delivery versus payment for all security transactions; requiring all cash in the bank be collateralized with government securities pledged to the City and safe kept at a third party institution; and diversifying investment purchases to minimize individual security market risk. In addition, the City uses an approved list of security brokers when making investment transactions.

The City's bank deposits are secured with the following collateral:

- \$ 20,000,000 letter of credit from the Federal Home Loan Bank of Atlanta
- \$ 51,776,768 in letters of credit from the Federal Home Loan Bank of Dallas
- \$ 10,070,000 in letters of credit from the Federal Home Loan Bank of San Francisco
- \$ 5,517,701 in government securities at fair value held at the Federal Home Loan Bank of Dallas

#### **Liquidity**

Liquidity is the second objective of the Investment Officer's management of the portfolio. To ensure sufficient funds to meet scheduled obligations, investment maturities are matched to projected expenditures. In addition, a portion of the portfolio is invested in liquid assets, such as pools and short-term securities, to cover unforeseen expenditures and day-to-day fluctuations. By using the matching strategy, a portion of the portfolio can be extended out longer, thus increasing yield and stabilizing interest earnings.

At September 30, 2021, the weighted average maturity of the City's investment portfolio was 59.53 days.



## **Yield**

Maximizing yield is the third objective of the Investment Officer. Although maintaining safety and liquidity are always more important than increasing yield, the Investment Officer should be able to maintain a reasonable rate of return and at the same time avoid taking on unnecessary risks.

The City of Temple uses the average rolling 90-day T-bill rate as a yield benchmark. The City's portfolio average yield was 0.06% at September 30, 2021, which was above the average rolling T-bill yield of 0.05%.

As of September 30, 2021, the City's cash and investment resources were divided between cash on hand of \$ 14,800, deposits of \$ 71,059,631, and investments of \$ 209,413,805.

## MAJOR INITIATIVES

### Budget Development & Background

***Budget Process*** - The City's typical budget process occurs over an eight-month period through the collective efforts of department staff members, directors, the City Manager and the City Council. The budget process is coordinated to identify major policy issues for City Council consideration several months prior to the budget approval date so that proper decisions can be made. Preparation of the FY 2022 Budget was comprised of several key steps:

- City Council Budget Retreat
- Leadership Team Budget Retreat
- Departments Develop Budget Requests
- City Manager Develops Proposed Budget
- City Manager Files Proposed Budget with City Secretary
- City Council Work Sessions
- Hold Public Hearings on Budget & Tax Rate
- Adopt Budget & Tax Rate

***Budget Approach*** - This is the third year we have presented the annual budget in the context of a multi-year business plan. Through this initiative, instead of approaching the budgeting process and work plan development from a single year perspective, as we have traditionally done, the City of Temple committed to being future focused.

We challenged ourselves to look into the future and approach our planning from a longer-term view and to set an intentional direction for the organization. We challenged ourselves to plan for those things that are critical to maintain and enhance the Temple we love. We challenged ourselves to consider the need for growth, change, and innovation so that the City of Temple will be a city where next generations will also love to call home.

The multi-year planning framework of our Business Plan allows us to be flexible and responsive to changing circumstances while maintaining the focus on our intentionally planning for the future.

The strategic and fiscally sound management by Temple's elected officials over the course of many years has served this community well. And once again our community has shown our strength and perseverance through times of crisis. The City's diverse economy, strong and innovative leadership, and our City's sound financial management practices have helped us keep the City financially strong through a worldwide pandemic and historic winter storm.

### City Manager's Highlights

The focus of the FY 2022 Budget is on enhancing our service levels while responding to the growth of our community and doing so in a way that maintains the financial health of the City. This budget reflects a fiscally responsible approach to improving the City's infrastructure and maintaining quality City services to a growing population.

In accordance with the Financial Plan, the City's Annual Budget allocates resources based on the five focus areas identified in the Strategic Plan. The Annual Budget estimates available revenue over the upcoming fiscal year and identifies the resources needed for the specific initiatives that will help accomplish the strategic goals of the City and drive improvement in each focus area.

For fiscal year 2022, the Budget totals \$ 215,787,110 for all funds. This annual budget has been developed with the goal of providing a wide range of high-quality services while maintaining fiscal soundness as the foundation of all that we do.

### FY 2022 Budget Financial Highlights by Fund

**General Fund Revenues** - Total revenues for the FY 2022 General Fund Budget are presented at \$ 89,540,366 an increase of 9.92% as compared to the FY 2021 Adopted Budget. The three largest sources of revenue for the General Fund are sales tax, property tax, and solid waste charges.

**Property Tax** - In the FY 2022 Budget, property tax accounts for 21.36% of the General Fund budgeted revenues and is the second largest revenue source of the General Fund. The Budget is based on a property tax rate of 64.00¢ per \$100 valuation, which is a decrease of 1.25¢ as compared to FY 2021 tax rate of 65.25¢.

This rate is based on a certified appraised value of \$ 6,086,377,782 (net taxable value not adjusted for frozen values). The tax rate is comprised of two components, the Maintenance and Operations rate (M&O) and the Interest and Sinking rate (I&S). This year's tax rate is at 30.30¢ for the M&O rate and 33.70¢ for the I&S rate.

**Sales Tax** - While much attention is focused on the property tax rate number, our single largest source of revenue for the General Fund continues to be sales tax revenue. In the FY 2022 Budget, sales tax is projected to account for 31.23% of the General Fund budgeted revenues. The FY 2022 Budget estimates \$ 27,965,000 in sales tax revenue, an 18.72% increase in sales tax revenue over budgeted FY 2021 sales tax revenue.

**Solid Waste Rates** - Charges associated with solid waste services represent the third largest source of revenue for the General Fund and are projected to account for 15.74% of total General Fund revenues. \$ 14,091,121 in solid waste revenue is projected for FY 2022, representing a 12.47% increase from the FY 2021 solid waste revenue adopted budget of \$ 12,528,607. A \$1.05 per month rate adjustment is proposed for residential solid waste services. Solid Waste commercial rates are proposed to increase approximately 5.70%.

**General Fund Expenditures** - Total expenditures for the FY 2022 General Fund Budget are presented at \$ 93,108,445, an increase of 11.23% compared to the FY 2021 Adopted Budget.

**Water and Wastewater Fund** - Total revenues for the FY 2022 Water and Wastewater Fund Budget are presented at \$ 46,667,145, an increase of 6.72% compared to the FY 2021 Adopted Budget. Total expenditures for the FY 2022 Water and Wastewater Fund Budget are presented at \$ 46,667,145, an increase of 5.97% compared to the FY 2021 Adopted Budget. A rate adjustment of 25¢ per 1,000 gallons is proposed for water, as well as wastewater volumetric rates.

**Hotel/Motel Tax Fund** - Total revenues for the Hotel/Motel Fund Budget are presented at \$ 2,182,460, a decrease of 2.96% compared to the FY 2021 Adopted Budget. 16.43% of the Hotel/Motel revenues are from the operations of the Frank Mayborn Center. Expenditures for the Hotel/Motel Fund Budget are presented at \$ 2,182,460, a decrease of 2.96% compared to the FY 2021 Adopted Budget

**Federal and State Grant Fund** - Total revenues and expenditures for Federal and State Grant Fund Budget are presented at \$ 659,412, an increase of 5.21% compared to the FY 2021 Adopted Budget. Total revenues include the award of the Community Development Block Grant (CDBG) and the anticipated award of \$ 52,850 for the Crisis Assistance grant.

The allocation of CDBG funds are as follows:

- Housing Improvement Program - \$ 210,790
- Neighborhood Revitalization Program - \$ 121,852
- General Administration - \$ 121,312
- Projects - \$77,519
- Crime Prevention Program - \$ 75,089

**Drainage Fund** - Total revenues and expenditures are presented at \$ 2,974,750, a 4.37% increase from prior year. These revenues are based on rates that remain unchanged from current year.

### FY 2022 – FY 2028 Financial Plan

The Financial Plan links the City’s strategic focus areas to multi-year funding model to ensure that the necessary resources are allocated to the City’s goals in order to make their achievement possible. The Financial Plan aligns the City’s budget with the five strategic focus areas, estimates available revenue over the eight-year planning period, and identifies the resources needed for the specific initiatives that will help accomplish the strategic goals of the City and drive improvement in each focus area.

#### ***An Organization Committed to Performance Excellence***

Our organization is committed to performance excellence through identifying and adopting leading-edge management practices, focusing on data-driven decision making, and striving for continuous improvement within our organization.

Funding for the expansion of the Office of Performance Excellence is included in the Proposed Financial Plan including two Performance Analysts (FY 22, FY 25) and an Innovation Analyst (FY 28). The proposed additions will help support the implementation of our performance management system which assist City Staff in the execution of the Strategic Plan. This system is monitored and maintained by the Office of Performance Excellence, and progress is reported regularly to our citizens.

These positions, along with a proposed Accreditation Coordinator position (FY 26) in the Police Department, will also provide the staff resources necessary to pursue accreditation for our four largest departments: Parks and Recreation, Public Works, Police, and Fire. Additionally, these positions will support the implementation of the Baldrige Performance Excellence program framework across the organization and the development of department-specific Performance Excellence plans.

A Customer Service Champion (FY 25) position is also proposed as part of the Office of Performance Excellence. This position will be tasked with developing and implementing an organization-wide Customer Service Excellence program.

The addition of two Customer Service Representative positions (FY 23) are recommended in the Financial Plan to provide professional customer service at the Temple Airport in support of the proposed new executive terminal facility.

Additional Administrative Assistant positions are proposed in the Fire Department (FY 25), Police Department (FY 25), Solid Waste division (FY 22), and Municipal Court (FY 26).

In support of our strategic commitment to optimize the use of data and technology to improve service and protect mission critical infrastructure the Financial Plan proposes the implementation of the following technology initiatives:

- a new parks and recreation software (FY 23);
- a new police records management software (FY 23);
- replacement police and fire mobile data laptops (FY 25);
- a facility management software (FY 23);
- a new document management system (FY 25); and
- a traffic intersection video surveillance and advanced license plate recognition system. (FY 25, FY 26, FY 27).

The Financial Plan also recommends the addition of a Senior Project Manager (FY 25), a Technology Support Specialist II (FY 25), and a Technical Trainer (FY 25), to provide the staff resources necessary to implement and maintain these systems.

Funding is also included for an extended cyber security detection and response program (FY 22).

The replacement of the network edge switch (FY 24) and the Mitel phone switch (FY 24) is also recommended in the plan.

In order to plan for, design, construct, and maintain high quality facilities that meet the needs of the community now and in the future, the Financial Plan includes funding for a Facility Master Plan for each of our city-owned facilities (FY 23), allocates approximately \$2.6 million towards facility improvements, and adds Building Improvement Technician in Facility Services (FY 24).

The Financial Plan allocates approximately \$21.1 million in capital equipment purchases and replacements throughout the multi-year plan and recommends the addition of a Heavy-Duty Technician II (FY 22) and an Automotive Technician II (FY 24). Funding is also included for a reclassification of the Auto Shop Service Writer position to an Auto Shop Foreman (FY 22) position and the addition of an Operations Manager (FY 22) and Inventory Specialist (FY 25) for Fleet Services.

### ***Talented and Dedicated Employees who have a Heart for Service***

The City of Temple is committed to delivering exceptional services to our community. Providing service is at the heart of what we do. We are a service-based organization. With few exceptions, we do not produce or sell products; we provide services. Our citizens expect those services to be provided in an efficient, professional, and practical manner. Our employees are the drivers of our ability to deliver high quality services and so attracting and retaining the very best employees is a critical strategy to ensure we are providing the highest levels of service in the most efficient way possible.

The Financial Plan includes the addition of two Human Resource Generalist (FY 22, FY 27) positions, a part-time Human Resource Records Technician (FY 22), an Human Resource Benefits Administrator (FY 25), an Organizational Development Manager (FY 22), a Recruiting Outreach Coordinator (FY 24), and an Employee Experience Champion (FY 26) to provide the staffing resources necessary to attract, retain, and develop talented employees. The Financial Plan includes an allocation to develop and implement a Leadership Development program (FY 22) and a Leadership Succession Plan (FY 25).

The Financial Plan includes an allocation to conduct and implement compensation studies for public safety employees (FY 22, FY 24, FY 26, FY 28) and general government employees (FY 23, FY 25, FY 27) to ensure competitive compensation. The plan also continues to fund our group health insurance plan, employee retirement plan, and employee longevity program.

### ***An Efficient, Transparent, and Accountable Government***

Temple is committed to continuing our history of being a well-run, financially stable city as evidenced by our strong fund balance, conservative budgeting practices, and AA bond rating from Standard & Poor's. The Financial Plan proposes the addition of an Accounting Technician (FY 22), two Senior Accountants (FY 22, FY 26), and an Accountant (FY 26) in the Finance Department to invest in the resources necessary to ensure financial excellence.

### ***Open and Responsive Communication with our Community***

Expanding opportunities for communication and engagement with our community is critical to our work of building strong community connections and enhancing access to services in the community.

Funding for the expansion of the Marketing and Communications Department is proposed in the Proposed Financial Plan to invest in the resources necessary to ensure strong communication.

The Financial Plan includes a Graphic Design Specialist (FY 22), a Marketing Specialist (FY 25), a Community Engagement Specialist (FY 26), a Multi-Media Specialists (FY 26), a public-safety focused Public Relations Coordinator (FY 26), and a Videographer (FY 25). These proposed staff additions will provide the resources necessary to implement a city-wide Marketing, Communication, and Engagement Plan. Funding for an overall increase to our marketing and communications resource budget is recommended in the Financial Plan. Funding to continue to conduct regular citizen surveys (FY 23, FY 26) is also proposed.

The City of Temple's vision for our community is that Temple is a place you love to call home. Our vision statement is intentionally short and simple but also powerful and inclusive. In casting this vision, we have challenged ourselves to strive to build a community that every person - regardless of race, color, religion, sex, national origin, age, socioeconomic status, or disability - loves to call home.

If we are to achieve success in our vision, it is critical that we reaffirm our commitment to advancing equity in our community.

We recognize that the City has a significant role to play in the transformational change that is needed and the Financial Plan includes resources to implement the City's newly established Diversity, Equity, and Inclusion program including the addition of two Equity Coordinator positions (FY 25, FY 26).

***Empowered Community Leaders who Foster Collaboration, Engagement, and Participation***

Temple's leaders are committed to cultivating a collaborative approach to governance by proactively engaging with other governmental officials, key stakeholders, educational partners, and community organizations.

A new Government Relations Manager (FY 25) is proposed to help coordinate, develop, and implement the City's intergovernmental relations program and represent the City's interests with various government agencies and officials. This position will work as an advocate of the City's positions on issues before the U.S. Congress, State Legislature, and regional government boards, as well as developing Temple's relationship with other key stakeholders, educational partners, and community organizations.

***Beautiful Spaces and Unique Experiences***

Quality of life, the characteristics of our community that makes it an attractive place in which to live and raise a family, is an important priority for the City of Temple. Temple is a unique place with amazing arts, culture, dining, and recreation experiences and amenities which add to the City's excellent quality of life.

The Financial Plan proposes several areas of additional funding in our Parks & Recreation Department to enhance and expand our infrastructure of parks, recreation centers, greenspaces, and trails to encourage active living and wellness.

The Financial Plan includes funding for three part-time Recreation Leaders (FY 22) position to support our new facilities at Crossroads Park and adds eight additional Maintenance Workers (FY 22, FY 24, FY 26, FY 27) to maintain our park system and support special events.

A new park ranger program is also proposed including the addition of a Lead Park Ranger (FY 26) and three Park Ranger positions (FY 26, FY 27).

An allocation of \$ 33,000,000 for a potential Parks Capital Improvement Program is included in the Financial Plan and is proposed as a general obligation bond program anticipated to be considered in the Fall of 2023. The Financial Plan also recommends establishing a Parks Replacement Capital Improvement Program with funding of \$ 500,000 a year (FY 22, FY 23, FY 27, FY 28) to replace and upgrade existing parks and recreation playgrounds, equipment, and other amenities.

A Parks and Recreation Departmental Strategic Plan is recommended (FY 24) as well as a Hillcrest Cemetery Master Plan (FY 25) and funding for repairs and maintenance of roads, drainage, headstones, and signage at Hillcrest Cemetery (FY 22, FY 23, FY 24, FY 25).

In order to continue leveraging partnerships with other community organizations in providing culture and art programming, the Financial Plan recommends continued funding for all of our Arts and Tourism Partner organizations.

A Library Master Plan (FY 22) is proposed as well as the replacement of the Library Bookmobile (FY 23). The reclassification of a part-time Outreach Assistant (FY 22) and a part-time Librarian (FY 24) to full-time positions are also proposed.

A Parking Manager position (FY 22), an additional Parking Enforcement Official (FY 23), and an additional Transform Temple Agent (FY 24) are recommended in the Financial Plan to help implement the Downtown Parking Action Plan and manage the public parking system in Downtown Temple.

### ***Neighborhoods Where People Love to Live***

The City of Temple is committed to fostering neighborhoods that are beautiful, safe, and stable, and to connecting citizens together to help reinvigorate communities.

The Financial Plan recommends the continuation of a neighborhood planning program focused initially on the eighteen neighborhoods that form the core of our community. The proposed program is comprised of two major components: 1) the physical transformation of our older neighborhoods through public improvements, housing reinvestment projects, and neighborhood cleanups; and 2) social transformation through education, awareness, and neighborhood engagement.

Through this process, our goal is to identify and empower neighborhood leaders, strengthen communities, and re-instill a sense of pride where our citizens can love where they live.

The Financial Plan includes funding to systematically develop neighborhood-specific strategic plans for each of the eighteen core neighborhood planning districts. The plan is based on initiating one new neighborhood plan per quarter, which began in fiscal year 2020. The individual neighborhood plans, as well as the Housing Reinvestment Strategy that was adopted by the City Council in 2020, should be used to guide the implementation of public improvements as well as other neighborhood revitalization programs.

A new Neighborhood Navigator position (FY 22) is recommended to help provide the staffing resources necessary to develop and implement our neighborhood planning program.

The plan also recommends an additional Resource Coordinator (FY 25) focused on housing and a Grant Coordinator (FY 24) position to help us maximize grant funding opportunities.

The Financial Plan continues to leverage our Community Development Block Grant (CDBG) funds to assist with the implementation of our efforts to build strong neighborhoods. Programs proposed for funding throughout the multi-year plan include housing improvements, code enforcement, demolition, public facility improvements, pandemic response, and other community development activities.



Successful partnerships within the community help the City leverage service delivery and offer the ability to respond to the needs of our growing community. To help us foster coordination with other agencies and organizations and to improve access to affordable housing and social services, the Financial Plan recommends continued funding for all of our Strategic Partner agencies and includes an allocation of \$ 100,000 per year for Community Enhancement Grants.

The Financial Plan allocates funding for a Social Navigator program (FY 26) to improve access to existing programs and resources for vulnerable populations and help identify solutions to address homelessness, poverty issues, and other high priority human service needs.

***A City That Supports Well-Managed Growth and Development to Promote a Thriving Economy***

The City's diverse economy generates high quality, well-paying jobs that strengthen the sales and property tax base and contribute to an exceptional quality of life.

In order to continue to facilitate high quality, safe, and strategic community growth, the Financial Plan recommends the addition of a Planning Manager (FY 26), a Permit Technician (FY 25), and two Combination Building Inspector (FY 22, FY 27) positions in the Planning and Development Department and a Plan Reviewer (FY 25) in the Fire Department.

The continued funding of the Strategic Investment Zone grant program is also recommended in the plan.

The addition of a Business Navigator (FY 26) position is also proposed to provide increased support to small, mid-sized, and start-up businesses throughout the development process.

Extensive planning processes are underway to ensure the successes of the past are carried forward into the future and that we are able to identify and act on strategic decisions. The recently updated Comprehensive Plan lays the groundwork for the future development of our community. A Senior Planner (FY 22) position is recommended to assist in the implementation of the action items identified in the Comprehensive Plan. Funding is also allocated in the Financial Plan for professional services (FY 22, FY 23) related to an update to the Unified Development Code in support of implementation of the new Comprehensive Plan.

In order for us to continue to meet the demands for current service, and in order for us to meet the needs of projected growth and development, it is critical that we continue to invest in expanding our tax base.

For many years, the City of Temple has committed to fund the operations of the Temple Economic Development Corporation to provide investment attraction marketing and incentive negotiation services. The Financial Plan continues that commitment.

## ***Infrastructure and Systems that Support Exceptional Services and Community Growth***

The City continues to implement the largest capital improvement program in the history of the community and the Financial Plan recommends significant funding to continue the priority of investing in our infrastructure and systems in order to prepare for growth and redevelopment as well as to preserve our assets and the investments made by the generations before us.

The Financial Plan includes continued funding for our mobility capital improvement program with a total of \$ 108,500,000 in mobility related projects identified in the proposed capital improvement program.

This year we are in the process of developing a Mobility Master Plan to identify transportation infrastructure needs and guide future investments. Included in the \$ 108,500,000 is an allocation of \$ 50,000,000 for a continuation of the Mobility Capital Improvement Program as a certificate of obligation bond program beginning in fiscal year 2024. It is recommended that the specific projects that are proposed as part of this bond program would be determined based on the Mobility Master Plan.

The City recently completed the development of a Network Pavement Management System. This program is designed to preserve and extend the useful life of paved surfaces throughout the city by providing the necessary level of maintenance needed for the transportation infrastructure in which we have invested. The City of Temple maintains approximately 450 miles of paved roadways, which make up our pavement network system. Pavement management is a systematic approach to extending the life of our pavement network by planning, funding, designing, constructing, monitoring, evaluating, maintaining, and rehabilitating our streets. Repairing streets when they are still in fair condition ultimately costs less over their lifetime than waiting to fix roads that have fallen into poor condition. In other words, the proactive approach of routine pavement management means less money wasted on frequent roadway reconstruction, and a potential savings of millions of dollars. The Financial Plan recommends increasing our allocation for routine pavement maintenance program by \$ 250,000 per year beginning in fiscal year 2022 and continuing until fiscal year 2028, until we reach the optimum funding level of \$ 1,750,000 per year.

Four new transportation-related maintenance crews are also proposed as part of the Financial Plan. Additional crew proposals include a Street Patching Crew (FY 26), an Alley and Right-of-Way Crew (FY 24), a Concrete Crew (FY 25), and Sign Crew (FY 27). The Financial Plan also recommends the implementation of an annual pavement marking maintenance program (FY 24), the addition of an Equipment Maintenance and Transport position (FY 22), and the addition of a Traffic Control Technician (FY 26).

We are currently in the process of finalizing a Drainage Study and Comprehensive Modeling Assessment. The first phase of this assessment began in the fall of 2017. The second phase of the assessment began in spring of 2019. An expansion to the Drainage Capital Improvement Program is anticipated following the full completion of the study. It is recommended that the highest priority projects that were identified as part of the Drainage Study be included as part of

this bond program. A Drainage Rate Study will also be conducted to determine capital project capacity and funding options.

The City has invested almost \$ 164,400,000 over the past 10 years in improving and extending our water and sewer infrastructure. In 2020, we completed an extensive update to the Water and Wastewater Master Plan. The Master Plan evaluates system demands and improvements through 2070.

The Financial Plan includes an additional \$ 168,350,000 in capital funds to implement water and wastewater improvement projects including an expansion of our water treatment plant, an expansion of the Temple-Belton and Doshier Farms wastewater treatment plants, and a systematic approach to reducing sanitary sewer overflows.

An additional Project Engineer (FY 26) position is proposed in Engineering in order to provide project management support for our extensive capital improvement programs.

Two additional water maintenance crews (FY 25, FY 27) are proposed as part of the Financial Plan to provide the staffing resources necessary to maintain our water distribution system and to provide an enhanced response time for non-emergency water leaks.

Three additional wastewater maintenance crews are also proposed as part of the Financial Plan to provide the staffing resources necessary to maintain our wastewater collection system and to provide a systematic approach to eliminating sanitary sewer overflows. Additional crew proposals include one Wastewater Maintenance crew in fiscal year 2022, one additional crew in fiscal year 2026, and one additional crew in fiscal year 2028.

A Utility Manager (FY 22) position and an Assistant Director for the Water Treatment Plant (FY 24) are also recommended to be added to provide additional management resources to the Public Works Department.

The Financial Plan also recommends the addition of a Meter Technician (FY 26) position and two Environmental Program Technician (FY 23, FY 26) positions.

Funding for additional Solid Waste and Recycling routes is also proposed in the Financial Plan. These route additions are intended to maintain service levels in the midst of the growth of our community.

An additional residential garbage route, and additional residential recycling route, and an additional commercial frontload route are recommended to be added in FY 2022. Additional residential garbage and recycling routes are recommended in FY 2026. Additional commercial frontload routes are recommended in fiscal years 2025 and 2028. Additional brush and bulk routes are recommended in fiscal years 2023 and 2027. Additional commercial roll-off routes are recommended in fiscal years 2023, 2025, and 2027.

The Financial Plan also recommends the addition of a Commercial Foreman (FY 22) and a Residential Foreman (FY 22) to provide additional management resources for Solid Waste, the

addition of a Recycling Assistant and recycling trailers to implement a multi-family recycling program (FY 26), the reclassification of a part-time Maintenance Worker to a full-time position (FY 22), two additional Maintenance Worker position (FY 24, FY 26), a Heavy Duty Auto Technician (FY 23) to help with routine maintenance of the Solid Waste fleet, two additional Customer Service Representative (FY 24, FY 27), three swing Solid Waste Driver positions (FY 24, FY 28), and the addition of a Litter Crew (FY 26).

### ***A Safe and Healthy Community***

Protecting our public safety is a top priority for the City of Temple in providing a community where businesses can thrive, and residents want to call home.

We are committed to fostering relationships between Temple Police Department and the community through healthy and productive conversations concerning police and community issues. We are committed to treating each of our citizens equally as we drive hate, discrimination, and divisiveness out of our city.

We recognize there are incidents throughout the nation that raise legitimate questions about interactions between law enforcement and the community. Police Officers are sworn to protect the residents they serve. It is devastating to see that these interactions have caused citizens to fear those whose duty it is to protect them. It is our belief that our police cannot be successful without community support and that begins by having an ongoing, authentic relationship between the community and the police.

We fully believe the Temple Police Department and our community can work together to promote understanding and build trust.

The Financial Plan recommends adding a total of 33 sworn police officer positions and five civilian positions to add the resources necessary for our Police Department to provide enhanced response capacity; a consistent, visible police presence in our community; and build ongoing, authentic relationships between the community and the police.

The plan recommends the expansion of our police patrol program from eight patrol districts to ten patrol districts and moving from an eight-hour shift to a ten-hour shift. A total of fifteen additional police officers and four additional sergeants are needed for this initiative. The addition of five Police Officer positions is recommended each year from fiscal year 2022 through fiscal year 2024. The addition of two Sergeant position are recommend each year in fiscal years 2023 and 2024.

Funding is recommended in the Financial Plan to establish an enhanced Neighborhood and District Community Policing Program. This proposal involves funding an additional Community Oriented Policing (COPs) unit. Funding for four Police Officer positions and one Sergeant position is recommended in fiscal year 2025 to help provide expanded foot and bicycle patrol in neighborhoods, downtown, and in our parks.

The plan also recommends funding to complete the final phase of staffing for the Proactive Enforcement/Violent Crime Squad. The addition of two Police Officer positions (FY 27, FY 28) is recommended to fully staff that unit.

A second Property Crimes Investigation Squad is recommended to respond to the projected increase in case load based on the growth of our community. Funding is recommended for four Police Officer positions (FY 25, FY 26) and one Sergeant position (FY 26).

The Financial Plan also recommends funding allocations for the addition of two Police Officer positions (FY 25, FY 26) to implement an enhanced training program, three civilian Community Service Records Technicians (FY 22, FY 24), two Crime Scene Investigators (FY 25, FY 28), four Animal Services Field Officer positions (FY 24, FY 26, FY 28), as well as four additional Animal Shelter Technicians (FY 24, FY 26, FY 27) to maintain service levels as our community grows.

An allocation of \$ 24,655,000 for a Public Safety Capital Improvement Program is included in the Financial Plan and is proposed as a certificate of obligation bond program. It is recommended that this bond include an expansion of the Public Safety Training Center, a new shooting range, an expansion and update of the Animal Shelter and Pet Adoption Center, improvements to fire stations, and investments in equipment.

The Financial Plan recommends two additional fire squad vehicles to be purchased (FY 23) and fully staffed (FY 26, FY 27) to provide enhanced response capacity in the growth areas of our community.

Three additional Battalion Chief (FY 26) positions and three additional Driver Safety Officer (FY 26) positions are recommended to be funded in order to allow the City to be divided into two response districts

to provide greater supervisory resources to the Fire Department as the community continues to grow. The Financial Plan also includes a placeholder in fiscal year 2027 for staffing for a potential additional station. Station needs and locations will be guided by the Fire Master Plan, which is currently underway.

The plan includes funding for three additional outdoor warning sirens (FY 22, FY 23, FY 25), the replacement of seven cardiac monitors (FY 22-FY 26), the replacement of a ladder truck (FY 22), the replacement of four fire engines (FY 23, FY 26, FY 27, FY 28), the replacement of a fire rescue vehicle (FY 26), the replacement of two fire squad vehicles (FY 26), and the replacement of our aircraft rescue and firefighting truck (FY 26).

Funding for additional code compliance resources are included in the Financial Plan including a Code Compliance Manager position (FY 22), and two Code Compliance Officer positions (FY 25, FY 26). These proposed additions will provide the staff resources necessary to expand our proactive, solution-oriented code compliance approach.

## OTHER INFORMATION

Independent Audit According to the City Charter of the City of Temple, an annual independent audit is required to be made of the financial records of the City by a Certified Public Accountant selected by the City Council. The City of Temple engaged the firm of Brockway, Gersbach, Franklin & Niemeier, P.C., and the opinion has been included in this report.

It should be noted that the auditors included all funds in their audit, performed their audit in accordance with auditing standards generally accepted in the United States of America and stated that, in their opinion, the statements herein present fairly, in all material respects, the financial position of the City at September 30, 2021, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Temple for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Temple has received a Certificate of Achievement for the last forty consecutive years (Fiscal Years ended 1981-2020). We believe our current 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.

Distinguished Budget Presentation Award For the fiscal year 2020-21 Budget document, the City received, for the twenty-fifth consecutive year, the distinguished Budget Presentation Award from the Governmental Finance Officers Association (GFOA).

### **Acknowledgments**

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of a highly qualified staff in the Finance Department. We would like to express our appreciation to all the staff of the Finance Department who assisted and contributed to the preparation of this report. In particular, we would like to thank Assistant Director of Finance, Melissa Przybylski, CPA, Treasury & Debt Division Director, Stacey Reisner, CPA, and Budget Division Director, Jennifer Emerson for their exemplary efforts in assuming primary responsibility for producing this document.

Finally, we acknowledge the Mayor and Council Members who have consistently supported the City's goal of excellence in all aspects of financial management. Their support is greatly appreciated.

In conclusion, this report reflects the overall financial condition of the City as the City continues to provide the necessary services to the citizens of Temple.

Respectfully submitted,

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Traci L. Barnard, CPA  
Director of Finance

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Brynn Myers  
City Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Temple  
Texas**

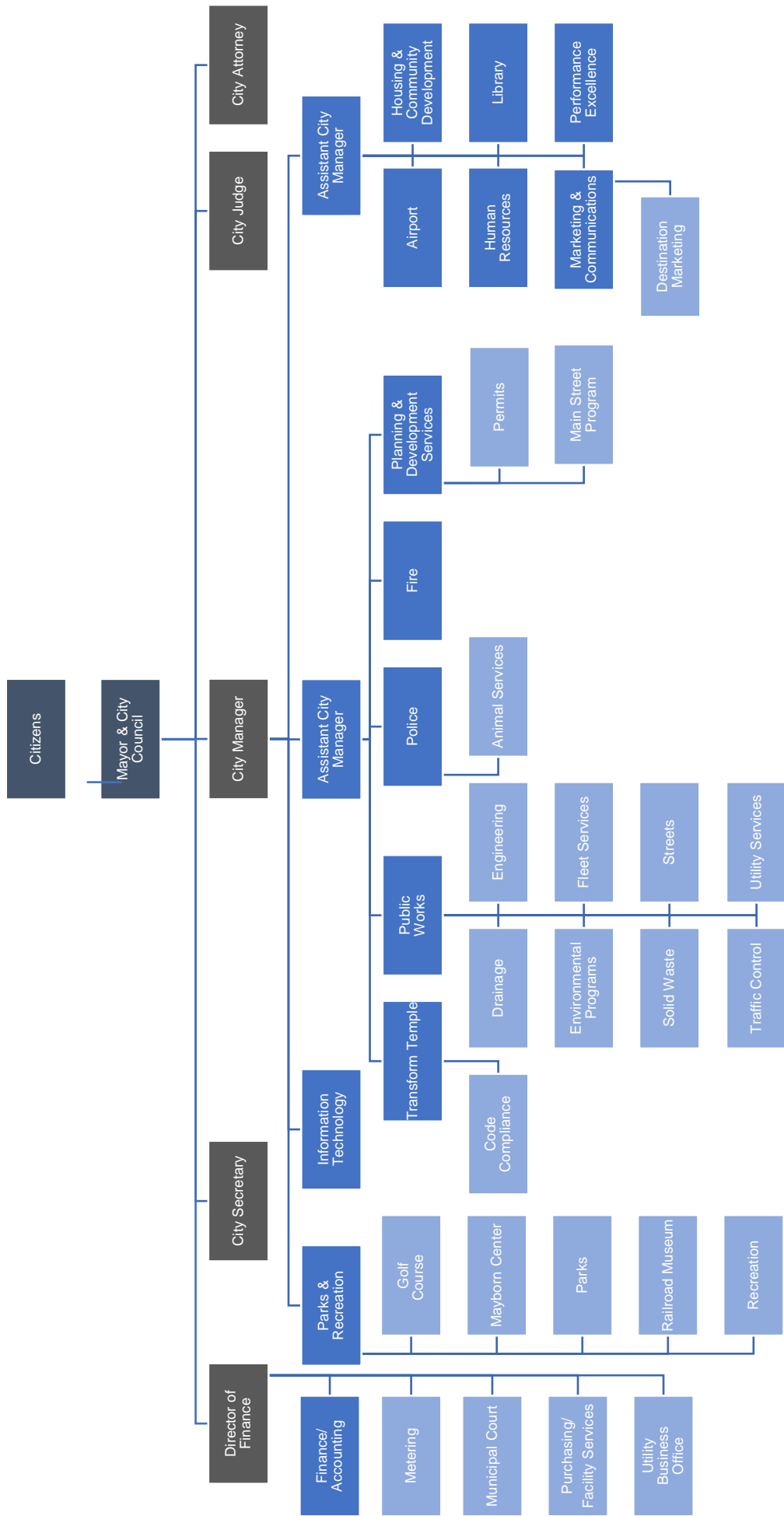
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO





Gray – Council Appointed Position  
 Dark Blue – Departments  
 Light Blue - Divisions

**CITY OF TEMPLE  
PRINCIPAL OFFICIALS**

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*MAYOR*  
**TIM DAVIS**

*MAYOR PRO-TEMPORE*  
**JUDY MORALES**

*COUNCILMEMBER*  
**JESSICA WALKER**

*COUNCILMEMBER*  
**SUSAN LONG**

*COUNCILMEMBER*  
**WENDELL WILLIAMS**

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**BRYNN MYERS, *CITY MANAGER***

**TRACI L. BARNARD, C.P.A., *DIRECTOR OF FINANCE***

**KATHRYN DAVIS, *CITY ATTORNEY***

**JANA LEWELLEN, *CITY SECRETARY***



# FINANCIAL SECTION







## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Temple, Texas (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Temple, Texas, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 43 - 57, the Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Employer Contributions for the Texas Municipal Retirement System (TMRS) and the Temple Firefighters' Relief and Retirement Fund (TFRRF) on pages 140 - 143 and the Schedule of Changes in Total OPEB Liability and Related Ratios and Schedule of Employer Contributions for TMRS – Supplemental Death Benefits and Retiree Health Care Plan on pages 144 - 148 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

**INDEPENDENT AUDITOR'S REPORT  
(CONTINUED)**

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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's internal control over financial reporting and compliance.

  
Temple, Texas  
January 28, 2022

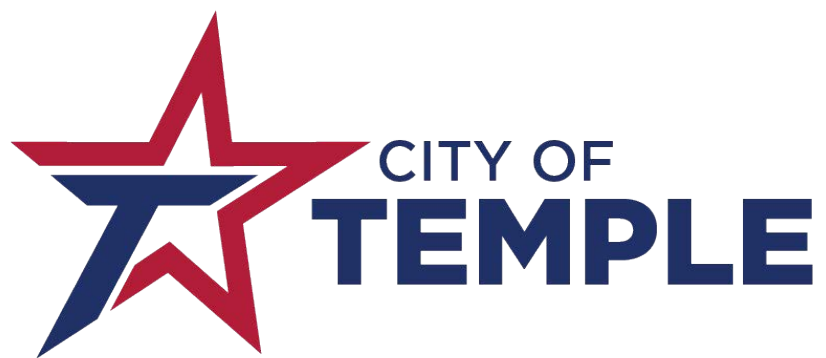






# MANAGEMENT'S DISCUSSION AND ANALYSIS





**CITY OF TEMPLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2021**

Our discussion and analysis of the City of Temple's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The City's net position of the primary government was \$ 190,378,543 at September 30, 2021. Of this amount, \$ 11,866,131 is unrestricted and may be used to meet the City's future obligations. Of the \$ 11.9 million net unrestricted net position, (\$ 3,804,737) is related to governmental activities, which includes the General Fund. The \$ 15,670,868 net balance of unrestricted net position is related to business-type activities, which is the City's enterprise fund (water and wastewater).
- The City of Temple's total net position increased by \$ 11,307,629 during the current fiscal year. Net position of governmental activities increased \$ 12,919,436 from \$ 55,833,144. Net position of business-type activities decreased \$ 1,611,807 from \$ 123,237,770. The net increase in governmental activities and in the business-type activities is attributable to an increase in the City's investment in capital assets and the decrease in the net pension liability in the amount of \$ 1,202,069.
- Due to the decrease in the net pension liability, there was a corresponding increase in deferred outflows of resources in the amount of \$ 1,728,029. In addition, there was an increase in deferred inflows of resources in the amount of \$ 285,644.
- As of September 30, 2021, the City of Temple's governmental funds reported combined ending fund balances of \$ 140,218,275, an increase of \$ 52,629,065 in comparison with the prior fiscal year. The capital projects fund had a net increase of \$ 45,737,392 due to the issuance and expenditure of bond proceeds from Transportation Capital Improvement Program, Drainage Capital Improvement Program, as well as constructing and equipping City buildings. In addition, there was an increase of \$ 6,046,627 in the general fund balance and a \$ 926,33 increase in the fund balance of nonmajor governmental funds. The offset to the overall increase is attributable to the decrease in the debt service fund of \$ 81,337.
- At the end of the current fiscal year, assigned/unassigned fund balance for the general fund was \$ 38,336,246 or approximately 27.34% of total general fund expenditures.
- The City's total net bonded debt increased by \$ 39,774,040 during the current fiscal year. This net increase was due to bond issuance of \$ 94,590,000 for Utility Capital Improvement Program, as well as \$ 50,280,00 for the Transportation Capital Improvement Program, Drainage Capital Improvement Program, and Facility Capital Improvement Program in conjunction with the offset of debt payments made during the fiscal year.

**CITY OF TEMPLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**September 30, 2021**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's discussion and analysis is intended to serve as an introduction to the City of Temple's basic financial statements. The City of Temple's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements** - The government-wide financial statements are designed to provide readers with a broad overview of the City of Temple's finances, in a manner similar to private-sector business. The statement of net position presents information on all of the City of Temple's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Temple is improving or deteriorating. The statement of net position combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and wastewater lines, etc.), to assess the overall health or financial condition of the City.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. 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 not used vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting.

In the Statement of Net Position and the Statement of Activities, the City is divided into three kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including the police, fire, library, airport, streets, sanitation, culture and recreation, and general government. Property taxes, sales taxes and franchise fees finance most of these activities.
- **Business-type activities** – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and wastewater system activity are reported here.
- **Component units** – The City includes two separate legal entities in its report – the Temple Economic Development Corporation and the Reinvestment Zone No. 1 (a tax incremental financing unit). Although legally separate, these "component units" are important because the City is financially accountable for them.

**CITY OF TEMPLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**September 30, 2021**

**Reporting the City's Most Significant Funds**

**Fund Financial Statements** - The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by the City's charter and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The City's three kinds of funds – governmental, proprietary and fiduciary – utilize different accounting approaches.

- Governmental funds – The majority 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 identified as the modified accrual basis of 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

The City of Temple maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects fund all of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

- Proprietary funds – The City of Temple maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government wide financial statements. The City uses an enterprise fund to account for its water and wastewater utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater utility. The water and wastewater utility is considered a major fund of the City.

**CITY OF TEMPLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**September 30, 2021**

**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 on pages 75 through 138 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's net pension obligation as it relates to Texas Municipal Retirement System and Temple Firefighters' Relief and Retirement Fund as well as the total OPEB liabilities as it relates to the TMRS-SDB and retiree health plan. Required supplementary information can be found on page 140 through 148 of this report.

**THE CITY AS A WHOLE – Government-Wide Financial Analysis**

The City's combined net position was \$ 190,378,543 as of September 30, 2021. The following tables focus on the net position (Table I) and general revenues and significant expenses of the City's governmental and business-type activities (Table II).

By far the largest portion of the City's net position (92.75%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF TEMPLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
September 30, 2021**

**Table I  
Summary of Statement of Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 165,884,771	\$ 106,886,682	\$ 131,535,564	\$ 53,514,234	\$ 297,420,335	\$ 160,400,916
Capital assets	221,773,206	218,450,274	224,272,385	202,520,527	446,045,591	420,970,801
Total assets	<u>387,657,977</u>	<u>325,336,956</u>	<u>355,807,949</u>	<u>256,034,761</u>	<u>743,465,926</u>	<u>581,371,717</u>
Deferred outflows of resources	<u>14,938,279</u>	<u>13,055,254</u>	<u>2,383,737</u>	<u>2,538,733</u>	<u>17,322,016</u>	<u>15,593,987</u>
Long-term liabilities outstanding	306,759,879	263,441,293	228,177,084	129,160,016	534,936,963	392,601,309
Other liabilities	19,005,242	11,351,528	7,458,017	5,218,420	26,463,259	16,569,948
Total liabilities	<u>325,765,121</u>	<u>274,792,821</u>	<u>235,635,101</u>	<u>134,378,436</u>	<u>561,400,222</u>	<u>409,171,257</u>
Deferred inflows of resources	<u>8,078,555</u>	<u>7,766,245</u>	<u>930,622</u>	<u>957,288</u>	<u>9,009,177</u>	<u>8,723,533</u>
Net Position:						
Net investment in capital assets	72,557,317	66,565,782	104,019,217	98,533,741	176,576,534	165,099,523
Restricted	-	-	1,935,878	1,453,385	1,935,878	1,453,385
Unrestricted (deficit)	<u>(3,804,737)</u>	<u>(10,732,638)</u>	<u>15,670,868</u>	<u>23,250,644</u>	<u>11,866,131</u>	<u>12,518,006</u>
Total net position	<u>\$ 68,752,580</u>	<u>\$ 55,833,144</u>	<u>\$ 121,625,963</u>	<u>\$ 123,237,770</u>	<u>\$ 190,378,543</u>	<u>\$ 179,070,914</u>

An additional portion of the City of Temple's net position (1.02%) represents resources that are subject to external restrictions on how they may be used. The balance of *unrestricted net position*, \$ 11,866,131, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Temple is able to report positive balances in all three categories of net position for the government as a whole.

There was a decrease of \$ 1,611,807 in net position reported in connection with the City of Temple's business-type activities. The net decrease is the result of an increase in investments in capital assets in FY 2021.

**CITY OF TEMPLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
September 30, 2021**

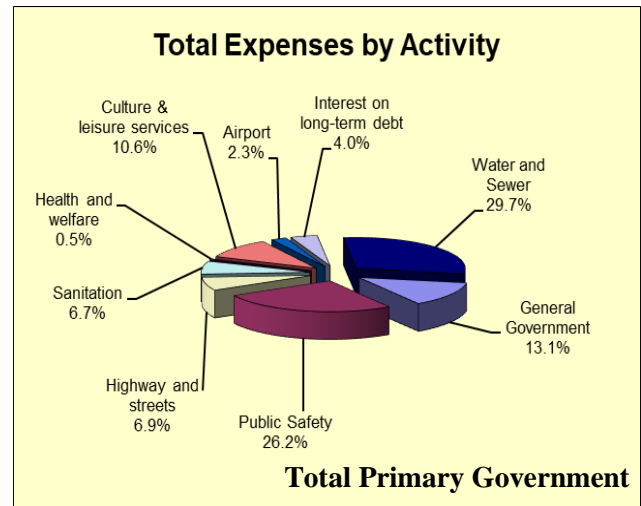
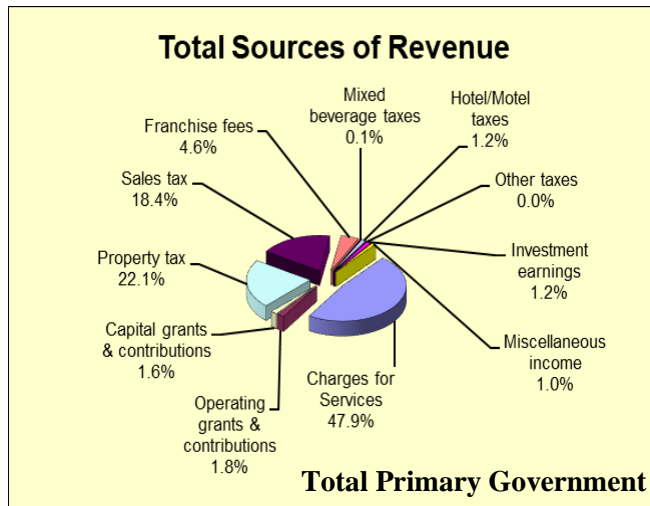
Governmental and business-type activities increased the City's net position by \$ 11,307,629. The key elements of this increase are as follows:

**Table II  
Statement of Activities, Changes in Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 34,682,709	\$ 32,299,231	\$ 39,290,715	\$ 39,084,642	\$ 73,973,424	\$ 71,383,873
Operating grants and contributions	2,700,918	3,359,451	6,861	-	2,707,779	3,359,451
Capital grants and contributions	2,388,612	1,479,579	104,702	3,989,857	2,493,314	5,469,436
General revenues:						
Property tax	34,060,244	30,972,535	-	-	34,060,244	30,972,535
Sales tax	28,357,487	24,418,211	-	-	28,357,487	24,418,211
Franchise fees	7,149,264	7,376,450	-	-	7,149,264	7,376,450
Mixed beverage taxes	205,921	163,391	-	-	205,921	163,391
Hotel/Motel taxes	1,854,579	1,563,648	-	-	1,854,579	1,563,648
Other taxes	69,651	66,345	-	-	69,651	66,345
Investment earnings	422,993	1,328,204	1,429,672	1,599,150	1,852,665	2,927,354
Miscellaneous income	1,610,924	1,533,100	-	-	1,610,924	1,533,100
Total revenues	113,503,302	104,560,145	40,831,950	44,673,649	154,335,252	149,233,794
Expenses:						
General government	18,750,792	17,662,291	-	-	18,750,792	17,662,291
Public safety	37,491,481	38,922,907	-	-	37,491,481	38,922,907
Highway and streets	9,925,757	10,113,674	-	-	9,925,757	10,113,674
Sanitation	9,652,499	9,117,863	-	-	9,652,499	9,117,863
Health and welfare	693,254	515,154	-	-	693,254	515,154
Culture & leisure services	15,095,711	14,744,515	-	-	15,095,711	14,744,515
Airport	3,267,703	3,165,090	-	-	3,267,703	3,165,090
Interest on long-term debt	5,706,669	5,395,933	-	-	5,706,669	5,395,933
Water and sewer	-	-	42,443,757	40,372,635	42,443,757	40,372,635
Total expenses	100,583,866	99,637,427	42,443,757	40,372,635	143,027,623	140,010,062
Increase (decrease) in net position	12,919,436	4,922,718	(1,611,807)	4,301,014	11,307,629	9,223,732
Net position - beginning, as restated	55,833,144	50,910,426	123,237,770	118,936,756	179,070,914	169,847,182
Net position - ending	\$ 68,752,580	\$ 55,833,144	\$ 121,625,963	\$ 123,237,770	\$ 190,378,543	\$ 179,070,914



**CITY OF TEMPLE, TEXAS  
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)  
September 30, 2021**



For FY 2021, revenues from governmental activities totaled \$ 113,503,302. In comparison to FY 2020, revenues for governmental activities increased \$ 8,943,157 or 8.55%. Property taxes experienced an increase of \$ 3,087,709 due to growth in assessed valuations from both new construction and increases in existing values. Despite the impacts of COVID-19, sales tax reflected an increase of \$ 3,939,276. Property taxes and sales tax combined are the largest components of revenues (54.99%). In addition, charges for services increased \$ 2,383,478 in FY 2021 as compared to FY 2020. This increase can be attributed to an increase of \$ 1,008,013 in Sanitation charges for services associated with customer growth in solid waste collection. In addition, Culture and Leisure services saw a significant increase of \$ 1,172,410. This increase can be attributed to strategic operational adjustments made to programming and activities being offered in FY 2021 after they were abruptly halted in FY 2020 due to the pandemic. It should also be noted that charges for services account for 30.56% of total governmental revenue. In FY 2020, the City was awarded \$ 4,251,225 through the CARES Act for the Coronavirus Relief Fund (CRF) to prevent, prepare for, and respond to the COVID-19. The City recognized \$ 2,945,101 of the grant funding awarded in FY 2020 and recognized the remainder of remainder of \$ 1,306,124 in FY 2021.

