Annual Comprehensive Financial Report



City of Temple, Texas

For the year ended September 30, 2023

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March 7, 2024

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, 2023, 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, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) 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.

Although a legally separate entity, Temple Revitalization Corporation (TRC) is considered a blended component unit and the entity's financial information is reported within the City's financial statements as if it were a part of the City. Therefore, TRC is reported as a special revenue fund and does not issue separate financial statements.

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

Temple'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. Significant new construction permits of \$ 1,266,112,503 for FY 2023 underscore the continued steady expansion of our residential base. Sales tax receipts of \$ 36,496,375 show an increase of 12.02% over

fiscal year 2022. Local unemployment is currently 4.09%, representing one of the lowest rates in the State of Texas.

In FY 2023, the City experienced a 20.93% increase in taxable assessed property value to bring the current value to \$ 7,360,078,454. The census figures for 2020 of 82,073 residents show an average growth of 3.67% 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. The estimated completion date of the project is late Summer 2024.
- 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 was divided into two phase the first phase was completed in April 2020, creating 49 jobs and the second phase completed in December 2022, creating an additional 21 jobs. The City entered into a tax abatement agreement with Niagara Bottling. In July 2023, Niagara announced that they will invest \$ 48,000,000 to expand their existing facility to include a warehouse build, which is expected to generate a minimum of 14 jobs.
- In March 2022, Meta, formerly the Facebook company, announced their plan to invest \$800,000,000 in the creation of a Hyperscale Data Center in Temple. The new facility, which will total approximately 900,000 square feet when completed, will be located on 393 acres off NW H K Dodgen Loop and Industrial Boulevard, and will support approximately 100 direct operational jobs and 200 full time contract employees in the community. The project is expected to employ 1,250 construction workers onsite during peak construction, which began in Spring 2022. In December 2022, Meta announced a pause in their construction of the Temple Data Center to respond to shifts in technology in the Artificial Intelligence (AI) space. Fostering a new design that will support the next

generation of AI systems, construction on the Data Center ramped back up in October 2023. Construction is estimated to be completed by January 2027.

The Temple Data Center project will provide economic benefits to the City by stimulating economic growth within the region and as such, the City has entered into the following agreements with the company:

- a Tax Abatement Agreement which will abate a percentage of the increases in the taxable value of certain real and personal property located on an approximately 399.2-acre site at the southeast corner of Industrial Boulevard and Loop 363 and designated as City of Temple Tax Abatement Reinvestment Zone Number 43,
- an Economic Development Agreement to construct or cause the construction of and equip one or more new data centers and/or other facilities used to house, and in which are operated, computer systems and associated components, including accessory uses on an approximately 399.2-acre site at the southeast corner of Industrial Boulevard and Loop 363, and
- a Water and Wastewater Agreement with Polmer LLC to provide continuous and adequate potable water supply and water-carried wastes services and infrastructure to support the Project.
- FedEx Ground opened a new 250,000 square foot distribution center in 2023. The \$40,000,000 investment is located on a 52-acre lot in the Temple Industrial Park between NW H.K. Dodgen Loop and Trino Road and is projected to create 200 new jobs.
- In June 2022, H-E-B, the San Antonio based supermarket chain, announced they were expanding their distribution facility in Temple with a new automated frozen distribution line. The current facility will be expanded by 325,000 square feet and will add over 100 jobs to the local economy. Construction is slated to be complete in 2024.

The City entered into a tax abatement agreement with H-E-B granting the company a 10year tax abatement on the increase in real property improvements in the following percentages:

- 100% for Year 1 through Year 5, and
- 60% for Year 6 through Year 10.
- As part of their ongoing efforts to push boundaries and meeting growing demand, StarCorr Sheets will make a capital investment of approximately \$ 30,000,000 for the addition of a new manufacturing line, enhancing their production capacity, and constructing additional warehouse space to accommodate their expanding operations. This expansion project is estimated to generate 40 new jobs.

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 11,000 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 51 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 1,460 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, 2023, a total of \$ 587,990,663 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 seven major areas:

- ▶ Utility Revenue Bonds
- ▶ General Obligation Bonds
- ▶ Certificates of Obligation

- ▶ General Operating Budget Funding
- ▶ Limited Tax Notes
- ▶ Grants
- ▶ Reinvestment Zone No. 1

During FY 2023, several major capital projects were underway or have been completed such as completion of Kegley Road - Phase II improvements, Blackland Road extension and Little River Road widening, Azalea Drive – Phase II & Phase III improvements, 1st Street Parking Garage, 4th Street Parking Garage, MLK Festival Fields Building, purchase of training props for Fire, remodel of Fire Station #3, competition of the New Solid Waste and Recycling Facility, as well as various waterline and wastewater line replacements.

The FY 2023 Budget included \$ 10,598,294 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 \$ 5,225,300 of Reinvestment Zone infrastructure improvements. In accordance with current fiscal and financial policies, \$ 3,131,094 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 2022-23 and the preceding four fiscal years is reflected in the following table:

	Fiscal Year				
Purpose	2023	2022	2021	2020	2019
General Fund	\$ 0.2863	\$ 0.3030	\$ 0.3000	\$ 0.3097	\$ 0.2982
Debt Service	0.3267	0.3370	0.3525	0.3630	0.3630
Total Tax Rate	\$ 0.6130	\$ 0.6400	\$ 0.6525	\$ 0.6727	\$ 0.6612

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 2022-23, the City's payment to the Appraisal District for tax collection and appraisal services was \$ 488,611, an increase of \$ 58,228 from the amount paid by the City in FY 2021-22.

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 9-30-23 (Net of Debt Service)	\$ 307,926,706
Estimated Population	91,751
Net Bonded Debt per Capita	\$ 3,356
Net Bonded Debt per Assessed Value	4.13%

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:

- \$ 21,273,811 in letters of credit from the Federal Home Loan Bank of Dallas
- \$ 26,735,000 in letters of credit from the Federal Home Loan Bank of San Francisco
- \$ 3,282,600 in government securities at fair value held at the Federal Home Loan Bank of Dallas
- \$ 17,022,002 in government securities at fair value held at the Federal Reserve Bank of Boston

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, 2023, the weighted average maturity of the City's investment portfolio was 45.44 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 5.27% at September 30, 2023, which was below the average rolling T-bill yield of 5.54%.

As of September 30, 2023, the City's cash and investment resources were divided between cash on hand of \$ 17,750, deposits of \$ 49,827,226, and investments of \$ 253,386,633.

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 2024 Budget was comprised of several key steps:

- Department Budget Retreat
- Department Strategic Planning Workshop
- City Council Budget Retreat
- City Council Strategic Planning Workshop
- Departments Review Performance Measures and Strategic Initiative Process with Performance Excellence Department
- Departments Develop Budget Requests
- Departmental Budget Review Sessions
- 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 fifth 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.

City Manager's Highlights

The focus of the FY 2024 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 2024, the Budget totals \$ 261,838,181 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 2024 Budget Financial Highlights by Fund

General Fund Revenues - Total revenues for the FY 2024 General Fund Budget are presented at \$ 117,746,728 an increase of 13.98% as compared to the FY 2023 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 2024 Budget, property tax accounts for 20.69% 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 61.30¢ per \$100 valuation; this rate reflects no change from the current FY 2023 tax rate.

This rate is based on an appraised value of value of \$8,683,508,717 (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 26.70¢ for the M&O rate and 34.60¢ 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 2024 Budget, sales tax is projected to account for 33.39% of the General Fund budgeted revenues. The FY 2024 Budget estimates \$ 39,320,000 in sales tax revenue, a 17.37% increase in sales tax revenue over budgeted FY 2023 sales tax revenue (or 7.61% greater than actual forecasted FY 2023 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 13.51% of total General Fund revenues. \$ 15,906,877 in solid waste revenue is projected for FY 2024, representing a 0.69% increase from the FY 2023 solid waste revenue adopted budget of \$ 15,798,031.

General Fund Expenditures - Total expenditures for the FY 2024 General Fund Budget are presented at \$ 122,755,878, an increase of 14.06% compared to the FY 2023 Adopted Budget.

Water and Wastewater Fund - Total revenues for the FY 2024 Water and Wastewater Fund Budget are presented at \$58,785,144, an increase of 8.45% compared to the FY 2023 Adopted Budget. Total expenditures for the FY 2024 Water and Wastewater Fund Budget are presented at \$58,785,144, an increase of 8.45% compared to the FY 2023 Adopted Budget. A rate adjustment of approximately 7.00% is being proposed for water rates, as well as an approximate 11.50% rate adjustment for wastewater rates.

Hotel/Motel Tax Fund - Total revenues for the Hotel/Motel Fund Budget are presented at \$ 3,407,090, an increase of 21.54% compared to the FY 2023 Adopted Budget. 13.05% of the Hotel/Motel revenues are from the operations of the Frank Mayborn Center. Expenditures for the Hotel/Motel Fund Budget are presented at \$ 3,407,090 an increase of 14.40% compared to the FY 2023 Adopted Budget.

Federal and State Grant Fund - Total revenues and expenditures for Federal and State Grant Fund Budget are presented at \$ 778,505, an increase of 14.02% compared to the FY 2023 Adopted Budget. Total revenues include the award of the Community Development Block Grant (CDBG) and the anticipated award of \$ 104,099 for the Crisis Assistance grant.

The allocation of CDBG funds are as follows:

- Homelessness & Mental Health Program \$ 273,532
- General Administration \$ 134,881
- Housing Improvement Program \$ 134,588

- Neighborhood Revitalization Program \$ 91,405
- Projects \$ 40,000

Drainage Fund - Total revenues and expenditures are presented at \$ 3,186,945, a 4.08% increase from prior year. These revenues are based on rates that remain unchanged from current year.

FY 2024 – FY 2029 Financial Plan

The Financial Plan links the City's strategic focus areas to a 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 multi-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.

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 additional People Operations Generalist (FY 25, a new addition and FY 27), a Benefits Administrator (FY 24), and a Training Coordinator (FY 26, decelerated from FY 25) 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 Succession Plan (FY 25).

The Financial Plan includes an allocation to conduct and implement compensation studies for public safety employees (FY 24, FY 26, FY 28) and general government employees (FY 25, FY 27, FY 29) to ensure competitive compensation. The plan also continues to fund our group health insurance plan, employee retirement plan, and employee longevity program.

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.

Information Technology - 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 police records management software (in progress, accelerated from FY 23),
- replacement police and fire mobile data laptops (FY 25,FY 29),
- a new document management system (FY 25),
- a traffic intersection video surveillance and advanced license plate recognition system.
 (FY 25, FY 26, F7 27), and
- a new financial management system (FY 26, a new addition).

The Financial Plan also recommends the addition of a Network Support Technician (FY 25), a Technical Trainer (FY 25), a Geographic Information Systems Analyst (FY 25, a new addition), a Geographic Information Systems Intern (FY 25, a new addition), a Network Analyst (FY 26, a new addition), and an IT Security Administrator (FY 27, a new addition) to provide the staff resources necessary to implement and maintain these systems.

The Financial Plan also recommends a Technology and Smart City Master Plan (FY 24) to outline a comprehensive strategy and framework for leveraging advanced technologies and data-driven solutions as we continue our focus on continuous improvement within our organization and in service to our community.

Facility Services - 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 allocates funding for our Facilities Capital Improvement Program with over \$ 25,100,000 in facility related projects identified in the proposed capital improvement program.

The Financial Plan recommends establishing a routine Facility Maintenance Program. The program is recommended to be established beginning in fiscal year 2024 with an initial allocation of \$ 250,000. The Financial Plan then includes adding in an additional \$ 250,000 per year beginning in fiscal year 2025 and continuing until fiscal 2029, until we reach the optimum funding level of \$ 1,500,000 per year.

The Financial Plan also recommends the addition of a Project Manager (FY 25, a new addition), a Project Coordinator (FY 26, a new addition), Building Improvement Technician in Facility Services (FY 25, decelerated from FY 24), an additional Custodial Crew (FY 26, a new addition), and a Building Maintenance Technician (FY 29, a new addition) to provide the staff resources necessary to implement and maintain these projects and facilities.

Fleet Services - The Financial Plan allocates approximately \$ 18.3 million in capital equipment purchases and replacements throughout the multi-year plan and recommends the addition of an Automotive Technician II (FY 25, decelerated from FY 24). Funding is also included for the addition of an Inventory Specialist (FY 26, decelerated from FY 25) for Fleet Services.

The Financial Plan also recommends Heavy Duty Truck Technicians embedded in Transportation Services (FY 25, a new addition), Solid Waste (FY 24), and Utility Services (FY 29, a new addition) and a Fleet Services Coordinator in Fire (FY 26) to help serve as a liaison between the operating departments and Fleet Services and to provide preventative maintenance services to our departments with large fleets.

The Financial Plan also recommends funding a Fleet Summer Apprenticeship program (FY 24, a new addition) to allow local high school students participating in automotive career and technical school programs to continue their training during the Summer months.

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 two Accountants (FY 26; FY 28) in the Finance Department to provide 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 Communications and Marketing Department is proposed in the Proposed Financial Plan to invest in the resources necessary to ensure strong communication.

The Financial Plan includes a Marketing Specialists (FY 27, decelerated from FY 26), a Community Engagement Specialist (FY 27, decelerated from FY 26), a Webmaster (FY 28, decelerated from FY 26), and an Assistant Director position (FY 29, a new addition). These proposed staff additions will provide the resources necessary to implement a city-wide Communication, Marketing, and Engagement Plan. Funding for an overall increase to our marketing and communications resource budget is recommended in the Financial Plan. Funding to establish a comprehensive community survey program (FY 24) is also proposed.

Beautiful Spaces and Unique Experiences

Quality of life, the characteristics of our community that make 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.

Parks and Recreation - 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 continued funding for our Places and Spaces Capital Improvement Program with a total of over \$ 33,000,000 in parks-related projects identified in the proposed capital improvement program.

The Financial Plan recommends establishing a routine Parks and Recreation Maintenance Program. The program is recommended to be established beginning in fiscal year 2024 with an initial allocation of \$ 250,000. The Financial Plan then includes adding in an additional \$ 250,000 per year beginning in fiscal year 2025 and continuing until fiscal year 2029, until we reach the optimum funding level of \$ 1,500,000 per year.

The Financial Plan includes funding for a Landscape Spray Technician (FY 25, decelerated from FY 24) and five additional Maintenance Workers (FY 25; FY 26; FY 27) to maintain our park system. An additional Recreation Specialist position (FY 25) is also recommended to help support after school programming, and an Assistant Golf Professional position (FY 25) is recommended to help provide additional management support for Sammons Golf Course.

A new park ranger program is also proposed, including the addition of a Lead Park Ranger (FY 27, decelerated from FY 26) and three Park Ranger positions (1 in FY 27, decelerated from FY 26; 2 in FY 28, decelerated from FY 27).

A Hillcrest Cemetery Master Plan (FY 24) and a Sammons Golf Course Master Plan (FY 24, new addition) are also proposed in order to guide future investments in these crucial community assets.

The Financial Plan also recommends funding for a reorganization for the Parks and Recreation Administration and the Recreation Division (FY 24) aiming to enhance operational efficiency and job clarity. As part of this initiative, several positions were reclassified to align more closely with their respective job responsibilities, ensuring optimal utilization of skills and expertise. Additionally, key management and support positions are recommended to strengthen oversight and provide essential guidance, enabling the division to deliver an even higher level of service and satisfaction to our community.

Arts, Culture, and Tourism - The Financial Plan also recommends the development of an Arts and Culture Master Plan (FY 24, a new addition) in order to provide a comprehensive and strategic framework that will guide the development, promotion, and preservation of arts and cultural initiatives within our community. The Plan is intended to serve as a roadmap to enhance cultural vitality, foster creativity, and ensure access to diverse artistic experiences, ultimately enriching the quality of life for residents and visitors alike.

In order to continue leveraging partnerships with other community organizations in providing culture and art programming, the Financial Plan recommends a \$ 200,000 allocation for grant funding for Heritage and Arts Partnership organizations. Partnerships created under this grant program will focus on programs or services that promote the arts, history, and Temple's rich heritage. Partner agencies in this category must meet all requirements of State law regarding the proper use of Hotel Occupancy Tax funds.

The plan also recommends a Sports Marketing Specialist (FY 25, decelerated from FY 24) to help increase sporting events and related tourism.

The Financial Plan recommends funding to implement the recommendations in the recently completed Special Events Strategic Plan, including the establishment and expansion of Citysponsored special events, updates to our Special Event Application process, and implementation of a Special Event Support program.

An Events Venue Master Plan is currently underway and will guide future recommendations for investments in the Mayborn Center.

Library - As part of the recently completed Library Master Plan's implementation, the Financial Plan recommends additional staffing positions including an Assistant Director (FY 24, a new addition), Facility Manager (FY 24, a new addition), a Youth Services Librarian (FY 27, decelerated from FY 25), and a second Assistant Director (FY 29, a new addition) to bolster the library's capabilities and support expanded programming at the Central Branch.

In line with the Library Master Plan's vision for improvement, a schematic design process is recommended within the Financial Plan for enhancing the Central Branch. This design phase aims to revitalize the facility, making it more engaging and user-friendly for our community. The enhancements will create a welcoming environment and accommodate the evolving needs of library patrons.

Further, the Library Master Plan recognizes the importance of community accessibility and outreach, leading to the identification and acquisition of suitable sites (FY 24) for the future establishment of three branch libraries. This strategic move ensures that library services and resources are brought closer to various neighborhoods, making them more accessible to a wider range of residents.

The Financial Plan recommends advancing one of the three future branch sites to the next stage, recommending funding for design (FY 24), construction (FY 25) and the allocation of staffing and operating funds (FY 26).

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.

Love Where You Live - The Financial Plan recommends the continuation and expansion of our Love Where You Live neighborhood planning program which 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 Love Where You Live program was focused initially on the eighteen older neighborhoods that form the core of the East and North portions of our community. The Financial Plan recommends the expansion of the Love Where you Live program through the addition of six neighborhood planning districts, for a total of 24 neighborhoods and the addition of nine corridor planning districts, for a total of 10 strategic corridors.

The Financial Plan includes funding to systematically develop neighborhood-specific strategic plans for each of the nine remaining neighborhood planning districts and a corridor-specific plan for each of the ten strategic corridor districts beginning in fiscal year 2024 and continuing until all plans have been completed.

The plan recommends additional positions to help provide the staffing resources necessary to develop and implement our neighborhood planning programs, including an additional Resource Coordinator (FY 26, decelerated from FY 25) focused on housing and a Grant Coordinator (FY 25, decelerated from FY 24) to help us maximize grant funding opportunities.

The Financial Plan includes continued funding for our Places and Spaces Capital Improvement Program with a total of over \$ 28,000,000 in neighborhood-related projects identified in the proposed capital improvement program.

Grants and Community Partnerships - 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, neighborhood revitalization, homelessness and mental health programs, and other community development projects.

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 a \$ 25,000 allocation for grant funding available for Education and Recreation Partnership organizations. This funding is focused primarily on educational and recreational programs for underserved youth. These programs could include after school care, athletics, nutrition, arts, and music. The Financial Plan also recommends a \$ 125,000 for grant funding available for Community Enhancement Partnerships. Partnerships created under this category will relate to administration of programs and activities that achieve specific outcomes that are in alignment with the City of Temple's Strategic Plan and/or Community Development Consolidated Plan.

Funding for a Residential and Commercial Grant Program within the Neighborhood Planning Districts is also proposed.

The plan recommends continued support for the newly created Temple Revitalization Corporation as part of the City's Community Development Program. This funding will provide necessary support services, such as legal and professional fees, as well as provide funding for the creation of development plans and for strategic property acquisition.

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 Combination Building Inspector (FY 24, a new addition) and a Planning Manager (FY 26) in the Planning and Development Department.

The addition of a Business Navigator (FY 28, decelerated from FY 26) is also proposed to provide increased support to small, mid-sized, and start-up businesses throughout the development process.

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

Mobility, Transportation, and Drainage - The Financial Plan includes continued funding for our Mobility Capital Improvement Program with just under \$ 130,000,000 in mobility related projects identified in the proposed capital improvement program.

The Financial Plan also includes funding for expanding transit services as recommended in the Mobility Master Plan.

The Financial Plan recommends continued funding for the routine Pavement Maintenance Program. The program was established beginning in fiscal year 2022 with an initial allocation of \$ 250,000. The Financial Plan then includes adding in an additional \$ 250,000 per year and continuing until fiscal year 2028, until we reach the optimum funding level of \$ 1,750,000 per year.

Six new transportation-related maintenance crews are also proposed as part of the Financial Plan. Additional crew proposals include a Pavement Marking and Right-of-Way Crew (FY 25, a new addition), an Alley and Right-of-Way Crew (FY 26, decelerated from FY 25), a Street Patching Crew (FY 25, accelerated from FY 26), a Forestry (tree trimming) Crew (FY 25, accelerated from FY 26), a Sign Crew (FY 27), and a Street Reconstruction Crew (FY 28). The Financial Plan also recommends the implementation of an annual Pavement Marking Maintenance Program (FY 25, decelerated from FY 24), the addition of a Traffic Signal Maintenance Technician (FY 25), and a Street Foreman (FY 28).

We are currently in the process of finalizing a Drainage Study and Comprehensive Modeling Assessment. 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.

Water and Wastewater – The Financial Plan includes an additional \$ 234,000,000 in capital funds to implement water and wastewater improvement projects, including an expansion of the Temple-Belton and Doshier Farms wastewater treatment plants and an extensive and systematic approach to reducing sanitary sewer overflows.

Four additional water maintenance crews (FY 25, FY 27, FY 28, FY 29) 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 (1 in FY 26, 2 in FY 28) 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.

Four additional Water Operator positions (2 in FY 24, 2 in FY 27) are recommended to support the new Membrane Water Treatment Plant expansion and provide additional maintenance capacity.

The Financial Plan also recommends the addition of two Utility Foreman positions (FY 28), three Meter Technicians (FY 24, a new addition; FY 26; FY 28, a new addition) and two Environmental Program Technicians (FY 24, FY 28).

Solid Waste and Recycling – 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.

Additional residential garbage and recycling routes are recommended in fiscal year 2025 (a new addition), 2026, 2028 (a new addition), and 2029 (a new addition). Additional commercial frontload routes are recommended in fiscal years 2025 and 2028. An additional brush and bulk route is recommended in fiscal year 2025 (decelerated from FY 24). Additional commercial roll-off routes are recommended in fiscal years 2025, 2027, and 2029 (a new addition).

The Financial Plan also recommends the addition of a Recycling Assistant and recycling trailers to implement a multi- family recycling program (FY 25, decelerated from FY 25), two additional Maintenance Worker positions (FY 25, decelerated from FY 24; FY 26), an additional Customer Service Representative (FY 27), three swing Solid Waste Driver positions (2 in FY 24, 1 in FY 28), a Solid Waste-embedded Code Compliance Officer (FY 29, a new addition), and the addition of a Litter Crew (FY 27, decelerated from FY 26).

The Financial Plan also recommends funding for new Paint ReMix (FY 25, a new addition) and food waste composting (FY 26, a new addition) programs.

Engineering – Two additional Project Engineer positions (FY 24, accelerated from FY 26 and FY 28, a new addition) are proposed in Engineering in order to provide project management support for our extensive capital improvement programs.

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.

An allocation of \$65,400,000 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, an expansion and update of the Police Headquarters campus, improvements to fire stations, construction of an additional fire station, and investments in equipment.

Police and Animal Services – The Financial Plan recommends adding a total of 32 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 ten additional police officers and four additional sergeants is needed to complete this initiative. The addition of five Police Officer positions and two Sergeant positions each year is recommended in fiscal year 2027 and fiscal year 2028 (decelerated from FY 24 and FY 25).

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 2029 (decelerated from FY 28) 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 28, decelerated from FY 26 and FY 29, decelerated from FY 27) 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 six Police Officer positions (4 in FY 28, decelerated from FY 26 and 2 in FY 29, new additions) and one Sergeant position (FY 28, decelerated from FY 26).

The Financial Plan also recommends funding allocations for the addition of two Police Officer positions (FY 27, decelerated from FY 24 and FY 29, decelerated from FY 27) to implement an enhanced training program, a Crime Scene Supervisor (FY 29, a new addition), a Forensic Electronic Investigator, three Animal Services Field Officer positions (FY 24; FY 27, decelerated

from FY 26; and FY 28), as well as three additional Animal Shelter Technicians (FY 24; FY 25, accelerated from FY 26; and FY 27) to maintain service levels as our community grows.

Fire and Rescue – The Financial Plan recommends adding a total of 53 sworn firefighter positions and 7 civilian positions to add the resources necessary for our Fire Department to provide emergency response as our community grows.

The Financial Plan recommends two additional fire squad vehicles to be purchased (FY 24, FY 25) and fully staffed (FY 25, decelerated from FY 24 and FY 26) to provide enhanced response capacity in the growth areas of our community.

Three additional Battalion Chief (FY 25, accelerated from FY 26) positions and three additional Driver Safety Officer (FY 25, accelerated from 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 plan also recommends the addition of three additional Deputy Fire Marshal positions (FY 24, accelerated from FY 25; FY 27, decelerated from FY 26; and FY 29, a new addition), a Battalion Chief of Administration (FY 28, a new addition), six additional Firefighter positions to provide coverage for personnel on leave or in training (3 in FY 26 and 3 in FY 27, a new request), two Firefighter positions (FY 28 and FY 29, new additions) to implement an enhanced training program, and nine additional Firefighter positions to provide additional staffing on each ladder truck (3 each in FY 27; FY 28; and FY 29, new additions) for the Fire Department.

The recently completed Fire Master Plan, recommends a new station in west Temple be constructed within the next 5-10 years. Funding for design (FY 25) and construction (FY 26) for the new station is included in the plan. The Financial Plan also includes a placeholder in fiscal year 2028 for staffing for new Station #9.

Code Compliance – Funding for additional code compliance resources are included in the Financial Plan including three Code Compliance Officer positions (FY 26, decelerated from FY 25; FY 27, decelerated from FY 26; and FY 29, decelerated from FY 28). These proposed additions will provide the staff resources necessary to expand our proactive, solution-oriented code compliance approach.

Mental Health and Homelessness – The City of Temple, in partnership with the City of Killeen and Bell County, recently completed a county-wide strategic plan to address Mental Health and Homelessness resources within our communities. Central to the implementation of the strategy is the establishment of a transformative centralized campus where individuals experiencing homelessness can seek shelter, along with comprehensive mental health treatment and recovery services. The Mental Health and Homelessness Strategy recommends the development of a campus in west Bell County serving Killeen and east Bell County serving Temple. The Financial Plan recommends funding for design (FY 24) and construction (FY 25) of the initial phase of the campus.

OTHER INFORMATION

<u>Independent Audit</u> 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, 2023, 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.

<u>Certificate of Achievement</u> 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, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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-two consecutive years (Fiscal Years ended 1981-2022). 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.

<u>Distinguished Budget Presentation Award</u> For the fiscal year 2022-23 Budget document, the City received, for the twenty-seventh 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, CGMA, CPA, Treasury & Debt Division Director, Stacey Reisner, CGMA, CPA, Budget Division Director, Jennifer Emerson, and Accountant II, Veronica Hernandez for their exemplary efforts in assuming primary responsibility for producing this document.

Other departments and offices of the City have also contributed directly or indirectly to the preparation of this report. We acknowledge the efforts of the departments in following good financial management practices and in providing information and assistance during the preparation of this report.

We acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, Brockway, Gersbach, Franklin & Niemeier, P.C.

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,		
Traci L. Barnard, CPA	Brynn Myers	_
Director of Finance	City Manager	



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

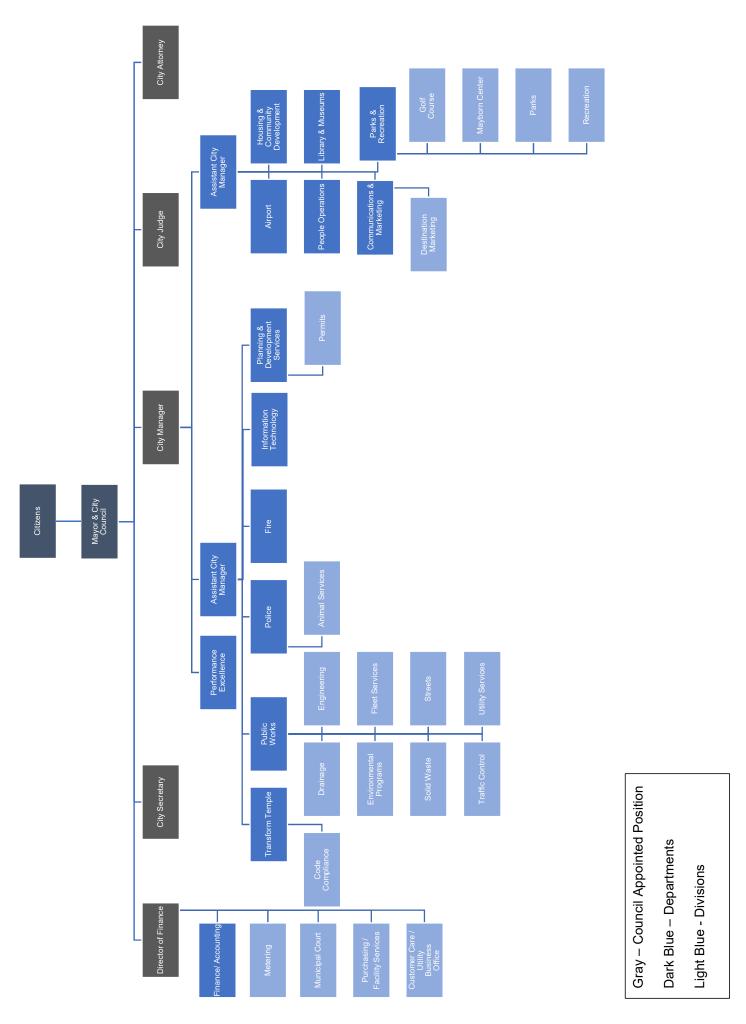
City of Temple Texas

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO



CITY OF TEMPLE PRINCIPAL OFFICIALS



MAYOR TIM DAVIS

MAYORPRO-TEMPORE

JESSICA WALKER

COUNCILMEMBER
ZOE GRANT

COUNCILMEMBER

MIKE PILKINGTON

COUNCILMEMBER

SUSAN LONG

BRYNN MYERS, CITY MANAGER

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

KATHRYN DAVIS, CITY ATTORNEY

JANA LEWELLEN, CITY SECRETARY







INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Prior Period Adjustment

As described in Note I. G to the financial statements, the City restated its government-wide net position to the implementation of *GASB Statement No. 96, Subscription-Based Information Technology Arrangements* (also Note 1. E. 15). The City also restated its Water and Wastewater Fund net position and its government-wide net position to record infrastructure contributed from developers to comply with *GASB Statement No. 34*. Our opinion is not modified with respect to this matter.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 43 - 58, 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 146 - 150 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 152 - 154 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of expenditures of federal and state awards, 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 other supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Information

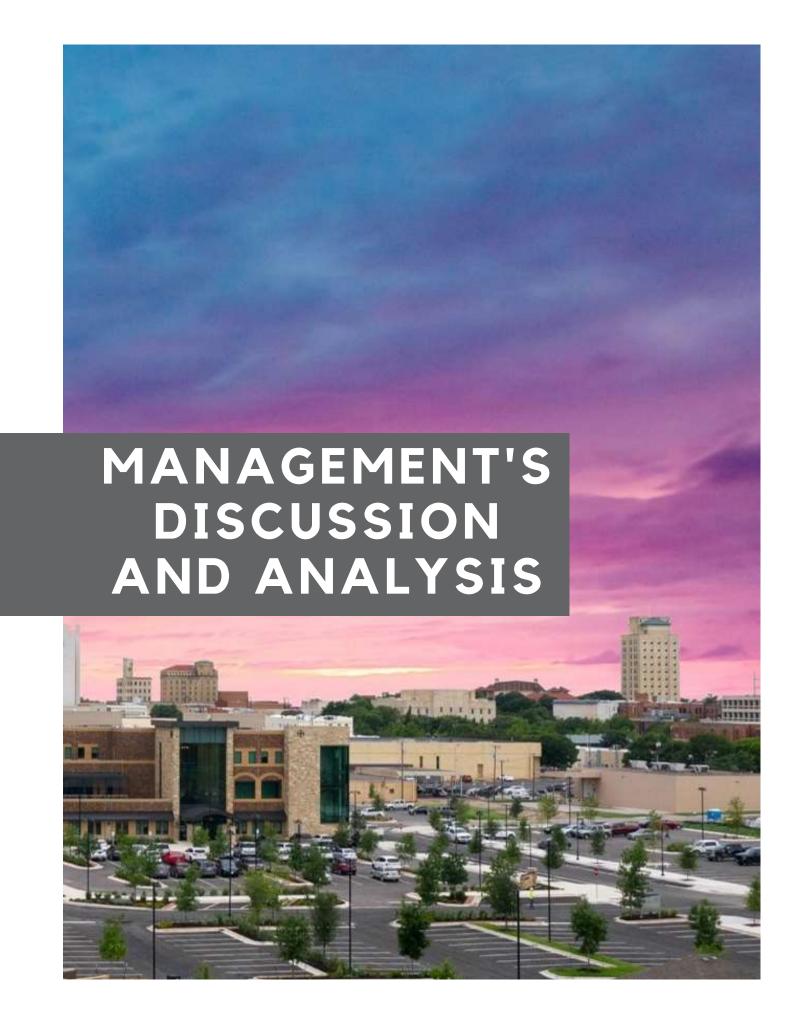
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2024, 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 City of Temple, Texas' internal control over financial reporting and compliance.

Temple, Texas
February 12, 2024





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, 2023. 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 \$ 416,001,107 at September 30, 2023. Of this amount, \$ 19,438,185 is unrestricted and may be used to meet the City's future obligations. Of the \$ 19.4 million net unrestricted net position, \$ 1,431,494 is related to governmental activities, which includes the General Fund. The \$ 18,006,691 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 \$78,639,068 during the current fiscal year. Net position of governmental activities increased \$54,181,602 from \$145,398,666. Net position of business-type activities increased \$24,457,466 from \$191,963,373. 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 in the amount of \$74,738,180. The implementation of GASB 96 related to subscription-based information technology arrangements, as well as recording infrastructure donated from developers was a contributing factor to the increase in net position.
- Due to the increase in the net pension liability, there was a corresponding increase in deferred outflows of resources in the amount of \$ 22,300,049. In addition, there was a decrease in deferred inflows of resources in the amount of \$ 18,650,095. The implementation of GASB 96 related to subscription-based information technology arrangements, as well as recording infrastructure donated from developers was a contributing factor in the increase in deferred outflows.
- As of September 30, 2023, the City of Temple's governmental funds reported combined ending fund balances of \$ 181,886,944, an increase of \$ 15,074,581 in comparison with the prior fiscal year. The capital projects fund had a net increase of \$ 9,992,108 due to the issuance and expenditure of bond proceeds from Transportation Capital Improvement Program, Drainage Capital Improvement Program, Places & Spaces Capital Improvement Program, Public Safety Capital Improvement Program, as well as constructing and equipping City buildings. In addition, there was an increase of \$ 4,773,823 in the general fund balance and a \$ 384,321 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 \$ 75,671.
- At the end of the current fiscal year, assigned/unassigned fund balance for the general fund was \$ 47,173,129 or approximately 25.94% of total general fund expenditures.

The City's total net bonded debt increased by \$ 28,434,217 during the current fiscal year. This
net increase was due to bond issuance of \$ 44,230,000 for the Transportation, Drainage,
Places and Spaces, Public Safety, and Facility Capital Improvement Programs in conjunction
with the offset of debt payments made during the fiscal year.

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, deferred outflows of resources, liabilities, and deferred inflow of resources with the difference 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.

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 seven 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 four 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. Included in the non-major governmental fund reporting is the Temple Revitalization Corporation which is reported as a special revenue fund as a discretely presented component unit.

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.

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 143 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 146 through 156 of this report.

THE CITY AS A WHOLE – Government-Wide Financial Analysis

The City's combined net position was \$ 416,001,107 as of September 30, 2023. 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 (93.91%) 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.

Table I Summary of Statement of Net Position

					Total	
	Govern	nmental	Business-type		Primary	
	Activ	vities	Activities		Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 229,734,169	\$ 214,708,364	\$ 108,024,575	\$ 96,806,085	\$ 337,758,744	\$ 311,514,449
Capital assets	376,997,930	300,786,145	357,701,356	319,000,431	734,699,286	619,786,576
Total assets	606,732,099	515,494,509	465,725,931	415,806,516	1,072,458,030	931,301,025
Deferred outflows						
of resources	37,125,768	16,486,353	6,895,227	5,234,593	44,020,995	21,720,946
Long-term liabilities outstanding	396,551,792	323,386,677	248,297,411	217,876,517	644,849,203	541,263,194
Other liabilities	27,719,511	25,913,491	7,338,685	9,262,633	35,058,196	35,176,124
Total liabilities	424,271,303	349,300,168	255,636,096	227,139,150	679,907,399	576,439,318
Deferred inflows of resources	20,006,296	37,282,028	564,223	1,938,586	20,570,519	6,895,227 39,220,614
Net Position:						
Net investment in capital assets	194,236,539	138,746,724	196,449,371	177,201,006	390,685,910	315,947,730
Restricted	3,912,235	3,077,924	1,964,777	1,876,997	5,877,012	4,954,921
Unrestricted	1,431,494	3,574,018	18,006,691	12,885,370	19,438,185	16,459,388
Total net position, as restated	\$ 199,580,268	\$ 145,398,666	\$ 216,420,839	\$ 191,963,373	\$ 416,001,107	\$ 337,362,039

An additional portion of the City of Temple's net position (1.41%) represents resources that are subject to external restrictions on how they may be used. The balance of *unrestricted net position*, \$ 19,438,185, may be used to meet the government's ongoing obligations to citizens and creditors.

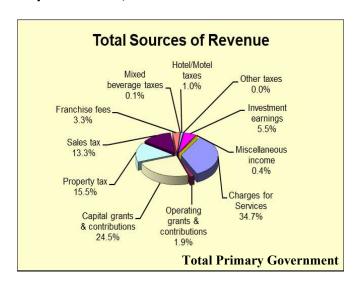
At the end of the current fiscal year, the City of Temple is able to report positive balances in all three categories of net position for the government as a whole.

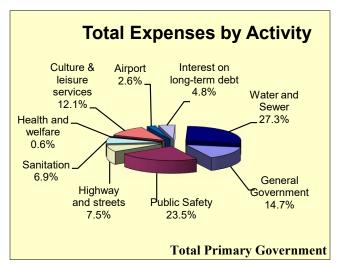
There was an increase of \$ 24,457,466 in net position reported in connection with the City of Temple's business-type activities. The net increase is the result of an increase in investments in capital assets in FY 2023.

Governmental and business-type activities increased the City's net position by \$ 78,639,068. The key elements of this increase are as follows:

Table II Statement of Activities, Changes in Net Position

					To	otal	
	Governmental		Busine	ss-type	Primary		
	Activ	vities	Activ	ities	Government		
	2023	2022	2023	2022	2023	2022	
Revenues:							
Program revenues:							
Charges for services	\$ 43,302,538	\$ 39,497,656	\$ 52,114,559	\$ 46,391,050	\$ 95,417,097	\$ 85,888,706	
Operating grants and							
contributions	5,323,506	5,656,804	-	-	5,323,506	5,656,804	
Capital grants and	47 700 005	45.000.405	40.000.040	40.044.000	07 000 040	25 004 024	
contributions General revenues:	47,700,095	15,986,125	19,698,818	19,814,909	67,398,913	35,801,034	
Property tax	42,546,516	36,793,912			42,546,516	36,793,912	
Sales tax	36,496,375	32,579,840	-	-	36,496,375	32,579,840	
Franchise fees	8,965,301	7,664,979	-	-	8,965,301	7,664,979	
Mixed beverage taxes	260,833	234,279	-	-	260,833	234,279	
Hotel/Motel taxes	,	2,371,876	-	-	,	2,371,876	
	2,713,494		-	-	2,713,494		
Other taxes	69,809	63,911	- 000 400	- 0.070.404	69,809	63,911	
Investment earnings	8,805,593	1,107,913	6,262,129	2,376,134	15,067,722	3,484,047	
Miscellaneous income	1,075,358	2,468,714	-		1,075,358	2,468,714	
Total revenues	197,259,418	144,426,009	78,075,506	68,582,093	275,334,924	213,008,102	
Expenses:							
General government	28,947,790	21,726,667	-	-	28,947,790	21,726,667	
Public safety	46,304,951	40,415,164	-	-	46,304,951	40,415,164	
Highway and streets	14,725,735	14,379,444	-	-	14,725,735	14,379,444	
Sanitation	13,550,411	11,028,193	-	-	13,550,411	11,028,193	
Health and welfare	1,133,909	785,754	-	-	1,133,909	785,754	
Culture & leisure services	23,810,117	17,779,783	-	-	23,810,117	17,779,783	
Airport	5,074,212	4,695,458	-	-	5,074,212	4,695,458	
Interest on long-term debt	9,530,691	7,624,817	-	-	9,530,691	7,624,817	
Water and sewer			53,618,040	46,513,909	53,618,040	46,513,909	
Total expenses	143,077,816	118,435,280	53,618,040	46,513,909	196,695,856	164,949,189	
Increase (decrease) in net position, as restated	54,181,602	25,990,729	24,457,466	22,068,184	78,639,068	48,058,913	
Net position - beginning, as restated	145,398,666	119,407,937	191,963,373	169,895,189	337,362,039	289,303,126	
Net position - ending	\$ 199,580,268	\$ 145,398,666	\$ 216,420,839	\$ 191,963,373	\$ 416,001,107	\$ 337,362,039	





For FY 2023, revenues from governmental activities totaled \$ 197,259,418. In comparison to FY 2022, revenues for governmental activities increased \$ 52,833,409 or 36.58%. Property taxes experienced an increase of \$ 5,752,604 due to growth in assessed valuations from both new construction and increases in existing values. Sales tax reflected an increase of \$ 3,916,535, an increase of 12.02%. Property taxes and sales tax combined are the largest components of revenues (40.07%). In addition, charges for services increased \$ 3,804,882 in FY 2023 as compared to FY 2022. This increase can be attributed to an increase of \$ 1,302,024 in Sanitation charges for services associated with customer growth in solid waste collection. In addition, Culture and Leisure Services saw a significant increase of \$ 1,200,848. This increase can be attributed to strategic operational adjustments made to programming and activities being offered in FY 2021 through FY 2022 after they were abruptly halted in FY 2020 due to the pandemic. It should also be noted that charges for services account for 21.95% of total governmental revenue.

