

***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT***

**of the**

**City of Taylor, Texas**

**For the Year Ended  
September 30, 2021**

Prepared by:  
Finance Department

Jeffrey B. Wood  
Director of Finance



# City of Taylor, Texas

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## ***INTRODUCTORY SECTION***





March 15, 2022

To the Honorable Mayor, Members of the City Council and Citizens of the City of Taylor:

Texas state law requires that all general-purpose local governments publish a complete set of financial statements within six months of the close of each fiscal year, and such statements be presented in conformity with the generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of licensed certified public accountants. Pursuant to that requirement and the requirement of Section 10.3 of the City Charter, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Taylor for the fiscal year ended September 30, 2021.

This report is published to provide the Mayor and City Council, city staff, our Citizens, representatives of financial institutions, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City. Responsibility for the accuracy of the data and the fairness of its presentation rests with the City. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. Because the cost of internal controls should not outweigh their benefits, the City of Taylor's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The City of Taylor's financial statements have been audited by the certified public accountants of BrooksWatson & Company, PLLC. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this ACFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis to accompany the basic

financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## **Profile of the Government**

The City of Taylor, incorporated in 1876, is in eastern Williamson County in the central region of the State of Texas. It is located approximately 29 miles northeast of Austin and 7 miles east of State Highway 130 and 17 miles east of Interstate Highway 35. State Highway 95 and U.S. Highway 79 intersect in downtown Taylor. The City currently occupies a land area of 22.61 square miles and services approximately 18,500 residents. The City of Taylor is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City of Taylor operated under a Commission-Manager form of government from 1926 to 2001. In an election held on May 5, 2001, a charter amendment was approved changing the designation to a Council-Manager form of government. Policy-making and legislative authority are vested in the City Council consisting of the Mayor and four Council members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committee members, and hiring the City Manager, City Attorney and Municipal Court Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve three-year staggered terms. The three-year election cycle consists of two members being elected in consecutive years and a single member being elected in the third year of the cycle. Four of the Council members are elected by district with the remaining council member being elected at-large. After each election, the five members of the Council select one of the members to serve as Mayor until the next election.

The City of Taylor provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; recreational activities and cultural events; and development services. Solid waste collection and water treatment are outsourced to Waste Connection of Texas and Brazos River Authority (BRA), respectively. Wastewater collection and treatment is provided by the City. In addition, the City of Taylor is also financially accountable for a legally separate economic development corporation, which is reported separately with the City of Taylor's financial statements. Additional information on this legally separate entity can be found in the Notes to the Financial Statements.

## **Local Economy**

The local economy is expanding as evidenced by increasing sales tax collections and new construction activity. This expansion has been driven in part by the City's location in Central Texas. Affordable housing and business incentives are major factors that have contributed to the City's economic growth. In 2021, the City issued a total of 1124 building permits with a total valuation of \$93,792,969. This is an increase in valuation of \$25,810,095 from the previous year.

For many years, the City's economy has been largely based in agriculture and manufacturing. These industries are still with the City today, however, the Taylor Economic Development Corporation actively recruits companies that add to the diversity of the City's local industry while providing residents with good employment.

Anticipated growth is expected for the east Williamson County region, especially along Chandler Road and State Highway 79. Continued improvements to both corridors will improve the overall connectivity and mobility to and within Taylor and will bring growth and new development to the area.

The City of Taylor was recently selected as the site for Samsung's \$17 Billion next generation semiconductor fabrication facility. This 6 million square foot facility will provide 1,800 permanent jobs plus thousands of construction and contracted jobs. The City anticipates that additional development associated with the fabrication facility will occur in the same general area. Additional development is likely to occur as a result of the expanded workforce within and directly adjacent to the city limits.

The COVID-19 pandemic brought unique challenges to the local economy in 2020. COVID-19 caused many businesses to operate at reduced levels and resulted in the permanent closure of some of these businesses. The unemployment in Williamson County was impacted by the pandemic in 2020 and resulted in an unemployment rate of 5.9% as of September 2020. The County rate was lower than the national unemployment rate of 7.9% for the same period. As the local economy continues to recover from the pandemic, the county unemployment rate in September 2021 had fallen to 3.5%. Net migration and job growth both remain positive as Williamson County continues to benefit from the growing popularity of the Greater Austin region. Williamson County remains among the fastest growing counties in Texas.

### **Long –Term Financial Planning**

During the 2018-19 fiscal year, the City issued a Combination Tax & Revenue Certificate of Obligations, Series 2019 to fund multiple streets, utilities, and drainage projects. Proceeds were also allocated for improvements to the Animal Shelter, and for the acquisition of land and design of a new justice center. The City continued to work towards completion of these projects during the 2020-21 fiscal year.