Expenses for governmental activities in FY 2021 totaled \$ 100,583,866. In comparison to FY 2020, expenses for governmental activities increased \$ 946,439 or 0.95%. This increase is primarily due to city-wide operational increases in expenditures after responding to the COVID-19 pandemic in the previous fiscal year. The five largest program expenses in FY 2021 are public safety (\$ 37,491,481), general government (\$ 18,750,792), culture and leisure services (\$ 15,095,711), highways and streets (\$ 9,925,757), and sanitation (\$ 9,652,499).

For governmental activities, the Statement of Activities on page 61 shows that \$ 34,682,709 was financed by those receiving services, \$ 2,700,918 from operating grants and contributions, \$ 2,388,612 from capital grants and contributions, with the City’s general revenues financing \$ 73,731,063 of the remaining program expenses.

**CITY OF TEMPLE, TEXAS**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**  
**September 30, 2021**

The debt service fund has a total fund balance of \$ 222,280, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was attributable to the use of fund balance for debt service payments.

The capital projects fund has a total fund balance of \$ 95,420,298. The fund balance increased by \$ 45,737,392 during the current fiscal year. This net increase is due to the issuance of bonds and expenditure of bond proceeds during the fiscal year.

**Business-type Activities**

Revenues of the City’s business-type activities were \$ 40,831,950 for the fiscal year ended September 30, 2021. Revenues decreased \$ 3,841,699 as compared to the prior fiscal year. Expenses for the City’s business-type activities were \$ 42,443,757, an increase of \$ 2,071,122, or 5.13%, compared to the prior fiscal year. The decrease in revenues is the result of a decrease in contributed capital of \$ 3,876,246 and a decrease in consumption. Water consumption decreased 7.50% in FY 2021 compared to the prior fiscal year. Unrestricted net position of the water and wastewater fund was \$ 15,670,868. The water and wastewater fund unrestricted net position decreased in the current fiscal year by \$ 7,579,776.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the FY 2021, the City had \$ 446,045,591 invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges and water and wastewater lines.

**Table III**  
**Capital Assets at Year-End**  
**(Net of Depreciation)**

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 36,166,637	\$ 33,739,896	\$ 3,815,580	\$ 3,782,416	\$ 39,982,217	\$ 37,522,312
Construction in progress	13,416,137	38,949,729	51,433,168	29,912,829	64,849,305	68,862,558
Buildings	42,181,664	43,141,939	16,230,971	17,088,990	58,412,635	60,230,929
Infrastructure	103,792,130	79,056,780	146,853,882	146,636,637	250,646,012	225,693,417
Furniture & equipment	10,118,709	10,842,310	628,670	762,222	10,747,379	11,604,532
Machinery & equipment	16,097,929	12,719,620	5,310,114	4,337,433	21,408,043	17,057,053
	<u>\$ 221,773,206</u>	<u>\$218,450,274</u>	<u>\$224,272,385</u>	<u>\$ 202,520,527</u>	<u>\$446,045,591</u>	<u>\$420,970,801</u>

**CITY OF TEMPLE, TEXAS**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**  
**September 30, 2021**

Major capital asset additions during the current fiscal year included the following:

- Crossroads Athletic Park - \$ 14,377,722
- Prairie View, Phase II Road Improvements - \$ 8,327,612
- Outer Loop, Phase III Road and Utility Improvements - \$ 5,764,524
- Avenue T and Avenue R Drainage Improvements - \$ 1,734,267
- Right-of-way for Outer Loop, Phase IV Road and Utility Improvements - \$ 1,499,211
- Azalea Drainage Infrastructure Improvements - \$ 1,409,657
- Replacement of Ladder Truck for Fire - \$ 1,296,313
- Rehabilitation of 720 Elevated Tank - \$ 794,632
- Reactor Air Modifications, Phase IV at Water Treatment Plant - \$ 460,358

It should be noted that the City did have a major capital addition of \$ 1,769,539 for Airfield Lighting Improvements. This project was 100% funded by a federal grant that was fully administered by the State of Texas.

Additional information on the City of Temple’s capital assets can be found in Note III on pages 94 through 96 of this report.

**Debt**

At year-end, the City had \$ 471,692,243 in bonds and notes payable outstanding as shown in Table IV.

**Table IV**  
**Outstanding Debt, at Year-End**

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 64,030,000	\$ 69,255,000	\$ 31,180,000	\$ 34,975,000	\$ 95,210,000	\$104,230,000
Certificate of obligation	156,925,000	112,600,000	-	-	156,925,000	112,600,000
Contractual obligations	6,780,000	4,645,000	-	-	6,780,000	4,645,000
Revenue bonds	-	-	168,455,000	80,125,000	168,455,000	80,125,000
Pass-through revenue & limited tax bonds	-	1,030,000	-	-	-	1,030,000
Notes payable	2,910,875	3,423,172	177,371	197,145	3,088,246	3,620,317
Premiums/discounts	17,556,643	14,585,819	23,677,354	9,061,948	41,233,997	23,647,767
<b>Totals</b>	<b>\$ 248,202,518</b>	<b>\$ 205,538,991</b>	<b>\$ 223,489,725</b>	<b>\$ 124,359,093</b>	<b>\$ 471,692,243</b>	<b>\$ 329,898,084</b>

The City of Temple maintains an “AA” rating from Standard & Poor’s for general obligation debt and revenue bonds.

**CITY OF TEMPLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**September 30, 2021**

The City is permitted by State law and provisions of the City Charter to levy taxes up to \$ 1.20 per \$ 100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is 3.70%.

Additional information on the City of Temple's long-term debt can be found in Note III, on pages 101 through 108 of this report.

**FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS**

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

At the end of the current fiscal year, the City of Temple's governmental funds reported combined ending fund balances of \$ 140,218,275. Approximately 27.34% of this total amount, \$ 38,336,246, constitutes assigned/unassigned fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is nonspendable for inventory and prepaid items \$ 608,842; has already been restricted 1) to pay for debt service, \$ 222,280; 2) to pay for drug enforcement, \$ 108,586; 3) to pay for library collection enhancement and other, \$ 522,573; 4) to pay for bond-funded construction projects, \$ 95,420,298; 5) to pay for museum expenditures \$ 16,505; 6) to pay for promotion of tourism \$ 1,632,683 or 7) committed to drainage in the amount of \$ 3,350,262.

In the general fund, the City budgeted for a decrease in the fund balance of \$ 7,407,369, which was primarily resulting from transfers of \$ 3,297,018 to capital project funds, debt service fund, grant fund with an additional \$ 2,250,886 to fund capital. This decrease was a reduction of excess fund balance to fund "pay as you go" capital projects. The actual fund balance increased for FY 2021 by \$ 6,046,627 due to a net variance with the final adopted budget of \$ 13,453,996. The increase was primarily attributed to the following:

- Sales tax reflected an increase of 16.13% as compared to FY 2020. This increase was primarily driven by inflationary prices in the building materials industry along with the government stimulus influx into the retail sector. The City continues to see new economic growth in construction, retail, food, and information sectors due to population growth and new industries establishing themselves in Temple. Sales tax revenue for FY 2021 came in \$ 4,678,085 over budgeted, which contributed significantly to the fund balance increase.
- As compared to FY 2020, property tax revenue in FY 2021 has grown as a result of an approximate 15.53% increase in the market value in conjunction with a 14.26% increase in the taxable property values, driven by increased local real estate market values.

**CITY OF TEMPLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**September 30, 2021**

Additionally, the City had approximately \$ 178,661,561 of new value for all property types added to the tax roll, which was a 36.83% increase in FY 2021 as compared to FY 2020. Property tax revenue for FY 2021 ended \$ 177,058 over budget for property tax revenues in the general fund.

- The continued use of the Coronavirus Relief Fund (CRF) funds made possible through the CARES Act in FY 2021 to reimburse public safety salaries in the estimated amount of \$ 765,000 also added to the fund balance for general fund.

It should also be noted that the following netted revenues also increased fund balance: franchise fees were \$ 22,464 under budget, charges for services were \$ 1,070,320 under budget, licenses and permits were \$ 193,645 over budget, interest income was \$ 145,857 over budget, sale of assets were \$ 122,094 over budget, fines were \$ 512,956 under budget, and all other revenues were over budget by \$ 65,170. In addition, total expenditures in the general fund came in \$ 8,598,191 under budget. Expenditures coming in under budget falls in line with our budgetary philosophy of estimating expenditures high. Hiring lag was one reason that expenditures came in under budget. Other expenditures that came in under budget were travel and training, supplies, professional services, electricity, fuel, and golf course. Operating expenditures spread across all departments accounted for \$ 4,176,232 of expenditures that came in under budget.

Debt service fund balance decreased in 2021 by \$ 81,337 for an ending balance of \$ 222,280. The decrease in the debt service fund balance was attributable to the use of fund balance for debt payments. Capital projects fund balance had a net increase in 2021 of \$ 45,737,392 due to the issuance of bonds and the expenditure of prior bond proceeds.

**Proprietary funds** – The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Wastewater fund is \$ 15,670,868, a decrease of \$ 7,579,776. The water and wastewater fund unrestricted net position decrease in the current fiscal year can be attributed to decreases in contributed capital and consumption, as well as an increase by the "pay as you go" capital expenses.

**General Fund Budgetary Highlights** – The City made revisions to the original appropriations approved by the City Council. Overall, these changes resulted in an increase in budgeted expenditures from the original budget of 9.44% or \$ 7,903,094.

During the year there was a \$ 7,903,094 increase in appropriations between the original operating budget and final amended budget. Following are the main components of the increase:

- \$ 771,047 increase in personnel services for various departments. Of this amount,
  - \$ 199,707 was appropriated into several General Fund departments based on the anticipated reimbursement from FEMA related to Winter Storm Uri.

**CITY OF TEMPLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**September 30, 2021**

- \$ 189,550 supplemental funding in Special Services to cover the additional separation pay for General Fund employees in FY 2021.
- \$ 129,837 was appropriated for reclassification of Solid Waste drivers from pay grade 109 to pay grade 112, effective March 2021.
- \$ 126,250 was re-appropriated from Police's salary accounts to fund Police recruiting services.
- \$ 125,000 was unappropriated tied to salaries and benefits of police officers associated to the COPS Hiring Program through the Community Oriented Policing Services due to hiring challenges in the fiscal year.
- \$ 98,311 was appropriate to fund the new Recreation Services Division Director position, as well as other salary changes within Parks & Recreation as approved by City Manager in December 2020.
- \$ 96,613 was appropriated into several General Fund departments based on the anticipated reimbursement from FEMA related to COVID Vaccine Program.
- \$ 85,463 was appropriated to fund the City's share of the 1% rate increase to the Temple Firefighters' Retirement and Relief Fund Rate.
- \$ 85,451 was appropriated to the fund the newly created Assistant Director of Purchasing and Facility Services position.
- \$ 76,946 was appropriated for salaries and benefits for staff within Housing & Community Development that did not work Community Development Block Grant hours as budgeted.
- \$ 39,218 was appropriated to fund the new Equity Manager position in Performance Excellence.
- \$ 31,666 was appropriated to fund the new Fire Management Specialist position.
- \$ 1,384,073 supplemental funding in operations to various departments within the General Fund for projects that were not completed in the previous year.
- \$ 1,641,337 supplemental funding in capital to various departments within the General Fund for projects that were not completed in the previous year.
- \$ 126,391 appropriation related to various facility damages that occurred due to Winter Storm Uri.
- \$ 230,854 appropriation related to restoration, mitigation, personal property replacement associated to Fire Station # 5 fire damage.
- \$ 382,212 supplemental funding for repair and maintenance to sanitation vehicles for Solid Waste.
- \$ 372,717 supplemental funding for landfill tipping fees for Solid Waste.
- \$ 124,902 supplemental funding for the Chapter 380 Agreement with Buc-ee's.
- \$ 82,309 supplemental funding for maintenance associated with Crossroads Park facility by Sports Field Solutions.
- \$ 38,327 supplemental funding for waived permit fees within Permits & Inspections.

**CITY OF TEMPLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**September 30, 2021**

The increase in expenditure appropriations was partially possible because of additional anticipated revenues. Increases in revenues were from a net increase in various charges for services to cover increases in services provided (\$ 1,352,829), an increase in licenses and permits (\$ 33,527), an increase in sales tax (\$ 124,902), an increase in insurance proceeds (\$ 560,210), and an increase in other income from various sources (\$ 227,895). The remaining increases in expenditure appropriations were funded with Assigned General Fund Balance.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Similar to FY 2020, the current financial statements still reflect financial impacts of the COVID-19 pandemic. Although it appears some revenues have increased in FY 2021 as compared to FY 2020, the City still does not reflect revenues in recreational services nor fines as in a previous, non-COVID year. Recreational programming and events were adjusted accordingly in FY 2021 to take into consideration the on-going pandemic resulting in lower than normal revenues. Fewer vehicles traveling in conjunction with staffing challenges in Police have resulted in fine reductions. To help offset the loss of revenue due to COVID-19, City-wide operations, service levels, and programming were evaluated and adjusted to adapt to the ongoing concerns surrounding the pandemic. The City was awarded \$ 4,251,225 through the CARES Act for the Coronavirus Relief Fund (CRF) to prevent, prepare for, and respond to COVID-19. The City recognized \$ 2,945,101 of the grant funding in FY 2020 and the remainder of \$ 1,306,124 in FY 2021. Additionally, as part of the American Rescue Plan Act of 2021, the City will be awarded funding in the amount of \$ 14,170,861 during FY 2022 and FY 2023 through the Coronavirus State and Local Fiscal Recovery Funds to provide a substantial infusion of resources to help turn the tide on the pandemic, address the economic fallout, and lay the foundation for a strong and equitable recovery. Although the City has not fully developed a spending plan for these funds, the City will be utilizing a portion of the funding for premium pay to essential workers, as well as supporting and retaining public sector workers through a retention pay program.

The City's elected and appointed officials considered many factors when setting the FY 2022 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. The population growth experienced by the City has stimulated local business and development activity, and the community has placed additional demands on the City to maintain or enhance services provided to our citizens. Temple's greatest economic strength is the diversified employment base. The three largest job sectors are health and medical, distribution and manufacturing. It is anticipated that future growth for the region will focus on healthcare and small businesses. The City has one of the lowest unemployment rates at 5.09% as compared to the State of Texas, which is 6.04%. The reasonable costs of living and homes priced below the national average continue to make Temple an attractive area for new business locations and re-locations. The City continues to attract new and existing companies due to the strategy of working diligently with corporations on relocation incentives.

These indicators were considered when adopting the General Fund budget for fiscal year 2022. The total 2021-2022 combined budget appropriation totals \$ 167,565,001 for six operating funds.

**CITY OF TEMPLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**September 30, 2021**

The 2021-2022 General Fund budget of \$ 93,108,445 represents an increase of 11.23% or \$ 9,400,538 in comparison to the adopted 2020-2021 budget. The focus of the FY 2022 Budget is on enhancing our service levels while responding to the growth of our community and doing so in a way that maintains the fiscal health of the City. The adopted budget reflects a fiscally responsible approach to improving the City's infrastructure and maintaining quality City services to a growing population. The FY 2022 Budget allocates resources based on the five focus areas as identified in the Strategic Plan: High-Performing Organization, Communication and Collaboration, Places and Spaces, Public Safety, and Smart Growth.

Overall, the City Council was presented with a budget that requires \$ 3,568,079 from fund balance to assist in the funding of \$ 2,820,829 in capital outlay, \$ 125,000 for UDC Rewrite, \$ 100,000 for Strategic Investment Zone Corridor (SIZ) to be funded with Assigned Fund Balance – Capital Projects and \$ 522,250 for debt service for capital replacement (sanitation vehicles for \$ 270,250 and public safety P25 radios of \$ 252,000). The budget assesses a tax rate of \$ 0.6400 per \$ 100 valuation, a decrease of \$ 0.0125 compared to last year's actual rate of \$ 0.6525 per \$ 100. The budget recognizes increases in ad valorem taxes, sales tax, and solid waste charges for services, culture & recreation charges for services, as well as licenses and permits.

The General Fund's largest revenue source in FY 2020-2021 is charges for services. For the fiscal year ending 2019-2020, the General Fund's largest revenue source was also charges for services.

As a cost of service for the Enterprise Fund, Water & Wastewater rates must be sufficiently set to pay the total operations and maintenance, debt and depreciation, and meet bond covenant coverage requirements. During FY 2019, staff engaged the services of a consultant to develop a six-year cost of service study. One of the key elements of the study was to develop the revenue requirement for a six-year capital improvement program to construction, replace or rehabilitate numerous components in the City of Temple distribution and collection systems, address additional staffing needs for the operations and maintenance of the systems, and other operations and maintenance costs of the system.

Multiple scenarios were considered. The rate proposal chosen for includes:

- Increasing the current water volumetric rate;
- Increasing the current wastewater rate monthly minimum service charge and increasing the volumetric rate; and
- Adding an additional class for water and wastewater.

Rates for FY 2020 were increased effective October 4, 2019. There are no rate adjustments to the water and wastewater rates in FY 2021. The current rate model for FY 2022 through FY 2028 includes proposed rate adjustments. The rate model will be updated annually to determine if future rate adjustments will be required to support the revenue requirement.



**CITY OF TEMPLE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**September 30, 2021**

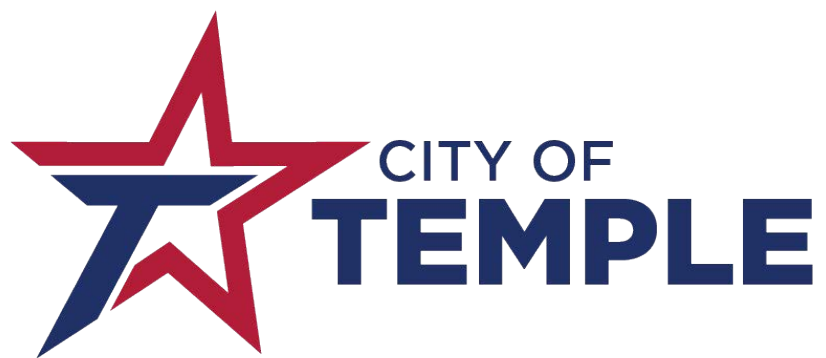
Over the past years, the City has faced demands from Federal/State regulators to develop a more aggressive schedule of system improvements. Combined with the demands from regulatory agencies and the line relocations associated with TxDOT projects, the City has developed a revised Capital Improvement Program.

The City updated the Water and Wastewater Master Plan in 2019. The Master Plan included evaluation of system demand and improvements through 2070. The plan also included an assessment of current infrastructure, a water and wastewater system hydraulic analysis, and a plan for implementing future improvements. The total estimated cost for the projects identified in the 2019 Water and Wastewater Master Plan is \$ 171,935,000. Many of the projects have been reviewed and prioritized in the FY 2021 – FY 2028 Utility Capital Improvement Program.

The FY 2022 Water and Wastewater Fund operating budget of \$ 46,667,145, is an increase of 5.97% compared with the prior year. Cost drivers for the increase include cash capital outlays and debt service associated with the water and wastewater capital improvement plan.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the Director of Finance, at City of Temple, 2 North Main, Suite 302, Temple, TX 76501.





# **BASIC FINANCIAL STATEMENTS**

**CITY OF TEMPLE, TEXAS**  
**STATEMENT OF NET POSITION**  
**September 30, 2021**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Reinvestment Zone No. 1	Temple Economic Development Corporation
<b>ASSETS</b>					
Cash	\$ 9,750	\$ 5,050	\$ 14,800	\$ -	\$ 4,976,680
Investments	151,544,805	18,794,034	170,338,839	10,574,735	-
Property taxes, net of allowance for uncollectibles	482,748	-	482,748	143,645	-
Receivables, net of allowance for uncollectibles	4,425,569	2,845,855	7,271,424	10,473	52,664
Due from other governments	7,985,240	-	7,985,240	-	-
Internal balances	(2,440)	-	(2,440)	-	2,440
Inventories	401,926	337,723	739,649	-	-
Prepays	206,916	230,001	436,917	-	82,000
Other assets	18,561	-	18,561	-	-
Restricted assets:					
Cash and investments	811,696	109,322,901	110,134,597	56,762,979	3,666,665
Land held for investment	-	-	-	-	13,017,176
Capital assets not being depreciated:					
Land	36,166,637	3,815,580	39,982,217	22,883,128	-
Construction in progress	13,416,137	51,433,168	64,849,305	29,098,119	-
Capital assets, net of accumulated depreciation:					
Buildings	42,181,664	16,230,971	58,412,635	2,134,501	4,962,455
Infrastructure	103,792,130	146,853,882	250,646,012	76,722,850	-
Furniture and equipment	10,118,709	628,670	10,747,379	28,360	46,600
Machinery and equipment	16,097,929	5,310,114	21,408,043	3,311	-
Total assets	<u>387,657,977</u>	<u>355,807,949</u>	<u>743,465,926</u>	<u>198,362,101</u>	<u>26,806,680</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amounts on refunding	3,566,331	1,382,967	4,949,298	1,110,953	-
Deferred amounts of contributions	5,939,442	699,500	6,638,942	-	-
Difference in expected and actual experience	1,724,932	52,451	1,777,383	-	-
Changes in assumptions	3,707,574	248,819	3,956,393	-	-
Total deferred outflows of resources	<u>14,938,279</u>	<u>2,383,737</u>	<u>17,322,016</u>	<u>1,110,953</u>	<u>-</u>
<b>LIABILITIES</b>					
Vouchers and contracts payable	5,193,543	4,014,020	9,207,563	2,454,206	16,911
Retainage payable	51,918	1,039,793	1,091,711	505,488	-
Accrued payroll	2,439,444	276,149	2,715,593	-	-
Deposits	112,596	831,569	944,165	-	175,100
Unearned revenues	9,825,714	70,641	9,896,355	-	-
Accrued interest payable	1,382,027	1,225,845	2,607,872	732,461	-
Noncurrent liabilities:					
Due within one year	16,206,364	11,871,856	28,078,220	5,654,821	120,049
Due in more than one year	290,553,515	216,305,228	506,858,743	90,941,642	3,440,570
Total liabilities	<u>325,765,121</u>	<u>235,635,101</u>	<u>561,400,222</u>	<u>100,288,618</u>	<u>3,752,630</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Difference in expected and actual experience	2,465,973	278,061	2,744,034	-	-
Changes in assumptions	260,214	35,484	295,698	-	-
Difference in projected and actual investment earnings	5,352,368	617,077	5,969,445	-	-
Total deferred inflows of resources	<u>8,078,555</u>	<u>930,622</u>	<u>9,009,177</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	72,557,317	104,019,217	176,576,534	74,049,969	1,476,398
Restricted for:					
Debt service	-	1,935,878	1,935,878	4,650,937	-
Economic development incentives	-	-	-	-	12,434,645
Unrestricted (deficit)	(3,804,737)	15,670,868	11,866,131	20,483,530	9,143,007
Total net position	<u>\$ 68,752,580</u>	<u>\$ 121,625,963</u>	<u>\$ 190,378,543</u>	<u>\$ 99,184,436</u>	<u>\$ 23,054,050</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF TEMPLE, TEXAS**  
**STATEMENT OF ACTIVITIES**  
For the year ended September 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities	Total	Component Units	
			Grants and Contributions	Capital Grants and Contributions				Reinvestment Zone No. 1	Temple EDC
<b>Primary government:</b>									
Governmental activities:									
General government	\$ 18,750,792	\$ 5,518,174	\$ 446,087	\$ 154,991	\$ (12,631,540)	\$ -	\$ (12,631,540)	\$ -	\$ -
Public safety	37,491,481	3,745,543	1,656,331	72,853	(32,016,754)	-	(32,016,754)	-	-
Highways and streets	9,925,757	3,191,166	8,352	245,672	(6,480,567)	-	(6,480,567)	-	-
Sanitation	9,652,499	16,021,672	15,000	145,557	6,529,730	-	6,529,730	-	-
Health and welfare	693,254	-	489,581	-	(203,673)	-	(203,673)	-	-
Culture and leisure services	15,095,711	4,146,962	3,567	-	(10,945,182)	-	(10,945,182)	-	-
Airport	3,267,703	2,059,192	82,000	1,769,539	643,028	-	643,028	-	-
Interest on long-term debt	5,706,669	-	-	-	(5,706,669)	-	(5,706,669)	-	-
Total governmental activities	100,583,866	34,682,709	2,700,918	2,388,612	(60,811,627)	-	(60,811,627)	-	-
<b>Business-type activities:</b>									
Water and sewer	42,443,757	39,290,715	6,861	104,702	-	(3,041,479)	(3,041,479)	-	-
Total business-type activities	42,443,757	39,290,715	6,861	104,702	-	(3,041,479)	(3,041,479)	-	-
Total primary government	\$ 143,027,623	\$ 73,973,424	\$ 2,707,779	\$ 2,493,314	(60,811,627)	(3,041,479)	(63,853,106)	-	-
<b>Component units:</b>									
Reinvestment Zone No. 1	\$ 23,247,231	\$ 177,230	\$ -	\$ 50,000	-	-	-	(23,020,001)	-
Temple Economic Development Corporation	1,785,507	-	13,614,730	-	-	-	-	-	11,829,223
Total component units	\$ 25,032,738	\$ 177,230	\$ 13,614,730	\$ 50,000	-	-	-	(23,020,001)	11,829,223
<b>General Revenues:</b>									
Property taxes					34,060,244	-	34,060,244	19,278,394	-
Sales taxes					28,357,487	-	28,357,487	-	-
Franchise fees					7,149,264	-	7,149,264	-	-
Mixed beverage taxes					205,921	-	205,921	-	-
Hotel/Motel taxes					1,854,579	-	1,854,579	-	-
Other taxes					69,651	-	69,651	-	-
Investment income					422,993	1,429,672	1,852,665	93,551	53,048
Miscellaneous income					1,610,924	-	1,610,924	515,168	-
Total general revenues					73,731,063	1,429,672	75,160,735	19,887,113	53,048
Change in net position					12,919,436	(1,611,807)	11,307,629	(3,132,888)	11,882,271
Net position-beginning, as restated					55,833,144	123,237,770	179,070,914	102,317,324	11,171,779
Net position-ending					\$ 68,752,580	\$ 121,625,963	\$ 190,378,543	\$ 99,184,436	\$ 23,054,050

The notes to the financial statements are an integral part of this statement.

**CITY OF TEMPLE, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2021**

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash	\$ 5,200	\$ -	\$ -	\$ 4,550	\$ 9,750
Investments	43,414,922	211,080	96,238,259	11,680,544	151,544,805
Property taxes, net	205,240	277,508	-	-	482,748
Other receivables, net	4,053,958	-	7,810	363,801	4,425,569
Due from other governments	508,508	6,861,131	-	615,601	7,985,240
Inventories, at cost	397,241	-	-	4,685	401,926
Prepaid items	193,986	-	-	12,930	206,916
Restricted cash and investments	811,696	-	-	-	811,696
Other assets	-	-	-	18,561	18,561
Total assets	<u>\$ 49,590,751</u>	<u>\$ 7,349,719</u>	<u>\$ 96,246,069</u>	<u>\$ 12,700,672</u>	<u>\$ 165,887,211</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Vouchers and contracts payable	\$ 4,037,470	\$ -	\$ 782,911	\$ 375,602	\$ 5,195,983
Retainage payable	-	-	38,381	13,537	51,918
Accrued payroll	2,351,491	-	4,479	83,474	2,439,444
Vacation and sick leave payable	698,061	-	-	40,126	738,187
Deposits and refundable contracts	42,396	-	-	70,200	112,596
Unearned revenues	2,902,701	7,127,439	-	7,100,668	17,130,808
Total liabilities	<u>10,032,119</u>	<u>7,127,439</u>	<u>825,771</u>	<u>7,683,607</u>	<u>25,668,936</u>
Fund Balances:					
Nonspendable:					
Inventories and prepaid items	591,227	-	-	17,615	608,842
Restricted for:					
Debt service	-	222,280	-	-	222,280
Drug enforcement	108,586	-	-	-	108,586
Library and other	522,573	-	-	-	522,573
Construction	-	-	95,420,298	-	95,420,298
Museum	-	-	-	16,505	16,505
Promotion of tourism	-	-	-	1,632,683	1,632,683
Committed to:					
Drainage	-	-	-	3,350,262	3,350,262
Assigned to:					
Capital technology acquisition	617,097	-	-	-	617,097
Capital projects	12,106,214	-	-	-	12,106,214
Purchases on order	3,496,702	-	-	-	3,496,702
Unassigned	22,116,233	-	-	-	22,116,233
Total fund balances	<u>39,558,632</u>	<u>222,280</u>	<u>95,420,298</u>	<u>5,017,065</u>	<u>140,218,275</u>
Total liabilities and fund balances	<u>\$ 49,590,751</u>	<u>\$ 7,349,719</u>	<u>\$ 96,246,069</u>	<u>\$ 12,700,672</u>	<u>\$ 165,887,211</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF TEMPLE, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**September 30, 2021**

Total fund balances-governmental funds \$ 140,218,275

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$	36,166,637	
Construction in progress		13,416,137	
Buildings		87,018,361	
Infrastructure		221,683,810	
Furniture and equipment		34,586,737	
Machinery and equipment		46,848,891	
Accumulated depreciation		<u>(217,947,367)</u>	
Total capital assets	\$	<u><u>221,773,206</u></u>	221,773,206

Deferred outflows of resources represent the consumption of net position that applies to future periods and will not be recognized as an expense until then:

Deferred amounts on refunding	\$	3,566,331	
Deferred amounts of contributions		5,939,442	
Difference in expected and actual experience		1,724,932	
Deferred amounts of changes in assumptions		<u>3,707,574</u>	
	\$	<u><u>14,938,279</u></u>	14,938,279

Some revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year end. On the accrual basis, however, those revenues would be recognized of when they are collected.

Maintenance & operations taxes not collected	\$	177,655	
Interest & sinking fund taxes not collected		266,308	
Pass-through toll agreement		6,861,131	
Total deferred revenue reclassified	\$	<u><u>7,305,094</u></u>	7,305,094

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet. (1,382,027)

Some long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Due within one year	\$	15,468,177	
Long-term debt, including premium/discount		<u>290,553,515</u>	
Total long-term liabilities	\$	<u><u>306,021,692</u></u>	(306,021,692)

Deferred inflow of resources represent an acquisition of net position that applies to future periods and so will not be recognized as revenue until then:

Difference in expected and actual experience	\$	(2,465,973)	
Changes in assumptions		(260,214)	
Difference in projected and actual investment earnings		<u>(5,352,368)</u>	
	\$	<u><u>(8,078,555)</u></u>	(8,078,555)

Net position of governmental activities \$ 68,752,580

The notes to the financial statements are an integral part of this statement.

**CITY OF TEMPLE, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the year ended September 30, 2021**

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Taxes	\$ 45,980,308	\$ 16,755,745	\$ -	\$ 1,854,579	\$ 64,590,632
Franchise fees	7,149,264	-	-	-	7,149,264
Licenses and permits	1,282,122	-	-	-	1,282,122
Intergovernmental	1,407,166	1,280,286	-	3,682,364	6,369,816
Drainage fees	-	-	-	2,885,991	2,885,991
Charges for services	28,602,715	-	-	261,216	28,863,931
Fines	1,479,146	-	-	-	1,479,146
Interest and other	1,779,819	56,118	54,957	54,194	1,945,088
<b>Total revenues</b>	<b>87,680,540</b>	<b>18,092,149</b>	<b>54,957</b>	<b>8,738,344</b>	<b>114,565,990</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	17,263,730	-	1,567,998	494,771	19,326,499
Public safety	36,382,465	-	724,368	458,698	37,565,531
Highways and streets	3,257,137	-	8,221,747	1,775,177	13,254,061
Sanitation	8,602,091	-	1,951,583	160,557	10,714,231
Health and welfare	-	-	-	596,914	596,914
Culture and leisure services	11,676,734	-	669,078	1,777,817	14,123,629
Airport	2,166,905	-	90,839	1,769,539	4,027,283
<b>Debt service:</b>					
Principal retirement	341,007	13,182,831	-	3,460	13,527,298
Interest and fiscal charges	25,723	6,863,645	205,168	64	7,094,600
<b>Total expenditures</b>	<b>79,715,792</b>	<b>20,046,476</b>	<b>13,430,781</b>	<b>7,036,997</b>	<b>120,230,046</b>
Excess (deficiency) of revenues over expenditures	7,964,748	(1,954,327)	(13,375,824)	1,701,347	(5,664,056)
<b>Other financing sources (uses):</b>					
Transfers in	299,261	1,872,990	881,513	107,440	3,161,204
Transfers out	(2,217,382)	-	(61,418)	(882,404)	(3,161,204)
Issuance of loans and bonds	-	-	53,220,000	-	53,220,000
Discount on bond issuance	-	-	(319,306)	-	(319,306)
Original issue premium	-	-	5,392,427	-	5,392,427
<b>Total other financing sources (uses)</b>	<b>(1,918,121)</b>	<b>1,872,990</b>	<b>59,113,216</b>	<b>(774,964)</b>	<b>58,293,121</b>
<b>Net change in fund balances</b>	<b>6,046,627</b>	<b>(81,337)</b>	<b>45,737,392</b>	<b>926,383</b>	<b>52,629,065</b>
Fund balances, beginning of year	33,512,005	303,617	49,682,906	4,090,682	87,589,210
Fund balances, end of year	<u>\$ 39,558,632</u>	<u>\$ 222,280</u>	<u>\$ 95,420,298</u>	<u>\$ 5,017,065</u>	<u>\$ 140,218,275</u>

The notes to the financial statements are an integral part of this statement.



**CITY OF TEMPLE, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the year ended September 30, 2021**

Net change in fund balances-total governmental funds \$ 52,629,065

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures	\$ 17,473,063	
Depreciation expense	(14,084,335)	
Net adjustment	<u>\$ 3,388,728</u>	3,388,728

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals and donations) is to decrease net position. (65,796)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the net change in "unavailable" revenues. Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance the expenditures of the current period; accrual- basis recognition is not limited to availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. (996,891)

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of certificate and contractual obligation bonds	\$ (53,220,000)	
Discount/(premium) on issuance	(5,073,121)	
To bondholders	13,527,298	
Amortization of bond premiums/discounts	2,102,296	
Amortization of bond refunding amounts	(405,262)	
Net adjustment	<u>\$ (43,068,789)</u>	(43,068,789)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Increase in compensated absences liability	\$ (240,656)	
Total adjustment	<u>\$ (240,656)</u>	(240,656)

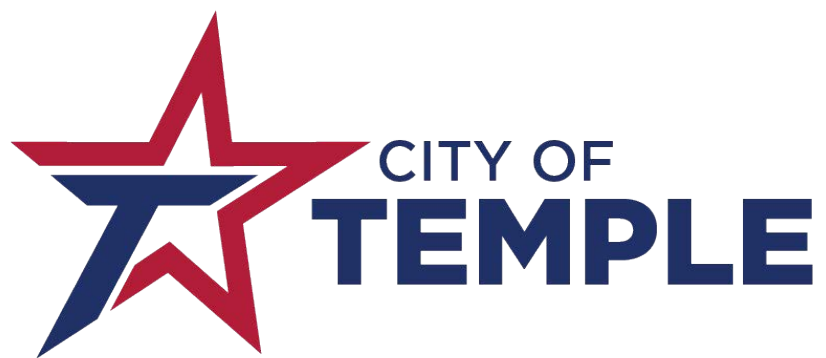
Governmental funds report contributions to the pension and OPEB plans as expenditures. However, in the Statement of Activities, pension and OPEB expense is determined by an actuary as of the measurement period.

Decrease in net pension liability	\$ 848,087	
Increase in OPEB liability	(1,241,189)	
Difference in expected and actual experience - outflow	529,976	
Difference in changes in assumptions - outflow	1,529,026	
Difference in expected and actual experience - inflow	(148,408)	
Difference in changes in assumptions - inflow	54,255	
Difference in projected and actual investment earnings - inflow	(218,157)	
Increase in deferred pension and OPEB contributions	229,285	
	<u>\$ 1,582,875</u>	1,582,875

Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds. This amount is the change in accrued interest. (309,100)

Change in net position of governmental activities \$ 12,919,436

The notes to the financial statements are an integral part of this statement.



**CITY OF TEMPLE, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the year ended September 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 40,956,891	\$ 41,081,793	\$ 45,980,308	\$ 4,898,515
Franchise fees	7,171,728	7,171,728	7,149,264	(22,464)
Licenses and permits	1,054,950	1,088,477	1,282,122	193,645
Intergovernmental	940,669	1,373,940	1,407,166	33,226
Charges for services	28,320,206	29,673,035	28,602,715	(1,070,320)
Fines	1,992,102	1,992,102	1,479,146	(512,956)
Interest and other	721,214	1,523,296	1,779,819	256,523
Total revenues	<u>81,157,760</u>	<u>83,904,371</u>	<u>87,680,540</u>	<u>3,776,169</u>
<b>Expenditures:</b>				
Current:				
General government:				
City council	225,717	225,717	191,790	33,927
City manager	1,089,897	1,066,531	1,011,837	54,694
Housing & community development	-	335,701	321,717	13,984
Finance	2,053,713	2,081,450	1,954,475	126,975
Purchasing	575,602	629,681	611,195	18,486
City secretary	495,412	453,434	351,916	101,518
Special services	936,425	1,465,458	1,017,924	447,534
City attorney	1,030,200	1,115,790	1,006,513	109,277
City planning	775,881	790,869	745,768	45,101
Information technology services	4,140,351	4,222,877	3,757,043	465,834
Human resources	1,053,971	1,083,407	949,048	134,359
Economic development	404,084	528,986	491,216	37,770
Fleet services	1,431,735	1,522,834	1,215,981	306,853
Inspections/Permits	680,897	712,854	664,397	48,457
Facility services	1,654,989	1,821,548	1,502,724	318,824
Performance excellence	339,125	473,261	422,784	50,477
Marketing and communications	1,048,673	1,079,802	1,047,402	32,400
Total general government	<u>17,936,672</u>	<u>19,610,200</u>	<u>17,263,730</u>	<u>2,346,470</u>
Public safety:				
Municipal court	872,059	872,548	719,390	153,158
Police	19,161,164	20,181,369	19,012,114	1,169,255
Animal services	530,592	559,270	503,074	56,196
Fire	13,500,915	14,268,778	13,958,651	310,127
Communications	1,078,737	1,078,737	1,078,737	-
Code Enforcement	1,383,841	1,522,587	1,110,499	412,088
Total public safety	<u>36,527,308</u>	<u>38,483,289</u>	<u>36,382,465</u>	<u>2,100,824</u>
Highways and streets:				
Streets	3,012,403	3,094,060	2,344,515	749,545
Traffic control	461,103	475,904	420,611	55,293
Engineering	524,558	534,558	492,011	42,547
Totals highways and streets	<u>3,998,064</u>	<u>4,104,522</u>	<u>3,257,137</u>	<u>847,385</u>
Sanitation:	<u>7,714,466</u>	<u>8,770,679</u>	<u>8,602,091</u>	<u>168,588</u>
Parks & Recreation:				
Parks	5,181,942	5,936,514	4,942,298	994,216
Recreation	4,260,827	4,526,482	3,047,998	1,478,484
Administration	383,168	428,764	355,319	73,445
Golf course	1,545,581	1,565,981	1,480,050	85,931
Education	1,979,006	2,122,164	1,851,069	271,095
Total parks & recreation	<u>13,350,524</u>	<u>14,579,905</u>	<u>11,676,734</u>	<u>2,903,171</u>
Airport:	<u>2,503,072</u>	<u>2,398,655</u>	<u>2,166,905</u>	<u>231,750</u>
Debt service:				
Principal	338,999	341,008	341,007	1
Interest	27,734	25,725	25,723	2
Total debt service	<u>366,733</u>	<u>366,733</u>	<u>366,730</u>	<u>3</u>
Total expenditures	<u>82,396,839</u>	<u>88,313,983</u>	<u>79,715,792</u>	<u>8,598,191</u>
Excess (deficiency) of revenues over expenditures	<u>(1,239,079)</u>	<u>(4,409,612)</u>	<u>7,964,748</u>	<u>12,374,360</u>
<b>Other financing sources (uses):</b>				
Transfers in	299,261	299,261	299,261	-
Transfers out	<u>(1,311,068)</u>	<u>(3,297,018)</u>	<u>(2,217,382)</u>	<u>1,079,636</u>
Total other financing sources (uses)	<u>(1,011,807)</u>	<u>(2,997,757)</u>	<u>(1,918,121)</u>	<u>1,079,636</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(2,250,886)</u>	<u>(7,407,369)</u>	<u>6,046,627</u>	<u>13,453,996</u>
Fund balance, beginning of period	<u>33,512,005</u>	<u>33,512,005</u>	<u>33,512,005</u>	<u>-</u>
Fund balance, end of period	<u>\$ 31,261,119</u>	<u>\$ 26,104,636</u>	<u>\$ 39,558,632</u>	<u>\$ 13,453,996</u>

The notes to the financial statements are an integral part of this statement.

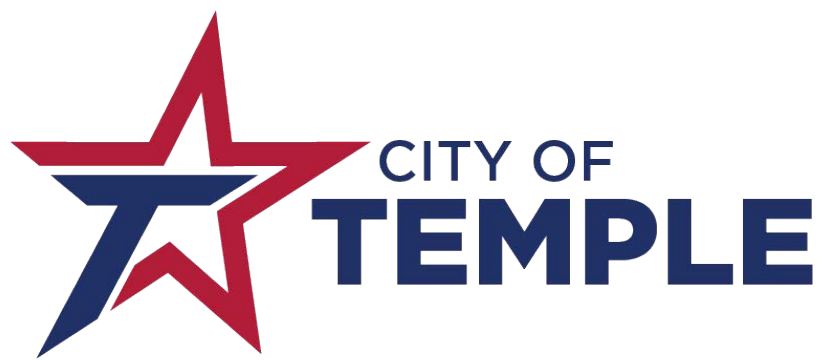
**CITY OF TEMPLE, TEXAS**  
**STATEMENTS OF NET POSITION**  
**PROPRIETARY FUND**  
**September 30, 2021**  
**(With comparative amounts for September 30, 2020)**

	<b>Water and Wastewater</b>		
	<b>2021</b>	<b>2020</b>	<b>Increase (Decrease)</b>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 5,050	\$ 4,546	\$ 504
Investments	18,794,034	24,505,582	(5,711,548)
Restricted cash and investments:			
Revenue bond debt service	3,161,723	2,235,080	926,643
Customer deposits	831,569	804,527	27,042
Construction account	105,329,609	22,846,383	82,483,226
Customer receivables	2,838,994	1,897,018	941,976
Accounts receivable	6,861	699,690	(692,829)
Inventories	337,723	298,325	39,398
Prepaid items	230,001	223,083	6,918
Total current assets	<u>131,535,564</u>	<u>53,514,234</u>	<u>78,021,330</u>
Noncurrent assets:			
Capital assets:			
Land	3,815,580	3,782,416	33,164
Buildings	49,587,499	49,405,519	181,980
Improvements other than buildings	247,938,996	240,904,182	7,034,814
Machinery, furniture and equipment	16,792,266	15,093,434	1,698,832
	<u>318,134,341</u>	<u>309,185,551</u>	<u>8,948,790</u>
Less accumulated depreciation	(145,295,124)	(136,577,853)	(8,717,271)
Construction in progress	<u>51,433,168</u>	<u>29,912,829</u>	<u>21,520,339</u>
Total capital assets (net of accumulated depreciation)	<u>224,272,385</u>	<u>202,520,527</u>	<u>21,751,858</u>
Total noncurrent assets	<u>224,272,385</u>	<u>202,520,527</u>	<u>21,751,858</u>
Total assets	<u>355,807,949</u>	<u>256,034,761</u>	<u>99,773,188</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts on refunding	1,382,967	1,633,271	(250,304)
Deferred amounts of contributions	699,500	608,651	90,849
Difference in expected and actual experience	52,451	123,199	(70,748)
Changes in assumptions	248,819	173,612	75,207
Total deferred outflows of resources	<u>2,383,737</u>	<u>2,538,733</u>	<u>(154,996)</u>

The notes to the financial statements are an integral part of this statement.

	<b>Water and Wastewater</b>		
	<b>2021</b>	<b>2020</b>	<b>Increase (Decrease)</b>
<b>LIABILITIES</b>			
Current liabilities:			
Vouchers and contracts payable	\$ 4,014,020	\$ 3,151,908	\$ 862,112
Retainage payables	1,039,793	188,199	851,594
Accrued payroll	276,149	221,450	54,699
Unearned revenues	70,641	70,641	-
Customer deposits	831,569	804,527	27,042
Accrued interest - revenue bonds	1,225,845	781,695	444,150
Current maturities of long-term liabilities	<u>11,871,856</u>	<u>7,772,024</u>	<u>4,099,832</u>
Total current liabilities	<u>19,329,873</u>	<u>12,990,444</u>	<u>6,339,429</u>
Noncurrent liabilities:			
Revenue bonds payable	211,521,099	116,469,176	95,051,923
Compensated absences payable	498,797	436,172	62,625
Other post-employment benefits payable	838,232	724,142	114,090
Net supplemental death benefits payable	357,691	302,528	55,163
Net pension liability	2,924,621	3,278,603	(353,982)
Notes payable	<u>164,788</u>	<u>177,371</u>	<u>(12,583)</u>
Total noncurrent liabilities	<u>216,305,228</u>	<u>121,387,992</u>	<u>94,917,236</u>
Total liabilities	<u>235,635,101</u>	<u>134,378,436</u>	<u>101,256,665</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Difference in expected and actual experience	278,061	248,750	29,311
Changes in assumptions	35,484	42,882	(7,398)
Difference in projected and actual investment earnings	<u>617,077</u>	<u>665,656</u>	<u>(48,579)</u>
Total deferred inflows of resources	<u>930,622</u>	<u>957,288</u>	<u>(26,666)</u>
<b>NET POSITION</b>			
Net investment in capital assets	104,019,217	98,533,741	5,485,476
Restricted for:			
Debt service	1,935,878	1,453,385	482,493
Unrestricted	<u>15,670,868</u>	<u>23,250,644</u>	<u>(7,579,776)</u>
Total net position	<u>\$121,625,963</u>	<u>\$123,237,770</u>	<u>\$ (1,611,807)</u>

The notes to the financial statements are an integral part of this statement.