Expenses for governmental activities in FY 2023 totaled \$ 143,077,816. In comparison to FY 2022, expenses for governmental activities increased \$ 24,642,536 or 20.81%. This increase is primarily due to recognizing a full year of the 4% salary adjustment for all employees implemented in June 2022, as well as the implementation of general government market pay adjustments. In addition, there were City-wide operational increases in expenditures associated to programming and activities returning to normal operations after responding to the COVID-19 pandemic in the previous fiscal years. The five largest program expenses in FY 2023 are public safety (\$ 46,304,951), general government (\$ 28,947,790), culture and leisure services (\$ 23,810,117), highways and streets (\$ 14,725,735), and sanitation (\$ 13,550,411).

For governmental activities, the Statement of Activities on page 61 shows that \$43,302,538 was financed by those receiving services, \$5,323,506 from operating grants and contributions, \$47,700,095 from capital grants and contributions, with the City's general revenues financing \$100,933,279 of the remaining program expenses.

The debt service fund has a total fund balance of \$ 91,422, 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 \$ 125,529,686. The fund balance increased by \$ 9,992,108 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 \$ 78,075,506 for the fiscal year ended September 30, 2023. Revenues increased \$ 9,493,413 as compared to the prior fiscal year. Expenses for the City's business-type activities were \$ 53,618,040, an increase of \$ 7,104,131, or 15.27%, compared to the prior fiscal year. The increase in revenues is associated to infrastructure donated from developers and an increase in consumption. Water consumption increased 4.03% in FY 2023 compared to the prior fiscal year. Unrestricted net position of the water and wastewater fund was \$ 18,006,691. The water and wastewater fund unrestricted net position increased in the current fiscal year by \$ 5,121,321.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the FY 2023, the City had \$ 734,699,286 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/Amortization)

				i otai
	Gove	nmental	Business-type	Primary
	Act	ivities	Activities	Government
	2023	2022	20232022	2023 2022
Land	\$ 44,377,469	\$ 39,240,134	\$ 4,154,314 \$ 3,677,299	\$ 48,531,783 \$ 42,917,433
Construction in progress	29,330,376	32,828,965	70,978,773 78,797,716	100,309,149 111,626,681
Buildings	56,450,000	42,366,573	24,695,820 25,840,031	81,145,820 68,206,604
Infrastructure ²	216,797,731	159,924,922	252,741,903 205,486,023	469,539,634 365,410,945
Furniture & equipment	9,764,639	8,977,590	299,059 426,345	10,063,698 9,403,935
Machinery & equipment	18,893,109	15,757,344	4,574,207 4,755,173	23,467,316 20,512,517
Right-to-use leased equipment	193,328	528,340	12,209 17,844	205,537 546,184
Right-to-use subscription ¹	1,191,278	1,162,277	245,071 -	1,436,349 1,162,277
	\$ 376,997,930	\$ 300,786,145	\$ 357,701,356 \$ 319,000,431	\$ 734,699,286 \$ 619,786,576

^{1 -} FY 2022 values restated due to implementation of GASB 96

^{2 -} FY 2022 values restated for addition of developer infrastructure

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

- Extension and Utility Improvements of Canyon Creek/Blackland Road \$ 17,765,083
- Realignment of Hartrick Bluff Road and Utility Improvements \$ 17,346,624
- Wastewater Improvements to Bird Creek, Phase IV B \$ 14,362,108
- New Solid Waste and Recycling Facility \$ 13,973,501
- Kegley Road, Phase II Improvements \$ 8,454,447
- Replacement of Charter Oak Waterline \$ 6,605,873
- Improvements to Azalea Drive, Phase II & III \$ 6,348,608
- Multiple replacements, as well as additions to fleet for Solid Waste \$ 2,911,897
- IH-35 to Range Road/Lucius McCelvey Road Waterline Improvements \$ 2,811,919

Additional information on the City of Temple's capital assets can be found in Note III on pages 96 through 99 of this report.

Debt

At year-end, the City had \$ 551,344,795 in bonds and notes payable outstanding as shown in Table IV.

Table IV
Outstanding Debt, at Year-End

	Govern	mental	Business-type			
	Activ	ities	Activities		Totals	
	0000	0000	0000	0000	0000	0000
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 51.185.000	\$ 57.530.000	\$ 22,925,000	\$ 27.190.000	\$ 74.110.000	\$ 84,720,000
o o	, - , ,	, , , , , , , , , , ,	\$ 22,923,000	\$ 27,190,000	, -,	. , ,
Certificate of obligation	224,750,000	190,900,000	-	-	224,750,000	190,900,000
Contractual obligations	9,485,000	8,150,000	-	-	9,485,000	8,150,000
Revenue bonds	-	-	194,945,000	165,050,000	194,945,000	165,050,000
Notes payable	2,048,770	2,219,987	152,079	164,788	2,200,849	2,384,775
Lease liability	108,365	421,784	11,559	17,076	119,924	438,860
Subscription liability ¹	963,043	959,861	250,125	_	1,213,168	959,861
Premiums/discounts	22,506,706	20,354,021	22,014,148	21,997,286	44,520,854	42,351,307
Totals	\$311,046,884	\$280,535,653	\$240,297,911	\$ 214,419,150	\$551,344,795	\$494,954,803

^{1 -} FY 2022 values restated due to implementation of GASB 96

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

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 4.17%.

Additional information on the City of Temple's long-term debt can be found in Note III, on pages 105 through 113 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 \$ 181,886,944. Approximately 25.94% of this total amount, \$47,173,129, 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, prepaid items, and leases \$ 2,310,328; has already been restricted 1) to pay for debt service, \$ 91,422; 2) to pay for drug enforcement, \$ 124,792; 3) to pay for library collection enhancement and other, \$ 734,406; 4) to pay for bond-funded construction projects, \$ 125,529,686; 5) to pay for museum expenditures \$ 17,581; 6) to pay for promotion of tourism \$ 3,035,456; 7) committed to drainage in the amount of \$ 2,787,351 or 8) committed to economic and community development in the amount of \$ 82,793.

In the general fund, the City budgeted for a decrease in the fund balance of \$ 15,029,919, which was primarily resulting from transfers of \$ 7,756,007 to capital project funds, debt service fund, grant fund, and Temple Revitalization Corporation. This decrease was a reduction of excess fund balance to fund "pay as you go" capital projects. The actual fund balance increased for FY 2023 by \$ 4,773,823 due to a net variance with the final adopted budget of \$ 19,803,742. The increase was primarily attributed to the following:

- Sales tax reflected an increase of 12.02% as compared to FY 2022 largely due to the
 rising cost of goods. 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 2023 came in \$ 2,931,375
 over budgeted, which contributed significantly to the fund balance increase.
- As compared to FY 2022, property tax revenue in FY 2023 has grown as a result of an approximate 27.90% increase in the market value in conjunction with a 20.93% increase in the taxable property values, driven by increased local real estate market values. Additionally, the City had approximately \$ 30,441,869 of new value for all property types added to the tax roll, which was a 15.49% increase in FY 2023 as compared to FY 2022. Property tax revenue for FY 2023 ended \$ 410,142 under budget for property tax revenues in the general fund.

It should also be noted that the following netted revenues also increased fund balance: franchise fees were \$ 843,254 over budget, charges for services were \$ 226,993 under budget, licenses and permits were \$ 251,421 over budget, interest income was \$ 1,730,376 over budget, sale of assets were \$ 181,705 over budget, fines were \$ 232,681 under budget, and all other revenues were under budget by \$ 49,253. In addition, total expenditures in the general fund came in \$ 12,535,288 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 \$ 4,672,040 of expenditures that came in under budget.

Debt service fund balance decreased in 2023 by \$ 75,671 for an ending balance of \$ 91,422. 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 2023 of \$ 9,992,108 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 \$ 18,006,691, an increase of \$ 5,121,321. The water and wastewater fund unrestricted net position increase in the current fiscal year can be attributed to increases in contributions and consumption, offset by an increase in 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 13.29% or \$ 14,307,321.

During the year there was a \$ 14,307,321 increase in appropriations between the original operating budget and final amended budget. Following are the main components of the increase:

- \$ 813,163 increase in personnel services for various departments. Of this amount,
 - \$ 172,000 supplemental funding in Special Services to cover the additional separation pay, as well as vacation and sick leave accrual in FY 2023.
 - \$ 459,602 was appropriated into Fire's salary and benefit accounts based on the anticipated reimbursement from Texas Division of Emergency Management for firefighters being deployed to assist in the field for various weather events.
 - \$ 359,923 of funding was carried forward from FY 2022 to fund hiring incentives for Police, as well as an additional Inspector position for Permits & Inspections.
 - Approximately \$ 141,830 of hiring lag was reallocated for to cover higher than anticipated water usage and increased fertilizer costs, as well as pre-employment expenses for Parks.

- \$ 50,730 hiring lag was reallocated to demolitions and lot clean-up within Transform Temple.
- \$ 40,000 was appropriated to fund overtime for Fire.
- Approximately \$ 31,800 of various departmental operating budgets were reallocated to cover personnel services within Animal Services (\$ 11,299), City Secretary's Office (\$ 8,156), Engineering (\$ 8,294), Planning (\$ 890), and Purchasing (\$ 3,161).
- \$ 29,750 of hiring lag was reallocated to cover outsourcing inspections services due to shortage of Inspectors within Permits & Inspections.
- \$ 27,491 of Police's hiring lag was reallocated to judgments & damages to cover higher than anticipated payments to TML Intergovernmental Risk Pool for police liability.
- \$ 25,279 was appropriated to fund salary expense associated to golf lessons provided at Sammons Golf Course.
- Approximately \$ 21,970 was appropriated for overtime worked within Solid Waste related to necessary clean-up resulting from the ice storm damages that occurred on January 31, 2023 through February 2, 2023.
- \$ 20,576 in savings for retiree health insurance was reallocated to for the purchase of a new records management system for Fire.
- \$13,921 was appropriated was appropriated for salaries and benefits for staff within Housing & Community Development that did not work Community Development Block Grant hours as budgeted.
- \$ 11,650 of hiring lag within Performance Excellence was reallocated for the 2023 Community Survey.
- \$ 11,592 of hiring lag within Police was reallocated to cover the purchase of rifles.
- \$ 9,330 of hiring lag within Airport was reallocated for executive search services performed by ADK Consulting for the FBO Manager position.
- \$3,245,202 supplemental funding in capital to various departments within the General Fund for projects that were not completed in the previous year.
- \$ 1,644,369 supplemental funding in operations to various departments within the General Fund for projects that were not completed in the previous year.
- \$1,165,698 additional funding appropriated for cost of goods sold for fuel at Airport.
- \$ 576,113 supplemental funding for services agreement with D&J Enterprises, Inc. for the brush debris removal services agreement.
- \$ 345,380 was appropriated for landfill tipping fees for Solid Waste, as well as \$30,000 for contracted related to residential single stream recycling.
- \$ 304,300 supplemental funding for repair & maintenance to sanitation vehicles for Solid Waste.
- \$ 297,213 supplemental funding for data conversion services needed to implement the records management software and support for Temple Police Department.

- \$ 225,000 supplemental funding for legal services to be provided by Haley & Olsen, P.C. associated to litigation related to Bend of the River.
- \$ 168,928 supplemental funding for the purchase of fleet for Police, Fire, Code Compliance, as well as three Iteris cameras for Traffic Control.
- \$ 145,000 supplemental funding for repair & maintenance to Fire's fleet.
- \$ 110,904 supplemental funding change order #3 to the construction contract with R.T. Schneider Construction Company, LTD related to construction of Corporate Hangar Infrastructure Improvements, Phase IV.
- \$ 108,549 for agreement with Focused Advocacy for legislative lobbying services.
- \$ 97,500 supplemental funding for professional services agreement with Rafetlis Financial Consultants, Inc. for strategic planning facilitator services.
- \$ 78,313 supplemental funding for professional services agreement with Kasberg, Patrick
 & Associates to develop the FM 2483 Corridor Master Plan.
- \$ 65,300 supplemental funding to Temple Revitalization Corporation to fund future property purchases.
- \$ 65,000 additional funding was appropriated for the Chapter 380 Agreement with Buc-ee's.
- \$ 50,574 supplemental funding for Bell County Communications services.
- \$ 50,000 supplemental funding for age-based risk physicals for all certified fire personnel due to grant funding not available for FY 2023.
- \$ 40,000 supplemental funding for site visioning of the former FBO building at the Airport to be performed by Covey Planning & Landscape Architecture.
- \$ 34,500 supplemental funding for a professional services agreement with Thompson,
 Ventulett, Stainback & Associates, Inc. to develop the Event Venue Master Plan.
- \$ 34,290 supplemental funding for the purchase of grant management software from AmpliFund.
- \$ 29,752 appropriation for the purchase of a Thermo-Scientific TruNarc Handheld Narcotics Analyze to be used by Police's Special Investigations Unit.
- \$ 26,500 supplemental funding for t-hangar and box hangar feasibility analysis performed by Airport Business Solutions.
- \$ 18,000 supplemental funding for legal services provided by Hogan Lovells US, LLP to advise on regulatory issues related to BNSF easement related to recommendation of a linear park/trail adjacent to the rail line within the Historic District and Central District Neighborhood Plans.
- \$ 15,000 supplemental funding for Community Enhancement Grant for warming shelter operations at Impact Church.

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 (\$ 2,265,005), an increase in licenses and permits (\$ 9,235), an increase in sales tax (\$ 65,000), an increase in insurance proceeds

(\$ 97,146), an increase in intergovernmental revenues (\$ 511,529), and an increase in other income from various sources (\$ 288,080). The remaining increases in expenditure appropriations were funded with Assigned General Fund Balance.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

As part of the American Rescue Plan Act of 2021, the City was 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 COVID-19 pandemic, address the economic fallout, and lay the foundation for a strong and equitable recovery. In FY 2022, the City utilized approximately \$ 4,264,601 of the funding for premium pay to essential workers, as well as supporting and retaining public sector workers through a retention pay program. The remainder of the funding is currently programmed to support the construction of a new municipal building.

The City's elected and appointed officials considered many factors when setting the FY 2024 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. Temple's unemployment rate is 4.09%, representing one of the lowest rates in the State of Texas. 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 2024. The total 2023-2024 combined budget appropriation totals \$ 219,484,442 for six operating funds.

The 2023-2024 General Fund budget of \$ 122,755,878 represents an increase of 14.06% or \$ 15,134,231 in comparison to the adopted 2022-2023 budget. The focus of the FY 2024 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. 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 2024 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 \$ 5,009,150 from fund balance to assist in the funding of \$ 3,670,350 in capital outlay, \$ 343,800 in funding for the Temple Revitalization Corporation, \$ 250,000 for Service Center Master Plan, \$ 135,000 for Hillcrest Cemetery Master Plan, \$ 100,000 for Arts District Master Plan, \$ 80,000 for a

Technology & Smart City Master Plan, \$ 75,000 for the Summit Recreation Mater Plan/Strategic Plan, \$ 70,000 for an Aquatic System Assessment, \$ 50,000 for demolition of Old Solid Waste Facility, \$ 50,000 for Neighborhood Planning District — Woodlawn Overlay, \$ 50,000 Neighborhood Planning District — Oaks at Westwood Overlay, \$ 35,000 for development of a Historic Preservation Plan, and \$ 100,000 for Strategic Investment Zone Corridor (SIZ). The budget assesses a tax rate of \$ 0.6310 per \$ 100 valuation, which reflects no change from the FY 2023 tax rate. The budget recognizes increases in ad valorem taxes, sales tax, franchise fees, and culture & recreation 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. FY 2022 did include a rate adjustment of \$ 0.25 per 1,000 gallons to volumetric rate for both water and wastewater. In FY 2023, a rate adjustment of approximately 3.86% for water rates, as well as an approximate 13.83% rate adjustment for wastewater rates become effective October 1, 2022. The FY 2024 Budget included a rate adjustment of approximately 7.00% for water rates, which became effective October 1, 2023. The current rate model for FY 2025 through FY 2029 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.

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 2024 through FY 2029 Utility Capital Improvement Program.

The FY 2024 Water and Wastewater Fund operating budget of \$ 58,785,144, is an increase of 8.45% 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.



	Primary Government		Component Units		
	Governmental Activities	Business-type Activities	Total	Reinvestment Zone No. 1	Temple Economic Development Corporation
ASSETS	Activities	Activities	IOIAI	Zone No. 1	Corporation
Cash Investments	\$ 9,700 198,095,749	\$ 8,050 19,965,942	\$ 17,750 218,061,691	\$ - 17,885,888	\$ 6,412,935 -
Property taxes, net of allowance	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,	_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,	
for uncollectibles	914,763	-	914,763	395,734	-
Receivables, net of	E 200 101	2 557 740	8.866.853	20.047	2.206
allowance for uncollectibles Lease receivable	5,309,104 16,518,809	3,557,749 -	16,518,809	30,947 _	2,206 3,705,439
Due from other governments	5,968,055	=	5,968,055	-	-
Inventories	562,785	533,357	1,096,142	-	-
Prepaids	847,782	296,170	1,143,952	=	206,980
Other assets Restricted assets:	18,561	=	18,561	-	-
Cash and investments	1,488,861	83,663,307	85,152,168	89,896,259	12,632,415
Land held for investment Capital assets not being	-	-	-	-	27,032,001
depreciated:	44.077.400	4.54.644	10 501 700	05 757 050	
Land Construction in progress	44,377,469 29,330,376	4,154,314 70,978,773	48,531,783 100,309,149	25,757,352 61,204,496	-
Capital assets, net of	29,330,370	70,970,773	100,309,149	01,204,490	_
accumulated depreciation:					
Buildings	56,450,000	24,695,820	81,145,820	2,691,433	4,646,251
Infrastructure	216,797,731	252,741,903	469,539,634	102,163,220	-
Furniture and equipment	9,764,639	299,059 4,574,207	10,063,698	24,974	35,262
Machinery and equipment Right-to-use capital assets	18,893,109 1,384,606	257,280	23,467,316 1,641,886	-	-
Total assets	606,732,099	465,725,931	1,072,458,030	300,050,303	54,673,489
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts on refunding	2,755,807	3,637,639	6,393,446	900,164	_
Deferred amounts of contributions	7,242,374	878,983	8,121,357	-	-
Difference in expected and actual experience	5,398,897	548,513	5,947,410	-	-
Difference in projected and actual investment earnings	19,333,633	1,681,597	21,015,230	-	-
Changes in assumptions Total deferred outflows of resources	2,395,057 37,125,768	148,495 6,895,227	2,543,552 44,020,995	900.164	
Total deletted dutilows of resources			44,020,000		
LIABILITIES					
Vouchers and contracts payable	8,434,500	2,911,490	11,345,990	3,839,745	114,621
Retainage payable	605,422	1,797,700	2,403,122	2,242,413	
Accrued payroll	3,282,219	388,664	3,670,883	-	-
Deposits	136,328	902,984	1,039,312	-	-
Accrued interest payable Unearned revenues	1,999,369 13,261,673	1,267,206 70,641	3,266,575	1,306,979	-
Noncurrent liabilities:	13,261,673	70,041	13,332,314	-	-
Due within one year	21,005,673	14,704,367	35,710,040	4,350,000	55,333
Due in more than one year	375,546,119	233,593,044	609,139,163	177,777,763	3,328,308
Total liabilities	424,271,303	255,636,096	679,907,399	189,516,900	3,498,262
DEFERRED INFLOWS OF RESOURCES					
Lease related	15,614,871	-	15,614,871	=	3,716,550
Difference in expected and actual experience	2,126,227	256,016	2,382,243	-	-
Changes in assumptions Total deferred inflows of resources	2,265,198 20,006,296	308,207 564,223	2,573,405 20,570,519	-	3,716,550
rotal dolonod illiono or roscalesco					
NET POSITION					
Net investment in capital assets/right-to-use assets	194,236,539	196,449,371	390,685,910	90,066,796	1,297,872
Restricted for:			===	, ===	
Debt service	2 025 452	1,964,777	1,964,777	4,885,797	=
Promotion of tourism Other	3,035,456	-	3,035,456	-	-
Other Economic development incentives	876,779 -	<u>-</u>	876,779 -	- -	- 35,892,764
Unrestricted	1,431,494	18,006,691	19,438,185	16,480,974	10,268,041
Total net position	\$ 199,580,268	\$ 216,420,839	\$ 416,001,107	\$ 111,433,567	\$ 47,458,677

CITY OF TEMPLE, TEXAS
STATEMENT OF ACTIVITIES
For the year ended September 30, 2023

			Program Revenues	St	Ž	et (Expense) Kev	Net (Expense) Kevenue and Changes in Net Position	s in Net Position	
			Operating	Capital	Pri	Primary Government	nt	Component Units	nt Units
		Charges for	Grants and	Grants and	Governmental	Business-type		Reinvestment	Temple
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities	Activities	Total	Zone No. 1	EDC
Primary government:									
Gonoral government	007 700 80 \$	\$ 6 667 22E	3 303 711	\$ 50E 130	(18/71/20/)	Ð	(18 /7/ 72/)	e	Đ
			ĵ			·		· •	•
Public safety	46,304,951	4,169,690	663,372	20,877	(41,421,012)	•	(41,421,012)	•	•
Highways and streets	14,725,735	3,391,325	42,000	39,131,959	27,839,549	•	27,839,549	•	•
Sanitation	13,550,411	19,347,795	12,000	8,011,829	13,821,213	•	13,821,213	•	•
Health and welfare	1,133,909	•	1,298,970	•	165,061	•	165,061	•	•
Culture and leisure services	23,810,117	5,834,483	3,753	•	(17,971,881)	•	(17,971,881)	•	•
Airport	5,074,212	3,892,020		•	(1,182,192)	•	(1,182,192)	•	•
Interest on long-term debt	9,530,691	•	1	•	(9,530,691)	•	(9,530,691)	•	•
Total governmental activities	143,077,816	43,302,538	5,323,506	47,700,095	(46,751,677)		(46,751,677)		
Business-type activities: Water and sewer	53.618.040	52.114.559	1	19.698.818	ı	18.195.337	18.195.337	1	•
Total business-type activities		52,114,559	1	19,698,818		18,195,337	18,195,337		1
Total primary government	\$ 196,695,856	\$ 95,417,097	\$ 5,323,506	\$ 67,398,913	(46,751,677)	18,195,337	(28,556,340)		1
Component units:									
Reinvestment Zone No. 1	\$ 20,187,961	\$ 258,433	•	\$ 50,000	•	•	•	(19,879,528)	•
Temple Economic	0 7 7		0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0						400
Development Corporation		. 050	3,012,711			' 	'	(40.50.00)	427,738
lotal component units	\$ 22,773,374	\$ 258,433	3,012,711	000,000	'	'	'	(19,879,528)	421,298
			General Revenues:	S:					

874,248 446,950 446,950 46,584,429 4,067,029 21,085 24,439,006 8,647,592 \$ 111,433,567 42,546,516 36,496,375 8,965,301 260,833 2,713,494 69,809 15,067,722 1,075,358 107,195,408 78,639,068 337,362,039 \$ 416,001,107 6,262,129 6,262,129 191,963,373 \$ 216,420,839 24,457,466 145,398,666 \$ 199,580,268 36,496,375 8,965,301 260,833 2,713,494 69,809 100,933,279 42,546,516 8,805,593 1,075,358 54,181,602 Net position-beginning, as restated Change in net position Total general revenues Miscellaneous income Mixed beverage taxes Hotel/Motel taxes Investment income Net position-ending Franchise fees Property taxes Other taxes Sales taxes

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

	General		Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 5,200	\$	-	\$ -	\$ 4,500	\$ 9,700
Investments	53,433,051		75,465	129,908,191	14,679,042	198,095,749
Property taxes, net	427,248		487,515	-	-	914,763
Other receivables, net	4,873,291		4,757	1,469	429,587	5,309,104
Lease receivable	16,518,809		4 700 704	-	700 504	16,518,809
Due from other governments	474,740		4,726,781	-	766,534	5,968,055
Inventories, at cost	557,010		-	-	5,775	562,785
Prepaid items Restricted cash and investments	828,982 1,488,861		-	-	18,800	847,782 1,488,861
Other assets	1,400,001		-	-	- 18,561	1,466,661
Total assets	\$ 78,607,192		5,294,518	\$ 129,909,660	\$ 15,922,799	\$ 229,734,169
Total assets	Ψ 70,007,132	= =	3,234,310	Ψ 123,303,000	Ψ 10,322,133	Ψ 223,734,103
LIABILITIES						
Vouchers and contracts payable	\$ 4,406,175	\$	-	\$ 3,781,792	\$ 331,305	\$ 8,519,272
Retainage payable	-		-	592,127	13,295	605,422
Accrued payroll	3,154,399		-	6,055	121,765	3,282,219
Vacation and sick leave payable	768,165		-	-	56,516	824,681
Deposits	54,319		-	-	82,009	136,328
Unearned revenues	4,287,006		5,203,096		9,374,330	18,864,432
Total liabilities	12,670,064	_	5,203,096	4,379,974	9,979,220	32,232,354
DEFERRED INFLOWS OF RESOURCES						
Lease related	15,614,871		_	_	_	15,614,871
Total deferred inflows of resources	15,614,871		-			15,614,871
FUND BALANCES						
Fund Balances:						
Nonspendable:	0.000.000				22.222	0.040.000
Inventories, prepaid items, and leases	2,289,930		-	-	20,398	2,310,328
Restricted for:						
Debt service			91,422	-	-	91,422
Drug enforcement	124,792		-	-	-	124,792
Library and other	734,406		-	-	-	734,406
Construction	-		-	125,529,686	-	125,529,686
Museum	-		-	-	17,581	17,581
Promotion of tourism	-		-	-	3,035,456	3,035,456
Committed to:						
Drainage	-		-	-	2,787,351	2,787,351
Economic and community development	-		-	-	82,793	82,793
Assigned to:						
Capital technology acquisition	555,011		-	-	-	555,011
Capital projects	10,298,695		-	-	-	10,298,695
Self-funded health insurance-General Fund	2,000,000		-	-	-	2,000,000
Purchases on order	7,601,167		-	-	-	7,601,167
Unassigned	26,718,256		-	-	-	26,718,256
Total fund balances	50,322,257		91,422	125,529,686	5,943,579	181,886,944
Total liabilities, deferred inflows of resources, and fund balances	\$ 78,607,192	\$	5,294,518	\$ 129,909,660	\$ 15,922,799	\$ 229,734,169

CITY OF TEMPLE, TEXAS RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION September 30, 2023

Total fund balances-governmental funds		\$ 181,886,944
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 Construction in progress Buildings Infrastructure Furniture and equipment Machinery and equipment Right-to-use leased equipment Right-to-use subscriptions Accumulated depreciation and amortization Total capital assets	\$ 44,377,469 29,330,376 105,513,033 384,812,603 36,925,410 51,571,759 1,249,926 1,946,271 (278,728,917) \$ 376,997,930	376,997,930
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 Deferred amounts of contributions Difference in expected and actual experience Deferred amounts of changes in assumptions Difference in projected and actual investment earnings	\$ 2,755,807 7,242,374 5,398,897 2,395,057 19,333,633 \$ 37,125,768	37,125,768
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 Interest & sinking fund taxes not collected Pass-through toll agreement Total deferred revenue reclassified	\$ 399,663 476,315 4,726,781 \$ 5,602,759	5,602,759
Interest and arbitrage interest payable on long-term debt does not require current financial resources. Therefore, interest and arbitrage interest payable is not reported as a liability in the governmental funds balance sheet.		(2,906,234)
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 Long-term debt, including premium/discount Total long-term liabilities	\$ 20,096,220 374,639,254 \$ 394,735,474	(394,735,474)
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 Changes in assumptions	\$ (2,126,227) (2,265,198) \$ (4,391,425)	(4,391,425)
Net position of governmental activities		\$ 199,580,268

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 58,330,680	\$ 20,609,761	\$ -	\$ 2,713,494	\$ 81,653,935
Franchise fees	8,965,302	-	-	-	8,965,302
Licenses and permits	1,626,105	-	-	-	1,626,105
Intergovernmental	532,993	1,348,047	-	5,782,901	7,663,941
Drainage fees	-	-	-	3,045,945	3,045,945
Charges for services	36,541,616	-	-	655,398	37,197,014
Fines	1,287,461	-	-	-	1,287,461
Interest and other	3,953,837	409,178	5,592,745	245,853	10,201,613
Total revenues	111,237,994	22,366,986	5,592,745	12,443,591	151,641,316
Expenditures: Current:					
General government	22,597,084	-	1,962,360	4,223,821	28,783,265
Public safety	42,014,127	-	6,780,281	239,451	49,033,859
Highways and streets	4,367,198	-	24,136,966	3,166,465	31,670,629
Sanitation	11,480,699	-	8,769,164	12,000	20,261,863
Health and welfare	-	-	-	1,367,994	1,367,994
Culture and leisure services	16,481,969	-	4,436,036	2,753,465	23,671,470
Airport	3,942,325	-	48,318	-	3,990,643
Debt service:					
Principal retirement	732,410	15,561,217	-	63,047	16,356,674
Interest and fiscal charges	21,861	9,663,520	278,737	4,215	9,968,333
Total expenditures	101,637,673	25,224,737	46,411,862	11,830,458	185,104,730
Excess (deficiency) of revenues					
over expenditures	9,600,321	(2,857,751)	(40,819,117)	613,133	(33,463,414)
Other financing sources (uses):					
Transfers in	321,516	2,782,080	3,098,863	764,318	6,966,777
Transfers out	(5,506,614)	-	(292,240)	(1,167,923)	(6,966,777)
Issuance of loans and bonds	-	-	44,230,000	-	44,230,000
Discount on bond issuance	-	-	(270,249)	-	(270,249)
Original issue premium	-	-	4,044,851	-	4,044,851
Subscription proceeds	358,600			174,793	533,393
Total other financing sources (uses)	(4,826,498)	2,782,080	50,811,225	(228,812)	48,537,995
Net change in fund balances	4,773,823	(75,671)	9,992,108	384,321	15,074,581
Fund balances, beginning of year	45,548,434	167,093	115,537,578	5,559,258	166,812,363
Fund balances, end of year	\$ 50,322,257	\$ 91,422	\$ 125,529,686	\$ 5,943,579	\$ 181,886,944

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, 2023

Net change in fund balances-total governmental funds		\$	15,074,581
Amounts reported for governmental activities in the statement of activities are	different because:		
Governmental funds report capital outlays as expenditures. However, in the st the cost of those assets is allocated over their estimated useful lives as deprecise the amount by which capital outlays exceeded depreciation in the current pe	ciation expense. This		
Capital outlay expenditures Depreciation and amortization expense Net adjustment	\$ 58,836,270 (20,888,556) \$ 37,947,714		37,947,714
Capital contributions of infrastructure that do not provide current financial resou	urces to governmental funds.		38,695,879
The net effect of various miscellaneous transactions involving capital assets (i. donations) is to decrease net position.	e. sales, disposals and		(431,808)
Revenues in the statement of activities that do not provide current financial res reported as revenues in the funds. This adjustment is to recognize the net charevenues. Under the modified accrual basis of accounting, revenues are not rethey are deemed "available" to finance the expenditures of the current period; a recognition is not limited to availability, so certain revenues need to be reduced that were unavailable at the beginning of the year and increased by the amount unavailable at the end of the year.	ange in "unavailable" ecognized unless accrual- basis d by the amounts		(657,796)
The issuance of long-term debt (e.g., bonds) provides current financial resource funds, but issuing debt increases long-term liabilities in the statement of net polong-term debt principal is an expenditure in the governmental funds, but the relong-term liabilities in the statement of net position. Also, governmental funds issuance costs, premiums, discounts, and similar items when debt is first issue amounts are deferred and amortized in the statement of activities. This amound differences in the treatment of long-term debt and related items.	osition. Repayment of epayment reduces report the effect of ed, whereas these		(, , ,
Issuance of certificate and contractual obligation bonds Increase in subscription obligations Discount/(premium) on issuance Principal payments to bond and note holders Amortize right of use obligations Amortization of bond premiums/discounts Amortization of bond refunding amounts Net adjustment	\$ (44,230,000) (533,392) (3,774,602) 15,561,217 843,629 1,621,917 (405,262) \$ (30,916,493)		(30,916,493)
Some expenses reported in the statement of activities do not require the use or resources and therefore are not reported as expenditures in governmental fundamental fundament			
Increase in compensated absences liability Total adjustment	\$ (443,646) \$ (443,646)		(443,646)
Governmental funds report contributions to the pension and OPEB plans as ex Statement of Activities, pension and OPEB expense is determined by an actual			
Increase in net pension liability Decrease in OPEB liability Difference in expected and actual experience - outflow Difference in changes in assumptions - outflow Difference in projected and actual investment earnings - outflow Difference in expected and actual experience - inflow Difference in changes in assumptions - inflow Difference in projected and actual investment earnings - inflow Increase in deferred pension and OPEB contributions	\$ (43,276,612) 2,106,202 1,962,494 (705,837) 19,333,633 771,618 (2,059,238) 17,638,929 454,387		
·	\$ (3,774,424)		(3,774,424)
Accrued interest expense on long-term debt is reported in the government-wide changes in net position, but does not require the use of current financial resour			
expense is not reported as expenditures in governmental funds. This amount is		_	(1,312,405)
Change in not position of governmental activities		Ф	5/ 191 602

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

Change in net position of governmental activities

\$ 54,181,602



	Budgeted	Amounts		Variance with
	Original	Final	Actual	Final Budget
Revenues:	A 55 744 005	4 55 770 005	A 50.000.000	
Taxes Franchise fees	\$ 55,714,805	\$ 55,779,805 8,122,048	\$ 58,330,680 8,965,302	\$ 2,550,875 843,254
Licenses and permits	8,108,940 1,365,449	1,374,684	1,626,105	251,421
Intergovernmental	167,000	678,529	532,993	(145,536)
Charges for services	34,503,604	36,768,609	36,541,616	(226,993)
Fines	1,518,942	1,520,142	1,287,461	(232,681)
Interest and other	1,604,197	1,975,115	3,953,837	1,978,722
Total revenues	102,982,937	106,218,932	111,237,994	5,019,062
Expenditures: Current:				
General government:				
City council	276,525	258.013	248,090	9,923
City manager	1,387,223	1,412,509	1,281,709	130,800
Housing & community development	550,670	627,342	604,249	23,093
Finance	2,622,565	2,696,155	2,550,351	145,804
Purchasing	831,886	833,515	831,494	2,021
City secretary	428,728	421,846	397,445	24,401
Special services	1,462,048	1,323,825	995,338	328,487
City attorney	1,463,620	1,467,656	1,272,625	195,031
City planning Information technology services	1,031,184 5,231,700	1,032,549 5,189,013	934,906 4,740,635	97,643 448,378
Human resources	1,321,637	1,386,699	1,265,605	121,094
Economic development	733,912	798,912	778,271	20,641
Fleet services	1,853,080	1,969,905	1,750,421	219,484
Inspections/Permits	1,302,257	1,413,759	1,136,444	277,315
Facility services	2,426,000	2,559,805	1,956,986	602,819
Performance excellence	879,990	761,013	626,491	134,522
Marketing and communications	1,428,207	1,492,493	1,226,024	266,469
Total general government	25,231,232	25,645,009	22,597,084	3,047,925
Public safety: Municipal court	998,055	1,000,705	849,082	151,623
Police	23,878,491	25,438,930	21,637,340	3,801,590
Animal services	662,607	791,540	668,573	122,967
Fire	15,377,965	16,609,185	16,274,959	334,226
Communications	1,039,435	1,090,009	1,090,009	-
Code Enforcement	1,841,031	2,320,814	1,494,164	826,650
Total public safety	43,797,584	47,251,183	42,014,127	5,237,056
Highways and streets:	2 007 440	4 007 775	2.052.464	4.044.044
Streets Traffic control	3,887,149 777,224	4,267,775 854,939	3,053,164	1,214,611 241,531
Engineering	665,527	743,078	613,408 700,626	42,452
Totals highways and streets	5,329,900	5,865,792	4,367,198	1,498,594
Sanitation:	10,571,027	11,489,531	11,480,699	8,832
Parks & Recreation:				
Parks	7,605,048	8,354,943	7,283,582	1,071,361
Recreation	5,052,539	5,364,731	4,597,696	767,035
Administration	869,419	876,446	767,880	108,566
Golf course	1,614,036	1,843,998	1,696,756	147,242
Education Total parks & recreation	2,358,510 17,499,552	2,606,000 19,046,118	2,136,055 16,481,969	<u>469,945</u> 2,564,149
Airport:	2,890,564	4,121,052	3,942,325	178,727
Debt service:	2,000,001	1,121,002	0,012,020	170,727
Principal	341,811	732,415	732,410	5
Interest	24,304	21,861	21,861	
Total debt service	366,115	754,276	754,271	5
Total expenditures	105,685,974	114,172,961	101,637,673	12,535,288
Excess (deficiency) of revenues	(0.700.007)	(7.054.000)	0.000.004	47.554.050
over expenditures Other financing sources (uses):	(2,703,037)	(7,954,029)	9,600,321	17,554,350
Transfers in	321,516	321,516	321,516	_
Transfers out	(1,935,673)	(7,756,007)	(5,506,614)	2,249,393
Subscription proceeds	(1,000,010)	358,601	358,600	(1)
Total other financing sources (uses)	(1,614,157)	(7,075,890)	(4,826,498)	2,249,392
Excess (deficiency) of revenues and other				
financing sources over expenditures				
and other financing uses	(4,317,194)	(15,029,919)	4,773,823	19,803,742
Fund halance, heginning of period	AE EAO A2A	VE EVO VOV	1E E10 121	
Fund balance, beginning of period Fund balance, end of period	45,548,434 \$ 41,231,240	<u>45,548,434</u> \$ 30,518,515	<u>45,548,434</u> \$ 50,322,257	\$ 19,803,742
. aa balanco, one of poriou	Ψ 71,201,240	Ψ 00,010,010	Ψ 50,522,231	Ψ 13,000,142

	2023	2022	Increase (Decrease)
ASSETS			
Current assets:			
Cash	\$ 8,050	\$ 8,050	\$ -
Investments	19,965,942	20,613,514	(647,572)
Restricted cash and investments:			•
Revenue bond debt service	3,231,983	3,002,673	229,310
Customer deposits	902,984	875,145	27,839
Construction account	79,528,340	68,600,579	10,927,761
Customer receivables	3,557,749	3,028,484	529,265
Accounts receivable	-	-	-
Inventories	533,357	447,162	86,195
Prepaid items	296,170	230,478	65,692
Total current assets	108,024,575	96,806,085	11,218,490
Noncurrent assets:			
Capital assets:			
Land	4,154,314	3,677,299	477,015
Buildings	60,275,895	60,262,210	13,685
Improvements other than buildings	381,533,236	324,956,098	56,577,138
Machinery, furniture and equipment	17,622,305	17,002,559	619,746
	463,585,750	405,898,166	57,687,584
Less accumulated depreciation	(177,120,447)	(165,713,295)	(11,407,152)
Construction in progress	70,978,773	78,797,716	(7,818,943)
Total capital assets (net of accumulated depreciation)	357,444,076	318,982,587	38,461,489
Right-to-use leased/subscription assets:			
Machinery, furniture and equipment	22,540	22,540	-
Subscriptions	306,339	-	306,339
Less accumulated amortization	(71,599)	(4,696)	(66,903)
Total right-to-use capital assets (net of accumulated amortization)	257,280	17,844	239,436
Total noncurrent assets	357,701,356	319,000,431	38,700,925
Total assets	465,725,931	415,806,516	49,919,415
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts on refunding	3,637,639	4,019,146	(381,507)
Deferred amounts of contributions	878,983	708,931	170,052
Difference in investment experience	548,513	301,098	247,415
Difference in expected and actual experience	1,681,597	-	1,681,597
Changes in assumptions	148,495	205,418	(56,923)
Total deferred outflows of resources	6,895,227	5,234,593	1,660,634

	2023	2022	Increase (Decrease)
LIABILITIES			
Current liabilities:			
Vouchers and contracts payable	\$ 2,911,490	\$ 4,175,736	\$ (1,264,246)
Retainage payables	1,797,700	2,695,316	(897,616)
Accrued payroll	388,664	320,119	68,545
Unearned revenues	70,641	70,641	-
Customer deposits	902,984	875,145	27,839
Accrued interest - revenue bonds	1,267,206	1,125,676	141,530
Current maturities of long-term liabilities	14,704,367	12,721,512	1,982,855
Total current liabilities	22,043,052	21,984,145	58,907
Noncurrent liabilities:			
Arbitrage payable	782,872	-	782,872
Revenue bonds payable	225,370,732	201,607,517	23,763,215
Compensated absences payable	613,763	539,123	74,640
Other post-employment benefits payable	528,854	717,657	(188,803)
Net supplemental death benefits payable	254,386	383,037	(128,651)
Net pension liability	5,705,685	1,744,033	3,961,652
Notes payable	139,242	152,079	(12,837)
Lease payable	5,869	11,559	(5,690)
Subscription payable	191,641		191,641
Total noncurrent liabilities	233,593,044	205,155,005	28,438,039
Total liabilities	255,636,096	227,139,150	28,496,946
DEFERRED INFLOWS OF RESOURCES			
Difference in expected and actual experience	256,016	349,095	(93,079)
Changes in assumptions	308,207	28,085	280,122
Difference in projected and actual investment earnings	-	1,561,406	(1,561,406)
Total deferred inflows of resources	564,223	1,938,586	(1,374,363)
NET POSITION			
Net investment in capital assets	196,449,371	177,201,006	19,248,365
Restricted for:			
Debt service	1,964,777	1,876,997	87,780
Unrestricted	18,006,691	12,885,370	5,121,321
Total net position	\$ 216,420,839	\$ 191,963,373	\$ 24,457,466



CITY OF TEMPLE, TEXAS STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION WATER AND WASTEWATER FUND For the year ended September 30, 2023

(With comparative amounts for the year ended September 30, 2022)

	2023	2022	Increase (Decrease)
Operating revenues:			
Charges for sales and services:			
Water service	\$ 29,020,846	\$ 26,893,251	\$ 2,127,595
Sewer service	20,496,684	17,015,638	3,481,046
Other	2,597,029	2,482,161	114,868
Total operating revenues	52,114,559	46,391,050	5,723,509
Operating expenses:			
Personnel services	9,188,441	6,803,091	2,385,350
Supplies	3,233,315	2,374,890	858,425
Repairs and maintenance	1,869,930	1,871,825	(1,895)
Depreciation/amortization	11,589,290	10,653,925	935,365
Other services and charges	16,905,147	15,508,440	1,396,707
Total operating expenses	42,786,123	37,212,171	5,573,952
Operating income	9,328,436	9,178,879	149,557
Nonoperating revenues (expenses):			
Interest income	6,262,129	2,376,134	3,885,995
Interest expense	(8,388,423)	(7,764,098)	624,325
Arbitrage expense	(782,872)	-	782,872
Other expense	(1,660,622)	(1,537,640)	122,982
Total nonoperating revenues			
(expenses)	(4,569,788)	(6,925,604)	(2,355,816)
Income (loss) before contributions	4,758,648	2,253,275	2,505,373
Contributions from developers	-	8,000,000	(8,000,000)
Contributed capital	19,698,818	11,814,909	7,883,909
Change in net position, as restated	24,457,466	22,068,184	2,389,282
Total net position - beginning	191,963,373	121,625,963	70,337,410
Prior period adjustment		48,269,226	(48,269,226)
Total net position - restated, beginning	191,963,373	169,895,189	22,068,184
Total net position - ending	\$ 216,420,839	\$ 191,963,373	\$ 24,457,466

CITY OF TEMPLE, TEXAS STATEMENTS OF CASH FLOWS PROPRIETARY FUND

For the year ended September 30, 2023 (With comparative amounts for the year ended September 30, 2022)

	Water and \	Water and Wastewater		
	2023	2022		
Cash flows from operating activities:				
Cash received from customers	\$ 51,613,133	\$ 46,245,135		
Cash paid to suppliers	(14,414,450)	(11,709,025)		
Cash paid to employees	(9,133,843)	(6,791,142)		
Cash paid to other funds for administration,				
franchise fees and data processing	(9,010,075)	(7,987,469)		
Net cash provided by operating activities	19,054,765	19,757,499		
Cash flows from capital and related financing activities:				
Capital expenses	(32,559,369)	(37,443,128)		
Interest paid on debt	(9,185,563)	(9,164,545)		
Debt principal payments	(11,840,000)	(10,685,000)		
Proceeds from other governmental entities	5,376	-		
Payment to escrow agent	-	(22,872,685)		
Proceeds from debt issuance	38,800,000	23,009,701		
Net cash provided (used) by capital				
and related financing activities	(14,779,556)	(57,155,657)		
Cash flows from investing activities:				
Interest received on investments	6,262,129	2,376,134		
Net cash provided by investing activities	6,262,129	2,376,134		
Net change in cash and cash equivalents	10,537,338	(35,022,024)		
Cash and cash equivalents, beginning of year	93,099,961_	128,121,985		
Cash and cash equivalents, end of year	\$ 103,637,299	\$ 93,099,961		
		(Continued)		

(With comparative amounts for the year ended September 30, 2022)

	Water and Wastewater			
	2023	2022		
Reconciliation of operating income to net cash				
provided by operating activities:				
Operating income	\$ 9,328,436	\$ 9,178,879		
Adjustments to reconcile operating income to				
net cash provided by operating activities:				
Depreciation/amortization	11,589,290	10,653,925		
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
Change in accounts receivable	(529,265)	(182,630)		
Change in inventory	(86,195)	(109,439)		
Change in prepaids	(65,692)	(477)		
Change in vouchers payable	(1,264,246)	161,716		
Change in accrued liabilities	68,545	43,970		
Change in OPEB liability	(188,802)	(120,575)		
Change in supplemental death benefit liability	(128,651)	25,346		
Change in net pension liability	228,866	22,882		
Change in customer deposits	27,839	43,576		
Change in accrued vacation and sick leave	74,640	40,326		
Total adjustments	9,726,329	10,578,620		
Net cash provided by operating activities	\$ 19,054,765	\$ 19,757,499		
RECONCILIATION OF CASH AND CASH EQUIVALENTS FROM STATEMENT OF CASH FLOWS TO STATEMENT OF NET POSITION				
Cash	\$ 8,050	\$ 8,050		
Investments	19,965,942	20,613,514		
Restricted assets - debt service,	,,	,,		
and bond proceeds:				
Cash and investments	83,663,307	72,478,397		
Total cash and cash equivalents	\$ 103,637,299	\$ 93,099,961		

During the fiscal years ended September 30, 2023, and 2022, the estimated value of water and wastewater infrastructure contributed by developers was \$ 19,698,818 and \$ 11,814,909, respectively.



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.

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.

Blended Component Unit

The Temple Revitalization Corporation (TRC) serves all the citizens of the City of Temple and is governed by a board composed of the City of Temple's elected Council. The City of Temple has operational responsibility for the TRC. There is also a financial relationship between the City and the TRC. It was created to aid, assist, and act on behalf of the City in the performance of its governmental functions, to promote the common good and general welfare of the City, including the sale, purchase, development, redevelopment, and revitalization of real property to help promote, develop, encourage, and maintain employment, commerce, economic development, and public facility development in the City. The Corporation is reported as a special revenue fund and does not issue separate financial statements.

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 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. Five of those members are appointed by TEDC. The remaining eight of those voting members are appointed by the City, acting through its City Council. Three of the eight voting members of the Board are the Mayor of the City Council, the City Manager, and the Chairman of the Board of Directors for the City of Temple Reinvestment Zone No. 1. The remaining five of the voting members the City appoints to the TEDC Board, the City Council appoints from the public at large. TEDC has been included in the reporting entity as a discretely presented component unit of the City because the City appoints a voting majority of the board and provides a majority of funding for 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 is not involved 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*.

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.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, Drainage Fund, and the Temple Revitalization Corporation.

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 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

2. Receivables

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

General Fund	\$ 2,173,580
Special Revenue Funds	55,667
Debt Service Fund	90,057
Enterprise Fund	419,953

3. Inventories and Prepaid Items

Inventories which are expended as they are consumed are stated at cost. Cost is determined for inventories of supplies 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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 \$ 18,078,020.

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 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 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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Deferred charges on 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following type of item that qualifies for reporting in this category.

- Lease related Lease revenue is deferred and will be recognized over the term of the individual leases.
- 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.

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 statue.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, by the adoption of resolution by The 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 for the next fiscal year. A fund balance commitment is further indicated in the budget document of the next fiscal year 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Leases

The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

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

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

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

The City is a lessor for noncancellable leases of buildings, hangars, parcels of land, and a landfill.

The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

15. Subscription-Based Information Technology Arrangements (SBITAs)

The City is a lessee for some noncancellable lease of certain subscription-based information technology arrangements. The City recognizes a SBITA liability and an intangible right-to-use lease asset (SBITA asset) in the governmentwide financial statements.

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

Key estimates and judgments related to SBITA arrangements include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITA arrangements.

The subscription term includes the noncancellable period of the SBITA arrangement. Subscription payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. In determining the subscription term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the subscription term if the SBITA arrangement is reasonably certain to be extended (or not terminated).

The City monitors changes in circumstances that would require a remeasurement of its SBITA arrangement and will re-measure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets and liabilities arising from a SBITA arrangement are initially measured on a present value basis. SBITA liabilities include the net present value of the following contract payments:

- Fixed payments,
- Amounts expected to be payable by the City under residual value guarantees,
- The exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- Payments of p penalties for terminating the subscription arrangement, if the subscription term reflects the City exercising that option.

Subscription payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in some of subscription arrangements across the City.

The subscription payments are discounted using the interest rate implicit in the subscription contract. If that rate cannot be readily determined, which is generally the case for subscription arrangements in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate), initially measured using the index or rate as of the commencement of the subscription term.

16. 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.

17. 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:

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

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 was 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 was implemented in fiscal year 2023.

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

Statement No. 100, Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62 – This statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement will be implemented in fiscal year 2024.

Statement No. 101, *Compensated Absences* – This statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a model and by amending certain previously required disclosures. This statement will be implemented in fiscal year 2025.

G. PRIOR PERIOD ADJUSTMENT

The City restated its government-wide net position due to the implementation of *GASB 96*, *Subscription-Based Information Technology Arrangements (SBITAs)*. During 2023, the City developed a method to estimate the value of infrastructure contributed to the City by developers to comply with *GASB Statement No. 34*. The City restated its government-wide net position for governmental activities to record the estimated value of streets and drainage and similar assets, net of depreciation. The City also restated its Water and Wastewater Fund net position and its government-wide net position for business-type activities to record the estimated value of water and sewer infrastructure, net of depreciation.

Prospectively applying this change resulted in the adjustment below:

	Statem	ent of Net Position		Government-wide Statement of Activities				
	Water	and Wastewater	G	overnmental	В	usiness-type		
		Fund		Activities		Activities		Total
Net position at September 30, 2022								
as previously reported	\$	133,333,719	\$	83,522,197	\$	133,333,719	\$	216,855,916
Implementation of GASB 96 SBITAs		=		202,416		-		202,416
Infrastructure donated from developers		58,629,654		61,674,053		58,629,654		120,303,707
Net position at September 30, 2022, as restated	\$	191,963,373	\$	145,398,666	\$	191,963,373	\$	337,362,039

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.
- 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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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:	Encumbrances
General Fund	\$ 7,601,167
Capital Projects Fund	40,728,904
Nonmajor Funds:	16,520,877
Totals	\$ 64,850,948

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.

III. DETAILED NOTES ON ALL FUNDS (Continued)

Deposits

As of September 30, 2023, the City's deposit balances were as follows:

	Primary Government	Component Units	Total Reporting Entity
Total Deposits	\$ 51,527,788	\$ 27,460,508	\$ 78,988,296
Carrying Amount	\$ 49,827,226	\$ 26,888,724	\$ 76,715,950
Petty Cash	\$ 17,750	\$ -	\$ 17,750

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, 2023, the Temple Economic Development Corporation had a total of \$19,271,933 in deposits. Of this amount,\$435,123 was insured, \$17,000,000 was collateralized with securities held by pledging financial institution's agent in the entity's name, and \$1,836,810 was uninsured and uncollateralized. Certain land closings, that were scheduled to close before year end, were delayed until the next fiscal year which resulted in a temporary period of uninsured and uncollateralized cash. After these transactions closed, all cash and cash equivalents are either insured or collateralized.

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, 2023, the City had the following investments:

	Carrying	Fair		
	Amount	Value		
Primary Government				
Federal Agency obligations	\$ 4,156,303	\$ 4,150,145		
Investment pools:				
Texpool	11,978,100	11,978,100		
TexSTAR	212,018,153	212,018,153		
Texas CLASS	25,234,077	25,234,077		
Total investment in pools:	249,230,330_	249,230,330		
Total investments	\$ 253,386,633	\$ 253,380,475		
Discretely Presented Component Units				
Federal Agency obligations	\$ 843,697	\$ 842,447		
Investment pools:				
Texpool	6,872,323	6,872,323		
TexSTAR	87,100,433	87,100,433		
Texas CLASS	5,122,320	5,122,320		
Total investment in pools:	99,095,076	99,095,076		
Total investments	\$ 99,938,773	\$ 99,937,523		
Reporting Entity				
Total investments	\$ 353,325,406	\$ 353,317,998		

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, 2023, the weighted average maturity of the City's investment portfolio was 45.44 days.

Credit Risk – In compliance with the City's Investment Policy, as of September 30, 2023, 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.

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 in divided among three different pools.

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

Cook and investments (from above):	Primary Government	Discretely Presented Component Units	Total Reporting Entity	
Cash and investments (from above): Cash on hand	\$ 17,750	\$ -	\$ 17,750	
	+,	,	,	
Carrying amount of deposits	49,827,226	26,888,724	76,715,950	
Carrying amount of investments	253,386,633	<u>99,938,773</u>	353,325,406	
Total	\$ 303,231,609	\$126,827,497	\$ 430,059,106	
Statement of Net Position:				
Cash	\$ 17,750	\$ 6,412,935	\$ 6,430,685	
Investments	218,061,691	17,885,888	235,947,579	
Restricted cash and investments	85,152,168	102,528,674	187,680,842	
Total	\$ 303,231,609	\$126,827,497	\$ 430,059,106	

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, 2022, upon which the fiscal year 2023 levy was based, was \$ 6,580,948,574. This amount is the net taxable value adjusted for frozen taxable value. The amount of the levy attributable to frozen taxes was \$ 3,591,881. The total levy assessed was \$ 43,933,095. The total taxable value before the adjustment for frozen taxable value was \$ 7,360,078,454.

The tax assessment of October 1, 2022, set a tax levy at \$ 0.6130 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, 2023, delinquent property taxes receivable is \$ 914,763, 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.

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.

Additions

C. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

Balance (Cober 1, 2020 Balance) Net of CIP (Recisation) Transfers (Bettern 1, 2020 Balance) Balance (Recisation) Transfers (Bettern 1, 2020 Balance) Balance (Recisation) Colored 1, 2020 Balance		Additions							
Primary governments Covernmental Activities: Covernmental Activities: Capital assets not being depreciated Capital assets being depreciated, Capital assets being depreciated, Capital assets being depreciated, Capital assets being amortized Capital assets bein		Ba	alance		Net of CIP		Transfers/		Balance
Covernmental Activities: Capital assets not being depreciated		Octob	er 1, 2022	Reclassifications		Retirements		September 30, 2023	
Capital assets not being depreciated \$ 39,240,134 \$ 5,498,166 \$ (360,831) \$ 44,377,469 Construction in progress 32,828,965 33,432,793 (36,931,382) 29,330,376 Total capital assets not being depreciated 72,069,099 38,930,959 (37,292,213) 73,707,845 Capital assets being depreciated 89,266,146 16,246,887 - 105,513,033 Infrastructure ² 314,980,743 69,831,860 - 36,925,410 Furniture & equipment 47,207,186 6,439,653 (2,075,080) 51,517,759 Total capital assets being depreciated 485,898,705 94,999,180 (2,075,080) 578,822,805 Less accumulated depreciation for: 80,000,000 (46,899,573) (2,163,460) - (49,063,033) Infrastructure ² (155,055,821) (12,959,051) - (49,063,033) Infrastructure ² (155,055,821) (12,959,051) - (49,063,033) Infrastructure ² (155,055,821) (12,959,051) - (27,160,771) Machinery & equipment (25,467,040) (1,68	Primary government:								
Land \$ 39,240,134 \$ 5,498,166 \$ (360,831) \$ 44,377,469 Construction in progress 32,828,965 33,432,793 (36,931,382) 29,330,376 Total capital assets not being depreciated 72,069,099 38,930,959 (37,292,213) 73,707,845 Capital assets being depreciated 89,266,146 16,246,887 - 105,513,033 Infrastructure 2 314,980,743 69,831,860 - 384,812,603 Furniture & equipment 47,207,186 64,39,653 (2,075,080) 51,571,759 Total capital assets being depreciated 485,898,705 94,999,530 (2,075,080) 578,822,805 Less accumulated depreciation for: 80,800,705 94,999,573 (2,163,460) - (49,063,033) Infrastructure 2 (155,055,821) (12,959,051) - (168,014,872) Furniture & equipment (25,467,040) (1,683,731) - (27,160,771) Machinery & equipment (25,467,040) (1,683,73) - (27,160,771) Machinery & equipment (25,467,040) (1,683,73) -	Governmental Activities:								
Construction in progress 32,828,965 33,432,793 (36,931,382) 29,330,376 Total capital assets not being depreciated 72,069,099 38,930,959 (37,292,213) 73,707,845 Capital assets being depreciated 89,266,146 16,246,887 - 105,513,033 Infrastructure 2 314,980,743 69,831,860 - 384,812,603 Furniture & equipment 47,207,186 6,439,653 (2,075,080) 51,571,759 Total capital assets being depreciated 485,898,705 94,999,180 (2,075,080) 578,822,805 Less accumulated depreciation for: 80,466,99,573 (2,163,460) - (49,063,033) Infrastructure 2 (155,055,821) (12,959,051) - (168,014,872) Furniture & equipment (25,467,040) (1,893,731) - (27,160,771) Machinery & equipment (31,449,842) (3,285,202) 2,056,394 (32,678,650) Total capital assets being depreciated, net 227,026,429 74,897,736 (18,686) 301,905,479 Capital assets being amortized 2,763,204 533,392	Capital assets not being depreciated								
Total capital assets not being depreciated 72,069,099 38,930,959 (37,292,213) 73,707,845 Capital assets being depreciated 89,266,146 16,246,887 - 105,513,033 Infrastructure 2 314,980,743 69,831,860 - 384,812,603 Furniture & equipment 47,207,186 6,439,653 (2,075,080) 51,571,759 Machinery & equipment 47,207,186 6,439,653 (2,075,080) 578,822,805 Less accumulated depreciation for: 89,831,860 - (49,063,033) Infrastructure 2 (155,055,821) (12,959,051) - (49,063,033) Infrastructure 2 (155,055,821) (12,959,051) - (168,014,872) Furniture & equipment (25,467,040) (1,687,740) - (27,60,771) Machinery & equipment (31,449,842) (3,285,202) 2,056,394 (376,917,326) Total capital assets being depreciated, net 227,026,429 74,897,736 (18,686) 301,905,479 Capital assets being amortized 1,350,325 - (100,399) 1,249,926 <	Land	\$	39,240,134	\$	5,498,166	\$	(360,831)	\$	44,377,469
Capital assets being depreciated Buildings 89,266,146 16,246,887 - 105,513,033 Infrastructure 314,980,743 69,831,860 - 384,812,603 Furniture & equipment 34,444,630 2,480,780 - 36,925,410 Machinery & equipment 47,207,186 6,439,653 (2,075,080) 51,571,759 Total capital assets being depreciated 485,898,705 94,999,180 (2,075,080) 578,822,805 Less accumulated depreciation for: Buildings (46,899,573) (2,163,460) - (49,063,033) Infrastructure 2 (155,055,821) (12,959,051) - (168,014,872) Furniture & equipment (25,467,040) (1,693,731) - (27,607,711) Machinery & equipment (31,449,842) (3,285,202) 2,056,394 (32,678,650) Total accumulated depreciation (258,872,276) (20,101,444) 2,056,394 (276,917,326) Total assets being amortized Right-to-use leased equipment 1,350,325 - (100,399) 1,249,926 Right-to-use subscription 1,412,879 533,392 - (100,399) 3,196,197 Less accumulated amortization for: Right-to-use subscription (821,985) (282,721) 48,108 (1,056,598) Right-to-use subscription (821,985) (282,721) 48,108 (1,056,598) Right-to-use subscription (256,602) (504,391) - (754,993) Total capital assets being amortized (1,072,587) (787,112) 48,108 (1,811,591) Total capital assets being amortized 1,690,617 (253,720) (52,291) 1,384,606 Total capital assets being amortized, net 228,717,046 74,644,016 (70,977) 303,290,085	Construction in progress		32,828,965		33,432,793		(36,931,382)		29,330,376
Buildings 89,266,146 16,246,887 - 105,513,033 Infrastructure 2 314,980,743 69,831,860 - 384,812,603 Furniture & equipment 34,444,630 2,480,780 - 36,925,410 Machinery & equipment 47,207,186 6,439,653 (2,075,080) 51,571,759 Total capital assets being depreciated 485,898,705 94,999,180 (2,075,080) 578,822,805 Less accumulated depreciation for: 801 (46,899,573) (2,163,460) - (49,063,033) Infrastructure 2 (155,055,821) (12,959,051) - (168,014,872) Furniture & equipment (25,467,040) (1,693,731) - (27,160,771) Machinery & equipment (31,449,842) (3,285,202) 2,056,394 (32,678,650) Total accumulated depreciated, net 227,026,429 74,897,736 (18,686) 301,905,479 Capital assets being amortized 1,350,325 - (100,399) 1,249,926 Right-to-use subscription 1 1,412,879 533,392 (100,399) 3,196,197	Total capital assets not being depreciated		72,069,099		38,930,959		(37,292,213)		73,707,845
Infrastructure 2 314,980,743 69,831,860 - 384,812,603 Furniture & equipment 34,444,630 2,480,780 - 36,925,410 Machinery & equipment 47,207,186 6,439,653 (2,075,080) 51,571,759 Total capital assets being depreciated 485,898,705 94,999,180 (2,075,080) 578,822,805 Less accumulated depreciation for: 845,899,573 (2,163,460) - (49,063,033) Infrastructure 2 (155,055,821) (12,959,051) - (168,014,872) Furniture & equipment (25,467,040) (1,693,731) - (27,160,771) Machinery & equipment (31,449,842) (3,285,202) 2,056,394 (32,678,650) Total accumulated depreciated, net 227,026,429 74,897,736 (18,686) 301,905,479 Capital assets being amortized 227,026,429 74,897,736 (18,686) 301,905,479 Right-to-use leased equipment 1,350,325 - (100,399) 1,249,926 Right-to-use leased equipment (821,985) (282,721) 48,108 (1,056,598	Capital assets being depreciated								
Furniture & equipment 34,444,630 2,480,780 - 36,925,410 Machinery & equipment 47,207,186 6,439,653 (2,075,080) 51,571,759 Total capital assets being depreciated 485,898,705 94,999,180 (2,075,080) 578,822,805 Less accumulated depreciation for: 80,000 - (49,063,033) Infrastructure 2 (155,055,821) (12,959,051) - (168,014,872) Furniture & equipment (25,467,040) (1,693,731) - (27,160,771) Machinery & equipment (31,449,842) (3,285,202) 2,056,394 (32,678,650) Total caccumulated depreciation (258,872,276) (20,101,444) 2,056,394 (276,917,326) Total capital assets being depreciated, net 227,026,429 74,897,736 (18,886) 301,905,479 Right-to-use leased equipment 1,350,325 - (100,399) 1,249,926 Right-to-use subscription 1 1,412,879 533,392 (100,399) 3,196,197 Less accumulated amortization for: 8(821,985) (282,721) 48,108 (1,056,59	Buildings	;	89,266,146		16,246,887		-		105,513,033
Machinery & equipment 47,207,186 6,439,653 (2,075,080) 51,571,759 Total capital assets being depreciated 485,898,705 94,999,180 (2,075,080) 578,822,805 Less accumulated depreciation for: 80,899,573 (2,163,460) - (49,063,033) Infrastructure 2 (155,055,821) (12,959,051) - (168,014,872) Furniture & equipment (25,467,040) (1,693,731) - (27,160,771) Machinery & equipment (31,449,842) (32,855,202) 2,056,394 (32,678,650) Total accumulated depreciation (258,872,276) (20,101,444) 2,056,394 (276,917,326) Total capital assets being depreciated, net 227,026,429 74,897,736 (18,686) 301,905,479 Capital assets being amortized 1,350,325 - (100,399) 1,249,926 Right-to-use leased equipment 1,350,325 - (100,399) 3,196,197 Total capital assets being amortized 2,763,204 533,392 - 1,946,271 Total capital assets being amortized in for: (821,985) (282,721)<	Infrastructure ²	3	14,980,743		69,831,860		-		384,812,603
Total capital assets being depreciated 485,898,705 94,999,180 (2,075,080) 578,822,805 Less accumulated depreciation for: 8011dings (46,899,573) (2,163,460) - (49,063,033) Infrastructure 2 (155,055,821) (12,959,051) - (168,014,872) Furniture & equipment (25,467,040) (1,693,731) - (27,160,771) Machinery & equipment (31,449,842) (3,285,202) 2,056,394 (32,678,650) Total accumulated depreciation (258,872,276) (20,101,444) 2,056,394 (276,917,326) Total capital assets being depreciated, net 227,026,429 74,897,736 (18,686) 301,905,479 Capital assets being amortized Right-to-use leased equipment 1,350,325 - (100,399) 1,249,926 Right-to-use subscription 1 1,412,879 533,392 - 1,946,271 Total capital assets being amortized 2,763,204 533,392 (100,399) 3,196,197 Less accumulated amortization for: Right-to-use subscription 1 (821,985) (282,721) 48,108 (1,056,598) Right-to-use subscription 1 (250,60	Furniture & equipment	:	34,444,630		2,480,780		-		36,925,410
Less accumulated depreciation for: Buildings	Machinery & equipment		47,207,186		6,439,653		(2,075,080)		51,571,759
Buildings (46,899,573) (2,163,460) - (49,063,033) Infrastructure 2 (155,055,821) (12,959,051) - (168,014,872) Furniture & equipment (25,467,040) (1,693,731) - (27,160,771) Machinery & equipment (31,449,842) (3,285,202) 2,056,394 (32,678,650) Total accumulated depreciation (258,872,276) (20,101,444) 2,056,394 (276,917,326) Total capital assets being depreciated, net 227,026,429 74,897,736 (18,686) 301,905,479 Capital assets being amortized 8,135,0325 - (100,399) 1,249,926 Right-to-use leased equipment 1,350,325 - (100,399) 3,196,197 Less accumulated amortization for: 8,141,2879 533,392 - 1,946,271 Total capital assets being amortized 2,763,204 533,392 (100,399) 3,196,197 Less accumulated amortization for: 8,141,504 48,108 (1,056,598) Right-to-use leased equipment (821,985) (282,721) 48,108 (1,565,598)	Total capital assets being depreciated	4	85,898,705		94,999,180		(2,075,080)		578,822,805
Infrastructure 2 (155,055,821) (12,959,051) - (168,014,872) Furniture & equipment (25,467,040) (1,693,731) - (27,160,771) Machinery & equipment (31,449,842) (3,285,202) 2,056,394 (32,678,650) Total accumulated depreciation (258,872,276) (20,101,444) 2,056,394 (276,917,326) Total capital assets being depreciated, net 227,026,429 74,897,736 (18,686) 301,905,479 Capital assets being amortized Right-to-use leased equipment 1,350,325 - (100,399) 1,249,926 Right-to-use subscription 1 1,412,879 533,392 - 1,946,271 Total capital assets being amortized 2,763,204 533,392 (100,399) 3,196,197 Less accumulated amortization for: Right-to-use leased equipment (821,985) (282,721) 48,108 (1,056,598) Right-to-use subscription 1 (250,602) (504,391) - (754,993) Total accumulated amortization (1,072,587) (787,112) 48,108 (1,811,591) Total capital assets being amortized, net 1,690,617 (253,720)	Less accumulated depreciation for:								
Furniture & equipment (25,467,040) (1,693,731) - (27,160,771) Machinery & equipment (31,449,842) (3,285,202) 2,056,394 (32,678,650) Total accumulated depreciation (258,872,276) (20,101,444) 2,056,394 (276,917,326) Total capital assets being depreciated, net 227,026,429 74,897,736 (18,686) 301,905,479 Capital assets being amortized Right-to-use leased equipment 1,350,325 - (100,399) 1,249,926 Right-to-use subscription 1 1,412,879 533,392 - 1,946,271 Total capital assets being amortized 2,763,204 533,392 (100,399) 3,196,197 Less accumulated amortization for: Right-to-use leased equipment (821,985) (282,721) 48,108 (1,056,598) Right-to-use subscription 1 (250,602) (504,391) - (754,993) Total accumulated amortization (1,072,587) (787,112) 48,108 (1,811,591) Total capital assets being amortized, net 1,690,617 (253,720) (52,291) 1,384,606	Buildings	(-	46,899,573)		(2,163,460)		-		(49,063,033)
Machinery & equipment (31,449,842) (3,285,202) 2,056,394 (32,678,650) Total accumulated depreciation (258,872,276) (20,101,444) 2,056,394 (276,917,326) Total capital assets being depreciated, net 227,026,429 74,897,736 (18,686) 301,905,479 Capital assets being amortized Right-to-use leased equipment 1,350,325 - (100,399) 1,249,926 Right-to-use subscription 1 1,412,879 533,392 - 1,946,271 Total capital assets being amortized 2,763,204 533,392 (100,399) 3,196,197 Less accumulated amortization for: Right-to-use leased equipment (821,985) (282,721) 48,108 (1,056,598) Right-to-use subscription 1 (250,602) (504,391) - (754,993) Total accumulated amortization (1,072,587) (787,112) 48,108 (1,811,591) Total capital assets being amortized, net 1,690,617 (253,720) (52,291) 1,384,606 Total capital assets being depreciated/amortized, net 228,717,046 74,644,016 (7	Infrastructure ²	(1	55,055,821)		(12,959,051)		-		(168,014,872)
Total accumulated depreciation (258,872,276) (20,101,444) 2,056,394 (276,917,326) Total capital assets being depreciated, net 227,026,429 74,897,736 (18,686) 301,905,479 Capital assets being amortized Right-to-use leased equipment 1,350,325 - (100,399) 1,249,926 Right-to-use subscription 1 1,412,879 533,392 - 1,946,271 Total capital assets being amortized 2,763,204 533,392 (100,399) 3,196,197 Less accumulated amortization for: Right-to-use leased equipment (821,985) (282,721) 48,108 (1,056,598) Right-to-use subscription 1 (250,602) (504,391) - (754,993) Total accumulated amortization (1,072,587) (787,112) 48,108 (1,811,591) Total capital assets being amortized, net 1,690,617 (253,720) (52,291) 1,384,606 Total capital assets being depreciated/amortized, net 228,717,046 74,644,016 (70,977) 303,290,085	Furniture & equipment	(2	25,467,040)		(1,693,731)		-		(27,160,771)
Total capital assets being depreciated, net 227,026,429 74,897,736 (18,686) 301,905,479 Capital assets being amortized Right-to-use leased equipment 1,350,325 - (100,399) 1,249,926 Right-to-use subscription 1 1,412,879 533,392 - 1,946,271 Total capital assets being amortized 2,763,204 533,392 (100,399) 3,196,197 Less accumulated amortization for: Right-to-use leased equipment (821,985) (282,721) 48,108 (1,056,598) Right-to-use subscription 1 (250,602) (504,391) - (754,993) Total accumulated amortization (1,072,587) (787,112) 48,108 (1,811,591) Total capital assets being amortized, net 1,690,617 (253,720) (52,291) 1,384,606	Machinery & equipment	(:	31,449,842)		(3,285,202)		2,056,394		(32,678,650)
Capital assets being amortized Right-to-use leased equipment 1,350,325 - (100,399) 1,249,926 Right-to-use subscription 1 1,412,879 533,392 - 1,946,271 Total capital assets being amortized 2,763,204 533,392 (100,399) 3,196,197 Less accumulated amortization for: Right-to-use leased equipment (821,985) (282,721) 48,108 (1,056,598) Right-to-use subscription 1 (250,602) (504,391) - (754,993) Total accumulated amortization (1,072,587) (787,112) 48,108 (1,811,591) Total capital assets being amortized, net 1,690,617 (253,720) (52,291) 1,384,606 Total capital assets being depreciated/amortized, net 228,717,046 74,644,016 (70,977) 303,290,085	Total accumulated depreciation	(2	58,872,276)		(20,101,444)		2,056,394		(276,917,326)
Right-to-use leased equipment 1,350,325 - (100,399) 1,249,926 Right-to-use subscription 1 1,412,879 533,392 - 1,946,271 Total capital assets being amortized 2,763,204 533,392 (100,399) 3,196,197 Less accumulated amortization for: Right-to-use leased equipment (821,985) (282,721) 48,108 (1,056,598) Right-to-use subscription 1 (250,602) (504,391) - (754,993) Total accumulated amortization (1,072,587) (787,112) 48,108 (1,811,591) Total capital assets being amortized, net 1,690,617 (253,720) (52,291) 1,384,606 Total capital assets being depreciated/amortized, net 228,717,046 74,644,016 (70,977) 303,290,085	Total capital assets being depreciated, net	2:	27,026,429		74,897,736		(18,686)		301,905,479
Right-to-use subscription 1 1,412,879 533,392 - 1,946,271 Total capital assets being amortized 2,763,204 533,392 (100,399) 3,196,197 Less accumulated amortization for: Right-to-use leased equipment (821,985) (282,721) 48,108 (1,056,598) Right-to-use subscription 1 (250,602) (504,391) - (754,993) Total accumulated amortization (1,072,587) (787,112) 48,108 (1,811,591) Total capital assets being amortized, net 1,690,617 (253,720) (52,291) 1,384,606 Total capital assets being depreciated/amortized, net 228,717,046 74,644,016 (70,977) 303,290,085	Capital assets being amortized								
Total capital assets being amortized 2,763,204 533,392 (100,399) 3,196,197 Less accumulated amortization for: Right-to-use leased equipment (821,985) (282,721) 48,108 (1,056,598) Right-to-use subscription 1 (250,602) (504,391) - (754,993) Total accumulated amortization (1,072,587) (787,112) 48,108 (1,811,591) Total capital assets being amortized, net 1,690,617 (253,720) (52,291) 1,384,606 Total capital assets being depreciated/amortized, net 228,717,046 74,644,016 (70,977) 303,290,085	Right-to-use leased equipment		1,350,325		-		(100,399)		1,249,926
Less accumulated amortization for: Right-to-use leased equipment (821,985) (282,721) 48,108 (1,056,598) Right-to-use subscription 1 (250,602) (504,391) - (754,993) Total accumulated amortization (1,072,587) (787,112) 48,108 (1,811,591) Total capital assets being amortized, net 1,690,617 (253,720) (52,291) 1,384,606 Total capital assets being depreciated/amortized, net 228,717,046 74,644,016 (70,977) 303,290,085	Right-to-use subscription ¹		1,412,879		533,392				1,946,271
Right-to-use leased equipment (821,985) (282,721) 48,108 (1,056,598) Right-to-use subscription 1 (250,602) (504,391) - (754,993) Total accumulated amortization (1,072,587) (787,112) 48,108 (1,811,591) Total capital assets being amortized, net 1,690,617 (253,720) (52,291) 1,384,606 Total capital assets being depreciated/amortized, net 228,717,046 74,644,016 (70,977) 303,290,085	Total capital assets being amortized		2,763,204		533,392		(100,399)		3,196,197
Right-to-use subscription 1 (250,602) (504,391) - (754,993) Total accumulated amortization (1,072,587) (787,112) 48,108 (1,811,591) Total capital assets being amortized, net 1,690,617 (253,720) (52,291) 1,384,606 Total capital assets being depreciated/amortized, net 228,717,046 74,644,016 (70,977) 303,290,085	Less accumulated amortization for:								
Total accumulated amortization (1,072,587) (787,112) 48,108 (1,811,591) Total capital assets being amortized, net 1,690,617 (253,720) (52,291) 1,384,606 Total capital assets being depreciated/amortized, net 228,717,046 74,644,016 (70,977) 303,290,085	Right-to-use leased equipment		(821,985)		(282,721)		48,108		(1,056,598)
Total capital assets being amortized, net 1,690,617 (253,720) (52,291) 1,384,606 Total capital assets being depreciated/amortized, net 228,717,046 74,644,016 (70,977) 303,290,085	Right-to-use subscription ¹		(250,602)		(504,391)				(754,993)
Total capital assets being depreciated/amortized, net 228,717,046 74,644,016 (70,977) 303,290,085	Total accumulated amortization		(1,072,587)		(787,112)		48,108		(1,811,591)
	Total capital assets being amortized, net		1,690,617		(253,720)		(52,291)		1,384,606
Governmental Activities capital assets, net \$\\\\$300,786,145 \\\$113,574,975 \\\$(37,363,190) \\\$376,997,930	Total capital assets being depreciated/amortized, net	2:	28,717,046		74,644,016		(70,977)		303,290,085
	Governmental Activities capital assets, net	\$ 30	00,786,145	\$	113,574,975	\$	(37,363,190)	\$	376,997,930

^{1 -} Beginning values restated due to implementation of GASB 96

^{2 -} Beginning values restated for addition of developer infrastructure

III. DETAILED NOTES ON ALL FUNDS (Continued)

		Balance		Transfers/		Balance
	Octo	ber 1, 2022	Additions	Retirements	Se	ptember 30, 2023
Business-type Activities:						
Capital assets not being depreciated						
Land	\$	3,677,299	\$ 477,015	\$ -	\$	4,154,314
Construction in progress		78,797,716	 28,220,555	 (36,039,498)		70,978,773
Total capital assets not being depreciated		82,475,015	 28,697,570	 (36,039,498)		75,133,087
Capital assets being depreciated						
Buildings		60,262,210	13,685	-		60,275,895
Infrastructure ¹		324,956,098	56,577,138	-		381,533,236
Furniture & equipment		3,161,888	10,197	-		3,172,085
Machinery & equipment		13,840,671	724,784	(115,235)		14,450,220
Total capital assets being depreciated		402,220,867	 57,325,804	(115,235)		459,431,436
Less accumulated depreciation for:						
Buildings		(34,422,179)	(1,157,896)	-		(35,580,075)
Infrastructure 1		(119,470,075)	(9,321,258)	-		(128,791,333)
Furniture & equipment		(2,735,543)	(137,483)	-		(2,873,026)
Machinery & equipment		(9,085,498)	 (905,750)	115,235		(9,876,013)
Total accumulated depreciation		(165,713,295)	(11,522,387)	115,235		(177,120,447)
Total capital assets being depreciated, net		236,507,572	 45,803,417	 =_		282,310,989
Capital assets being amortized						
Right-to-use leased equipment		22,540	-	-		22,540
Right-to-use subscription			306,339			306,339
Total capital assets being amortized		22,540	306,339	_		328,879
Less accumulated amortization for:						
Right-to-use leased equipment		(4,696)	(5,635)	-		(10,331)
Right-to-use subscription			(61,268)	<u>-</u>		(61,268)
Total accumulated amortization		(4,696)	(66,903)			(71,599)
Total capital assets being amortized, net		17,844	 239,436	 <u>-</u>		257,280
Total capital assets being depreciated/amortized, net		236,525,416	46,042,853			282,568,269
Business-type Activities capital assets, net	\$	319,000,431	\$ 74,740,423	\$ (36,039,498)	\$	357,701,356

^{1 -} Beginning values restated for addition of developer infrastructure

III. DETAILED NOTES ON ALL FUNDS (Continued)

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

Governmental activities:	
General government	\$ 1,316,356
Public safety	2,738,627
Highways and streets	10,651,121
Sanitation	1,495,529
Health and welfare	124,875
Culture and leisure services	3,350,815
Airport	1,211,233
Total depreciation/amortization expense - Governmental Activities	\$ 20,888,556
Business-type activities:	
Water and sewer	\$ 11,589,290
Total depreciation/amortization expense - Business-type Activities	\$ 11,589,290

The City has active construction projects as of September 30, 2023. Total accumulated commitments for ongoing capital projects are composed of the following:

Capital Projects Fund	\$ 3,205,225
Water and Sewer Fund	16,221,673
Special Revenue Fund-Federal/State Grants	 379,089
Total	\$ 19,805,987

III. DETAILED NOTES ON ALL FUNDS (Continued)

	Balance October 1, 2022			Additions	ı	Transfers/ Retirements	Balance September 30, 2023		
Discretely presented component units:	October 1, Loll			Additions		tetirements	ОСРІ	CITIBET 00, 2020	
Reinvestment Zone No 1:									
Capital assets not being depreciated									
Land	\$	24,829,757	\$	2,680,652	\$	(1,753,057)	\$	25,757,352	
Construction in progress		53,113,724		39,403,222		(31,312,450)		61,204,496	
Total capital assets not being depreciated		77,943,481		42,083,874		(33,065,507)		86,961,848	
Capital assets being depreciated									
Buildings		2,701,120		759,963		-		3,461,083	
Infrastructure		126,822,636		28,747,673		(142,850)		155,427,459	
Furniture & equipment		33,862		-		-		33,862	
Machinery & equipment		42,559		-		-		42,559	
Total capital assets being depreciated		129,600,177		29,507,636		(142,850)		158,964,963	
Less accumulated depreciation for:									
Buildings		(662,593)		(107,057)		-		(769,650)	
Infrastructure		(46,739,381)		(6,524,858)		-		(53,264,239)	
Furniture & equipment		(7,195)		(1,693)		-		(8,888)	
Machinery & equipment		(42,086)		(473)		-		(42,559)	
Total accumulated depreciation		(47,451,255)		(6,634,081)		-		(54,085,336)	
Total capital assets being depreciated, net		82,148,922		22,873,555		(142,850)		104,879,627	
Reinvestment Zone No.1 capital assets, net	\$	160,092,403	\$	64,957,429	\$	(33,208,357)	\$	191,841,475	
Temple Economic Development Corporation:									
Capital assets being depreciated									
Buildings & improvements	\$	5,432,772	\$	-	\$	-	\$	5,432,772	
Office equipment		95,811						95,811	
Total capital assets being depreciated		5,528,583		-		-		5,528,583	
Less accumulated depreciation for:									
Buildings & improvements		(628,419)		(158, 102)		-		(786,521)	
Office equipment		(46,243)		(14,306)				(60,549)	
Total accumulated depreciation		(674,662)		(172,408)				(847,070)	
Total capital assets being depreciated, net		4,853,921		(172,408)		-		4,681,513	
Temple Economic Development Corp.									
capital assets, net	\$	4,853,921	\$	(172,408)	\$	-	\$	4,681,513	

D. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at September 30, 2023, in the Statement of Net Position were as follows:

	Property (Net of lowance)	Other (Net of Allowance)		Leases	Other Leases Governments		Total Receivables	
General Fund Debt Service Fund Capital Projects Fund Nonmajor Governmental Funds	\$ 427,248 487,515 -	\$	4,873,291 4,757 1,469 429,587	\$ 16,518,809 - -	\$	474,740 4,726,781 - 766,534	\$ 22,294,088 5,219,053 1,469 1,196,121	
Total Governmental Funds Water & Sewer Fund	914,763 -		5,309,104 3,557,749	16,518,809		5,968,055	28,710,731 3,557,749	
Total	\$ 914,763	\$	8,866,853	\$ 16,518,809	\$	5,968,055	\$ 32,268,480	

Payables at September 30, 2023, in the Statement of Net Position were as follows:

	Vouchers &		Accrued		Total
	Contracts	Retainages	Payroll	Deposits	Payables
General Fund	\$ 4,325,403	\$ -	\$ 3,154,399	\$ 54,319	\$ 7,534,121
Capital Projects Fund	3,781,792	592,127	6,055	-	4,379,974
Nonmajor Governmental Funds	331,305	13,295	121,765	82,009	548,374
Total Governmental Funds	8,438,500	605,422	3,282,219	136,328	12,462,469
Water and Sewer Fund	2,911,490	1,797,700	388,664	902,984	6,000,838
	-	-	-	-	-
Total	\$ 11,349,990	\$ 2,403,122	\$ 3,670,883	\$ 1,039,312	\$ 18,463,307

E. DEFERRED AMOUNT ON REFUNDING

The amounts reported for deferred amount of refunding balances of the City for the year ended September 30, 2023:

	Е	Balance					Balance			
	Octo	ber 1, 2022	Additions		Re	etirements	Septe	mber 30, 2023		
Governmental Activities										
General obligation bonds	\$	3,161,069	\$	-	\$	405,262	\$	2,755,807		
Total governmental activities		3,161,069		-		405,262		2,755,807		
Business-Type Activities										
General obligation bonds		4,019,146		-		381,507		3,637,639		
Total business-type activities		4,019,146		-		381,507		3,637,639		
Total government	\$	7,180,215	\$		\$	786,769	\$	6,393,446		
Component Units										
Reinvestment Zone No. 1	\$	990,181	\$	-	\$	90,017	\$	900,164		
Total component units	\$	990,181	\$	-	\$	90,017	\$	900,164		
Business-Type Activities General obligation bonds Total business-type activities Total government Component Units Reinvestment Zone No. 1	\$	4,019,146 4,019,146 7,180,215	\$	- - -	\$	381,507 381,507 786,769	\$	3,637,6 3,637,6 6,393,4		

F. DEFERRED INFLOWS OF RESOURCES - LEASE RELATED

The amounts reported for lease related deferred inflows of resources for the year ended September 30, 2023, were as follows:

		Balance						Balance
	Oc	tober 1, 2022	Additions		Retirements		September 30, 2023	
Governmental Activities				_				
Building leases	\$	1,895,434	\$	-	\$	143,213	\$	1,752,221
Hangar leas es		551,923		8,626		45,625		514,924
Land leases		405,957		17,047		19,751		403,253
Landfill lease		13,685,980		-		741,507		12,944,473
Total governmental activities	\$	16,539,294	\$	25,673	\$	950,096	\$	15,614,871

G. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The amounts reported for deferred outflows/inflows of resources related to pensions and other postemployment benefits of the City for the year ended September 30, 2023:

	Oc	Balance tober 1, 2022	Additions	F	Retirements	Balance September 30, 2023		
Deferred Outflows of Resources related to pensions and other post-employment benefits Contributions subsequent to the measurement date								
Texas Municipal Retirement System Firemen's Pension	\$	5,520,010 1,787,229	\$ 6,154,463 1,772,374	\$	(5,520,010) (1,787,229)	\$	6,154,463 1,772,374	
Texas Municipal Retirement System- Supplemental Death Benefits Retiree Health Care Plan		56,091 133,589	65,941 128,579		(56,091) (133,589)		65,941 128,579	
Total contributions subsequent to the measurement date	\$	7,496,919	\$ 8,121,357	\$	(7,496,919)	\$	8,121,357	
Differences between expected and actual plan experience						_		
Texas Municipal Retirement System Firemen's Pension Texas Municipal Retirement System-	\$	2,577,198 1,157,474	\$ 4,097,042 292,895	\$	(1,975,362) (203,121)	\$	4,698,878 1,247,248	
Supplemental Death Benefits Total differences between expected and		2,829	 		(1,545)		1,284	
actual plan experience	\$	3,737,501	\$ 4,389,937	\$	(2,180,028)	\$	5,947,410	
Changes in assumptions Texas Municipal Retirement System Firemen's Pension Texas Municipal Retirement System-	\$	142,339 1,590,584	\$ -	\$	(125,963) (284,938)	\$	16,376 1,305,646	
Supplemental Death Benefits Retiree Health Care Plan		541,635 1,031,753	 <u>-</u>		(182,747) (169,111)		358,888 862,642	
Total differences between changes in assumptions	\$	3,306,311	\$ _	\$	(762,759)	\$	2,543,552	
Differences between projected and actual investment earnings Texas Municipal Retirement System	\$	-	\$ 18,407,126	\$	(3,997,555)	\$	14,409,571	
Firemen's Pension Total differences between projected and actual investment earnings	\$		 7,874,089 26,281,215	\$	(1,268,430)	\$	6,605,659 21,015,230	
Deferred Inflows of Resources related to pensions and other post-employment benefits Differences between expected and actual plan experience								
Texas Municipal Retirement System Firemen's Pension Texas Municipal Retirement System-	\$	748,816 317,226	\$ - -	\$	(491,336) (75,531)	\$	257,480 241,695	
Supplemental Death Benefits Retiree Health Care Plan		131,281 2,049,617	 30,214 4,188		(47,261) (284,971)		114,234 1,768,834	
Total differences between expected and actual plan experience	\$	3,246,940	\$ 34,402	\$	(899,099)	\$	2,382,243	
Changes in assumptions Firemen's Pension Texas Municipal Retirement System-	\$	-	\$ 5,647	\$	(630)	\$	5,017	
Supplemental Death Benefits Retiree Health Care Plan		45,298 188,747	 1,110,605 1,671,461		(229,661) (218,062)		926,242 1,642,146	
Total differences between changes in assumptions	\$	234,045	\$ 2,787,713	\$	(448,353)	\$	2,573,405	
Differences between projected and actual investment earnings								
Texas Municipal Retirement System Firemen's Pension	\$	13,379,659 5,820,676	\$ <u>-</u>	\$	(13,379,659) (5,820,676)	\$	<u>-</u>	
Total differences between projected and actual investment earnings	\$	19,200,335	\$ <u> </u>	\$	(19,200,335)	\$		

H. 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:

	Deferred		Unearned		Total
Governmental Activities					
General Fund:					
Delinquent property taxes	\$	399,663	\$	-	\$ 399,663
Street escrow		-		24,076	24,076
Parks escrow		-		1,047,224	1,047,224
Police escrow		-		189,909	189,909
Child safety fees		-		139,909	139,909
Electric franchise		-		2,059,035	2,059,035
Gas franchise		-		426,187	426,187
Other				1,003	 1,003
Total General Fund		399,663		3,887,343	 4,287,006
Debt Service Fund:					
Delinquent property taxes		476,315		-	476,315
Pass-through toll agreement		4,726,781			 4,726,781
Total Debt Service Fund		5,203,096			5,203,096
Nonmajor governmental funds:					
Grant draw downs prior to meeting					
all eligibility requirements				9,374,330	 9,374,330
Total Governmental Funds	\$	5,602,759	\$ 1	13,261,673	\$ 18,864,432

I. LEASES

Lease receivable

During the current fiscal year, the City leased various buildings to third parties. The lease terms range from fifteen to fifty years. The City will receive monthly payments ranging from \$ 1,138 to \$ 7,680. The City recognized \$ 143,214 in lease revenue and \$ 39,452 in interest revenue during the current fiscal year related to the building leases.