**CITY OF TEMPLE, TEXAS  
STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUND**

**For the year ended September 30, 2021**

**(With comparative amounts for the year ended September 30, 2020)**

	<b>Water and Wastewater</b>		
	<b>2021</b>	<b>2020</b>	<b>Increase (Decrease)</b>
Operating revenues:			
Charges for sales and services:			
Water service	\$ 21,437,556	\$ 22,499,743	\$ (1,062,187)
Sewer service	15,502,183	14,584,853	917,330
Other	2,350,976	2,000,046	350,930
Total operating revenues	<u>39,290,715</u>	<u>39,084,642</u>	<u>206,073</u>
Operating expenses:			
Personnel services	6,726,930	6,092,665	634,265
Supplies	1,970,882	1,789,658	181,224
Repairs and maintenance	1,625,832	1,442,026	183,806
Depreciation	8,970,794	8,430,854	539,940
Other services and charges	14,021,835	14,275,523	(253,688)
Total operating expenses	<u>33,316,273</u>	<u>32,030,726</u>	<u>1,285,547</u>
Operating income	<u>5,974,442</u>	<u>7,053,916</u>	<u>(1,079,474)</u>
Nonoperating revenues (expenses):			
Intergovernmental revenues	6,861	-	6,861
Interest income	1,429,672	1,599,150	(169,478)
Interest expense	(7,031,842)	(5,371,315)	1,660,527
Other expense	(2,095,642)	(2,970,594)	(874,952)
Total nonoperating revenues (expenses)	<u>(7,690,951)</u>	<u>(6,742,759)</u>	<u>948,192</u>
Income (loss) before contributions	(1,716,509)	311,157	(2,027,666)
Contributions-TxDot	-	8,909	(8,909)
Contributed Capital	<u>104,702</u>	<u>3,980,948</u>	<u>(3,876,246)</u>
Change in net position	(1,611,807)	4,301,014	(5,912,821)
Total net position - beginning	<u>123,237,770</u>	<u>118,936,756</u>	<u>4,301,014</u>
Total net position - ending, as restated	<u>\$121,625,963</u>	<u>\$ 123,237,770</u>	<u>\$ (1,611,807)</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF TEMPLE, TEXAS**  
**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUND**

For the year ended September 30, 2021  
(With comparative amounts for the year ended September 30, 2020)

	<b>Water and Wastewater</b>	
	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
Cash received from customers	\$ 38,375,781	\$ 39,304,527
Cash paid to suppliers	(8,762,352)	(9,173,528)
Cash paid to employees	(6,280,179)	(5,908,998)
Cash paid to other funds for administration, franchise fees and data processing	<u>(7,347,572)</u>	<u>(7,604,393)</u>
Net cash provided by operating activities	<u>15,985,678</u>	<u>16,617,608</u>
Cash flows from noncapital financing activities:		
Subsidy from federal grants	<u>6,861</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>6,861</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Capital expenses	(32,502,252)	(13,683,029)
Interest paid on debt	(7,139,092)	(5,866,473)
Debt principal payments	(10,055,000)	(6,710,000)
Proceeds from other governmental entities	-	8,909
Proceeds from debt issuance	<u>110,000,000</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>60,303,656</u>	<u>(26,250,593)</u>
Cash flows from investing activities:		
Interest received on investments	<u>1,429,672</u>	<u>1,599,150</u>
Net cash provided by investing activities	<u>1,429,672</u>	<u>1,599,150</u>
Net change in cash and cash equivalents	77,725,867	(8,033,835)
Cash and cash equivalents, beginning of year	50,396,118	58,429,953
Cash and cash equivalents, end of year	<u>\$ 128,121,985</u>	<u>\$ 50,396,118</u>

(Continued)

The notes to the financial statements are an integral part of this statement.



**CITY OF TEMPLE, TEXAS  
STATEMENTS OF CASH FLOWS  
PROPRIETARY FUND**

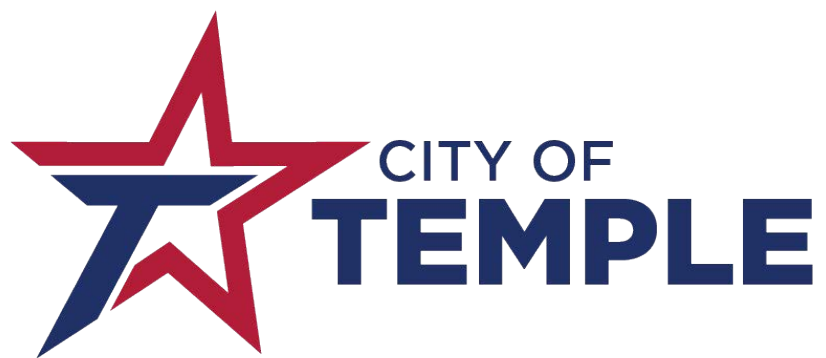
**(Continued)**

**For the year ended September 30, 2021  
(With comparative amounts for the year ended September 30, 2020)**

	<b>Water and Wastewater</b>	
	<b>2021</b>	<b>2020</b>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 5,974,442	\$ 7,053,916
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	8,970,794	8,430,854
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Change in accounts receivable	(249,147)	(208,853)
Change in inventory	(39,398)	(1,629)
Change in prepaids	(6,918)	(2,552)
Change in vouchers payable	862,112	1,139,787
Change in accrued liabilities	54,699	55,139
Change in OPEB liability	114,090	(55,828)
Change in supplemental death benefit liability	55,163	50,307
Change in net pension liability	160,174	69,328
Change in customer deposits	27,042	22,418
Change in accrued vacation and sick leave	62,625	64,721
Total adjustments	<u>10,011,236</u>	<u>9,563,692</u>
Net cash provided by operating activities	<u>\$ 15,985,678</u>	<u>\$ 16,617,608</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS FROM STATEMENT OF CASH FLOWS TO STATEMENT OF NET POSITION</b>		
Cash	\$ 5,050	\$ 4,546
Investments	18,794,034	24,505,582
Restricted assets - debt service, and bond proceeds:		
Cash and investments	<u>109,322,901</u>	<u>25,885,990</u>
Total cash and cash equivalents	<u>\$ 128,121,985</u>	<u>\$ 50,396,118</u>

During the fiscal years ended September 30, 2021, and 2020, the estimated value of water and sewer infrastructure contributed by developers was \$ 104,702 and \$ 3,980,948, respectively.

The notes to the financial statements are an integral part of this statement.



**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. FINANCIAL REPORTING MODEL AND ENTITY**

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This statement, known as the "Reporting Model" statement, affects the way the City prepares and presents financial information. State and local governments traditionally have used a financial reporting model substantially different from the one used to prepare private-sector financial reports.

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions and includes:

**Management's Discussion and Analysis** - GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of a "management's discussion and analysis" (MD&A). This analysis is similar to the analysis the private sector provides in their annual reports.

**Government-Wide Financial Statements** - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component units on the statement of net position and statement of activities. Significantly, the City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City, which were previously recorded in the General Fixed Assets Fund and the General Long-Term Obligations Fund (such as building and infrastructure, including bridges and roads and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

In addition, the government-wide statement of activities reflects depreciation expenses on the City's capital assets, including infrastructure. In addition to the government-wide financial statements, the City has prepared governmental fund financial statements, which continue to use the modified accrual basis of accounting and the current financial resources measurement focus. Accordingly, the accounting and financial reporting for the City's General Fund, Capital Projects Fund, and Debt Service Fund, the City's major governmental funds are similar to that previously presented in the City's financial statements, although the format of financial statements has been modified by GASB Statement No. 34.

**Statement of Net Position** - The Statement of Net Position is designed to display the financial position of the primary government (governmental and business-type activities) and its discretely presented component units. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of the government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Statement of Activities** - The new government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

**Financial Reporting Entity**

The City of Temple, Texas (the "City"), a home-rule municipal corporation organized and existing under the provisions of the Constitution of the State of Texas, adopted its first charter March 27, 1907. The City operates under a council-manager form of government and, as authorized by its charter, provides the following services: economic development; education; police, fire and other public safety; highways, streets and engineering; sanitation; health and welfare; parks, recreation and civic center; library; and airport facilities.

In evaluating the City's financial reporting entity, management has considered all potential component units. The decision to include a potential component unit in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14. The following legally separate entities are noted as discretely presented component units of the City in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government. Discretely presented component units are entities that are legally separate from the City, but for which the City is financially accountable or whose relationship with the City are such that exclusion would be misleading or incomplete.

**Discretely Presented Component Units**

**The Reinvestment Zone No. 1 (Zone)** was established during 1982 to provide funds for development and improvement projects within the Zone. The receipt of property taxes from taxing units with property within the boundaries of the Zone provides the funding for projects. The Zone has been included in the reporting entity as a non-major discretely presented component unit of the City because the City appoints a voting majority of the board, approves the budget and maintains the ability to impose its will on the board.

The Zone is audited as part of the City of Temple; however, separately issued unaudited financial statements are available through the City of Temple Finance Department, 2 North Main, Suite 302, Temple, Texas 76501.

**Temple Economic Development Corporation (TEDC)** is a legally separate entity from the City. TEDC was created for the purpose of promoting economic development within the City of Temple. The Board of Directors consist of fifteen voting members appointed by the City, acting through its City Council. The Mayor and one other council member periodically designated by resolution of the City Council, the City Manager and the Chairman of the Board of Directors for the City of Temple Reinvestment Zone No. 1 are voting members of the Board. Of the remaining eleven positions on the TEDC Board (the "Public Directors"), the City Council appoints four voting members from the membership of Board of Directors of the Temple Chamber of Commerce and four voting members from the membership of the Board of Directors of Temple Industrial Foundation. The remaining three Public Directors are chosen by the City Council from the public at large. The Bell County Judge, the

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

President of Temple College and the Superintendents of the Temple and Belton Independent School Districts are ex officio (non-voting) members of the Board of Directors with the right to have notice of, to attend and to speak at all meetings of the TEDC Board of Directors. TEDC has been included in the reporting entity as a non-major discretely presented component unit of the City because the City appoints a voting majority of the board, provides 100% of funding for the board and maintains the ability to impose its will on the board.

Separately issued audited financial statements are available from TEDC, 201 Santa Fe Way, Suite 103, Temple, Texas 76501.

**Related Organizations**

The Mayor appoints the governing board of the Temple Housing Authority, but cannot remove members or appoint the director, and the Council exercises no control over the governing board. The Authority's operating and capital expenditures, including debt service, are financed entirely from federal grants and rentals and the City has no involvement in the determination of the Authority's budget and rental rates or any obligation for the Authority's outstanding debt. The Temple Independent School District and Temple College have their own elected officials and governing board. They are not responsible to the elected officials of the City of Temple and the City is not responsible for their financial matters. The City has no financial accountability for any of these three entities. Accordingly, these entities are excluded from the accompanying financial statements.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the City of Temple's nonfiduciary activities of the primary government and its component units with most of the interfund activities removed. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer and solid waste functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

Likewise, the primary government is reported separately from component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Separate fund based financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. An emphasis is placed on major funds within the governmental and proprietary categories. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The major governmental funds are the general fund, the debt service fund, and the capital projects fund. The nonmajor funds are combined in a separate column in the fund financial statements.

Because the principal users are the City's governmental activities, financial statements of the internal service fund are consolidated into the governmental column when presented at the government-wide level. The costs of these services are reflected in the appropriate functional activity (general government, public safety, highways and streets, etc.).

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. In applying the susceptible to accrual concept under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. FUND ACCOUNTING**

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Capital projects are funded primarily by general obligation bonds and certificates of obligation.

The government reports the following major proprietary fund:

The *water and sewer fund* accounts for the water and sewer services provided to residents of the City.

Additionally, the City reports the following fund types:

Nonmajor Governmental Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue, other than major capital projects and major special revenue funds that are legally restricted to expenditures for specified purposes. These funds consist of the Hotel/Motel Fund, Federal/State Grant Fund, and the Drainage Fund.

***Reconciliation of Government-Wide and Fund Financial Statements***

A summary reconciliation of the difference between total fund balances as reflected on the governmental funds balance sheet and total net position for governmental activities as shown on the government-wide statement of net position is presented in an accompanying schedule to the governmental funds balance sheet. The asset and liability elements which comprise the reconciliation difference stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

economic resources measurement focus and the accrual basis of accounting. A summary reconciliation of the difference between net changes in fund balances as reflected on the governmental funds statement of revenues, expenditures and changes in fund balances and change in net position for governmental activities as shown on the government-wide statement of activities is presented in an accompanying schedule to the governmental funds statement of revenues, expenditures and changes in fund balance. The revenue and expense elements which comprise the reconciliation difference stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

**E. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

**1. Deposits and Investments**

The government'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.

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Statement of Net Position as "Investments". Income from the cash and investment pool is allocated to the various funds in accordance with the ratio of the funds' investment. In addition, investments are separately held by several of the City's funds.

Investments are stated at fair value or amortized cost in accordance with GASB Statement No. 31. Money market investments, including U. S. Treasury and agency obligations that have a remaining maturity at the time of purchase of one year or less are stated at amortized cost. Methods used to determine fair value are as follows: securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates, mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value. Security transactions and any resulting gains or losses are accounted for by the specific identification method. The investment policies of the City are governed by State Statute and an adopted City Investment Policy. Major provisions of the City's investment policy include: responsibility for investments, authorized investments, bank and security dealer selection and qualifying procedures, safekeeping and custodial procedures, statement of investment objectives and investment reporting procedures. This policy permits investment in U. S. Treasury or U. S. Agency issues, mutual funds, public funds investment pools and repurchase agreements. Statutes require that securities underlying repurchase agreements be limited to federal government securities having a fair value of at least 102% of the cost of the repurchase agreement.



**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Receivables**

Receivables are presented net of allowances for doubtful accounts. The amounts of the allowances by fund are as follows:

General Fund	\$ 2,513,799
Special Revenue Funds	110,169
Debt Service Fund	90,057
Enterprise Fund	425,040

**3. Inventories and Prepaid Items**

Inventories which are expended as they are consumed are stated at cost. Cost is determined for inventories of supplies and fuel using the moving-average method.

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year and are recorded as prepaid items in both government-wide and fund financial statements.

Reported inventories and prepaid items in governmental funds are offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current position.

**4. Restricted Assets**

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

**5. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. 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 five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the City during the current fiscal year was \$ 13,921,238.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40 - 50
Building improvements	20
Infrastructure	20 - 50
Vehicles	5 - 7
Office equipment	5 - 7
Computer equipment	5 - 7

**6. Compensated Absences**

Full-time employees accumulate eight to twelve hours per month for vacation and can accumulate a maximum credit of two years. Sick leave benefits are earned by full-time employees at a rate of eight hours per month and may be accumulated without limit. In the event of termination, an employee with at least one-year continuous service is reimbursed for all accumulated vacation days up to a maximum of one year's accrued credit. If the terminating employee has at least five years continuous service, reimbursement is also made for all accrued sick leave up to ninety working days.

All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only if they have matured, for example, as a result of employee resignations or retirements.

**7. Net Pension Liability**

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 the City'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. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – amendment of GASB Statement No. 27*.

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 Temple Firefighters' Relief and Retirement Fund and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by the Temple Firefighters' Relief and Retirement Fund. 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. Information regarding the City's Total Pension Liability is obtained from the Temple Firefighters' Relief and Retirement Fund through a report prepared for the City by the

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Temple Firefighters' Relief and Retirement Fund consulting actuary, Definiti-LLC, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pensions Plans – amendment of GASB Statement No. 25*, and Statement No. 68, *Accounting and Financial Reporting for Pensions – amendment of GASB Statement No. 27*.

**8. Other Post-Employment Benefits**

For purposes of measuring the Other Post-Employment (OPEB) liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) Supplemental Death Benefit Plan and additions to/deductions from the City'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.

No assets have been accumulated in a trust to pay related benefits for the plan. Information regarding the City's Total OPEB Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*.

For purposes of measuring the Other Post-Employment (OPEB) liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, City specific information about its Fiduciary Net Position in the City's Retiree Health Care Plan and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by the City. 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.

No assets have been accumulated in a trust to pay related benefits for the plan. Information regarding the City's Total OPEB Liability is obtained from a report prepared for the City by consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*.

**9. Interfund Transactions**

During normal business operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, or satisfy certain obligations. These transactions are generally reflected as transfers. Subsidies between funds are recorded as transfers.

**10. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

interest method. Bond issuance costs are expensed as incurred per GASB 65.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**11. 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 position 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 refundings – 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.
- Differences in expected and actual experience – The change is deferred and amortized over the average of the remaining service lives.
- Changes in assumptions – The result of changes in actuarial assumptions used to measure the total OPEB or net pension liability. The change is deferred and amortized over the average of the remaining service lives.

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 position 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 type of item that qualifies for reporting in this category.

- Difference in expected and actual pension experience – The difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in assumptions – The result of changes in actuarial assumptions used to measure the total OPEB or net pension liability. The change is deferred and amortized over the average of the remaining service lives.
- Difference in projected and actual investment earnings – The difference is deferred and amortized over a closed five-year period.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**12. Net Position**

Net position in government-wide and proprietary financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

**13. 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 a 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 provisions, or by enabling legislation.

**Committed Fund Balance** – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; 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** – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body. The City Council authorizes the assignment of fund balance by resolution.

Purchases on order are amounts that are available for purchases authorized prior to the end of the fiscal year, but that have not been received or delivered.

**Unassigned Fund Balance** – amounts that are available for any purpose; positive amounts are reported in the General Fund. The General Fund is the only fund that can report a positive unassigned fund balance amount.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance, the highest level of action. This is typically done through adoption of the budget. A fund balance commitment is further indicated in the budget document as a commitment of the fund. Assigned fund balance is established by City Council by passage of a resolution either through adoption or amendment of the budget as intended for specific purposes.

For the classification of Governmental Fund balances, the City considers an expenditure to be made from the most restrictive first when more than one classification is available.

In the General Fund, the City strives to maintain an unassigned fund balance to be used for unanticipated emergencies of at least 33% of the annual operating expenditures. This percentage is equal to four months operational expenditures.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**14. Comparative Data/Reclassification**

Comparative total data for the prior year have been presented only for individual enterprise funds and in the fund financial statements in order to provide an understanding of changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**15. Estimates**

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Specifically, the actuarial calculations used to determine the annual required contributions and related liabilities of the City's two retirement plans and post-employment obligations are based on assumptions about the possibility of events far into the future. Accordingly, actual results could differ from those estimates.

**F. NEW AND FUTURE FINANCIAL REPORTING REQUIREMENTS**

The GASB has issued the following statement which will become effective in the current year.

Implementation Guide No. 2019-1, *Implementation Guidance Update-2019* – The objective of this implementation guide is to provide guidance that clarifies, explains, or elaborates on GASB statements. The requirements of this implementation guide apply to the financial statements of all state and local governments unless narrower applicability is specifically provided for in the pronouncement addressed by a question and answer. This implementation guide has been implemented in fiscal year 2021.

The GASB has issued the following statements which will become effective in future years.

Statement No. 87, *Leases* – This statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement will be implemented in fiscal year 2022.

Statement No. 91, *Conduit Debt Obligations* – The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations and related note disclosures. This statement achieves by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary

**CITY OF TEMPLE, TEXAS**  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement will be implemented in fiscal year 2023.

Statement No. 92, *Omnibus 2020* – The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement will be implemented in fiscal year 2022.

Statement No. 93, *Replacement of Interbank Offered Rates* – Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) - most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. This statement will be implemented in fiscal year 2022.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – This statement provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This statement will be implemented in fiscal year 2023.

Statement No. 96, *Subscription-Based Information Technology Arrangements* – This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. This statement will be implemented in fiscal year 2023.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* - The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement will be implemented in fiscal year 2022.

Implementation Guide No. 2019-3, *Leases* - The objective of this Implementation Guide is to provide guidance that clarifies, explains, or elaborates on the requirements of Statement No. 87, *Leases*. This implementation guide will be implemented in fiscal year 2022.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. PRIOR PERIOD ADJUSTMENT**

The City restated its government-wide net position to properly record non-capital expenses that were previously reported as capital expenses.

Prospectively applying this change resulted in the adjustment below:

	Government-wide Statement of Activities		
	Governmental Activities	Business-type Activities	Total
Net position at September 30, 2020 as previously reported	\$ 57,166,521	\$ 126,208,364	\$ 183,374,885
Reclassification of capital expenses to non-capital expenses	(1,333,377)	(2,970,594)	(4,303,971)
Net position at September 30, 2020, as restated	<u>\$ 55,833,144</u>	<u>\$ 123,237,770</u>	<u>\$ 179,070,914</u>

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects fund, which adopt project-length budgets. All annual appropriations lapse at fiscal year-end.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to August 1, the City Manager submits a proposed operating budget to the City Secretary, who in turn submits it to the City Council for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- On or before September 30, the budget is legally adopted by the Council.
- The City Manager has the authority to transfer appropriation balances from one expenditure category to another within a department. The City Council must approve transfers of appropriations between departments, and any revisions that alter the total expenditures of any fund. Although costs are monitored on an expenditure category level, legal level of control (level at which expenditures may not exceed budget) is the department level. The reported budgetary data has been revised for amendments authorized during the year. Significant amendments were to provide carry forwards from previous year for projects not complete, appropriations offset by revenues, and capital projects funds from designated fund balance to project funds.
- Formal budgetary integration is employed as a management control device by expenditure category during the year for the general fund, special revenue funds, and debt service fund. Formal budgetary integration is not employed for the capital projects fund because effective budgetary control is provided by the small number of contracts and projects in this fund, significant costs are subject to bidding and projects usually span more than one fiscal year.



**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

- Budgets for the general fund, special revenue funds, and debt service fund are adopted on a basis consistent with the modified accrual basis of accounting.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported within restricted, committed, or assigned fund balance depending upon the specific purpose of the purchase order and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. Encumbrances by major funds and nonmajor funds in the aggregate are shown below:

Major Funds:	<u>Encumbrances</u>
General Fund	\$ 3,496,702
Capital Projects Fund	19,289,686
Nonmajor Funds:	<u>1,460,583</u>
Totals	<u>\$ 24,246,971</u>

**III. DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

**Legal and Contractual Provisions Governing Deposits and 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, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) and common trust funds. 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.

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank 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 bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**Deposits**

As of September 30, 2021, the City's deposit balances were as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
Total Deposits	<u>\$ 72,708,316</u>	<u>\$ 15,321,750</u>	<u>\$ 88,030,066</u>
Carrying Amount	<u>\$ 71,059,631</u>	<u>\$ 14,851,093</u>	<u>\$ 85,910,724</u>
Petty Cash	<u>\$ 14,800</u>	<u>\$ -</u>	<u>\$ 14,800</u>

Foreign Currency Risk – The City's deposits are not exposed to foreign currency risk.

Custodial Credit Risk – The City's policy is to be collateralized. The City was fully collateralized during the year for deposits. The policies of the Temple Economic Development Corporation, discretely presented component unit, also require full collateralization. As of September 30, 2021, the Temple

Economic Development Corporation had a total of \$ 8,874,415 in deposits. Of this amount, \$ 450,839 was insured, and \$ 8,423,576 was collateralized with securities held by pledging financial institution's agent in the entity's name.

**Investments**

The City evaluated all its investment positions and determined that it had no investments subject to recurring fair value recognition or disclosures. As of September 30, 2021, the City had the following investments:

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

	<u>Carrying Amount</u>	<u>Fair Value</u>
<b><u>Primary Government</u></b>		
Investment pools:		
Texpool	\$ 10,728,339	\$ 10,728,339
TexSTAR	186,659,397	186,659,397
Texas CLASS	<u>12,026,069</u>	<u>12,026,069</u>
Total investment in pools:	<u>209,413,805</u>	<u>209,413,805</u>
Total investments	<u>\$ 209,413,805</u>	<u>\$ 209,413,805</u>
<b><u>Discretely Presented Component Units</u></b>		
Investment pools:		
Texpool	\$ 6,373,240	\$ 6,373,240
TexSTAR	53,009,092	53,009,092
Texas CLASS	<u>1,747,634</u>	<u>1,747,634</u>
Total investment in pools:	<u>61,129,966</u>	<u>61,129,966</u>
Total investments	<u>\$ 61,129,966</u>	<u>\$ 61,129,966</u>
<b><u>Reporting Entity</u></b>		
Total investments	<u>\$ 270,543,771</u>	<u>\$ 270,543,771</u>

Foreign Currency Risk – The City’s investments are not exposed to foreign currency risk.

Custodial Credit Risk – The City’s policy requires investments, other than investment pools and money market mutual funds, to be held by a third-party custodian bank. All the City’s investments, other than investment pools, were held by the City’s third-party custodian bank in the City’s name.

Interest Rate Risk – In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to less than nine months. As of September 30, 2021, the weighted average maturity of the City’s investment portfolio was 59.53 days.

Credit Risk – In compliance with the City’s Investment Policy, as of September 30, 2021, the City minimized credit risk losses due to default of a security issuer or backer, by; limiting investments to the safest types of securities; limiting Certificates of Deposit that are insured by the Federal Deposit Insurance Corporation (FDIC); limiting the City’s investments to obligations issued, guaranteed, insured by or backed by the full faith and credit of the United States or its agencies and instrumentalities; pre-qualifying the financial institutions, broker/dealers, intermediaries and advisers with which the City will do business; and diversifying the investment portfolio so that potential losses on individual securities were minimized.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

TexPool has been established for governmental entities 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. The State Comptroller of Public Accounts exercises oversight 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. Finally, TexPool is rated AAAM by Standard & Poor's. TexPool carries investments at amortized cost, which approximates fair value. The City's fair value position is the same as the value of TexPool shares.

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexSTAR's governing body consists of participants in TexSTAR and other persons who do not have a business relationship with TexSTAR. The Board holds legal title to all money, investments and assets and has the authority to employ personnel, contract for services and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. TexSTAR is rated AAAM by Standard & Poor's. TexSTAR uses amortized cost to compute share price. The City's fair value position is the same as the value of TexSTAR shares.

Texas CLASS has been established for governmental entities pursuant to the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Texas CLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian and the Program Administrator. The Board administers the affairs of the Trust and enters into contracts and agreements on behalf of the Trust in order to effectuate the terms of the Trust Agreement. It also selects the consultants for Texas CLASS, including the Program Administrator and the Custodian. Texas CLASS is rated AAAM by Standard & Poor's. Texas CLASS reports the amortized cost of investments, which approximates fair value, to its participants. The City's fair value position is the same as the value of Texas CLASS shares.

The local government investment pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

Concentration Risk – The City's investment in investment pools is divided among three different pools.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

A reconciliation of cash and investments as shown on the Statement of Net Position for the City follows:

	Primary Government	Discretely Presented Component Units	Total Reporting Entity
Cash and investments (from above):			
Cash on hand	\$ 14,800	\$ -	\$ 14,800
Carrying amount of deposits	71,059,631	14,851,093	85,910,724
Carrying amount of investments	<u>209,413,805</u>	<u>61,129,966</u>	<u>270,543,771</u>
Total	<u>\$ 280,488,236</u>	<u>\$ 75,981,059</u>	<u>\$ 356,469,295</u>
Statement of Net Position:			
Cash	\$ 14,800	\$ 4,976,680	\$ 4,991,480
Investments	170,338,839	10,574,735	180,913,574
Restricted cash and investments	<u>110,134,597</u>	<u>60,429,644</u>	<u>170,564,241</u>
Total	<u>\$ 280,488,236</u>	<u>\$ 75,981,059</u>	<u>\$ 356,469,295</u>

**B. PROPERTY TAXES AND RECEIVABLES**

The City's property tax is levied each October 1 on the assessed value listed as of the previous January 1 for all real and business personal property located in the City. The assessed value at January 1, 2020, upon which the fiscal year 2021 levy was based, was \$ 4,945,815,636. This amount is the net taxable value adjusted for frozen taxable value. The amount of the levy attributable to frozen taxes was \$ 3,059,814. The total levy assessed was \$ 34,688,045. The total taxable value before the adjustment for frozen taxable value was \$ 5,568,407,064.

The tax assessment of October 1, 2020 set a tax levy at \$ 0.6525 per \$ 100 of assessed valuation at 100% of assumed market value. The City may levy a tax of up to \$ 1.20 per \$ 100 of assessed valuation. Taxes are due by January 31 following the October 1 levy date, at which time a lien attaches to the property.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue. At September 30, 2021, delinquent property taxes receivable is \$ 748,148, net of an allowance for doubtful accounts of \$ 265,400.

Legislation was passed in 1979 and amended in 1981 by the Texas Legislature which affects the method of property assessment and tax collection in the City. This legislation, with certain exceptions, exempts intangible personal property and household goods.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

In addition, this legislation creates a Property Tax Code and provides, among other things, for the establishment of county-wide appraisal districts and for a State Property Tax Board which commenced operations in January 1980. Since 1982, the appraisal of property within the City has been the responsibility of the Tax Appraisal District of Bell County. The Appraisal District is required under the Property Tax Code to assess all property within the appraisal district based on 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of property within the Appraisal District must be reviewed at least every five years. The City may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on property within the City limits. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements and revaluation, exceeds the rate of the previous year by more than eight percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than eight percent above the rate of the previous year.

**C. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2021 was as follows:

	Balance October 1, 2020	Additions Net of CIP Reclassifications	Transfers/ Retirements	Balance September 30, 2021
<b>Primary government:</b>				
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 33,739,896	\$ 2,426,741	\$ -	\$ 36,166,637
Construction in progress	38,949,729	7,990,972	(33,524,564)	13,416,137
Total capital assets not being depreciated	<u>72,689,625</u>	<u>10,417,713</u>	<u>(33,524,564)</u>	<u>49,582,774</u>
Capital assets being depreciated				
Buildings	85,893,083	1,125,278	-	87,018,361
Infrastructure	190,203,158	31,480,652	-	221,683,810
Furniture & equipment	33,145,117	1,441,620	-	34,586,737
Machinery & equipment	42,152,116	6,532,364	(1,835,589)	46,848,891
Total capital assets being depreciated	<u>351,393,474</u>	<u>40,579,914</u>	<u>(1,835,589)</u>	<u>390,137,799</u>
Less accumulated depreciation for:				
Buildings	(42,751,144)	(2,085,553)	-	(44,836,697)
Infrastructure	(111,146,378)	(6,745,302)	-	(117,891,680)
Furniture & equipment	(22,302,807)	(2,165,221)	-	(24,468,028)
Machinery & equipment	(29,432,496)	(3,088,259)	1,769,793	(30,750,962)
Total accumulated depreciation	<u>(205,632,825)</u>	<u>(14,084,335)</u>	<u>1,769,793</u>	<u>(217,947,367)</u>
Total capital assets being depreciated, net	<u>145,760,649</u>	<u>26,495,579</u>	<u>(65,796)</u>	<u>172,190,432</u>
Governmental Activities capital assets, net	<u>\$ 218,450,274</u>	<u>\$ 36,913,292</u>	<u>\$ (33,590,360)</u>	<u>\$ 221,773,206</u>

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

	Balance October 1, 2020	Additions	Transfers/ Retirements	Balance September 30, 2021
Business-type Activities:				
Capital assets not being depreciated				
Land	\$ 3,782,416	\$ 33,164	\$ -	\$ 3,815,580
Construction in progress	29,912,829	27,722,929	(6,202,590)	51,433,168
Total capital assets not being depreciated	<u>33,695,245</u>	<u>27,756,093</u>	<u>(6,202,590)</u>	<u>55,248,748</u>
Capital assets being depreciated				
Buildings	49,405,519	181,980	-	49,587,499
Infrastructure	240,904,182	7,034,814	-	247,938,996
Furniture & equipment	3,043,900	115,935	-	3,159,835
Machinery & equipment	12,049,534	1,836,420	(253,523)	13,632,431
Total capital assets being depreciated	<u>305,403,135</u>	<u>9,169,149</u>	<u>(253,523)</u>	<u>314,318,761</u>
Less accumulated depreciation for:				
Buildings	(32,316,529)	(1,039,999)	-	(33,356,528)
Infrastructure	(94,267,545)	(6,817,569)	-	(101,085,114)
Furniture & equipment	(2,281,678)	(249,487)	-	(2,531,165)
Machinery & equipment	(7,712,101)	(863,739)	253,523	(8,322,317)
Total accumulated depreciation	<u>(136,577,853)</u>	<u>(8,970,794)</u>	<u>253,523</u>	<u>(145,295,124)</u>
Total capital assets being depreciated, net	<u>168,825,282</u>	<u>198,355</u>	<u>-</u>	<u>169,023,637</u>
Business-type Activities capital assets, net	<u>\$ 202,520,527</u>	<u>\$ 27,954,448</u>	<u>\$ (6,202,590)</u>	<u>\$ 224,272,385</u>

Depreciation expense was charged as direct expense to programs of the primary government as follows:

Governmental activities:	
General government	\$ 848,788
Public safety	3,002,480
Highways and streets	5,208,413
Sanitation	1,133,576
Health and welfare	106,371
Culture and leisure services	2,627,228
Airport	1,157,479
Total depreciation expense - Governmental Activities	<u>\$ 14,084,335</u>
Business-type activities:	
Water and sewer	\$ 8,970,794
Total depreciation expense - Business-type Activities	<u>\$ 8,970,794</u>

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

The City has active construction projects as of September 30, 2021. Total accumulated commitments for ongoing capital projects are composed of the following:

Capital Projects Fund	\$ 5,404,087
Water and Sewer Fund	43,151,046
Special Revenue Fund-Federal/State Grants	<u>634,593</u>
Total	<u><u>\$ 49,189,726</u></u>

	Balance October 1, 2020	Additions	Transfers/ Retirements	Balance September 30, 2021
<b>Discretely presented component units:</b>				
Reinvestment Zone No 1:				
Capital assets not being depreciated				
Land	\$ 22,047,682	\$ 1,497,534	\$ (662,088)	\$ 22,883,128
Construction in progress	41,410,774	13,558,158	(25,870,813)	29,098,119
Total capital assets not being depreciated	<u>63,458,456</u>	<u>15,055,692</u>	<u>(26,532,901)</u>	<u>51,981,247</u>
Capital assets being depreciated				
Buildings	2,566,833	134,287	-	2,701,120
Infrastructure	92,411,468	25,307,438	-	117,718,906
Furniture & equipment	33,862	-	-	33,862
Machinery & equipment	42,559	-	-	42,559
Total capital assets being depreciated	<u>95,054,722</u>	<u>25,441,725</u>	<u>-</u>	<u>120,496,447</u>
Less accumulated depreciation for:				
Buildings	(472,043)	(94,576)	-	(566,619)
Infrastructure	(36,122,166)	(4,873,890)	-	(40,996,056)
Furniture & equipment	(3,809)	(1,693)	-	(5,502)
Machinery & equipment	(36,411)	(2,837)	-	(39,248)
Total accumulated depreciation	<u>(36,634,429)</u>	<u>(4,972,996)</u>	<u>-</u>	<u>(41,607,425)</u>
Total capital assets being depreciated, net	<u>58,420,293</u>	<u>20,468,729</u>	<u>-</u>	<u>78,889,022</u>
Reinvestment Zone No.1 capital assets, net	<u><u>\$ 121,878,749</u></u>	<u><u>\$ 35,524,421</u></u>	<u><u>\$ (26,532,901)</u></u>	<u><u>\$ 130,870,269</u></u>
Temple Economic Development Corporation:				
Capital assets being depreciated				
Buildings & improvements	\$ 5,432,772	\$ -	\$ -	\$ 5,432,772
Office equipment	80,989	-	-	80,989
Total capital assets being depreciated	<u>5,513,761</u>	<u>-</u>	<u>-</u>	<u>5,513,761</u>
Less accumulated depreciation for:				
Buildings & improvements	(312,215)	(158,102)	-	(470,317)
Office equipment	(22,673)	(11,716)	-	(34,389)
Total accumulated depreciation	<u>(334,888)</u>	<u>(169,818)</u>	<u>-</u>	<u>(504,706)</u>
Total capital assets being depreciated, net	<u>5,178,873</u>	<u>(169,818)</u>	<u>-</u>	<u>5,009,055</u>
Temple Economic Development Corp. capital assets, net	<u><u>\$ 5,178,873</u></u>	<u><u>\$ (169,818)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,009,055</u></u>



**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**D. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

Receivables at September 30, 2021, in the Statement of Net Position were as follows:

	Property (Net of Allowance)	Other (Net of Allowance)	Other Governments	Total Receivables
General Fund	\$ 205,240	\$ 4,053,958	\$ 508,508	\$ 4,767,706
Debt Service Fund	277,508	-	6,861,131	7,138,639
Capital Projects Fund	-	7,810	-	7,810
Nonmajor Governmental Funds	-	363,801	615,601	979,402
Total Governmental Funds	482,748	4,425,569	7,985,240	12,893,557
Water & Sewer Fund	-	2,845,855	-	2,845,855
Total	<u>\$ 482,748</u>	<u>\$ 7,271,424</u>	<u>\$ 7,985,240</u>	<u>\$ 15,739,412</u>

Payables at September 30, 2021, in the Statement of Net Position were as follows:

	Vouchers & Contracts	Retainages	Accrued Payroll	Deposits	Total Payables
General Fund	\$ 4,035,030	\$ -	\$ 2,351,491	\$ 42,396	\$ 6,428,917
Capital Projects Fund	782,911	38,381	4,479	-	825,771
Nonmajor Governmental Funds	375,602	13,537	83,474	70,200	542,813
Total Governmental Funds	5,193,543	51,918	2,439,444	112,596	7,797,501
Water and Sewer Fund	4,014,020	1,039,793	276,149	831,569	6,161,531
Total	<u>\$ 9,207,563</u>	<u>\$ 1,091,711</u>	<u>\$ 2,715,593</u>	<u>\$ 944,165</u>	<u>\$ 13,959,032</u>

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**E. DEFERRED AMOUNT ON REFUNDING**

The amounts reported for deferred amount of refunding balances of the City for the year ended September 30, 2021:

	Balance October 1, 2020	Additions	Retirements	Balance September 30, 2021
<u>Governmental Activities</u>				
General obligation bonds	\$ 3,971,593	\$ -	\$ 405,262	\$ 3,566,331
Total governmental activities	<u>3,971,593</u>	<u>-</u>	<u>405,262</u>	<u>3,566,331</u>
<u>Business-Type Activities</u>				
General obligation bonds	1,633,271	-	250,304	1,382,967
Total business-type activities	<u>1,633,271</u>	<u>-</u>	<u>250,304</u>	<u>1,382,967</u>
Total government	<u>\$ 5,604,864</u>	<u>\$ -</u>	<u>\$ 655,566</u>	<u>\$ 4,949,298</u>
<u>Component Units</u>				
Reinvestment Zone No. 1	\$ 1,231,725	-	120,772	1,110,953
Total component units	<u>\$ 1,231,725</u>	<u>-</u>	<u>\$ 120,772</u>	<u>\$ 1,110,953</u>

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**F. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

The amounts reported for deferred outflows/inflows of resources related to pensions and other post-employment benefits of the City for the year ended September 30, 2021:

	Balance October 1, 2020	Additions	Retirements	Balance September 30, 2021
<b>Deferred Outflows of Resources related to pensions and other post-employment benefits</b>				
Contributions subsequent to the measurement date				
Texas Municipal Retirement System	\$ 4,765,024	\$ 4,885,449	\$ (4,765,024)	\$ 4,885,449
Firemen's Pension	1,375,589	1,528,626	(1,375,589)	1,528,626
Texas Municipal Retirement System- Supplemental Death Benefits	19,725	57,307	(19,725)	57,307
Retiree Health Care Plan	158,470	167,560	(158,470)	167,560
Total contributions subsequent to the measurement date	<u>\$ 6,318,808</u>	<u>\$ 6,638,942</u>	<u>\$ (6,318,808)</u>	<u>\$ 6,638,942</u>
Differences between expected and actual plan experience				
Texas Municipal Retirement System	\$ 1,049,603	\$ -	\$ (604,646)	\$ 444,957
Firemen's Pension	262,633	1,235,997	(170,578)	1,328,052
Texas Municipal Retirement System- Supplemental Death Benefits	5,919	-	(1,545)	4,374
Total differences between expected and actual plan experience	<u>\$ 1,318,155</u>	<u>\$ 1,235,997</u>	<u>\$ (776,769)</u>	<u>\$ 1,777,383</u>
Changes in assumptions				
Texas Municipal Retirement System	\$ 394,265	\$ -	\$ (125,963)	\$ 268,302
Firemen's Pension	894,547	1,265,915	(284,940)	1,875,522
Texas Municipal Retirement System- Supplemental Death Benefits	404,337	395,527	(169,439)	630,425
Retiree Health Care Plan	659,011	690,214	(167,081)	1,182,144
Total differences between changes in assumptions	<u>\$ 2,352,160</u>	<u>\$ 2,351,656</u>	<u>\$ (747,423)</u>	<u>\$ 3,956,393</u>
<b>Deferred Inflows of Resources related to pensions and other post-employment benefits</b>				
Differences between expected and actual plan experience				
Texas Municipal Retirement System	\$ 913,145	\$ 818,343	\$ (491,336)	\$ 1,240,152
Firemen's Pension	468,288	-	(75,531)	392,757
Texas Municipal Retirement System- Supplemental Death Benefits	96,095	99,319	(38,721)	156,693
Retiree Health Care Plan	1,088,787	536	(134,891)	954,432
Total differences between expected and actual plan experience	<u>\$ 2,566,315</u>	<u>\$ 918,198</u>	<u>\$ (740,479)</u>	<u>\$ 2,744,034</u>
Changes in assumptions				
Texas Municipal Retirement System- Supplemental Death Benefits	\$ 94,802	\$ -	\$ (24,752)	\$ 70,050
Retiree Health Care Plan	262,549	-	(36,901)	225,648
Total differences between changes in assumptions	<u>\$ 357,351</u>	<u>\$ -</u>	<u>\$ (61,653)</u>	<u>\$ 295,698</u>
Differences between projected and actual investment earnings				
Texas Municipal Retirement System	\$ 5,703,993	\$ 1,564,310	\$ (1,980,585)	\$ 5,287,718
Firemen's Pension	95,874	987,594	(401,741)	681,727
Total differences between projected and actual investment earnings	<u>\$ 5,799,867</u>	<u>\$ 2,551,904</u>	<u>\$ (2,382,326)</u>	<u>\$ 5,969,445</u>

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. UNEARNED REVENUE**

Governmental funds report unearned revenues in connection with receivables of revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	<u>Deferred</u>	<u>Unearned</u>	<u>Total</u>
Governmental Activities			
General Fund:			
Delinquent property taxes	\$ 177,655	\$ -	\$ 177,655
Street escrow	-	22,849	22,849
Parks escrow	-	395,314	395,314
Police escrow	-	287,731	287,731
Child safety fees	-	110,384	110,384
Electric franchise	-	1,592,861	1,592,861
Gas franchise	-	312,473	312,473
Other	-	3,434	3,434
Total General Fund	<u>177,655</u>	<u>2,725,046</u>	<u>2,902,701</u>
Debt Service Fund:			
Delinquent property taxes	266,308	-	266,308
Pass-through toll agreement	<u>6,861,131</u>	-	<u>6,861,131</u>
Total Debt Service Fund	<u>7,127,439</u>	<u>-</u>	<u>7,127,439</u>
Nonmajor governmental funds:			
Grant draw downs prior to meeting all eligibility requirements	<u>-</u>	<u>7,100,668</u>	<u>7,100,668</u>
Total Governmental Funds	<u>\$ 7,305,094</u>	<u>\$ 9,825,714</u>	<u>\$ 17,130,808</u>

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**H. LONG-TERM DEBT**

The following is a summary of long-term debt transactions, including current portion of the City for the year ended September 30, 2021:

	Balance October 1, 2020	Additions	Retirements	Balance September 30, 2021	Due within one year
<u>Governmental Activities</u>					
General obligation bonds	\$ 69,255,000	\$ -	\$ 5,225,000	\$ 64,030,000	\$ 6,500,000
Certificates of obligation	112,600,000	50,280,000	5,955,000	156,925,000	5,890,000
Contractual obligations	4,645,000	2,940,000	805,000	6,780,000	1,205,000
Pass-through agreement revenue & limited tax bonds	1,030,000	-	1,030,000	-	-
Notes payable	3,423,172	-	512,297	2,910,875	481,362
Plus deferred amount:					
Issuance premium	16,247,893	5,392,426	2,281,590	19,358,729	1,522,444
Issuance discount	(1,662,074)	(319,306)	(179,294)	(1,802,086)	(130,629)
Total bonds payable	205,538,991	58,293,120	15,629,593	248,202,518	15,468,177
Compensated absences	8,664,431	853,833	591,876	8,926,388	738,187
Net pension liability - TMRS	24,250,080	-	2,679,288	21,570,792	-
Net pension liability - FP	17,458,877	1,831,201	-	19,290,078	-
OPEB liability - RHCP	5,310,373	836,661	-	6,147,034	-
OPEB liability - SDBF	2,218,541	404,528	-	2,623,069	-
Total governmental activities	263,441,293	62,219,343	18,900,757	306,759,879	16,206,364
<u>Business-Type Activities</u>					
General obligation bonds	34,975,000	-	3,795,000	31,180,000	3,990,000
Revenue bonds	80,125,000	94,590,000	6,260,000	168,455,000	6,240,000
Notes payable	197,145	-	19,774	177,371	12,583
Plus deferred amount:					
Issuance premium	10,062,067	16,354,503	1,238,417	25,178,153	1,663,550
Issuance discount	(1,000,119)	(584,834)	(84,154)	(1,500,799)	(102,295)
Total bonds payable	124,359,093	110,359,669	11,229,037	223,489,725	11,803,838
Compensated absences	495,650	110,416	39,251	566,815	68,018
Net pension liability - TMRS	3,278,603	-	353,982	2,924,621	-
OPEB liability - RHCP	724,142	114,090	-	838,232	-
OPEB liability - SDBF	302,528	55,163	-	357,691	-
Total business-type activities	129,160,016	110,639,338	11,622,270	228,177,084	11,871,856
<u>Component Units</u>					
Reinvestment Zone No. 1	52,757,116	49,085,637	5,246,290	96,596,463	5,654,821
Temple Economic Development Corp.	3,648,378	-	87,759	3,560,619	120,049
Total component units	56,405,494	49,085,637	5,334,049	100,157,082	5,774,870
Total government	\$ 449,006,803	\$ 221,944,318	\$ 35,857,076	\$ 635,094,045	\$ 33,853,090

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

The General Fund, Hotel/Motel Fund, Federal/State Grant Fund and the Drainage Fund are responsible for liquidating the liability for compensated absences, the net pension liability for employees employed in the corresponding governmental funds. The General Fund has been responsible for liquidating the total OPEB liability for all employees in the corresponding governmental funds.