During the current fiscal year, the City leased various hangars to third parties. The lease terms range from five to twenty-five years. The City will receive monthly payments ranging from \$ 360 to \$ 4,692. The City recognized \$ 45,625 in lease revenue and \$ 10,507 in interest revenue during the current fiscal year related to the hangar leases.

During the current fiscal year, the City leased various parcels of land to third parties. The lease terms range from twenty to forty years. The City will receive monthly or annual payments ranging from \$ 178 to \$ 10,043. The City recognized \$ 19,751 in lease revenue and \$ 8,325 in interest revenue during the current fiscal year related to the land leases.

During the current fiscal year, the City leased a landfill to a third party. The lease term is for forty years. The City will receive monthly payments ranging from \$ 62,954 to \$ 66,101. The City recognized \$ 741,507 in lease revenue and \$ 297,550 in interest revenue during the current fiscal year related to the landfill lease.

As of September 30, 2023, the City's receivable for all lease payments was \$ 16,518,809. The City also has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease terms. As of September 30, 2023, the balance of the deferred inflow of resources was \$ 15,614,871.

Lease payable

During the current fiscal year, the City leased golf equipment, police equipment, and copiers. The lease terms range from four to five years. As of September 30, 2023, the value of the lease liability was \$ 119,924. The value of the right-to-use assets as of the end of the current fiscal year was \$ 1,272,466 and had accumulated amortization of \$ 1,066,928.

Detailed information related to the leases can be found in Note III, K for Long-Term Debt.

J. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRAGEMENTS (SBITAS)

During the current fiscal year, the City has entered into 13 SBITA contracts as lessee for information technology (IT) software. The SBITA terms range from three to five years. As of September 30, 2023, the value of the SBITA liability was \$ 1,213,168. The value of the right-to-use assets as of the end of the current fiscal year was \$ 2,252,610 and had accumulated amortization of \$ 816,261.

Detailed information related to the SBITAs can be found in Note III, K for Long-Term Debt.

K. 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, 2023:

	Balance October 1, 2022	Additions	Retirements	Balance September 30, 2023	Due within one year
Governmental Activities					
General obligation bonds	\$ 57,530,000	\$ -	\$ 6,345,000	\$ 51,185,000	\$ 5,535,000
Certificates of obligation	190,900,000	41,340,000	7,490,000	224,750,000	10,150,000
Contractual obligations	8,150,000	2,890,000	1,555,000	9,485,000	1,670,000
Notes payable	2,219,987	-	171,217	2,048,770	172,936
Lease liability	421,784	-	313,419	108,365	57,707
Subscription liability	959,861	533,392	530,210	963,043	560,778
Plus deferred amount:					
Issuance premium	22,242,875	4,044,851	1,764,555	24,523,171	1,880,815
Issuance discount	(1,888,854)	(270,249)	(142,638)	(2,016,465)	(152,810)
Total bonds payable	280,535,653	48,537,994	18,026,763	311,046,884	19,874,426
Compensated absences	9,392,800	1,131,339	639,502	9,884,637	824,681
Net pension liability -TMRS	12,634,945	29,985,671	-	42,620,616	-
Net pension liability - FP	12,751,525	13,290,941	-	26,042,466	-
OPEB liability - RHCP	5,262,814	-	1,231,457	4,031,357	153,093
OPEB liability - SDBF	2,808,940	-	874,745	1,934,195	68,701
Arbitrage rebate	-	991,637	-	991,637	84,772
Total governmental activities	323,386,677	93,937,582	20,772,467	396,551,792	21,005,673
Business-Type Activities					
General obligation bonds	27,190,000	_	4,265,000	22,925,000	4,485,000
Revenue bonds	165,050,000	37,470,000	7,575,000	194,945,000	8,405,000
Notes payable	164,788	-	12,709	152,079	12,837
Lease liability	17,076	_	5,517	11,559	5,690
Subscription liability	17,070	306,339	56,214	250,125	58,484
Plus deferred amount:	-	300,339	50,214	250,125	30,404
Issuance premium	23,514,603	2,071,470	1,691,309	23,894,764	1,767,124
Issuance discount	(1,517,317)	, ,	(135,245)	(1,880,616)	(143,708)
Total bonds payable	214,419,150	39,349,265	13,470,504	240,297,911	14,590,427
Compensated absences	612,640	114,339	29,521	697,458	83,697
•	•	•	29,321	5,705,686	03,091
Net pension liability - TMRS OPEB liability - RHCP	1,744,033 717.657	3,961,653	167,926	5,705,666	20.976
•	•	-	•	•	20,876
OPEB liability - SDBF	383,037	700.070	119,284	263,753	9,367
Arbitrage rebate	047.070.547	782,872	40.707.005	782,872	- 44 704 207
Total business-type activities	217,876,517	44,208,129	13,787,235	248,297,411	14,704,367
Component Units					
Reinvestment Zone No. 1	146,164,145	40,513,531	4,549,913	182,127,763	4,350,000
Temple Economic					
Development Corp.	3,443,283	-	59,642	3,383,641	55,333
Total component units	149,607,428	40,513,531	4,609,555	185,511,404	4,405,333
Total government	\$ 690,870,622	\$ 178,659,242	\$ 39,169,257	\$ 830,360,607	\$ 40,115,373

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, 2023 is comprised of the following:

	Governme Activitie			siness-type Activities
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%	\$ 800	,000	\$	9,455,000
\$ 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%	5,685	,000		1,840,000
\$ 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%	23,045	,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%	5,725	,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%	15,250	,000		-
\$ 20,320,000 2019 refunding bonds due in annual installments of				
\$ 565,000 to \$ 3,650,000 through 2030; interest at 5.00%		-		8,435,000
\$ 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		_
	51,185	,000	2	22,925,000
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%	5,885	,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%	3,180	,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%	16,890	,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%	15,125	,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%	26,995	,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%	13,730	,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%	16,455	,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%	47,095	,000		-
\$ 39,865,000 2022A certificates due in annual installments of				
\$ 1,095,000 to \$ 2,810,000 through 2042; interest at 4.00% to 5.00%	38,055	,000		-
\$ 41,340,000 2023A certificates due in annual installments of				
\$ 455,000 to \$ 3,090,000 through 2043; interest at 4.00% to 5.00%	41,340			
	224,750	,000		

III. DETAILED NOTES ON ALL FUNDS (Continued)

	Governmental	Business-type
	Activities	Activities
Contractual obligations:		
\$ 1,210,000 2019 limited tax notes due in annual installments of	Ф <u>Б</u> ЕО 000	ф
\$ 160,000 to \$ 190,000 through 2026; interest at 3.00% to 4.00%	\$ 550,000	\$ -
\$ 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%	1,635,000	
\$ 2,940,000 2021 limited tax notes due in annual installments of	1,635,000	-
\$ 390,000 to \$ 455,000 through 2028; interest at 2.00% to 4.00%	2,150,000	_
\$ 2,575,000 2022 limited tax notes due in annual installments of	2, 130,000	-
\$ 315,000 to \$ 425,000 through 2029; interest at 5.00%	2,260,000	_
\$ 2,890,000 2023 limited tax notes due in annual installments of	2,200,000	
\$ 370,000 to \$ 470,000 through 2030; interest at 5.00%	2,890,000	_
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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%	-	980,000
\$ 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%	-	6,190,000
\$ 32,755,000 2017 bonds due in annual installments of		05 505 000
\$ 1,085,000 to \$ 2,245,000 through 2037; interest at 3.00% to 5.00%	-	25,585,000
\$ 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%		17,715,000
\$ 68,145,000 2021 bonds due in annual installments of	_	17,713,000
\$ 2,060,000 to \$ 4,470,000 through 2041; interest at 3.00% to 5.00%	_	60,785,000
\$ 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%	-	24,620,000
\$ 23,145,000 2021 refunding bonds due in annual installments of		
\$ 335,000 to \$ 2,250,000 through 2044; interest at 0.31% to 3.01%	-	22,355,000
\$ 17,695,000 2022 bonds due in annual installments of		
\$ 575,000 to \$ 1,275,000 through 2042; interest at 4.00% to 5.00%	-	16,940,000
\$ 19,775,000 2023 bonds due in annual installments of		10 775 000
\$ 625,000 to \$ 1,495,000 through 2043; interest at 4.25% to 5.00%		19,775,000 194,945,000
		194,943,000
Notes payable:		
\$ 2,836,634 2020 loan agreement due in quarterly installments of		
\$ 44,680 to \$ 51,642 through 2034; interest at 1.00%	2,048,770	152,079
	2,048,770	152,079
Lease liability:		
\$ 429,108 2019 police equipment lease with annual payments of		
\$ 215,749 through 2023; interest at 2.97%	8,594	_
\$ 182,654 2021 copier lease with quarterly payments of	2,221	
\$ 12,091 through 2025; interest at 3.102%	93,671	-
\$ 11,894 2021 copier lease with quarterly payments of		
\$ 787 through 2025; interest at 3.102%	6,100	-
\$ 22,540 2021 copier lease with quarterly payments of		==-
\$ 1,492 through 2025; interest at 3.102%	400.005	11,559
	108,365	11,559

III. DETAILED NOTES ON ALL FUNDS (Continued)

		Governmental Activities		ess-type ivities
SBITA liability:				
\$ 21,388 2021 TragetSolutions Scheduling subscription with annual				
payments of \$ 10,712 through 2024; interest at 0.34%	\$	10,712	\$	-
\$ 26,467 2021 TargetSolutions LMS subscription with annual payments				
of \$ 13,256 through 2024; interest at 0.34%		13,256		-
\$ 48,531 2021 Simpleview subscription with monthly variable payments				
of \$ 1,475 to \$ 1,995 through 2024; interest at 0.34%		23,950		-
\$ 171,382 2023 ESRI subscription with annual payments of				
\$ 58,600 through 2025; interest at 2.57%		113,995		-
\$ 624,496 2022 Microsoft subscription with annual payments of				
\$ 319,649 through 2025; interest at 2.17%		315,632		-
\$ 124,744 2021 CentralSquare Cloud subscription with annual payments				
of \$ 31,500 through 2026; interest at 0.67%		93,871		-
\$ 47,521 2021 CentralSquare Learning subscription with annual payments				
of \$ 12,000 through 2026; interest at 0.67%		35,760		-
\$ 66,714 2021 Visual Lease subscription with annual payments of				
\$ 22,500 through 2026; interest at 0.67%		44,625		-
\$ 73,708 2023 Crowdriff subscription with annual payments of				
\$ 17,8502 through 2026; interest at 2.78%		57,033		-
\$ 50,357 2022 Leads Online subscription with annual payments of				
\$ 11,695 through 2027; interest at 3.37%		44,384		-
\$ 101,085 2022 Building Blocks subscription with annual payments of				
\$ 21,600 through 2027; interest at 3.37%		82,205		-
\$ 136,861 2023 CalAmp subscription with monthly payments of				
\$ 2,591 through 2028; interest at 2.57%		127,620		-
\$ 306,339 2023 Selectron subscription with annual payments of				
\$ 64,491 through 2027; interest at 3.37%		<u>-</u>		250,125
		963,043		250,125
Issuance premium		24,523,171		,894,764
Issuance discount		(2,016,465)		,880,616)
Total bonds payable	3	11,046,884	240	,297,911
Accrual for compensated absences		9,884,637		697,458
Accrual for net pension liability - TMRS		42,620,616	5	,705,686
Accrual for net pension liability - FP	:	26,042,466		-
Accrual for OPEB liability - RHCP		4,031,357		549,731
Accrual for OPEB liability - SDBF		1,934,195		263,753
Accrual for arbitrage rebate		991,637		782,872
Total primary government debt	3	96,551,792	248	,297,411

III. DETAILED NOTES ON ALL FUNDS (Continued)

	Governmental Activities	Business-type Activities		
Component Units:				
Reinvestment Zone No 1:				
\$ 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	\$ 16,105,000	\$ -		
\$ 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	1,385,000	-		
\$ 40,560,000 2022B certificates of obligation due in annual				
installments of \$ 520,000 to \$ 2,755,000 through 2047,				
interest at 4.00% to 5.00%; guaranteed by the City of Temple	40,560,000	-		
\$ 12,145,000 2022C certificates of obligation due in annual				
installments of \$ 170,000 to \$ 860,000 through 2047,				
interest at 3.51% to 5.17%; guaranteed by the City of Temple	12,145,000	-		
\$ 38,360,000 2023B certificates of obligation due in annual				
installments of \$ 1,025,000 to \$ 2,625,000 through 2048,				
interest at 4.125% to 5.00%; guaranteed by the City of Temple	38,360,000	-		
\$ 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	21,680,000	-		
\$ 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	24,590,000	-		
\$ 19,160,000 2021B taxable revenue bonds due in annual				
installments of \$ 835,000 to \$ 1,280,000 through 2041,	18,325,000			
interest at 0.75% to 3.25%; guaranteed by the City of Temple Issuance premium	10,325,000	-		
Issuance discount	(1,595,367)	-		
Accrual for arbitrage rebate	372,102	-		
Total Reinvestment Zone No 1	182,127,763			
Temple Economic Development Corporation:				
\$ 3,864,000 note due in monthly payments of \$ 31,424 through				
July 2027, interest at 6.00%; this represents the corporation's				
69% portion of the note which is shared with another entity	3,383,641	<u> </u>		
Total Temple Economic Development Corporation	3,383,641	-		
Total component units debt	185,511,404			
·	<u> </u>			
Total debt - reporting entity	\$ 582,063,196	\$248,297,411		

The annual requirements to amortize debt outstanding as of September 30, 2023, 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.

oneral Obligation E	I Obligation Bonds Governmental Activities				Business-type Activities			Component Units				
Year Ending												
September 30,		Principal		Interest	Principal		Interest		Principal		Interest	Total
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		6,475,000		1,495,295	2,590,000		418,050		1,705,000		208,966	12,892,311
2028		5,545,000		1,204,083	2,715,000		299,200		1,730,000		187,653	11,680,936
2029-2033		16,165,000		3,406,991	3,490,000		264,000		9,130,000		514,150	32,970,141
2034-2035		5,555,000		355,000			-					5,910,000
Total	\$	51,185,000	\$	12,540,804	\$ 22,925,000	\$	3,308,200	\$	16,105,000	\$	1,623,437	\$ 107,687,441

Certificates	of Obligations

-	Government	al Activities	Compon		
Year Ending					
September 30,	Principal	Interest	Principal	Interest	Total
2024	\$ 10,150,000	\$ 8,551,061	\$ 1,385,000	\$ 4,258,097	\$ 24,344,158
2025	8,815,000	8,018,576	690,000	4,119,838	21,643,414
2026	9,175,000	7,665,076	1,395,000	4,087,871	22,322,947
2027	9,430,000	7,292,183	2,480,000	4,022,844	23,225,027
2028	11,020,000	6,914,608	2,600,000	3,903,364	24,437,972
2029-2033	71,915,000	26,608,060	15,035,000	17,491,796	131,049,856
2034-2038	66,090,000	13,198,219	19,105,000	13,414,898	111,808,117
2039-2043	38,155,000	3,430,037	24,030,000	8,486,289	74,101,326
2044-2048			25,730,000	3,022,633	28,752,633
Total	\$224,750,000	\$ 81,677,820	\$ 92,450,000	\$ 62,807,630	\$461,685,450

Contractual Obligations

	Governme	ntal Activities	
Year Ending			
September 30,	Principal	Interest	Total
2024	\$ 1,670,000	\$ 360,093	\$ 2,030,093
2025	1,730,000	310,350	2,040,350
2026	1,790,000	241,925	2,031,925
2027	1,660,000	174,625	1,834,625
2028	1,290,000	107,975	1,397,975
2029-2030	1,345,000	90,750	1,435,750
Total	\$ 9,485,000	\$ 1,285,718	\$ 10,770,718

Revenue Bo	nds
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	Business-ty	siness-type Activities			Component Units				
Year Ending									
September 30,	 Principal	Interest			Principal		Interest		Total
2024	\$ 8,405,000	\$	7,012,909	\$	2,755,000	\$	2,620,713	\$	20,793,622
2025	8,690,000		6,731,460		2,855,000		2,516,763		20,793,223
2026	9,090,000		6,324,611		2,970,000		2,404,613		20,789,224
2027	9,525,000		5,886,073		3,090,000		2,285,955		20,787,028
2028	9,990,000		5,434,113		3,215,000		2,158,580		20,797,693
2029-2033	56,295,000		20,796,886		18,225,000		8,652,698		103,969,584
2034-2038	58,290,000		10,993,418		22,315,000		4,580,594		96,179,012
2039-2043	34,000,000		2,883,785		9,170,000		686,199		46,739,984
2044	 660,000		19,866						679,866
Total	\$ 194,945,000	\$	66,083,121	\$	64,595,000	\$	25,906,115	\$	351,529,236

Notes Payable

	Government	tal Acti	vities		Business-type Activities		Component Units Activities					
Year Ending September 30,	Principal		Interest		Principal		Interest	Principal		Interest		Total
2024	\$ 172,936	\$	19,841	\$	12,837	\$	1,473	\$	55,333	\$	204,854	\$ 467,274
2025	174,671		18,105		12,966		1,344		59,372		200,815	467,273
2026	176,425		16,351		13,096		1,214		63,087		197,100	467,273
2027	178,196		14,581		13,227		1,082		67,033		193,154	467,273
2028	179,984		12,792		13,360		950		70,692		189,495	467,273
2029-2033	927,386		36,495		68,839		2,708		430,186		872,820	2,338,434
2034-2038	239,172		1,796		17,754		134		579,910		721,046	1,559,812
2039-2043	-		-		-		-		785,525		515,396	1,300,921
2044-2048	-		-		-		-		1,061,983		236,899	1,298,882
2049	 								210,520		5,887	 216,407
Total	\$ 2,048,770	\$	119,961	\$	152,079	\$	8,905	\$	3,383,641	\$	3,337,466	\$ 9,050,822

Lease Liability

		Governmen	tal Acti	vities		Business-type Activities				
Year Ending										
September 30,	F	Principal	Ir	nterest	P	rincipal	Int	terest		Total
2024	\$	57,707	\$	2,486	\$	5,690	\$	278	\$	66,161
2025		50,658		856		5,869		99		57,482
Total	\$	108,365	\$	3,342	\$	11,559	\$	377	\$	123,643

Subscription Liability

		Governmental Activities				Business-type Activities				
Year Ending										
September 30,	F	Principal	I	nterest	F	Principal	lr	nterest		Total
2024	\$	560,778	\$	14,513	\$	58,484	\$	6,342	\$	640,117
2025		202,341		6,320		61,179		4,317		274,157
2026		125,872		2,673		63,793		2,206		194,544
2027		63,724		657		66,669		-		131,050
2028		10,328		33		-		_		10,361
Total	\$	963,043	\$	24,196	\$	250,125	\$	12,865	\$	1,250,229

(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, 2023.

(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, 2023.

III. DETAILED NOTES ON ALL FUNDS (Continued)

(4) 2023 Issuances -

On November 10, 2022, the City issued \$ 17,695,000 of Utility System 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, 2042. These bonds were issued for the construction of water and wastewater projects and other costs associated with these projects.

On July 11, 2023, the City issued \$41,340,000 of Combination Tax and Revenue Certificates of Obligation bonds. The interest rate of the bonds ranges from 4.00% to 5.00% and the maturity date of the bonds is August 1, 2043. These bonds were issued to design, acquire and construct streets, roads, traffic signalization and other transportation improvement projects, constructing and equipping City buildings, public safety equipment and vehicles, drainage improvements and other costs associated with these projects.

On July 11, 2023, the City issued \$ 38,360,000 of Combination Tax and Revenue Certificates of Obligation bonds. The interest rate of the bonds ranges from 4.00% to 5.00% and the maturity date of the bonds is August 1, 2048. These bonds were issued to design, acquire and construct streets, roads, and other transportation improvement projects, airport improvements, utility improvements and other costs associated with these projects all within the Reinvestment Zone.

On September 12, 2023, the City issued \$ 19,775,000 of Utility System Revenue bonds. The interest rate of the bonds ranges from 4.25% to 5.00% and the maturity date of the bonds is August 1, 2043. These bonds were issued for the construction of water and wastewater projects and other costs associated with these projects.

On September 12, 2023, the City issued \$ 2,890,000 of Limited Tax notes. The interest rate of the notes is 5.00% and the maturity date of the bonds is August 1, 2030. The notes were sold to purchase sanitation and street equipment and vehicles.

In the debt service fund, a fund balance of \$ 91,422 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 \$83,663,307, of which \$3,231,983 will be used to pay accrued interest and current maturities of bond indentures, \$79,528,340 represents remaining bonds proceeds, and the remaining \$902,984 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.

L. INTERFUND TRANSFERS

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

	Transfers In	Transfers Out
Major Funds:		
General	\$ 321,516	\$5,506,614
Debt Service	2,782,080	-
Capital Projects	3,098,863	292,240
Nonmajor Governmental Funds:		
Special Revenue	764,318	1,167,923
Total	\$6,966,777	\$6,966,777

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.

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.

IV. OTHER INFORMATION (Continued)

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 tenth year (2024) of the agreement is \$2,329,780 for the Temple-Belton WWTP, \$2,078,702 for the Doshier Farm WWTP and Lift Stations, and \$183,133 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.

<u>Landfill Operations</u> - 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 \$ 810,558 annually (\$ 67,546 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:

\$ 3.42/ton up to 200,000 tons \$ 4.26/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.

<u>Lease and Operating Agreement - Public Library</u> - 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, \$ 1,344,934 on its seventh reimbursement and \$ 1,348,047 on its eighth reimbursement. These lower amounts are due to less travel during the pandemic which has continued into FY 2023. 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, 2023, the net receivable is \$ 4,726,781.

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.

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.

IV. OTHER INFORMATION (Continued)

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 negations 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.

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.

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.

Date of						
Abatement	First Year of		2023	Term of	Abatement	Commitment
Agreement	Abatement	Firm	Abated Value	Abatement	Percentage	by Recipient
05/11	FY 2016	BKV-BPP Power, LLC	\$ 116,216,750	10 years	50%	Construct new electric power generating facility; create 20 new jobs
12/12	FY 2017	CXA Temple 2, LLC	123,446,505	10 years	12% to 65%	Construct new electric power generating facility
05/13	FY 2017	Buc-ee's, LTD	4,753,027	10 years	50%	Construct new travel center; create 150 new jobs
03/14	TBD	Wilsonart LLC	-	10 years	20% to 80%	Construct new office building; create 45 new jobs
10/15	FY 2019	High Ridge Enterprises	288,053	5 years	45%	Construct office building; create and maintain 19 new jobs
10/15	FY 2019	Temple TX Statutory Trust & Performance Food Groups	7,813,332	5 years	100%	Construct expansion of existing distribution center; create 100 new jobs
02/16	TBD	LSB Broadcasting	-	10 years	100%	Construct expansion and renovation of existing building; create 65 new jobs
12/16	TBD	MS Temple, LLC	-	5 years	50%	Construct new real property improvements; create 90 new jobs
10/17	FY 2022	Cargill, Inc.	17,457,020	10 years	50% to 100%	Construct new real property improvements; create 10-33 new jobs
01/18	FY 2023	Palladio Industries, Inc.	1,805,898	5 years	50%	Construct new real property improvements; create 30 new jobs
12/18	TBD	Turner Behringer Temple One, LLC {Hawn & Arcadia}	-	10 years	50% to 100%	Construct new real property improvements
12/18	TBD	East Penn Manufacturing Co.	-	5 years	50%	Construct new real and personal property improvements; create 266 new jobs
02/19	FY 2022	Niagara Bottling, LLC and Tanglefoot Properties, LLC	93,529,172	10 years	50% to 100%	Construct new real and personal property improvements; create 70 new jobs
11/19	TBD	Turner Behringer Temple One, LLC {102 East Central Ave, Sears Bldg}	-	10 years	50% to 100%	Construct new real property improvements
08/20	TBD	VKDM Investment, LLC	-	10 years	50% to 100%	Construct new real property improvements
11/20	FY 2023	Sunbelt Transformer, LTD	1,345,000	5 years	50%	Construct new real property improvements; retain 48 jobs; create 100 new jobs
12/21	TBD	Polmer, LLC	-	10 years	75%	Construct new real and personal property improvements; create 40 new jobs
12/21	TBD	LJT Texas, LLC	-	5 years	70%	Construct new real property improvements
05/22	TBD	Temple Green Data, LLC	-	10 years	20%	Construct new real and personal property improvements; create 20 new jobs

During fiscal year 2023, the total amount of abated property value was \$ 366,654,757. Based on the city tax rate of \$ 0.6130 per \$ 100 of value, the foregone tax levy due to abatement agreements was \$ 2,247,594.

(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 2023 was \$ 750,600.

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. Under the terms of the agreement, the total amount of the incentive for fiscal year 2023 was \$ 27,672.

D. EMPLOYEE BENEFITS

(1) Retirement Plans

The City participates in two retirement plans. The Texas Municipal Retirement System covered 737 employees as of December 31, 2022. The Temple Firefighters' Relief and Retirement Fund covered 118 employees as of September 30, 2023.

The Texas Municipal Retirement System

Plan Description

The City participates as one of 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency

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.

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.

IV. OTHER INFORMATION (Continued)

Employees Covered by Benefit Terms -

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

Retirees or beneficiaries currently receiving benefits	477
Inactive employees entitled to but not yet receiving benefits	554
Active employees	737
	<u>1,768</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 2023, the City made required contributions of 16.73% for the months in 2022 and required contributions of 16.80% for the months in 2023. The City's contributions for the year ended September 30, 2023, were \$ 8,317,414, and were equal to the required contributions.

Net Pension Liability

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

Actuarial Assumptions -

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

Inflation 2.50% 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

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:

		Long-Term
		Expected Real
Asset	Target	Rate of Return
Class	Allocation	(Arithmetic)
	·	
Global equity	35.0%	7.70%
Core fixed income	6.0%	4.90%
Non-core fixed income	20.0%	8.70%
Other public and private markets	12.0%	8.10%
Real estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private equity	10.0%	11.80%
Total	100.0%	

Discount Rate -

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee 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.

Changes in the Net Pension Liability -

	Increase (Decrease)			
Total Pension	Plan Fiduciary	Net Pension		
Liability	Net Position	Liability		
(a)	(b)	(a) - (b)		
\$240,710,106	\$226,331,128	\$ 14,378,978		
8,110,043	-	8,110,043		
16,156,029	-	16,156,029		
-	-	-		
4,097,042	-	4,097,042		
-	-	-		
-	7,682,964	(7,682,964)		
-	3,214,626	(3,214,626)		
-	(16,509,434)	16,509,434		
(10,833,094)	(10,833,094)	-		
-	(142,966)	142,966		
	170,600	(170,600)		
17,530,020	(16,417,304)	33,947,324		
\$258,240,126	\$209,913,824	\$ 48,326,302		
	Total Pension Liability (a) \$240,710,106 8,110,043 16,156,029 - 4,097,042 (10,833,094) - 17,530,020	Total Pension Liability Plan Fiduciary Net Position (a) (b) \$240,710,106 \$226,331,128 8,110,043 - 16,156,029 - - - 4,097,042 - - 7,682,964 3,214,626 (16,509,434) (10,833,094) (10,833,094) - (142,966) 170,600 (16,417,304)		

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	Current	1% Increase in
	<u>Discount Rate</u>	<u>Discount Rate</u>	<u>Discount Rate</u>
	(5.75%)	(6.75%)	(7.75%)
City's net pension liability	\$ 84,381,191	\$ 48,326,302	\$ 18,760,389

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.

<u>Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources</u> Related to <u>Pensions</u>

For the year ended September 30, 2023, the City recognized pension expense of \$ 11,354,004.

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

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and				
actual experience	\$	4,698,878	\$	257,480
Changes in assumptions		16,376		-
Differences between projected and actual				
investment earnings		14,409,571		-
Contributions subsequent to the				
measurement date		6,154,463		-
Total	\$	25,279,288	\$	257,480

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$ 6,154,463 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2023 (i.e., recognized in the City's financial statements September 30, 2024). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement	
Year Ended	
December 31	
2023	\$ 2,357,738
2024	5,383,328
2025	4,768,922
2026	6,357,357
2027	
Total	\$ 18,867,345

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. 31st 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.

IV. OTHER INFORMATION (Continued)

Members Covered by the Fund -

In the September 30, 2022, actuarial valuation, the following numbers of members were covered by the Fund:

Retirees and beneficiaries currently receiving benefits	105
Inactive employees entitled to but not yet receiving benefits	6
Active employees	<u>118</u>
	229

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, 2022, the annual money-weighted rate of return on pension plan investments was -16.21%. 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.

IV. OTHER INFORMATION (Continued)

Net Pension Liability

The City's net pension liability was measured as of September 30, 2022.

Total pension liability \$ 73,457,556

Plan fiduciary net position (47,415,090)

City's net pension liability \$ 26,042,466

Plan fiduciary net position as a

percentage of the total pension liability 64.55%

Actuarial Assumptions -

The total pension liability in the September 30, 2022, 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-2021.

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, 2022, are summarized in the following table:

		Long-Term
		Expected Real
Asset	Target	Rate of Return
Class	Allocation	_(Arithmetic)_
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	100.0%	

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:

	1% Decrease in	Current	1% Increase in
	Discount Rate	Discount Rate	Discount Rate
	(6.75%)	(7.75%)	(8.75%)
City's net pension liability	\$ 34,763,467	\$ 26,042,466	\$ 18,738,053

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.

Changes in the Net Pension Liability -

	Increase (Decrease)			
	Total Pension Plan Fiduciary		Net Pension	
	Liability	Net Position	Liability	
	(a)	(b)	(a) - (b)	
Balance at September 30, 2021	\$ 70,404,082	\$ 57,652,557	\$ 12,751,525	
Changes for the year:				
Service cost	1,816,647	-	1,816,647	
Interest	5,423,733	-	5,423,733	
Change of benefit terms	-	-	-	
Difference between expected and				
actual experience	292,895	-	292,895	
Changes of assumptions	(5,646)	-	(5,646)	
Contributions - employer	-	1,790,441	(1,790,441)	
Contributions - employee	-	1,765,009	(1,765,009)	
Net investment income	-	(9,264,398)	9,264,398	
Benefit payments, including refunds				
of employee contributions	(4,474,155)	(4,474,155)	-	
Administrative expense	-	(54,364)	54,364	
Changes in benefit terms				
Net changes	3,053,474	(10,237,467)	13,290,941	
Balance at September 30, 2022	\$ 73,457,556	\$ 47,415,090	\$ 26,042,466	

The net pension liability was \$ 26,042,466 as of September 30, 2022, which is the City's measurement date associated with its September 30, 2023, reporting date. The results are based on the Fund's September 30, 2022, actuarial valuation.

<u>Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

For the year ended September 30, 2023, the City's GASB 68 pension expense was \$ 2,779,697.

Components of Pension Expense for the Fiscal Year Ended September 30, 2023 -

Service cost	\$ 1,816,647
Interest	5,423,733
Firefighter contributions	(1,765,009)
Projected earnings on pension plan investments	(4,430,367)
Amortization of differences between projected and	
actual earnings on plan investments	1,268,431
Amortization of changes of assumptions	284,308
Amortization of differences between expected and	
actual experience	127,590
Pension plan administrative expenses	54,364
Total pension expense	\$ 2,779,697

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

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and				
actual experience	\$	1,247,248	\$	241,695
Changes in assumptions		1,305,646		5,017
Differences between projected and actual				
investment earnings		6,605,659		-
Contributions subsequent to the				
measurement date		1,772,374		_
Total	\$	10,930,927	\$	246,712

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	_	
2024		\$ 1,718,713
2025		1,593,089
2026		1,790,608
2027		3,095,864
2028		339,825
Thereafter		373,742
Total		\$ 8,911,841

The total of the contributions by the City to the Fund contributed subsequent to the measurement date of the net pension liability September 30, 2022, through September 30, 2023, 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, 2024.

(2) Retirement Plans Combined Data

For the year ended September 30, 2023, the City's total net pension liability and pension expense is as follows:

Net Pension Liability		
Texas Municipal Retirement System	\$	48,326,302
Temple Firefighters' Relief and Retirement Fund		26,042,466
Total Net Pension Liability	\$	74,368,768
·		
Net Pension Assets		
Texas Municipal Retirement System	\$	209,913,824
Temple Firefighters' Relief and Retirement Fund		47,415,090
Total Net Pension Assets	\$	257,328,914
Deferred Outflows of Resources Related to Pensions		
Texas Municipal Retirement System	\$	25,279,288
Temple Firefighters' Relief and Retirement Fund		10,930,927
Total Deferred Outflows of Resources Related to Pensions	\$	36,210,215
Deferred Inflows of Resources Related to Pensions		
Texas Municipal Retirement System	\$	257,480
Temple Firefighters' Relief and Retirement Fund		246,712
Total Deferred Inflows of Resources Related to Pensions	\$	504,192
Pension Expense		
Texas Municipal Retirement System	\$	11,354,004
Temple Firefighters' Relief and Retirement Fund	Ψ	2,779,697
Total Pension Expense	\$	14,133,701

The detail of deferred outflows and inflows related to pensions can be found in Note III, G.

(3) Deferred Compensation Fund

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The Plan is administered by one trustee; Mission Square Retirement and is classified as pension plan under the provisions of GASB 97. All assets and income are held in trust for the exclusive benefit of eligible employees and their beneficiaries. The City does have limited fiduciary responsibilities over the plan offerings and design; this plan is not reported in the financial statements of the City.

The plan, available to all full time City employees, permits them to defer until future years up to 100% of annual gross earnings not to exceed \$ 22,500. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City does not make contributions to the plan.

IV. OTHER INFORMATION (Continued)

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.

Employees Covered by Benefit Terms –

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

Retirees or beneficiaries currently receiving benefits	373
Inactive employees entitled to but not yet receiving benefits	133
Active employees	737
• •	1.243

Total OPEB Liability - SDBF

The City's total OPEB liability for SDBF of \$ 2,197,948 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions –

The total OPEB liability for SDBF in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

IV. OTHER INFORMATION (Continued)

Inflation 2.50% per year

Salary increases 3.50% to 11.50% including inflation

Discount rate* 4.05%

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.

Discount Rate -

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The discount rate changed from 1.84% as of December 31, 2021, to 4.05% as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022, valuation was 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

	Incr	rease (Decrease) Total OPEB Liability
Balance at December 31, 2021	\$	3,191,977
Changes for the year:		
Service cost		165,324
Interest		59,535
Change of benefit terms		-
Difference between expected and		
actual experience		(30,214)
Changes of assumptions		(1,110,605)
Contributions - employer		-
Contributions - employee		-
Net investment income		-
Benefit payments, including refunds		
employee contributions *		(78,069)
Administrative expense		-
Other changes		-
Net changes		(994,029)
Balance at December 31, 2022	\$	2,197,948

^{*}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 4.05%, 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 (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

	1% Decrease in	Current	1% Increase in
	Discount Rate	Discount Rate	Discount Rate
	(3.05%)	(4.05%)	(5.05%)
City's total OPEB liability - SDBF	\$ 2,621,305	\$ 2,197,948	\$ 1,868,370

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

For the year ended September 30, 2023, the City recognized OBEB expense of \$ 132,229.

Components of OPEB Expense for the Fiscal Year Ended September 30, 2023 –

Service cost	\$ 165,324
Interest	59,535
Projected earnings on pension plan investments	_
Amortization of differences between projected and	
actual earnings on plan investments	(45,716)
Amortization of changes of assumptions	(46,914)
Amortization of differences between expected and	
actual experience	-
Administrative expenses	-
Changes in benefit terms	
Total Supplemental Death Benefit expense	\$ 132,229

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

	 red Outflows Resources	 erred Inflows Resources
Differences between expected and		
and actual experience	\$ 1,284	\$ 114,234
Changes in assumptions	358,888	926,242
Contributions subsequent to the		
measurement date	 65,941	
Total	\$ 426,113	\$ 1,040,476

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$ 65,941 will be recognized as a reduction of the total OPEB liability for the measurement year ending December 31, 2023 (i.e., recognized in the City's financial statements September 30, 2024). Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Measurement Year Ended	
December 31	
2023	\$ (111,396)
2024	(112,203)
2025	(165,174)
2026	(203, 132)
2027	 (88,399)
Total	\$ (680,304)

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. The OPEB plan is an unfunded OPEB plan (i.e., no assets are accumulated).

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.

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.

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

Retirees or beneficiaries currently receiving benefits	96
Inactive employees entitled to but not yet receiving benefits	0
Active employees	789
	<u>885</u>

Total OPEB Liability - RHCP

The City's total OPEB liability for Retiree Health Care Plans of \$ 4,581,088 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions -

The total OPEB liability for RHCP in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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 4.05% as of December 31, 2022

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, 2020, 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 13 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 published through 2019 to account for future mortality

improvements.

Mortality rates – Firefighters The gender-distinct PubS-2010 Public Retirement

Plans mortality tables adjusted backward to 2006 are used. The rates are projected on a fully generational basis scale MP-2019 to account for

future mortality improvements.

Participation Rates -

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

Discount Rate -

The discount rate changed from 1.84% as of December 31, 2021, to 4.05% as of December 31, 2022. 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 4.05% (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 1.84% as of the prior measurement date.

Changes in the Total OPEB Liability – RHCP

	Incr	rease (Decrease) Total OPEB Liability
Balance at December 31, 2021 Changes for the year:	\$	5,980,471
Service cost		338,679
Interest		111,556
Change of benefit terms		, -
Difference between expected and		
actual experience		(4,188)
Changes of assumptions		(1,671,461)
Contributions - employer		-
Contributions - employee		-
Net investment income		-
Benefit payments, including refunds		
of employee contributions		(173,969)
Administrative expense		-
Changes in benefit terms		-
Net changes		(1,399,383)
Balance at December 31, 2022	\$	4,581,088

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 4.05%, 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 (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

	1% Decrease in	Current	1% Increase in
	Discount Rate	Discount Rate	Discount Rate
	(3.05%)	(4.05%)	(5.05%)
City's total OPEB liability	\$ 5,248,745	\$ 4,581,088	\$ 4,028,052

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:

	Current		
	1% Decrease in	Healthcare Cost	1% Increase in
	Trend Rate	Trend Rate	<u>Trend Rate</u>
City's total OPEB liability	\$ 3,884,234	\$ 4,581,088	\$ 5,469,337

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

For the year ended September 30, 2023, the City recognized OBEB expense of \$ 116,313.