Long-term debt at September 30, 2021 is comprised of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General obligation bonds:		
\$ 24,895,000 2012 refunding bonds due in annual installments of \$ 10,000 to \$ 3,820,000 through 2026; interest at 2.00% to 5.00%	\$ 2,480,000	\$ 13,225,000
\$ 21,360,000 2014 refunding bonds due in annual installments of \$ 535,000 to \$ 3,460,000 through 2026; interest at 2.00% to 5.00%	8,625,000	3,520,000
\$ 36,780,000 2015 refunding & improvement bonds due in annual installments of \$ 590,000 to \$ 4,480,000 through 2035; interest at 2.00% to 5.00%	25,190,000	3,195,000
\$ 9,500,000 2016 refunding bonds due in annual installments of \$ 705,000 to \$ 1,090,000 through 2029; interest at 2.00% to 5.00%	7,305,000	-
\$ 17,780,000 2017 refunding bonds due in annual installments of \$ 400,000 to \$ 2,255,000 through 2034; interest at 2.00% to 5.00%	17,380,000	-
\$ 20,320,000 2019 refunding bonds due in annual installments of \$ 565,000 to \$ 3,650,000 through 2030; interest at 5.00%	2,370,000	11,240,000
\$ 685,000 2020 refunding bonds due in annual installments of \$ 5,000 to \$ 660,000 through 2031; interest at 0.35% to 1.78%	680,000	-
	<u>64,030,000</u>	<u>31,180,000</u>
Certificates of obligation:		
\$ 9,420,000 2012 certificates due in annual installments of \$ 400,000 to \$ 685,000 through 2033; interest at 2.00% to 3.00%	6,850,000	-
\$ 4,645,000 2012 taxable certificates due in annual installments of \$ 50,000 to \$ 410,000 through 2032; interest at 1.50% to 3.50%	3,765,000	-
\$ 21,230,000 2014 certificates due in annual installments of \$ 255,000 to \$ 1,815,000 through 2034; interest at 1.00% to 3.00%	18,385,000	-
\$ 18,285,000 2016 certificates due in annual installments of \$ 295,000 to \$ 1,520,000 through 2036; interest at 2.00% to 5.00%	15,850,000	-
\$ 33,900,000 2017 certificates due in annual installments of \$ 770,000 to \$ 2,485,000 through 2037; interest at 3.00% to 5.00%	28,740,000	-
\$ 17,820,000 2019 certificates due in annual installments of \$ 595,000 to \$ 2,230,000 through 2039; interest at 2.00% to 4.00%	14,995,000	-
\$ 20,935,000 2020 certificates due in annual installments of \$ 790,000 to \$ 2,875,000 through 2040; interest at 2.00% to 3.00%	18,060,000	-
\$ 50,280,000 2021 certificates due in annual installments of \$ 1,205,000 to \$ 3,490,000 through 2041; interest at 2.00% to 5.00%	50,280,000	-
	<u>156,925,000</u>	<u>-</u>

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

	Governmental Activities	Business-type Activities
Contractual obligations:		
\$ 1,950,000 2016 limited tax notes due in annual installments of \$ 265,000 to \$ 295,000 through 2023; interest at 1.96%	\$ 585,000	\$ -
\$ 1,210,000 2019 limited tax notes due in annual installments of \$ 160,000 to \$ 190,000 through 2026; interest at 3.00% to 4.00%	885,000	-
\$ 2,725,000 2020 limited tax notes due in annual installments of \$ 355,000 to \$ 425,000 through 2027; interest at 2.00% to 4.00%	2,370,000	-
\$ 2,940,000 2021 limited tax notes due in annual installments of \$ 390,000 to \$ 455,000 through 2028; interest at 2.00% to 4.00%	2,940,000	-
	<u>6,780,000</u>	<u>-</u>
Revenue bonds:		
\$ 12,990,000 2014 bonds due in annual installments of \$ 90,000 to \$ 790,000 through 2044; interest at 0.45% to 5.05%	-	11,275,000
\$ 23,685,000 2015 bonds due in annual installments of \$ 830,000 to \$ 1,755,000 through 2035; interest at 2.00% to 5.00%	-	18,320,000
\$ 32,755,000 2017 bonds due in annual installments of \$ 1,085,000 to \$ 2,245,000 through 2037; interest at 3.00% to 5.00%	-	28,160,000
\$ 20,705,000 2019 bonds due in annual installments of \$ 710,000 to \$ 1,335,000 through 2039; interest at 2.00% to 5.00%	-	19,245,000
\$ 68,145,000 2021 bonds due in annual installments of \$ 2,060,000 to \$ 4,470,000 through 2041; interest at 3.00% to 5.00%	-	65,010,000
\$ 26,445,000 2021A bonds due in annual installments of \$ 905,000 to \$ 1,700,000 through 2041; interest at 2.00% to 5.00%	-	26,445,000
	<u>-</u>	<u>168,455,000</u>
Notes payable:		
\$ 282,050 2018 capital lease due in monthly installments of \$ 3,646 to \$ 4,274 through 2021; interest at 4.20%	105,123	-
\$ 48,470 2019 capital lease due in monthly installments of \$ 1,410 to \$ 1,624 through 2021; interest at 5.85%	3,241	-
\$ 2,836,634 2020 loan agreement due in quarterly installments of \$ 44,680 to \$ 51,642 through 2034; interest at 1.00%	2,389,503	177,371
\$ 1,085,000 2019 capital lease due in annual installments of \$ 282,465 to \$ 191,913 through 2023; interest at 2.97%	413,008	-
	<u>2,910,875</u>	<u>177,371</u>

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Issuance premium	\$ 19,358,729	\$ 25,178,153
Issuance discount	<u>(1,802,086)</u>	<u>(1,500,799)</u>
Total bonds payable	248,202,518	223,489,725
Accrual for compensated absences	8,926,388	566,815
Accrual for net pension liability - TMRS	21,570,792	2,924,621
Accrual for net pension liability - FP	19,290,078	-
Accrual for OPEB liability - RHCP	6,147,034	838,232
Accrual for OPEB liability - SDBF	<u>2,623,069</u>	<u>357,691</u>
Total primary government debt	<u>306,759,879</u>	<u>228,177,084</u>
Component Units:		
Reinvestment Zone No 1:		
\$ 10,405,000 2011A general obligation bonds due in annual installments of \$ 145,000 to \$ 2,405,000 through 2022, interest at 2.00% to 5.00%; guaranteed by the City of Temple	2,405,000	-
\$ 480,000 2012 general obligation bonds due in annual installments of \$ 10,000 to \$ 75,000 through 2022, interest at 2.00% to 5.00%; guaranteed by the City of Temple	75,000	-
\$ 16,750,000 2020 general obligation bonds due in annual installments of \$ 205,000 to \$ 1,910,000 through 2033, interest at 0.35% to 1.98%; guaranteed by the City of Temple	16,515,000	-
\$ 25,260,000 2013 certificates of obligation due in annual installments of \$ 1,110,000 to \$ 2,010,000 through 2033, interest at 2.00% to 4.125%; guaranteed by the City of Temple	4,005,000	-
\$ 10,365,000 2008 taxable revenue bonds due in annual installments of \$ 215,000 to \$ 1,180,000 through 2022, interest at 5.29%; guaranteed by the City of Temple	1,180,000	-
\$ 23,565,000 2018 revenue bonds due in annual installments of \$ 140,000 to \$ 1,990,000 through 2038, interest at 5.00%; guaranteed by the City of Temple	22,800,000	-
\$ 25,455,000 2021A revenue bonds due in annual installments of \$ 865,000 to \$ 1,890,000 through 2041, interest at 4.00% to 5.00%; guaranteed by the City of Temple	25,455,000	-
\$ 19,160,000 2021B taxable revenue bonds due in annual installments of \$ 835,000 to \$ 1,280,000 through 2041, interest at 0.75% to 3.25%; guaranteed by the City of Temple	19,160,000	-
Issuance premium	5,944,295	-
Issuance discount	<u>(942,832)</u>	<u>-</u>
Total Reinvestment Zone No 1	<u>96,596,463</u>	<u>-</u>
Temple Economic Development Corporation:		
\$ 3,864,000 note due in monthly payments of \$ 31,424 through July 2027, interest at 4.75%; this represents the corporation's 69% portion of the note which is shared with another entity	3,532,657	-
Accrual for compensated absences	<u>27,962</u>	<u>-</u>
Total Temple Economic Development Corporation	<u>3,560,619</u>	<u>-</u>
Total component units debt	<u>100,157,082</u>	<u>-</u>
Total debt - reporting entity	<u>\$ 406,916,961</u>	<u>\$228,177,084</u>



**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

The annual requirements to amortize debt outstanding as of September 30, 2021, are shown on the following schedules. Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been included in the following summary.

General Obligation Bonds

Year Ending September 30,	Governmental Activities		Business-type Activities		Component Units		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$ 6,500,000	\$ 2,835,095	\$ 3,990,000	\$ 1,389,350	\$ 2,685,000	\$ 339,594	\$ 17,739,039
2023	6,345,000	2,555,445	4,265,000	1,189,850	205,000	244,930	14,805,225
2024	5,535,000	2,279,795	4,485,000	976,600	210,000	243,598	13,729,993
2025	5,820,000	2,039,095	4,715,000	761,350	1,650,000	241,960	15,227,405
2026	6,090,000	1,760,545	4,930,000	589,000	1,680,000	227,110	15,276,655
2027-2031	21,350,000	5,122,969	8,795,000	981,250	8,790,000	800,072	45,839,291
2032-2035	12,390,000	1,338,400	-	-	3,775,000	110,697	17,614,097
Total	<u>\$ 64,030,000</u>	<u>\$ 17,931,344</u>	<u>\$ 31,180,000</u>	<u>\$ 5,887,400</u>	<u>\$ 18,995,000</u>	<u>\$2,207,961</u>	<u>\$140,231,705</u>

Certificates of Obligations

Year Ending September 30,	Governmental Activities		Component Units		Total
	Principal	Interest	Principal	Interest	
2022	\$ 5,890,000	\$ 5,138,279	\$ 1,285,000	\$ 148,081	\$ 12,461,360
2023	5,680,000	4,865,839	1,335,000	96,681	11,977,520
2024	6,985,000	4,670,814	1,385,000	43,282	13,084,096
2025	7,210,000	4,404,926	-	-	11,614,926
2026	7,490,000	4,131,676	-	-	11,621,676
2027-2031	46,690,000	15,930,901	-	-	62,620,901
2032-2036	50,830,000	6,983,750	-	-	57,813,750
2037-2041	26,150,000	1,518,156	-	-	27,668,156
Total	<u>\$156,925,000</u>	<u>\$ 47,644,341</u>	<u>\$ 4,005,000</u>	<u>\$ 288,044</u>	<u>\$208,862,385</u>

Contractual Obligations

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 1,205,000	\$ 197,387	\$ 1,402,387
2023	1,240,000	158,391	1,398,391
2024	970,000	127,300	1,097,300
2025	1,010,000	96,600	1,106,600
2026	1,035,000	64,550	1,099,550
2027-2028	1,320,000	44,600	1,364,600
Total	<u>\$ 6,780,000</u>	<u>\$ 688,828</u>	<u>\$ 7,468,828</u>

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

Revenue Bonds

Year Ending September 30,	Business-type Activities		Component Units		
	Principal	Interest	Principal	Interest	Total
2022	\$ 6,240,000	\$ 6,432,594	\$ 1,345,000	\$ 2,986,925	\$ 17,004,519
2023	6,485,000	6,195,920	2,655,000	2,717,975	18,053,895
2024	6,795,000	5,886,295	2,755,000	2,620,713	18,057,008
2025	7,120,000	5,560,933	2,855,000	2,516,763	18,052,696
2026	7,455,000	5,219,358	2,970,000	2,404,613	18,048,971
2027-2031	43,080,000	20,318,719	16,795,000	10,080,933	90,274,652
2032-2036	50,525,000	11,040,520	20,575,000	6,313,893	88,454,413
2037-2041	38,500,000	3,740,424	18,645,000	1,969,200	62,854,624
2042-2044	2,255,000	231,542	-	-	2,486,542
Total	<u>\$ 168,455,000</u>	<u>\$ 64,626,305</u>	<u>\$ 68,595,000</u>	<u>\$ 31,611,015</u>	<u>\$ 333,287,320</u>

Notes Payable

Year Ending September 30,	Governmental Activities		Business-type Activities		Component Units Activities		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$ 481,362	\$ 36,575	\$ 12,583	\$ 1,727	\$ 92,087	\$ 168,100	\$ 792,434
2023	380,743	27,782	12,709	1,600	96,621	163,566	683,021
2024	172,936	19,840	12,837	1,473	100,931	159,256	467,273
2025	174,671	18,105	12,966	1,344	106,348	153,839	467,273
2026	176,425	16,351	13,096	1,214	111,584	148,603	467,273
2027-2031	909,046	54,837	67,477	4,070	3,025,086	130,827	4,191,343
2032-2035	708,036	10,827	45,703	804	-	-	765,370
Total	<u>\$ 3,003,219</u>	<u>\$ 184,317</u>	<u>\$ 177,371</u>	<u>\$ 12,232</u>	<u>\$ 3,532,657</u>	<u>\$ 924,191</u>	<u>\$ 7,833,987</u>

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

(1) General Obligation Bonds and Certificates of Obligation -

General Obligation Bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General Obligation Bonds and Certificates of Obligation require the City to compute, at the time other taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The City is in compliance with this requirement. Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government.

(2) Revenue Bonds -

Water and Sewer Revenue Bonds constitute special obligations of the City solely secured by a lien on and pledge of the net revenues of the water and sewer system.

The Revenue Bonds are collateralized by the revenue of the water and sewer system 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. Remaining revenues may then be used for any lawful purpose. The ordinances also contain provisions which, among other items, restrict the issuance of additional Revenue Bonds unless the special funds noted above contain the required amounts and certain financial ratios are met. The City is in compliance with all significant financial requirements as of September 30, 2021.

(3) Taxable Revenue Bonds –

Taxable Revenue Bonds constitute special obligations of the City and are payable from and secured by an irrevocable first lien on and pledge of the net revenues of the Reinvestment Zone No. 1.

The Taxable Revenue Bonds, Series 2008, are collateralized by the tax increment generated by the Reinvestment Zone No.1 (a discretely presented component unit) by the First Supplemental Ordinance to the Master Ordinance Establishing the City of Temple, Texas Reinvestment Zone Number One Tax Increment Revenue Financing Program. The ordinance provides that the revenue of the Reinvestment Zone No. 1 be used to meet all financial obligations related to the bonds. The City is in compliance with all significant requirements as of September 30, 2021.

(4) 2021 Issuances -

On March 4, 2021, the City issued \$ 68,145,000 of Utility System Revenue bonds. The interest rate of the bonds ranges from 3.00% to 5.00% and the maturity date of the bonds is August 1, 2041. These bonds were issued for the construction of water and wastewater projects and other costs associated with these projects.

**CITY OF TEMPLE, TEXAS**  
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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

On June 16, 2021, the City issued \$ 25,455,000 of Tax Increment Revenue bonds. The interest rate of the bonds ranges from 4.00% to 5.00% and the maturity date of the bonds is August 1, 2041. These bonds were issued to construct, reconstruct, improve, extend, expand, upgrade and/or develop streets and roads, utility improvements and buildings at the airport and other costs associated with these projects.

On June 16, 2021, the City issued \$ 19,160,000 of Taxable Tax Increment Revenue bonds. The interest rate of the bonds ranges from 0.75% to 3.25% and the maturity date of the bonds is August 1, 2041. These bonds were issued to design, acquire and construct two multi-story parking garages within the Zone and other costs associated with these projects.

On July 22, 2021, the City issued \$ 2,940,000 of Limited Tax notes. The interest rate of the notes ranges from 2.00% to 4.00% and the maturity date of the bonds is August 1, 2028. The notes were sold to purchase sanitation, public safety equipment and street equipment and vehicles.

On July 22, 2021, the City issued \$ 50,280,000 Combination Tax and Revenue Certificates of Obligation bonds. The interest rate of the notes ranges from 2.00% to 5.00% and the maturity date of the bonds is August 1, 2041. These bonds were issued to design, acquire and construct streets, roads, traffic signalization and other transportation improvement projects, constructing and equipping City buildings, drainage improvements and other costs associated with these projects.

On August 26, 2021, the City issued \$ 26,445,000 of Utility System Revenue bonds. The interest rate of the bonds ranges from 2.00% to 5.00% and the maturity date of the bonds is August 1, 2041. These bonds were issued for the construction of water and wastewater projects and other costs associated with these projects.

In the debt service fund, a fund balance of \$ 222,280 is available to service general long-term debt.

The bond indentures require the establishment and maintenance of interest and sinking funds and reserve funds in varying amounts. Restricted cash on the accompanying combined balance sheet represents these amounts. The enterprise fund has restricted cash of \$ 109,322,901, of which \$ 3,161,723 will be used to pay accrued interest and current maturities of bond indentures, \$ 105,329,609 represents remaining bonds proceeds, and the remaining \$ 831,569 represents customer security deposits. In addition, there are restrictions concerning the maintenance of sufficient rates charged for services to users to generate enough funds for debt service requirements, the maintenance of accounting records and insurance as well as reporting the results of the City's operations to specified major bondholders. The City is in compliance with all significant requirements and restrictions contained in the bond indentures.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. INTERFUND TRANSFERS**

Interfund transfers during the year ended September 30, 2021 were as follows:

	Transfers In	Transfers Out
Major Funds:		
General	\$ 299,261	\$2,217,382
Debt Service	1,872,990	-
Capital Projects	881,513	61,418
Nonmajor Governmental Funds:		
Special Revenue	<u>107,440</u>	<u>882,404</u>
Total	<u>\$3,161,204</u>	<u>\$3,161,204</u>

Transfers between major funds and other nonmajor governmental funds were primarily to support capital projects and operation of funds.

**IV. OTHER INFORMATION**

**A. COMMITMENTS AND CONTINGENCIES**

**Litigation**

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney the resolution of these matters will not have a material adverse effect on the financial condition of the government.

**Grants**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**CITY OF TEMPLE, TEXAS**  
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**IV. OTHER INFORMATION (Continued)**

**Long-Term Agreements**

The City has the following long-term agreements which represent significant commitments:

**Operation of Doshier Farm and Temple-Belton Wastewater Treatment Plants** – Two different commercial entities have provided operations and maintenance of the Doshier Farm and Temple-Belton Wastewater Plants (WWTP), twenty-nine (29) lift stations (serving the Doshier Farm WWTP and the Temple-Belton WWTP) and the City's industrial pretreatment program since October 1, 1994. In September 2003, the City added the operations and maintenance of the reuse system that delivers treated wastewater effluent to irrigate City owned ball fields and the service the Panda Power Plant.

On August 7, 2014, the City entered into an agreement with Brazos River Authority (BRA) to provide the operations listed above for the period October 1, 2014 through September 30, 2019. On January 17, 2019, the agreement was extended for an additional 10 years. This extension will expire on September 30, 2029.

The City retains ownership of the Doshier Farm WWTP and the City's 75.00% share of the Temple-Belton WWTP and all associated equipment. The City of Belton owns the remaining 25.00%. The City also retains all relevant permits in its name.

The City's major responsibility is paying the contractor the agreed annual compensation in monthly installments due on the first of each month. The base fee for eighth year (2022) of the agreement is \$ 2,195,494 for the Temple-Belton WWTP, \$ 1,672,147 for the Doshier Farm WWTP and Lift Stations, and \$ 146,425 for the City's industrial pretreatment program. On or before May 1st of each year, BRA will provide the City with an annual budget which will include an estimate of all operation and maintenance expenses plus a management fee of 3.00% for the Doshier WWTP, Temple-Belton WWTP and the lift stations. The budget will be calculated based on the estimated amount of wastewater to be delivered to the plants in the next fiscal year. The City must approve the proposed budget by July 15th of each year. Operation and maintenance expenses and the maintenance fee for the Temple-Belton WWTP will be allocated based upon the annual flow percentages of each City. Any capital expenses for the Temple-Belton WWTP (costs of capital improvements) will be allocated to the Cities based on ownership – 75.00% to Temple and 25.00% to Belton. Payments to BRA will be made monthly and will equal 1/12 of the approved annual budget.

**Landfill Operations** - On March 16, 2011, the City renegotiated its agreement with the commercial entity to operate the City's solid waste landfill. Under the terms of the agreement, the contractor pays the City \$ 755,445 annually (\$ 62,953.72 per month). In addition, the contractor pays a fee for each ton of solid waste disposed at the landfill, regardless of the source or point of origin of the waste, with a guaranteed minimum surcharge equivalent to 200,000 tons per year. The fee per ton is calculated as follows on waste disposed at the landfill each year:

\$ 3.19/ton up to 200,000 tons  
\$ 3.97/ton over 200,000 tons

The new agreement is for a period of thirty years, or the life of the landfill, if less and may be extended by mutual agreement of the parties for additional ten (10) year period. Under the terms of the agreement, the contractor is responsible for all costs of operating the landfill, including the costs of closure, post-closure care cost and compliance with federal and state requirements.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

**Lease and Operating Agreement - Public Library** - Effective September 7, 1995, the City entered into a ninety-nine (99) year lease and operating agreement with the Foundation of the Temple Public Library to use the E. Rhodes and Leona B. Carpenter Plaza for the location of the public library.

Under the lease agreement, the City will pay no rent or deposit in consideration of its operation of the public library and management of the commercial office spaces on the third floor. As part of the agreement, the City funded \$ 500,000 as its share of the cost of renovating the building for the library and applied the funds from a \$ 300,000 grant to the purchase of an automation system.

**Pass-Through Toll Agreement**

On September 16, 2010, City Council authorized a pass-through financing agreement with the Texas Department of Transportation (Department) for improvements to Northwest Loop 363. On September 30, 2010, the Texas Transportation commission passed Minute Order 112305, authorizing the Department to enter a pass-through toll agreement with the City for the construction of the Loop 363 north frontage road, from the BNSF railroad overpass to FM 2305 and construction of interchanges at Wendland Road and SH 36/SH 53.

As of September 30, 2016, the total cost of this project was \$ 44.9 million of which the Department reimbursed the City \$ 20,000,000 during fiscal years 2012 – 2014. The City issued pass-through agreement revenue and limited tax bonds on May 24, 2012 totaling \$ 24.7 million to fund its share of the cost.

On February 18, 2015, this project was substantially complete and was inspected and accepted as complete by the Department. At this time, the City became eligible to receive annual toll reimbursements from the state at each anniversary date of its completion. The agreement states that under no circumstance will the annual payment be less than \$ 752,500 over 20 years or more than \$ 1,505,000 over 10 years. The maximum amount of the toll agreement reimbursement is \$ 16,555,000.

In February 2016, on the first anniversary of the project's completion, the City received its first reimbursement totaling \$ 1,339,427. On the second anniversary of the project's completion, the City received its second reimbursement totaling \$ 1,462,140 and received \$ 1,505,000 on its third through fifth reimbursement. The City received \$ 1,280,086 on its sixth reimbursement which is lower due to less travel during the pandemic. Based on these reimbursements, as well as, original projections based on state traffic counts on the loop, the City anticipates collecting the full \$ 16,555,000 over a period of approximately twelve years.

Effective February 2015, the City recorded the total anticipated receivable, net of implied interest at 4.783%, for a net receivable of \$ 12,013,000. Based on the payments received, the anticipated collection period was revised, and as of September 30, 2021, the net receivable is \$ 6,861,131.

**Administrative Order with the United States Environmental Protection Agency**

On August 27, 2018, the United States Environmental Protection Agency (EPA) issued an Administrative Order for violations of the Clean Water Act. Violations were identified based on their review. The violations alleged stem from unauthorized discharges due to sewer system overflows (SSOs) from the City's sewer collection system.

**CITY OF TEMPLE, TEXAS**  
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**IV. OTHER INFORMATION (Continued)**

The Administrative Order does not assess a monetary penalty; however, it does require compliance with the applicable Federal regulations. The compliance deadlines included in the order section of the Administrative Order were agreed to by the City on March 3, 2018. The EPA Region 6 is committed to ensuring compliance with the requirements of the National Pollutant Discharge Elimination System (NPDES) program.

The Administrative Order is a ten-year negotiated agreement meeting milestones set forth in the agreement. It requires the City to work with experienced partners in developing and implementing programs and activities specifically focused on EPA expectations, comprehensively addressing overall system needs. The agreement is effective through September 30, 2028.

The Administrative Order is tailored to specific situations through negotiations between the City and the EPA. It requires a Capacity, Management, Operation and Maintenance (CMOM) program development and implementation of the CMOM program is required. Components of the CMOM program include (capacity) – monitoring and modeling; (management) - staff training, effective fats, oils and grease program, and evaluating staffing and resources; (operations) - flow metering and overflow emergency response; and (maintenance) - maintenance system management, condition assessment and sewer cleaning.

Specific CMOM program requirements and associated timeline of the ten-year negotiated agreement are shown below.

March 2020 - Develop and implement an electronic asset management program.

September 2022 - Develop 5-year and 10-year design storm hydraulic collection system model, calibrated to reflect actual and existing system conditions.

September 2024 - Address power source redundancy for plants and lift stations; implement CMOM program.

September 2025 - Complete system evaluation capacity and assurance plan (SECAP); evaluate all private non-plastic lateral lines.

September 2027 - Address defective private lateral lines.

September 2028 - Complete projects addressing system deficiencies.



**CITY OF TEMPLE, TEXAS**  
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**IV. OTHER INFORMATION (Continued)**

**B. RISK MANAGEMENT**

The City is a member of the Texas Municipal League's Intergovernmental Risk Pool ("Pool"). The Pool was created for the purpose of providing coverage against risks which are inherent in operating a political subdivision. The City pays annual premiums to the Pool for liability, property and workers' compensation coverage. The City's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will provide through commercial companies' reinsurance contracts. The Pool agrees to handle all liability, property and workers' compensation claims and provide any defense as is necessary. The Pool makes available to the City loss control services to assist the City in following a plan of loss control that may result in reduced losses. The City agrees that it will cooperate in instituting any and all reasonable loss control recommendations made by the Pool. The City also carries commercial insurance on all other risks of loss including employee health and accident insurance.

The City has experienced no significant reductions in coverage through the Pool over the past year. There have been no insurance settlements exceeding Pool coverage for any of the past three years.

**CITY OF TEMPLE, TEXAS**  
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**IV. OTHER INFORMATION (Continued)**

**C. TAX ABATEMENTS**

**(1) Property Tax**

Through the City's Economic Development Policy, revised July 7, 2016, adopted by Ordinance 2016-4783, the City has entered into contractual agreements with property owners (or lessee's) in which the City has agreed to reduce the amount of ad valorem taxes payable through a reduction of the taxable value on certain improvements constructed after the date the agreement was reached in accordance with Chapter 312 of the State of Texas Tax Code. The policy has minimum standards for eligible facilities and required investment. There are additional or enhancement factors that are also taken into consideration when determining the percentage value to be abated and the term of the abatement. The property owner, in return for the abatement, contractually agreed to construct and maintain certain identifiable improvements within a definite period or repay the abated taxes if the improvements are not maintained. The following is a list of property owners (or lessee's) with which the City has entered into tax abatement agreements.

First Year of Abatement	Firm	2021 Abated Value	Term of Abatement	Abatement Percentage	Commitment by Recipient
FY 2012	H.E. Butt Grocery	\$ 46,210,974	10 years	100%	Construct warehouse and distribution facility; create 112 new jobs
FY 2016	Panda Temple Power, LLC	97,520,900	10 years	50%	Construct new electric power generating facility; create 20 new jobs
FY 2016	Don-Nan Pump & Supply Company	-	5 years	50%	Construct manufacturing and storage facility; create and maintain 12 new jobs
FY 2017	Panda Temple Power II, LLC	152,115,015	10 years	12% to 65%	Construct new electric power generating facility
FY 2017	Buc-ee's, LTD	3,989,016	10 years	50%	Construct new travel center; create 150 new jobs
FY 2017	DanHill Fulfillment Center/Starcorr Sheets, LLC	14,570,836	5 years	50%	Construct manufacturing and processing facility; create and maintain 45 new jobs
TBD	Wilsonart LLC	-	10 years	20% to 80%	Construct new office building; create 45 new jobs
FY 2019	High Ridge Enterprises	210,563	5 years	45%	Construct office building; create and maintain 19 new jobs
FY 2019	Temple TX Statutory Trust & Performance Food Groups	6,540,571	5 years	100%	Construct expansion of existing distribution center; create 100 new jobs
TBD	LSB Broadcasting	-	10 years	100%	Construct expansion and renovation of existing building; create 65 new jobs
TBD	MS Temple, LLC	-	5 years	50%	Construct new real property improvements; create 90 new jobs
TBD	Cargill, Inc.	-	10 years	50% to 100%	Construct new real property improvements; create 10-33 new jobs
TBD	Palladio Industries, Inc.	-	5 years	50%	Construct new real property improvements; create 30 new jobs
TBD	Turner Behringer Temple One, LLC {Hawn & Arcadia}	-	10 years	50% to 100%	Construct new real property improvements
TBD	East Penn Manufacturing Co.	-	5 years	50%	Construct new real and personal property improvements; create 266 new jobs
TBD	Niagara Bottling, LLC and Tanglefoot Properties, LLC	-	10 years	50% to 100%	Construct new real and personal property improvements; create 70 new jobs
TBD	Turner Behringer Temple One, LLC {102 East Central Ave, Sears Bldg}	-	10 years	50% to 100%	Construct new real property improvements
TBD	VKDM Investment, LLC	-	10 years	50% to 100%	Construct new real property improvements
TBD	Sunbelt Transformer, LTD	-	5 years	50%	Construct new real property improvements; retain 48 jobs; create 100 new jobs

**CITY OF TEMPLE, TEXAS**  
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**IV. OTHER INFORMATION (Continued)**

During fiscal year 2021, the total amount of abated property value was \$ 321,157,875. Based on the city tax rate of \$ 0.6525 per \$ 100 of value, the foregone tax levy due to abatement agreements was \$ 2,095,555.

**(2) Sales Tax**

The City has entered into a Chapter 380 Economic Development Agreement with Buc-ee's, LTD. The City's participation in the agreement is authorized under Chapter 380 of the Texas Local Government Code, and under City Ordinance Number 2011-4504, Section III, B. This agreement provided an incentive to Buc-ee's, LTD in amount not to exceed 75% of the sales tax collected by Buc-ee's, LTD during each calendar year of the agreement. Per the agreement, Buc-ee's, LTD agreed to invest approximately \$ 16,000,000 to construct the Travel Center with approximately 60,000 square feet, employ 150 people by the end of the first full calendar year of operation and to start construction of the Travel Center no later than twelve months after the public utilities were constructed and available for connection by the Travel Center. The term of the agreement is 10 years beginning January 1 of the year following the date the travel center opened to the public. The travel center opened in 2015; therefore, the agreement began January 1, 2016 and will expire December 31, 2025. Under the terms of the agreement, the total amount of the incentive for fiscal year 2021 was \$ 488,776.

The City has entered into a Chapter 380 Economic Development Agreement with Spare Time Family Entertainment, LLC. The City's participation in the agreement is authorized under Chapter 380 of the Texas Local Government Code, and under City Ordinance Number 2020-5026, Section III, B. This agreement provides an incentive to Spare Time Family Entertainment, LLC to rebate any sales tax generated and paid to the City that exceeds \$ 36,000 in one calendar year. Rebate payments will not exceed a total of \$ 100 000. Per the agreement, Spare Time Family Entertainment, LLC agreed to invest approximately \$ 4,700,000 to construct an outdoor expansion including go karts, ropes course, batting cages, sand volleyball, outdoor bar and grill, and other similar amenities and to start construction of the outdoor expansion no later than twelve months after the execution of the agreement. The agreement was executed on April 17, 2020 and shall remain in effect for five years from January 1 of the year following the date the outdoor expansion opens for business to the public. The outdoor expansion was completed in March 2021. Based on terms of the agreement, year one of the sales tax rebate begins January 2022, with the first payment due March 15, 2023. To date, no amounts have been paid to Spare Time Family Entertainment, LLC.

**D. EMPLOYEE BENEFITS**

**(1) Retirement Plans**

The City participates in two retirement plans. The Texas Municipal Retirement System covered 707 employees as of December 31, 2020. The Temple Firefighters' Relief and Retirement Fund covered 122 employees as of September 30, 2021.

**The Texas Municipal Retirement System**

**Plan Description**

The City participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency

**CITY OF TEMPLE, TEXAS**  
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**IV. OTHER INFORMATION (Continued)**

created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

**Benefits Provided**

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments 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.

Beginning in 1992, the City granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 1992, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

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

The City does not participate in Social Security.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

***Employees Covered by Benefit Terms –***

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	452
Inactive employees entitled to but not yet receiving benefits	467
Active employees	<u>707</u>
	<u>1,626</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 consulting 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 of Temple were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2021, the City made required contributions of 16.91% for the months in 2020 and required contributions of 17.05% for the months in 2021. The City's contributions for the year ended September 30, 2021, were \$ 6,664,361, and were equal to the required contributions.

**Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Salary increases	3.50% to 11.50% per year including inflation
Investment rate of return	6.75%

Salary increases were based on a service-related table. Mortality rates for service retirees and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, 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% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for

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**IV. OTHER INFORMATION (Continued)**

future mortality improvements subject to the floor. Mortality rates for pre-retirement is based on the PUB(10) mortality tables, with Public Safety table used for males and the General Employee tables used for females. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements.

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 long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global equity	30.0%	5.30%
Core fixed income	10.0%	1.25%
Non-core fixed income	20.0%	4.14%
Real return	10.0%	3.85%
Real estate	10.0%	4.00%
Absolute return	10.0%	3.48%
Private equity	10.0%	7.75%
Total	<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 contributions will remain at the current 7% and employer contributions will be made at the rates specified in 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 plan members. 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.

**CITY OF TEMPLE, TEXAS**  
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**IV. OTHER INFORMATION (Continued)**

***Changes in the Net Pension Liability –***

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2019	\$ 214,763,831	\$ 187,235,148	\$ 27,528,683
Changes for the year:			
Service cost	6,760,655	-	6,760,655
Interest	14,384,945	-	14,384,945
Change of benefit terms	-	-	-
Difference between expected and actual experience	(818,343)	-	(818,343)
Changes of assumptions	-	-	-
Contributions - employer	-	6,543,936	(6,543,936)
Contributions - employee	-	2,709,461	(2,709,461)
Net investment income	-	14,202,682	(14,202,682)
Benefit payments, including refunds employee contributions	(10,067,714)	(10,067,714)	-
Administrative expense	-	(91,964)	91,964
Other changes	-	(3,588)	3,588
Net changes	<u>10,259,543</u>	<u>13,292,813</u>	<u>(3,033,270)</u>
Balance at December 31, 2020	<u>\$ 225,023,374</u>	<u>\$ 200,527,961</u>	<u>\$ 24,495,413</u>

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate –***

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in <u>Discount Rate</u> (5.75%)	Current <u>Discount Rate</u> (6.75%)	1% Increase in <u>Discount Rate</u> (7.75%)
City's net pension liability	\$ 56,080,366	\$ 24,495,413	(\$ 1,401,198)

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

***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](http://www.tmrs.com).

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

For the year ended September 30, 2021, the City recognized pension expense of \$ 4,152,007.

At September 30, 2021, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 444,957	\$ 1,240,152
Changes in assumptions	268,302	-
Differences between projected and actual investment earnings	-	5,287,718
Contributions subsequent to the measurement date	<u>4,885,449</u>	<u>-</u>
Total	<u>\$ 5,598,708</u>	<u>\$ 6,527,870</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$ 4,885,449 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2021 (i.e. recognized in the City’s financial statements September 30, 2022). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Measurement Year Ended December 31</u>	
2021	\$ (1,981,276)
2022	(125,354)
2023	(3,375,160)
2024	(332,821)
2025	-
Total	<u>\$ (5,814,611)</u>



**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

**Temple Firefighters' Relief and Retirement Fund**

**Plan Description**

The City contributes to the retirement plan for firefighters in the Temple Fire Department known as the Temple Firefighters' Relief and Retirement Fund (the Fund). The Fund is a single employer, contributory, defined benefit plan. The benefit provisions of the Fund are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. The plan is administered by the Board of Trustees of the Temple Firefighters' Relief and Retirement Fund. The City does not have access to nor can it utilize assets within the retirement plan trust. The Fund issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained by writing the Temple Firefighters' Relief and Retirement Fund at 3615 S. 31<sup>st</sup> Street, Temple, Texas 76504. See that report for all information about the plan fiduciary net position.

**Benefits Provided**

Firefighters in the Temple Fire Department are covered by the Temple Firefighters' Relief and Retirement Fund which provides service retirement, death, disability and withdrawal benefits. These benefits fully vest after 20 years of credited service. Firefighters may retire at age 50 with 20 years of service. A partially vested benefit is provided for firefighters who terminate employment with at least 10 but less than 20 years of service. If a terminated firefighter has a partially vested benefit, he may retire starting on the date he would have both completed 20 years of service if he had remained a Temple firefighter and attained age 50. The plan effective April 1, 2015 (the most recently restated and amended plan) provided a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity, equal to 65.75% of Highest Five Year Average Monthly Salary plus \$98.00 per month for each year of service in excess of 20.

A retiring firefighter who is at least age 53 with at least 23 years of service has the option to elect the Deferred Retirement Option Plan (DROP) which will provide a lump sum benefit and a reduced monthly benefit. The reduced monthly benefit is based on the service and Highest Five Year Average Monthly Salary as if he had terminated employment on his selected DROP benefit calculation date, which is no earlier than the later of the date he meets the age 53 and 23 years of service requirements and the date two years prior to the date he actually retires. Upon retirement, the member will receive, in addition to his monthly retirement benefit, a lump sum equal to the sum of (1) the amount of monthly contributions the member has made to the Fund after the DROP benefit calculation date plus (2) the total of the monthly retirement benefits the member would have received between the DROP benefit calculation date and the date he retired under the plan. There are no account balances. The lump sum is calculated at the time of retirement and distributed as soon as administratively possible.

There is no provision for automatic postretirement benefit increases. The Fund has the authority to provide, and has periodically in the past provided, ad hoc postretirement benefit increases.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

***Members Covered by the Fund –***

In the September 30, 2020 actuarial valuation, the following numbers of members were covered by the Fund:

Retirees and beneficiaries currently receiving benefits	100
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>122</u>
	<u>225</u>

**Funding Policy**

The contribution provisions of the Fund are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the City.

The funding policy of the Temple Firefighters' Relief and Retirement Fund requires contributions equal to 16% of pay by the firefighters, the rate elected by the firefighters according to TLFFRA. The City currently contributes according to a city ordinance either the same percentage of payroll that the City contributes to the Texas Municipal Retirement System for other employees or the firefighter contribution rate (16% of payroll) if lesser. The City has also agreed to contribute an additional 0.31% of payroll. The actuarial valuation includes the assumption that the City contribution rate will be 16.31% over the UAAL amortization period. The costs of administering the plan are paid from the Fund assets.

Ultimately, the funding policy also depends upon the total return of the Fund's assets, which varies from year to year. Investment policy decisions are established and maintained by the Board of Trustees. The Board selects and employs investment managers with the advice of their investment consultant who is completely independent of the investment managers. For the year ending September 30, 2020, the annual money-weighted rate of return on pension plan investments was 9.96%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

While the contribution requirements are not actuarially determined, state law requires that each change in plan benefits adopted by the Fund must first be approved by an eligible actuary, certifying that the contribution commitment by the firefighters and the assumed city contribution rate together provide an adequate contribution arrangement. Using the entry age actuarial cost method, the plan's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contribution rate is used to amortize the plan's unfunded actuarial accrued liability (UAAL). The number of years needed to amortize the plan's UAAL is actuarially determined using an open, level percentage of payroll method.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

**Net Pension Liability**

The City's net pension liability was measured as of September 30, 2020.

Total pension liability	\$ 67,708,335
Plan fiduciary net position	<u>(48,418,257)</u>
City's net pension liability	<u>\$ 19,290,078</u>

Plan fiduciary net position as a percentage of the total pension liability	71.51%
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***Actuarial Assumptions –***

The total pension liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Payroll growth	3.75% per annum
Salary increases	9.46% the first five years of service grading down to an ultimate rate of 3.75% per annum after 15 years of service. This equates to an average salary increase of 5.71% over a full career.
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the SOA Public Safety Mortality tables with generational mortality projection using Scale MP-2019.

The long-term expected rate of return on pension plan investments is reviewed for each biennial actuarial valuation and was determined using a building-block method in which best-estimate ranges of expected future net 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 (assumed 2.75%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Large Cap Domestic Equity	25.0%	6.00%
Small/Mid Cap Domestic Equity	13.0%	6.00%
International Equity	27.5%	6.00%
Real Estate	5.0%	4.00%
Alternatives	13.5%	7.00%
Commodities	0.0%	7.00%
Fixed Income	15.0%	1.50%
Money market or equivalent	1.0%	1.50%
Total	<u>100.0%</u>	

***Discount Rate –***

The discount rate used to measure the total pension liability was 7.75% net of investment expense. The projection of cash flows was used to determine the discount rate assumed the City contribution would equal the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of benefit payments to determine the total pension liability.

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate –***

The following presents the net pension liability of the City of Temple, calculated using the discount rate of 7.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<u>1% Decrease in Discount Rate</u> (6.75%)	<u>Current Discount Rate</u> (7.75%)	<u>1% Increase in Discount Rate</u> (8.75%)
City's net pension liability	\$ 27,204,049	\$ 19,290,078	\$ 12,613,751

***Pension Plan Fiduciary Net Position –***

The plan fiduciary net position reported above is the same as reported by the Fund. Detailed information about the plan fiduciary net position is available in the Fund's separately issued audited financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Investments are reported at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

***Changes in the Net Pension Liability –***

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at September 30, 2019	\$ 63,028,830	\$ 45,569,953	\$ 17,458,877
Changes for the year:			
Service cost	1,801,626	-	1,801,626
Interest	4,716,537	-	4,716,537
Change of benefit terms	-	-	-
Difference between expected and actual experience	1,235,997	-	1,235,997
Changes of assumptions	1,265,915	-	1,265,915
Contributions - employer	-	1,411,796	(1,411,796)
Contributions - employee	-	1,387,808	(1,387,808)
Net investment income	-	4,456,931	(4,456,931)
Benefit payments, including refunds of employee contributions	(4,340,570)	(4,340,570)	-
Administrative expense	-	(67,661)	67,661
Changes in benefit terms	-	-	-
Net changes	<u>4,679,505</u>	<u>2,848,304</u>	<u>1,831,201</u>
Balance at September 30, 2020	<u>\$ 67,708,335</u>	<u>\$ 48,418,257</u>	<u>\$ 19,290,078</u>

The net pension liability was \$ 19,290,078 as of September 30, 2020 which is the City's measurement date associated with its September 30, 2021 reporting date. The results are based on the Fund's September 30, 2020 actuarial valuation.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

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

For the year ended September 30, 2021, the City's GASB 68 pension expense was \$ 1,706,925.

***Components of Pension Expense for the Fiscal Year Ended September 30, 2021 –***

Service cost	\$ 1,801,626
Interest	4,716,537
Firefighter contributions	(1,387,808)
Projected earnings on pension plan investments	(3,469,337)
Amortization of differences between projected and actual earnings on plan investments	(401,741)
Amortization of changes of assumptions	284,940
Amortization of differences between expected and actual experience	95,047
Pension plan administrative expenses	<u>67,661</u>
Total pension expense	<u><u>\$ 1,706,925</u></u>

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,328,052	\$ 392,757
Changes in assumptions	1,875,522	-
Differences between projected and actual investment earnings	-	681,727
Contributions subsequent to the measurement date	<u>1,528,626</u>	<u>-</u>
Total	<u><u>\$ 4,732,200</u></u>	<u><u>\$ 1,074,484</u></u>

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

***Deferred Outflows of Resources and Deferred Inflows of Resources to be Recognized in Pension Expense in Future Years –***

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended September 30	
2022	\$ 77,946
2023	269,710
2024	308,091
2025	182,466
2026	379,985
Thereafter	910,892
Total	<u>\$ 2,129,090</u>

The total of the contributions by the City to the Fund contributed subsequent to the measurement date of the net pension liability September 30, 2020 through September 30, 2021 is a deferred outflow of resources that will be recognized as a reduction in the net pension liability in the fiscal year ending September 30, 2022.

**(2) Retirement Plans Combined Data**

For the year ended September 30, 2021, the City's total net pension liability and pension expense is as follows:

Net Pension Liability	
Texas Municipal Retirement System	\$ 24,495,413
Temple Firefighters' Relief and Retirement Fund	<u>19,290,078</u>
Total Net Pension Liability	<u>\$ 43,785,491</u>
Pension Expense	
Texas Municipal Retirement System	\$ 4,152,007
Temple Firefighters' Relief and Retirement Fund	<u>1,706,925</u>
Total Pension Expense	<u>\$ 5,858,932</u>

The total deferred outflows and inflows related to pensions can be found in Note III, F.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

**(3) Deferred Compensation Fund**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by one trustee; the International City Management Association Retirement Corporation (ICMA-RC). In 1998, the City implemented the requirements of GASB Statement No. 32, "Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". In accordance with this statement and recent tax law changes, the City has amended their trust agreement which establishes that all assets and income of the trust are for the exclusive benefit of eligible employees and their beneficiaries. Due to the implementation of these changes, the City does not have any fiduciary responsibility or administrative duties relating to the deferred compensation plan other than remitting employees' contributions to the trustee. Accordingly, the City has not presented the assets and income from the plan in these Financial Statements. Deferred compensation investments are held by an outside trustee. Plan investments are chosen by the individual (employee) participant and include mutual funds whose focus is on stocks, bonds, treasury securities, money market-type investments or a combination of these.

The plan, available to all permanent City employees, permits them to defer until future years up to 100% of annual gross earnings not to exceed \$ 19,500. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**E. OTHER POST- EMPLOYMENT BENEFITS**

**(1) The Texas Municipal Retirement System - Supplemental Death Benefit Fund**

**Plan Description**

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

**Benefits Provided**

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 postemployment benefit (OPEB) and is a fixed amount of \$ 7,500.

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. 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 pre-fund retiree term life insurance during the employee's entire career.



**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**IV. OTHER INFORMATION (Continued)**

***Employees Covered by Benefit Terms –***

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	351
Inactive employees entitled to but not yet receiving benefits	120
Active employees	<u>707</u>
	<u>1,178</u>

**Total OPEB Liability - SDBF**

The City's total OPEB liability for SDBF of \$ 2,980,760 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

***Actuarial Assumptions –***

The total OPEB liability for SDBF in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year
Salary increases	3.50% to 11.50% including inflation
Discount rate*	2.00%
Retirees' share of benefit-related costs	\$ 0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements for GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

***Discount Rate –***

\*The discount rate was based on the Fidelity Index’s “20-Year Municipal GO AA Index” rate as of December 31, 2020.

The discount rate changed from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

***Changes in the Total OPEB Liability – SDBF***

	<u>Increase (Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at December 31, 2019	\$ 2,521,069
Changes for the year:	
Service cost	119,966
Interest	70,606
Change of benefit terms	-
Difference between expected and actual experience	(99,319)
Changes of assumptions	395,527
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds employee contributions *	(27,089)
Administrative expense	-
Other changes	-
Net changes	<u>459,691</u>
Balance at December 31, 2020	<u>\$ 2,980,760</u>

\*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated being equal to the employer’s yearly contributions for the retirees.

***Sensitivity of the Total OPEB Liability SDBF to Changes in the Discount Rate –***

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.00%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

	<u>1% Decrease in</u> <u>Discount Rate</u> (1.00%)	<u>Current</u> <u>Discount Rate</u> (2.00%)	<u>1% Increase in</u> <u>Discount Rate</u> (3.00%)
City’s total OPEB liability - SDBF	\$ 3,650,768	\$ 2,980,760	\$ 2,469,729

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

**OPEB Expense and Deferred Outflows of Resources Related to OPEB - SDBF**

For the year ended September 30, 2021, the City recognized OPEB expense of \$ 298,083.

At September 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,374	\$ 156,693
Changes in assumptions	630,425	70,050
Contributions subsequent to the measurement date	<u>57,307</u>	<u>-</u>
Total	<u>\$ 692,106</u>	<u>\$ 226,743</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$ 57,307 will be recognized as a reduction of the total OPEB liability for the measurement year ending December 31, 2021 (i.e. recognized in the City's financial statements September 30, 2022). Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expenses as follows:

<u>Measurement Year Ended December 31</u>	
2021	\$ 107,511
2022	102,857
2023	84,091
2024	83,284
2025	<u>30,313</u>
Total	<u>\$ 408,056</u>

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

**(1) Retiree Health Care Plan (RHCP)**

**Plan Description**

The City offers its retired employees medical and dental insurance through a single-employer defined benefit OPEB plan, under City policy. This plan is administered by the City and no separate audited financial statements are available.

**Benefits Provided**

An employee leaving the employment of the City, who is eligible to receive retirement benefits from a municipal retirement plan, is entitled to purchase continued health and/or dental benefits for the employee and the employee's dependents (if covered by the City's plan at the time of separation) from the City unless the employee is eligible, or becomes eligible at a later date, for group health and/or dental benefits through another employer. To avail themselves of this opportunity to purchase health and/or dental benefits through the City, the employee must notify the City of his or her intent to continue to purchase health and/or dental benefit coverage no later than the date on which the person leaves employment with the City. The City will make coverage available to eligible retirees under the health care and/or dental coverage plan provided by the City to its employees or through a substitute Medicare Supplement Plan for over age 65 retirees for health insurance. A retired employee who elects to continue health and/or dental benefit coverage under this section prior to retirement, and who subsequently enters employment with another employer who offers group health and/or benefits to its employees (regardless of whether or not the retired employee elects such coverage), is no longer eligible for coverage under this policy. A retired employee who elects to continue health and/or dental benefit coverage under this section prior to retirement, and who subsequently elects to discontinue such coverage, is no longer eligible for coverage under this policy. A retired employee who elects to continue coverage for any of the retired employee's dependents, and who then subsequently elects to discontinue such coverage for any of his dependents, abandons his right to obtain future coverage for the dependent for whom coverage was discontinued.

**Contribution by City Towards Cost of Health and/or Dental Benefits for Certain Employees**

Employees who retire prior to May 1, 2007:

- a. The City will pay an amount to be determined each fiscal year by the City offered actuarially calculated, non-blended, standard option health and/or dental insurance premium toward the City offered plan selected by a retired employee, who:
  1. was hired by the City prior to February 1, 2002;
  2. is not eligible to receive Medicare benefits;
  3. had not less than 10 years of continuous service with the City at the time of his or her retirement;
  4. notifies the City of his or her intent to continue health benefit and/or dental coverage with the City no later than the date on which he or she retires; and
  5. is eligible and elects to receive a monthly retirement annuity from the Texas Municipal Retirement System (TMRS) or the Temple Firefighters' Relief and Pension Fund commencing within 60 days of his or her retirement from the City.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

- b. The City will pay an amount to be determined each fiscal year of the City offered actuarially calculated, non-blended, standard option health and/or dental insurance premium toward the City offered plan selected by a retired employee, who:
1. was hired by the City after January 31, 2002;
  2. is not eligible to receive Medicare benefits;
  3. had not less than 25 years of continuous service with the City at the time of his or her retirement;
  4. notifies the City of his or her intent to continue health and/or dental benefit coverage with the City no later than the date on which he or she retires; and
  5. is eligible and elects to receive a monthly retirement annuity from the Texas Municipal Retirement System (TMRS) or the Temple Firefighters' Relief and Pension Fund commencing within 60 days of his or her retirement from the City.

Employees who retire on or after May 1, 2007:

- a. The City will pay an amount to be determined each fiscal year of the City offered actuarially calculated, non-blended, standard option health and/or dental insurance premium of retired employees who:
1. had not less than 25 years of continuous service with the City of Temple at the time of his or her retirement;
  2. is not eligible to receive Medicare benefits;
  3. notifies the City of his or her intent to continue health and/or dental benefit coverage with the City no later than the date on which he or she retires; and
  4. is eligible and elects to receive a monthly retirement annuity from the Texas Municipal Retirement System (TMRS) or the Temple Firefighters' Relief and Pension Fund commencing within 60 days of his or her retirement from the City.
- b. Employees who retire with less than 25 years of continuous service with the City of Temple will be required to pay 100% of the actuarially calculated, non-blended rate for retirees.
- c. Employees who leave the employment of the City with retirement eligibility, but less than 25 years of continuous service at the City of Temple, may purchase health and/or dental benefit coverage for themselves or their dependents through COBRA continuation, subject to the terms contained herein, but are responsible for 100% of the cost of such coverage.

Provisions Regarding Medicare for Retirees Over the Age of 65

- a. An individual who retires from the City of Temple, and who informed the City not later than their date of retirement, upon attaining age 65 is no longer eligible for benefits under the City-sponsored plan for employees. Upon attaining age 65, such retiree is eligible to enroll in the Medicare Supplement Plan adopted by the City as a substitute for coverage under the Plan offered to employees. If a retiree attains age 65 and had coverage for a dependent that has not attained age 65, the dependent will be eligible to continue coverage, at 100% the retiree's cost, under the City Plan for employees until attaining age 65. The dependent, upon attaining age 65, will be eligible to enroll in the substitute Medicare Supplement adopted by the City at 100% the retiree's cost.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**IV. OTHER INFORMATION (Continued)**

The City will pay an amount to be determined each fiscal year for retirees selecting one of the City adopted substitute Medicare Supplement Plans not to exceed 50% of the City adopted standard option substitute Medicare Supplement for retirees who had at least 25 years of continuous service with the City of Temple.

- b. A retiree who retired from the City prior to 1998, is over 68 years old, and who is not eligible to receive Medicare benefits, will not be required to enroll in the City-adopted substitute Medicare Supplement program. The City will continue to pay an amount to be determined each fiscal year of the actuarially calculated, non-blended, standard option premium of health insurance for these retirees.
- c. The retiree will be responsible for 100% of the premium for any elected dependent coverage.
- d. To retain health and/or dental insurance benefits through the City, the retiree must pay the premium for the retiree coverage and any dependent coverage within 45 days of the date on which any premium is due. The City reserves the right to withdraw the eligibility to purchase health and/or dental insurance benefits through the City if a retiree fails to make a premium payment as required.

Dependents not on the employee's health and/or dental insurance at the time of the employee's retirement cannot be added at a later date. Once a covered individual (including the retiree) elects to drop coverage, or coverage is dropped due to lack of payment, they are no longer eligible to be enrolled in the City's health plan or substitute Medicare Supplement plan.

The City is under no obligation, statutory or otherwise to offer other post-employment benefits or pay any portion of the cost of other post-employment benefits to any retirees. Allocation of city funds to pay other post-employment benefits or to make other post-employment benefits available is determined on an annual basis by the City Council as part of the budget approval process.

***Employees Covered by Benefit Terms –***

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	107
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>768</u>
	<u><u>875</u></u>

**Total OPEB Liability - RHCP**

The City's total OPEB liability for Retiree Health Care Plans of \$ 6,985,266 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

***Actuarial Assumptions –***

The total OPEB liability for RHCP in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**IV. OTHER INFORMATION (Continued)**

Inflation	2.50% per year
Salary increases	3.50% to 11.50% for TMRS and 3.75% to 9.46% for firefighters, including inflation
Discount rate	2.00% as of December 31, 2020
Demographic assumptions	TMRS - Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS). Fire – Based on the September 30, 2018 actuarial valuation report for the City of Temple Firefighters' Relief and Retirement Fund.
Health Care Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years.
Mortality rates – TMRS	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality improvement tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Mortality rates – Firefighters	The gender-distinct RP-2014 Blue Collar mortality tables adjusted backward to 2006 are used. The rates are projected on a fully generational basis scale MP-2016 to account for future mortality improvements.

***Participation Rates –***

Age at Retirement	TMRS, eligible for subsidy	Firefighters, eligible for subsidy
Less than 50	10%	60%
Between 50 and 65	40%	60%
65 and over	50%	60%

***Discount Rate –***

The discount rate changed from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020. The discount rate equals the 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 the valuation, the municipal bond rate is 2.00% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”). This discount rate was 2.75% as of the prior measurement date.

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV. OTHER INFORMATION (Continued)**

***Changes in the Total OPEB Liability – RHCP***

	<u>Increase (Decrease)</u> <u>Total OPEB</u> <u>Liability</u>
Balance at December 31, 2019	\$ 6,034,515
Changes for the year:	
Service cost	304,598
Interest	167,239
Change of benefit terms	-
Difference between expected and actual experience	(536)
Changes of assumptions	690,214
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds of employee contributions	(210,764)
Administrative expense	-
Changes in benefit terms	-
Net changes	<u>950,751</u>
Balance at December 31, 2020	<u>\$ 6,985,266</u>

***Sensitivity of the Total OPEB Liability – RHCP to Changes in the Discount Rate –***

The following presents the total OPEB liability for RHCP of the City, calculated using the discount rate of 2.00%, as well as what the City's total OPEB liability for RHCP would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

	<u>1% Decrease in</u> <u>Discount Rate</u> (1.00%)	<u>Current</u> <u>Discount Rate</u> (2.00%)	<u>1% Increase in</u> <u>Discount Rate</u> (3.00%)
City's total OPEB liability	\$ 8,079,305	\$ 6,985,266	\$ 6,086,515

***Sensitivity of the Total OPEB Liability – RHCP to Changes in the Healthcare Trend Rate –***

Regarding the sensitivity of the total OPEB liability for RHCP of the City to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the City's total OPEB liability would be if it were calculated using healthcare trends that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rate:

	<u>1% Decrease in</u> <u>Trend Rate</u>	<u>Current</u> <u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1% Increase in</u> <u>Trend Rate</u>
City's total OPEB liability	\$ 5,822,579	\$ 6,985,266	\$ 8,497,972



**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**IV. OTHER INFORMATION (Continued)**

**OPEB Expense and Deferred Outflows of Resources Related to OPEB - RHCP**

For the year ended September 30, 2021, the City recognized OPEB expense of \$ 467,126.

***Components of OPEB Expense for the Fiscal Year Ended September 30, 2021 –***

Service cost	\$ 304,598
Interest	167,239
Projected earnings on pension plan investments	-
Amortization of differences between projected and actual earnings on plan investments	-
Amortization of changes of assumptions	130,180
Amortization of differences between expected and actual experience	(134,891)
Administrative expenses	-
Changes in benefit terms	-
Total OPEB expense	<u>\$ 467,126</u>

At September 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 954,432
Changes in assumptions	1,182,144	225,648
Contributions subsequent to the measurement date	167,560	-
Total	<u>\$ 1,349,704</u>	<u>\$ 1,180,080</u>

Deferred outflows of resources related to OPEB for RHCP resulting from contributions subsequent to the measurement date of \$ 167,560 will be recognized as a reduction of the total OPEB liability for the measurement year ending December 31, 2021 (i.e. recognized in the City's financial statements September 30, 2022). Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expenses as follows:

<u>Measurement Year Ended December 31</u>	
2021	\$ (4,711)
2022	(4,711)
2023	(4,711)
2024	(4,711)
2025	(4,711)
Thereafter	25,619
Total	<u>\$ 2,064</u>

**CITY OF TEMPLE, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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**IV. OTHER INFORMATION (Continued)**

**(2) Other Post-Employment Benefits Combined Data**

For the year ended September 30, 2021, the City's total OPEB liability and OPEB expense is as follows:

Total OPEB Liability		
Texas Municipal Retirement System - SDBF	\$	2,980,760
Retiree Health Care Plan		<u>6,985,266</u>
Total OPEB Liability	\$	<u><u>9,966,026</u></u>
OPEB Expense		
Texas Municipal Retirement System - SDBF	\$	298,083
Retiree Health Care Plan		<u>467,126</u>
Total OPEB Expense	\$	<u><u>765,209</u></u>

The total deferred outflows and inflows related to pensions can be found in Note III, F.

**F. RELATED PARTY TRANSACTION**

A council member entered into an Economic Development agreement for the purchase of approximately 15.3-acre site on Lucius McCelvey Road in the amount of \$ 412,000. The agreement also included that there would be an investment of not less than \$ 5,200,000 of real and personal property improvements on the site and that they would retain 45 existing employees for a period of 5 years after its new facilities are constructed.

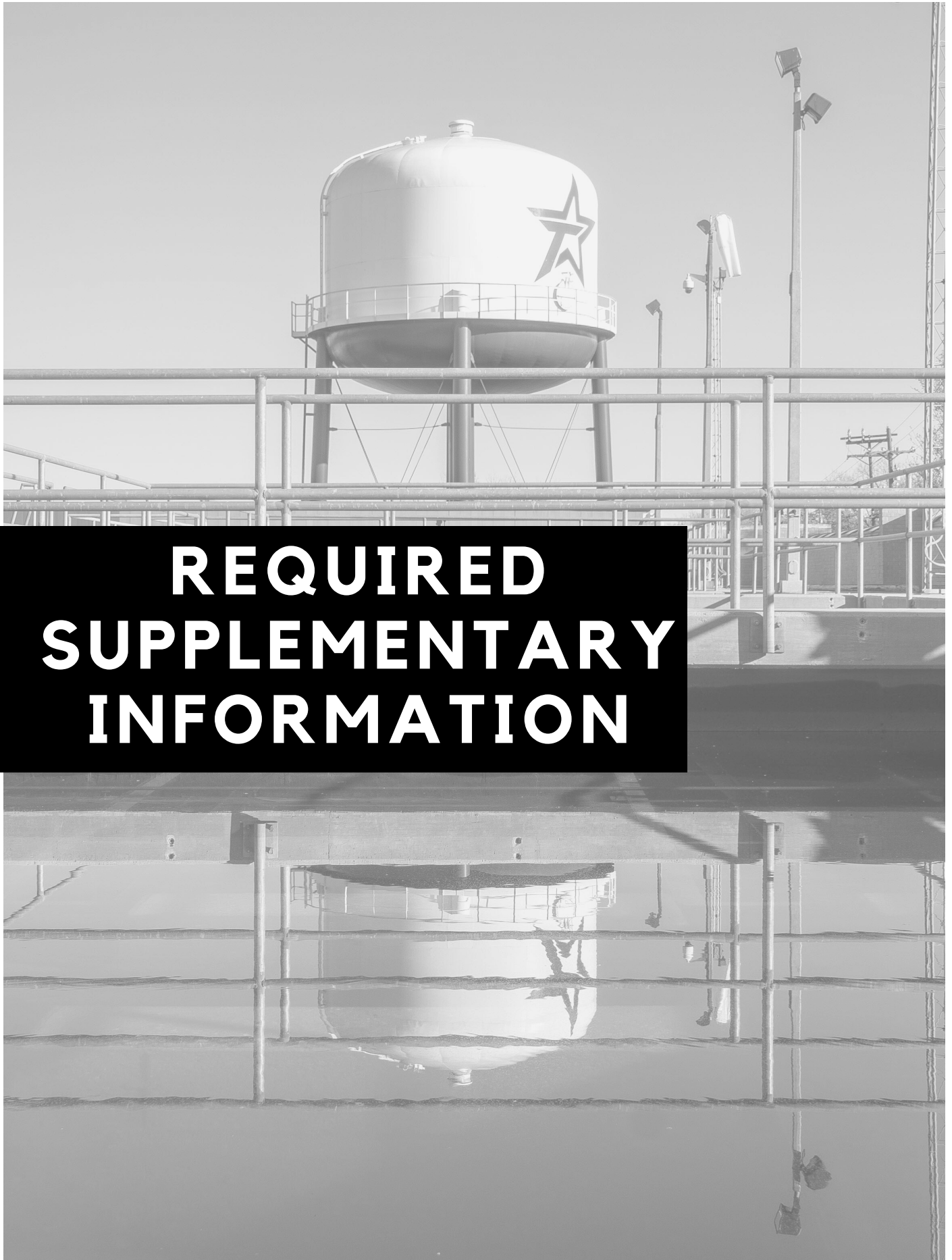
The sale of land transaction was conducted on December 23, 2020. As of September 30, 2021, the improvements were under construction. The company moved into its new facilities on December 20, 2021.

**G. SUBSEQUENT EVENT**

On October 27, 2021, the City partially advance refunded the Series 2014 and Series 2015 Utility Revenue bonds. The par amount of the 2021 Taxable Utility Revenue Refunding bonds was \$ 23,145,000. Net proceeds of \$ 23,009,701 of utility revenue refunding bonds (after payment of underwriting fees and other issuance costs) were deposited into an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments for the refunded debt. As a result, the refunded bonds are considered defeased, and the debt for these bonds will be removed from the City's financial statements in fiscal year 2022.

This advanced refunding will reduce the total debt service payments over the next 23 years by \$ 3,393,914 and will result in an economic gain (i.e. the difference between the present value of the debt service payments of the refunded debt and the refunding bonds) of \$ 2,601,679.

The City continues to monitor the financial impacts related to the COVID-19 pandemic and does not foresee any major negative financial impacts resulting from the COVID-19 pandemic. The City currently projects that it will have sufficient cash to maintain operations and the current cash position is projected to be sufficient for the foreseeable future. The City intends on making debt service payments on outstanding bonds. The City has no plans to spend operating reserves. Operating reserves are expected to be maintained or increased to comply with the City's adopted financial policies for reserves.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**CITY OF TEMPLE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**Texas Municipal Retirement System**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**(Unaudited)**

	Measurement Year 2014*	Measurement Year 2015*	Measurement Year 2016*	Measurement Year 2017*	Measurement Year 2018*	Measurement Year 2019*	Measurement Year 2020*
Total pension liability:							
Service cost	\$ 4,177,238	\$ 4,778,653	\$ 5,254,599	\$ 5,481,820	\$ 5,622,478	\$ 5,958,781	\$ 6,760,655
Interest	11,004,160	11,472,372	11,697,930	12,319,765	13,006,047	13,728,559	14,384,945
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	(1,874,758)	467,238	635,118	1,184,000	1,142,305	(1,204,885)	(818,343)
Change in assumptions	-	68,221	-	-	-	520,228	-
Benefit payments, including refunds of employee contributions	(6,991,011)	(6,846,202)	(8,379,414)	(8,598,375)	(9,179,172)	(9,291,032)	(10,067,714)
Net change in total pension liability	6,315,629	9,940,282	9,208,233	10,387,210	10,591,658	9,711,651	10,259,543
Total pension liability - beginning	158,609,168	164,924,797	174,865,079	184,073,312	194,460,522	205,052,180	214,763,831
Total pension liability - ending (a)	<u>\$ 164,924,797</u>	<u>\$ 174,865,079</u>	<u>\$ 184,073,312</u>	<u>\$ 194,460,522</u>	<u>\$ 205,052,180</u>	<u>\$ 214,763,831</u>	<u>\$ 225,023,374</u>
Plan fiduciary net position:							
Contributions - employer	\$ 4,687,061	\$ 4,857,267	\$ 4,847,807	\$ 5,226,253	\$ 5,418,611	\$ 5,718,615	\$ 6,543,936
Contributions - employee	1,874,825	2,033,251	2,141,889	2,236,174	2,301,599	2,436,418	2,709,461
Net investment income	7,718,713	209,717	9,611,394	20,831,979	(5,088,354)	25,227,862	14,202,682
Benefit payments, including refunds of employee contributions	(6,991,011)	(6,846,202)	(8,379,414)	(8,598,375)	(9,179,172)	(9,291,032)	(10,067,714)
Administrative expense	(80,587)	(127,743)	(108,574)	(107,997)	(98,383)	(142,642)	(91,964)
Other	(6,626)	(6,309)	(5,850)	(5,474)	(5,141)	(4,285)	(3,588)
Net change in plan fiduciary net position	7,202,375	119,981	8,107,252	19,582,560	(6,650,840)	23,944,936	13,292,813
Plan fiduciary net position - beginning	134,928,884	142,131,259	142,251,240	150,358,492	169,941,052	163,290,212	187,235,148
Plan fiduciary net position - ending (b)	<u>142,131,259</u>	<u>142,251,240</u>	<u>150,358,492</u>	<u>169,941,052</u>	<u>163,290,212</u>	<u>187,235,148</u>	<u>200,527,961</u>
Net pension liability - ending (a) - (b)	<u>\$ 22,793,538</u>	<u>\$ 32,613,839</u>	<u>\$ 33,714,820</u>	<u>\$ 24,519,470</u>	<u>\$ 41,761,968</u>	<u>\$ 27,528,683</u>	<u>\$ 24,495,413</u>
Plan fiduciary net position as a percentage of total pension liability	86.18%	81.35%	81.68%	87.39%	79.63%	87.18%	89.11%
Covered payroll	\$ 26,783,210	\$ 28,996,683	\$ 30,585,560	\$ 31,945,335	\$ 32,879,988	\$ 34,805,966	\$ 38,698,655
Net pension liability as a percentage of covered employee payroll	85.10%	112.47%	110.23%	76.75%	127.01%	79.09%	63.30%

\*As of December 31

**Texas Municipal Retirement System**  
**Schedule of Employer Contributions**  
**(Unaudited)**

Fiscal Year	Actuarially determined contribution	Contribution in relation to the actuarially determined contribution	Contribution excess (deficiency)	Covered payroll	Contributions as a percentage of covered payroll
2014	\$ 4,687,060	\$ 4,687,060	\$ -	\$ 26,783,198	17.50%
2015	4,981,397	4,981,397	-	29,438,972	16.92%
2016	4,870,468	4,870,468	-	30,345,108	16.05%
2017	5,108,422	5,108,422	-	31,447,836	16.24%
2018	5,401,115	5,401,115	-	32,829,410	16.45%
2019	5,630,457	5,630,457	-	34,245,953	16.44%
2020	6,121,136	6,121,136	-	36,432,610	16.80%
2021	6,664,361	6,664,361	-	39,173,524	17.01%

**CITY OF TEMPLE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**

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**Texas Municipal Retirement System**

**Notes to Schedule:**

Valuation Date: Actuarial determined contribution rates are calculated as of December 31<sup>st</sup> each year 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	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.
Mortality Rates – Post Retirement	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates – Pre-Retirement	PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other information: There were no benefit changes during the year.

Significant assumption differences for fiscal years prior to 2021:

Inflation	3.00% for fiscal years prior to 2016
Investment Rate of Return	7.00% for fiscal years prior to 2016
Mortality Rates	RP-2014 blue collar Combined Healthy Mortality Tables for males and for females adjusted backward to 2006 with Scale MP-2014 and projected with Scale MP-016.

**CITY OF TEMPLE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**Temple Firefighters' Relief and Retirement Fund**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**(Unaudited)**

	Measurement Year 2014*	Measurement Year 2015*	Measurement Year 2016*	Measurement Year 2017*	Measurement Year 2018*	Measurement Year 2019*	Measurement Year 2020*
Total pension liability:							
Service cost	\$ 1,282,932	\$ 1,339,217	\$ 1,592,233	\$ 1,715,631	\$ 1,665,027	\$ 1,794,067	\$ 1,801,626
Interest	3,846,369	4,062,023	4,125,592	4,353,316	4,377,179	4,545,971	4,716,537
Changes of benefit terms	-	442,935	-	-	-	-	-
Difference between expected and actual experience	-	-	(770,412)	-	329,123	-	1,235,997
Change in assumptions	-	-	1,471,671	-	-	-	1,265,915
Benefit payments, including refunds of employee contributions	(2,625,283)	(3,240,391)	(3,359,067)	(3,641,902)	(4,448,915)	(3,937,803)	(4,340,570)
Net change in total pension liability	2,504,018	2,603,784	3,060,017	2,427,045	1,922,414	2,402,235	4,679,505
Total pension liability - beginning	48,109,317	50,613,335	53,217,119	56,277,136	58,704,181	60,626,595	63,028,830
Total pension liability - ending (a)	\$ 50,613,335	\$ 53,217,119	\$ 56,277,136	\$ 58,704,181	\$ 60,626,595	\$ 63,028,830	\$ 67,708,335
Plan fiduciary net position:							
Contributions - employer	\$ 1,111,042	\$ 1,222,221	\$ 1,246,449	\$ 1,299,059	\$ 1,316,481	\$ 1,311,459	\$ 1,411,796
Contributions - employee	1,096,265	1,205,751	1,229,286	1,281,087	1,293,455	1,285,044	1,387,808
Net investment income (loss)	2,415,802	(1,348,337)	3,450,509	4,003,079	3,428,230	2,745,755	4,456,931
Benefit payments, including refunds of employee contributions	(2,625,283)	(3,240,391)	(3,359,067)	(3,641,902)	(4,448,915)	(3,937,803)	(4,340,570)
Administrative expense	(68,151)	(85,189)	(92,392)	(101,321)	(47,886)	(78,271)	(67,661)
Other	-	-	-	-	-	-	-
Net change in plan fiduciary net position	1,929,675	(2,245,945)	2,474,785	2,840,002	1,541,365	1,326,184	2,848,304
Plan fiduciary net position - beginning	37,703,887	39,633,562	37,387,617	39,862,402	42,702,404	44,243,769	45,569,953
Plan fiduciary net position - ending (b)	39,633,562	37,387,617	39,862,402	42,702,404	44,243,769	45,569,953	48,418,257
Net pension liability - ending (a) - (b)	\$ 10,979,773	\$ 15,829,502	\$ 16,414,734	\$ 16,001,777	\$ 16,382,826	\$ 17,458,877	\$ 19,290,078
Plan fiduciary net position as a percentage of total pension liability	78.31%	70.25%	70.83%	72.74%	72.98%	72.30%	71.51%
Covered payroll	\$ 7,308,427	\$ 8,038,340	\$ 8,195,240	\$ 8,540,580	\$ 8,623,033	\$ 8,566,960	\$ 9,252,053
Net pension liability as a percentage of covered employee payroll	150.23%	196.93%	200.30%	187.36%	189.99%	203.79%	208.50%

\*As of September 30

**Temple Firefighters' Relief and Retirement Fund**  
**Schedule of Employer Contributions**  
**(Unaudited)**

Fiscal Year	Actuarially determined contribution	Contribution in relation to the actuarially determined contribution	Contribution excess (deficiency)	Covered payroll	Contributions as a percentage of covered payroll
2014	\$ 1,111,042	\$ 1,111,042	\$ -	\$ 7,308,427	15.20%
2015	1,222,757	1,222,757	-	8,038,339	15.21%
2016	1,217,439	1,217,439	-	8,195,240	14.86%
2017	1,296,597	1,296,597	-	8,540,580	15.18%
2018	1,318,723	1,318,723	-	8,623,033	15.29%
2019	1,302,987	1,302,987	-	8,566,960	15.21%
2020	1,399,577	1,399,577	-	9,252,053	15.13%
2021	1,528,626	1,528,626	-	9,424,545	16.22%

**CITY OF TEMPLE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**

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**Temple Firefighters' Relief and Retirement Fund**

**Notes to Schedule:**

Valuation Date: Actuarial valuations are calculated as of September 30th every other year.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, open period
Remaining Amortization Period	23 years
Asset Valuation Method	Market value of assets
Inflation	3.75%
Salary Increases	3.75% plus promotion, step, and longevity increases that vary by service
Investment Rate of Return	7.75%, net pension plan investment expense, including inflation
Mortality	SOA Public Safety Mortality tables with generational mortality projection using Scale MP-2019.

Other information: There were no benefit changes during the year.

Contributions to the fund are based on negotiations between the members and the City rather than an actuarially determined rate. The funding policy of the Temple Firefighters' Relief and Retirement Fund requires contributions from both the City and the firefighters. Effective October 1, 2020, the City's contribution rate is currently 16.24% of firefighter payroll, and each active firefighter contributes 16.00% of plan compensation.

Other than the 1% of payroll contribution increase for both Members and the City, there were no other changes to methods or plan provisions since the prior valuation. The mortality table was updated to the new SOA Public Safety mortality tables with generational mortality projection using Scale MP-2019. There were no other assumption changes since the prior valuation.

Significant assumption differences for fiscal years prior to 2021:

Investment Rate of Return	8.00% for fiscal years prior to 2016
Inflation	2.75% for fiscal years prior to 2020
Mortality	RP-2000 Combined Healthy Lives Mortality Tables for males and for females projected to 2024 by scale AA for fiscal years prior to 2016.  RP-2014 blue collar Combined Healthy Mortality Tables for males and for females adjusted backward to 2006 with Scale MP-2014 and projected with Scale MP-2016 prior to 2020.

**CITY OF TEMPLE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**Supplemental Death Benefit Fund**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**(Unaudited)**

	Measurement Year 2017*	Measurement Year 2018*	Measurement Year 2019*	Measurement Year 2020*
Total OPEB liability - SDBF:				
Service cost	\$ 76,669	\$ 88,776	\$ 83,534	\$ 119,966
Interest	69,658	70,624	79,076	70,606
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	9,009	(116,985)	(99,319)
Change in assumptions	159,536	(144,306)	397,960	395,527
Benefit payments, including refunds of employee contributions	(19,167)	(23,016)	(24,364)	(27,089)
Net change in total OPEB liability	286,696	1,087	419,221	459,691
Total OPEB liability - beginning	1,814,065	2,100,761	2,101,848	2,521,069
Total OPEB liability - ending	<u>\$ 2,100,761</u>	<u>\$ 2,101,848</u>	<u>\$ 2,521,069</u>	<u>\$ 2,980,760</u>
Covered-employee payroll	\$ 31,945,335	\$ 32,879,988	\$ 34,805,966	\$ 38,698,655
Total OPEB liability as a percentage of covered-employee payroll	6.58%	6.39%	7.24%	7.70%

\*As of December 31

**Supplemental Death Benefit Fund**  
**Schedule of Employer Contributions**  
**(Unaudited)**

Fiscal Year	Actuarially determined contribution	Contribution in relation to the actuarially determined contribution	Contribution excess (deficiency)	Covered payroll	Contributions as a percentage of covered payroll
2016	\$ 21,242	\$ 21,242	\$ -	\$ 30,345,108	0.07%
2017	18,869	18,869	-	31,447,836	0.06%
2018	22,160	22,160	-	32,829,410	0.07%
2019	23,972	23,972	-	34,245,953	0.07%
2020	25,503	25,503	-	36,432,610	0.07%
2021	64,671	64,671	-	39,173,524	0.17%



**CITY OF TEMPLE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**

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**Supplemental Death Benefit Fund**

**Notes to Schedule:**

Valuation Date: Actuarial determined contribution rates are calculated as of December 31<sup>st</sup> each year and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Inflation	2.50% per year
Salary Increases	3.50% to 11.50% including inflation
Discount Rate*	2.00%
Retirees' Share of Benefit-Related Costs	\$ 0
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements for GASB Statement No. 68.
Mortality Rates – Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP.
Mortality Rates – Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.50% and a 3.00% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

\*Discount rate based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

Other information: There were no benefit changes during the year.

Note: The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

No assets have been accumulated in a trust to pay related benefits for the plan.

Significant assumption differences for fiscal years prior to 2021:

Discount Rate	2.75% for fiscal years prior to 2020
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**CITY OF TEMPLE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**Retiree Health Care Plan**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**(Unaudited)**

	Measurement Year 2017*	Measurement Year 2018*	Measurement Year 2019*	Measurement Year 2020*
Total OPEB liability - RHCP:				
Service cost	\$ 257,976	\$ 302,192	\$ 285,093	\$ 304,598
Interest	224,587	218,073	242,260	167,239
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	(16,542)	(1,208,893)	(536)
Change in assumptions	397,198	(336,351)	441,074	690,214
Benefit payments, including refunds of employee contributions	(206,788)	(209,691)	(224,764)	(210,764)
Net change in total OPEB liability	672,973	(42,319)	(465,230)	950,751
Total OPEB liability (RHCP) - beginning	5,869,091	6,542,064	6,499,745	6,034,515
Total OPEB liability (RHCP) - ending	<u>\$ 6,542,064</u>	<u>\$ 6,499,745</u>	<u>\$ 6,034,515</u>	<u>\$ 6,985,266</u>
Covered-employee payroll	\$ 40,501,584	\$ 41,466,897	\$ 42,151,571	\$ 48,257,210
Total OPEB liability as a percentage of covered-employee payroll	16.15%	15.67%	14.32%	14.48%

\*As of December 31

**Retiree Health Care Plan**  
**Schedule of Employer Contributions**  
**(Unaudited)**

Fiscal Year	Actuarially determined contribution	Contribution in relation to the actuarially determined contribution	Contribution excess (deficiency)	Covered payroll	Contributions as a percentage of covered payroll
2018	\$ 208,943	\$ 208,943	\$ -	\$ 41,452,443	0.50%
2019	210,890	210,890	-	42,812,913	0.49%
2020	226,387	226,387	-	45,684,663	0.50%
2021	219,854	219,854	-	48,598,069	0.45%

**CITY OF TEMPLE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**

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**Retiree Health Care Plan**

**Notes to Schedule:**

Valuation Date: Actuarial determined contribution rates are calculated as of December 31<sup>st</sup> each year and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Inflation	2.50% per year
Salary Increases	TMRS - 3.50% to 11.50%, including inflation as of December 31, 2019 Firefighters - 3.75% to 9.46%, including inflation as of December 31, 2019
Discount Rate	2.00% as of December 31, 2020
Demographic Assumptions - TMRS	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS).
Demographic Assumptions - Firefighters	Based on the September 30, 2018 actuarial valuation report for the City of Temple Firefighters' Relief and Retirement Fund.
Health Care Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years.
Mortality Rates – TMRS	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Mortality Rates – Firefighters	The gender-distinct RP-2014 Blue Collar mortality tables adjusted backward to 2006 are used. The rates are projected on a fully generational basis by scale MP-2016 to account for future mortality improvements.

***Participation Rates –***

<u>Age at Retirement</u>	<u>TMRS, eligible for subsidy</u>	<u>Firefighters, eligible for subsidy</u>
Less than 50	10%	60%
Between 50 and 65	40%	60%
65 and over	50%	60%

**CITY OF TEMPLE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**

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**Retiree Health Care Plan**

**Other Information:**

Notes - The discount rate changed from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

For the purpose of the valuation, the municipal bond rate is 2.00% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). This discount rate was 2.75% as of the prior measurement date.

No assets have been accumulated in a trust to pay related benefits for the plan.

There were no benefit changes during the year.

**Significant assumption differences for fiscal years prior to 2021:**

Mortality Rates – TMRS	The gender-distinct Pub-2010 Public Retirement Plans mortality tables were used, with the public safety table (PubS-2010 Employee) used for males and the general employees table *PubG-2010 Employee) used for females. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Discount Rate	2.75% prior to 2020 3.71% prior to 2019
Health Care Trend Rates	Initial rate of 7.50% declining to an ultimate rate of 4.25% after 15 years.

# COMBINING FINANCIAL STATEMENTS

## SPECIAL REVENUE FUNDS

### FEDERAL/STATE GRANT FUND

To account for revenues received from award of federal and state grants. Such revenues are restricted to expenditures as specified in the applicable grant.

### HOTEL/MOTEL TAX FUND

To account for the accumulation of resources from the hotel/motel tax assessment levied by the City. These monies are to be spent to promote the progress, development or growth of the City within the guidelines set forth on disposition of revenue collected under the authority of the Texas Hotel Occupancy Tax Act.

### DRAINAGE FUND

To account for the levy and utilization of a municipal drainage fee. Revenues are restricted to expenditures for maintenance of the City's drainage system.



CITY OF TEMPLE, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2021

	<u>Special Revenue</u>			<b>Total Nonmajor Governmental Funds</b>
	<u>Hotel/ Motel</u>	<u>Federal/State Grant</u>	<u>Drainage</u>	
<b>ASSETS</b>				
Cash	\$ 4,550	\$ -	\$ -	\$ 4,550
Investments	1,581,153	6,706,039	3,393,352	11,680,544
Receivables, net	235,925	-	127,876	363,801
Due from other governments	2,235	613,366	-	615,601
Inventories	4,685	-	-	4,685
Prepaid items	12,930	-	-	12,930
Other assets	18,561	-	-	18,561
Total assets	<u>\$ 1,860,039</u>	<u>\$ 7,319,405</u>	<u>\$ 3,521,228</u>	<u>\$ 12,700,672</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Vouchers and contracts payable	\$ 50,664	\$ 205,002	\$ 119,936	\$ 375,602
Retainage payable	-	13,537	-	13,537
Accrued payroll	51,655	198	31,621	83,474
Vacation and sick leave payable	20,717	-	19,409	40,126
Deposits	70,200	-	-	70,200
Unearned revenues	-	7,100,668	-	7,100,668
Total liabilities	<u>193,236</u>	<u>7,319,405</u>	<u>170,966</u>	<u>7,683,607</u>
Fund Balances:				
Nonspendable:				
Inventory and prepaid items	17,615	-	-	17,615
Restricted for:				
Museum	16,505	-	-	16,505
Promotion of tourism	1,632,683	-	-	1,632,683
Committed to:				
Drainage	-	-	3,350,262	3,350,262
Total fund balances	<u>1,666,803</u>	<u>-</u>	<u>3,350,262</u>	<u>5,017,065</u>
Total liabilities and fund balances	<u>\$ 1,860,039</u>	<u>\$ 7,319,405</u>	<u>\$ 3,521,228</u>	<u>\$ 12,700,672</u>

**CITY OF TEMPLE, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the year ended September 30, 2021**

	<b>Special Revenue</b>			<b>Total Nonmajor Governmental Funds</b>
	<b>Hotel/ Motel</b>	<b>Federal/State Grant</b>	<b>Drainage</b>	
Revenues:				
Taxes	\$ 1,854,579	\$ -	\$ -	\$ 1,854,579
Intergovernmental	2,235	3,680,129	-	3,682,364
Drainage fees	-	-	2,885,991	2,885,991
Charges for services	261,216	-	-	261,216
Interest and other	11,919	-	42,275	54,194
Total revenues	<u>2,129,949</u>	<u>3,680,129</u>	<u>2,928,266</u>	<u>8,738,344</u>
Expenditures:				
General government	-	494,771	-	494,771
Public safety	-	458,698	-	458,698
Highways and streets	-	307,090	1,468,087	1,775,177
Sanitation	-	160,557	-	160,557
Health and welfare	-	596,914	-	596,914
Culture and leisure services	1,777,817	-	-	1,777,817
Airport	-	1,769,539	-	1,769,539
Debt Service:				
Principal	3,460	-	-	3,460
Interest	64	-	-	64
Total expenditures	<u>1,781,341</u>	<u>3,787,569</u>	<u>1,468,087</u>	<u>7,036,997</u>
Excess (deficiency) of revenues over expenditures	<u>348,608</u>	<u>(107,440)</u>	<u>1,460,179</u>	<u>1,701,347</u>
Other financing sources (uses):				
Transfers in - General Fund	-	46,022	-	46,022
Transfers in - Capital Projects Fund	-	61,418	-	61,418
Transfers out - General Fund	-	-	(299,261)	(299,261)
Transfers out - Debt Service Fund	(67,551)	-	(515,592)	(583,143)
Total other financing sources (uses)	<u>(67,551)</u>	<u>107,440</u>	<u>(814,853)</u>	<u>(774,964)</u>
Net change in fund balances	281,057	-	645,326	926,383
Fund balances, beginning of year	<u>1,385,746</u>	<u>-</u>	<u>2,704,936</u>	<u>4,090,682</u>
Fund balances, end of year	<u>\$ 1,666,803</u>	<u>\$ -</u>	<u>\$ 3,350,262</u>	<u>\$ 5,017,065</u>







**DISCRETELY PRESENTED  
COMPONENT UNIT  
FINANCIAL STATEMENTS  
REINVESTMENT ZONE NO. 1**



**CITY OF TEMPLE, TEXAS**  
**REINVESTMENT ZONE NO. 1**  
**COMPARATIVE BALANCE SHEETS**  
**September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
<b>ASSETS</b>			
Current assets:			
Investments	\$ 10,574,735	\$ 12,376,251	\$ (1,801,516)
Receivables (net of allowance for estimated uncollectible):			
Ad valorem taxes	143,645	78,144	65,501
Accounts receivable	<u>10,473</u>	<u>223,196</u>	<u>(212,723)</u>
Total current assets	<u>10,728,853</u>	<u>12,677,591</u>	<u>(1,948,738)</u>
Restricted assets:			
Reserve for debt service	5,383,398	2,090,804	3,292,594
Bond proceeds	<u>51,379,581</u>	<u>19,154,163</u>	<u>32,225,418</u>
Total restricted assets	<u>56,762,979</u>	<u>21,244,967</u>	<u>35,518,012</u>
Total assets	<u>\$ 67,491,832</u>	<u>\$ 33,922,558</u>	<u>\$ 33,569,274</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Current liabilities:			
Vouchers and contracts payable	\$ 404,093	\$ 591,736	\$ (187,643)
Retainage payable	11,174	307,653	(296,479)
Unearned revenues	<u>143,645</u>	<u>78,144</u>	<u>65,501</u>
Total current liabilities	<u>558,912</u>	<u>977,533</u>	<u>(418,621)</u>
Liabilities from restricted assets:			
Vouchers and contracts payable	2,050,113	545,101	1,505,012
Retainage payable	<u>494,314</u>	<u>235,298</u>	<u>259,016</u>
Total liabilities from restricted assets	<u>2,544,427</u>	<u>780,399</u>	<u>1,764,028</u>
Total liabilities	<u>3,103,339</u>	<u>1,757,932</u>	<u>1,345,407</u>
Fund Balance:			
Restricted for:			
Debt service	5,383,398	2,090,804	3,292,594
Construction	48,835,154	18,373,764	30,461,390
Committed to:			
Reinvestment Zone No. 1 Projects	<u>10,169,941</u>	<u>11,700,058</u>	<u>(1,530,117)</u>
Total fund balance	<u>64,388,493</u>	<u>32,164,626</u>	<u>32,223,867</u>
Total liabilities and fund balances	<u>\$ 67,491,832</u>	<u>\$ 33,922,558</u>	<u>\$ 33,569,274</u>

**CITY OF TEMPLE, TEXAS  
REINVESTMENT ZONE NO. 1  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**For the year ended September 30, 2021**

**(With comparative amounts for the year ended September 30, 2020)**

	2021			2020	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Taxes	\$ 19,416,744	\$ 19,416,744	\$ 19,212,894	\$ (203,850)	\$ 18,513,743
Intergovernmental	-	50,000	50,000	-	50,571
Licenses and permits	36,000	150,000	177,230	27,230	265,121
Interest and other	542,000	2,157,000	608,719	(1,548,281)	1,114,844
Total revenues	<u>19,994,744</u>	<u>21,773,744</u>	<u>20,048,843</u>	<u>(1,724,901)</u>	<u>19,944,279</u>
Expenditures:					
General government	3,353,559	4,897,656	3,439,418	1,458,238	3,292,162
TEDC land purchases	-	11,953,125	10,853,125	1,100,000	-
Capital outlay	9,785,000	70,841,470	14,626,605	56,214,865	15,569,335
Debt service:					
Principal retirement	5,530,000	5,130,000	5,130,000	-	4,730,000
Interest and fiscal charges	2,198,844	1,874,944	1,873,226	1,718	2,469,776
Bond issuance costs	-	992,999	988,239	4,760	122,207
Total expenditures	<u>20,867,403</u>	<u>95,690,194</u>	<u>36,910,613</u>	<u>58,779,581</u>	<u>26,183,480</u>
Excess (deficiency) of revenues over expenditures	(872,659)	(73,916,450)	(16,861,770)	57,054,680	(6,239,201)
Other financing sources (uses):					
Bond proceeds	-	44,615,000	44,615,000	-	-
Refunding bonds issued	-	-	-	-	16,750,000
Original issue premium	-	4,763,431	4,763,431	-	-
Bond discount	-	(292,794)	(292,794)	-	(111,130)
Payment to refunded bond escrow agent	-	-	-	-	(16,512,877)
Total other financing sources (uses)	<u>-</u>	<u>49,085,637</u>	<u>49,085,637</u>	<u>-</u>	<u>125,993</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(872,659)	(24,830,813)	32,223,867	57,054,680	(6,113,208)
Fund balance, beginning of year	<u>32,164,626</u>	<u>32,164,626</u>	<u>32,164,626</u>	<u>-</u>	<u>38,277,834</u>
Fund balance, end of year	<u>\$ 31,291,967</u>	<u>\$ 7,333,813</u>	<u>\$ 64,388,493</u>	<u>\$ 57,054,680</u>	<u>\$ 32,164,626</u>





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



**CITY OF TEMPLE, TEXAS**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the year ended September 30, 2021**  
**(With comparative amounts for the year ended September 30, 2020)**

	2021			2020	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
Revenues:					
Taxes	\$ 16,756,388	\$ 16,756,388	\$ 16,755,745	\$ (643)	\$ 15,287,703
Intergovernmental	1,505,000	1,505,000	1,280,286	(224,714)	1,505,000
Interest and other	24,000	24,000	56,118	32,118	150,176
Total revenues	18,285,388	18,285,388	18,092,149	(193,239)	16,942,879
Expenditures:					
Debt Service:					
Principal	13,375,952	13,375,952	13,182,831	193,121	13,433,586
Interest and fiscal charges	6,897,336	6,897,336	6,863,645	33,691	6,717,413
Refunding bond issuance costs	-	-	-	-	17,046
Total expenditures	20,273,288	20,273,288	20,046,476	226,812	20,168,045
Excess (deficiency) of revenues over expenditures	(1,987,900)	(1,987,900)	(1,954,327)	33,573	(3,225,166)
Other financing sources (uses):					
Transfers in - General Fund	1,311,068	1,311,068	1,289,847	(21,221)	1,771,784
Transfers in - Drainage Fund	609,280	609,280	515,592	(93,688)	262,918
Transfers in - Hotel/Motel Fund	67,552	67,552	67,551	(1)	33,776
Refunding bonds issued	-	-	-	-	685,000
Bond discount	-	-	-	-	(4,785)
Payment to refunded bond escrow agent	-	-	-	-	(677,282)
Total other financing sources (uses)	1,987,900	1,987,900	1,872,990	(114,910)	2,071,411
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	(81,337)	(81,337)	(1,153,755)
Fund balance, beginning of year	303,617	303,617	303,617	-	1,457,372
Fund balance, end of year	\$ 303,617	\$ 303,617	\$ 222,280	\$ (81,337)	\$ 303,617

**CITY OF TEMPLE, TEXAS**  
**HOTEL/MOTEL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the year ended September 30, 2021**  
**(With comparative amounts for the year ended September 30, 2020)**

	2021			2020	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Taxes	\$ 1,736,637	\$ 1,729,264	\$ 1,854,579	\$ 125,315	\$ 1,563,648
Charges for services:					
Civic center	432,225	432,225	214,312	(217,913)	201,215
Railroad Museum	74,970	77,970	46,904	(31,066)	50,575
Visitor center	306	-	-	-	1,448
Intergovernmental	-	3,711	2,235	(1,476)	-
Interest and other	4,800	4,800	11,919	7,119	32,194
Total revenues	<u>2,248,938</u>	<u>2,247,970</u>	<u>2,129,949</u>	<u>(118,021)</u>	<u>1,849,080</u>
Expenditures:					
Civic center	1,071,650	973,376	667,012	306,364	917,206
Railroad museum	494,179	520,712	480,002	40,710	441,132
Tourism marketing	612,033	868,620	630,803	237,817	668,582
Debt Service:					
Principal	3,460	3,460	3,460	-	3,359
Interest	64	64	64	-	165
Total expenditures	<u>2,181,386</u>	<u>2,366,232</u>	<u>1,781,341</u>	<u>584,891</u>	<u>2,030,444</u>
Excess (deficiency) of revenues over expenditures	<u>67,552</u>	<u>(118,262)</u>	<u>348,608</u>	<u>466,870</u>	<u>(181,364)</u>
Other financing sources:					
Transfers out - Debt Service Fund	<u>(67,552)</u>	<u>(67,552)</u>	<u>(67,551)</u>	<u>1</u>	<u>(33,776)</u>
Total other financing sources	<u>(67,552)</u>	<u>(67,552)</u>	<u>(67,551)</u>	<u>1</u>	<u>(33,776)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources	-	(185,814)	281,057	466,871	(215,140)
Fund balance, beginning of year	<u>1,385,746</u>	<u>1,385,746</u>	<u>1,385,746</u>	<u>-</u>	<u>1,600,886</u>
Fund balance, end of year	<u>\$ 1,385,746</u>	<u>\$ 1,199,932</u>	<u>\$ 1,666,803</u>	<u>\$ 466,871</u>	<u>\$ 1,385,746</u>

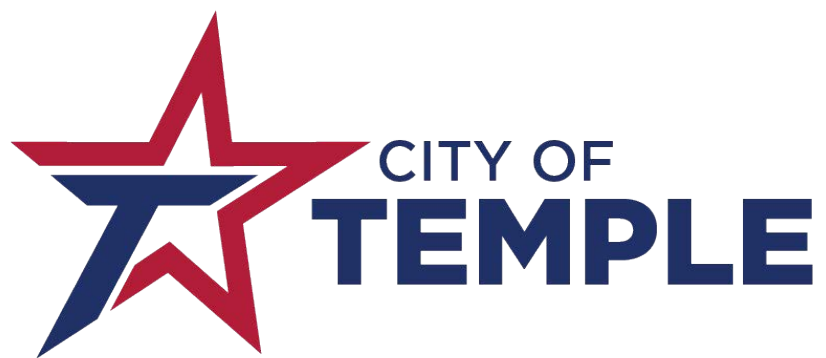
**CITY OF TEMPLE, TEXAS  
FEDERAL/STATE GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended September 30, 2021  
(With comparative amounts for the year ended September 30, 2020)**


	2021			2020	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
Revenues:					
Intergovernmental	\$ 626,742	\$ 7,686,245	\$ 3,680,129	\$ (4,006,116)	\$ 2,131,895
Total revenues	626,742	7,686,245	3,680,129	(4,006,116)	2,131,895
Expenditures:					
General government	120,872	627,609	494,771	132,838	536,513
Public safety	-	563,355	458,698	104,657	112,692
Highways and streets	-	2,588,239	307,090	2,281,149	1,918,468
Sanitation	-	160,557	160,557	-	22,527
Health and welfare	505,870	2,444,550	596,914	1,847,636	409,437
Airport	-	2,130,000	1,769,539	360,461	-
Total expenditures	626,742	8,514,310	3,787,569	4,726,741	2,999,637
Excess (deficiency) of revenues over expenditures	-	(828,065)	(107,440)	720,625	(867,742)
Other financing sources :					
Transfers in - General Fund	-	127,212	46,022	(81,190)	11,461
Transfers in - Capital Projects	-	700,853	61,418	(639,435)	856,281
Total other financing sources	-	828,065	107,440	(720,625)	867,742
Excess of revenues and other financing sources over expenditures and other financing sources	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -



**CITY OF TEMPLE, TEXAS**  
**DRAINAGE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the year ended September 30, 2021**  
**(With comparative amounts for the year ended September 30, 2020)**

	2021			2020	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
Revenues:					
Drainage fees	\$ 2,845,103	\$ 2,845,103	\$ 2,885,991	\$ 40,888	\$ 2,822,622
Interest and other	5,000	5,554	42,275	36,721	56,989
Total revenues	<u>2,850,103</u>	<u>2,850,657</u>	<u>2,928,266</u>	<u>77,609</u>	<u>2,879,611</u>
Expenditures:					
Highways and streets:					
Personnel services	1,198,104	1,201,980	935,799	266,181	830,388
Operations	368,923	459,245	250,195	209,050	331,484
Capital outlay	374,535	1,846,590	282,093	1,564,497	983,393
Total expenditures	<u>1,941,562</u>	<u>3,507,815</u>	<u>1,468,087</u>	<u>2,039,728</u>	<u>2,145,265</u>
Excess (deficiency) of revenues over expenditures	<u>908,541</u>	<u>(657,158)</u>	<u>1,460,179</u>	<u>2,117,337</u>	<u>734,346</u>
Other financing sources (uses):					
Transfers out - General Fund	(299,261)	(299,261)	(299,261)	-	(291,462)
Transfers out - Debt Service Fund	(609,280)	(609,280)	(515,592)	93,688	(262,918)
Total other financing sources (uses)	<u>(908,541)</u>	<u>(908,541)</u>	<u>(814,853)</u>	<u>93,688</u>	<u>(554,380)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	(1,565,699)	645,326	2,211,025	179,966
Fund balance, beginning of year	<u>2,704,936</u>	<u>2,704,936</u>	<u>2,704,936</u>	-	<u>2,524,970</u>
Fund balance, end of year	<u>\$ 2,704,936</u>	<u>\$ 1,139,237</u>	<u>\$ 3,350,262</u>	<u>\$ 2,211,025</u>	<u>\$ 2,704,936</u>