Components of OPEB Expense for the Fiscal Year Ended September 30, 2023 –

Service cost	\$	338,679
Interest		111,556
Projected earnings on pension plan investments		-
Amortization of differences between projected and		
actual earnings on plan investments		(454)
Amortization of changes of assumptions		(181, 161)
Amortization of differences between expected and		
actual experience		(152, 307)
Administrative expenses		-
Changes in benefit terms		-
Total OPEB expense	\$	116,313

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

	 Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected				
and actual experience	\$ -	\$	1,768,834	
Changes in assumptions	862,642		1,642,146	
Contributions subsequent to the				
measurement date	 128,579		-	
Total	\$ 991,221	\$	3,410,980	

Deferred outflows of resources related to OPEB for RHCP resulting from contributions subsequent to the measurement date of \$ 128,579 will be recognized as a reduction of the total OPEB liability for the measurement year ending December 31, 2023 (i.e., recognized in the City's financial statements September 30, 2024). Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Measurement	
Year Ended	
December 31	
2023	\$ (333,922)
2024	(333,922)
2025	(333,922)
2026	(372,484)
2027	(343,231)
Thereafter	 (830,857)
Total	\$ (2,548,338)

(2) Other Post-Employment Benefits Combined Data

For the year ended September 30, 2023, the City's total OPEB liability and OPEB expense is as follows:

Total OPEB Liability	
Texas Municipal Retirement System - SDBF	\$ 2,197,948
Retiree Health Care Plan	 4,581,088
Total OPEB Liability	\$ 6,779,036
Deferred Outflows of Resources Related to OPEB	
Texas Municipal Retirement System - SDBF	\$ 426,113
Retiree Health Care Plan	 991,221
Total Deferred Outflows of Resources Related to OBEB	\$ 1,417,334
Deferred Inflows of Resources Related to OPEB	
Texas Municipal Retirement System - SDBF	\$ 1,040,476
Retiree Health Care Plan	 3,410,980
Total Deferred Inflows of Resources Related to OBEB	\$ 4,451,456
OPEB Expense	
Texas Municipal Retirement System - SDBF	\$ 132,229
Retiree Health Care Plan	 116,313
Total OPEB Expense	\$ 248,542
Texas Municipal Retirement System - SDBF Retiree Health Care Plan	 116,313

The detail of deferred outflows and inflows related to OPEB can be found in Note III, G.

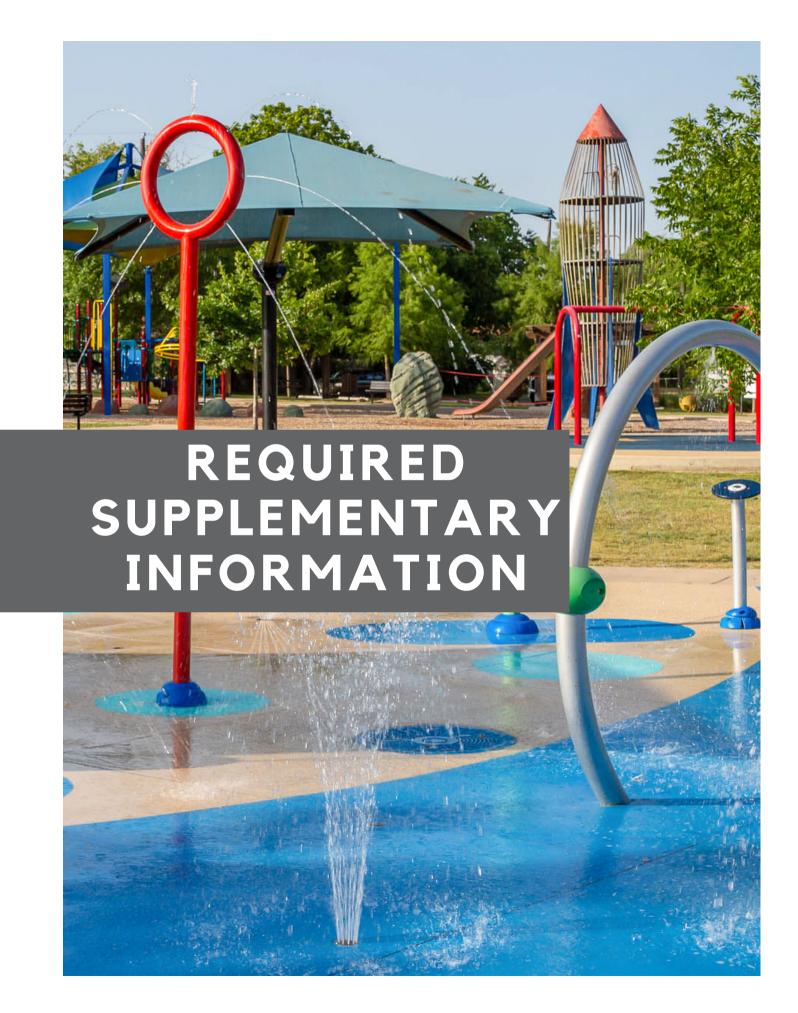
F. RELATED PARTY TRANSACTIONS

On January 19, 2023, the City authorized the purchase of property from a council member to support redevelopment efforts in the City's Downtown Neighborhood Planning District with the purchase in an estimated amount of \$ 947,000. The transaction for the purchase closed on March 10, 2023. The actual amount of the purchase was \$ 943,397.

G. SUBSEQUENT EVENT

A council member was awarded a construction contract on October 5, 2023. The total amount of the construction contract is \$ 1,154,557.





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

	Measuren Year 2014*	Measurement Year 2014*	Меа	Measurement Year 2015*	Σ	easurement Year 2016*	Mes	Measurement Year 2017*	Меа	Measurement Year 2018*	Меа	Measurement Year 2019*	Me	Measurement Year 2020*	We We	Measurement Year 2021*	Wea	Measurement Year 2022*
Total pension liability:																		
Service cost	\$	4,177,238	s	4,778,653	↔	5,254,599	↔	5,481,820	€	5,622,478	↔	5,958,781	↔	6,760,655	\$	7,160,469	s	8,110,043
Interest	1,	11,004,160		11,472,372		11,697,930		12,319,765		13,006,047		13,728,559		14,384,945		15,096,532		16,156,029
Changes of benefit terms		٠		•		•				•		•		٠		•		•
Difference between expected																		
and actual experience	Ή,	(1,874,758)		467,238		635,118		1,184,000		1,142,305		(1,204,885)		(818,343)		3,332,299		4,097,042
Change in assumptions		•		68,221		•		i		•		520,228		•		•		ı
Benefit payments, including refunds																		
of employee contributions	(9)	(6,991,011)		(6,846,202)		(8,379,414)		(8,598,375)		(9,179,172)		(9,291,032)		(10,067,714)		(9,902,568))	(10,833,094)
Net change in total pension liability	9	6,315,629		9,940,282		9,208,233		10,387,210		10,591,658		9,711,651		10,259,543		15,686,732		17,530,020
Total pension liability - beginning	158,	158,609,168	_	164,924,797	`	174,865,079	_	184,073,312	-	194,460,522	7	205,052,180	.,	214,763,831	.,	225,023,374	0	240,710,106
Total pension liability - ending (a)	\$ 164,	164,924,797	\$	174,865,079	` \$	184,073,312	\$ 1	194,460,522	\$ 2	205,052,180	\$ 2	214,763,831	\$	225,023,374	\$	240,710,106	\$ 2	258,240,126
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	↔	6,878,078	s	7,682,964
Contributions - employee	,	1,874,825		2,033,251		2,141,889		2,236,174		2,301,599		2,436,418		2,709,461		2,823,847		3,214,626
Net investment income	7,	7,718,713		209,717		9,611,394		20,831,979		(5,088,354)		25,227,862		14,202,682		26,123,938	Ŭ	(16,509,434)
Benefit payments, including refunds																		
of employee contributions	(6,	(6,991,011)		(6,846,202)		(8,379,414)		(8,598,375)		(9,179,172)		(9,291,032)		(10,067,714)		(9,902,568)	_	(10,833,094)
Administrative expense		(80,587)		(127,743)		(108,574)		(107,997)		(98,383)		(142,642)		(91,964)		(120,957)		(142,966)
Other		(6,626)		(6,309)		(5,850)		(5,474)		(5,141)		(4,285)		(3,588)		829		170,600
Net change in plan fiduciary net position	7,	7,202,375		119,981		8,107,252		19,582,560		(6,650,840)		23,944,936		13,292,813		25,803,167)	(16,417,304)
Plan fiduciary net position - beginning	134,	134,928,884	1	142,131,259	`	142,251,240	1	150,358,492	1	69,941,052	1	63,290,212	,	187,235,148	,,	200,527,961	2	226,331,128
Plan fiduciary net position - ending (b)	142,	142,131,259	1	142,251,240	`	150,358,492	1	169,941,052	1	163,290,212	1	87,235,148	,,	200,527,961	,	226,331,128	2	209,913,824
Net pension liability - ending (a) - (b)	\$ 22,	22,793,538	\$	32,613,839	ક	33,714,820	\$	24,519,470	\$	41,761,968	\$	27,528,683	\$	24,495,413	\$	14,378,978	\$	48,326,302
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%		94.03%		81.29%
Covered payroll	\$ 26,	26,783,210	€	28,996,683	↔	30,585,560	↔	31,945,335	€	32,879,988	s	34,805,966	↔	38,698,655	↔	40,340,668	↔	45,923,231
Net pension liability as a percentage of covered payroll		85.10%		112.47%		110.23%		76.75%		127.01%		79.09%		63.30%		35.64%		105.23%

*As of December 31

Texas Municipal Retirement System Schedule of Employer Contributions (Unaudited)

Fiscal Year	d	Actuarially letermined ontribution	rel a	ntribution in ation to the actuarially etermined ontribution	ex	ribution cess ciency)	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%
2022		7,512,631		7,512,631		-	44,681,606	16.81%
2023		8,317,414		8,317,414		-	49,562,288	16.78%

Texas Municipal Retirement System Notes to Schedule:

Valuation Date: Actuarial determined contribution rates are calculated as of December 31st 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 23 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.

Discount Rate 2.00% for fiscal years prior to 2021

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

	Me	Measurement Year 2014*	Σ	Measurement Year 2015*	Ĕ	Measurement Year 2016*	≥	Measurement Year 2017*	M	Measurement Year 2018*	Меа	Measurement Year 2019*	Mea	Measurement Year 2020*	Меа	Measurement Year 2021*	Meas	Measurement Year 2022*
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	↔	1,869,187	€	1,816,647
Interest		3,846,369		4,062,023		4,125,592		4,353,316		4,377,179		4,545,971		4,716,537		5,082,479		5,423,733
Changes of benefit terms		•		442,935		•		•		•		•		•		٠		•
Difference between expected																		
and actual experience		•		•		(770,412)		•		329,123				1,235,997				292,895
Change in assumptions		•		•		1,471,671		•		•		•		1,265,915		•		(5,646)
Benefit payments, including refunds of employee contributions		(2625283)		(3 240 391)		(3 359 067)		(3 641 902)		(4 448 915)		(3 037 803)		(4 340 570)		(4 255 919)		(4.474.155)
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		2,695,747	1	3,053,474
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		67,708,335	7	70,404,082
Total pension liability - ending (a)	8	50,613,335	ક્ક	53,217,119	\$	56,277,136	ક	58,704,181	ક	60,626,595	s	63,028,830	s	67,708,335	\$	70,404,082	2 \$	73,457,556
Plan fiduciary net position:																		
Contributions - employer	↔	1,111,042	છ	1,222,221	છ	1,246,449	8	1,299,059	↔	1,316,481	s	1,311,459	s	1,411,796	s	1,541,404	s	1,790,441
Contributions - employee		1,096,265		1,205,751		1,229,286		1,281,087		1,293,455		1,285,044		1,387,808		1,517,009		1,765,009
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		10,504,434	Ŭ	(9,264,398)
Benefit payments, including refunds										1							Ì	ĺ
of employee contributions		(2,625,283)		(3,240,391)		(3,359,067)		(3,641,902)		(4,448,915)		(3,937,803)		(4,340,570)		(4,255,919)	_	(4,474,155)
Administrative expense		(68,151)		(85,189)		(92,392)		(101,321)		(47,886)		(78,271)		(67,661)		(72,628)		(54,364)
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		9,234,300	Ξ	(10,237,467)
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		48,418,257	2	57,652,557
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		57,652,557	4	47,415,090
Net pension liability - ending (a) - (b)	\$	10,979,773	ક્ક	15,829,502	\$	16,414,734	\$	16,001,777	\$	16,382,826	\$	17,458,877	\$	19,290,078	\$	12,751,525	\$ 2	26,042,466
Plan fiduciary net position as a percentage of total pension liability		78.31%				70.83%	•	72.74%				72.30%		71.51%				64.55%
Covered payroll	↔	7,308,427	⇔	8,038,340	↔	8,195,240	↔	8,540,580	↔	8,623,033	S	8,566,960	s	9,252,053	⇔	9,481,306	€	11,031,306
Net pension liability as a percentage of covered payroll		150.23%		196.93%		200.30%		187.36%		189.99%		203.79%		208.50%		134.49%		236.08%

*As of September 30

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

_Fiscal Year	C	Actuarially letermined ontribution	rel a d	ntribution in ation to the actuarially etermined ontribution	e	tribution ccess iciency)	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%
2022		1,787,229		1,787,229		-	11,011,229	16.23%
2023		1,772,374		1,772,374		-	10,910,169	16.25%

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 25.6 years

Asset Valuation Method Market value of assets

Inflation 2.75%

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-2021.

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.

There were no changes in assumptions or actuarial methods 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; 3.75% in fiscal year 2020;

2.75% in fiscal year 2021

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.

SOA Public Safety Mortality tables with generational mortality

projection using Scale MP-2019 prior to 2021.

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

	M 	easurement Year 2017*	M	easurement Year 2018*	M	easurement Year 2019*	M	easurement Year 2020*	M	easurement Year 2021*	M	easurement Year 2022*
Total OPEB liability - SDBF:												
Service cost	\$	76,669	\$	88,776	\$	83,534	\$	119,966	\$	149,260	\$	165,324
Interest		69,658		70,624		79,076		70,606		60,301		59,535
Changes of benefit terms		-		-		-		-		-		-
Difference between expected and actual experience		-		9,009		(116,985)		(99,319)		(16,274)		(30,214)
Change in assumptions		159,536		(144,306)		397,960		395,527		98,611		(1,110,605)
Benefit payments, including refunds												
of employee contributions		(19,167)		(23,016)		(24,364)		(27,089)		(80,681)		(78,069)
Net change in total OPEB liability		286,696		1,087		419,221		459,691		211,217		(994,029)
Total OPEB liability - beginning		1,814,065		2,100,761		2,101,848		2,521,069		2,980,760		3,191,977
Total OPEB liability - ending	\$	2,100,761	\$	2,101,848	\$	2,521,069	\$	2,980,760	\$	3,191,977	\$	2,197,948
Covered-employee payroll Total OPEB liability as a percentage	\$	31,945,335	\$	32,879,988	\$	34,805,966	\$	38,698,655	\$	40,340,668	\$	45,923,231
of covered payroll		6.58%		6.39%		7.24%		7.70%		7.91%		4.79%

^{*}As of December 31

Supplemental Death Benefit Fund Schedule of Employer Contributions (Unaudited)

Fiscal Year	det	etuarially termined ntribution	rela ac de	tribution in tion to the stuarially termined ntribution	Contri exc (defici		Covered payroll	Contributions as a percentage of covered-employee 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%
2022		79,465		79,465		-	44,681,606	0.18%
2023		87,919		87,919		-	49,562,288	0.18%

Supplemental Death Benefit Fund

Notes to Schedule:

Valuation Date: Actuarial determined contribution rates are calculated as of December 31st 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* 4.05%

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.

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

Note: The actuarial assumptions used in the December 31, 2022, valuation was 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; 2.00% for fiscal year

2021; 1.84% for fiscal year 2022

^{*}Discount rate based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

Retiree Health Care Plan Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)

	 easurement Year 2017*	M	easurement Year 2018*	M	easurement Year 2019*	 easurement Year 2020*	 easurement Year 2021*	M	easurement Year 2022*
Total OPEB liability - RHCP:									
Service cost	\$ 257,976	\$	302,192	\$	285,093	\$ 304,598	\$ 397,966	\$	338,679
Interest	224,587		218,073		242,260	167,239	141,849		111,556
Changes of benefit terms	-		-		-	-	-		-
Difference between expected									
and actual experience	-		(16,542)		(1,208,893)	(536)	(1,379,702)		(4,188)
Change in assumptions	397,198		(336,351)		441,074	690,214	18,720		(1,671,461)
Benefit payments, including refunds									
of employee contributions	 (206,788)		(209,691)		(224,764)	(210,764)	(183,628)		(173,969)
Net change in total OPEB liability	672,973		(42,319)		(465,230)	950,751	(1,004,795)		(1,399,383)
Total OPEB liability (RHCP) - beginning	 5,869,091		6,542,064		6,499,745	6,034,515	 6,985,266		5,980,471
Total OPEB liability (RHCP) - ending	\$ 6,542,064	\$	6,499,745	\$	6,034,515	\$ 6,985,266	\$ 5,980,471	\$	4,581,088
Covered-employee payroll Total OPEB liability as a percentage	\$ 40,501,584	\$	41,466,897	\$	42,151,571	\$ 48,257,210	\$ 50,186,647	\$	56,866,973
of covered-employee payroll	16.15%		15.67%		14.32%	14.48%	11.92%		8.06%

^{*}As of December 31

Retiree Health Care Plan Schedule of Employer Contributions (Unaudited)

Fiscal Year	de	ctuarially etermined entribution	rela a de	ntribution in ation to the ctuarially etermined intribution	exc	ibution cess iency)	Covered payroll	Contributions as a percentage of covered-employee 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%
2022		149,657		149,657		-	55,692,835	0.27%
2023		168,959		168,959		_	60,472,457	0.28%

Retiree Health Care Plan

Notes to Schedule:

- TMRS

Valuation Date: Actuarial determined contribution rates are calculated as of December 31st 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

Firefighters - 3.75% to 9.46%, including inflation

Discount Rate 4.05% as of December 31, 2022

Demographic Assumptions Based on the experience study covering the four-year period ending

December 31, 2018, as conducted for the Texas Municipal Retirement

System (TMRS).

Demographic Assumptions Based on the September 30, 2020, actuarial valuation report for the City

- Firefighters 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 13 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

published through 2019 to account for future mortality improvements.

Mortality Rates – Firefighters The gender-distinct PubS-2010 Public Retirement Plans mortality tables

adjusted backward to 2006 are used. The rates are projected on a fully generational basis scale MP-2019 to account for future mortality

improvements.

Participation Rates -

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

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, to 1.84% as of December 31, 2021. For the December 31, 2022, valuation the discount rate was changed to 4.05%.

For the purpose of the valuation, the municipal bond rate is 4.05% (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 1.84% 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 2022:

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.

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.

Discount Rate 1.84% prior to 2022

2.00% prior to 2021 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.

Participation Rates Age at Retirement Firefighters, eligible for subsidy

 Less than 50
 60%

 Between 50 and 65
 60%

 65 and over
 60%

NONMAJOR GOVERNMENTAL FUNDS

COMBINING FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

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.

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.

TEMPLE REVITALIZATION CORPORATION

To account for the accumulation of resources to include contributions received from the City. These monies are to be spent to help aid, assist, and act on behalf of the City in the performance of its governmental functions, to promote the common good and general welfare of the City, including the sale, purchase, development, redevelopment, and revitalization of real property to help promote, develop, encourage, and maintain employment, commerce, economic development, and public facility development in the City.

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.



			Specia	l Rev	enue			_	
ASSETS	Hotel/ Motel	Fe	deral/State Grant		Drainage	Rev	Temple ritalization rporation		Total Nonmajor overnmental Funds
ASSETS									
Cash	\$ 4,500	\$	-	\$	-	\$	-	\$	4,500
Investments	3,049,299		8,801,684		2,740,127		87,932		14,679,042
Receivables, net	276,426		-		153,161		-		429,587
Due from other governments	-		766,534		-		-		766,534
Inventories	5,775		-		-		-		5,775
Prepaid items	14,623		750		3,427		-		18,800
Other assets	18,561		-		-		-		18,561
Total assets	\$ 3,369,184	\$	9,568,968	\$	2,896,715	\$	87,932	\$	15,922,799
LIABILITIES AND FUND BALANCES									
Liabilities:									
Vouchers and contracts payable	\$ 113,411	\$	180,863	\$	31,892	\$	5,139	\$	331,305
Retainage payable	-		13,295		-		-		13,295
Accrued payroll	68,598		480		52,687		-		121,765
Vacation and sick leave payable	31,731		-		24,785		-		56,516
Deposits	82,009		-		-		-		82,009
Unearned revenues	-		9,374,330						9,374,330
Total liabilities	295,749		9,568,968		109,364		5,139		9,979,220
Fund Balances:	_		_						_
Nonspendable:									
Inventory and prepaid items	20,398		-		-		-		20,398
Restricted for:									
Museum	17,581		-		-		-		17,581
Promotion of tourism	3,035,456		-		-		-		3,035,456
Committed to:									
Drainage	-		-		2,787,351		-		2,787,351
Economic and community development activities	-		-		-		82,793		82,793
Total fund balances	3,073,435				2,787,351		82,793		5,943,579
Total liabilities and fund balances	\$ 3,369,184	\$	9,568,968	\$	2,896,715	\$	87,932	\$	15,922,799

		Special	Revenue		_
	Hotel/ Motel	Federal/State Grant	Drainage	Temple Revitalization Corporation	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 2,713,494	\$ -	\$ -	\$ -	\$ 2,713,494
Intergovernmental	-	5,782,901	-	-	5,782,901
Drainage fees	-	-	3,045,945	-	3,045,945
Charges for services	655,398	-	-	-	655,398
Interest and other	111,622		134,231		245,853
Total revenues	3,480,514	5,782,901	3,180,176		12,443,591
Expenditures:					
General government	-	3,845,539	-	378,282	4,223,821
Public safety	-	239,451	-	_	239,451
Highways and streets	-	728,320	2,438,145	_	3,166,465
Sanitation	-	12,000	-	-	12,000
Health and welfare	-	1,367,994	-	-	1,367,994
Culture and leisure services	2,753,465	-	-	-	2,753,465
Debt Service:					
Principal	44,167	18,880	-	-	63,047
Interest	1,495	2,720	-	-	4,215
Total expenditures	2,799,127	6,214,904	2,438,145	378,282	11,830,458
Excess (deficiency) of revenues					
over expenditures	681,387	(432,003)	742,031	(378,282)	613,133
Other financing sources (uses):					
Transfers in - General Fund	-	38,678	-	433,400	472,078
Transfers in - Capital Projects Fund	-	292,240	-	-	292,240
Transfers out - General Fund	-	-	(321,516)	-	(321,516)
Transfers out - Debt Service Fund	(67,551)	-	(778,856)	-	(846,407)
Subscription proceeds	73,708	101,085			174,793
Total other financing sources (uses)	6,157	432,003	(1,100,372)	433,400	(228,812)
Net change in fund balances	687,544	-	(358,341)	55,118	384,321
Fund balances, beginning of year	2,385,891	-	3,145,692	27,675	5,559,258
Fund balances, end of year	\$ 3,073,435	\$ -	\$ 2,787,351	\$ 82,793	\$ 5,943,579





CITY OF TEMPLE, TEXAS REINVESTMENT ZONE NO. 1 COMPARATIVE BALANCE SHEETS

			Increase
	2023	2022	(Decrease)
ASSETS			
Current assets:			
Investments	\$ 17,885,888	\$ 10,017,580	\$ 7,868,308
Receivables (net of allowance for estimated			
uncollectible):			
Ad valorem taxes	395,734	132,963	262,771
Accounts receivable	30,947	481,162	(450,215)
Total current assets	18,312,569	10,631,705	7,680,864
Restricted assets:			
Reserve for debt service	5,384,977	5,384,643	334
Bond proceeds	84,511,282	78,439,337	6,071,945
Total restricted assets	89,896,259	83,823,980	6,072,279
Total assets	\$108,208,828	\$ 94,455,685	\$ 13,753,143
LIABILITIES AND FUND BALANCES			
Current liabilities:			
Vouchers and contracts payable	\$ 991,524	\$ 418,356	\$ 573,168
Retainage payable	32,272	91,928	(59,656)
Unearned revenues	395,734	132,963	262,771
Total current liabilities	1,419,530	643,247	776,283
Liabilities from restricted assets:			
Vouchers and contracts payable	2,848,221	4,241,976	(1,393,755)
Retainage payable	2,210,141	1,337,043	873,098
Total liabilities from restricted assets	5,058,362	5,579,019	(520,657)
Total liabilities	6,477,892	6,222,266	255,626
Fund Balance:			
Restricted for:			
Debt service	5,384,977	5,384,643	334
Construction	79,452,920	72,860,318	6,592,602
Committed to:	10,102,020	, 2,300,010	5,552,552
Reinvestment Zone No. 1 Projects	16,893,039	9,988,458	6,904,581
Total fund balance	101,730,936	88,233,419	13,497,517
Total liabilities and fund balances	\$108,208,828	\$ 94,455,685	\$ 13,753,143

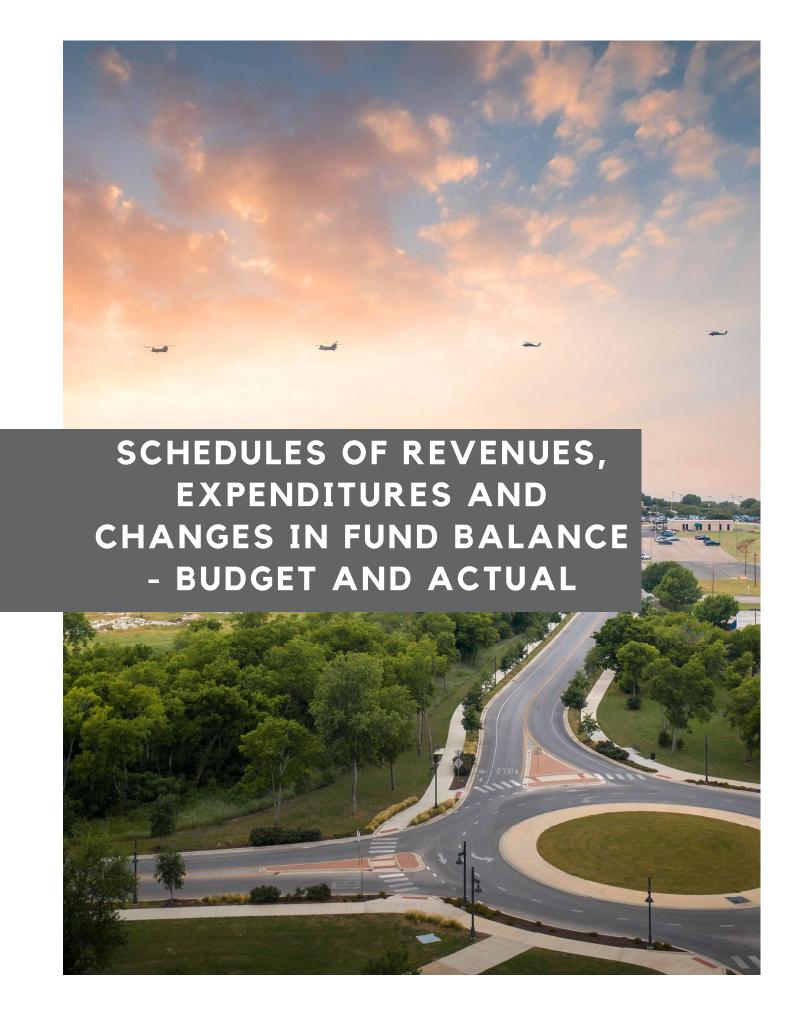
CITY OF TEMPLE, TEXAS REINVESTMENT ZONE NO. 1 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended September 30, 2023

(With comparative amounts for the year ended September 30, 2022)

	2023					
	Budgeted	I Amounts		Variance with		
	Original	Final	Actual	Final Budget	Actual	
Revenues:						
Taxes	\$23,642,139	\$ 24,176,236	\$ 24,176,236	\$ -	\$ 20,074,444	
Intergovernmental	50,000	50,000	50,000	-	50,000	
Licenses and permits	150,000	150,000	258,432	108,432	215,364	
Interest and other	870,000	3,870,000	4,088,114	218,114	950,058	
Total revenues	24,712,139	28,246,236	28,572,782	326,546	21,289,866	
Expenditures:				_		
General government	5,245,492	7,306,701	5,107,912	2,198,789	3,946,263	
TEDC land purchases	-	-	-	-	4,740,000	
Capital outlay	44,405,300	127,093,474	40,279,061	86,814,413	34,972,840	
Debt service:						
Principal retirement	4,195,000	4,195,000	4,195,000	-	5,315,000	
Interest and fiscal charges	7,887,698	5,494,898	5,494,876	22	3,477,800	
Bond issuance costs	<u> </u>	141,030	139,845	1,185	215,540	
Total expenditures	61,733,490	144,231,103	55,216,694	89,014,409	52,667,443	
Excess (deficiency) of revenues						
over expenditures	(37,021,351)	(115,984,867)	(26,643,912)	89,340,955	(31,377,577)	
Other financing sources (uses):						
Bond proceeds	38,291,300	38,360,000	38,360,000	-	52,705,000	
Original issue premium	-	2,261,093	2,261,093	-	2,984,705	
Bond discount		(479,664)	(479,664)		(467,202)	
Total other financing sources (uses)	38,291,300	40,141,429	40,141,429		55,222,503	
Excess (deficiency) of revenues and						
other financing sources over						
expenditures and other financing uses	1,269,949	(75,843,438)	13,497,517	89,340,955	23,844,926	
	00 000 440	00 000 442	00.000.445		04.000.400	
Fund balance, beginning of year	88,233,419	88,233,419	88,233,419	<u>-</u>	64,388,493	
Fund balance, end of year	\$89,503,368	\$ 12,389,981	\$101,730,936	\$ 89,340,955	\$ 88,233,419	





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, 2023

(With comparative amounts for the year ended September 30, 2022)

		2022			
	Budgeted	I Amounts		Variance with	
	Original	Final	Actual	Final Budget	Actual
Revenues:					
Taxes	\$ 21,208,677	\$ 21,208,677	\$ 20,609,761	\$ (598,916)	\$ 17,675,415
Intergovernmental	1,057,480	1,057,480	1,348,047	290,567	1,344,934
Interest and other	180,000	180,000	409,178	229,178	39,043
Total revenues	22,446,157	22,446,157	22,366,986	(79,171)	19,059,392
Expenditures:					
Debt Service:					
Principa l	15,561,217	15,561,217	15,561,217	-	13,764,515
Interest and fiscal charges	9,667,022	9,667,022	9,663,520	3,502	8,204,748
Total expenditures	25,228,239	25,228,239	25,224,737	3,502	21,969,263
Deficiency of revenues					
over expenditures	(2,782,082)	(2,782,082)	(2,857,751)	(75,669)	(2,909,871)
Other financing sources:					
Transfers in - General Fund	1,935,673	1,935,673	1,935,673	=	2,001,237
Transfers in - Drainage Fund	778,857	778,857	778,856	(1)	785,896
Transfers in - Hotel/Motel Fund	67,552	67,552	67,551	(1)	67,551
Total other financing sources	2,782,082	2,782,082	2,782,080	(2)	2,854,684
Deficiency of revenues and other					
financing sources over expenditures					
and other financing uses	-	-	(75,671)	(75,671)	(55,187)
Fund balance, beginning of year	167,093_	167,093_	167,093_		222,280
Fund balance, end of year	\$ 167,093	\$ 167,093	\$ 91,422	\$ (75,671)	\$ 167,093

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, 2023
(With comparative amounts for the year ended September 30, 2022)

	2023				
	Budgeted Amounts		Variance with		
	Original Final		Actual	Final Budget	Actual
Revenues:					
Taxes	\$ 2,383,259	\$ 2,401,405	\$ 2,713,494	\$ 312,089	\$ 2,371,876
Charges for services:					
Civic center	348,862	371,662	579,719	208,057	408,428
Railroad museum	52,704	54,204	75,679	21,475	63,936
Interest and other	18,330	18,330	111,622	93,292	32,865
Total revenues	2,803,155	2,845,601	3,480,514	634,913	2,877,105
Expenditures:					
Civic center	1,254,490	1,378,758	1,121,332	257,426	770,648
Railroad museum	748,384	749,884	694,791	55,093	491,797
Destination marketing, as restated	904,579	1,061,492	937,342	124,150	885,132
Debt Service:					
Principal, as restated	2,904	44,161	44,167	(6)	31,418
Interest, as restated	246	1,504	1,495	9	431
Total expenditures	2,910,603	3,235,799	2,799,127	436,672	2,179,426
Excess (deficiency) of revenues					
over expenditures	(107,448)	(390,198)	681,387	1,071,585	697,679
Other financing sources (uses):					
Leases (as lessee)	-	-	-	-	11,894
Subscriptions, as restated	-	73,708	73,708	_	77,066
Transfers out - Debt Service Fund	(67,552)	(67,552)	(67,551)	1	(67,551)
Total other financing sources (uses)	(67,552)	6,156	6,157	1	21,409
Excess (deficiency) of revenues and other					
financing sources over expenditures					
and other financing sources	(175,000)	(384,042)	687,544	1,071,586	719,088
-	,	,			
Fund balance, beginning of year	2,385,891	2,385,891	2,385,891		1,666,803
Fund balance, end of year	\$ 2,210,891	\$ 2,001,849	\$ 3,073,435	\$ 1,071,586	\$ 2,385,891

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, 2023 (With comparative amounts for the year ended September 30, 2022)

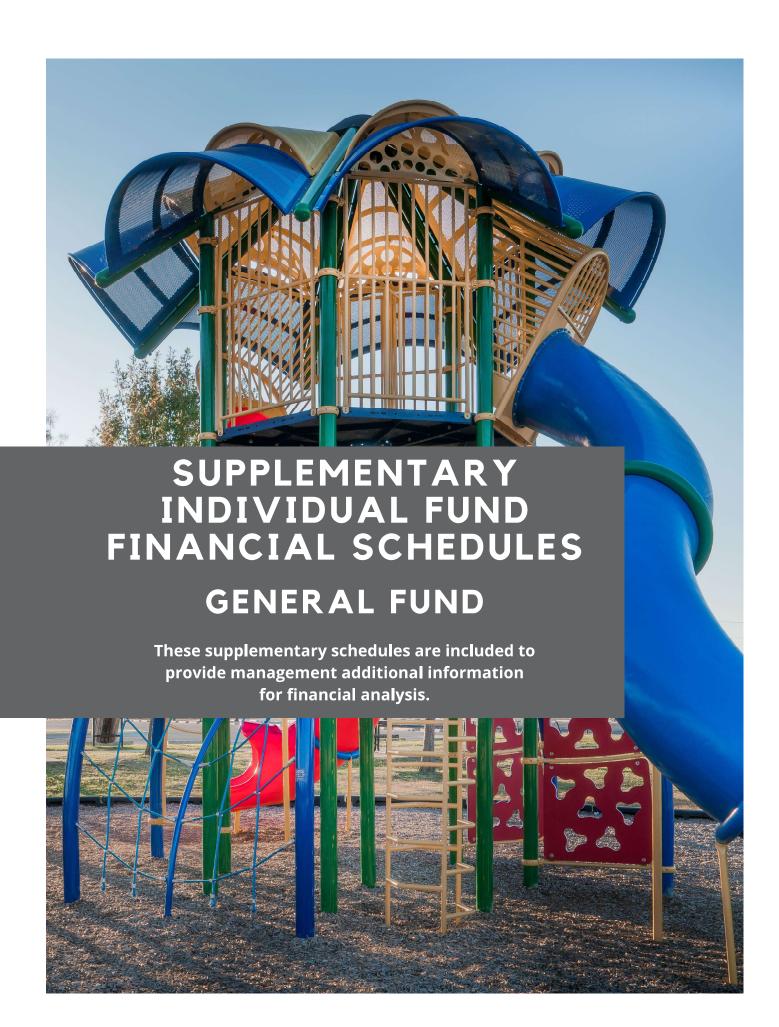
		2022			
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
Revenues:					
Intergovernmental	\$ 682,794	\$ 24,885,391	\$ 5,782,901	\$ (19,102,490)	\$5,829,951
Total revenues	682,794	24,885,391	5,782,901	(19,102,490)	5,829,951
Expenditures:					
Current:					
General government	168,550	5,781,550	3,845,539	1,936,011	890,037
Public safety	111,309	285,143	239,451	45,692	2,044,696
Highways and streets	-	17,356,006	728,320	16,627,686	1,423,292
Sanitation	-	12,000	12,000	-	282,127
Health and welfare	402,935	2,395,517	1,367,994	1,027,523	701,303
Culture and leisure services	-	-	-	-	655,882
Airport	-	571,500	-	571,500	59,486
Debt Service:					
Principal	-	18,880	18,880	-	-
Interest	-	2,720	2,720	-	-
Total expenditures	682,794	26,423,316	6,214,904	20,208,412	6,056,823
Deficiency of revenues					
over expenditures	-	(1,537,925)	(432,003)	1,105,922	(226,872)
Other financing sources :		<u> </u>			
Transfers in - General Fund	-	121,086	38,678	(82,408)	44,650
Transfers in - Capital Projects	-	1,315,754	292,240	(1,023,514)	182,222
Subscription proceeds	-	101,085	101,085	<u>-</u>	-
Total other financing sources	-	1,537,925	432,003	(1,105,922)	226,872
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, 2023
(With comparative amounts for the year ended September 30, 2022)

	2023				
	Budgeted Amounts Variance with				
	Original	Final	Actual	Final Budget	Actual
Revenues:					
Drainage fees	\$ 3,019,753	\$ 3,019,753	\$ 3,045,945	\$ 26,192	\$ 2,979,150
Interest and other	42,300	42,300	134,231	91,931	23,157
Total revenues	3,062,053	3,062,053	3,180,176	118,123	3,002,307
Expenditures:					
Highways and streets:					
Personnel services	1,513,998	1,513,998	1,236,437	277,561	876,522
Operations	402,622	483,439	268,389	215,050	221,596
Capital outlay	120,440	1,181,484	933,319	248,165	1,010,514
Total expenditures	2,037,060	3,178,921	2,438,145	740,776	2,108,632
Excess (deficiency) of revenues					
over expenditures	1,024,993	(116,868)	742,031	858,899	893,675
Other financing uses:					
Transfers out - General Fund	(321,516)	(321,516)	(321,516)	_	(312,349)
Transfers out - Debt Service Fund	(778,857)	(778,857)	(778,856)	1	(785,896)
Total other financing uses	(1,100,373)	(1,100,373)	(1,100,372)	1	(1,098,245)
Excess (deficiency) of revenues and other financing sources over expenditures					
and other financing uses	(75,380)	(1,217,241)	(358,341)	858,900	(204,570)
Fund balance, beginning of year	3,145,692	3,145,692	3,145,692		3,350,262
Fund balance, end of year	\$ 3,070,312	\$ 1,928,451	\$ 2,787,351	\$ 858,900	\$ 3,145,692

CITY OF TEMPLE, TEXAS TEMPLE REVITALIZATION CORPORATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL For the year ended September 30, 2023 (With comparative amounts for the year ended September 30, 2022)