# **SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL SCHEDULES GENERAL FUND**

**These supplementary schedules are included to  
provide management additional information  
for financial analysis.**



**CITY OF TEMPLE, TEXAS  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
September 30, 2021 and 2020**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>	<b>Increase (Decrease)</b>
Current Assets:			
Cash	\$ 5,200	\$ 5,200	\$ -
Investments	43,414,922	35,883,799	7,531,123
Receivables (net of allowance for estimated uncollectible):			
State sales tax	2,468,527	1,940,892	527,635
Accounts	1,364,289	1,068,227	296,062
Franchise fees	221,142	214,081	7,061
Ad valorem taxes - delinquent	205,240	224,298	(19,058)
Due from other funds	-	17,306	(17,306)
Due from other governments	508,508	1,852,379	(1,343,871)
Inventories	397,241	364,561	32,680
Prepaid items	193,986	187,699	6,287
Total current assets	<u>48,779,055</u>	<u>41,758,442</u>	<u>7,020,613</u>
Restricted Assets:			
Drug enforcement	108,586	207,562	(98,976)
Public safety	29,235	30,695	(1,460)
R.O.W. escrow	22,849	22,838	11
Parks escrow	395,314	351,026	44,288
Rob Roy MacGregor Trust - Library	5,688	6,678	(990)
Hillcrest Cemetery	250,024	-	250,024
Total restricted assets	<u>811,696</u>	<u>618,799</u>	<u>192,897</u>
Total assets	<u>\$ 49,590,751</u>	<u>\$ 42,377,241</u>	<u>\$ 7,213,510</u>

<b>LIABILITIES AND FUND BALANCES</b>	<b>2021</b>	<b>2020</b>	<b>Increase (Decrease)</b>
Vouchers payable	\$ 4,037,470	\$ 3,432,765	\$ 604,705
Retainage payable	-	64	(64)
Accrued payroll	2,351,491	1,990,630	360,861
Vacation and sick leave payable	698,061	677,334	20,727
Deposits	42,396	37,108	5,288
Unearned revenues:			
Ad valorem taxes - delinquent	177,655	196,713	(19,058)
R.O.W. escrow	22,849	22,838	11
Parks escrow	395,314	351,026	44,288
Electric franchise	1,592,861	1,548,076	44,785
Gas franchise	312,473	218,105	94,368
Other	401,549	390,577	10,972
Total liabilities	<u>10,032,119</u>	<u>8,865,236</u>	<u>1,166,883</u>
Fund Balance:			
Nonspendable:			
Inventories and prepaid items	591,227	552,260	38,967
Restricted for:			
Drug enforcement	108,586	207,562	(98,976)
Public safety	29,235	30,695	(1,460)
Rob Roy MacGregor Trust - Library	5,688	6,678	(990)
Municipal court restricted fees	126,305	170,806	(44,501)
Vital statistics preservation fund	24,939	17,788	7,151
Public education channel	86,382	96,003	(9,621)
Hillcrest Cemetery	250,024	-	250,024
Assigned to:			
Technology replacement	617,097	411,381	205,716
Capital projects	12,106,214	7,433,980	4,672,234
Purchases on order	3,496,702	2,968,619	528,083
Unassigned	<u>22,116,233</u>	<u>21,616,233</u>	<u>500,000</u>
Total fund balance	<u>39,558,632</u>	<u>33,512,005</u>	<u>6,046,627</u>
Total liabilities and fund balances	<u>\$ 49,590,751</u>	<u>\$ 42,377,241</u>	<u>\$ 7,213,510</u>

**CITY OF TEMPLE, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the year ended September 30, 2021**  
**(With comparative amounts for the year ended September 30, 2020)**

	2021			2020	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
Revenues:					
Taxes	\$ 40,956,891	\$ 41,081,793	\$ 45,980,308	\$ 4,898,515	\$ 40,259,871
Franchise fees	7,171,728	7,171,728	7,149,264	(22,464)	7,376,450
Licenses and permits	1,054,950	1,088,477	1,282,122	193,645	1,178,048
Intergovernmental	940,669	1,373,940	1,407,166	33,226	2,707,136
Charges for services	28,320,206	29,673,035	28,602,715	(1,070,320)	26,366,229
Fines	1,992,102	1,992,102	1,479,146	(512,956)	1,499,844
Interest and other	721,214	1,523,296	1,779,819	256,523	1,723,198
Total revenues	<u>81,157,760</u>	<u>83,904,371</u>	<u>87,680,540</u>	<u>3,776,169</u>	<u>81,110,776</u>
Expenditures:					
General government	17,936,672	19,610,200	17,263,730	2,346,470	16,044,907
Public safety	36,527,308	38,483,289	36,382,465	2,100,824	34,735,466
Highways and streets	3,998,064	4,104,522	3,257,137	847,385	3,136,124
Sanitation	7,714,466	8,770,679	8,602,091	168,588	8,204,777
Parks and recreation	13,350,524	14,579,905	11,676,734	2,903,171	10,518,754
Airport	2,503,072	2,398,655	2,166,905	231,750	2,083,011
Debt Service:					
Principal	338,999	341,008	341,007	1	327,764
Interest	27,734	25,725	25,723	2	36,353
Total expenditures	<u>82,396,839</u>	<u>88,313,983</u>	<u>79,715,792</u>	<u>8,598,191</u>	<u>75,087,156</u>
Excess (deficiency) of revenues over expenditures	<u>(1,239,079)</u>	<u>(4,409,612)</u>	<u>7,964,748</u>	<u>12,374,360</u>	<u>6,023,620</u>
Other financing sources (uses):					
Transfers in:					
Transfers in - Drainage Fund	299,261	299,261	299,261	-	291,462
Transfers out:					
Transfers out - Grant Fund	-	(127,212)	(46,022)	81,190	(11,461)
Transfers out - Capital Projects	-	(1,858,738)	(881,513)	977,225	(275,974)
Transfers out - Debt Service Fund	(1,311,068)	(1,311,068)	(1,289,847)	21,221	(1,771,784)
Issuance of lease	-	-	-	-	7,652
Total other financing sources (uses)	<u>(1,011,807)</u>	<u>(2,997,757)</u>	<u>(1,918,121)</u>	<u>1,079,636</u>	<u>(1,760,105)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(2,250,886)</u>	<u>(7,407,369)</u>	<u>6,046,627</u>	<u>13,453,996</u>	<u>4,263,515</u>
Fund balance, beginning of period	<u>33,512,005</u>	<u>33,512,005</u>	<u>33,512,005</u>	<u>-</u>	<u>29,248,490</u>
Fund balance, end of period	<u>\$ 31,261,119</u>	<u>\$ 26,104,636</u>	<u>\$ 39,558,632</u>	<u>\$ 13,453,996</u>	<u>\$ 33,512,005</u>

**CITY OF TEMPLE, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
For the year ended September 30, 2021  
(With comparative amounts for the year ended September 30, 2020)

	2021			2020	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Taxes:					
Ad valorem:					
Property, current year	\$ 16,903,725	\$ 16,903,725	\$ 17,131,095	\$ 227,370	\$ 15,447,217
Property, prior year	176,466	176,466	71,084	(105,382)	70,226
Penalty and interest	90,000	90,000	145,070	55,070	94,480
<b>Total ad valorem taxes</b>	<u>17,170,191</u>	<u>17,170,191</u>	<u>17,347,249</u>	<u>177,058</u>	<u>15,611,923</u>
Non-property taxes:					
City sales	23,554,500	23,679,402	28,357,487	4,678,085	24,418,211
Mixed beverage	173,400	173,400	205,921	32,521	163,391
Occupation	40,800	40,800	52,120	11,320	42,155
Bingo	18,000	18,000	17,531	(469)	24,191
<b>Total non-property taxes</b>	<u>23,786,700</u>	<u>23,911,602</u>	<u>28,633,059</u>	<u>4,721,457</u>	<u>24,647,948</u>
<b>Total taxes</b>	<u>40,956,891</u>	<u>41,081,793</u>	<u>45,980,308</u>	<u>4,898,515</u>	<u>40,259,871</u>
Franchise Fees:					
Electric franchise	3,342,337	3,342,337	3,364,629	22,292	3,410,548
Gas franchise	475,000	475,000	435,299	(39,701)	454,888
Telephone franchise	220,320	220,320	210,417	(9,903)	304,880
Cable franchise	862,655	862,655	836,308	(26,347)	847,108
Water/Wastewater franchise	2,186,416	2,186,416	2,186,416	-	2,276,526
Other	85,000	85,000	116,195	31,195	82,500
<b>Total franchise fees</b>	<u>7,171,728</u>	<u>7,171,728</u>	<u>7,149,264</u>	<u>(22,464)</u>	<u>7,376,450</u>
Licenses and permits:					
Building permits	675,000	697,531	853,897	156,366	737,776
Electrical permits and licenses	44,000	44,000	42,124	(1,876)	39,540
Mechanical	20,000	20,000	16,087	(3,913)	18,394
Plumbing permit fees	120,000	124,000	130,848	6,848	147,556
Other	195,950	202,946	239,166	36,220	234,782
<b>Total licenses and permits</b>	<u>1,054,950</u>	<u>1,088,477</u>	<u>1,282,122</u>	<u>193,645</u>	<u>1,178,048</u>
Intergovernmental revenues:					
Federal grants	895,604	1,252,077	1,241,206	(10,871)	2,652,001
State grants	-	76,798	125,350	48,552	14,525
State reimbursements	8,352	8,352	8,352	-	8,352
Department of Civil Preparedness	36,713	36,713	32,258	(4,455)	32,258
<b>Total intergovernmental revenues</b>	<u>940,669</u>	<u>1,373,940</u>	<u>1,407,166</u>	<u>33,226</u>	<u>2,707,136</u>

(Continued)

CITY OF TEMPLE, TEXAS  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
For the year ended September 30, 2021  
(With comparative amounts for the year ended September 30, 2020)

(Continued)

	2021			2020	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Charges for services:					
Library fees	\$ 28,560	\$ 30,325	\$ 7,838	\$ (22,487)	\$ 18,733
Recreational entry fees	82,773	82,773	81,233	(1,540)	60,784
Summit recreational fees	375,084	402,084	309,425	(92,659)	232,395
Hillcrest cemetery	24,150	274,150	376,154	102,004	76,032
Crossroads park	35,496	35,496	42,479	6,983	8,760
Golf course revenues	795,507	795,507	946,692	151,185	727,560
Swimming pool	34,000	34,000	6,720	(27,280)	12,093
Lions Junction water park	429,165	429,165	335,642	(93,523)	453
Sammons indoor pool	80,000	80,000	44,945	(35,055)	33,988
Vital statistics	117,300	117,300	125,399	8,099	112,743
Police revenue	781,758	799,740	902,635	102,895	866,546
Contractual services					
-proprietary fund	5,291,156	5,291,156	5,264,423	(26,733)	5,474,172
County fire protection	8,772	8,772	9,298	526	8,772
Curb and street cuts	337,725	337,725	110,141	(227,584)	74,164
Other	97,000	97,000	117,349	20,349	113,833
Solid waste collection - residential	5,974,682	6,270,482	6,442,387	171,905	5,844,439
Solid waste collection - commercial	3,577,875	3,646,275	3,643,549	(2,726)	3,536,912
Solid waste collection - roll-off	2,976,050	3,115,150	3,260,545	145,395	3,228,982
Landfill contract	2,289,250	2,620,599	2,675,191	54,592	2,403,326
Airport sales and rental	2,481,652	2,327,503	2,059,192	(268,311)	1,880,095
Recreational services	1,228,367	1,249,769	562,210	(687,559)	497,527
Fire department	49,020	66,133	72,341	6,208	71,679
Subdivision fees	24,480	24,480	34,519	10,039	29,250
Reinvestment Zone reimbursements	1,200,384	1,537,451	1,172,408	(365,043)	1,052,991
<b>Total charges for services</b>	<b>28,320,206</b>	<b>29,673,035</b>	<b>28,602,715</b>	<b>(1,070,320)</b>	<b>26,366,229</b>
Fines:					
Court	1,421,959	1,421,959	1,065,930	(356,029)	1,086,143
Animal pound	49,000	49,000	35,389	(13,611)	38,427
Code enforcement	-	-	230	230	-
Overparking	10,000	10,000	3,065	(6,935)	1,460
Administrative fees	511,143	511,143	374,532	(136,611)	373,814
<b>Total fines</b>	<b>1,992,102</b>	<b>1,992,102</b>	<b>1,479,146</b>	<b>(512,956)</b>	<b>1,499,844</b>
Interest and other:					
Interest	144,000	144,000	289,857	145,857	688,591
Lease and rental	177,560	177,560	171,517	(6,043)	179,252
Sale of assets	122,400	136,377	258,471	122,094	110,829
Insurance claims	53,060	613,270	568,292	(44,978)	255,073
Payment in lieu of taxes	17,000	17,000	19,073	2,073	17,000
Building rental - BOA bldg.	84,039	84,039	37,728	(46,311)	49,659
Other	123,155	351,050	434,881	83,831	422,794
<b>Total Interest and other</b>	<b>721,214</b>	<b>1,523,296</b>	<b>1,779,819</b>	<b>256,523</b>	<b>1,723,198</b>
<b>Total revenues</b>	<b>\$ 81,157,760</b>	<b>\$ 83,904,371</b>	<b>\$ 87,680,540</b>	<b>\$ 3,776,169</b>	<b>\$ 81,110,776</b>



**CITY OF TEMPLE, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the year ended September 30, 2021**  
**(With comparative amounts for the year ended September 30, 2020)**

	2021			2020	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
General government:					
City council	\$ 225,717	\$ 225,717	\$ 191,790	\$ 33,927	\$ 191,489
City manager	1,089,897	1,066,531	1,011,837	54,694	999,775
Housing & community development	-	335,701	321,717	13,984	-
Finance	2,053,713	2,081,450	1,954,475	126,975	1,826,546
Purchasing	575,602	629,681	611,195	18,486	535,964
City secretary	495,412	453,434	351,916	101,518	482,722
Special services	936,425	1,465,458	1,017,924	447,534	1,335,552
City attorney	1,030,200	1,115,790	1,006,513	109,277	963,471
City planning	775,881	790,869	745,768	45,101	770,654
Information technology services	4,140,351	4,222,877	3,757,043	465,834	3,343,256
Human resources	1,053,971	1,083,407	949,048	134,359	929,448
Economic development	404,084	528,986	491,216	37,770	375,934
Fleet services	1,431,735	1,522,834	1,215,981	306,853	1,221,746
Inspections	680,897	712,854	664,397	48,457	564,967
Facility services	1,654,989	1,821,548	1,502,724	318,824	1,310,077
Performance excellence	339,125	473,261	422,784	50,477	244,018
Marketing and communications	1,048,673	1,079,802	1,047,402	32,400	949,288
	<u>17,936,672</u>	<u>19,610,200</u>	<u>17,263,730</u>	<u>2,346,470</u>	<u>16,044,907</u>
Public safety:					
Municipal court	872,059	872,548	719,390	153,158	752,067
Police	19,161,164	20,181,369	19,012,114	1,169,255	17,959,990
Animal services	530,592	559,270	503,074	56,196	528,146
Fire	13,500,915	14,268,778	13,958,651	310,127	13,275,183
Communications	1,078,737	1,078,737	1,078,737	-	1,027,567
Code enforcement	1,383,841	1,522,587	1,110,499	412,088	1,192,513
	<u>36,527,308</u>	<u>38,483,289</u>	<u>36,382,465</u>	<u>2,100,824</u>	<u>34,735,466</u>
Highways and streets:					
Streets	3,012,403	3,094,060	2,344,515	749,545	2,189,875
Traffic control	461,103	475,904	420,611	55,293	408,492
Engineering	524,558	534,558	492,011	42,547	537,757
	<u>3,998,064</u>	<u>4,104,522</u>	<u>3,257,137</u>	<u>847,385</u>	<u>3,136,124</u>
Sanitation:	<u>7,714,466</u>	<u>8,770,679</u>	<u>8,602,091</u>	<u>168,588</u>	<u>8,204,777</u>
Parks and recreation:					
Parks	5,181,942	5,936,514	4,942,298	994,216	4,351,656
Recreation	4,260,827	4,526,482	3,047,998	1,478,484	2,877,684
Administration	383,168	428,764	355,319	73,445	342,548
Golf course	1,545,581	1,565,981	1,480,050	85,931	1,230,782
Library	1,979,006	2,122,164	1,851,069	271,095	1,716,084
	<u>13,350,524</u>	<u>14,579,905</u>	<u>11,676,734</u>	<u>2,903,171</u>	<u>10,518,754</u>
Airport:	<u>2,503,072</u>	<u>2,398,655</u>	<u>2,166,905</u>	<u>231,750</u>	<u>2,083,011</u>
Debt service:	<u>366,733</u>	<u>366,733</u>	<u>366,730</u>	<u>3</u>	<u>364,117</u>
Totals	<u>\$ 82,396,839</u>	<u>\$ 88,313,983</u>	<u>\$ 79,715,792</u>	<u>\$ 8,598,191</u>	<u>\$ 75,087,156</u>

**CITY OF TEMPLE, TEXAS**  
**GENERAL FUND**  
**DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the year ended September 30, 2021**  
**(With comparative amounts for the year ended September 30, 2020)**

	2021			2020	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
General government:					
City council:					
Personnel services	\$ 38,332	\$ 18,985	\$ 4,639	\$ 14,346	\$ 7,940
Operations	187,385	206,732	187,151	19,581	183,549
	<u>225,717</u>	<u>225,717</u>	<u>191,790</u>	<u>33,927</u>	<u>191,489</u>
City manager:					
Personnel services	1,011,221	998,813	981,521	17,292	933,700
Operations	78,676	67,718	30,316	37,402	54,144
Capital outlay	-	-	-	-	11,931
	<u>1,089,897</u>	<u>1,066,531</u>	<u>1,011,837</u>	<u>54,694</u>	<u>999,775</u>
Housing & community development					
Personnel services	-	313,268	303,424	9,844	-
Operations	-	22,433	18,293	4,140	-
	<u>-</u>	<u>335,701</u>	<u>321,717</u>	<u>13,984</u>	<u>-</u>
Finance:					
Personnel services	1,394,720	1,395,193	1,374,554	20,639	1,224,506
Operations	658,993	686,257	579,921	106,336	574,977
Capital outlay	-	-	-	-	27,063
	<u>2,053,713</u>	<u>2,081,450</u>	<u>1,954,475</u>	<u>126,975</u>	<u>1,826,546</u>
Purchasing:					
Personnel services	542,977	587,213	577,764	9,449	506,672
Operations	32,625	42,468	33,431	9,037	29,292
	<u>575,602</u>	<u>629,681</u>	<u>611,195</u>	<u>18,486</u>	<u>535,964</u>
City secretary:					
Personnel services	423,931	365,470	309,582	55,888	377,471
Operations	71,481	87,964	42,334	45,630	105,251
	<u>495,412</u>	<u>453,434</u>	<u>351,916</u>	<u>101,518</u>	<u>482,722</u>
Special services:					
Personnel services	451,011	640,561	591,745	48,816	805,751
Operations	485,414	824,897	426,179	398,718	529,801
	<u>936,425</u>	<u>1,465,458</u>	<u>1,017,924</u>	<u>447,534</u>	<u>1,335,552</u>
City attorney:					
Personnel services	946,648	1,009,977	935,253	74,724	826,763
Operations	83,552	105,813	71,260	34,553	136,708
	<u>1,030,200</u>	<u>1,115,790</u>	<u>1,006,513</u>	<u>109,277</u>	<u>963,471</u>
City planning:					
Personnel services	722,081	724,163	709,527	14,636	743,409
Operations	53,800	66,706	36,241	30,465	27,245
	<u>775,881</u>	<u>790,869</u>	<u>745,768</u>	<u>45,101</u>	<u>770,654</u>
Information technology services:					
Personnel services	1,832,744	1,838,622	1,684,454	154,168	1,554,194
Operations	2,287,311	2,331,705	2,037,034	294,671	1,688,536
Capital outlay	20,296	52,550	35,555	16,995	100,526
	<u>4,140,351</u>	<u>4,222,877</u>	<u>3,757,043</u>	<u>465,834</u>	<u>3,343,256</u>
Human resources:					
Personnel services	818,284	805,084	763,783	41,301	722,174
Operations	235,687	226,769	182,155	44,614	199,119
Capital outlay	-	51,554	3,110	48,444	8,155
	<u>1,053,971</u>	<u>1,083,407</u>	<u>949,048</u>	<u>134,359</u>	<u>929,448</u>
Economic development:					
Operations	404,084	528,986	491,216	37,770	375,934
	<u>404,084</u>	<u>528,986</u>	<u>491,216</u>	<u>37,770</u>	<u>375,934</u>
Fleet services:					
Personnel services	1,321,994	1,321,994	1,139,785	182,209	1,107,247
Operations	109,741	109,741	76,196	33,545	86,833
Capital outlay	-	91,099	-	91,099	27,666
	<u>1,431,735</u>	<u>1,522,834</u>	<u>1,215,981</u>	<u>306,853</u>	<u>1,221,746</u>
Inspections/Permits:					
Personnel services	600,176	608,777	605,431	3,346	470,347
Operations	47,321	72,247	58,966	13,281	38,857
Capital outlay	33,400	31,830	-	31,830	55,763
	<u>680,897</u>	<u>712,854</u>	<u>664,397</u>	<u>48,457</u>	<u>564,967</u>

(Continued)

**CITY OF TEMPLE, TEXAS  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
For the year ended September 30, 2021  
(With comparative amounts for the year ended September 30, 2020)**

(Continued)

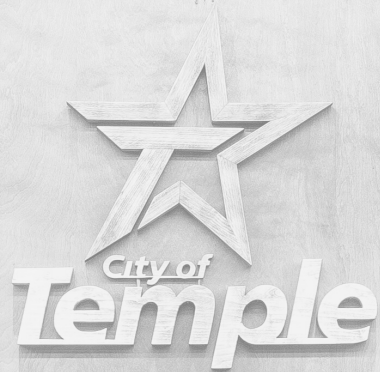
	2021			2020	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Facility services:					
Personnel services	\$ 995,885	\$ 1,037,701	\$ 964,494	\$ 73,207	\$ 763,474
Operations	559,104	698,838	497,770	201,068	481,359
Capital outlay	100,000	85,009	40,460	44,549	65,244
	<u>1,654,989</u>	<u>1,821,548</u>	<u>1,502,724</u>	<u>318,824</u>	<u>1,310,077</u>
Performance excellence:					
Personnel services	274,728	336,721	336,496	225	232,242
Operations	64,397	120,697	72,435	48,262	9,225
Capital outlay	-	15,843	13,853	1,990	2,551
	<u>339,125</u>	<u>473,261</u>	<u>422,784</u>	<u>50,477</u>	<u>244,018</u>
Marketing and communications:					
Personnel services	736,995	743,870	717,587	26,283	516,106
Operations	311,678	331,170	325,054	6,116	394,035
Capital outlay	-	4,762	4,761	1	39,147
	<u>1,048,673</u>	<u>1,079,802</u>	<u>1,047,402</u>	<u>32,400</u>	<u>949,288</u>
Total general government	<u>17,936,672</u>	<u>19,610,200</u>	<u>17,263,730</u>	<u>2,346,470</u>	<u>16,044,907</u>
Public safety:					
Municipal court:					
Personnel services	781,083	781,572	664,400	117,172	630,946
Operations	90,976	90,976	54,990	35,986	40,921
Capital outlay	-	-	-	-	80,200
	<u>872,059</u>	<u>872,548</u>	<u>719,390</u>	<u>153,158</u>	<u>752,067</u>
Police:					
Personnel services	16,597,631	16,491,122	16,012,599	478,523	16,089,117
Operations	1,845,233	2,041,974	1,630,642	411,332	1,546,192
Capital outlay	718,300	1,648,273	1,368,873	279,400	324,681
	<u>19,161,164</u>	<u>20,181,369</u>	<u>19,012,114</u>	<u>1,169,255</u>	<u>17,959,990</u>
Animal services:					
Personnel services	439,140	439,140	411,397	27,743	415,469
Operations	91,452	111,376	91,677	19,699	86,113
Capital outlay	-	8,754	-	8,754	26,564
	<u>530,592</u>	<u>559,270</u>	<u>503,074</u>	<u>56,196</u>	<u>528,146</u>
Fire:					
Personnel services	12,129,727	12,448,256	12,448,254	2	12,067,014
Operations	1,162,988	1,341,626	1,115,250	226,376	1,036,770
Capital outlay	208,200	478,896	395,147	83,749	171,399
	<u>13,500,915</u>	<u>14,268,778</u>	<u>13,958,651</u>	<u>310,127</u>	<u>13,275,183</u>
Communications:					
Operations	1,078,737	1,078,737	1,078,737	-	1,027,567
	<u>1,078,737</u>	<u>1,078,737</u>	<u>1,078,737</u>	<u>-</u>	<u>1,027,567</u>
Code compliance:					
Personnel services	1,074,671	810,547	772,110	38,437	906,949
Operations	294,670	534,173	219,046	315,127	137,869
Capital outlay	14,500	177,867	119,343	58,524	147,695
	<u>1,383,841</u>	<u>1,522,587</u>	<u>1,110,499</u>	<u>412,088</u>	<u>1,192,513</u>
Total public safety	<u>36,527,308</u>	<u>38,483,289</u>	<u>36,382,465</u>	<u>2,100,824</u>	<u>34,735,466</u>
Highways and streets:					
Streets:					
Personnel services	1,497,696	1,501,572	1,090,211	411,361	1,021,625
Operations	1,413,687	1,392,754	1,154,300	238,454	1,140,368
Capital outlay	101,020	199,734	100,004	99,730	27,882
	<u>3,012,403</u>	<u>3,094,060</u>	<u>2,344,515</u>	<u>749,545</u>	<u>2,189,875</u>
Traffic control:					
Personnel services	363,822	368,132	356,560	11,572	330,164
Operations	97,281	107,772	64,051	43,721	78,328
	<u>461,103</u>	<u>475,904</u>	<u>420,611</u>	<u>55,293</u>	<u>408,492</u>
Engineering:					
Personnel services	416,184	418,641	418,620	21	458,851
Operations	108,374	115,917	73,391	42,526	78,906
	<u>524,558</u>	<u>534,558</u>	<u>492,011</u>	<u>42,547</u>	<u>537,757</u>
Total highways and streets	<u>3,998,064</u>	<u>4,104,522</u>	<u>3,257,137</u>	<u>847,385</u>	<u>3,136,124</u>

(Continued)

CITY OF TEMPLE, TEXAS  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
For the year ended September 30, 2021  
(With comparative amounts for the year ended September 30, 2020)

(Continued)

	2021			2020	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Sanitation:					
Personnel services	\$ 3,123,590	\$ 3,254,729	\$ 3,239,428	\$ 15,301	\$ 2,932,603
Operations	4,517,476	5,449,120	5,362,663	86,457	5,134,792
Capital outlay	73,400	66,830	-	66,830	137,382
Total sanitation	<u>7,714,466</u>	<u>8,770,679</u>	<u>8,602,091</u>	<u>168,588</u>	<u>8,204,777</u>
Parks & recreation:					
Parks:					
Personnel services	2,149,567	2,086,839	1,734,103	352,736	1,695,367
Operations	2,880,675	3,191,116	2,801,962	389,154	2,483,119
Capital outlay	151,700	658,559	406,233	252,326	173,170
Total parks	<u>5,181,942</u>	<u>5,936,514</u>	<u>4,942,298</u>	<u>994,216</u>	<u>4,351,656</u>
Recreation:					
Personnel services	2,749,437	2,843,183	2,118,493	724,690	1,939,264
Operations	1,511,390	1,575,389	916,759	658,630	738,966
Capital outlay	-	107,910	12,746	95,164	199,454
Total recreation	<u>4,260,827</u>	<u>4,526,482</u>	<u>3,047,998</u>	<u>1,478,484</u>	<u>2,877,684</u>
Administration:					
Personnel services	266,108	266,754	253,412	13,342	246,974
Operations	117,060	118,260	63,947	54,313	95,574
Capital outlay	-	43,750	37,960	5,790	-
Total administration	<u>383,168</u>	<u>428,764</u>	<u>355,319</u>	<u>73,445</u>	<u>342,548</u>
Golf course:					
Personnel services	907,659	909,506	900,034	9,472	785,538
Operations	521,252	518,510	442,052	76,458	405,278
Capital outlay	116,670	137,965	137,964	1	39,966
Total golf course	<u>1,545,581</u>	<u>1,565,981</u>	<u>1,480,050</u>	<u>85,931</u>	<u>1,230,782</u>
Library:					
Personnel services	1,406,268	1,412,173	1,272,903	139,270	1,198,252
Operations	554,738	580,138	466,732	113,406	479,999
Capital outlay	18,000	129,853	111,434	18,419	37,833
Total library	<u>1,979,006</u>	<u>2,122,164</u>	<u>1,851,069</u>	<u>271,095</u>	<u>1,716,084</u>
Total parks & recreation	<u>13,350,524</u>	<u>14,579,905</u>	<u>11,676,734</u>	<u>2,903,171</u>	<u>10,518,754</u>
Airport:					
Personnel services	907,124	913,903	855,150	58,753	838,660
Operations	1,511,548	1,352,125	1,252,721	99,404	1,150,056
Capital outlay	84,400	132,627	59,034	73,593	94,295
Total airport	<u>2,503,072</u>	<u>2,398,655</u>	<u>2,166,905</u>	<u>231,750</u>	<u>2,083,011</u>
Debt service:					
Principal	338,999	341,008	341,007	1	327,764
Interest	27,734	25,725	25,723	2	36,353
Total debt service	<u>366,733</u>	<u>366,733</u>	<u>366,730</u>	<u>3</u>	<u>364,117</u>
Total	<u>\$ 82,396,839</u>	<u>\$ 88,313,983</u>	<u>\$ 79,715,792</u>	<u>\$ 8,598,191</u>	<u>\$ 75,087,156</u>



# SUPPLEMENTARY SCHEDULES

**CITY OF TEMPLE, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>Federal/State Grantor</u> Agency or Pass-Through Program Title	<u>Federal</u> <u>ALN</u> <u>Number</u>	<u>Grant</u> <u>Number</u>	<u>Program</u> <u>or Award</u> <u>Amount</u>	<u>Passed</u> <u>Through to</u> <u>Subrecipients</u>	<u>Program</u> <u>Expenditures</u>
<b>Federal Financial Assistance:</b>					
<u>U.S. Department of Housing &amp; Urban Development</u>					
Community Development Block Grant - Entitlement Grants Cluster					
CDBG 2017	14.218	B-17-MC-48-0021	\$ 431,615	\$ -	\$ 16,327
CDBG 2018	14.218	B-18-MC-48-0021	536,232	-	112,304
CDBG 2019	14.218	B-19-MC-48-0021	588,159	99,848	174,711
CDBG 2020	14.218	B-20-MC-48-0021	626,646	-	145,820
COVID-19 CDBG-CV 2020	14.218	B-20-MW-48-0021	777,790	121,133	121,483
					<u>570,645</u>
<u>Texas Department of Housing and Community Affairs</u>					
HOME Investment Partnership Program	14.239	2021-0003	675,000	-	6,873
Texas Emergency Rental Assistance & Eviction Diversion	14.228	B-20-DW-48-0001	153,105	106,307	106,307
					<u>113,180</u>
<u>U.S. Department of Homeland Security</u>					
COVID-19 Vaccine Program	97.036	FEMA 4485DR-TX	77,299	-	77,299
Winter Storm Uri Program	97.036	FEMA 4586DR-TX	207,746	-	207,746
Office of the Governor-Criminal Justice Division					
Hazardous Substance Identification Equipment	97.067	EMW-2020-SS-0054 / 3664303	45,200	-	44,405
Travis County Emergency Services District No.2					
Assistance to Firefighters	97.044	EMW-2019-FG-01607	237,655	-	237,655
Texas Division of Emergency Management					
Emergency Management Performance Grant	97.042	EMT-2020-EP-00003	32,258	-	32,258
Texas A&M Engineering Extension Service					
Urban Search and Rescue	97.025	2178-PP22 2020	4,344	-	4,344
Urban Search and Rescue	97.025	2178-PP11 2021	6,203	-	6,203
Urban Search and Rescue	97.025	2178-PP18 2021	14,500	-	14,500
					<u>624,410</u>
<u>U.S. Department of Justice</u>					
2020 Bullet Proof Vests Grant	16.607	2020BUBX20024165	24,774	-	21,229
Equitable Sharing Program	16.922	TX0140700	47,382	-	47,382
Office of the Attorney General					
Internet Crimes Against Children	16.543	2018-MC-FX-K065 / 2113454	3,134	-	3,134
Office of the Governor-Criminal Justice Division					
Crisis Assistance Program	16.575	2019-V2-GX-0011 / 2820004	59,769	-	33,087
Family Violence Assistance	16.575	2019-V2-GX-0011 / 4058401	40,014	-	29,545
City of Killeen					
2019 Edward Byrne Memorial Justice Assistance Grant	16.738	2019-DJ-BX-0739	19,449	-	-
2020 Edward Byrne Memorial Justice Assistance Grant	16.738	2020-DJ-BX-0942	16,858	-	-
					<u>134,377</u>
<u>U.S. Department of Transportation</u>					
Texas Department of Transportation					
Highway Planning and Construction Cluster					
Surface Transportation Program	20.205	0909-36-168	8,238,558	-	-
Transportation Alternatives Set-Aside Program	20.205	0814-03-039 / 0232-01-053	1,193,739	-	245,672
Pass-Through Agreement	20.205	0320-06-001	16,555,000	-	1,280,286
					<u>1,525,958</u>
<u>Federal Aviation Administration</u>					
Texas Department of Transportation					
COVID-19 Airport Coronavirus Response	20.106	21CRTMPLE	23,000	-	23,000
COVID-19 Airport Rescue	20.106	22CVTMPLE	59,000	-	59,000
					<u>82,000</u>
<u>U.S. Department of the Treasury</u>					
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	SLT-8432	14,170,861	-	-
Texas Department of Emergency Management:					
COVID-19 Coronavirus Relief Fund	21.019	364	4,251,225	-	1,306,124
					<u>1,306,124</u>
<u>Institute of Museum and Library Services</u>					
Texas State Library and Archives Commission					
Interlibrary Loan Program	45.310	LS-00-19-0044-19	3,567	-	3,567
					<u>3,567</u>
<b>Total Federal Financial Assistance</b>			<b>49,120,082</b>	<b>327,288</b>	<b>4,360,261</b>

(Continued)

CITY OF TEMPLE, TEXAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

(Continued)

Federal/State Grantor Agency or Pass-Through Program Title	Federal ALN Number	Grant Number	Program or Award Amount	Passed Through to Subrecipients	Program Expenditures
<b>State Financial Assistance:</b>					
<u>Texas Commission on Environmental Quality</u>					
Texas Volkswagen Environmental Mitigation Program	-	582-20-13902-VW	145,557	-	145,557
					<u>145,557</u>
<u>Central Texas Council of Governments</u>					
Household Hazardous Waste Collection	-	582-20-10207	15,000	-	15,000
					<u>15,000</u>
<u>Texas Department of Transportation</u>					
Routine Airport Maintenance Program (RAMP)	-	M2109TEMP	50,000	-	50,000
					<u>50,000</u>
<u>Texas Department of Emergency Management</u>					
Emergency Management Assistance Compact (EMAC)	-	1875-RSA-10067	49,047	-	49,047
TIFMAS Grant Assistance Program	-	Hurricane Laura	4,743	-	4,743
TIFMAS Grant Assistance Program	-	April Fire Weather	29,492	-	29,492
TIFMAS Grant Assistance Program	-	March Fire Weather	24,068	-	24,068
					<u>107,350</u>
<u>Texas State University System - Texas School Safety Center</u>					
Tobacco Enforcement Program 2021	-	-	18,000	-	18,000
					<u>18,000</u>
<b>Total State Financial Assistance</b>			<u><b>335,907</b></u>	<u>-</u>	<u><b>335,907</b></u>
<b>Total Federal and State Financial Assistance</b>			<u><b>\$ 49,455,989</b></u>	<u><b>\$ 327,288</b></u>	<u><b>\$ 4,696,168</b></u>

**CITY OF TEMPLE, TEXAS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the year ended September 30, 2021**

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Basis of Presentation - The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and state financial assistance programs of the City of Temple, Texas. The City's reporting entity is defined in Note I to the City's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule. State financial assistance received directly from state agencies is also included on the schedule.

Summary of Significant Accounting Policies - The accompanying schedule of federal and state financial assistance is presented using the modified accrual basis of accounting, which is described in Note I to the City's financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate – The City has elected not to use the 10% de minimis indirect cost rate allowed under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Relationship to Federal and State Financial Reports - Amounts reported in the accompanying schedule agree with the amounts reported in the related federal and state financial reports in all material respects.

Subgrantees – The federal expenditures for the Community Development Block Grant program include grants to subrecipients as follows:

<u>Subrecipient</u>	<u>Community Development Block Grant</u>
Citizens for Progress	\$ 99,848
United Way of Central Texas	<u>121,133</u>
	<u>\$ 220,981</u>

Additionally, the federal expenditures associated with the Texas Emergency Rental Assistance & Eviction Diversion program included funding of \$ 106,307 to subrecipient United Way of Central Texas.

Program Income – In accordance with terms of the Community Development Block Grant Program, program income totaling \$ 0 was used to reduce the amount of federal funds in conjunction with the program's objective.



# STATISTICAL SECTION (UNAUDITED)

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information states about the government's overall financial health.

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
<b>FINANCIAL TRENDS</b> <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	<b>178</b>
<b>REVENUE CAPACITY</b> <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	<b>184</b>
<b>DEBT CAPACITY</b> <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	<b>190</b>
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	<b>195</b>
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Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**CITY OF TEMPLE, TEXAS**  
**NET POSITION BY COMPONENT**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>1</sup>	2021
<b>Governmental activities</b>										
Net investment in capital assets	\$ 48,379,646	\$ 46,131,460	\$ 44,686,194	\$ 40,996,292	\$ 43,934,442	\$ 48,754,446	\$ 52,987,220	\$ 60,880,317	\$ 66,565,782	\$ 72,557,317
Restricted	1,450,388	5,877,191	62,906	306,050	-	-	-	-	-	-
Unrestricted	19,057,787	20,153,684	18,922,067	7,799,938	3,756,702	(3,690,323)	(7,610,201)	(9,968,891)	(10,732,638)	(3,804,737)
Total governmental activities net position	\$ 68,887,821	\$ 72,162,335	\$ 63,671,167	\$ 49,102,280	\$ 47,691,144	\$ 45,064,123	\$ 45,377,019	\$ 50,910,426	\$ 55,833,144	\$ 68,752,580
<b>Business-type activities</b>										
Net investment in capital assets	\$ 65,054,555	\$ 68,521,536	\$ 72,979,933	\$ 69,469,800	\$ 71,123,596	\$ 74,981,111	\$ 85,851,741	\$ 91,337,862	\$ 98,533,741	\$ 104,019,217
Restricted	2,323,161	548,392	722,685	941,206	1,069,608	960,360	1,303,447	1,258,484	1,453,385	1,935,878
Unrestricted	22,475,876	25,171,256	25,320,194	31,586,228	33,699,494	35,678,455	29,874,800	26,340,410	23,250,644	15,670,868
Total business-type activities net position	\$ 89,853,592	\$ 94,241,184	\$ 99,022,812	\$ 101,997,234	\$ 105,892,698	\$ 111,619,926	\$ 117,029,988	\$ 118,936,756	\$ 123,237,770	\$ 121,625,863
<b>Primary government</b>										
Net investment in capital assets	\$ 113,434,201	\$ 114,652,996	\$ 117,666,127	\$ 110,466,092	\$ 115,058,038	\$ 123,735,557	\$ 138,838,961	\$ 152,218,179	\$ 165,099,523	\$ 176,576,534
Restricted	3,773,549	6,425,583	785,591	1,247,256	1,069,608	960,360	1,303,447	1,258,484	1,453,385	1,935,878
Unrestricted	41,533,663	45,324,940	44,242,261	39,386,166	37,456,196	31,988,132	22,264,599	16,370,519	12,518,006	11,866,131
Total primary government net position	\$ 158,741,413	\$ 166,403,519	\$ 162,693,979	\$ 151,099,514	\$ 153,583,842	\$ 156,684,049	\$ 162,407,007	\$ 169,847,182	\$ 179,070,914	\$ 190,378,543

<sup>1</sup>- In FY 2021, the City restated its government-wide net position for FY 2020 to properly record non-capital expenses that were previously reported as capital expenses. The reclassification of capital expenses to non-capital expenses were \$ 1,333,377 for Governmental Activities and \$ 2,970,594 for Business-Type Activities.

**CITY OF TEMPLE, TEXAS  
CHANGES IN NET POSITION  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>1</sup>	2021
<b>Expenses</b>										
Governmental activities:										
General government	\$ 12,308,008	\$ 13,493,386	\$ 14,634,734	\$ 14,904,124	\$ 15,656,749	\$ 16,538,056	\$ 16,643,280	\$ 18,391,391	\$ 17,662,291	\$ 18,750,792
Public safety	26,988,933	27,732,226	28,224,373	29,912,951	33,628,711	35,449,316	36,004,472	37,492,964	38,922,907	37,491,481
Highways and streets	10,413,550	22,080,671	28,047,101	10,259,565	7,273,731	8,963,462	8,483,731	9,058,790	10,113,674	9,925,757
Sanitation	5,469,440	6,039,912	7,080,709	5,990,896	6,455,973	7,272,582	7,473,148	8,461,326	9,117,863	9,652,499
Health and welfare	244,943	93,539	35,755	112,058	149,961	157,201	225,837	105,146	515,154	693,254
Cultural and leisure services	11,463,800	13,471,535	12,365,268	12,312,968	13,589,344	13,916,558	14,601,953	15,750,444	14,744,515	15,095,711
Airport	3,980,015	3,725,020	3,655,194	3,683,154	3,500,076	3,564,403	3,711,779	3,668,067	3,165,090	3,267,703
Interest on long term debt	2,690,036	4,232,163	3,639,945	4,237,351	5,351,692	5,453,732	5,963,802	6,275,371	5,395,933	5,706,669
Total governmental activities expenses	73,558,725	90,868,452	97,683,079	81,413,067	85,606,237	91,315,310	93,108,002	99,203,499	99,637,427	100,583,866
Business-type activities:										
Water and sewer	24,220,726	25,713,333	26,882,060	26,081,271	28,649,118	28,840,885	30,906,838	32,407,309	40,372,635	42,443,757
Total business-type activities expenses	24,220,726	25,713,333	26,882,060	26,081,271	28,649,118	28,840,885	30,906,838	32,407,309	40,372,635	42,443,757
Total primary government expenses	97,779,451	116,581,785	124,565,139	107,494,338	114,255,355	120,156,195	124,014,840	131,610,808	140,010,062	143,027,623
<b>Program Revenues</b>										
Governmental activities:										
Fees, Fines, and Charges for Services:										
General government	3,359,920	3,691,433	3,900,990	4,143,573	4,189,072	4,415,190	4,537,237	4,483,482	5,673,482	5,518,174
Public safety	2,756,996	3,140,024	3,753,119	4,341,516	4,778,461	4,858,940	4,339,843	4,542,570	3,624,888	3,745,543
Highways and streets	1,235,792	1,202,744	1,238,493	1,322,099	1,425,168	2,510,680	2,974,290	2,993,074	3,132,555	3,191,166
Sanitation	10,145,513	10,509,545	11,222,768	11,303,186	11,764,582	12,897,932	13,380,840	15,505,181	15,013,659	16,021,672
Cultural and leisure services	3,689,340	3,759,669	3,710,483	3,703,956	4,025,396	4,136,650	3,942,908	4,980,209	2,974,552	4,146,962
Airport	3,037,702	2,847,211	2,732,476	2,294,963	2,174,080	2,387,297	2,619,637	2,464,369	1,880,095	2,059,192
Operating grants and contributions	517,463	225,720	513,508	12,501,829	453,554	484,715	356,115	362,394	3,359,451	2,700,918
Capital grants and contributions	1,558,087	17,403,845	12,724,001	391,026	899,586	310,655	1,371,345	2,027,054	1,479,579	2,388,612
Total governmental activities program revenues	26,300,813	42,780,191	39,795,838	40,002,148	29,709,899	32,002,059	33,522,215	37,358,333	37,138,261	39,772,239
Business-type activities:										
Charges for services:										
Water and sewer	28,645,921	30,046,938	29,824,871	30,375,811	31,720,917	33,261,271	35,227,519	31,913,681	39,084,642	39,290,715
Operating grants and contributions	-	-	-	-	-	-	-	-	-	6,861
Capital grants and contributions	74,735	248,996	1,330,056	381,295	134,570	41,235	16,401	1,144,596	3,989,857	104,702
Total business-type activities program revenues	28,720,656	30,295,934	31,154,927	30,757,106	31,855,487	33,302,506	35,243,920	33,058,277	43,074,499	39,402,278
Total primary government program revenues	\$ 55,021,469	\$ 73,076,125	\$ 70,950,765	\$ 70,759,254	\$ 61,565,386	\$ 65,304,565	\$ 68,766,135	\$ 70,416,610	\$ 80,212,760	\$ 79,174,517

(continued)

CITY OF TEMPLE, TEXAS  
CHANGES IN NET POSITION  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>1</sup>	2021
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (47,257,912)	\$ (48,088,261)	\$ (57,887,241)	\$ (41,410,919)	\$ (55,896,338)	\$ (59,313,251)	\$ (59,585,787)	\$ (61,845,166)	\$ (62,499,166)	\$ (60,811,627)
Business-type activities	4,499,930	4,582,601	4,272,867	4,675,835	3,206,369	4,461,621	4,337,082	650,968	2,701,864	(3,041,479)
Total primary government net expense	\$ (42,757,982)	\$ (43,505,660)	\$ (53,614,374)	\$ (36,735,084)	\$ (52,689,969)	\$ (54,851,630)	\$ (55,248,705)	\$ (61,194,198)	\$ (59,797,302)	\$ (63,853,106)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Ad valorem	\$ 18,195,808	\$ 19,195,036	\$ 20,187,267	\$ 20,847,366	\$ 23,231,944	\$ 24,983,232	\$ 26,596,960	\$ 27,468,319	\$ 30,972,535	\$ 34,060,244
Sales	16,967,401	18,017,575	18,981,471	21,311,743	20,859,081	21,652,524	21,831,623	23,136,176	24,418,211	28,357,487
Franchise	6,260,051	6,176,547	6,382,781	6,780,354	6,712,490	6,771,002	6,834,212	7,128,549	7,376,450	7,149,264
Hotel/Motel	1,223,910	1,306,257	1,445,935	1,440,351	1,473,592	1,583,762	1,593,331	1,783,186	1,563,648	1,854,579
Mixed beverage	100,164	110,409	155,280	156,030	148,247	162,580	172,509	190,466	163,391	205,921
Other taxes	77,451	80,817	71,750	72,392	62,915	63,316	57,906	82,499	66,345	69,651
Investment earnings	81,493	122,330	108,848	156,778	398,306	674,264	1,513,600	1,919,652	1,328,204	422,993
Miscellaneous	1,422,379	1,762,894	2,055,938	746,050	1,598,627	4,742,010	1,298,542	5,669,726	1,533,100	1,610,924
Settlement income, net expense	-	5,350,000	-	-	-	-	-	-	-	-
Transfers	-	47,492	6,803	(2,267)	-	-	-	-	-	-
Total governmental activities	44,328,657	52,171,357	49,396,073	51,508,797	54,485,202	60,632,690	59,898,663	67,378,573	67,421,884	73,731,063
Business-type activities:										
Investment earnings	358,235	323,317	515,564	353,239	689,095	831,715	1,072,980	1,255,800	1,599,150	1,429,672
Transfers	-	(47,492)	(6,803)	2,267	-	-	-	-	-	-
Total business-type activities	358,235	275,825	508,761	355,506	689,095	831,715	1,072,980	1,255,800	1,599,150	1,429,672
Total primary government	44,686,892	52,447,182	49,904,834	51,864,303	55,174,297	61,464,405	60,971,663	68,634,373	69,021,034	75,160,735
<b>Changes in Net Position</b>										
Governmental activities	(2,929,255)	4,083,096	(8,491,168)	10,097,878	(1,411,136)	1,319,439	312,896	5,533,407	4,922,718	12,919,436
Business-type activities	4,858,165	4,858,426	4,781,628	5,031,341	3,895,464	5,293,336	5,410,062	1,906,768	4,301,014	(1,611,807)
Total primary government	\$ 1,928,910	\$ 8,941,522	\$ (3,709,540)	\$ 15,129,219	\$ 2,484,328	\$ 6,612,775	\$ 5,722,958	\$ 7,440,175	\$ 9,223,732	\$ 11,307,629

<sup>1</sup> - In FY 2021, the City restated its government-wide net position for FY 2020 to properly record non-capital expenses that were previously reported as capital expenses. The reclassification of capital expenses to non-capital expenses were \$ 1,333,377 for Governmental Activities and \$ 2,970,594 for Business-Type Activities.

CITY OF TEMPLE, TEXAS  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable:										
Inventories and prepaid items	\$ 498,812	\$ 451,696	\$ 435,073	\$ 375,039	\$ 441,741	\$ 432,639	\$ 492,994	\$ 495,781	\$ 552,260	\$ 591,227
Restricted for:										
Drug enforcement	321,867	329,651	290,550	345,852	204,399	173,517	258,281	204,651	207,562	108,586
Library, museum, and other	629,792	764,285	772,510	867,470	874,506	822,992	507,571	431,019	321,970	522,573
Assigned to:										
Capital technology acquisition	315,618	390,979	403,071	420,476	379,099	405,484	356,940	337,071	411,381	617,097
Capital projects	4,277,846	5,431,542	5,211,128	4,920,337	5,061,813	4,648,577	4,356,474	5,686,284	7,433,980	12,106,214
Self-funded health insurance	300,000	-	-	-	-	-	-	-	-	-
Purchases on order	2,060,396	1,960,290	1,454,214	2,106,552	1,429,303	1,866,603	1,675,168	1,961,384	2,968,619	3,496,702
Unassigned	16,100,649	16,785,630	17,540,678	18,293,530	19,160,910	20,132,300	20,132,300	20,132,300	21,616,233	22,116,233
Total general fund	<u>\$ 24,504,980</u>	<u>\$ 26,114,073</u>	<u>\$ 26,107,224</u>	<u>\$ 27,329,256</u>	<u>\$ 27,551,771</u>	<u>\$ 28,482,112</u>	<u>\$ 27,779,728</u>	<u>\$ 29,248,490</u>	<u>\$ 33,512,005</u>	<u>\$ 39,558,632</u>
All other governmental funds										
Nonspendable:										
Prepaid items	\$ 4,203	\$ 15,527	\$ 20,086	\$ 19,400	\$ 21,804	\$ 24,842	\$ 22,625	\$ 31,205	\$ 23,890	\$ 17,615
Restricted for:										
Debt service	2,960,522	7,356,612	1,349,568	959,697	724,003	551,747	283,612	1,457,372	303,617	222,280
Construction	30,398,210	37,708,729	11,652,509	44,922,504	41,698,442	24,117,550	40,117,952	40,520,676	49,682,906	95,420,298
Museum	-	8,348	13,049	11,149	11,775	14,108	11,631	12,690	16,096	16,505
Promotion of tourism	1,350,812	1,077,954	1,126,029	1,305,093	1,338,791	1,442,633	1,410,456	1,556,991	1,345,760	1,632,683
Committed to:										
Drainage	1,503,965	1,855,290	1,793,015	1,982,887	1,489,689	1,815,299	2,143,407	2,524,970	2,704,936	3,350,262
Total all other governmental funds	<u>\$ 36,217,712</u>	<u>\$ 48,022,460</u>	<u>\$ 15,954,256</u>	<u>\$ 49,200,730</u>	<u>\$ 45,284,504</u>	<u>\$ 27,966,179</u>	<u>\$ 43,989,683</u>	<u>\$ 46,103,904</u>	<u>\$ 54,077,205</u>	<u>\$ 100,659,643</u>

CITY OF TEMPLE, TEXAS  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Table IV

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>1</sup>	2021
<b>REVENUES:</b>										
Taxes:										
Ad valorem	\$ 18,246,346	\$ 19,164,488	\$ 20,184,854	\$ 20,801,261	\$ 23,256,440	\$ 25,022,473	\$ 26,562,209	\$ 27,443,146	\$ 30,899,626	\$ 34,102,994
Sales	16,967,401	18,017,575	18,981,471	21,311,743	20,859,081	21,652,524	21,831,623	23,136,176	24,418,211	28,357,487
Hotel/Motel	1,223,910	1,306,256	1,445,935	1,440,351	1,473,592	1,583,762	1,593,331	1,783,186	1,563,648	1,854,579
Mixed beverage	100,164	110,409	155,280	156,030	148,247	162,580	172,509	190,466	163,391	205,921
Other taxes	77,451	80,817	71,750	72,392	71,750	63,316	57,906	66,346	66,346	69,651
Franchise fees	6,260,051	6,178,547	6,382,782	6,780,354	6,712,490	6,771,002	6,834,212	7,128,549	7,376,450	7,149,264
Licenses and permits	377,290	738,449	662,666	613,187	961,527	905,004	1,034,209	1,057,631	1,178,048	1,282,122
Intergovernmental	2,265,741	17,629,564	13,237,510	879,854	2,163,530	2,236,621	3,232,460	3,894,448	6,344,031	6,369,816
Drainage fees	1,084,423	1,098,165	1,109,378	1,125,126	1,157,851	2,283,793	2,705,091	2,698,046	2,822,622	2,885,991
Charges for services:										
Library fees	35,829	34,900	32,498	32,118	34,107	30,612	29,254	30,339	18,733	7,838
Recreational entry fees	136,498	133,153	126,845	120,588	120,492	111,980	99,492	83,628	60,784	81,233
Summit recreational fees	751,824	627,333	526,310	486,234	389,249	414,075	440,543	411,726	232,395	309,425
Hillcrest cemetery	-	-	-	-	-	-	-	96,787	76,032	376,154
Crossroads park	-	-	-	-	-	-	-	-	8,760	42,479
Golf course revenues	1,017,595	950,200	874,917	789,908	690,985	688,258	443,479	706,010	727,560	946,692
Swimming pool	33,169	42,845	48,030	48,870	37,242	33,954	37,128	48,670	12,093	6,720
Lions Junction water park	259,976	300,008	298,690	351,788	478,483	464,370	426,115	465,592	453	335,642
Sammons indoor pool	82,530	93,645	91,705	91,330	94,050	71,740	87,928	66,339	33,988	44,945
Vital statistics	124,135	126,605	120,542	124,847	130,034	125,722	129,426	152,412	112,743	125,399
Police revenue	228,156	344,477	629,586	1,602,266	1,587,110	1,714,226	1,375,183	1,325,852	866,546	902,635
Contractual services - proprietary fund	3,063,081	3,251,073	3,480,132	3,702,807	3,789,646	4,056,239	4,127,979	4,221,934	5,474,172	5,264,423
County fire protection	3,988	3,583	1,341	4,630	4,136	5,928	5,983	8,986	8,772	9,298
Curb and street cuts	183,078	69,762	38,732	62,195	41,340	41,340	69,847	89,651	74,164	110,141
Other	3,731,899	151,617	159,130	301,443	62,014	77,134	89,098	106,393	113,833	117,349
Solid waste collection - residential	2,844,155	2,849,455	2,902,758	2,945,527	3,127,171	3,183,821	3,229,411	3,484,347	3,536,912	3,643,549
Solid waste collection - roll-off	1,894,753	2,061,942	2,314,814	2,216,659	2,414,007	2,724,886	2,924,373	3,159,736	3,228,982	3,260,545
Landfill contract	1,674,726	1,773,741	1,963,924	1,971,203	1,913,357	2,046,014	2,028,996	3,241,914	2,403,326	2,675,191
Airport sales and rental	3,037,702	2,847,211	2,732,476	2,294,963	2,174,080	2,387,297	2,619,637	2,464,369	1,880,095	2,059,192
Recreational services	819,626	953,425	1,028,223	1,034,161	1,269,230	1,200,269	1,262,332	1,316,268	497,527	562,210
Fire department	11,964	14,128	20,620	34,758	51,854	26,969	56,236	61,110	71,679	72,341
Subdivision fees	15,648	25,724	24,727	18,465	22,298	31,151	33,898	32,133	29,250	34,519
Reinvestment zone reimbursements	-	-	-	-	388,036	616,710	654,810	1,198,722	1,052,991	1,172,408
Civic center & railroad museum revenues	402,293	474,161	533,266	508,062	523,522	504,684	461,829	556,130	253,238	261,216
Fines	2,133,078	2,185,239	2,438,908	2,086,676	2,173,835	2,206,811	1,868,233	2,088,993	1,499,844	1,479,146
Interest and other	1,700,329	2,160,307	2,581,670	1,728,607	2,082,522	1,912,673	2,747,339	3,459,109	2,377,148	1,945,088
Total revenues	70,858,551	89,576,741	89,242,742	79,908,200	84,759,337	90,301,148	94,470,160	101,910,481	105,328,832	114,565,990
<b>EXPENDITURES:</b>										
Current:										
General government	11,703,131	13,660,816	15,223,119	15,445,404	15,286,507	15,899,956	16,287,762	17,357,817	17,160,208	19,326,499
Public safety	27,628,257	25,743,401	28,225,738	31,013,726	32,680,185	31,367,272	34,394,350	35,948,102	36,181,386	37,565,531
Highways and streets	9,204,905	24,913,821	29,731,928	17,506,619	22,407,217	14,086,349	17,781,421	17,586,774	17,839,336	13,254,061
Sanitation	5,056,524	10,190,353	9,923,731	5,177,927	7,380,079	6,590,675	8,411,828	8,598,519	9,281,009	10,714,231
Health and welfare	205,125	249,711	308,783	102,069	83,828	201,810	150,312	107,832	409,437	596,914
Culture and leisure services	10,978,275	12,937,428	12,078,707	12,361,459	18,135,207	21,366,366	21,462,623	21,143,045	14,523,577	14,123,629
Airport	3,626,089	3,392,606	10,011,998	2,640,628	2,347,196	2,374,228	2,605,547	2,500,007	2,083,011	4,027,283
Debt service:										
Principal retirement	5,405,563	5,110,646	5,608,336	5,821,194	7,673,106	9,075,096	10,603,767	9,961,569	12,679,412	13,527,298
Interest and fiscal charges	3,236,670	4,797,337	4,110,853	4,540,888	5,598,274	5,873,142	6,420,961	6,634,848	6,917,279	7,094,600
Total expenditures	77,044,539	100,996,119	115,223,193	94,609,914	111,591,599	106,834,894	118,118,571	119,838,513	117,074,655	120,230,046

(continued)

CITY OF TEMPLE, TEXAS  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>1</sup>	2021
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (6,185,988)	\$ (11,419,378)	\$ (25,980,451)	\$ (14,701,714)	\$ (26,832,262)	\$ (16,533,746)	\$ (23,648,411)	\$ (17,928,032)	\$ (11,745,823)	\$ (5,664,056)
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfer in	1,330,355	8,112,971	2,282,094	1,888,658	1,611,257	1,739,077	3,191,375	3,362,525	3,503,656	3,161,204
Transfer out	(1,845,849)	(8,571,235)	(2,327,620)	(1,873,486)	(1,611,257)	(1,739,077)	(3,191,375)	(3,362,525)	(3,503,656)	(3,161,204)
Issuance of loans and bonds	30,445,000	19,775,000	420,121	46,360,000	20,235,000	145,762	36,614,488	20,666,188	23,667,652	53,220,000
Original issue premium	-	385,580	-	3,275,997	4,158,590	-	5,338,055	1,608,272	1,530,082	5,392,427
Discount on bond issuance	(291,156)	(219,097)	(88,929)	(556,444)	(176,238)	-	(465,394)	(358,232)	(137,516)	(319,306)
Issuance of refunding bonds	9,290,000	-	16,671,941	7,544,558	9,500,000	-	17,780,000	4,880,000	685,000	-
Payment to refund bond escrow agent	(10,482,241)	-	(23,052,209)	(7,469,063)	(10,578,801)	-	(20,297,618)	(5,285,213)	(1,762,579)	-
Premium on bond issuance	5,154,623	-	-	-	-	-	-	-	-	-
Claims settlement	-	7,250,000	-	-	-	-	-	-	-	-
Attorney fees	-	(1,900,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	33,600,732	24,833,219	(6,094,602)	49,170,220	23,138,551	145,762	38,969,531	21,511,015	23,982,639	58,293,121
<b>NET CHANGE IN FUND BALANCES</b>	\$ 27,414,744	\$ 13,413,841	\$ (32,075,053)	\$ 34,468,506	\$ (3,693,711)	\$ (16,387,984)	\$ 15,321,120	\$ 3,582,983	\$ 12,236,816	\$ 52,629,065
<b>Debt service as a percentage of noncapital expenditures</b>	12.3%	11.5%	10.3%	13.2%	16.6%	18.3%	19.0%	18.8%	20.1%	20.1%
Capital Outlay	\$ 6,873,201	\$ 15,122,317	\$ 20,442,125	\$ 15,920,233	\$ 31,519,203	\$ 24,988,876	\$ 28,374,357	\$ 31,532,720	\$ 19,521,157	\$ 17,473,063

<sup>1</sup> - In FY 2021, the City restated its government-wide net position for FY 2020 to properly record non-capital expenses that were previously reported as capital expenses. The reclassification of capital expenses to non-capital expenses were \$ 1,333,377 for Governmental Activities and \$ 2,970,594 for Business-Type Activities.

**CITY OF TEMPLE, TEXAS**  
**GENERAL GOVERNMENTAL TAX & FRANCHISE REVENUES BY SOURCE**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

**Table V**

<b>Fiscal Year</b>	<b>General Property Tax</b>	<b>City Sales Tax</b>	<b>Hotel/Motel Tax</b>	<b>Mixed Beverage Tax</b>	<b>Other Tax</b>	<b>Franchise Fee</b>	<b>Total</b>
2012	\$ 18,246,346	\$ 16,967,401	\$ 1,223,910	\$ 100,164	\$ 77,451	\$ 6,260,051	\$ 42,875,323
2013	19,164,488	18,017,575	1,306,256	110,409	80,817	6,178,547	44,858,092
2014	20,184,854	18,981,471	1,445,935	155,280	71,750	6,382,782	47,222,072
2015	20,801,261	21,311,743	1,440,351	156,030	72,392	6,780,354	50,562,131
2016	23,256,440	20,859,081	1,473,592	148,247	62,916	6,712,490	52,512,766
2017	25,022,473	21,652,524	1,583,762	162,580	63,316	6,771,002	55,255,657
2018	26,562,209	21,831,623	1,593,331	172,509	57,906	6,834,212	57,051,790
2019	27,443,146	23,136,176	1,783,186	190,466	82,499	7,128,549	59,764,022
2020	30,899,626	24,418,211	1,563,648	163,391	66,346	7,376,450	64,487,672
2021	34,102,994	28,357,487	1,854,579	205,921	69,651	7,149,264	71,739,896



Table VI

**CITY OF TEMPLE, TEXAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
 Last Ten Fiscal Years  
 (unaudited)

Fiscal Year <sup>1,3</sup>	Estimated Market Value		Less: Productivity Loss	Less: Homestead Cap	Less: Tax-Exempt Property	Total Taxable Assessed Value	Less: District Tax Increment	Less: Applicable Adjustments	Total Taxable Value <sup>2</sup>	Total Direct Tax Rate	Assessed Value <sup>1</sup> as a Percentage of Actual Value
	Real Property	Personal Property									
2012	\$3,489,946,100	\$ 921,088,202	\$ 40,788,663	\$ 7,005,234	\$ 915,915,243	\$ 3,447,325,162	\$ 136,065,299	\$ -	\$3,311,259,863	\$ 0.5679	78.15%
2013	3,571,566,347	938,279,608	39,981,995	4,092,340	931,868,067	3,533,903,553	151,501,569	-	3,382,401,984	0.5864	78.36%
2014	3,691,482,902	1,033,449,368	39,934,752	2,322,216	940,324,968	3,742,350,334	169,927,193	-	3,572,423,141	0.5864	79.20%
2015	4,173,699,490	1,074,874,361	39,043,656	2,470,938	1,027,167,363	4,179,891,894	480,646,226	-	3,699,245,668	0.5864	79.64%
2016	4,711,559,006	1,087,575,985	42,551,747	3,064,323	1,242,700,918	4,510,818,003	670,071,846	-	3,840,746,157	0.6298	77.78%
2017	4,794,096,787	1,071,474,150	45,275,225	4,656,862	1,409,041,409	4,406,597,441	436,256,703	-	3,970,340,738	0.6572	75.13%
2018	5,007,603,892	1,046,175,076	55,340,251	4,820,212	1,418,880,200	4,574,738,305	426,069,294	-	4,148,669,011	0.6772	75.57%
2019	5,263,381,076	1,134,164,140	58,366,206	4,088,787	1,496,982,486	4,838,107,737	440,490,768	-	4,397,616,969	0.6612	75.62%
2020	5,956,906,936	1,149,461,868	73,659,723	49,890,121	1,619,513,374	5,363,305,586	481,248,712	-	4,882,056,874	0.6727	75.47%
2021	6,938,240,752	1,271,940,789	77,130,785	86,679,386	1,910,311,943	6,136,059,427	567,652,363	-	5,568,407,064	0.6525	74.74%

Source: Property tax information - Tax Appraisal District of Bell County

Note: Property is reassessed annually. The Tax Appraisal District of Bell County assesses property at approximately 100 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$100 of assessed value.

<sup>1</sup> - Includes tax-exempt property.

<sup>2</sup> - Net taxable value not adjusted for frozen values.

<sup>3</sup> - FY 2020 information has been restated in FY 2021 to account for accurate data.

**CITY OF TEMPLE, TEXAS  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING <sup>1</sup> GOVERNMENTS  
Last Ten Fiscal Years**

Fiscal Year	City of Temple				Overlapping Rates											
	Operating	Debt Service	Total Direct Tax Rate	Bell County	Bell County		Temple		Elm Creek		Temple		Belton		Troy	
					County	Road District	College	Independent School District	Flood Control District	Independent School District	Independent School District	Independent School District	Independent School District			
2012	\$ 0.3240	\$ 0.2439	\$ 0.5679	\$ 0.4096	\$ 0.0299	\$ 0.2054	\$ 0.0327	\$ 1.2850	\$ 1.4060	\$ 1.3517						
2013	0.3300	0.2564	0.5864	0.4212	0.0299	0.2036	0.0327	1.2800	1.5210	1.3317						
2014	0.3324	0.2540	0.5864	0.4212	0.0299	0.2036	0.0327	1.3600	1.4500	1.3317						
2015	0.3300	0.2564	0.5864	0.4212	0.0299	0.2065	0.0327	1.3600	1.4400	1.3317						
2016	0.3234	0.3064	0.6298	0.4212	0.0299	0.2100	0.0327	1.3600	1.4400	1.3317						
2017	0.3142	0.3430	0.6572	0.4212	0.0299	0.2057	0.0327	1.4000	1.4400	1.3102						
2018	0.3142	0.3630	0.6772	0.4212	0.0299	0.2047	0.0327	1.4000	1.6030	1.2902						
2019	0.2982	0.3630	0.6612	0.4212	0.0299	0.1980	0.0327	1.4000	1.6030	1.2902						
2020	0.3097	0.3630	0.6727	0.4208	0.0292	0.1886	0.0327	1.3509	1.4651	1.3619						
2021	0.3000	0.3525	0.6525	0.3968	0.0285	0.1837	0.0327	1.2838	1.3651	1.2434						

Source: Tax Appraisal District of Bell County

Notes: Statutes of the State of Texas (Article 1028) limit the maximum amount that a city can designate for debt service to \$ 2.50 per \$ 100 of assessed valuation. However, under City Charter, a limitation on taxes levied for general municipal operating purposes and for the purpose of paying interest and providing a proper sinking fund for paying the outstanding bonds and other obligations of the City, issued for municipal purposes, and any such future bonds or obligations which may be authorized, may not exceed \$ 1.20 per \$ 100 assessed valuation.

<sup>1</sup> Overlapping rates are those of local and county governments that apply to property owners within the City of Temple. Not all overlapping rates apply to all City of Temple property owners (e.g. rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district). A property's location within the City limits will determine which school district's tax will be applicable for the property.

- Tax rate limit, City: \$ 1.20
- Is limitation by statute or constitution? Statute.
- Do they include debt service? Yes.
- Tax due date: January 31.
- Discount allowed? Yes: October 31, 3.0%; November 30, 2.0%; December 31, 1.0%.
- Penalty and interest: 1.5% per month beginning on the first day of delinquency (February 1) until tax is 12 months delinquent, at which time a 1.0% per monthly penalty is assessed until taxes are paid.
- Uncollected taxes:
  1. Second notice mailed in March or April following due date.
  2. Letter of intent to sue sent.
  3. Tax suit filed.
- As ordered; not set by date.
- Tax Appraisal District of Bell County.

**CITY OF TEMPLE, TEXAS  
PRINCIPAL PROPERTY TAXPAYERS  
Current Year and Nine Years Ago**

**Table VIII**

Taxpayer	FY 2021			FY 2012		
	Taxable Assessed Value <sup>1</sup>	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value <sup>2</sup>	Rank	Percentage of Total Taxable Assessed Value
Wilsonart International	\$ 114,891,521	1	2.06%	\$ 77,939,544	4	2.35%
McLane Company, Inc.	104,690,222	2	1.88%	119,495,788	1	3.61%
Temple Generation I, LLC	97,708,367	3	1.75%	-	-	-
Oncor Electric Delivery Company	85,797,065	4	1.54%	44,376,803	6	1.34%
Panda Temple Power II, LLC	82,139,795	5	1.48%	-	-	-
Wal-Mart Real Estate Business Trust	80,500,081	6	1.45%	101,226,832	3	3.06%
H.E. Butt Grocery	76,367,331	7	1.37%	21,564,960	7	0.65%
Pactiv Corporation	62,701,062	8	1.13%	108,300,131	2	3.27%
Reynolds Consumer Products, Inc.	53,768,089	9	0.97%	-	-	-
BNSF Railway Company	38,292,059	10	0.69%	21,494,795	8	0.65%
Sam's East, Inc.	-	-	-	45,436,338	5	1.37%
Performance Food Group	-	-	-	18,436,429	9	0.56%
Coyote Temple Mall	-	-	-	15,449,291	10	0.47%
Totals	<u>\$ 796,855,592</u>		<u>14.32%</u>	<u>\$ 573,720,911</u>		<u>17.33%</u>

Source: Tax Appraisal District of Bell County

<sup>1</sup> - Total taxable value including real and personal property for fiscal year 2021 is \$ 5,568,407,064 (net taxable value not adjusted for frozen values).

<sup>2</sup> - Total taxable value including real and personal property for fiscal year 2012 is \$ 3,311,259,863 (net taxable value not adjusted for frozen values).

**CITY OF TEMPLE, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years**

Table IX

Fiscal Year	Taxes Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collected within the Tax Year of the Levy		Collections in Subsequent Years <sup>1</sup>		Total Collections to Date	
	Amount		Amount	Amount	% of Levy	Amount	Years	Amount	% of Levy
2012	\$ 18,585,931	\$ -	\$ 18,585,931	\$ 18,276,652	98.34%	\$ 160,818		\$ 18,437,470	99.20%
2013	19,534,480	-	19,534,480	19,295,759	98.78%	126,853		19,422,612	99.43%
2014	20,793,147	-	20,793,147	20,295,608	97.61%	115,998		20,411,606	98.17%
2015	21,446,210	-	21,446,210	21,046,789	98.14%	166,331		21,213,120	98.91%
2016	23,742,734	155,641 <sup>2</sup>	23,898,375	23,489,014	98.29%	576,160 <sup>3</sup>		24,065,174	100.70%
2017	25,523,538	189,564 <sup>2</sup>	25,713,102	25,197,579	98.00%	403,618 <sup>3</sup>		25,601,197	99.56%
2018	27,354,869	175,306 <sup>2</sup>	27,530,175	26,924,017	97.80%	246,859		27,170,876	98.69%
2019	28,389,695	-	28,389,695	27,847,040	98.09%	76,942		27,923,982	98.36%
2020	31,951,512	-	31,951,512	31,342,048	98.09%	43,836		31,385,884	98.23%
2021	34,688,045	-	34,688,045	34,421,238	99.23%	-		34,421,238	99.23%

<sup>1</sup> - Collections from subsequent years restated to reflect collections net of refunds.

<sup>2</sup> - Adjustments to levy for FY 2016 - FY 2018 based on the TCEQ Tier 3 Negotiated Settlement with Panda Temple Power Holdings.

<sup>3</sup> - Includes Panda Temple Power Holdings - TCEQ Tier 3 Negotiated Settlement, reflected in FY 2016 and FY 2017.

Source: Tax Appraisal District of Bell County

CITY OF TEMPLE, TEXAS  
TAXABLE SALES BY CATEGORY  
Last Ten Calendar Years

Table X

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Building Material	\$ 87,314,928	\$ 114,672,337	\$ 125,260,898	\$ 134,845,790	\$ 144,716,363	\$ 158,203,586	\$ 161,496,329	\$ 162,629,267	\$ 155,514,451	\$ 184,438,235
General Merchandise Stores	170,797,914	179,516,110	175,653,407	170,777,243	183,917,251	181,806,372	167,677,353	171,691,097	174,970,541	177,785,412
Food Stores <sup>1</sup>	56,878,588	59,686,496	62,771,429	64,396,707	83,112,785	90,942,344	89,780,255	93,833,108	105,769,594	115,384,637
Auto Dealers & Service Stations	59,241,754	60,916,217	62,796,436	66,094,355	67,535,037	71,376,272	74,955,553	75,166,776	79,803,448	90,094,968
Apparel & Accessory Stores	25,852,328	30,199,552	31,752,686	32,629,286	30,461,426	30,751,032	33,002,280	34,530,283	35,452,100	28,907,062
Furniture & Home Furnishings	40,458,746	42,097,157	40,792,351	43,053,963	46,769,756	46,601,996	47,960,047	49,331,679	50,546,126	43,454,257
Eating & Drinking Places	123,218,960	130,073,906	134,320,392	144,994,011	150,750,242	159,260,682	161,976,431	171,344,019	185,569,998	181,898,225
Miscellaneous Retail	61,956,634	64,790,889	66,926,420	66,214,000	67,057,766	78,107,089	88,605,255	87,625,171	87,806,535	98,247,714
Nonstore Retailers	1,224,134	1,116,064	1,134,435	1,451,906	2,225,442	2,551,369	1,768,028	1,444,784	2,617,342	3,149,121
<b>Total Retail Sales</b>	<b>\$ 626,943,986</b>	<b>\$ 683,068,728</b>	<b>\$ 701,408,454</b>	<b>\$ 724,457,261</b>	<b>\$ 776,546,068</b>	<b>\$ 819,600,742</b>	<b>\$ 827,221,531</b>	<b>\$ 847,596,184</b>	<b>\$ 878,050,135</b>	<b>\$ 923,359,631</b>
<b>Total Non-Retail Sales</b>	<b>191,768,545</b>	<b>194,539,262</b>	<b>208,836,200</b>	<b>235,556,192</b>	<b>246,809,563</b>	<b>264,689,421</b>	<b>263,376,676</b>	<b>271,722,828</b>	<b>303,781,950</b>	<b>288,746,389</b>
<b>Total Taxable Sales</b>	<b>\$ 818,712,531</b>	<b>\$ 877,607,990</b>	<b>\$ 910,244,654</b>	<b>\$ 960,013,453</b>	<b>\$ 1,023,355,631</b>	<b>\$ 1,084,290,163</b>	<b>\$ 1,090,598,207</b>	<b>\$ 1,119,319,012</b>	<b>\$ 1,181,832,085</b>	<b>\$ 1,212,106,020</b>

Applicable Sales Tax Rates:

City of Temple	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Bell County	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
State of Texas	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
<b>TOTAL SALES TAX RATE</b>	<b>8.25%</b>	<b>8.25%</b>	<b>8.25%</b>	<b>8.25%</b>	<b>8.25%</b>	<b>8.25%</b>	<b>8.25%</b>	<b>8.25%</b>	<b>8.25%</b>	<b>8.25%</b>

Sources: State of Texas Comptroller, City of Temple, and Bell County

Notes: Retail sales information is not available on a fiscal-year basis.

Data collected from the State of Texas Comptroller includes updates to prior years.

<sup>1</sup> - General grocery items are not taxable; the sales tax applies only to prepared food items and nonfood items.

CITY OF TEMPLE, TEXAS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-Type Activities						Total Primary Government	Personal Income <sup>1</sup>	Per Capita <sup>1</sup>	
	General Obligation Bonds		Certificates of Obligation Bonds		Pass-Through Revenue & Limited Tax Bonds		General Obligation Bonds		Water & Wastewater Revenue Bonds		Notes Payable					Issuance Premium/Discount
	General Obligation Bonds	Contractual Obligations	Revenue Bonds	Pass-Through Revenue & Limited Tax Bonds	Issuance Premium/Discount	Notes Payable	General Obligation Bonds	Water & Wastewater Revenue Bonds	Notes Payable	Issuance Premium/Discount						
2012	\$48,315,000	\$17,160,000	\$5,745,000	\$1,730,000	\$24,700,000	\$-	\$455,915	\$32,390,000	\$34,110,000	\$104,018	\$-	\$164,709,933	\$39,971	\$2,411		
2013	44,990,000	30,150,000	11,455,000	1,330,000	24,700,000	-	137,235	31,230,000	30,700,000	-	-	174,692,235	38,852	2,486		
2014	49,525,000	20,830,000	5,065,000	910,000	24,700,000	-	242,013	36,480,000	35,120,000	-	-	172,872,013	37,862	2,409		
2015	75,420,000	36,650,000	4,415,000	465,000	24,700,000	8,595,491	195,819	39,000,000	52,855,000	-	5,611,395	247,907,705	38,794	3,377		
2016	70,300,000	53,360,000	5,700,000	-	24,580,000	11,697,438	147,714	36,760,000	50,380,000	-	5,152,424	258,077,576	39,703	3,428		
2017	66,265,000	50,440,000	4,525,000	-	23,685,000	10,978,104	243,380	34,490,000	80,755,000	-	7,080,452	278,461,936	39,588	3,623		
2018	78,860,000	81,145,000	3,335,000	-	4,665,000	14,924,453	2,761,062	31,455,000	77,840,000	21,314	6,573,003	301,579,832	40,937	3,827		
2019	73,560,000	96,540,000	3,330,000	-	3,715,000	15,207,445	3,992,419	38,610,000	83,200,000	14,418	9,834,720	328,004,002	42,169	4,053		
2020	69,255,000	112,600,000	4,645,000	-	1,030,000	14,585,819	3,423,172	34,975,000	80,125,000	197,145	9,061,948	329,898,084	43,033	4,020		
2021	64,030,000	156,925,000	6,780,000	-	-	17,556,643	2,910,875	31,180,000	168,455,000	177,371	23,677,354	471,692,243	45,574	5,480		

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

The City does not have any authorized but unissued ad valorem tax debt.

1 - See the Schedule of Demographic and Economic Statistics on page 195 for personal income and population data. (Table XVI)

CITY OF TEMPLE, TEXAS  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
Last Ten Fiscal Years

Table XII

Fiscal Year	General Bonded Debt Outstanding										Less: Amount Restricted for Debt Service Fund <sup>3</sup>	Total General Bonded Debt Outstanding	% of Estimated Actual Taxable Value <sup>4</sup> of Property	Per Capita <sup>5</sup>
	General Obligation Bonds <sup>1</sup>	Certificates of Obligation Bonds	Contractual Obligations	Revenue Bonds	Pass-Through Revenue & Limited Tax Bonds	Notes Payable	Unamortized <sup>2</sup> Premium / Discount	Total General Bonded Debt Outstanding	Total General Bonded Debt Outstanding	% of Estimated Actual Taxable Value <sup>4</sup> of Property				
2012	\$ 48,315,000	\$ 17,160,000	\$ 5,745,000	\$ 1,730,000	\$ 24,700,000	\$ 455,915	\$ 5,309,677	\$ 103,415,592	\$ 101,210,137	\$ 2,205,455	78.15%	\$ 1,482		
2013	44,990,000	30,150,000	11,455,000	1,330,000	24,700,000	137,235	4,822,384	117,584,619	110,967,718	6,616,901	78.36%	1,579		
2014	49,525,000	20,830,000	5,065,000	910,000	24,700,000	242,013	5,876,415	107,148,428	106,442,191	706,237	79.20%	1,483		
2015	75,420,000	36,650,000	4,415,000	465,000	24,700,000	195,819	8,595,491	150,441,310	149,481,613	959,697	79.64%	2,036		
2016	70,300,000	53,360,000	5,700,000	-	24,580,000	147,714	11,697,438	165,785,152	165,061,149	724,003	77.78%	2,192		
2017	66,265,000	50,440,000	4,525,000	-	23,685,000	243,380	10,978,104	156,136,484	156,136,484	-	75.13%	2,031		
2018	78,860,000	81,145,000	3,335,000	-	4,665,000	2,761,062	14,924,453	185,690,515	185,690,515	-	75.57%	2,357		
2019	73,560,000	96,540,000	3,330,000	-	3,715,000	3,992,419	15,207,445	196,344,864	196,344,864	-	75.62%	2,426		
2020	69,255,000	112,600,000	4,645,000	-	1,030,000	3,423,172	14,585,819	205,538,991	205,538,991	-	75.47%	2,504		
2021	64,030,000	156,925,000	6,780,000	-	-	2,910,875	17,556,643	248,202,518	248,202,518	-	74.74%	2,884		

Notes: The above general bonded debt is repaid by general government resources.

General obligation bond debt within the proprietary fund (for water & wastewater) is all refunding debt and not supported by general government resources; therefore, it is not reflected within this table.

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

<sup>1</sup> - FY 2010 through FY 2017 have been restated to only include governmental type general obligation bonds.

<sup>2</sup> - FY 2010 through FY 2017 have been restated to include unamortized premium/discount amounts.

<sup>3</sup> - FY 2012 through FY 2020 have been restated to reflect only net position externally restricted for the repayment of debt principal.

<sup>4</sup> - See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 185 for property value data. (Table VI)

<sup>5</sup> - Population data can be found in the Schedule of Demographic and Economic Statistics on page 195. (Table XVI)

**CITY OF TEMPLE, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**September 30, 2021**

**Table XIII**

<u>Governmental Unit</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Temple<sup>1</sup></u>	<u>Amount Applicable to City of Temple</u>
<b>Direct Debt:</b>			
City of Temple	\$ 248,202,518	100.00%	\$ 248,202,518
Total direct debt	<u>248,202,518</u>		<u>248,202,518</u>
<b>Overlapping Debt:</b>			
Academy Independent School District	59,704,994	48.10%	28,718,102
Bell County	159,610,000	28.58%	45,616,538
Belton Independent School District	228,020,000	31.02%	70,731,804
Temple College	127,200,000	97.62%	124,172,640
Temple Independent School District	164,745,000	95.64%	157,562,118
Troy Independent School District	<u>28,799,997</u>	17.13%	<u>4,933,439</u>
Total estimated overlapping debt	<u>768,079,991</u>		<u>431,734,641</u>
<b>Total direct and overlapping debt</b>	<u>\$ 1,016,282,509</u>		<u>\$ 679,937,159</u>

Sources: Finance departments of respective entities.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Temple. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident -- and therefore responsible for repaying the debt -- of each overlapping government.

Reinvestment Zone No. 1 net general obligation bonded debt outstanding at September 30, 2021 was \$91,595,000.

<sup>1</sup> - For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. The percentage applicable to City of Temple was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas.



CITY OF TEMPLE, TEXAS  
COMPUTATION OF LEGAL DEBT MARGIN  
Last Ten Fiscal Years

Table XIV

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value 2020/2021 tax roll <sup>1</sup>	\$ 49,455,870
Limit on amount designated for debt service per \$ 100 assessed valuation (\$ 4,945,586,951 / \$ 100 = \$ 49,455,870)	x \$ 1.20
Legal debt service limit	<u>\$ 59,347,043</u>
Actual amount expended by debt Service fund for general obligation debt service during the year ended September 30, 2021	<u>(19,853,899)</u>
	<u><u>\$ 39,493,144</u></u>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt service limit	\$ 35,704,035	\$ 36,299,104	\$ 38,747,288	\$ 39,964,632	\$ 41,332,748	\$ 42,527,390	\$ 44,246,881	\$ 47,120,031	\$ 52,247,126	\$ 59,347,043
Total net debt applicable to limit	(7,597,902)	(8,893,165)	(9,057,343)	(8,687,176)	(11,552,053)	(13,610,630)	(16,648,102)	(15,993,238)	(18,969,314)	(19,853,899)
Legal debt margin	\$ 28,106,133	\$ 27,405,938	\$ 29,689,945	\$ 31,277,456	\$ 29,780,695	\$ 28,916,760	\$ 27,598,779	\$ 31,126,793	\$ 33,277,812	\$ 39,493,144
Total net debt applicable to the limit as a percentage of debt service limit	21.28%	24.50%	23.38%	21.74%	27.95%	32.00%	37.63%	33.94%	36.31%	33.45%
Ad Valorem Debt Service Requirement, Fiscal Year Ending 09-30-2022					\$ 18,134,309	\$ 31,602,786				
2022 Interest and Sinking Fund Tax Levy					222,280					
Fiscal Year 2021 Interest and Sinking Fund Balance					1,505,000					
Pass-Through Toll Agreement Revenue					12,248,933	32,110,522				
Self-Supporting Debt Service										
Estimated Balance, 09-30-2022										<u>\$ 507,736</u>

Notes: Statutes of the State of Texas (Article 1028) limit the maximum amount that a city can designate for debt service to \$ 2.50 per \$ 100 of assessed valuation. However, under City Charter, a limitation on taxes levied for general municipal operating purposes and for the purpose of paying interest and providing a proper sinking fund for paying the outstanding bonds and other obligations of the City, issued for municipal purposes, and any such future bonds or obligations which may be authorized, may not exceed \$ 1.20 per \$ 100 assessed valuation.

<sup>1</sup> - Net taxable value adjusted for frozen taxable value. Frozen taxable value is not included in debt service calculation.

**CITY OF TEMPLE, TEXAS  
PLEDGED-REVENUE COVERAGE  
Last Ten Fiscal Years**

**Table XV**

<b>Water Revenue Bonds</b>					
<b>Fiscal Year</b>	<b>Gross Revenue <sup>1</sup></b>	<b>Less: Operating Expenses <sup>2</sup></b>	<b>Net Available Revenue</b>	<b>Average Annual Debt Service <sup>3</sup></b>	<b>Coverage</b>
2012	\$ 29,078,891	\$ 16,753,197	\$ 12,325,694	\$ 5,104,498	2.41
2013	30,619,249	17,505,732	13,113,517	4,990,904	2.63
2014	31,670,491	18,216,001	13,454,490	3,453,040	3.90
2015	31,110,346	18,124,858	12,985,488	4,600,597	2.82
2016	32,544,582	19,120,589	13,423,993	4,541,253	2.96
2017	33,835,002	19,165,579	14,669,423	6,065,724	2.42
2018	36,316,901	20,214,445	16,102,456	5,988,747	2.69
2019	33,189,134	21,157,412	12,031,722	6,814,698	1.77
2020	40,692,703	23,599,872	17,092,831	6,674,494	2.56
2021	40,727,248	24,345,479	16,381,769	11,920,773	1.37

<b>Water Revenue Bonds</b>					
<b>Fiscal Year</b>	<b>Gross Revenue <sup>1</sup></b>	<b>Less: Operating Expenses <sup>2</sup></b>	<b>Net Available Revenue</b>	<b>Maximum Annual Debt Service <sup>4</sup></b>	<b>Coverage</b>
2012	\$ 29,078,891	\$ 16,753,197	\$ 12,325,694	\$ 3,158,581	3.90
2013	30,619,249	17,505,732	13,113,517	3,158,581	4.15
2014	31,670,491	18,216,001	13,454,490	3,989,972	3.37
2015	31,110,346	18,124,858	12,985,488	4,661,879	2.79
2016	32,544,582	19,120,589	13,423,993	4,661,879	2.88
2017	33,835,002	19,165,579	14,669,423	4,661,879	3.15
2018	36,316,901	20,214,445	16,102,456	6,975,742	2.31
2019	33,189,134	21,157,412	12,031,722	6,350,978	1.89
2020	40,692,703	23,599,872	17,092,831	6,350,978	2.69
2021	40,727,248	24,345,479	16,381,769	12,684,203	1.29

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial section. Operating expenses do not include interest, depreciation, or amortization expenses.

<sup>1</sup> - Gross revenues (as defined by revenue bond covenants) includes all income of the water and sewer system including interest income and noncash contributions of capital.

<sup>2</sup> - Total operating expense less depreciation.

<sup>3</sup> - Includes 2014 Utility Revenue Bonds for fiscal years beginning in 2015, 2015 Utility Revenue Bonds for fiscal years beginning in 2016, 2017 Utility Revenue Bonds beginning in fiscal year 2017, 2019 Utility Revenue Bonds beginning in fiscal year 2019, and 2021 Utility Revenue Bonds beginning in fiscal year 2021. Also includes 2012, 2014, 2015, and 2019 GO Refunding Debt issues.

<sup>4</sup> - Includes 2014 Utility Revenue Bonds for fiscal years beginning in 2015, 2015 Utility Revenue Bonds for fiscal years beginning in 2016, 2017 Utility Revenue Bonds beginning in fiscal year 2017, 2019 Utility Revenue Bonds beginning in fiscal year 2019, and 2021 Utility Revenue Bonds beginning in fiscal year 2021.

**CITY OF TEMPLE, TEXAS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Calendar Years**

Table XVI

Calendar Year	Population <sup>1-3</sup>	Personal Income <sup>4</sup>	Per Capita Personal Income <sup>5</sup>	Median Age <sup>6</sup>	School Enrollment <sup>7</sup>	Unemployment Rate <sup>8</sup>
2012	68,315	\$ 2,730,618,865	\$ 39,971	34.6	8,850	5.80%
2013	70,274	2,730,285,448	38,852	34.6	8,749	5.50%
2014	71,761	2,717,014,982	37,862	34.6	8,509	4.70%
2015	73,408	2,847,789,952	38,794	34.6	8,635	3.70%
2016	75,293	2,989,357,979	39,703	34.6	8,658	3.80%
2017	76,864	3,042,892,032	39,588	34.6	8,672	3.60%
2018	78,793	3,225,549,041	40,937	34.6	8,734	3.50%
2019	80,930	3,412,737,170	42,169	33.9	8,579	3.30%
2020	82,073	3,531,847,409	43,033	33.9	8,425	6.10%
2021	86,075	3,922,782,050	45,574	33.9	8,461	5.09%

Sources:

<sup>1</sup> - 2012 thru 2019 population is based on new residential water customers multiplied by 2010 Census data of average household size of 2.47.

<sup>2</sup> - 2020 population is restated based on actual results of 2020 Census.

<sup>3</sup> - 2021 population is based on new residential water customers multiplied by 2020 Census data of average household size of 2.65.

<sup>4</sup> - Calculating personal income based on per capita personal income and estimated population.

<sup>5</sup> - Per capita income provided by Metropolitan Area publication on the U.S. Department of Commerce's Bureau of Economic Analysis website. Based on most recent data available which will lag one year behind. This includes updates to prior years as they are updated by the Bureau of Economic Analysis.

<sup>6</sup> - 2012 thru 2018 median age of 34.6 provided in the 2010 Census, 2019 thru 2021 median age of 33.9 provided by 2019 American Community Survey 1-Year Estimates. Median age to be updated upon receipt of 2020 Census data related to median age for Temple.

<sup>7</sup> - School enrollment (for public schools in Temple) provided by Temple Independent School District.

<sup>8</sup> - Unemployment rates provided on the Texas Labor Market Information website. This includes updates to prior years as they are updated by Texas Workforce Commission.