Budgete → mounts Variance with Final Budget Actual Actual Final Budget Actual Revenues: City of Temple - Contributed Capital, Land and Evenues \$ - \$ \$ - \$ \$. \$. \$. \$. \$. \$. \$.		2023				2022	
Revenues: City of Temple - Contributed Capital, Land Total revenues - \$ - \$ - \$ - \$ - \$ - \$ 138,282 Expenditures: Other services 3,000 2,800 218 2,582 - Contracted services 210,100 120,054 67,518 52,536 7,325 Capital outlay 100,000 310,546 310,546 - 138,282 Total expenditures 313,100 433,400 378,282 55,118 145,607 Deficiency of revenues over expenditures (313,100) (433,400) (378,282) 55,118 (7,325) Other financing sources: Transfers in - General Fund 313,100 433,400 433,400 - 35,000 Excess of revenues and other financing sources 313,100 433,400 433,400 - 35,000 Excess of revenues and other financing sources over expenditures - - 55,118 55,118 27,675 Fund balance, beginning of year 27,675		Budgeted	I Amounts		Variance with		
City of Temple - Contributed Capital, Land Total revenues - \$ - \$ - \$ - \$ 138,282 Expenditures: Other services 3,000 2,800 218 2,582 - Contracted services 210,100 120,054 67,518 52,536 7,325 Capital outlay 100,000 310,546 310,546 - 138,282 Total expenditures 313,100 433,400 378,282 55,118 145,607 Other financing sources: Transfers in - General Fund Analous and Other financing sources 313,100 433,400 433,400 - 35,000 Total other financing sources 313,100 433,400 433,400 - 35,000 Excess of revenues and other financing sources over expenditures - - - 55,118 27,675 Fund balance, beginning of year 27,675 27,675 27,675 - - - - -		Original	Final	Actual	Final Budget	Actual	
Expenditures: 3,000 2,800 218 2,582 - Contracted services 210,100 120,054 67,518 52,536 7,325 Capital outlay 100,000 310,546 310,546 - 138,282 Total expenditures 313,100 433,400 378,282 55,118 145,607 Deficiency of revenues over expenditures (313,100) (433,400) (378,282) 55,118 (7,325) Other financing sources: Transfers in - General Fund Total other financing sources 313,100 433,400 433,400 - 35,000 Excess of revenues and other financing sources over expenditures - - 55,118 55,118 27,675 Fund balance, beginning of year 27,675 27,675 27,675 -	Revenues:						
Expenditures: Other services 3,000 2,800 218 2,582 - Contracted services 210,100 120,054 67,518 52,536 7,325 Capital outlay 100,000 310,546 310,546 - 138,282 Total expenditures 313,100 433,400 378,282 55,118 145,607 Deficiency of revenues over expenditures (313,100) (433,400) (378,282) 55,118 (7,325) Other financing sources: Transfers in - General Fund 313,100 433,400 433,400 - 35,000 Total other financing sources 313,100 433,400 433,400 - 35,000 Excess of revenues and other financing sources over expenditures - 55,118 55,118 27,675 Fund balance, beginning of year 27,675 27,675 27,675		<u></u> \$ -	\$ -		\$ -		
Other services 3,000 2,800 218 2,582 - Contracted services 210,100 120,054 67,518 52,536 7,325 Capital outlay 100,000 310,546 310,546 - 138,282 Total expenditures 313,100 433,400 378,282 55,118 145,607 Deficiency of revenues over expenditures over expenditures (313,100) (433,400) (378,282) 55,118 (7,325) Other financing sources: Transfers in - General Fund Total other financing sources 313,100 433,400 433,400 - 35,000 Excess of revenues and other financing sources over expenditures - - 55,118 55,118 27,675 Fund balance, beginning of year 27,675 27,675 27,675 - - -	Total revenues					138,282	
Contracted services 210,100 120,054 67,518 52,536 7,325 Capital outlay 100,000 310,546 310,546 - 138,282 Total expenditures 313,100 433,400 378,282 55,118 145,607 Deficiency of revenues over expenditures over expenditures (313,100) (433,400) (378,282) 55,118 (7,325) Other financing sources: Transfers in - General Fund Total other financing sources 313,100 433,400 433,400 - 35,000 Excess of revenues and other financing sources over expenditures - - 55,118 55,118 27,675 Fund balance, beginning of year 27,675 27,675 27,675 - - -	Expenditures:						
Capital outlay 100,000 310,546 310,546 - 138,282 Total expenditures 313,100 433,400 378,282 55,118 145,607 Deficiency of revenues over expenditures (313,100) (433,400) (378,282) 55,118 (7,325) Other financing sources: Transfers in - General Fund 313,100 433,400 433,400 - 35,000 Total other financing sources 313,100 433,400 433,400 - 35,000 Excess of revenues and other financing sources over expenditures - - 55,118 55,118 27,675 Fund balance, beginning of year 27,675 27,675 27,675 - - - -	Other services	3,000	2,800	218	2,582	-	
Total expenditures 313,100 433,400 378,282 55,118 145,607 Deficiency of revenues over expenditures (313,100) (433,400) (378,282) 55,118 (7,325) Other financing sources: Transfers in - General Fund Total other financing sources 313,100 433,400 433,400 - 35,000 Total other financing sources 313,100 433,400 433,400 - 35,000 Excess of revenues and other financing sources over expenditures - - 55,118 55,118 27,675 Fund balance, beginning of year 27,675 27,675 27,675 - - -	Contracted services	210,100	120,054	67,518	52,536	7,325	
Deficiency of revenues over expenditures (313,100) (433,400) (378,282) 55,118 (7,325) Other financing sources:	Capital outlay	100,000	310,546	310,546		138,282	
over expenditures (313,100) (433,400) (378,282) 55,118 (7,325) Other financing sources: Transfers in - General Fund 313,100 433,400 433,400 - 35,000 Total other financing sources 313,100 433,400 433,400 - 35,000 Excess of revenues and other financing sources over expenditures - - 55,118 55,118 27,675 Fund balance, beginning of year 27,675 27,675 27,675 - - -	Total expenditures	313,100	433,400	378,282	55,118	145,607	
Other financing sources: Transfers in - General Fund 313,100 433,400 433,400 - 35,000 Total other financing sources 313,100 433,400 433,400 - 35,000 Excess of revenues and other financing sources over expenditures - - - 55,118 55,118 27,675 Fund balance, beginning of year 27,675 27,675 27,675 - - -	Deficiency of revenues						
Transfers in - General Fund 313,100 433,400 433,400 - 35,000 Total other financing sources 313,100 433,400 433,400 - 35,000 Excess of revenues and other financing sources over expenditures - - - 55,118 55,118 27,675 Fund balance, beginning of year 27,675 27,675 27,675 - - -	over expenditures	(313,100)	(433,400)	(378,282)	55,118	(7,325)	
Total other financing sources 313,100 433,400 433,400 - 35,000 Excess of revenues and other financing sources over expenditures - - - 55,118 55,118 27,675 Fund balance, beginning of year 27,675 27,675 27,675 - - -	Other financing sources:						
Excess of revenues and other financing sources over expenditures 55,118 55,118 27,675 Fund balance, beginning of year 27,675 27,675	Transfers in - General Fund	313,100	433,400	433,400	-	35,000	
financing sources over expenditures - - 55,118 55,118 27,675 Fund balance, beginning of year 27,675 27,675 27,675 - - -	Total other financing sources	313,100	433,400	433,400		35,000	
Fund balance, beginning of year <u>27,675</u> <u>27,675</u> <u> </u>	Excess of revenues and other						
	financing sources over expenditures	-	-	55,118	55,118	27,675	
	Fund balance, beginning of year	27,675	27,675	27,675	_	-	
		\$ 27,675	\$ 27,675	\$ 82,793	\$ 55,118	\$ 27,675	



ASSETS	2023	2022	Increase (Decrease)
Current Assets:			
Cash	\$ 5,200	\$ 5,200	\$ -
Investments	53,433,051	49,036,538	4,396,513
Receivables (net of allowance for estimated			
uncollectible):			
State sales tax	3,016,454	2,565,997	450,457
Accounts	1,664,539	1,412,754	251,785
Franchise fees	192,298	207,885	(15,587)
Ad valorem taxes - delinquent	427,248	212,910	214,338
Leases	16,518,809	17,185,182	(666,373)
Due from other funds	-	74,572	(74,572)
Due from other governments	474,740	180,126	294,614
Inventories	557,010	453,216	103,794
Prepaid items	828,982	327,383	501,599
Total current assets	77,118,331	71,661,763	5,456,568
Restricted Assets:			
Drug enforcement	124,792	129,260	(4,468)
Public safety	29,201	29,430	(229)
R.O.W. escrow	24,076	23,010	1,066
Parks escrow	1,046,999	661,692	385,307
Rob Roy MacGregor Trust - Library	341	3,590	(3,249)
Hillcrest Cemetery	263,452	251,783	11,669
Total restricted assets	1,488,861	1,098,765	390,096
Total assets	\$ 78,607,192	\$ 72,760,528	\$ 5,846,664

						Increase
		2023		2022	<u>(I</u>	Decrease)
LIABILITIES						
Vouchers payable	\$	4,406,175	\$	3,664,226	\$	741,949
Retainage payable	·	-	,	696	•	(696)
Accrued payroll		3,154,399		2,819,189		335,210
Vacation and sick leave payable		768,165		734,714		33,451
Deposits		54,319		50,084		4,235
Unearned revenues:						
Ad valorem taxes - delinquent		399,663		185,325		214,338
R.O.W. escrow		24,076		23,010		1,066
Parks escrow		1,047,224		661,692		385,532
Electric franchise		2,059,035		1,714,449		344,586
Gas franchise		426,187		487,051		(60,864)
Other		330,821		332,364		(1,543)
Total liabilities		12,670,064		10,672,800		1,997,264
		, ,				· · ·
DEFERRED INFLOWS OF RESOURCES						
Lease related		15,614,871		16,539,294		(924,423)
Total deferred inflows of resources		15,614,871		16,539,294		(924,423)
		-,- ,-		.,,		(- , -)
FUND BALANCES						
Fund Balance:						
Nonspendable:						
Inventories, prepaid items and leases, as restated		2,289,930		1,426,486		863,444
Restricted for:						
Drug enforcement		124,792		129,260		(4,468)
Public safety		29,201		29,430		(229)
Rob Roy MacGregor Trust - Library		341		3,590		(3,249)
Municipal court restricted fees		191,445		139,726		51,719
Vital statistics preservation fund		45,496		34,952		10,544
Public education channel		146,090		122,539		23,551
Hillcrest Cemetery		263,452		251,783		11,669
Opiod settlement		58,381		-		58,381
Assigned to:						
Technology replacement		555,011		750,478		(195,467)
Capital projects	•	10,298,695		11,245,698		(947,003)
Self-funded health insurance		2,000,000		-		2,000,000
Purchases on order		7,601,167		7,713,867		(112,700)
Unassigned		26,718,256		23,700,625		3,017,631
Total fund balance		50,322,257		45,548,434		4,773,823
Total liabilities, deferred inflows						
of resources, and fund balances	\$ 7	78,607,192	\$	72,760,528	\$	5,846,664

For the year ended September 30, 2023 (With comparative amounts for the year ended September 30, 2022)

		2023	_	2022	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
Revenues:					
Taxes	\$ 55,714,805	\$ 55,779,805	\$ 58,330,680	\$ 2,550,875	\$ 51,997,603
Franchise fees	8,108,940	8,122,048	8,965,302	843,254	7,664,979
Licenses and permits	1,365,449	1,374,684	1,626,105	251,421	1,633,380
Intergovernmental	167,000	678,529	532,993	(145,536)	393,659
Charges for services	34,503,604	36,768,609	36,541,616	(226,993)	33,018,538
Fines	1,518,942	1,520,142	1,287,461	(232,681)	1,247,159
Interest and other	1,604,197	1,975,115	3,953,837	1,978,722	1,942,286
Total revenues	102,982,937	106,218,932	111,237,994	5,019,062	97,897,604
Expenditures:					
General government, as restated	25,231,232	25,645,009	22,597,084	3,047,925	20,264,973
Public safety, as restated	43,797,584	47,251,183	42,014,127	5,237,056	38,892,295
Highways and streets	5,329,900	5,865,792	4,367,198	1,498,594	3,407,259
Sanitation	10,571,027	11,489,531	11,480,699	8,832	9,792,108
Culture and leisure services	17,499,552	19,046,118	16,481,969	2,564,149	13,335,458
Airport	2,890,564	4,121,052	3,942,325	178,727	3,518,919
Debt Service:					
Principal, as restated	341,811	732,415	732,410	5	709,951
Interest, as restated	24,304	21,861	21,861	-	23,388
Total expenditures	105,685,974	114,172,961	101,637,673	12,535,288	89,944,351
Excess (deficiency) of revenues					
over expenditures	(2,703,037)	(7,954,029)	9,600,321	17,554,350	7,953,253
Other financing sources (uses):					
Transfers in:					
Transfers in - Drainage Fund	321,516	321,516	321,516	-	312,349
Transfers out:					
Transfers out - Grant Fund	-	(121,086)	(38,678)	82,408	(44,650)
Transfers out - Capital Projects	-	(5,265,848)	(3,098,863)	2,166,985	(1,945,162)
Transfers out - Debt Service Fund	(1,935,673)	(1,935,673)	(1,935,673)	-	(2,001,237)
Transfers out - Temple Revitalization Corporation	-	(433,400)	(433,400)	-	(35,000)
Leases (as lessee)	-	-	-	-	182,654
Subscription proceeds, as restated		358,601_	358,600_	(1)	1,224,805_
Total other financing sources (uses)	(1,614,157)	(7,075,890)	(4,826,498)	2,249,392	(2,306,241)
Excess (deficiency) of revenues and other					
financing sources over expenditures					
and other financing uses	(4,317,194)	(15,029,919)	4,773,823	19,803,742	5,647,012
Fund balance, beginning of period	45,548,434	45,548,434	45,548,434		39,901,422
Fund balance, end of period	\$ 41,231,240	\$ 30,518,515	\$ 50,322,257	\$ 19,803,742	\$ 45,548,434

		2022			
	Budgeted	d Amounts		Variance with	
	Original	Final	Actual	Final Budget	Actual
Taxes:					
Ad valorem:					
Property, current year	\$ 21,564,474	\$ 21,564,474	\$ 21,314,067	\$ (250,407)	\$ 18,882,984
Property, prior year	224,331	224,331	43,497	(180,834)	40,958
Penalty and interest	125,000	125,000	146,099	21,099	195,631
Total ad valorem taxes	21,913,805	21,913,805	21,503,663	(410,142)	19,119,573
Non-property taxes:					
City sales	33,500,000	33,565,000	36,496,375	2,931,375	32,579,840
Mixed beverage	240,000	240,000	260,833	20,833	234,279
Occupation	45,000	45,000	47,790	2,790	43,815
Bingo	16,000	16,000	22,019	6,019	20,096
Total non-property taxes	33,801,000	33,866,000	36,827,017	2,961,017	32,878,030
Total taxes	55,714,805	55,779,805	58,330,680	2,550,875	51,997,603
Franchise Fees:					
Electric franchise	3,488,678	3,488,678	4,014,040	525,362	3,434,504
Gas franchise	840,000	840,000	1,056,786	216,786	773,007
Telephone franchise	165,000	165,000	293,923	128,923	183,180
Cable franchise	785,000	798,108	771,088	(27,020)	829,585
Water/Wastewater franchise	2,710,262	2,710,262	2,710,262	-	2,333,357
Other	120,000	120,000	119,203	(797)	111,346
Total franchise fees	8,108,940	8,122,048	8,965,302	843,254	7,664,979
Licenses and permits:					
Building permits	860,069	869,304	1,056,894	187,590	1,100,586
Electrical permits and licenses	45,600	45,600	56,650	11,050	57,869
Mechanical	27,200	27,200	33,403	6,203	33,627
Plumbing permit fees	160,500	160,500	197,238	36,738	177,991
Other	272,080	272,080	281,920	9,840	263,307
Total licenses and permits	1,365,449	1,374,684	1,626,105	251,421	1,633,380
Intergovernmental revenues:					
Federal grants	125,000	128,753	3,753	(125,000)	4,619
State grants	-	507,776	487,240	(20,536)	347,040
State reimbursements	42,000	42,000	42,000	-	42,000
Total intergovernmental revenues	167,000	678,529	532,993	(145,536)	393,659
-					(Continued)

(With comparative amounts for the year ended September 30, 2022)

(Continued)

2023 2022 **Budgeted Amounts** Variance with Original **Actual Final Budget Actual** Charges for services: Library fees \$ 4,200 4,200 \$ 15,565 \$ 11,365 \$ 7,994 Recreational entry fees 82,773 82,773 80,430 (2.343)79,197 Summit recreational fees 299,764 325,514 356,718 31,204 360,290 Hillcrest cemetery 29,150 29,150 81,850 52,700 96,107 Crossroads park 52.399 (16.604)43.945 52.399 35.795 Golf course revenues 977.880 1.106.719 373.558 1.480.277 1.146.812 Swimming pool 34,000 34,000 (14, 196)19,804 10,365 Lions Junction water park 429,165 457,965 459,054 1,089 416,295 Sammons indoor pool 55,000 55,000 95,919 40,919 92,120 Vital statistics 140,000 140,000 20,132 157,476 160,132 Police revenue 1,018,384 1,051,956 1,155,389 103,433 970,616 Contractual services -proprietary fund 6,414,813 6,414,813 6,407,329 (7,484)5,625,151 County fire protection 9,000 9,000 29,889 20,889 10,177 Curb and street cuts 125,000 125,000 198,071 73,071 178,242 Other 103,434 103,434 (36,821)98,991 66,613 Solid waste collection - residential 7,669,488 7,669,488 7,572,225 (97,263)7,042,176 Solid waste collection - commercial 4.213.873 (7,397)3.964.627 4.221.270 4.221.270 Solid waste collection - roll-off 3,907,273 4,282,653 4,392,389 109,736 4,025,721 Landfill contract 3,228,106 3,169,309 (58,797)3,013,247 3,228,106 Airport sales and rental 2,672,564 3,838,262 3,892,019 53,757 3,677,553 Recreational services 1,032,074 1,031,852 838,283 (193,569)669,706 Fire department 66,000 76,703 70,846 (5,857)60,118 Subdivision fees 32,000 32,000 34,447 2,447 33,170 Reinvestment zone reimbursements 1,899,867 (680,962)1,238,442 2,396,352 1,715,390 Total charges for services 34,503,604 36,768,609 36,541,616 (226,993)33,018,538 Fines: (306.093)897.175 Court 1.257.859 1.257.859 951.766 Animal services 40.000 40.000 52.031 12.031 44.569 Code enforcement 110 Overparking 4,500 4,500 (243)4,690 4,257 Administrative fees 216,583 279,407 61,624 300,615 217,783 Total fines 1,518,942 1,520,142 1,287,461 (232,681) 1,247,159 Interest and other: 967,500 967,500 2,697,876 1,730,376 684,114 Interest Lease and rental 179,336 179,336 146,013 (33.323)147,069 Sale of assets 124,848 124,848 306,553 181,705 312,081 Insurance claims 142,800 239,946 149,783 (90,163)178,182 Payment in lieu of taxes 19.380 19.380 19.296 (84)18.957 Building rental - BOA bldg. 40.800 40.800 30.558 34.830 (5,970)129.533 403.305 599.486 196.181 571.325 Other Total Interest and other 1,604,197 1,975,115 3,953,837 1,978,722 1,942,286 Total revenues \$102,982,937 \$106,218,932 \$111,237,994 5,019,062 97,897,604

		2022			
	Budgeted	l Amounts		Variance with	
	Original	Final	Actual	Final Budget	Actual
General government:					
City council	\$ 276,525	\$ 258,013	\$ 248,090	\$ 9,923	\$ 208,557
City manager	1,387,223	1,412,509	1,281,709	130,800	1,091,296
Housing & community development	550,670	627,342	604,249	23,093	425,361
Finance, as restated	2,622,565	2,696,155	2,550,351	145,804	2,214,848
Purchasing	831,886	833,515	831,494	2,021	639,028
City secretary	428,728	421,846	397,445	24,401	360,251
Special services	1,462,048	1,323,825	995,338	328,487	1,334,261
City attorney, as restated	1,463,620	1,467,656	1,272,625	195,031	1,039,998
City planning	1,031,184	1,032,549	934,906	97,643	766,044
Information technology services, as restate		5,189,013	4,740,635	448,378	5,029,833
People operations	1,321,637	1,386,699	1,265,605	121,094	1,089,529
Economic development	733,912	798,912	778,271	20,641	634,379
Fleet services	1,853,080	1,969,905	1,750,421	219,484	1,380,796
Inspections/Permits	1,302,257	1,413,759	1,136,444	277,315	890,479
Facility services	2.426.000	2,559,805	1,956,986	602,819	1,472,210
Performance excellence	879.990	761,013	626,491	134,522	585,127
Communications and marketing	1,428,207	1,492,493	1,226,024	266,469	1,102,976
Total general government	25,231,232	25,645,009	22,597,084	3,047,925	20,264,973
rotal gonoral government					
Public safety:					
Municipal court	998,055	1,000,705	849,082	151,623	721,127
Police	23,878,491	25,438,930	21,637,340	3,801,590	19,916,008
Animal services	662,607	791,540	668,573	122,967	517,116
Fire, as restated	15,377,965	16,609,185	16,274,959	334,226	15,519,052
Communications	1,039,435	1,090,009	1,090,009	-	1,049,165
Code enforcement	1,841,031	2,320,814	1,494,164	826,650	1,169,827
Total public safety	43,797,584	47,251,183	42,014,127	5,237,056	38,892,295
Linkway and atracta					
Highway and streets:	2 007 140	4 267 775	3,053,164	1 214 611	2 260 669
Streets Traffic control	3,887,149	4,267,775 854,939	3,053,164 613,408	1,214,611 241,531	2,369,668 470,845
Engineering	777,224 665,527	743,078	700,626	42,452	566,746
Total highway and streets	5,329,900	5,865,792	4,367,198	1,498,594	3,407,259
rotal highway and streets	3,323,300	3,003,732	4,507,150	1,430,334	
Sanitation:	10,571,027	11,489,531	11,480,699	8,832	9,792,108
Culture and leisure services:					
Parks	7,605,048	8,354,943	7,283,582	1,071,361	5,853,854
Recreation	5,052,539	5,364,731	4,597,696	767,035	3,777,524
Administration	869,419	876,446	767,880	108,566	425,151
Golf course	1,614,036	1,843,998	1,696,756	147,242	1,420,453
Library	2,358,510	2,606,000	2,136,055	469,945	1,858,476
Total culture and leisure services	17,499,552	19,046,118	16,481,969	2,564,149	13,335,458
Airport, as restated:	2,890,564	4,121,052	3,942,325	178,727	3,518,919
•					
Debt service, as restated:	366,115	754,276	754,271	5_	733,339
Totals	\$105,685,974	\$114,172,961	\$101,637,673	\$ 12,535,288	\$ 89,944,351

		2022			
	Pudgata				
	Original	d Amounts Final	Actual	Variance with Final Budget	Actual
General government:					
City council:					
Personnel services	\$ 36,822	\$ 10,362	\$ 7,459	\$ 2,903	\$ 6,908
Operations	224,703	237,163	230,144	7,019	201,649
Capital outlay	<u>15,000</u> 276,525	10,488 258,013	10,487 248,090	9,923	208,557
City manager:					
Personnel services	1,173,818	1,179,930	1,174,086	5,844	1,041,730
Operations	213,405	232,579	107,623	124,956	45,914
Capital outlay					3,652
	1,387,223	1,412,509	1,281,709	130,800	1,091,296
Housing & community development	400.004	540 705	510.010	(0.1)	201.100
Personnel services	498,821	513,795	513,819	(24)	391,482
Operations	51,849	70,428	51,541	18,887	30,227
Capital outlay	550,670	43,119 627,342	38,889 604,249	4,230 23,093	3,652 425,361
Finance:	330,070	021,342	004,249	23,093	425,301
Personnel services	1,883,707	1,888,637	1,826,566	62,071	1,584,310
Operations, as restated	738,858	794,080	717,212	76,868	615,780
Capital outlay	-	13,438	6,573	6,865	14,758
,	2,622,565	2,696,155	2,550,351	145,804	2,214,848
Purchasing:					
Personnel services	785,168	789,958	792,315	(2,357)	601,310
Operations	46,718	43,557	39,179	4,378	32,998
Capital outlay					4,720
011	831,886	833,515	831,494	2,021	639,028
City secretary:	045.045	050 700	050 774	40	005 557
Personnel services	345,015	353,789	353,771	18	325,557
Operations	76,213	68,057	43,674	24,383	28,966
Capital outlay	7,500 428,728	421,846	397,445	24,401	5,728 360,251
Special services:	420,720	421,040	397,443	24,401	300,231
Personnel services	500,000	672,000	669,663	2,337	761,851
Operations	962,048	651,825	325,675	326,150	572,410
-1	1,462,048	1,323,825	995,338	328,487	1,334,261
City attorney:				<u> </u>	
Personnel services	1,364,432	1,368,468	1,208,463	160,005	968,092
Operations, as restated	99,188	99,188	64,162	35,026	65,611
Capital outlay					6,295
011	1,463,620	1,467,656	1,272,625	195,031	1,039,998
City planning:	004.404	000 440	000 000	04.000	704 470
Personnel services	924,191	926,446	902,220 32,686	24,226	731,178
Operations Capital outlay	106,993	106,103	32,000	73,417	29,138 5,728
Capital Outlay	1,031,184	1,032,549	934,906	97,643	766,044
Information technology services:	1,001,101	1,002,010	001,000	01,010	100,011
Personnel services	2,255,229	2,256,594	2,162,272	94,322	1,813,959
Operations, as restated	2,864,771	2,504,882	2,225,327	279,555	2,056,173
Capital outlay, as restated	111,700	427,537	353,036	74,501	1,159,701
	5,231,700	5,189,013	4,740,635	448,378	5,029,833
People operations:					
Personnel services	1,065,025	1,035,253	1,007,279	27,974	816,997
Operations	256,612	320,496	229,463	91,033	201,194
Capital outlay		30,950	28,863	2,087	71,338
	1,321,637	1,386,699	1,265,605	121,094	1,089,529
Economic development:	700.040	700.040	770 074	20.644	624.270
Operations	733,912 733,912	798,912 798,912	778,271 778,271	20,641 20,641	634,379 634,379
Fleet services:	133,812	180,812	110,211	<u></u>	034,379
Personnel services	1,738,659	1,738,659	1,589,869	148,790	1,219,363
Operations	114,421	119,521	108,428	11,093	101,100
Capital outlay	-	111,725	52,124	59,601	60,333
Sapital Sullay	1.052.000				
	1,853,080	1,969,905	1,750,421	219,484	1,380,796

(With comparative amounts for the year ended September 30, 2022)

2023 2022 **Budgeted Amounts** Variance with Actual Final Budget Original Final Actual Inspections/Permits: 946,356 Personnel services 907,683 \$ \$ 848,279 \$ 98,077 \$ 648,412 Operations 213,374 248,705 122,558 126,147 238,415 Capital outlay 218,698 181,200 165,607 53,091 3,652 1,302,257 1,413,759 1,136,444 890,479 277,315 Facility services: Personnel services 1,361,639 1,361,639 1,279,443 82,196 957,014 Operations 949,361 1,081,356 593,586 487,770 500,794 Capital outlay 115,000 116,810 83,957 32,853 14,402 2,426,000 2,559,805 1,956,986 602,819 1,472,210 Performance excellence: Personnel services 712,307 660,563 557,008 103,555 484,159 Operations 167,683 100,450 69,483 30,967 97,686 Capital outlay 3,282 879,990 761,013 626,491 134,522 585,127 Communications and marketing: Personnel services 1,007,875 1,049,422 929,982 119,440 778,056 Operations 420,332 443,071 296,042 147,029 317,615 Capital outlay 7,305 1,428,207 1,492,493 1,102,976 1,226,024 266,469 Total general government 25,231,232 25,645,009 22,597,084 3,047,925 20,264,973 Public safety: Municipal court: Personnel services 908,938 910,388 774,436 135,952 650,376 Operations 89,117 90,317 74,646 15,671 65,244 Capital outlay 5,507 998,055 1,000,705 849,082 151,623 721,127 Police: 20,105,717 20,369,058 18,627,225 1,741,833 17,328,436 Personnel services Operations 2,633,210 2,835,629 2,427,483 408,146 2,241,152 Capital outlay 1,139,564 2,234,243 582,632 1,651,611 346,420 23,878,491 25,438,930 21,637,340 3,801,590 19,916,008 Animal services: Personnel services 503,697 514,996 515,008 (12)414,977 Operations 117,510 152.746 104 760 47.986 91.129 Capital outlay 41,400 123,798 48,805 74,993 11,010 662,607 791,540 668,573 122,967 517,116 Fire: 14,303,967 14,385,323 Personnel services 13,801,844 (81,356)13,701,745 Operations, as restated 1,390,421 1,690,353 1,475,479 214,874 1,535,575 185,700 614,865 200,708 281,732 Capital outlay, as retated 414,157 15,377,965 16,609,185 16,274,959 334,226 15,519,052 Communications: Operations 1,039,435 1,090,009 1,090,009 1,049,165 1,039,435 1,090,009 1,090,009 1,049,165 Code compliance: Personnel services 1,287,003 1,237,371 1,185,118 52,253 915,259 Operations 301,128 769,053 591,576 144,406 177,477 Capital outlay 252,900 314,390 131,569 182,821 110,162 1,169,827 1,841,031 2,320,814 1,494,164 826.650 Total public safety 43,797,584 47,251,183 42,014,127 5,237,056 38,892,295 Sanitation: Personnel services 4,276,658 4,298,625 4,508,401 (209,776)3,639,751 6,235,169 6,914,849 6.705.482 209,367 6,116,825 Operations Capital outlay 59,200 276,057 266,816 9,241 35,532 11,489,531 Total sanitation 10,571,027 11,480,699 8,832 9,792,108 (Continued)

		2022			
	5				
	Original	d Amounts Final	Actual	Variance with Final Budget	Actual
Highways and streets: Streets:	Original		Actual	Tillal Budget	Actual
Personnel services	\$ 1,990,631	\$ 1,990,631	\$ 1,418,336	\$ 572,295	\$ 1,067,426
Operations	1,684,638	1,800,277	1,375,424	424,853	1,172,891
Capital outlay	211,880	476,867	259,404	217,463	129,351
	3,887,149	4,267,775	3,053,164	1,214,611	2,369,668
Traffic control:	450.000	450.005	202.427	57 440	201 700
Personnel services	450,636	450,635	393,187	57,448	301,726
Operations	104,888	107,925	67,007	40,918	90,437
Capital outlay	221,700 777,224	296,379 854,939	153,214 613,408	143,165 241,531	78,682 470,845
Engineering:	111,224	004,939	013,400	241,551	470,045
Personnel services	501,783	510,077	510,079	(2)	424,271
Operations	163,744	155,450	112,997	42,453	142,475
Capital outlay	100,744	77,551	77,550	1	-
Suprice Suriay	665,527	743,078	700,626	42.452	566.746
Total highways and streets	5,329,900	5,865,792	4,367,198	1,498,594	3,407,259
3 ,	.,,	-,,	, , , , , ,	,,	-, -,
Culture and leisure services:					
Parks:					
Personnel services	2,932,361	2,778,529	2,280,017	498,512	1,851,124
Operations	4,224,837	4,483,063	4,313,824	169,239	3,490,041
Capital outlay	447,850	1,093,351	689,741	403,610	512,689
	7,605,048	8,354,943	7,283,582	1,071,361	5,853,854
Recreation:					
Personnel services	3,110,596	3,110,596	2,895,830	214,766	2,363,475
Operations	1,679,043	1,713,689	1,478,261	235,428	1,204,410
Capital outlay	262,900	540,446	223,605	316,841	209,639
	5,052,539	5,364,731	4,597,696	767,035	3,777,524
Administration:					
Personnel services	638,128	636,665	631,652	5,013	298,659
Operations	231,291	234,691	131,138	103,553	110,286
Capital outlay	- 000 440	5,090	5,090	400.500	16,206
Golf course:	869,419	876,446	767,880	108,566	425,151
Personnel services	1,017,579	1,042,858	1,017,527	25,331	857,327
Operations	566,457	755,755	646,210	109,545	521,163
Capital outlay	30,000	45,385	33,019	12,366	41,963
Capital Outlay	1,614,036	1,843,998	1,696,756	147,242	1,420,453
Library:	1,014,000	1,040,000	1,000,700	177,272	1,420,400
Personnel services	1,677,754	1,678,996	1,572,370	106.626	1,307,150
Operations	555,756	642.536	546,087	96.449	533,125
Capital outlay	125,000	284,468	17,598	266,870	18,201
,	2,358,510	2,606,000	2,136,055	469,945	1,858,476
Total culture and leisure services	17,499,552	19,046,118	16,481,969	2,564,149	13,335,458
Airport:					
Personnel services	1,148,578	1,140,194	1,048,131	92,063	847,919
Operations, as restated	1,661,986	2,834,228	2,757,565	76,663	2,619,123
Capital outlay	80,000	146,630	136,629	10,001	51,877
Total airport	2,890,564	4,121,052	3,942,325	178,727	3,518,919
Debt service:					
Principal, as restated	341,811	732,415	732,410	5	709,951
Interest, as restated	24,304	21,861	21,861	3	23,388
Total debt service	366,115	754,276	754,271		733,339
Total	\$ 105,685,974	\$ 114,172,961	\$ 101,637,673	\$ 12,535,288	\$ 89,944,351



CITY OF TEMPLE, TEXAS SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDING SEPTEMBER 30, 2023

Federal/State Grantor Agency or Pass-Through	Federal ALN	Grant	Program or Award	Passed Through to	Program
Program Title	Number	Number	Amount	Subrecipients	Expenditures
Federal Financial Assistance:					
U.S. Department of Housing & Urban Development					
Community Development Block Grant Entitlement Grants Cluster					
CDBG 2018	14.218	B-18-MC-48-0021	\$ 536,232	\$ 52,665	\$ 52,665
CDBG 2019	14.218	B-19-MC-48-0021	588,159	123,563	139,331
CDBG 2020	14.218	B-20-MC-48-0021	626,646	41,859	53,490
COVID-19 CDBG-CV 2020	14.218	B-20-MW-48-0021	777,790	4,992	490,914
CDBG 2021	14.218	B-21-MC-48-0021	606,562	96,941	165,122
CDBG 2022	14.218	B-22-MC-48-0021	571,485	10,244	277,785
City of Killeen					
COVID-19 CDBG-CV 2020	14.218	B-20-MW-48-0020	70,000	-	35,591 1,214,898
Texas Department of Housing and Community Affairs					
HOME Investment Partnership Program	14.239	2021-0003	624,265	_	262,484
Trome invocation of authority regions	14.200	2021 0000	024,200		262,484
U.S. Department of Homeland Security					
Office of the Governor-Criminal Justice Division					
Hazardous Substance Identification Equipment	97.067	EMW-2022-SS-00021 / 3664305	51,889	-	35,585
					35,585
U.S. Department of Justice					
2021 Bullet Proof Vests Grant	16.607	2021BUBX21028331	9,900	-	1,149
2022 Bullet Proof Vests Grant	16.607	2022BUBX22032711	14,368	-	11,292
Public Safety Partnership and Community Policing Grant	16.710	2020UMWX0201	375,000	_	_
Office of the Governor-Criminal Justice Division			,		
Crisis Assistance Program	16.575	2021-CS-21027 / 2820006	111,309	_	108.794
City of Killeen	10.070	2021 00 21021 / 2020000	111,000		100,704
2021 Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-21-GG-01882-JAGX	17,337		6,339
•				-	
2022 Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-22-GG-02234-JAGX	17,342	-	17,342 144,916
U.S. Department of Transportation					
Texas Department of Transportation					
Highway Planning and Construction Cluster					
Surface Transportation Program (Outer Loop West, Ph 1)	20.205	0909-36-168	13,238,558	-	-
Transportation Alternatives Set-Aside Program					
Adams & Central Sidewalks	20.205	0814-03-039 / 0232-01-053	1,193,739	-	-
Pass-Through Agreement (NW Loop 363 Improvements)	20.205	0320-06-001	16,555,000	-	1,348,047
IH-35 Landscaping Developments at SH53/FM 2305	20.205	0015-14-131	540,000	-	-
Highway Infrastructure Program (Veterans Memorial Blvd)	20.205	N/A	5,000,000	-	-
Highway Safety Improvement Program (Georgetown Railroad Trail, Ph 1)	20.205	0909-36-173	1,280,000	_	-
Highway Safety Improvement Program (West Central Sidewalk)	20.205	0909-36-189	76,270	_	69,144
Highway Safety Improvement Program (East Central Sidewalk)	20.205	0909-36-190	211,778	_	-
Highway Safety Improvement Program (Last Central Sidewalk)	20.205	0909-36-181	405,296	-	366,936
Highway Safety Improvement Program (Apache Drive Sidewalk)	20.205	0320-01-078	348,352	-	300,930
Aviation Division	20.205	0320-01-076	346,332	-	-
Airport Project Participation Grant - NPE	20.205	4222SAMCI	571,500	-	
U.S. Department of the Treasury					1,784,127
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	SLT-8432	14,170,861	_	505,430
·		0.02	, 0,001		505,430
Institute of Museum and Library Services					
Texas State Library and Archives Commission					
Interlibrary Loan Program	45.310	LS-252486-OLS-22	3,753	-	3,753
					3,753
Total Federal Financial Assistance			58,593,391	330,264	3,951,194
					(Continued)

CITY OF TEMPLE, TEXAS SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDING SEPTEMBER 30, 2023

Federal/State Grantor Agency or Pass-Through Program Title	Federal ALN Number	Grant Number	Program or Award Amount	Passed Through to Subrecipients	Program Expenditures
State Financial Assistance:					
Office of the Attorney General			40.005	•	40.005
Chapter 59 Asset Forfeitures	-	-	\$ 19,025	\$ -	\$ 19,025 19,025
Texas Department of Motor Vehicles					
Motor Vehicle Crime Prevention Authority Auxiliary Grant	-	608-22-0140700	20,000	-	20,000
					20,000
Office of the Governor-Criminal Justice Division					
Bullet-Resistant Shield	-	2023-SH-ST-0000 / 4608201	26,508	-	26,508
					26,508
Office of the Governor-Texas Military Preparedness Commission					
Defense Economic Adjustment Assistance Grant	-	2022-01-03	5,000,000	_	3,125,000
					3,125,000
Central Texas Council of Governments					
Household Hazardous Waste Collection	-	582-22-30111	12,000	-	12,000
Household Hazardous Waste Collection	-	-	15,000	-	
					12,000
Texas Department of Transportation					
Routine Airport Maintenance Program (RAMP)	-	M2309TEMP	-	50,000	
				50,000	
Texas Department of Emergency Management					
TIFMAS Grant Assistance Program	-	Winter Fire Weather	-	51,604	
TIFMAS Grant Assistance Program	-	Spring Fire Weather	-	17,942	
TIFMAS Grant Assistance Program	-	Perryton Tornado	54,833	-	54,833
TIFMAS Grant Assistance Program	-	Summer Fire Weather	42,062	-	42,062
TIFMAS Grant Assistance Program	-	Summer Fire Weather 2	35,514	-	35,514
TIFMAS Grant Assistance Program	-	Summer Fire Weather 3 Summer Fire Weather 4	114,669	-	114,669
TIFMAS Creat Assistance Program	-	Summer Fire Weather 5	40,507	-	40,507
TIFMAS Grant Assistance Program	-	Summer Fire Weather 5	117,594	-	<u>117,594</u> 474,725
					474,725
Texas State University System - Texas School Safety Center					
Tobacco Enforcement Program 2023	-	N/A	12,500		12,500
					12,500
Total State Financial Assistance			5,629,758		3,739,758
Total Federal and State Financial Assistance			\$ 64,223,149	\$ 330,264	\$ 7,690,952

CITY OF TEMPLE, TEXAS NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the year ended September 30, 2023

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.

<u>Summary of Significant Accounting Policies</u> - 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.

<u>Indirect Cost Rate</u> – 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.

<u>Subgrantees</u> – The federal expenditures for the Community Development Block Grant program include grants to subrecipients as follows:

Community

CU	mmunity
Dev	elopment
Blo	ck Grant
\$	228,360
	60,244
	36,668
	4,992
\$	330,264
	Dev Blo

<u>Program Income</u> – 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.



CONTENTS	PAGE
FINANCIAL TRENDS These schedules contain trend information to help the reader understand how the	186
government's financial performance and well-being have changed over time.	
REVENUE CAPACITY	192
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
DEBT CAPACITY	198
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.	
DEMOGRAPHIC AND ECONOCMIC INFORMATION	203
These schedules offer demographic and economic indicators to help the reader understand	
the environment within which the government's financial activities take place.	
OPERATING INFORMATION	205
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report related to the services the government provides and the activities it performs.	
OTHER INFORMATION	212
These schedules contain other information related to the government's operations.	
Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive annual financial reports for the relevant year.	

CITY OF TEMPLE, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

					Fiscal Year	Year				
	2014	2015	2016	2017	2018	2019	2020 1	2021 2	2022 ³	2023
Governmental activities										
Net investment in capital assets/right-to-use assets	\$ 44,686,194	\$ 40,996,292	\$ 43,934,442	\$ 48,754,446	\$ 52,987,220	\$ 60,880,317	\$ 66,565,782	\$ 72,557,317	\$ 138,746,724	\$ 194,236,539
Restricted	62,906	306,050	•	•	•	1	•	•	3,077,924	3,912,235
Unrestricted	18,922,067	7,799,938	3,756,702	(3,690,323)	(7,610,201)	(9,969,891)	(10,732,638)	(3,199,545)	3,574,018	1,431,494
Total governmental activities net position	\$ 63,671,167	\$ 49,102,280	\$ 47,691,144	\$ 45,064,123	\$ 45,377,019	\$ 50,910,426	\$ 55,833,144	\$ 69,357,772	\$ 145,398,666	\$ 199,580,268
Business-type activities										
Net investment in capital assets/right-to-use assets	\$ 72,979,933	\$ 69,469,800	\$ 71,123,596	\$ 74,981,111	\$ 85,851,741	\$ 91,337,862	\$ 98,533,741	\$ 107,495,236	\$ 177,201,006	\$ 196,449,371
Restricted	722,685	941,206	1,069,608	960,360	1,303,447	1,258,484	1,453,385	1,935,878	1,876,997	1,964,777
Unrestricted	25,320,194	31,586,228	33,699,494	35,678,455	29,874,800	26,340,410	23,250,644	12,194,849	12,885,370	18,006,691
Total business-type activities net position	\$ 99,022,812	\$ 101,997,234	\$ 105,892,698	\$ 111,619,926	\$ 117,029,988	\$ 118,936,756	\$ 123,237,770	\$ 121,625,963	\$ 191,963,373	\$ 216,420,839
Primary government										
Net investment in capital assets/right-to-use assets	\$ 117,666,127	\$ 110,466,092	\$ 115,058,038	\$ 123,735,557	\$ 138,838,961	\$ 152,218,179	\$ 165,099,523	\$ 180,052,553	\$ 315,947,730	\$ 390,685,910
Restricted	785,591	1,247,256	1,069,608	960,360	1,303,447	1,258,484	1,453,385	1,935,878	4,954,921	5,877,012
Unrestricted	44,242,261	39,386,166	37,456,196	31,988,132	22,264,599	16,370,519	12,518,006	8,995,304	16,459,388	19,438,185
Total primary government net position	\$ 162,693,979	\$ 151,099,514	\$ 153,583,842	\$ 156,684,049	\$ 162,407,007	\$ 169,847,182	\$ 179,070,914	\$ 190,983,735	\$ 337,362,039	\$ 416,001,107

¹- 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.

² - In FY 2022, the City restated its government-wide net position for FY 2021 due to implementation of GASB Statement No. 87.

³ - In FY 2023, the City restated its government-wide net position for FY 2022 due to implementation of GASB Statement No. 96 and the addition of developer infrastructure.