**CITY OF TEMPLE, TEXAS  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago**

Table XVII

Employer	FY 2021			FY 2012		
	Employees <sup>1</sup>	Rank	Percentage of Total City Employment <sup>2</sup>	Employees <sup>1</sup>	Rank	Percentage of Total City Employment <sup>2</sup>
Baylor Scott & White Health	8,346	1	23.51%	8,993	1	27.00%
Central Texas Veterans Healthcare Systems	4,200	2	11.83%	-	-	-
Temple Independent School District	1,477	3	4.16%	-	-	-
McLane Company - Corporation Headquarters & SW Distribution Center	1,170	4	3.30%	1,313	4	3.94%
Wilsonart International	981	5	2.76%	1,773	3	5.32%
McLane Children's Hospital	953	6	2.68%	-	-	-
City of Temple	940	7	2.65%	1,950	2	5.85%
Wal-Mart Superstore, Distribution Center and Sam's Club	850	8	2.39%	683	7	2.05%
Scott & White Health Plan	713	9	2.01%	1,110	5	3.33%
Performance Food Group	536	10	1.51%	-	-	-
Sprint/Nextel Communications	-	-	-	1,000	6	3.00%
PACTIV Packaging Corporation	-	-	-	533	8	1.60%
Texas Hydraulics	-	-	-	395	9	1.19%
Artco-Bell Corporation	-	-	-	390	10	1.17%
<b>Totals</b>	<b>20,166</b>		<b>56.80%</b>	<b>18,140</b>		<b>54.45%</b>

<sup>1</sup> - Source: Temple Economic Development Corporation

<sup>2</sup> - Source: Texas Labor Market Information website

CITY OF TEMPLE, TEXAS  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
 Last Ten Fiscal Years

Table XVIII

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government -										
Assistant city manager	-	-	2.00	2.00	2.00	-	-	-	-	-
City attorney	6.63	6.63	7.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00 <sup>9</sup>
City council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00 <sup>10</sup>
City manager	6.75	6.00	4.00	6.00	7.00	7.00	8.00	13.00	7.00	6.00 <sup>9</sup>
City secretary	4.63	4.63	4.63	5.00	6.00	6.00	6.00	6.00	6.00	5.00 <sup>9</sup>
Facility services	14.68	15.02	15.45	15.45	16.45	15.70	16.45	18.45	19.45	19.54 <sup>2</sup>
Finance	11.00	11.00	11.00	11.00	11.00	11.00	11.70	11.00	13.00	13.00 <sup>11</sup>
Fleet services	16.00	17.00	18.00	18.00	18.00	19.00	19.00	20.00	20.33	20.50 <sup>11</sup>
General services	-	2.25	4.25	3.35	2.90	7.10	-	-	-	-
Housing & community development	-	-	-	-	-	-	-	-	-	4.30 <sup>1,6</sup>
Human resources	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	7.00	7.00
Information technology services	16.50	15.50	16.50	18.00	18.00	18.00	20.00	18.00	19.00	21.20 <sup>4</sup>
Marketing & communications	-	-	-	-	-	-	-	-	6.80	9.25 <sup>3</sup>
Performance excellence	-	-	-	-	-	-	-	-	3.00	5.00 <sup>10,12</sup>
Permits & inspections	-	-	7.50	7.00	7.00	8.00	8.00	8.00	8.00	9.00 <sup>13</sup>
Planning	5.95	6.95	6.45	8.00	8.00	8.00	8.00	8.00	8.75	7.75 <sup>1,13</sup>
Purchasing	5.00	5.00	5.00	7.00	7.00	7.00	8.00	8.00	7.00	8.00 <sup>14</sup>
Total general government	97.14	99.98	111.78	119.80	123.35	126.80	125.15	130.45	139.33	150.54
Public safety -										
Animal services	6.50	7.50	7.50	7.50	7.50	7.50	7.50	8.00	8.00	8.00
Code compliance	14.00	14.00	7.00	9.00	9.00	9.00	13.60	13.11	16.89	15.03 <sup>1,6</sup>
Fire	115.00	118.00	118.00	121.00	121.00	121.00	124.00	124.00	124.00	125.00 <sup>15</sup>
Municipal court	12.03	12.03	12.03	12.03	12.03	12.03	12.03	12.03	12.03	12.03
Police	160.50	161.50	164.50	170.50	171.50	177.50	181.63	184.63	184.63	186.63 <sup>3,7</sup>
Total public safety	308.03	313.03	309.03	320.03	321.03	327.03	338.76	341.77	345.55	346.69
Highways and streets -										
Engineering	6.95	6.95	7.95	7.95	7.95	7.95	7.95	8.35	7.90	6.63 <sup>4</sup>
Drainage	12.98	13.98	14.23	17.23	16.40	16.70	16.40	19.60	19.57	20.19 <sup>3-5,11,26</sup>
Street	25.00	24.00	23.50	23.50	24.50	24.50	24.50	24.50	28.61	28.34 <sup>5,11</sup>
Traffic control	3.50	3.50	3.75	4.75	4.75	4.75	5.75	5.75	5.86	5.58 <sup>5,11</sup>
Total highway and streets	48.43	48.43	49.43	53.43	53.60	53.90	54.60	58.20	61.94	60.74
Sanitation -										
	42.22	42.22	43.22	47.22	48.22	51.22	51.22	53.50	55.83	58.00 <sup>8,11</sup>
Health and welfare -										
Community development projects/grants	1.25	0.75	0.75	0.65	1.10	2.65	1.33	4.52	4.99	5.55 <sup>1,22</sup>
Total health and welfare	1.25	0.75	0.75	0.65	1.10	2.65	1.33	4.52	4.99	5.55

(continued)

**CITY OF TEMPLE, TEXAS  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
Last Ten Fiscal Years**

**Table XVIII  
(Continued)**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Cultural and leisure services -										
Destination marketing	1.60	1.85	1.85	1.85	2.60	2.60	2.60	3.75	4.75	5.65
Golf course	18.13	18.13	19.16	19.16	19.16	19.16	19.16	19.41	19.41	19.41
Library	28.65	28.15	28.15	28.15	28.15	28.15	27.65	28.15	28.15	28.15
Main street program	-	-	-	-	-	-	-	-	-	1.50 <sup>18</sup>
Mayborn center	13.40	13.40	14.40	15.40	18.29	17.20	17.20	16.40	16.55	12.95 <sup>3, 17-18, 20-21</sup>
Parks	37.01	36.01	36.41	35.41	35.41	37.41	37.91	39.04	41.04	41.04
Parks & recreation administration services	5.75	6.23	6.75	6.75	6.75	6.20	6.20	2.52	3.02	3.02
Railroad & heritage museum	-	4.05	4.88	4.88	5.38	5.38	5.75	5.80	6.05	6.10 <sup>20</sup>
Recreation	66.46	68.54	64.26	65.24	68.49	69.74	69.74	71.39	71.89	72.80 <sup>2, 16, 20</sup>
Total cultural and leisure services	171.00	176.36	175.86	176.84	184.23	185.84	186.21	186.46	190.86	190.62
Airport -	14.38	14.38	14.38	13.38	14.38	13.38	13.38	13.38	13.38	13.38
Water and wastewater -	91.18	92.18	89.19	88.19	91.78	92.48	95.41	101.81	118.46	114.82 <sup>3-4, 23-26</sup>
Totals	773.63	787.33	793.64	819.54	837.69	853.30	866.05	890.08	930.34	940.34

Source: City Budget Office

- 1 - During the budget process each position funded within the Federal/State Grant Fund is evaluated based on program needs and available resources. Therefore, personnel distributions amongst the divisions within the Federal/State Grant Fund will be adjusted accordingly each fiscal year. Several positions within Code Compliance, Housing & Community Development, and Police are partially funded with Federal/State Grant Funds.
- 2 - In FY 2021, the payroll distribution for the Building Maintenance Workers changed from 89% Facility Services, 2 % Golf Course, and 9% Recreation to 92% Facility Services, 2% Golf Course, and 6% Recreation.
- 3 - In FY 2021, the Multi-Media Specialist funding allocation changed to 100% Marketing & Communications in the General Fund. In addition, two Media Relations Specialist positions moved from Police to Marketing & Communications. These positions were reclassified to a Public Relations Coordinator position and a Public Relations Specialist
- 4 - In FY 2021, the following funding distributions changed: Asset Management Technician - 40% IT, 30% Drainage, 30% PW Admin, City Engineer - 34% Engineering, 33% Drainage, 33% PW Admin, Director of Public Works - 10% Engineering, 20% Drainage, 70% PW Admin, Project Manager - 34% Engineering, 33% Drainage, 33% PW Admin, and Senior Project Engineer - 45% Engineering, 10% Drainage, 45% PW Admin.
- 5 - In FY 2021, the funding allocation for the Director of Transportation position changed to 33% Traffic Control, 34% Streets, and 33% Drainage.
- 6 - In FY 2021, the Housing & Community Development department was added. Personnel was shifted from Code Compliance.
- 7 - In FY 2021, (1) Police Officer position was added as a School Resource Officer (SRO) and (3) Police Officer positions were added as part of the grant awarded through the COPS Hiring Program (CHP) through the Community Oriented Policing Services (COPS) of the United States Department of Justice.
- 8 - In FY 2021, two Automated Route Operator positions were added - one to support an additional residential route and one to support an additional rolloff route.
- 9 - During FY 2021, the Public Records Administrator position was moved from City Secretary to City Attorney.
- 10 - During FY 2021, an Administrative I position was moved from City Manager to Performance Excellence.
- 11 - In FY 2021, the funding allocation for the second Assistant Director of Public Works changed from 33% Fleet Services, 33% Solid Waste, 11% Streets, 11% Traffic Control, and 12% Drainage to 50% Fleet Services and 50% Solid Waste.
- 12 - During FY 2021, one Equity Manager position was added.
- 13 - In FY 2021, the Development Services Coordinator was moved from Planning to Permits/Inspections.
- 14 - During FY 2021, an Assistant Director of Purchasing & Facility Services was added.

(continued)

**CITY OF TEMPLE, TEXAS  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
Last Ten Fiscal Years**

**Table XVIII  
(Continued)**

- 15 - During FY 2021, one Fire & Emergency Management Specialist position was added.
- 16 - In FY 2021, an additional Recreation Division Director was added.
- 17 - In FY 2021, the Convention & Visitor Bureau Director position was unfunded.
- 18 - During FY 2021, the part-time Office Assistant II position was moved from Mayborn Convention Center to Main Street Program.
- 19 - In FY 2021, the Main Street Manager funding allocation changed to 100% out of Main Street Program.
- 20 - During FY 2021, the funding allocation for the Assistant Director of Parks and Recreation was changed to 65% Recreation (General Fund), 10% Mayborn (HM Fund), 15% Destination Marketing (HM Fund), and 10% Railroad Museum (HM Fund).
- 21 - During FY 2021, Tourism became Destination Marketing. As part of the change, several staffing positions changed. Those changes included moving two Sales Marketing Specialist from Mayborn Convention Center to Destination Marketing and moving a part-time Office Assistant II position from Mayborn Convention Center to Destination Marketing as a part-time Office Assistant II.
- 22 - During FY 2021, a Family Violence Case Manager position was added with the award of the Family Violence Assist Grant through Criminal Justice Division (CJD) of the Governor's office.
- 23 - In FY 2021, the funding allocation for the Utility Compliance Coordinator position changed from 100% PW Admin to 50% Water Distribution and 50% Wastewater Collection. In addition, the Utility Division Director funding changed from 100% Environmental Programs to 50% Water Distribution and 50% Wastewater Collection.
- 24 - In FY 2021, the total number of positions for Foreman-Utility Services, Crew Leader, Utility Tech I, Utility Tech II, and Utility Tech III did not change, but the funding allocations were adjusted between Water Collections and Water Distribution.
- 25 - In FY 2021, one Water Maintenance Crew was unfunded. This crew consists of one Crew Leader, one Utility Tech II, and one Utility Tech I.
- 26 - In FY 2021, the funding allocation was changed for the GIS Modeler to 75% Water Distribution and 25% Drainage.

CITY OF TEMPLE, TEXAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

Table XIX

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General government -</b>										
Capital projects obligated	\$110M	\$159M	\$186M	\$235M	\$251M	\$203M	\$249M	\$264M	\$289M	\$469M
Total funds invested @ 9/30	\$112,611,694	\$145,606,448	\$119,314,561	\$165,743,994	\$159,839,429	\$163,789,917	\$183,092,888	\$180,183,000	\$175,862,578	\$347,811,152
Average return on investments	0.14%	0.15%	0.15%	0.23%	0.42%	0.83%	1.63%	2.42%	1.43%	0.29%
<b>Public safety -</b>										
Police:										
Noise violations	41	25	10	17	13	5	2	-	3	10
Speeding citations	7,349	8,458	8,204	7,137	9,310	8,548	5,738	9,296	4,362	4,122
Stop sign/red light citations	708	685	851	651	637	576	402	861	610	617
Priority 1 calls	4 min 43 sec	4 min 50 sec	4 min 43 sec	7 min 13 sec	6 min 44 sec	6 min 46 sec	5 min 32 sec	6 min 19 sec	6 min 22 sec	6 min 49 sec
Priority 2 calls	14 min 24 sec	14 min 27 sec	13 min 4 sec	12 min 34 sec	9 min 44 sec	11 min 35 sec	11 min 41 sec	12 min 39 sec	11 min 16 sec	12 min 10 sec
Fire:										
Fire/EMS response time average (minutes)	5 min 14 sec	4 min 11 sec	4 min 36 sec	4 min 44 sec	5 min 4 sec	4 min 22 sec	4 min 21 sec	4 min 57 sec	6 min 21 sec	5 min 34 sec
Fire/EMS incidents responded to	12,334	13,851	13,044	13,010	12,659	13,133	12,986	10,960	12,781	16,261
% of one & two-family residential structure fires confined to room/structure of origin	62% / 92%	86% / 87%	79% / 98%	86% / 97%	76% / 96%	63% / 92%	83% / 97%	83% / 98%	62% / 96%	52% / 83%
Animal control:										
Animals handled	4,582	4,082	4,258	4,021	5,034	4,021	3,543	3,188	2,616	2,633
Animals euthanized	1,956	1,685	1,765	1,622	1,574	1,622	1,038	869	834	801
Animals adopted	2,008	1,830	1,710	1,719	1,822	1,719	1,824	1,748	1,307	1,425
Animals reclaimed by owner	596	526	668	619	612	619	582	482	463	402
Inspections:										
Permits issued <sup>1</sup>	4,855	6,106	6,097	7,286	9,094	9,148	8,510	9,071	10,259	10,991
Building inspections	13,837	15,396	12,595	13,475	15,549	17,053	20,238	19,324	24,470	27,684
<b>Highways &amp; streets -</b>										
Street:										
New lane miles	4.0	8.7	7.0	13.0	17.5	8.9	18.9	28.1	7.9	36.3
Streets seal coated (lane miles)	64.0	-	-	-	-	-	-	-	-	-
Streets overlaid (lane miles)	-	52.0	62.0	50.3	26.9	27.1	27.0	-	-	-
Traffic signals:										
Signal lights repaired	330	390	460	383	580	441	571	598	192	191
Equipment upgraded by intersection	-	-	27	24	18	6	10	23	9	3
Engineering:										
Construction contracts administered/managed	Not Available	48	84	75	75	95	100	90	29	29
Construction/building plans & plats reviewed	Not Available	489	498	538	523	480	545	594	334	433
<b>Health and welfare -</b>										
Public service contracts	3	4	4	4	3	4	4	0	0	0
<b>Sanitation -</b>										
Number of residential customers	19,933	20,576	21,146	21,178	22,496	23,230	23,945	24,868	26,314	27,352
Number of commercial/industrial customers	2,001	1,984	2,004	1,905	2,025	2,082	2,094	2,082	2,088	2,139
Tons of garbage and bulk collected	81,697	84,088	84,417	83,614	88,097	91,443	95,145	104,923	98,274	100,470

\* = Not available

(continued)



CITY OF TEMPLE, TEXAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

Table XIX  
(Continued)

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Culture and leisure services -</b>										
Destination marketing:										
Number of hotel room nights booked - city wide Mayborn center:	9,200	6,550	12,210	14,180	15,490	13,197	14,680	15,194	9,757	3,272
Event days booked	305	306	330	336	322	282	235	226	218	142
Number of hotel rooms nights booked - associated to events booked at Mayborn <sup>5</sup>	-	-	-	-	-	-	-	-	-	1,283
Parks:										
Ratio of acres maintained per maintenance staff employee	33.0	34.0	34.0	34.0	37.5	39.3	79.0	79.0	80.6	70.8
Park master plans designed	3	2	3	2	6	3	1	-	1	-
Park/city improvement projects completed	141	165	214	224	217	214	298	125	107	79
Leisure services:										
Number of classes offered	1,182	1,438	1,399	1,544	2,140	2,267	2,960	4,501	4,404	3,455
Overall customer satisfaction	99.5%	98.0%	97.0%	97.0%	97.0%	95.0%	99.0%	99.0%	99.0%	95.0%
Golf course:										
Number of rounds of golf played	29,654	32,081	29,990	32,081	24,334	26,202	19,400	25,812	27,753	33,268
Number of youth in 'Learn to Golf' program	176	126	161	126	220	170	181	212	-	-
Education:										
Circulation per capita	6.53	6.16	5.71	5.58	5.03	4.65	4.20	4.34	2.79	4.30
Library visits per capita	4.34	4.05	3.74	3.66	3.68	3.43	3.09	2.98	1.86	1.40
<b>Airport -</b>										
Airshow attendance	22,000	22,500	24,262	26,500	21,000	-	25,000	21,000	-	-
T-Hangars available / occupancy rate	74 / 100%	74 / 100%	74 / 100%	74 / 100%	74 / 100%	74 / 100%	74 / 100%	74 / 100%	74 / 100%	74 / 100%
<b>Water/wastewater -</b>										
Surface water treated (billions of gallons)	5.73	5.54	5.46	5.32	5.14	5.71	6.29	5.34	5.83	5.81
Number of active meters	23,802	24,616	25,226	25,953	26,765	27,435	28,214	29,140	30,718	32,244
Water billed (billions of gallons)	4.68	4.53	4.26	4.21	4.39	4.57	5.10	4.37	5.11	4.73
Wastewater billed (billions of gallons)	2.36	2.39	2.39	2.25	2.38	2.45	2.53	2.48	2.36	2.50
Average daily production of treated water in MG (millions of gallons)	13,965	15,086	14,950	14,400	14,000	15,360	16,567	14,510	16,150	15,900
Highest daily production of treated water in MG (millions of gallons)	24,655	22,982	23,800	25,200	26,970	26,410	31,330	30,881	32,812	33,800
Average cost of water treated per 1,000 gallons <sup>2,4</sup>	\$0.78	\$0.84	\$0.92	\$0.87	\$0.86	\$0.75	\$0.76	\$0.81	\$0.79	\$0.85
Water main breaks repaired	595	539	613	289	311	271	389	341	301	309
New water taps installed	646	873	629	837	893	823	897	850	1,760	1,635
Wastewater mains replaced (linear feet)	26,284	24,265	9,406	20,570	18,717	14,675	15,180	15,970	3,963	3,454
Average cost for wastewater treated per 1,000 gallons <sup>3</sup>	\$0.98	\$1.09	\$1.05	\$0.82	\$0.82	\$1.09	\$1.06	\$0.86	\$1.25	\$0.86

\* = Not available

Source: Data collected from various city departments for the budget.

<sup>1</sup> In FY 2015, permits issued were restated for FY 2013 and FY 2014.

<sup>2</sup> In FY 2018, average costs of water treated per 1,000 gallons was restated for FY 2017.

<sup>3</sup> In FY 2019, the average costs for wastewater treated per 1,000 gallons was restated to include both wastewater treatment plants (Doshier and Temple-Belton).

<sup>4</sup> In FY 2019, the average costs of water treated per 1,000 gallons was restated for FY 2010, FY 2012, FY 2014, FY 2015, and FY 2016.

<sup>5</sup> Beginning in FY 2021, the number of hotel room nights booked within the City associated to the number of events booked at Mayborn were monitored. No data provided prior to FY 2021.

**CITY OF TEMPLE, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years**

Table XX

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public safety -</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	8	8	8	8	8	8	8	8	8	8
Hydrants <sup>3</sup>	2,889	3,111	3,368	3,441	3,500	3,500	3,700	3,801	3,900	4,200
<b>Culture &amp; leisure services -</b>										
Parks & recreation:										
Park acreage developed	688	688	718	718	718	775	775	894	894	902
Park acreage undeveloped	109	109	109	109	396	403	403	416	416	408
Golf course	1	1	1	1	1	1	1	1	1	1
Baseball/softball fields	17	17	17	17	17	17	17	25	25	25
Football field	-	-	-	-	1	2	2	1	1	1
Tennis courts	16	16	16	14	14	11	10	19	19	16
Swimming pools/water park	5	5	5	5	5	5	5	5	5	5
Soccer fields	6	8	8	8	8	8	8	15	15	13
Picnic pavilions	27	27	27	26	28	31	32	32	32	35
Basketball courts	18	18	18	18	19	20	20	20	20	20
Playgrounds	40	41	41	41	41	41	47	49	49	50
Community centers	2	1	1	1	3	3	3	3	3	3
Recreation centers	3	3	3	3	3	3	3	3	3	3
Multi-use fields	11	9	8	8	8	8	7	8	8	8
Sand volleyball courts	2	2	2	2	2	3	3	3	3	3
Hike and bike trail miles	18	18	18	18	19	23	28	28	28	29
Extreme skate park	1	1	1	1	1	1	1	1	1	1
Disc golf course	2	2	2	2	2	2	2	3	3	3
Community garden	1	1	1	1	1	1	1	1	1	1
Museum	1	1	1	1	1	1	1	1	1	1
Convention center	1	1	1	1	1	1	1	1	1	1
Education:										
Number of volumes	177,035	189,168	185,450	184,993	190,835	195,327	199,289	198,325	193,862	155,881

(continued)

CITY OF TEMPLE, TEXAS  
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
 Last Ten Fiscal Years

Table XX  
 (Continued)

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Highways &amp; streets -</b>										
Paved streets (lane miles) <sup>2,5</sup>	1,028.00	1,044.00	1,044.00	1,058.00	1,083.00	1,099.00	1,117.00	1,173.85	1,146.83	1,156.97
Unpaved streets (miles) <sup>6</sup>	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.68	0.65	0.65
Paved alleys (miles)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	9.94	10.01	10.01
<b>Water and wastewater -</b>										
Water:										
Water mains (miles)	600	600	594	599	608	613	628	642	652	661
Daily average production (MGD <sup>1</sup> )	13.965	15.086	14.950	14.400	14,000	15,360	16,570	14,510	16,150	15,900
Plant capacity (MGD <sup>1</sup> ) <sup>4</sup>	41.14	41.14	41.14	41.14	41.14	41.14	41.14	41.14	41.14	41.14
Number of service connections	23,802	24,616	25,226	25,953	26,765	27,435	28,214	29,141	30,718	32,244
Wastewater:										
Wastewater collection system lines (miles)	410	410	400	389	397	400	410	449	459	463
Number of lift stations	29	29	31	32	32	32	30	29	28	28
Daily average treatment:										
Doshier Farm (MGD <sup>1</sup> )	2,290	2,200	1,430	2,240	3,210	2,290	1,900	3,010	2,010	2,700
Temple-Belton WWTP (MGD <sup>1</sup> )	6,380	6,340	6,490	7,070	8,460	5,220	6,230	8,230	7,010	7,800
Maximum capacity of treatment plants:										
Doshier Farm (MGD <sup>1</sup> )	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Temple-Belton WWTP (MGD <sup>1</sup> )	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Number of disposal plants	2	2	2	2	2	2	2	2	2	2
Number of service connections	20,206	20,826	21,386	21,983	22,757	23,489	24,232	25,142	26,545	27,658

1 - MGD = million gallons daily  
 2 - FY 2012, paved streets' total was restated from 1,607 lane miles to 1,028  
 3 - FY 2015, hydrants' total was restated from 3,500 to 3,368  
 4 - In FY 2017, plant capacity was restated from 41.40 to 41.14 for FY 2008 through FY 2016  
 5 - In FY 2021, paved streets' total was restated from 1,183.04 lane miles to 1,146.83 lane miles for FY 2020  
 6 - In FY 2021, unpaved streets' total was restated from 1.31 miles to 0.65 miles for FY 2020

Source: Data collected from various departments for the budget statistical section.

**CITY OF TEMPLE, TEXAS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES  
Last Ten Calendar Years**

Calendar Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1/2)	(4) Unfunded Actuarial Accrued Liability	(5) Annual Covered Payroll	(6) UAAL as a Percentage of ACP (4/5)	(7) Total TMRS Required Contribution Rate <sup>(1)</sup>	(8) Prior Service Portion of the TMRS Rate
2011	\$ 110,135,037	\$ 138,612,957	79.5%	\$ 28,477,920	\$ 26,260,983	108.4%	16.76%	5.57%
2012	118,079,941	144,378,679	81.8%	26,298,738	26,738,649	98.4%	17.51%	6.42%
2013	127,071,062	158,609,168	80.1%	31,538,106	27,491,028	114.7%	17.51%	6.34%
2014	136,099,382	164,924,797	82.5%	28,825,415	28,503,722	101.1%	17.50%	6.16%
2015	145,276,139	174,865,079	83.1%	29,588,940	30,081,165	98.4%	16.73%	7.06%
2016	153,186,312	184,073,312	83.2%	30,887,000	31,463,368	98.2%	15.85%	6.37%
2017	162,957,405	194,460,522	83.8%	31,503,117	32,939,866	95.6%	16.36%	6.18%
2018	171,285,542	205,052,180	83.5%	33,766,638	33,685,233	100.2%	16.48%	6.32%
2019	182,033,794	214,763,831	84.8%	32,730,037	35,459,280	92.3%	16.43%	6.33%
2020	193,970,131	225,023,374	86.2%	31,053,243	38,252,963	81.2%	16.91%	6.79%

Source: Texas Municipal Retirement System

Note: In June, 2011, SB 350 was enacted by the Texas Legislature, resulting in a restructuring of the TMRS funds. This legislation provided for the actuarial valuation to be completed, as if restructuring had occurred on December 31, 2010. In addition, the actuarial assumptions were updated for the new fund structure, based on an actuarial experience study that was adopted by the TMRS Board at their May, 2011 meeting (the review compared actual to expected experience for the four-year period of January 1, 2006 through December 31, 2009). For a complete description of the combined impact of the legislation and new actuarial assumptions, including the effects on TMRS city rates and funding ratios, please see the December 31, 2010 TMRS Annual Comprehensive Financial Report.

<sup>(1)</sup> This rate does not include the supplemental death benefit component of the total TMRS rate.

**CITY OF TEMPLE, TEXAS  
 TEMPLE FIREFIGHTERS' RELIEF AND RETIREMENT FUND  
 ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES  
 Last Ten Fiscal Years**

Fiscal Year*	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1/2)	(4) Unfunded Actuarial Accrued Liability	(5) Annual Covered Payroll	(6) UAAL as a Percentage of ACP (4/5)	(7) Total Actual Contribution Rate
2011	-	-	-	Not Available	-	-	-
2012	\$ 34,400,736	\$ 45,148,511	76.2%	\$ 10,747,775	\$ 6,503,608	165.3%	14.93%
2013	-	-	-	Not Available	-	-	-
2014	39,633,562	50,613,335	78.3%	10,979,773	7,308,427	150.2%	15.20%
2015	37,387,617	53,217,119	70.3%	15,829,502	8,038,339	196.9%	15.21%
2016	39,862,402	56,277,136	70.8%	16,414,734	8,001,862	205.1%	15.21%
2017	42,702,404	58,704,181	72.7%	16,001,777	8,524,178	187.7%	15.27%
2018	44,243,769	60,626,595	73.0%	16,382,826	8,623,033	190.0%	15.31%
2019	45,569,953	63,028,830	72.3%	17,458,877	8,566,960	203.8%	15.26%
2020	48,418,257	67,708,335	71.5%	19,290,078	9,252,053	208.5%	16.22%

Source: Temple Firefighters' Relief and Retirement Fund

\* Measurement date September 30

CITY OF TEMPLE, TEXAS  
ACTIVE AND RETIREE HEALTH CARE COSTS  
Last Ten Fiscal Years

Fiscal Year	Total Health Care Expenses	Retiree Expense	Percentage Retiree Costs to Total	Active Members	Retirees Using City Health Care	Total TMRS Retirees	Total Firemen's Retirees	Percentage Retirees Using Plan to Total Members	Retiree Contributions	Net Subsidy of Retirees	Subsidy as Percentage of Total Expense	Cost per Active Member	Cost per Retiree
2012	\$ 3,607,614	\$ 655,846	18.2%	636	109	302	60	17.1%	\$ 304,384	\$ (351,462)	9.7%	\$ 4,641	\$ 6,017
2013	3,778,482	609,871	16.1%	559	106	319	63	19.0%	327,884	(281,987)	7.5%	5,668	5,754
2014 <sup>1</sup>	3,835,827	483,487	12.6%	585	99	340	67	16.9%	327,376	(156,110)	4.1%	5,730	4,884
2015	4,228,885	489,387	11.6%	588	110	354	73	18.7%	342,249	(147,138)	3.5%	6,360	4,449
2016	4,595,754	506,246	11.0%	609	101	377	78	16.6%	361,625	(144,620)	3.1%	6,715	5,012
2017	4,737,595	513,254	10.8%	623	106	392	81	17.0%	368,197	(145,056)	3.1%	6,781	4,842
2018	5,556,880	570,723	10.3%	608	112	416	91	18.4%	423,038	(147,685)	2.7%	8,201	5,096
2019	5,693,986	584,085	10.3%	606	108	430	96	17.8%	452,939	(131,146)	2.3%	8,432	5,408
2020	5,480,354	522,951	9.5%	643	98	443	99	15.2%	383,559	(139,392)	2.5%	7,710	5,336
2021	5,586,851	458,156	8.2%	624	95	445	104	15.2%	129,430	(328,726)	5.9%	8,219	4,823
<b>Total</b>	<b>\$ 47,102,228</b>	<b>\$ 5,394,005</b>							<b>\$ 3,420,681</b>	<b>\$ (1,973,323)</b>		<b>\$ 68,457</b>	<b>\$ 51,620</b>
<b>Average</b>	<b>\$ 4,710,223</b>	<b>\$ 539,400</b>	11.9%	608	104	382	81	17.2%	<b>\$ 342,068</b>	<b>\$ (197,332)</b>	4.4%	<b>\$ 6,846</b>	<b>\$ 5,162</b>

Source: City records, Texas Municipal Retirement System and the Temple Firefighters' Relief and Retirement Fund.

<sup>1</sup> - In FY 2014, the City changed from self funded plan to a group health insurance plan for both employees and retirees.

## AVERAGE DAILY TREATED WATER VS. AVERAGE DAILY TREATMENT CAPACITY

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Average Daily Treatment (MGD)</u>	<u>Average Daily Treatment Capacity (MGD) <sup>1</sup></u>	<u>Peak Day Usage (MGD)</u>
2012	13.9650	41.14	24.66
2013	15.0860	41.14	22.98
2014	14.9500	41.14	23.80
2015	14.4000	41.14	25.20
2016	14.0000	41.14	26.97
2017	15.3600	41.14	26.41
2018	16.5670	41.14	31.33
2019	14.5100	41.14	30.88
2020	16.1500	41.14	32.81
2021	15.9000	41.14	33.80

Source: Public Works Administration Office

<sup>1</sup> - In FY 2017, average daily treatment capacity was restated from 41.40 to 41.14 for FY 2011 through FY 2016.

**CITY OF TEMPLE, TEXAS**  
**ANNUAL TREATED WATER VS. TOTAL AVAILABLE WATER**  
**Last Ten Fiscal Years**

**Table XXV**

<b>Fiscal Year</b>	<b>Annual Treated Water (Acre feet)</b>	<b>Total Available Water (Acre feet)</b>
2012	15,699	44,453
2013	17,006	44,453
2014	14,775	44,453
2015	16,313	44,453
2016	15,767	44,453
2017	17,525	44,453
2018	19,315	44,453
2019	16,402	44,453
2020	18,436	44,453
2021	17,809	44,453

Source: Public Works Administration Office



**CITY OF TEMPLE, TEXAS**  
**WATER AND WASTEWATER UTILITY SYSTEM**  
**Schedule of Water Pumped to Town vs. Water Billed**

Table XXVI

Fiscal Year	Water Pumped to Town (gals) <sup>1,2</sup>	Water Billed (gals) <sup>1</sup>	City Usage (gals) <sup>1</sup>	% (Billed + City) vs Pumped	Water Revenues	% Increase (Decrease)	
						Water Revenues	Water Billed
2012	5,185,212	4,678,166	129,123	92.71%	\$ 16,948,961	-4.70%	-5.45%
2013	4,995,801	4,539,199	120,740	93.28%	16,968,854	0.12%	-2.97%
2014	4,814,440	4,260,031	106,503	90.70%	16,297,510	-3.96%	-6.15%
2015	4,824,441	4,213,140	97,517	89.35%	16,278,062	-0.12%	-1.10%
2016	4,922,493	4,391,601	91,018	91.06%	16,780,446	3.09%	4.24%
2017	5,636,190	4,568,607	96,354	82.77%	17,727,639	5.64%	4.03%
2018	6,067,268	5,100,503	120,257	86.05%	19,277,829	8.74%	11.64%
2019	5,361,078	4,372,084	85,722	83.15%	16,660,392	-13.58%	-14.28%
2020	5,893,446	5,105,281	156,720	89.29%	21,483,096	28.95%	16.77%
2021	5,811,790	4,732,557	135,617	83.76%	20,287,335	-5.57%	-7.30%

Source: Public Works Administration Office and Utility Business Office

<sup>1</sup> - Information is reported in thousands of gallons.

<sup>2</sup> - In FY 2019, the water pumped to town was restated for FY 2012, FY 2015, and FY 2018.

**CITY OF TEMPLE, TEXAS**  
**WATER AND WASTEWATER UTILITY SYSTEM**  
**Schedule of Water Customers - Residential and Commercial / Wholesale**

Table XXVII

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial <sup>1</sup> / Wholesale</u>	<u>Total</u>	<u>Percentage Growth</u>
2012	21,035	2,767	23,802	2.40%
2013	21,828	2,788	24,616	3.42%
2014	22,430	2,796	25,226	2.48%
2015	23,097	2,856	25,953	2.88%
2016	23,860	2,905	26,765	3.13%
2017	24,496	2,939	27,435	2.50%
2018	25,277	2,937	28,214	2.84%
2019	26,142	2,999	29,141	3.29%
2020	27,633	3,085	30,718	5.41%
2021	29,143	3,101	32,244	4.97%

Source: Utility Business Office

<sup>1</sup> - In FY 2019, commercial customers were restated from FY 2010 to FY 2018 to include wholesale customers.

**AVERAGE DAILY TREATED WASTEWATER VS. AVERAGE DAILY TREATMENT CAPACITY**

**Last Ten Fiscal Years**

Fiscal Year	Average Daily Wastewater Treated (MGD)			Average Daily Treatment Capacity (MGD)
	Temple-Belton WWTP	Doshier WWTP	Total	
2012	6.38	2.29	8.67	17.50
2013	6.34	2.20	8.54	17.50
2014	6.49	1.43	7.92	17.50
2015	7.07	2.24	9.31	17.50
2016	8.46	3.21	11.67	17.50
2017	6.61	2.29	8.90	17.50
2018	6.23	1.90	8.13	17.50
2019	8.23	3.01	11.24	17.50
2020	7.01	2.01	9.02	17.50
2021	7.80	2.70	10.50	17.50

Source: Public Works Administration Office

**CITY OF TEMPLE, TEXAS**  
**WATER AND WASTEWATER UTILITY SYSTEM**  
**Schedule of Wastewater Customers - Residential and Commercial**

**Table XXIX**

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>	<u>Percentage Growth</u>
2012	18,101	2,105	20,206	2.10%
2013	18,715	2,111	20,826	3.07%
2014	19,259	2,127	21,386	2.69%
2015	19,823	2,160	21,983	2.79%
2016	20,582	2,175	22,757	3.52%
2017	21,284	2,205	23,489	3.22%
2018	22,033	2,199	24,232	3.16%
2019	22,906	2,236	25,142	3.76%
2020	24,264	2,281	26,545	5.58%
2021	25,361	2,297	27,658	4.19%

Source: Utility Business Office

<b>WATER RATES</b>		
<b>Minimum Bill / Minimum Service Charge for the First 2,000 Gallons of Water Consumed</b>		
<b>Meter Size</b>	<b>Effective 10/01/21 <sup>1</sup></b>	<b>Effective 10/04/19 <sup>2</sup></b>
5/8" x 3/4"	\$ 10.00	\$ 10.00
1"	\$ 16.00	\$ 16.00
1-1/2"	\$ 20.00	\$ 20.00
2"	\$ 64.00	\$ 64.00
3"	\$ 128.00	\$ 128.00
4"	\$ 200.00	\$ 200.00
6"	\$ 640.00	\$ 640.00
8"	\$ 1,120.00	\$ 1,120.00
10"	\$ 1,760.00	\$ 1,120.00
<b>Water Volumetric Rates</b>		
<b>Straight Volumetric Rate (above 2,000 gallons)</b>	<b>Effective 10/01/21 <sup>1</sup></b>	<b>Effective 10/04/19 <sup>2</sup></b>
Industrial Class - Large Volume User	\$ 3.20	\$ 3.20
All Other Classes	\$ 3.95	\$ 3.70

<b>WASTEWATER RATES</b>		
<b>Minimum Bill / Minimum Service Charge for the First 2,000 Gallons of Wastewater Produced</b>		
	<b>Effective 10/01/21 <sup>1</sup></b>	<b>Effective 10/04/19 <sup>2</sup></b>
Industrial Class - Large Volume User	\$ 16.00	\$ 16.00
All Other Classes	\$ 16.00	\$ 16.00
<b>Wastewater Volumetric Rates</b>		
<b>Straight Volumetric Rate (above 2,000 gallons)</b>	<b>Effective 10/01/21 <sup>1</sup></b>	<b>Effective 10/04/19 <sup>2</sup></b>
Industrial Class - Large Volume User	\$ 4.75	\$ 4.50
All Other Classes	\$ 5.75	\$ 5.50

Source: Finance Department

<sup>1</sup> - Effective October 1, 2021 per Resolution No. 2021-0293-R

<sup>2</sup> - Effective October 4, 2019 per Resolution No. 2019-9850-R

**City of Temple, Texas  
Top 10 Water Customers  
For the year ended September 30, 2021**

Customer	Gallons	Revenue	% of Total Annual Revenue	% of Total Usage
Baylor Scott & White Hospital	240,391,700	\$ 997,241	4.65%	5.08%
Niagara Bottling, LLC	179,368,600	599,170	2.79%	3.79%
City of Morgan's Point Resort *	174,644,900	661,369	3.09%	3.69%
City of Temple	135,617,300	672,993	3.14%	2.87%
City of Troy*	96,264,300	363,769	1.70%	2.03%
VA Hospital	74,029,700	300,852	1.40%	1.56%
Pactiv Corporation	66,596,600	269,253	1.26%	1.41%
Wilsonart International	53,792,000	218,776	1.02%	1.14%
Housing Authority	38,438,400	166,949	0.78%	0.81%
Temple Public Schools	28,855,000	152,848	0.71%	0.61%
	1,087,998,500	\$ 4,403,219	20.54%	22.99%

\* Wholesale customers

**City of Temple, Texas  
Top 10 Wastewater Customers  
For the year ended September 30, 2021**

Customer	Gallons	Revenue	% of Total Annual Revenue	% of Total Usage
Baylor Scott & White Hospital	127,997,800	\$ 706,406	4.56%	5.12%
VA Hospital	62,586,500	344,286	2.22%	2.50%
Niagara Bottling, LLC	54,825,200	246,797	1.59%	2.19%
Housing Authority	34,653,200	191,721	1.24%	1.39%
Wilsonart International	30,262,700	167,320	1.08%	1.21%
Pactiv Corporation	26,272,000	144,893	0.93%	1.05%
Temple Public Schools	19,492,000	109,308	0.71%	0.78%
City of Temple	16,280,400	95,420	0.62%	0.65%
Meadow Village Apartments	15,698,000	86,699	0.56%	0.63%
Goyne Sr, LLC	12,125,900	66,752	0.43%	0.48%
	400,193,700	\$ 2,159,604	13.94%	16.00%

Source: Utility Business Office

**City of Temple, Texas  
Insurance Coverage**

**Table XXXII**

Type of Coverage and Insurer	Amount of Coverage		Deductible Amounts <sup>(1)</sup>	Policy Expiration Date <sup>(2)</sup>
<b>Property:</b>				
Building & Contents:				
Texas Municipal League	\$ 305,994,685	Real and Personal	\$ 5,000	10/01/21
Fine Arts/Valuable Papers:				
Texas Municipal League	\$ 272,950	Fine Arts	\$ 500	10/01/21
	\$ 1,600,000	Valuable Papers & Records: Includes EDP Media	\$ 5,000	10/01/21
Mobile equipment:				
Texas Municipal League	\$ 7,949,019		\$ 1,000	10/01/21
Portable Equipment:				
Texas Municipal League	\$ 300,000	Equipment	\$ 1,000	10/01/21
<b>Liability:</b>				
Employee Dishonesty, Theft, Disappearance, & Destruction:				
Texas Municipal League	\$ 50,000		\$ 5,000 per event	10/01/21
Airport:				
Texas Municipal League	\$ 1,000,000	Premises	\$ 0	10/01/21
	\$ 1,000,000	Products/ Completed Operations	\$ 0	10/01/21
	\$ 1,000,000	Hangar- Keepers-Each Aircraft	\$ 2,500	10/01/21
	\$ 1,000,000	Non-Owned- Each Occurrence	\$ 0	10/01/21
Cyber Liability & Data Breach (Computer Fraud)	\$ 50,000	Each Claim	\$ 5,000	10/01/21
Error & Omissions:				
Texas Municipal League	\$ 1,000,000		\$ 10,000	10/01/21
General:				
Texas Municipal League	\$ 1,000,000		\$ 0	10/01/21

**(Continued)**

**City of Temple, Texas  
Insurance Coverage**

**Table XXXII  
(Continued)**

Type of Coverage and Insurer	Amount of Coverage	Deductible Amounts <sup>(1)</sup>	Policy Expiration Date <sup>(2)</sup>
<b>Liability (Cont'd):</b>			
Auto:			
Texas Municipal League	\$ 1,000,000	\$ 0	10/01/21
Auto Physical Damage:			
Texas Municipal League	Per Schedule	\$ 10,000	10/01/21
Law Enforcement:			
Texas Municipal League	\$ 1,000,000	\$ 10,000	10/01/21
<b>Bonds:</b>			
Western Surety Company	\$ 500,000	Finance Director	03/03/20
Hartford Casualty Ins. Co	\$ 500,000	City Manager	12/20/20
Hartford Casualty Ins. Co	\$ 800,000	Each (4) Finance	10/01/20
Hartford Casualty Ins. Co	\$ 200,000	City Secretary	07/02/21
<b>Worker's Compensation:</b>			
Texas Municipal League			10/01/21

Source: City of Temple Legal Department

<sup>(1)</sup> Per occurrence, unless noted.

<sup>(2)</sup> Policies are renewed annually or replaced with similar coverage.



## MISCELLANEOUS STATISTICAL DATA

2021 Population .....	86,075 <sup>1</sup>
2021 Assessed Value .....	\$6,086,377,782
Median Age .....	33.9
Median Household Income.....	\$54,873
Total Employment in Temple.....	34,894
Total Labor Force in Temple.....	36,435
City Total Square Miles .....	76.82
Developable Land Remaining.....	12,115 acres
Agricultural.....	8,376 acres
Heavy/Light Industrial.....	2,041 acres
Various Commercial.....	780 acres
Various Residential.....	918 acres
Housing Units:	
Owner Occupied.....	53.3%
Renter Occupied.....	46.7%
Vacant.....	7.1%
Average Home Sale Price.....	\$228,056
Average Temperatures in January.....	Hi: lower 60's LOW: upper 30's
Average Temperatures in July.....	Hi: upper 90's LOW: lower 70's
Average Annual Temperature.....	66.83 degrees

Rainfall:

Wettest Month.....	May / 4.15"
Driest Month.....	July / 1.32"
Average Annual Rainfall.....	28.70"

Only Health & Bioscience District in Texas

Baylor Scott & White Hospital

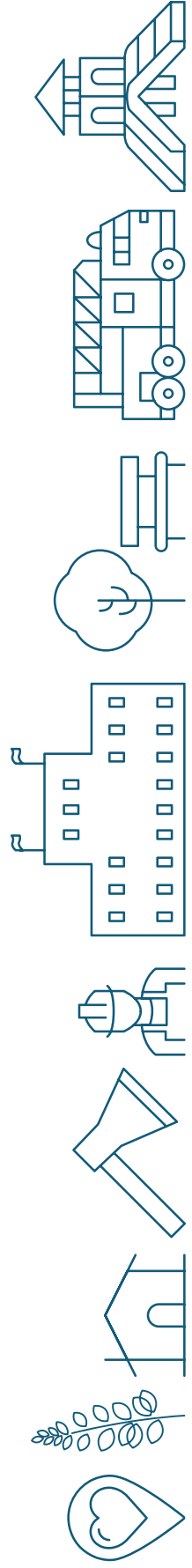
Only Level I Trauma Center between Dallas and Austin

McLane Children's Hospital Scott & White

80% of Texas' population is within 180 miles of Temple

1- 2021 Population based on new residential water customers multiplied by 2020 Census data of average household size of 2.65.

Sources: 2020 United States Census, 2019 American Community Survey, Texas Workforce Commission, Temple Economic Development Corporation, Texas Labor Market Information, Weather Base and the City of Temple.



## MISCELLANEOUS STATISTICAL DATA

Form of government.....	Council - Manager, July 8, 1922
Date of original public sale of town lots .....	June 20, 1881
Original charter.....	March 27, 1907
Amendment to charter.....	August 5, 1919
Second charter, home rule city.....	July 8, 1922
Amendment to charter.....	April 7, 1926
Third charter, present.....	September 23, 1953
Amendment to charter.....	October 23, 1967
Amendment to charter.....	April 2, 1977
Amendment to charter.....	January 20, 1990
Amendment to charter.....	May 4, 1996
Amendment to charter.....	May 6, 2000
Amendment to charter.....	November 4, 2014

## GOVERNMENT

**8** fire stations

**4,200** fire hydrants

**122** firefighters

Firefighters per 1,000 population ..... 1.42

Insurers Services Office (ISO) Rating ..... 3

## FIRE PROTECTION

## LAND USE SQ. MILES

Agriculture.....	31.78
Commercial/Industrial .....	23.39
Mixed use.....	0.35
Residential.....	21.30

## POLICE PROTECTION

**1** police station

**163** police officers

**1.89** officers per 1,000 population

## AIRPORT

**1** airport

**7,000ft** full precision approach runway and 4,740' RNAV approach crosswind runway serving general aviation and military aircraft

## LIBRARIES

**1** public library

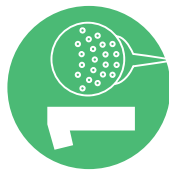
**155,881** # of volumes

**367,250** circulation of volumes

**59,296** library cards in force

## MISCELLANEOUS STATISTICAL DATA

Park acreage developed..... 902  
 Park acreage undeveloped..... 408



1 golf course



25 baseball & softball fields



1 football fields



4 swimming pools



160 tennis courts

## PARKS & RECREATION

Soccer fields..... 13  
 Picnic pavilions..... 35  
 Basketball courts..... 20  
 Playgrounds..... 50  
 Community center..... 3  
 Recreation center..... 3  
 Multi-use fields..... 8  
 Sand volleyball courts..... 3  
 Trail miles..... 29  
 Extreme skate park..... 1  
 Disc golf course..... 3  
 Family water park..... 1  
 Splash pads..... 4  
 Community garden..... 1  
 Museum..... 1  
 Convention center..... 1

Miles of water mains..... 661 miles  
 Daily average water treatment..... 15.90 MGD  
 Water treatment plant capacity..... 41.14 MGD  
 Number of water service connections..... 32,244  
 Source of water..... Surface water  
 Miles of wastewater collection system lines..... 463 miles  
 Number of lift stations..... 28  
 Daily average wastewater treatment:  
 Doshier Farm WWTP..... 2.7 MGD  
 Temple-Belton WWTP..... 7.8 MGD  
 Maximum capacity of treatment plants:  
 Doshier Farm WWTP..... 7.5 MGD  
 Temple-Belton WWTP..... 10.0 MGD  
 Number of wastewater treatment plants..... 2  
 Number of wastewater service connections..... 27,658

\*MGD—Million gallons daily

## UTILITIES

## STREETS

Paved streets..... 1,156.97 lane miles  
 Unpaved streets..... 0.65 miles  
 Paved alleys..... 10.01 miles  
 Unpaved alleys..... 28.31 miles

(all figures are approximate)

## TRAFFIC CONTROL

Traffic signals..... 79 signals

## MISCELLANEOUS STATISTICAL DATA

### Temple Independent School District

Senior high schools.....	2
Number of students.....	2,381
Middle schools.....	3
Number of students.....	1,819
Elementary schools.....	8
Number of students.....	3,790
Early childhood academy.....	1
Number of students.....	393
Alternative education program.....	1
Number of students.....	78

### Private Schools

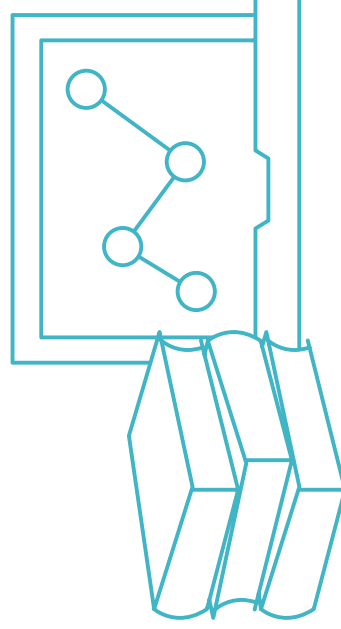
Central Texas Christian School (Pre K - 12th grade)
Holy Trinity Catholic School (9th - 12th grade)
Immanuel Lutheran School (Pre K - 8th grade)
St. Francis Episcopal School (Pre K - Kindergarten)
St. Mary's Catholic School (Pre K - 8th grade)
Montessori Schools of Central Texas (Pre K - 3rd grade)

### Temple College

Number of classrooms & labs.....	197
Number of principal administrative officers.....	10
Number of full-time professors.....	130
Number of full-time students.....	1,806
Number of part-time students.....	2,677
Population served.....	447,436
Counties served.....	3
(East Bell, Milam and East Williamson Counties)	
Annual budget.....	\$48,584,853

### Higher Educational Institutions (within 75 miles of Temple)

Austin Community College
Baylor University
Central Texas College
Concordia University Texas
Hill Junior College
Huston-Tillotson College
McLennan Community College
St. Edward's University
Southwestern University
Tarleton State University
Temple College
Texas A&M University
Texas State Technical College
The University of Texas at Austin
University of Mary Hardin-Baylor





# COMPLIANCE SECTION





**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***

The Honorable Mayor and  
Members of the City Council  
City of Temple, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Temple, Texas, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 28, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

**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*  
(CONTINUED)**

**Compliance and Other Matters**

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

**Purpose of this Report**

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

  
Temple, Texas  
January 28, 2022





## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

### **Report on Compliance for Each Major Federal Program**

We have audited the City of Temple, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, the City of Temple, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
(CONTINUED)**

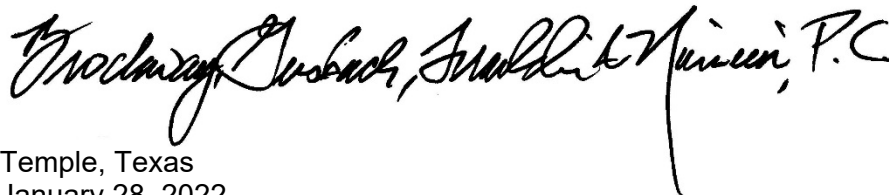
**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Temple, Texas  
January 28, 2022

**CITY OF TEMPLE, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Section I-Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued was unmodified.

Internal control over financial reporting:

Material weakness(es) identified:	___yes	<u>X</u> no
Significant deficiency(ies) identified:	___yes	<u>X</u> none reported
Noncompliance material to financial statements noted?	___yes	<u>X</u> no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified:	___yes	<u>X</u> no
Significant deficiency(ies) identified:	___yes	<u>X</u> no none reported

Type of auditor's report issued on compliance for major programs was unmodified.

Any audit findings disclosed that are required to be reported in accordance with  
2 CFR 200.516(a)?

\_\_\_yes      Xno

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
14.218	Community Development Block Grants/ Entitlement Grants Cluster

Dollar threshold used to distinguish between  
type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

Xyes      \_\_\_no

**CITY OF TEMPLE, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Section II-Financial Statement Findings**

There were no findings and no matters were reported.

**Section III-Federal Award Findings and Questioned Costs**

There were no findings and no matters were reported.