CITY OF TEMPLE, TEXAS CHANGES IN NET POSITION Last Ten Fiscal Years (accrual basis of accounting)

					Fiscal Year	Year				
	2014	2015	2016	2017	2018	2019	2020	2021 2	2022 ³	2023
Expenses										
Governmental activities:										
General government	\$ 14,634,734	\$ 14,904,124	\$ 15,656,749	\$ 16,538,056	\$ 16,643,280	\$ 18,391,391	\$ 17,662,291	\$ 18,750,792	\$ 21,726,667	\$ 28,947,790
Public safety	28,224,373	29,912,951	33,628,711	35,449,316	36,004,472	37,492,964	38,922,907	37,229,079	40,415,164	46,304,951
Highways and streets	28.047.101	10,259,565	7.273.731	8,963,462	8.483,731	9.058.790	10,113,674	9,925,757	14,379,444	14,725,735
Sanitation	7,080,709	5,990,896	6,455,973	7,272,582	7,473,148	8,461,326	9,117,863	9,652,499	11,028,193	13,550,411
Health and welfare	35,755		149.961	157,201	225,837	105,146	515,154	693,254	785 754	1,133,909
Cultural and laisura eaplices	12 265 268	12 312 068	12 580 344	12 016 558	14 601 953	15 750 444	14 744 515	15 005 711	17 770 783	23 840 447
	12,303,200	0,000,454	13,009,044	0,000,000	14,001,933	13,730,444	14,744,010	0,093,711	001,011,11	7010,117
Airport	3,655,194	3,683,154	3,500,076	3,564,403	3,711,779	3,668,067	3,165,090	3,267,703	4,695,458	5,074,212
Interest on long term debt	3,639,945	4,237,351	5,351,692	5,453,732	5,963,802	6,275,371	5,395,933	5,706,669	7,624,817	9,530,691
Total governmental activities expenses	97,683,079	81,413,067	85,606,237	91,315,310	93,108,002	99,203,499	99,637,427	100,321,464	118,435,280	143,077,816
Business-type activities:										
Water and sewer	26,882,060	26,081,271	28,649,118	28,840,885	30,906,838	32,407,309	40,372,635	42,443,757	46,513,909	53,618,040
Total business-type activities expenses	26,882,060	26,081,271	28,649,118	28,840,885	30,906,838	32,407,309	40,372,635	42,443,757	46,513,909	53,618,040
Total primary government expenses	124,565,139	107,494,338	114,255,355	120,156,195	124,014,840	131,610,808	140,010,062	142,765,221	164,949,189	196,695,856
Program Revenues Governmental activities:										
Fees, Fines, and Charges for Services:	000	4 4 4 0 17 0	4 400 004	44	100 100 1	4 400	670 400	400 700	100000	200 100 0
General government Dublic cafety	3,900,990	4,143,5/3	4,189,072	4,415,190	4,537,237	4,483,482	5,67,3,482	2,493,730	5,880,297	0,007,225
History and streets	1 238 403		1,776,401	7 5 10 680	0,000,040	0,042,070	3,024,060	3 101 166	3 338 053	3 301 325
Sanitation	11 222 768	11,303,186	11 764 582	12,897,932	13,380,840	15,505,181	15 013 659	16.047.480	18 045 770	19,347,795
Cultural and leisure services	3 7 10 483	3 703 956	4 025 396	4 136 650	3 942 908	4 980 209	2 974 552	4 146 962	4 633 635	5 834 483
Aimort	2 732 476	2 294 963	2 174 080	2387 297	2,612,637	2 464 369	1 880 095	2,110,532	3 677 553	3 892 020
Operating grants and contributions	513.508	12.501.829	453,554	484.715	356.115	362,394	3.359.451	2.700.918	5.656.804	5.323.506
Capital grants and contributions	12,724,001	391,026	899,586	310,655	1,371,345	2,027,054	1,479,579	2,388,612	15,986,125	47,700,095
Total governmental activities program revenues	39,795,838	40,002,148	29,709,899	32,002,059	33,522,215	37,358,333	37,138,261	39,733,955	61,140,585	96,326,139
Business-type activities: Charges for services:										
Water and sewer Operating grants and contributions	29,824,871	30,375,811	31,720,917	33,261,271	35,227,519	31,913,681	39,084,642	39,290,715 6.861	46,391,050	52,114,559
Capital grants and contributions	1,330,056	381,295	134,570	41,235	16,401	1,144,596	3,989,857	104,702	19,814,909	19,698,818
Total business-type activities program revenues	31,154,927	30,757,106	31,855,487	33,302,506	35,243,920	33,058,277	43,074,499	39,402,278	66,205,959	71,813,377
Total primary government program revenues	\$ 70,950,765	\$ 70,759,254	\$ 61,565,386	\$ 65,304,565	\$ 68,766,135	\$ 70,416,610	\$ 80,212,760	\$ 79,136,233	\$ 127,346,544	\$ 168,139,516
										(continued)

CITY OF TEMPLE, TEXAS CHANGES IN NET POSITION Last Ten Fiscal Years (accrual basis of accounting)

	2014	2015	2016	2017	Fiscal Year 2018	2019	2020	2021 2	2022 3	2023
Net (Expense) Revenue Governmental activities Business-type activities	\$ (57,887,241) 4,272,867	\$ (41,410,919) 4,675,835	\$ (55,896,338) 3,206,369	\$ (59,313,251) 4,461,621	\$ (59,585,787) 4,337,082	\$ (61,845,166) 650,968	\$ (62,499,166) 2,701,864	\$ (60,587,509) (3,041,479)	\$ (57,294,695) 19,692,050	\$ (46,751,677) 18,195,337
Total primary government net expense	\$ (53,614,374)	\$ (36,735,084)	\$ (52,689,969)	\$ (54,851,630)	\$ (55,248,705)	\$ (61,194,198)	\$ (59,797,302)	\$ (63,628,988)	\$ (37,602,645)	\$ (28,556,340)
General Revenues and Other Changes in Net Position Governmental activities: Taxes:										
Ad valorem	\$ 20,187,267	\$ 20,847,366	\$ 23,231,944	\$ 24,983,232	\$ 26,596,960	\$ 27,468,319	\$ 30,972,535	\$ 34,060,244	\$ 36,793,912	\$ 42,546,516
Sales	18,981,471	21,311,743	20,859,081	21,652,524	21,831,623	23,136,176	24,418,211	28,357,487	32,579,840	36,496,375
Franchise	6,382,781	6,780,354	6,712,490	6,771,002	6,834,212	7,128,549	7,376,450	7,149,264	7,664,979	8,965,301
Hotel/Motel	1,445,935	1,440,351	1,473,592	1,583,762	1,593,331	1,783,186	1,563,648	1,854,579	2,371,876	2,713,494
Mixed beverage	155,280	156,030	148,247	162,580	172,509	190,466	163,391	205,921	234,279	260,833
Other taxes	71,750	72,392	62,915	63,316	906'29	82,499	66,345	69,651	63,911	608'69
Investment earnings	108,848	156,778	398,306	674,264	1,513,600	1,919,652	1,328,204	804,067	1,107,913	8,805,593
Miscellaneous	2,055,938	746,050	1,598,627	4,742,010	1,298,542	5,669,726	1,533,100	1,610,924	2,468,714	1,075,358
Settlement income, net expense	•	•	•	•	•		•	•	•	
Transfers	6,803	(2,267)	•	•	•	•	•	•	•	
Total governmental activities	49,396,073	51,508,797	54,485,202	60,632,690	59,898,683	67,378,573	67,421,884	74,112,137	83,285,424	100,933,279
Business-type activities: Investment earnings Transfers	515,564 (6.803)	353,239	689,095	831,715	1,072,980	1,255,800	1,599,150	1,429,672	2,376,134	6,262,129
Total business-type activities	508,761	355,506	689,095	831,715	1,072,980	1,255,800	1,599,150	1,429,672	2,376,134	6,262,129
Total primary government	49,904,834	51,864,303	55,174,297	61,464,405	60,971,663	68,634,373	69,021,034	75,541,809	85,661,558	107,195,408
Changes in Net Position	(8 491 168)	10 097 878	(1 411 136)	1319439	312 896	5 533 407	4 922 718	13 524 628	25 990 729	54 181 602
Business-type activities		5,031,341	- 1	5,293,336	5,410,062			(1,611,807)	- 1	24,457,466
Total primary government	\$ (3,709,540)	\$ 15,129,219	\$ 2,484,328	\$ 6,612,775	\$ 5,722,958	\$ 7,440,175	\$ 9,223,732	\$ 11,912,821	\$ 48,058,913	\$ 78,639,068

¹ - 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 were \$ 1,333,377 for Governmental Activities and \$ 2,970,594 for Business-Type Activities.

2 - In FY 2022, the City restated its government-wide net position for FY 2021 due to implementation of GASB Statement No.87.

3 - In FY 2023, the City restated its government-wide net position for FY 2022 due to implementation of GASB Statement No.96 and the addition of developer infrastructure.

CITY OF TEMPLE, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	Fiscal Year 2018	2019	2020	2021 1	2022	2023
General fund										
Nonspendable:										
Inventories, prepaid items and leases	\$ 435,073	\$ 375,039	\$ 441,741	\$ 432,639	\$ 492,994	\$ 495,781	\$ 552,260	\$ 934,017	\$ 1,426,486	\$ 2,289,930
Restricted for:										
Drug enforcement	290,550	345,852	204,399	173,517	258,281	204,651	207,562	108,586	129,260	124,792
Library, museum, and other	772,510	867,470	874,506	822,992	507,571	431,019	321,970	522,573	582,020	734,406
Assigned to:										
Capital technology acquisition	403,071	420,476	379,099	405,484	356,940	337,071	411,381	617,097	750,478	555,011
Capital projects	5,211,128	4,920,337	5,061,813	4,648,577	4,356,474	5,686,284	7,433,980	12,106,214	11,245,698	10,298,695
Self-funded health insurance	•	•	•	•	•	•	•	•	•	2,000,000
Purchases on order	1,454,214	2,106,552	1,429,303	1,866,603	1,675,168	1,961,384	2,968,619	3,496,702	7,713,867	7,601,167
Unassigned	17,540,678	18,293,530	19,160,910	20,132,300	20,132,300	20,132,300	21,616,233	22,116,233	23,700,625	26,718,256
Total general fund	\$26,107,224	\$27,329,256	\$27,551,771	\$28,482,112	\$27,779,728	\$29,248,490	\$33,512,005	\$ 39,901,422	\$ 45,548,434	\$ 50,322,257
All other governmental funds										
Nonspendable:										
Prepaid items	\$ 20,086	\$ 19,400	\$ 21,804	\$ 24,842	\$ 22,625	\$ 31,205	\$ 23,890	\$ 17,615	\$ 19,247	\$ 20,398
Restricted for:										
Debt service	1,349,568	959,697	724,003	551,747	283,612	1,457,372	303,617	222,280	167,093	91,422
Construction	11,652,509	44,922,504	41,698,442	24,117,550	40,117,952	40,520,676	49,682,906	95,420,298	115,537,578	125,529,686
Museum	13,049	11,149	11,775	14,108	11,631	12,690	16,096	16,505	17,581	17,581
Promotion of tourism	1,126,029	1,305,093	1,338,791	1,442,633	1,410,456	1,556,991	1,345,760	1,632,683	2,349,063	3,035,456
Committed to:										
Drainage	1,793,015	1,982,887	1,489,689	1,815,299	2,143,407	2,524,970	2,704,936	3,350,262	3,145,692	2,787,351
Economic and community development	'	•	•	•	•	'	•	'	27,675	82,793
Total all other governmental funds	\$15,954,256	\$49,200,730	\$45,284,504	\$27,966,179	\$43,989,683	\$46,103,904	\$54,077,205	\$ 100,659,643	\$ 121,263,929	\$ 131,564,687

1- The City implemented GASB Statement No. 87 Leases in fiscal year 2022. Fiscal year 2021 was restated with the implementation of GASB Statement No. 87.

CITY OF TEMPLE, TEXAS CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years (modified accrual basis of accounting)

					Fiscal Year	Year				
REVENUES:	2014	2015	2016	2017	2018	2019	2020	2021 2	2022	2023
Taxes:										
Ad valorem	\$ 20,184,854	\$ 20,801,261	\$ 23,256,440	\$ 25,022,473	\$ 26,562,209	\$ 27,443,146	\$ 30,899,626	\$ 34,102,994	\$ 36,794,988	\$ 42,113,424
Sales Hotel/Motel	18,981,471	21,311,743	20,859,081	21,652,524	21,831,623	23,136,176	24,418,211	28,357,487	32,579,840	36,496,375
Mixed beverage	155,280	156,030	148,247	162,580	172,509	190,466	163,391	205,923	234,279	260,833
Other taxes	71,750	72,392	62,916	63,316	906,25	82,499	66,346	69,651	63,911	69,809
Franchise fees	6,382,782	6,780,354	6,712,490	6,771,002	6,834,212	7,128,549	7,376,450	7,149,264	7,664,979	8,965,302
Licenses and permits	999'299	613,187	961,527	905,004	1,034,209	1,057,631	1,178,048	1,282,122	1,633,380	1,626,105
Intergovernmental	13,237,510	879,854	2,163,530	2,236,621	3,232,460	3,894,448	6,344,031	6,369,816	7,568,544	7,663,941
Charge for soniton:	1,109,378	071,621,1	1,157,851	2,283,793	7,705,091	2,098,040	7,822,622	2,885,991	2,979,150	3,045,945
Charges for services:	32 498	32 118	34 107	30.612	29 254	30 339	18 733	7 838	7 994	15 565
Becreational entry fees	126 845	120 588	120 492	111 980	29,234	83,628	60.784	81.233	79 197	80.430
Summit recreational fees	526,310	486,234	389,249	414,075	440,543	411,726	232,395	309,425	360,290	356,718
Hillcrest cemetery	•		•	•	•	787'96	76,032	376,154	96,107	81,850
Crossroads park		•	•	•	•	•	8,760	42,479	43,945	35,795
Golf course revenues	874,917	789,908	690,985	688,258	443,479	706,010	727,560	946,692	1,146,812	1,480,277
Swimming pool	48,030	48,870	37,242	33,954	37,128	48,670	12,093	6,720	10,365	19,804
Lions Junction water park	298,690	351,788	478,483	464,370	426,115	465,592	453	335,642	416,295	459,054
Sammons Indoor pool	91,705	91,330	94,050	71,740	87,928	66,339	33,988	44,945	92,120	95,919
Vital statistics Dolice revenue	120,542	1 602 266	130,034	1 714 226	129,426	132,412	112,743	125,399	970,476	1 155 389
Contractual services - proprietary fund	3.480.132	3.702.807	3.789.646	4.056.239	4.127.979	4 221 934	5.474.172	5.264.423	5.625.151	6.407.329
County fire protection	1,341	4,630	4,136	5,928	5,983	986'8	8,772	9,298	10,177	29,889
Curb and street cuts	38,732	62,195	96,155	41,340	69,847	89,651	74,164	110,141	178,242	198,071
Other	159,130	301,443	62,014	77,134	860'68	106,393	113,833	117,349	98,991	66,613
Solid waste collection - residential	4,041,272	4,169,597	4,310,048	4,943,210	5,198,061	5,619,184	5,844,439	6,442,387	7,042,176	7,572,225
Solid waste collection - commercial	2,902,758	2,945,727	3,127,171	3,183,821	3,229,411	3,484,347	3,536,912	3,643,549	3,964,627	4,213,873
Solid Waste collection - roll-on	7,314,814	7,216,659	7,414,007	2,724,880	2,924,373	3,159,730	3,228,982	3,200,345	4,025,721	4,392,389
Airport sales and rental	2.732.476	2.294.963	2.174.080	2,387,297	2,619,637	2,464,369	1.880.095	2,019,538	3,677,553	3.892,019
Recreational services	1,028,223	1,034,161	1,269,230	1,200,269	1,262,332	1,316,268	497,527	562,210	902,699	838,283
Fire department	20,620	34,758	51,854	26,969	56,236	61,110	71,679	72,341	60,118	70,846
Subdivision fees	24,727	18,465	22,298	31,151	33,898	32,133	29,250	34,519	33,170	34,447
Reinvestment zone reimbursements		' !	388,036	616,710	654,810	1,198,722	1,052,991	1,172,408	1,238,442	1,715,390
Civic center & railroad museum revenues	533,266	508,062	523,522	504,684	461,829	556,130	253,238	261,216	472,364	655,398
Fines	2 438 908	2 086 676	2 173 835	2 206 811	1 868 233	2 088 993	1 499 844	1 479 146	1 247 159	1 287 461
Interest and other	2,581,670	1.728,607	2,082,522	1.912,673	2.747.339	3.459.109	2.377.148	1.945.088	3.032,008	10.201.613
Total revenues	89,242,742	79,908,200	84,759,337	90,301,148	94,470,160	101,910,481	105,328,832	114,552,144	129,799,298	151,641,316
EXPENDITURES:										
Current:										
General government	15,223,119	15,445,404	15,286,507	15,899,956	16,287,762	17,357,817	17,160,208	19,326,499	23,298,883	28,783,265
Public sarety	28,225,738	31,013,726	32,080,185	31,307,272	34,394,350	35,948,102	30, 181, 380	37,505,531	42,177,089	49,033,859
Figures and streets Sanitation	29,731,928	17,506,619	7 380 070	14,086,349	17,781,421	17,586,774	0.281,330	13,254,061	19,785,483	31,670,629 20,261,863
Health and welfare	308.783	102.069	83.828	201,810	150.312	107.832	409.437	596.914	701,303	1.367.994
Culture and leisure services	12,078,707	12,361,459	18,135,207	21,366,366	21,462,623	21,143,045	14,523,577	14,123,629	18,133,659	23,671,470
Airport	10,011,998	2,640,628	2,347,196	2,374,228	2,605,547	2,500,007	2,083,011	4,027,283	3,609,751	3,990,643
Debt service:				1						
Principal retirement Interest and fiscal characs	5,608,336	5,821,194	7,673,106	9,075,096	10,603,767	9,961,569	12,679,412	13,527,298	14,075,218	16,356,674
Total expenditures	\$ 115,223,193	\$ 94,609,914	\$ 111,591,599	\$ 106,834,894	\$ 118,118,571	\$ 119,838,513	\$ 117,074,655	\$ 120,230,046	\$ 150.371.741	\$ 185,104,730
-										(continued)

CITY OF TEMPLE, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

					Fiscal Year					
	2014	2015	2016	2017	2018	2019	2020 1	2021 2	2022	2023
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (25,980,451) \$ (14,701,714)	\$ (14,701,714)	\$ (26,832,262)	\$ (16,533,746)	\$ (23,648,411)	\$ (17,928,032)	\$ (11,745,823)	\$ (5,677,902)	\$ (20,572,443)	\$ (33,463,414)
OTHER FINANCING SOURCES (USES):										
Transfer in	2,282,094	1,888,658	1,611,257	1,739,077	3,191,375	3,362,525	3,503,656	3,161,204	5,374,067	6,966,777
Transfer out	(2,327,620)	(1,873,486)	(1,611,257)	(1,739,077)	(3,191,375)	(3,362,525)	(3,503,656)	(3,161,204)	(5,374,067)	(6,966,777)
Issuance of loans and bonds	420,121	46,360,000	20,235,000	145,762	36,614,488	20,666,188	23,667,652	53,220,000	42,440,000	44,230,000
Original issue premium		3,275,997	4,158,590		5,338,055	1,608,272	1,530,082	5,392,427	4,406,590	4,044,851
Discount on bond issuance	(88,929)	(556,444)	(176,238)		(465,394)	(358,232)	(137,516)	(319,306)	(217,397)	(270,249)
Issuance of refunding bonds	16,671,941	7,544,558	9,500,000		17,780,000	4,880,000	685,000	•		•
Payment to refunded bond escrow agent	(23,052,209)	(7,469,063)	(10,578,801)		(20,297,618)	(5,285,213)	(1,762,579)	•	•	•
Claims settlement	•	•	•	•	•	•	•	•	•	•
Attorney fees										
Leases (as lessee)						•	•	•	194,548	•
Subscription proceeds									•	533,393
Total other financing sources (uses)	(6,094,602)	49,170,220	23,138,551	145,762	38,969,531	21,511,015	23,982,639	58,293,121	46,823,741	48,537,995
NET CHANGE IN FUND BALANCES	\$ (32,075,053)	\$ 34,468,506	\$ (3,693,711)	\$ (16,387,984)	\$ 15,321,120	\$ 3,582,983	\$ 12,236,816	\$ 52,615,219	\$ 26,251,298	\$ 15,074,581
Debt service as a percentage of noncapital expenditures	10.3%	13.2%	16.6%	18.3%	19.0%	18.8%	20.1%	20.1%	18.8%	23.9%
Capital Outlay	\$ 20,442,125	\$ 15,920,233	\$ 31,519,203	\$ 24,998,876	\$ 28,374,357	\$ 31,532,720	\$ 19,521,157	\$ 17,473,063	\$ 30,589,440	\$ 74,818,508

¹- 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.

² - In FY 2022, the City restated landfill contract, as well as airport sales and rental revenue to properly record charges for services for FY 2021 associated to implementation of GASB 87.

CITY OF TEMPLE, TEXAS
GENERAL GOVERNMENTAL TAX & FRANCHISE REVENUES BY SOURCE
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table V

Fiscal Year	General Property Tax	City Sales Tax	Hotel/ Motel Tax	 Mixed severage Tax	Other Tax	Franchise Fee	Total
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
2022	36,794,988	32,579,840	2,371,876	234,279	63,911	7,664,979	79,709,873
2023	42,113,424	36,496,375	2,713,494	260,833	69,809	8,965,302	90,619,237

CITY OF TEMPLE, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(unaudited)

Assessed Value¹as a	Percentage of Actual Value	79.20%	79.64%	77.78%	75.13%	75.57%	75.62%	75.47%	74.74%	73.91%	71.12%
Total	Direct Tax Rate	\$ 0.5864	0.5864	0.6298	0.6572	0.6772	0.6612	0.6727	0.6525	0.6400	0.6130
Total	Taxable Value ²	\$3,572,423,141	3,699,245,668	3,840,746,157	3,970,340,738	4,148,669,011	4,397,616,969	4,882,056,874	5,568,407,064	6,086,377,782	7,454,325,243
Less:	Applicable Adjustments		•	•	•	•	•	•	•	•	•
Less:	Tax Increment District	\$ 169,927,193	480,646,226	670,071,846	436,256,703	426,069,294	440,490,768	481,248,712	567,652,363	609,983,494	786,094,086
Total Taxable	Assessed Value	\$ 3,742,350,334	4,179,891,894	4,510,818,003	4,406,597,441	4,574,738,305	4,838,107,737	5,363,305,586	6,136,059,427	6,696,361,276	8,240,419,329
Less:	Tax-Exempt Property	\$ 940,324,968	1,027,167,363	1,242,700,918	1,409,041,409	1,418,880,200	1,496,982,486	1,619,513,374	1,910,311,943	2,146,109,693	2,555,665,553
Less:	Homestead Cap	\$ 2,322,216	2,470,938	3,064,323	4,656,862	4,820,212	4,088,787	49,890,121	86,679,386	133,631,500	703,873,413
Less:	Productivity Loss	\$ 39,934,752	39,043,656	42,551,747	45,275,225	55,340,251	58,366,206	73,659,723	77,130,785	83,721,608	87,417,138
Estimated Market Value	Personal Property	\$ 1,033,449,368	1,074,874,361	1,087,575,985	1,071,474,150	1,046,175,076	1,134,164,140	1,149,461,868	1,271,940,789	1,320,493,948	1,591,917,405
Estimated №	Real Property	\$3,691,482,902	4,173,699,490	4,711,559,006	4,794,096,787	5,007,603,892	5,263,381,076	5,956,906,936	6,938,240,752	7,739,330,129	9,995,458,028
	Fiscal Year ^{1, 3}	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023

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.

Includes tax-exempt property.
 Net taxable value not adjusted for frozen values.
 FY 2020 information was restated in FY 2021 to account for accurate data.

CITY OF TEMPLE, TEXAS PROPERTY TAX RATES DIRECT AND OVERLAPPING ¹ GOVERNMENTS Last Ten Fiscal Years

Fiscal Debt Year Operating Service 2014 \$ 0.3324 \$ 0.2540 2015 0.3300 0.2564 2016 0.3234 0.3064 2017 0.3142 0.3430 2018 0.3142 0.3630 2019 0.2982 0.3630 2020 0.3097 0.3630 2021 0.3000 0.3525 2022 0.3030 0.3370	City of Temple				Overlapping Rates	ing Ra	tes				
\$ 0.3324 \$ 0.3230 0.3244 \$ 0.3234 0.3142 0.3142 0.2982 0.3097 0.3030 0.3030	Total				Elm Creek	بخ	Temple	Belton		-	Troy
\$ 0.3324 \$ 0.3300 0.3234 0.3142 0.3982 0.3097 0.3030	bt Direct	Bell County	Bell County Road District	Temple College	Flood Control District		Independent School District	Independent Independent School District	ight	Indep Schoo	Independent chool District
0.3300 0.3234 0.3142 0.2982 0.3097 0.3030	2540 \$ 0.5864	\$ 0.4212	\$ 0.0299	\$ 0.2036	\$ 0.0327	27	1.3600	\$ 1.4500	00	₩	1.3317
0.3234 0.3142 0.3142 0.3097 0.3000 0.3030		0.4212	0.0299	0.2065	0.0327	27	1.3600	1.4400	00		1.3317
0.3142 0.3142 0.2982 0.3097 0.3000 0.3030		0.4212	0.0299	0.2100	0.0327	27	1.3600	1.4400	8		1.3317
0.3142 0.2982 0.3097 0.3000 0.3030		0.4212	0.0299	0.2057	0.0327	27	1.4000	1.4400	8		1.3102
0.2982 0.3097 0.3000 0.3030		0.4212	0.0299	0.2047	0.03	27	1.4000	1.6030	30		1.2902
0.3097 0.3000 0.3030		0.4212	0.0299	0.1980	0.0327	27	1.4000	1.6030	30		1.2902
0.3000		0.4208	0.0292	0.1886	0.0327	27	1.3509	1.4651	51		1.3619
0.3030	3525 0.6525	0.3968	0.0285	0.1837	0.0327	27	1.2838	1.3651	51		1.2434
		0.3680	0.0263	0.2237	0.0314	4	1.2353	1.357	71		1.2036
2023 0.2863 0.3267	3267 0.6130	0.3160	0.0233	0.2044	0.0287	87	1.2203	1.3371	71		1.1579

Source: Tax Appraisal District of Bell County

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 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 be authorized, may not exceed \$ 1.20 per \$ 100 assessed valuation.

1 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 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. 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

dal districty. A property s recarron within the en	oral district. A property of occarron within the Orly million will determine which serious districts tax will be appreciate for the pro-
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.
Source:	Tax Appraisal District of Bell County.

CITY OF TEMPLE, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

					FT 2014	
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value ²	Rank	Percentage of Total Taxable Assessed Value
H.E. Butt Grocery	\$ 146,777,430	-	1.97%	\$ 60,309,074	2	1.69%
McLane Company, Inc.	129,940,957	2	1.74%	131,991,113	_	3.69%
Panda Temple Power II, LLC	119,550,773	က	1.60%	•		1
BKV-BPP Power, LLC	116,357,292	4	1.56%	•		•
Oncor Electric Delivery Company	101,803,738	2	1.37%	49,963,188	7	1.40%
Wilsonart International	95,361,200	9	1.28%	76,082,537	4	2.13%
Wal-Mart Real Estate Business Trust	85,970,939	7	1.15%	101,556,319	2	2.84%
Pactiv Corporation	75,219,331	80	1.01%	85,134,445	က	2.38%
Reynolds Consumer Products, Inc.	69,474,430	6	0.93%	30,441,137	∞	0
BNSF Railway Company	41,275,215	10	0.55%	26,615,886	တ	0.75%
Sam's East, Inc.	1			57,075,787	9	1.60%
LJT Texas, LLC Totals	\$ 981,731,305		13.17%	20,489,087 \$ 639,658,573	10	0.57% 17.91%

Source: Tax Appraisal District of Bell County

1-Total taxable value including real and personal property for fiscal year 2023 was \$ 7,454,325,243 (net taxable value not adjusted for frozen values).

² Total taxable value including real and personal property for fiscal year 2014 was \$ 3,572,423,141 (net taxable value not adjusted for frozen values).

CITY OF TEMPLE, TEXAS PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years

Taxes Levied Within the Fiscal Year	Adjust to Le Subse	Adjustments to Levy in Subsequent	Ĕ	Adjusted Taxes Levied for the	Collected within the Tax Year of the Levy	rithin the the Levy	S ii	Collections in Subsequent	Total Collections to Date	ons to Date
of the Levy	Ye	Years		Fiscal Year	Amount	% of Levy		Years	Amount	% of Levy
\$ 20,793,147	↔		↔	20,793,147	\$ 20,295,608	97.61%	↔	119,984	\$ 20,415,592	98.18%
21,446,210		•		21,446,210	21,046,789	98.14%		172,999	21,219,788	98.94%
23,742,734		155,641 2		23,898,375	23,489,014	98.29%		583,821 3	24,072,835	100.73%
25,523,538		189,564 ²		25,713,102	25,197,579	%00.86		412,263 ³	25,609,842	%09.66
27,354,869		175,306 ²		27,530,175	26,924,017	%08'26		258,998	27,183,015	98.74%
28,389,695		•		28,389,695	27,847,040	%60.86		113,556	27,960,596	98.49%
31,951,512		•		31,951,512	31,342,048	%60.86		34,172	31,376,220	98.20%
34,688,045		•		34,688,045	34,421,238	99.23%		34,080	34,455,318	99.33%
37,755,601 4		•		37,755,601	37,196,777	98.52%		24,618	37,221,395	98.59%
43,933,095		•		43,933,095	42,784,514	97.39%		1	42,784,514	97.39%

Collections from subsequent years restated to reflect collections net of refunds.

Source: Tax Appraisal District of Bell County

²- Adjustments to levy for FY 2016 - FY 2018 based on the TCEQ Tier 3 Negotiated Settlement with Panda Temple Power Holdings.

³- Includes Panda Temple Power Holdings - TCEQ Tier 3 Negotiated Settlement, reflected in FY 2016 and FY 2017.

 $^{^{4}}$ - FY 2022 taxes levied within the fiscal year restated in FY 2023 to account for accurate data.

CITY OF TEMPLE, TEXAS TAXABLE SALES BY CATEGORY Last Ten Calendar Years

					Calendar Year	_								
	2013	2014	2015	2016	2017	2018		2019		2020		2021		2022
Building Material	\$ 125,260,898	\$ 134,845,790	\$ 144,716,363	\$ 158,203,586	\$ 161,496,329	\$ 162,629,267	\$	155,514,451	8	184,176,659	↔	226,523,790	↔	270,963,148
General Merchandise Stores	175,653,407	170,777,243	183,917,251	181,806,372	167,677,353	171,691,097	_	74,970,541		177,688,509		202,822,474		201,472,683
Food Stores 1	62,771,429	64,396,707	83,112,785	90,942,344	89,780,255	93,833,108	_	05,728,093	_	13,487,335		138,779,364		156,748,703
Auto Dealers & Service Stations	62,796,436	66,094,355	67,535,037	71,376,272	74,955,553	75,166,776		79,844,949		86,961,616		104,931,869		116,011,445
Apparel & Accessory Stores	31,752,686	32,629,286	30,461,426	30,751,032	33,002,280	34,530,283		35,452,100		28,267,351		41,967,447		43,005,930
Furniture & Home Furnishings	40,792,351	43,053,963	46,769,756	46,601,996	47,960,047	49,331,679		50,825,775		43,453,411		55,768,836		53,065,302
Eating & Drinking Places	134,320,392	144,994,011	150,750,242	159,260,682	161,976,431	171,344,019	_	85,579,213	_	168,195,997		228,709,999		250,577,794
Miscellaneous Retail	66,926,420	66,214,000	67,057,766	78,107,089	88,605,255	87,625,171		87,806,535		97,219,223		117,302,236		126,004,151
Nonstore Retailers	1,134,435	1,451,906	2,225,442	2,551,369	1,768,028	1,444,784		2,608,127		2,490,789		3,510,081		5,651,006
Total Retail Sales	\$ 701,408,454	\$ 724,457,261	\$701,408,454 \$724,457,261 \$776,546,068	\$ 819,600,742	\$ 827,221,531	\$ 847,596,184	∞ ↔	878,329,784	\$	901,940,890	\$	\$ 1,120,316,096	& 	\$ 1,223,500,162
Total Non-Retail Sales	208,836,200	235,556,192	246,809,563	264,689,421	263,376,676	271,722,828	က	307,790,848	(1	281,998,957		350,729,189		394,778,962
Total Taxable Sales	\$ 910,244,654	\$ 910,244,654 \$ 960,013,453 \$ 1,023	\$ 1,023,355,631	\$ 1,084,290,163	\$ 1,090,598,207	\$ 1,119,319,012	\$ 1,1	\$ 1,186,120,632	\$ 1,1	\$ 1,183,939,847	\$	\$ 1,471,045,285	\$ 1,	\$ 1,618,279,124

City of Temple Applicable Sales Tax Rates:

1.50% 0.50% 6.25% 8.25% 1.50% 0.50% 6.25% 8.25% 1.50% 0.50% 6.25% 8.25% 1.50% 0.50% 6.25% 8.25% 1.50% 0.50% 6.25% 8.25% Bell County State of Texas
TOTAL SALES TAX RATE

1.50% 0.50% 6.25% 8.25%

1.50% 0.50% 6.25% 8.25%

1.50% 0.50% 6.25% 8.25%

1.50% 0.50% 6.25% 8.25%

1.50% 0.50% 6.25% 8.25%

Notes: Retail sales information is not available on a fiscal-year basis.

Sources: State of Texas Comptroller, City of Temple, and Bell County

Data collected from the State of Texas Comptroller includes updates to prior years.

1- 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

				Governme	Governmental Activities						Bı	Business-Type Activities	ctivities					
	General	Certificates of			Pass-Through				Issuance	General	Water & Wastewater				Issuance	Total		
Fiscal	Obligation	Obligation	Contractual	Revenue	Revenue &	Notes	Lease ²	Subscription ⁴	Premium/	Obligation	Revenue	Notes ³	Lease 3	Subscription	Premium/	Primary	Personal	Per
Year	Bonds	Bonds	Obligations	Bonds	Bonds Limited Tax Bonds	Payable	Liability	Liability	Discount	Bonds	Bonds	Payable	Liability	Liability	Discount	Government	Income 1	Capita 1
2014	\$ 49,525,000	\$ 20,830,000	\$ 5,065,000	99	\$ 24,700,000		· •	€	€9	\$ 36,480,000	\$ 35,120,000	. ↔	69	69	· •	\$ 172,872,013	\$ 37,862	\$ 2,409
2015	75,420,000		4,415,000	465,000		195,819	•	•	8,595,491	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	147,714	•	•	11,697,438	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	243,380	•	•	10,978,104	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	2,761,062	•	•	14,924,453	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	3,992,419	•	•	15,207,445	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	3,423,172	•	•	14,585,819	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	•	•	2,397,936	529,506	•	17,556,643	31,180,000	168,455,000	177,371	•	•	23,677,354	471,708,810	45,574	5,480
2022	57,530,000	190,900,000	8,150,000	•		2,219,987	421,784	959,861	20,354,021	27,190,000	165,050,000	164,788	17,076	•	21,997,286	494,954,803	47,755	5,554
2023	51,185,000	224,750,000	9,485,000	•		2,048,770	108,365	963,043	22,506,706	22,925,000	194,945,000	152,079	11,559	250,125	22,014,147	551,344,794	47,680	600'9

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

The City des not have any authorized but unissued ad valorem tax debt.

- See the Schedule of Demographic and Economic Statistics on page 203 for personal income and population data. (Table XVI)

2. FY 2021 was restated in FY 2022 to include lease liability.

3. FY 2022 has been restated in FY 2023 to account to accurate data.

4. FY 2022 has been restated in FY 2023 to produce subscription liability.

CITY OF TEMPLE, TEXAS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

			General Bonded Debt (nded De	bt Outstanding	nding								% of Estimated		
Fiscal	General	Certificates of	Contractual	Revenu	enne	P. G.	Pass-Through	Unamortized ²	ized ²	Total General Bonded Debt	Less: Amount Restricted for	Total General Net Bonded Debt		Actual Taxable Value ⁴ of	•	P
Year	Bonds 1	Bonds	Obligations	B	Bonds	Limit	Limited Tax Bonds	Premium / Discount	Discount	Outstanding	Debt Service Fund ³		ding	Property	Cap.	Capita ⁵
2014	\$ 49,525,000	\$ 20,830,000	\$ 5,065,000	€	910,000	€	24,700,000	\$	5,876,415	\$ 106,906,415	\$ 706,237	17 \$ 106,200,178	00,178	79.20%	€	1,480
2015	75,420,000	36,650,000	4,415,000	7	465,000		24,700,000	80	8,595,491	150,245,491	959,697		15,794	79.64%		2,034
2016	70,300,000	53,360,000	5,700,000		1		24,580,000	11	11,697,438	165,637,438	724,003	164,913,435	3,435	77.78%		2,190
2017	66,265,000	50,440,000	4,525,000		1		23,685,000	10	10,978,104	155,893,104		- 155,893,104	3,104	75.13%		2,028
2018	78,860,000	81,145,000	3,335,000				4,665,000	14	14,924,453	182,929,453		- 182,929,453	9,453	75.57%		2,322
2019	73,560,000	96,540,000	3,330,000		į		3,715,000	15	15,207,445	192,352,445		- 192,352,445	52,445	75.62%		2,377
2020	69,255,000	112,600,000	4,645,000		ı		1,030,000	14	14,585,819	202,115,819		- 202,115,819	5,819	75.47%		2,463
2021	64,030,000	156,925,000	6,780,000		•		1	17	17,556,643	245,291,643		- 245,29	245,291,643	74.74%		2,850
2022	57,530,000	190,900,000	8,150,000		•		1	20	20,354,021	276,934,021		- 276,934,021	34,021	73.91%		3,108
2023	51,185,000	224,750,000	9,485,000		•		•	22	22,506,706	307,926,706		- 307,926,706	902'97	71.12%		3,356

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.

⁻ FY 2014 through FY 2017 have been restated to only include governmental type general obligation bonds.

² - FY 2014 through FY 2017 have been restated to include unamortized premium/discount amounts. ³ - FY 2014 through FY 2020 have been restated to reflect only net position externally restricted for the repayment of debt principal.

⁴ - See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 193 for property value data. (Table VI) ⁵ - Population data can be found in the Schedule of Demographic and Economic Statistics on page 203. (Table XVI)

Governmental Unit	General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Temple 1	Amount Applicable to City of Temple
Direct Debt:			
City of Temple	\$ 307,926,706	100.00%	\$ 307,926,706
Total direct debt	307,926,706		307,926,706
Overlapping Debt:			
Academy Independent School District	84,404,994	49.08%	41,425,971
Bell County	134,990,000	28.28%	38,175,172
Belton Independent School District	378,025,000	32.25%	121,913,063
Temple College	118,535,000	97.43%	115,488,651
Temple Independent School District	248,665,000	95.80%	238,221,070
Troy Independent School District	26,819,997	17.92%	4,806,143
Total estimated overlapping debt	991,439,991		560,030,070
Total direct and overlapping debt	\$ 1,299,366,697		\$ 867,956,776

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, 2023 was \$173,150,000.

¹ - 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.

			•							_	Legal Debt Margin Calculation for Fiscal Year 2023	Calculation for Fi	scal Year 2023
	Ass	Assessed value 2022/2023 tax roll ' Limit on amount designated for debt service per \$ 100 assessed valuation	2/2023 tax roll ' signated for debt	ivae t	. 001 \$ 100 °	guley bessesse	į					€	66,740,309
	1 🙃	(\$ 6,674,030,902 / \$ 100 = \$ 66,740,309)	\$ 100 = \$ 66,74	(608,01) - - - - - - - - - - - - - - - - - - -							I	x \$ 1.20
	Геć	Legal debt service limit	ابر									€	80,088,371
	Act	Actual amount expended by debt Service fund for general obligation debt service during the year ended September 30, 2023	ided by debt eneral obligation 23	debt s	ervice during	the year ended	-					I	(25,031,961)
												₩	55,056,410
			Fiscal Year	Year									
		2014	2015		2016	2017		2018	2019	2020	2021	2022	2023
Debt service limit	↔	38,747,288 \$	39,964,632	\$,4	41,332,748 \$	42,527,390	↔	44,246,881 \$	47,120,031 \$	52,247,126	\$ 59,347,043 \$	64,550,683 \$	80,088,371
Total net debt applicable to limit		(9,057,343)	(8,687,176)	2	(11,552,053)	(13,610,630)		(16,648,102)	(15,993,238)	(18,969,314)	(19,853,899)	(21,776,487)	(25,031,961)
Legal debt margin	↔	29,689,945 \$	31,277,456	\$ 29,	9,780,695 \$	\$ 28,916,760	\$	27,598,779 \$	31,126,793 \$	33,277,812	\$ 39,493,144 \$	42,774,196 \$	55,056,410
Total net debt applicable to the limit as a percentage of debt service limit		23.38%	21.74%		27.95%	32.00%	\0	37.63%	33.94%	36.31%	33.45%	33.74%	31.26%
	Ad	Ad Valorem Debt Service Requirement, Fiscal Year Ending 09-30-2024	vice Requiremer	nt, Fiso	sal Year Endi	ng 09-30-2024		↔	40,104,244				
	202	2024 Interest and Sinking Fund Tax Levy	ıking Fund Tax L	evy			↔	26,193,616					
	Fis	Fiscal Year 2023 Interest and Sinking Fund Balance	rest and Sinking	y Fund	Balance			91,422					
	Pa	Pass-Through Toll Agreement Revenue	greement Reven	ne				1,348,047					
	Sel	Self-Supporting Debt Service	Service					12,564,653	40,197,738				

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.

93,494

Estimated Balance, 09-30-2024

^{1 -} Net taxable value adjusted for frozen taxable value. Frozen taxable value is not included in debt service calculation.

3.35

3.04

		Wa	ater Revenue Bo	nds	
		Less:	Net	Average	
Fiscal	Gross	Operating	Available	Annual	
Year	Revenue ¹	Expenses ²	Revenue	Debt Service ³	Coverage
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
2022	68,582,093	26,558,246	42,023,847	11,598,048	3.62
2023	78,075,506	31,196,833	46,878,673	13,935,384	3.36
		Wa	ater Revenue Bo	onds	
		Less:	Net	Maximum	
Fiscal	Gross	Operating	Available	Annual	
Year	Revenue ¹	Expenses ²	Revenue	Debt Service 4	Coverage
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.

42,023,847

46,878,673

12,537,069

15.420.462

26,558,246

31,196,833

68,582,093

78,075,506

2022

2023

¹ - 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.

² - Total operating expense less depreciation.

³ - 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, 2021 Utility Revenue Bonds beginning in fiscal year 2021, 2021A Utility Revenue Bonds beginning in fiscal year 2022, and 2022 and 2023 Utility Revenue Bonds beginning in fiscal year 2023. Includes 2012, 2014, 2015, and 2019 GO Refunding Debt issues, as well as 2021 Utility Revenue Refunding.

⁴ - 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, 2021 Utility Revenue Bonds beginning in fiscal year 2021, 2021A Utility Revenue Bonds beginning in fiscal year 2022, and 2022 and 2023 Utility Revenue Bonds beginning in fiscal year 2023. Also includes 2021 Utility Revenue Refunding.

CITY OF TEMPLE, TEXAS DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Calendar Years

Calendar Year	Population ¹⁻³	Personal Income ⁴	Per Capita Personal Income ⁵	pita nal ıe ⁵	Median Age ⁶	School Enrollment ⁷	Unemployment Rate ⁸
					1		
2014	71,761	\$ 2,717,014,982	\$ 37	37,862	34.6	8,509	4.70%
2015	73,408	2,847,789,952	33	38,794	34.6	8,635	3.70%
2016	75,293	2,989,357,979	36	39,703	34.6	8,658	3.80%
2017	76,864	3,042,892,032	36	9,588	34.6	8,672	3.70%
2018	78,793	3,225,549,041	4(40,937	34.6	8,734	3.50%
2019	80,930	3,412,737,170	4,	2,169	33.9	8,579	3.30%
2020	82,073	3,468,815,345	4,	2,265	33.9	8,425	6.10%
2021	86,075	3,871,223,125	4	4,975	33.9	8,461	4.90%
2022	89,112	4,319,347,752	4	8,471	34.9	8,663	3.80%
2023	91,751	4,374,687,680	4.	17,680	33.8	8,790	4.09%

Sources:

¹ - 2014 thru 2019 population is based on new residential water customers multiplied by 2010 Census data of average household size of 2.47.

² - 2020 population is restated based on actual results of 2020 Census.

³ - 2021 thru 2023 population is based on new residential water customers multiplied by 2020 Census data of average household size of 2.65.

⁴ - Calculating personal income based on per capita personal income and estimated population.

⁵ - 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.

Community Survey 1-Year Estimates, 2023 median age of 33.8 provided by 2022 American Community Survey 1-Year 6 - 2014 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, 2022 median age of 34.9 provided by 2021 American Estimates. Median age to be updated upon receipt of 2020 Census data related to median age for Temple.

^{&#}x27; - School enrollment (for public schools in Temple) provided by Temple Independent School District.

^{8 -} 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

		FY 2023			FY 2014	
Employer	Employees 1	Rank	Percentage of Total City Employment ²	Employees 1	Rank	Percentage of Total City Employment ²
Baylor Scott & White Health	8,015	_	21.55%	8,574	_	26.58%
Central Texas Veterans Healthcare Systems	3,050	7	8.20%	2,491	7	7.72%
Temple Independent School District	1,568	က	4.21%	1,227	2	3.80%
McLane Company - Corporation Headquarters & SW Distribution Center	1,522	4	4.09%	1,948	3	6.04%
H-E-B Retail Distribution Center	1,300	2	3.49%	•		•
Wilsonart International	1,039	9	2.79%	006	7	2.79%
City of Temple	1,020	7	2.74%	816	80	2.53%
Wal-Mart Distribution Center	006	∞	2.42%	•		•
Scott & White Health Plan	886	6	2.38%	•		•
McLane Children's Medical Center	739	10	1.99%	•		•
Wal-Mart Superstore, Distribution Center and Sam's Club	•		•	1,244	4	3.86%
Sprint/Nextel Communications	•		•	1,000	9	3.10%
PACTIV Packaging Corporation	•		•	009	<u></u>	1.86%
Temple College	•		•	208	10	1.57%
Totals	20,039		53.86%	19,308		29.85%

¹-Source: Temple Economic Development Corporation ²-Source: Texas Labor Market Information website

CITY OF TEMPLE, TEXAS FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years

General government -										
Assistant city manager	2.00	2.00	2.00							
City attorney	7.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00	10.00	11.00 ²
City council	2.00	2.00	2.00	2.00	2.00	2.00	5.00	5.00	2.00	5.00
City manager	4.00	00.9	7.00	7.00	8.00	13.00	7.00	0.09	00.9	00.9
City secretary	4.63	2.00	00.9	00.9	00.9	00.9	00.9	2.00	4.00	4.00
Communications & marketing				٠		•	08.9	9.25	9.25	12.25 ^{6,7}
Facility services	15.45	15.45	16.45	15.70	16.45	18.45	19.45	19.54	20.54	20.54
Finance	11.00	11.00	11.00	11.00	11.70	11.00	13.00	13.00	15.00	16.00 ³
Fleet services	18.00	18.00	18.00	19.00	19.00	20.00	20.33	20.50	22.50	23.73 18
General services	4.25	3.35	2.90	7.10		•	•		•	,
Housing & community development	1	ı	1	•	•	•	•	4.30	4.95	5.48
Information technology services	16.50	18.00	18.00	18.00	20.00	18.00	19.00	21.20	22.20	22.20
People operations	2.00	2.00	00.9	00.9	00.9	00.9	7.00	7.38	8.63	11.00 4,5
Performance excellence	ı	ı	ı				3.00	2.00	8.00	6.00 ⁵
Permits & inspections	7.50	7.00	7.00	8.00	8.00	8.00	8.00	9.00	10.00	13.00 8
Planning	6.45	8.00	8.00	8.00	8.00	8.00	8.75	7.75	8.75	8.70 1
Purchasing	2.00	7.00	7.00	7.00	8.00	8.00	7.00	8.00	8.00	8.00
Total general government	111.78	119.80	123.35	126.80	125.15	130.45	139.33	150.92	162.82	172.90
Animal services	7.50	7.50	7.50	7.50	7.50	8.00	8.00	8.00	8.00	
Code compliance	7.00	9.00	9.00	9.00	13.60	13.11	16.89	15.03	17.43	
Fire	118.00	121.00	121.00	121.00	124.00	124.00	124.00	125.00	125.00	126.00 11
Municipal court	12.03	12.03	12.03	12.03	12.03	12.03	12.03	12.03	12.03	12.03
Police	164.50	170.50	171.50	177.50	181.63	184.63	184.63	186.63	192.63	202.63 12
Total public safety_	309.03	320.03	321.03	327.03	338.76	341.77	345.55	346.69	355.09	369.99
Highways and streets -										
Engineering	7.95	7.95	7.95	7.95	7.95	8.35	7.90	6.63	6.63	
Drainage	14.23	17.23	16.40	16.70	16.40	19.60	19.57	20.19	20.59	
Street	23.50	23.50	24.50	24.50	24.50	24.50	28.61	28.34	28.94	30.94 ¹³
Traffic control	3.75	4.75	4.75	4.75	5.75	5.75	5.86	5.58	5.58	5.58
Total highway and streets	49.43	53.43	53.60	53.90	54.60	58.20	61.94	60.74	61.74	64.74
	43.22	47.22	48.22	51.22	51.22	53.50	55.83	58.00	64.50	67.50 14

CITY OF TEMPLE, TEXAS FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Health and welfare - Community development projects/grants	0.75	0.65	1.10	2.65	1.33	4.52	4.99	5.55	6.50	5.12	5.12 1, 12, 22
Total health and welfare	0.75	0.65	1.10	2.65	1.33	4.52	4.99	5.55	6.50	5.12	
Cultural and leisure services -											
Destination marketing	1.85	1.85	2.60	2.60	2.60	3.75	4.75	5.65	6.63	2.00	19
Golf course	19.16	19.16	19.16	19.16	19.16	19.41	19.41	19.41	19.41	20.16	15
Library	28.15	28.15	28.15	28.15	27.65	28.15	28.15	28.15	28.40	28.40	
Main street program								1.50	1.50	2.00	20
Mayborn center	14.40	15.40	18.29	17.20	17.20	16.40	16.55	12.95	12.75	13.75	21
Parks	36.41	35.41	35.41	37.41	37.91	39.04	41.04	41.04	42.04	48.29	16
Parks & recreation administration services	6.75	6.75	6.75	6.20	6.20	2.52	3.02	3.02	3.12	5.12	15, 16
Railroad & heritage museum	4.88	4.88	5.38	5.38	5.75	5.80	6.05	6.73	6.63	6.63	
Recreation	64.26	65.24	68.49	69.74	69.74	71.39	71.89	72.80	74.23	74.23	19
Total cultural and leisure services	175.86	176.84	184.23	185.84	186.21	186.46	190.86	191.25	194.71	203.58	
											Ţ
Airport -	14.38	13.38	14.38	13.38	13.38	13.38	13.38	13.38	13.38	16.38	<u> </u>
Water and wastewater -	89.19	88.19	91.78	92.48	95.41	101.81	118.46	114.57	118.57	122.57	13, 23
Totals	793.64	819.54	837.69	853.30	866.06	890.09	930.34	941.10	977.31	1,022.78	

Source: City Budget Office

Therefore, personnel distributions amongst the divisions within the Federal/State Grant Fund will be adjusted accordingly each fiscal year. Several positions within 1 - During the budget process each position funded within the Federal/State Grant Fund is evaluated based on program needs and available resources.

Code Compliance, Housing & Community Development, Planning, and Police are partially funded with Federal/State Grant Funds.

2 - In FY 2023, one Assistant City Attorney position was authorized and funded to serve as a legal advisor to the Police Department.

3 - In FY 2023, an Accountant I position was authorized and funded.

4 - In FY 2023, a part time Records Technician was reclassified to a full time Human Resources Technician.

5 - During FY 2023, the HRIS Manager position was reclassified to a Total Rewards Division Director. The Organizational Development Manager position and the

Safety Coordinator position were moved from Performance Excellence to People Operations.

6 - In FY 2023, one Recruiting & Outreach Coordinator position and one Marketing Specialist were authorized and funded.

7 - During FY 2023, one Graphic Designer position was reclassified to a Creative Services Manager and the Recruiting & Outreach Coordinator was reclassified to a Talent Marketing Specialist. In addition, one Marketing Specialist was added.

8 - In FY 2023, two Combination Building Inspector I positions and one Permit Technician position were authorized and funded.

9 - During FY 2023, one Animal Control Officer and one Animal Shelter Technician were added.

10 - In FY 2023, one Parking Enforcement Official was authorized and funded.

(continued)

CITY OF TEMPLE, TEXAS FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years

11 - In FY 2023, one Plans Reviewer/Inspector position was authorized and funded.

12 - In FY 2023, the following positions were authorized and funded: two Crime Scene Investigator I positions, two Telecommunicator positions, and five Police Officers. In addition, one Police Officer was moved from Grant Fund, CDBG - Crime Prevention back to General Fund

Streets, 20% Drainage, 20% Wastewater, and 20% Water Distribution. In addition, an Administrative Assistant II position was authorized and funded associated 13 - In FY 2023, a Concrete Crew was authorized and funded. The crew consisted of one Crew Leader II - Streets, one Foreman II - Streets, one Equipment Operator II - Streets, one Equipment Operator I - Streets, and one Maintenance Worker - Streets. Funding allocation for the crew was split as follows: 40% to this position. This position was split funded - 50% Wastewater and 50% Water Distribution.

14 - In FY 2023, two Solid Waste Drivers and one Customer Service Representative I positions were authorized and funded.

15 -In FY 2023, two part time Player Attendant positions were made into two full time Player Attendant positions. In addition, the funding allocation for the Assistant Director of Parks and Recreation was changed to 100% PARD Administration.

Technician, and three Maintenance Workers. In addition, the funding allocation for the Assistant Director of Parks & Recreation was changed to 100% PARD 16 - In FY 2023, the following positions were authorized and funded: one Crew Leader II, one Equipment Operator II, one Foreman II, one Landscape Spray Administration.

17 - In FY 2023, one FBO Manager and two Customer Service Representative I positions were added.

18 - During FY 2023, the summer apprentice program was initiated.

19 - In FY 2023, the Program Coordinator position was funded 100% in Recreation (General Fund). The part time Office Assistant II position was eliminated.

20 - In FY 2023, the part time Office Assistant II position was made full time.

21 - In FY 2023, one Food & Beverage Coordinator position was authorized and funded.

22 - In FY 2023, a Social Navigator position was authorized and funded.

23 - In FY 2023, a Treatment Plant Services Manager was authorized and funded.

CITY OF TEMPLE, TEXAS OPERATING INDICATORS BY FUNCTION/PROGRAM Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	Fiscal Year 2018	Year 2019	2020	2021	2022	2023
General government - Capital projects obligated Total funds invested @ 9/30 Average return on investments	\$186M \$119,314,561 0.15%	\$235M \$165,743,994 0.23%	\$251M \$159,839,429 0.42%	\$203M \$163,789,917 0.83%	\$249M \$183,092,888 1.63%	\$264M \$180,183,000 2.42%	\$289M \$175,862,578 1.43%	\$469M \$347,811,152 0.29%	\$488M \$372,167,910 0.69%	\$588M \$410,995,173 4.55%
Public safety - Police: Noise violations Speeding distations Store standard in the standard standard in the standard standard in the standard stand	10 8,204	7,137	13 9,310	8,548 678	5,738	9,296	4,362 8,362	10 4,122	9 2,987 724	2,445
Stop significations Priority 1 calls Priority 2 calls Fire:	4 min 43 sec 13 min 4 sec	7 min 13 sec 12 min 34 sec	6 min 44 sec 9 min 44 sec	6 min 46 sec 11 min 35 sec	5 min 32 sec 11 min 41 sec	6 min 19 sec 12 min 39 sec	6 min 22 sec 11 min 16 sec	6 min 49 sec 12 min 10 sec	7 min 9 sec 12 min 16 sec	7 min 3 sec 7 min 56 sec
Fire/EN/S response time average (minutes) Fire/EN/S incidents responded to % of one & two-family residential structure fires confined to room/structure, of origin	4 min 36 sec 13,044 79% / 98%	4 min 44 sec 13,010 86% / 97%	5 min 4 sec 12,659 76% / 96%	4 min 22 sec 13,133 63% / 92%	4 min 21 sec 12,986 83% / 97%	4 min 57 sec 10,960 83% / 98%	6 min 21 sec 12,781 62% / 96%	5 min 34 sec 16,261 52% / 83%	5 min 43 sec 14,473 68% / 94%	6 min 7 sec 14,995 50% / 90%
Animal control: Animals handled	4,258	4,021	5,034	4,021	3,543	3,188	2,616	2,633	3,411	3,215
Animals adopted Animals reclaimed by owner Inspections: Permits issued ¹	668 668 6097,1 60,097	1,022 1,719 619 7,286	1,974 1,822 612 9,094	1,719 1,719 619 9,148	1,936 1,824 582 8,510	1,748 482 9,071	1,307 463 10,259	1,425 402 10,991	1,103 1,685 524 12,452	1,498 547 11,549
Building inspections Highways & streets - Street:	12,595	13,475	15,549	17,053	20,238	19,324	24,470	27,684	33,833	33,986
New lane miles Streets seal coated (lane miles) Streets overlaid (lane miles) Traffic sinnals:	7.0 - 62.0	13.0 - 50.3	17.5 - 26.9	8.9 - 27.1	18.9 - 27.0	28.1	6. · ·	36.3	29.6	45.0 - 21.5
Figure 1997 repaired Equipment upgraded by intersection Environment upgraded by intersection	460	383	580	441 6	571 10	598	192	191	280	385
Lighteening. Construction contracts administered/managed Construction/building plans & plats reviewed	84 498	75 538	75 523	95 480	100 545	90 594	29 334	29 433	38 282	36 305
Health and welfare - Public service contracts	4	4	в	4	4	•	•	•	1	•
Sanitation - Number of residential customers Number of commercial/industrial customers Tons of garbage and bulk collected	21,146 2,004 84,417	21,178 1,905 83,614	22,496 2,025 88,097	23,230 2,082 91,443	23,945 2,094 95,145	24,868 2,082 104,923	26,314 2,088 98,274	27,352 2,139 100,470	28,494 2,219 103,875	31,055 2,824 113,183

(continued)

* = Not available

CITY OF TEMPLE, TEXAS OPERATING INDICATORS BY FUNCTION/PROGRAM Last Ten Fiscal Years

					Fiscal Year	ear				
Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Culture and leisure services -										
Number of hotel room nights booked - city wide	12,210	14,180	15,490	13,197	14,680	15,194	9,757	3,272	3,535	1,335
Mayborn center:										
Event days booked	330	336	322	282	235	226	218	142	201	265
Number of hotel rooms nights booked -	•	•			•	•		1,283	2,108	2,505
associated to events booked at Mayborn 5										
Parks:										
Ratio of acres maintained per maintenance										
staff employee	34.0	34.0	37.5	39.3	79.0	79.0	9.08	70.8	70.8	71.0
Park master plans designed	ဇ	2	9	က	_		_		2	8
Park/city improvement projects completed	214	224	217	214	298	125	107	62	134	137
Leisure services:										
Number of classes offered	1,399	1,544	2,140	2,267	2,960	4,501	4,404	3,455	6,791	5,534
Overall customer satisfaction	%0′.26	%0.76	%0'.26	%0'56	%0.66	%0.66	%0.66	%0.56	83.2%	83.0%
Golf course:										
Number of rounds of golf played	29,990	32,081	24,334	26,202	19,400	25,812	27,753	33,268	32,966	39,053
Number of youth in 'Learn to Golf' program	161	126	220	170	181	212			24	72
Education:										
Circulation per capita	5.71	5.58	5.03	4.65	4.20	4.34	2.79	4.30	5.86	6.36
Library visits per capita	3.74	3.66	3.68	3.43	3.09	2.98	1.86	1.40	1.89	2.06
Airport -										
Airshow attendance ⁶	24.262	26.500	21.000	•	25.000	21.000	•	٠	•	1.680
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%
Water/wastewater -										
Surface water treated (billions of gallons)	5.46	5.32	5.14	5.71	6.29	5.34	5.83	5.81	6.71	6.97
Number of active meters	25,226	25,953	26,765	27,435	28,214	29,140	30,718	32,244	33,460	34,512
Water billed (billions of gallons)	4.26	4.21	4.39	4.57	5.10	4.37	5.11	4.73	5.81	6.05
Wastewater billed (billions of gallons)	2.39	2.25	2.38	2.45	2.53	2.48	2.36	2.50	2.68	2.82
Average daily production of treated water in										
MG (millions of gallons)	14.950	14.400	14.000	15.360	16.567	14.510	16.150	15.900	18.740	19.110
Highest daily production of treated water in										
MG (millions of gallons)	23.800	25.200	26.970	26.410	31.330	30.881	32.812	33.800	32.920	32.480
Average cost of water treated per 1,000 gallons 2.4	\$0.92	\$0.87	\$0.86	\$0.75	\$0.76	\$0.81	\$0.79	\$0.85	\$0.81	\$0.97
Water main breaks repaired	613	289	311	271	389	341	301	309	314	400
New water taps installed	629	837	893	823	897	820	1,760	1,635	1,321	1,183
Wastewater mains replaced (linear feet)	9,406	20,570	18,717	14,675	15,180	15,970	3,963	3,454	4,544	2,193
Average cost for wastewater treated										
per 1,000 gallons ³	\$1.05	\$0.82	\$0.82	\$1.09	\$1.06	\$0.86	\$1.25	\$0.86	\$1.15	\$1.17
**										

* = Not available Source: Data collected from various city departments for the budget. ¹ In FY 2015, permits issued were restated for FY 2014. ² In FY 2018, average costs of water treated per 1,000 gallons was restated for FY 2017.

³ 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).

⁴ In FY 2019, the average costs of water treated per 1,000 gallons was restated for FY 2014, FY 2015, and FY 2016.

⁵ 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.

⁶ In FY 2023, airshow attendance numbers did not include attendees that entered in free or any children 5 and under.

CITY OF TEMPLE, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

					Fiscal Year	ear				
Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety -										
Police:										
Stations	_	_	_	_	_	_	_	_	_	_
Fire:										
Stations	8	∞	80	80	∞	8	80	∞	80	∞
Hydrants ²	3,368	3,441	3,500	3,500	3,700	3,801	3,900	4,200	4,253	4,483
Culture & leisure services -										
Parks & recreation:										
Park acreage developed	718	718	718	775	775	894	894	905	1,170	1,461
Park acreage undeveloped	109	109	396	403	403	416	416	408	158	158
Golf course	_	_	_	_	_	_	_	_	_	_
Baseball/softball fields	17	17	17	17	17	25	25	25	25	25
Football field	•	•	_	2	2	_	_	_	_	_
Tennis courts	16	14	14	7	10	19	19	16	16	15
Swimming pools/water park	2	2	2	S	2	2	2	2	2	2
Soccer fields	80	80	∞	∞	ω	15	15	13	13	13
Picnic pavilions	27	26	28	31	32	32	32	35	33	32
Basketball courts	18	18	19	20	20	20	20	20	20	20
Playgrounds	41	41	41	41	47	49	49	20	20	20
Community centers	_	_	က	က	ဇ	က	က	က	က	က
Recreation centers	က	က	က	က	ဂ	က	က	က	က	က
Multi-use fields	80	80	∞	ω	7	80	80	∞	80	6
Sand volleyball courts	2	7	7	က	ဂ	က	3	က	က	က
Hike and bike trail miles	18	18	19	23	28	28	28	29	29	29
Extreme skate park	~	_	~	~	~	_	_	_	_	_
Disc golf course	2	2	2	2	2	က	က	က	က	က
Community garden	~	_	_	~	~	_	_	_	~	_
Museum	_	_	~	~	~	_	_	_	_	_
Convention center	~	_	_	_	~	_	_	_	_	~
Pickleball courts	•	•		,	1	•	•		•	9
Education:										
Number of volumes	185,450	184,993	190,835	195,327	199,289	198,325	193,862	155,881	152,509	147,146 (continued)

CITY OF TEMPLE, TEXAS CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM Last Ten Fiscal Years

					Fiscal Year	ear				
Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Highways & streets -										
Paved streets (lane miles) 4	1,044.00	1,058.00	1,083.00	1,099.00	1,117.00	1,173.85	1,146.83	1,156.97	1,168.51	1,201.94
Unpaved streets (miles) ⁵	1.50	1.50	1.50	1.50	1.50	1.68	0.65	0.65	0.61	0.61
Paved alleys (miles)	7.50	7.50	7.50	7.50	7.50	9.94	10.01	10.01	10.01	10.01
Water and wastewater -										
Water:										
Water mains (miles)	594	299	809	613	628	642	652	661	629	692
Daily average production (MGD ¹)	14.950	14.400	14.000	15.360	16.570	14.510	16.150	15.900	18.740	19.110
Plant capacity (MGD ¹) ³	41.14	41.14	41.14	41.14	41.14	41.14	41.14	41.14	41.14	41.14
Number of service connections	25,226	25,953	26,765	27,435	28,214	29,141	30,718	32,244	33,460	34,512
Wastewater:										
Wastewater collection system lines (miles)	400	389	397	400	410	449	459	463	481	501
Number of lift stations	31	32	32	32	30	29	28	28	30	31
Daily average treatment:										
Doshier Farm (MGD ¹)	1.430	2.240	3.210	2.290	1.900	3.010	2.010	2.700	2.190	2.190
Temple-Belton WWTP (MGD ¹)	6.490	7.070	8.460	5.220	6.230	8.230	7.010	7.800	7.200	7.200
Maximum capacity of treatment plants:										
Doshier Farm (MGD ¹)	7.500	7.500	7.500	7.500	7.500	7.500	7.500	7.500	7.500	7.500
Temple-Belton WWTP (MGD ¹)	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	21,386	21,983	22,757	23,489	24,232	25,142	26,545	27,658	28,820	29,853

1 - MGD = million gallons daily

² - In FY 2015, hydrants' total was restated from 3,500 to 3,368 for FY 2014.

³ - In FY 2017, plant capacity was restated from 41.40 to 41.14 for FY 2014 through FY 2016

Source: Data collected from various departments for the budget statistical section.

⁴ - In FY 2021, paved streets' total was restated from 1,183.04 lane miles to 1,146.83 lane miles for FY 2020

⁵ - In FY 2021, unpaved streets' total was restated from 1.31 miles to 0.65 miles for FY 2020

CITY OF TEMPLE, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES
Last Ten Calendar Years

Calendar	(1) Actuarial Value	(2) Actuarial Accrued	(3) Funded Ratio	(4) Unfunded Actuarial Accrued	(5) Annual Covered	(6) UAAL as a Percentage of ACP	(7) Total TMRS Required Contribution	(8) Prior Service Portion of the TMRS
Year	of Assets	Liability	(1/2)	Liability	Payroll	(4/5)	Rate (1)	Rate
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	92.6%	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%	%62'9
2021	208,403,786	240,710,106	89.98	32,306,320	40,019,740	80.7%	17.05%	6.58%
2022	220,889,433	258,240,126	85.5%	37,350,693	43,900,065	85.1%	16.73%	2.98%

Source: Texas Municipal Retirement System

Note: In June, 2011, SB 350 was enacted by the Texas Legislature, resulting in a restructure 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.

⁽¹⁾ This rate does not include the supplemental death benefit component of the total TMRS rate.

TEMPLE FIREFIGHTERS' RELIEF AND RETIREMENT FUND ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES Last Ten Fiscal Years CITY OF TEMPLE, TEXAS

(7) Total Actual Contribution Rate	- 15.20%	15.21%	14.86%	15.18%	15.29%	15.21%	15.13%	16.22%	16.23%
(6) UAAL as a Percentage of ACP (4/5)	- 150.2%	196.9%	200.3%	187.4%	190.0%	203.8%	208.5%	134.5%	236.1%
(5) Annual Covered Payroll	- \$ 7,308,427	8,038,340	8,195,240	8,540,580	8,623,033	8,566,960	9,252,053	9,481,306	11,031,306
(4) Unfunded Actuarial Accrued Liability	Not Available \$ 10,979,773	15,829,502	16,414,734	16,001,777	16,382,826	17,458,877	19,290,078	12,751,525	26,042,466
(3) Funded Ratio (1/2)	- 78.3%	70.3%	70.8%	72.7%	73.0%	72.3%	71.5%	81.9%	64.5%
(2) Actuarial Accrued Liability	- \$ 50,613,335	53,217,119	56,277,136	58,704,181	60,626,595	63,028,830	67,708,335	70,404,082	73,457,556
(1) Actuarial Value of Assets	- \$ 39,633,562	37,387,617	39,862,402	42,702,404	44,243,769	45,569,953	48,418,257	57,652,557	47,415,090
Fiscal Year*	2013	2015	2016	2017	2018	2019	2020	2021	2022

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

Cost per Retiree	4,884	4,449	5,012	4,842	5,096	5,408	5,336	4,823	4,709	4,071	48,631
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Cost per Active Member	5,730	6,360	6,715	6,781	8,201	8,432	7,710	8,219	8,185	7,578	73,911
	↔										မှာ
Subsidy as Percentage of Total Expense	4.1%	3.5%	3.1%	3.1%	2.7%	2.3%	2.5%	2.9%	5.4%	4.0%	3.7%
Net Subsidy of Retirees	\$ (156,110)	(147,138)	(144,620)	(145,056)	(147,685)	(131,146)	(139,392)	(328,726)	(294,301)	(222,648)	\$ (1,856,823) \$ (185,682)
Retiree Contributions	\$ 327,376	342,249	361,625	368,197	423,038	452,939	383,559	129,430	120,115	111,209	\$ 3,019,737
Percentage Retirees Using Plan to Total Members (16.9%	18.7%	16.6%	17.0%	18.4%	17.8%	15.2%	15.2%	14.4%	12.0%	16.2%
Total Firemen's Retirees	29	73	78	81	91	96	66	104	103	106	06
Total TMRS Retirees	340	354	377	392	416	430	443	445	460	484	414
Retirees Using City Health Care	66	110	101	106	112	108	86	96	88	82	100
Active Members	585	588	609	623	809	909	643	624	613	682	618
Percentage Retiree Costs to Total	12.6%	11.6%	11.0%	10.8%	10.3%	10.3%	9.5%	8.2%	7.6%	6.1%	%8.6
Retiree Expense	\$ 483,487	489,387	506,246	513,254	570,723	584,085	522,951	458,156	414,416	333,857	\$ 4,876,560 \$ 487,656
Total Health Care Expenses	\$ 3,835,827	4,228,885	4,595,754	4,737,595	5,556,880	5,693,986	5,480,354	5,586,851	5,431,959	5,501,893	\$ 50,649,983 \$ 5,064,998
Fiscal	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total Average

Source: City records, Texas Municipal Retirement System and the Temple Firefighters' Relief and Retirement Fund.

¹ - In FY 2014, the City changed from self funded plan to a group health insurance plan for both employees and retirees.

		Maximum	
	Average	Daily	
Fiscal	Daily	Treatment	Peak Day
Year	Treatment (MGD)	Capacity (MGD) 1, 2	Usage (MGD)
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
2022	18.7400	41.14	32.92
2023	19.1100	41.14	32.48

Source: Public Works Administration Office

¹ - In FY 2017, average daily treatment capacity was restated from 41.40 to 41.14 for FY 2014 through FY 2016.

² - Upon completion of the Water Treatment Plant Membrane Facility Expansion, the City will operate treatment plants capable of producing over 52 MGD.

Fiscal Year	Annual Treated Water (Acre feet)	Total Available Water (Acre feet)
2014	14 775	44.452
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
2022	21,008	44,453
2023	21,409	44,453

Source: Public Works Administration Office

	Water	Water	City	% (Billed + City)		% Inci (Decre	
Fiscal Year	Pumped to Town (gals) ^{1, 2}	Billed (gals) ¹	Usage (gals) ¹	vs Pumped	Water Revenues	Water Revenues	Water Billed
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%
2022	6,708,071	5,812,427	187,334	89.44%	25,649,247	26.43%	22.82%
2023	6,973,774	6,045,452	210,002	89.70%	27,575,896	7.51%	4.01%

Source: Public Works Administration Office and Utility Business Office

¹ - Information is reported in thousands of gallons.

 $^{^{2}}$ - In FY 2019, the water pumped to town was restated for FY 2015, and FY 2018.

CITY OF TEMPLE, TEXAS WATER AND WASTEWATER UTILITY SYSTEM Schedule of Water Customers - Residential and Commercial / Wholesale

Fiscal Year	Residential	Commercial ¹ / Wholesale	Total	Percentage Growth
			·	
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%
2022	30,289	3,171	33,460	3.77%
2023	31,285	3,227	34,512	3.14%

Source: Utility Business Office

¹ - In FY 2019, commercial customers were restated from FY 2014 to FY 2018 to include wholesale customers.

AVERAGE DAILY TREATED WASTEWATER VS. AVERAGE DAILY TREATMENT CAPACITY Last Ten Fiscal Years

Fiscal		verage Daily ater Treated (MGD)		Average Daily Treatment
Year	Temple-Belton WWTP	Doshier WWTP	Total	Capacity (MGD)
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
2022	7.20	2.19	9.39	17.50
2023	8.05	2.52	10.57	17.50

Source: Public Works Administration Office

CITY OF TEMPLE, TEXAS WATER AND WASTEWATER UTILITY SYSTEM Schedule of Wastewater Customers - Residential and Commercial

Fiscal Year	Residential	Commercial	Total	Percentage Growth
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%
2022	26,490	2,330	28,820	4.20%
2023	27,511	2,342	29,853	3.58%

Source: Utility Business Office

	WAT	EF	RATES			
Mi			m Service Cha of Water Con	_		
Meter Size	Effective 10/01/23 ¹		Effective 10/01/22 ²		Effective 10/01/21 ³	Effective 10/04/19 ⁴
5/8" x 3/4"	\$ 11.75	\$	11.00	\$	10.00	\$ 10.00
1"	\$ 18.75	\$	17.60	\$	16.00	\$ 16.00
1-1/2"	\$ 23.75	\$	22.00	\$	20.00	\$ 20.00
2"	\$ 75.50	\$	70.40	\$	64.00	\$ 64.00
3"	\$ 150.75	\$	140.80	\$	128.00	\$ 128.00
4"	\$ 235.50	\$	220.00	\$	200.00	\$ 200.00
6"	\$ 753.50	\$	704.00	\$	640.00	\$ 640.00
8"	\$ 1,318.25	\$	1,232.00	\$	1,120.00	\$ 1,120.00
10"	\$ 2,071.75	\$	1,936.00	\$	1,760.00	\$ 1,120.00
	Water V	olu/	metric Rates			
Straight Volumetric Rate (above 2,000 gallons)	Effective 10/01/23 ¹		Effective 10/01/22 ²		Effective 10/01/21 ³	Effective 10/04/19 ⁴
Industrial Class - Large Volume User	\$ 3.20	\$	3.20	\$	3.20	\$ 3.20
All Other Classes	\$ 4.00	\$	4.00	\$	3.95	\$ 3.70

	1	WASTEV	VΑ	TER RA	ΤE	S	
				m Service Cha f Wastewater	•		
		Effective 10/01/23 ¹		Effective 10/01/22 ²		Effective 10/01/21 ³	Effective 10/04/19 ⁴
Industrial Class - Large Volume User	\$	17.60	\$	17.60	\$	16.00	\$ 16.00
All Other Classes	\$	17.60	\$	17.60	\$	16.00	\$ 16.00
		Wastewate	r V	olumetric Rat	es		
Straight Volumetric Rate (above 2,000 gallons)		Effective 10/01/23 ¹		Effective 10/01/22 ²		Effective 10/01/21 ³	Effective 10/04/19 ⁴
Industrial Class - Large Volume User	\$	5.75	\$	5.75	\$	4.75	\$ 4.50
All Other Classes	\$	6.75	\$	6.75	\$	5.75	\$ 5.50

Source: Finance Department

¹ - Effective October 1, 2023 per Resolution No. 2023-0297-R

² - Effective October 1, 2022 per Resolution No. 2022-0234-R

³- Effective October 1, 2021 per Resolution No. 2021-0293-R

⁴ - Effective October 4, 2019 per Resolution No. 2019-9850-R

City of Temple, Texas Top 10 Water Customers For the year ended September 30, 2023

Customer	Gallons	Revenue	% of Total Annual Revenue	% of Total Usage
Niagara Bottling, LLC	297,489,700 \$	981.931	3.38%	4.92%
City of Temple	210,002,200	1,024,912	3.53%	3.47%
City of Morgan's Point Resort *	208,832,900	851,547	2.93%	3.45%
Baylor Scott & White Hospital	205,366,100	939,508	3.24%	3.40%
City of Troy*	162,408,900	657,733	2.27%	2.69%
Panda	95,916,200	387,513	1.34%	1.59%
VA Hospital	66,532,700	295,554	1.02%	1.10%
Wilsonart International	62,065,900	295,554	1.02%	1.03%
Pactiv Corporation	57,744,200	246,710	0.85%	0.96%
Temple Public Schools	44,241,500	229,253	0.79%	0.73%
	1,410,600,300 \$	5,910,217	20.37%	23.34%

^{*} Wholesale customers

City of Temple, Texas Top 10 Wastewater Customers For the year ended September 30, 2023

Customer	Gallons	Revenue	% of Total Annual Revenue	% of Total Usage
Niagara Bottling, LLC	183,927,300 \$	1,045,633	5.10%	6.51%
Baylor Scott & White Hospital	106,081,300	713,459	3.48%	3.76%
VA Hospital	47,176,500	317,628	1.55%	1.67%
Wilsonart International	42,336,600	285,595	1.39%	1.50%
Housing Authority	37,398,700	251,682	1.23%	1.32%
Pactiv Corporation	24,201,600	162,948	0.79%	0.86%
Temple Public Schools	21,395,200	145,121	0.71%	0.76%
Meadow Village Apartments	20,680,500	138,900	0.68%	0.73%
City of Temple	18,523,500	129,549	0.63%	0.66%
Goyne Sr, LLC	18,007,400	121,401	0.59%	0.64%
-	519,728,600 \$	3,311,916	16.15%	18.41%

Source: Utility Business Office

Type of Coverage and Insurer		Amoun	t of Coverage		eductible mounts ⁽¹⁾	Policy Expiration Date ⁽²⁾
Property:						
Building & Contents:						
Texas Municipal League	\$	366,930,905	Real and Personal	\$	5,000	10/01/23
Fine Arts/Valuable Papers:						
Texas Municipal League	\$	949,950	Fine Arts	\$	500	10/01/23
	\$	1,600,000	Valuable Papers & Records: Includes EDP Media	\$	5,000	10/01/23
Mobile Equipment:						
Texas Municipal League	\$	7,716,217		\$	1,000	10/01/23
Portable Equipment:						
Texas Municipal League	\$	300,000	Equipment	\$	1,000	10/01/23
Liability: Employee Dishonesty, Theft,						
Disappearance, & Destruction						
Texas Municipal League	\$	200,000		\$ 	5,000 per event	10/01/23
Airport:	_			_		
Texas Municipal League	\$ \$	1,000,000 1,000,000	Premises Products/ Completed Operations	\$ \$	0	10/01/23 10/01/23
	\$	1,000,000	Hangar- Keepers-Each Aircraft	\$	2,500	10/01/23
	\$	1,000,000	Non-Owned- Each Occurrence	\$	0	10/01/23
Cyber Liability & Data Breach (Computer Fraud)	\$	50,000	Each Claim	\$	5,000	10/01/23
Error & Omissions: Texas Municipal League General:	\$	2,000,000		\$	10,000	10/01/23
Texas Municipal League	\$	2,000,000		\$	0	10/01/23 (Continued)

Type of Coverage and Insurer		Amoun	t of Coverage	eductible mounts ⁽¹⁾	Policy Expiration Date ⁽²⁾
Liability (Cont'd):					
Auto:					
Texas Municipal League Auto Physical Damage:	\$	1,000,000		\$ 0	10/01/23
Texas Municipal League Law Enforcement:	P	er Schedule		\$ 10,000	10/01/23
Texas Municipal League	\$	2,000,000		\$ 10,000	10/01/23
Bonds:					
Western Surety Company	\$	500,000	Finance Director		03/03/23
Hartford Casualty Ins. Co	\$	500,000	City Manager		12/20/23
Worker's Compensation:					
Texas Municipal League					10/01/23

Source: City of Temple Legal Department

⁽¹⁾Per occurrence, unless noted.

⁽²⁾ Policies are renewed annually or replaced with similar coverage.

MISCELLANEOUS STATISTICAL DATA

2024 Population94,935	4,9351	Rainfall:
2024 Assessed Value\$	\$8,683,508,717	Wettest Month
Median Age33.8	3.8	Driest MonthJuly / 0.97"
Median Household Income\$61,003	61,003	Average Annual Rainfall28.73"
Total Employment in Temple3	36,565	
Total Labor Force in Temple38,159	8,159	Only Health & Bioscience District in Texas
City Total Square Miles7	78.076	
Developable Land Remaining11,112 acres	,112 acres	Baylor Scott & White Hospital
Agricultural7,	7,103 acres	Only Level I Trauma Center between Dallas and Austin
Heavy/Light Industrial1,777 acres	777 acres	
Various Commercial8	836 acres	McLane Children's Hospital Scott & White
Various Residential1;	1,396 acres	
Housing Units:		80% of Texas' population is within 180 miles of Temple
Owner Occupied49.8%	8.6%	

Sources: 2020 United States Census, 2022 American Community Survey, Texas Workforce Commission, Texas Labor Market Information, National Weather Service Forecast Office, and the City of Temple.

-. HI: lower 60's LOW: upper 30's

Average Temperatures in January.__ Average Temperatures in July.____ Average Annual Temperature.--

Average Home Sale Price.

Vacant.___

\$293,143

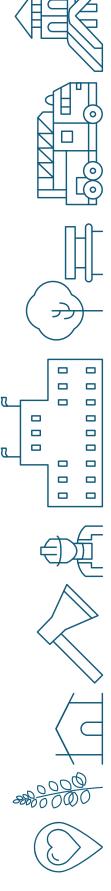
50.2% %9·9·-

Renter Occupied.____

-.. HI: upper 90's LOW: lower 70's

_..66.83 degrees

1 - 2024 Population is estimated based on average growth for the past 5 years (2019 - 2023) of new residential water customers multiplied by 2020 Census data of average household size of 2.65.





MISCELLANEOUS STATISTICAL DATA

-.. Council - Manager, July 8, 1922 September 23, 1953 ____ November 4, 2014 -. January 20, 1990 --: October 23, 1967 .-. March 27, 1907 -.. August 5, 1919 ---. June 20, 1881 May 6, 2000 April 7, 1926 ... May 4, 1996 --. April 2, 1977 ---. July 8, 1922 Date of original public sale of town lots .----Second charter, home rule city.__ Amendment to charter,_____ Amendment to charter.____ Amendment to charter.--Amendment to charter.__ Amendment to charter.--Third charter, present.---Amendment to charter.--Original charter, special. Amendment to charter. Amendment to charter. Form of government.

Commercial/Industrial Agriculture..-Residential. Mixed use, SO' MILES **NZE** LAND



Airport

TROORIA











Fire stations

FIBE PROTEC











PROTEC

_. 23.89 31.54

0.04



1,000 population Officers per

POLIC









Library



MISCELLANEOUS STATISTICAL DATA

--.1,461.00 --.158.46 Park acreage undeveloped.---Park acreage developed.____













	swimming
golf course 15 (tennis courts	
Soccer fields	51:
Picnic pavilions	32
Basketball courts	20
Playgrounds,	50
Community center	2
Recreation center	3
Multi-use fields,	6.
Sand volleyball courts	2
Trail miles.	29.46
Extreme skate park,	_ i
Disc golf course,	53

Disc golf course3	
Family water park	
Splash pads4	
Community garden	
Museum.	
Convention center	
Dickleball courts	

	Miles of water mains	 .692 miles
	Daily average water treatment	19.11 MGD
	Water treatment plant capacity	42.16 MGD
	Number of water service connections	34,512
	Source of water.	Surface water
_	Miles of wastewater collection system lines501 miles	501 miles
-	Number of lift stations	31
11	Daily average wastewater treatment:	
	Doshier Farm WWTP.	2.19 MGD
	Temple-Belton WWTP	7.20 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	29,853
	*MGD—Million gallons daily	



----.76 signals

___2 devices

-.542.52 miles

__.10.01 miles _..28.31 miles

--.0.61 miles

PARKS & RECREATION

MISCELLANEOUS STATISTICAL DATA

446,5.----**Temple Independent School District** Number of students______ Alternative education program. Early childhood academy.----Number of students_____ Number of students_____ Elementary schools.----Middle schools.____ Number of students. Number of students. Senior high schools.. **OITA**

Private Schools

Central Texas Christian School (Pre K - 12th grade) Holy Trinity Catholic School (9th - 12th grade) Primrose Schools (Pre K - Kindergarten)

St. Francis Episcopal School (Pre K - Kindergarten)

The Montessori Schools of Central Texas (Pre K - 5th grade) St. Mary's Catholic School (Pre K - 8th grade)

Temple College

Niimher of classrooms & Jahs.
Number of principal administrative officers8
Number of full-time professors142
Number of full-time students1,685
Number of part-time students3,153
Population served447,436
Counties served3 (East Bell, Milam and East Williamson Counties)
Annual budget

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

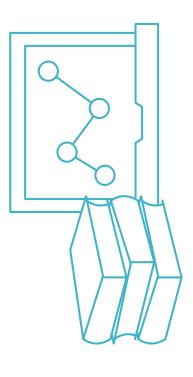
Tarleton State University

Temple College

Texas A&M University

The University of Texas at Austin Texas State Technical College

University of Mary Hardin-Baylor









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 City of Temple, Texas (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 12, 2024.

Report on 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 of Temple, Texas' internal control.

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

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

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)

Report on 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.

Toobach, Graddit Vaineir, P.C.

Temple, Texas February 12, 2024



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

Opinion on Each Major Federal Program

We have audited City of Temple, Texas' (the City) compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

In our opinion, the City 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (CONTINUED)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and
 design and perform audit procedures responsive to those risks. Such procedures include
 examining, on a test basis, evidence regarding the City's compliance with the compliance
 requirements referred to above and performing such other procedures as we considered
 necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in
 order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over
 compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Justach, Gradlit Minier, P.C.

Temple, Texas

February 12, 2024

CITY OF TEMPLE, TEXAS SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2023

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued was i	unmodified.				
Internal control over financial reporti Material weakness(es) identified: Significant deficiency(ies) identified Noncompliance material to financia	l:	yes yes yes	X no X none reported X no		
Federal Awards					
Internal control over major programs Material weakness(es) identified: Significant deficiency(ies) identified		yes yes	X no X no none reported		
Type of auditor's report issued on co	ompliance for major pro	grams was unn	nodified.		
Any audit findings disclosed that are 2 CFR 200.516(a)?	required to be reported	d in accordance	with		
		yes	<u>X</u> no		
Identification of major programs:					
Assistance Listing Number Name of Federal Program or Cluster					
14.218	Community Developr	ment Block Grai	nts/Entitlement Grants		
<u>State</u>					
2022-01-03	Office of the Governor – Texas Military Preparedness Commission Defense Economic Adjustment Assistant Grant				
Dollar threshold used to distinguish type A and type B programs:	between	<u>\$ 750,000</u>			
Auditee qualified as low-risk auditee	?	_X_yes	no		

CITY OF TEMPLE, TEXAS SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2023

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.