The City of Taylor utilizes long-term revenue and expenditure forecasts and a Capital Improvements Schedule to plan for projects and initiatives that promote the City's strategic pillars. These planning tools are utilized to focus on improvements in the following areas: Neighborhoods/Diversity & Population Size, Public Safety, Infrastructure/Transportation/City Facilities, Economic Vitality/Financial Health, Community Engagement, Customer Service, Arts, and Parks, Trails, & Open Spaces.

The City's fund balance/operating position continues to be an important factor in policy decisions. The City's Fund Balance Policy dictates that the minimum unassigned fund balance is

an amount equal to 25% of annual general fund operating expenditures. These resources allow the City to avoid disruptions in services during economic downturns and to ensure that there will adequate liquid resources to serve as a financial cushion against the potential shock of unanticipated events.

## **Major Initiatives**

In 2018 the City of Taylor was approved and received a Non-Urban Outdoor Grant of \$500,000 on a 50/50 reimbursement match basis, and this work continued during 2021. The funds are earmarked for the Taylor Regional Park and Sports Complex Phase II and Doak Street Park enhancement projects. Proposed developments for TRPSC include:

- ❖ Installation of lighted soccer field
- ❖ Walking trails bordered with native plants and educational signage
- ❖ A fishing pier
- ❖ Shaded picnic structures
- ❖ Batting cages
- ❖ Renovation of an existing football field into a multi-purpose sports field

The Doak Street Park improvements will include building a new playground.

Other major initiatives started during 2019 is an update to the Comprehensive Plan for Land Use, a Master Drainage Plan, a Master Park Improvement Plan, a complete street condition assessment, and a Public Utilities Master Plan. Although these plans were put in motion in 2019, most of the funding for these projects was included in the fiscal year 2020 and 2021 budgets. These projects are either completed or nearing completion.

It is anticipated that the City will issue approximately \$24 million in the Spring 2022. This debt will be used to fund improvement projects in the City's water and wastewater infrastructure, the drainage system, the animal shelter, and parks system. It will also provide funding for additional equipment to enhance the City's street maintenance program, as well as funding some public safety vehicles.

The information presented in the financial statements is perhaps best understood when it is considered from a broader perspective of the specific environment within which the City of Taylor operates. City Council has adopted three strategic pillars:

- ❖ Quality of Life
- ❖ Economic Vitality
- ❖ Streets and Infrastructure

The City Council and City staff continue to work to ensure completion of ongoing projects that will provide infrastructure improvements to the City's roadways, downtown area, drainage systems, water/wastewater systems, municipal airport and parks.

## Other Information

**Fund Accounting:** The City's accounting system is organized and operated on a "fund basis." Each fund is a distinct, self-balancing entity. A description of the various major funds and fund types is contained in the Notes of the financial statements. A description of each individual non-major fund is contained at the beginning of its related combined financial statement.

**Basis of Accounting:** The City's accounting records for all governmental funds are maintained on the modified accrual basis of accounting. This method recognizes revenue when it is measurable and available and expenditures when goods or services are received. All proprietary funds are accounted for using the accrual basis of accounting where revenue is recognized when it is earned, and expenses are recognized when they incur.

**Budgetary Control:** The annual budget serves as the foundation for the City of Taylor's financial planning and control. The operating budget includes anticipated revenues and expenditures for the General Fund, Special Revenue Funds, the Debt Service Funds, and Proprietary Funds. The budget is a planning device that defines the type, quality, and quantity of City goods and services that will be provided to our citizens. The budget is also a control device that serves as a system of "checks and balances" between levels of City government. The budgetary system ensures that individual departments contain their expenditures within limitations set by the City management, and that City management contains expenditures for the entire City within limitations set by the City Council.

All units and departments of the City of Taylor are required to submit requests for appropriations to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents a proposed budget to Council for review in June. The Council is required to hold a public hearing on the proposed budget and then adopt the final budget no later than September 15<sup>th</sup>.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Manager may authorize transfers of appropriations within a department and between departments within a fund, except for the General Fund. Increases of appropriations to a fund, however, requires approval of the City Council in the form of an ordinance that formally amends the adopted budget.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statement for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of the report.

**Internal Control:** City Management is responsible for establishing and maintaining a system of internal controls. This system is designed to provide a reasonable assurance that: (1) City assets are protected from loss, theft or misuse; and (2) City financial records and data are accurate and

reliable. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it, and that the evaluation of cost and benefits requires estimates and judgments by management.

### **Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Taylor for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. This was the twelfth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a local government must publish a Annual Comprehensive Financial Report that is easy to read and well organized, as well as meeting both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current Annual Comprehensive Financial Report continues to meet the requirements of the Certificate of Achievement Program and we will submit it to the GFOA for certification.

The presentation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance department and all department directors. I would like to express my appreciation to all members of the City departments that assisted and contributed to the preparation of this report. I would also like to thank the Mayor and the City Council for their continued support for maintaining the highest standards of professionalism in the management of the City of Taylor's financial operations.

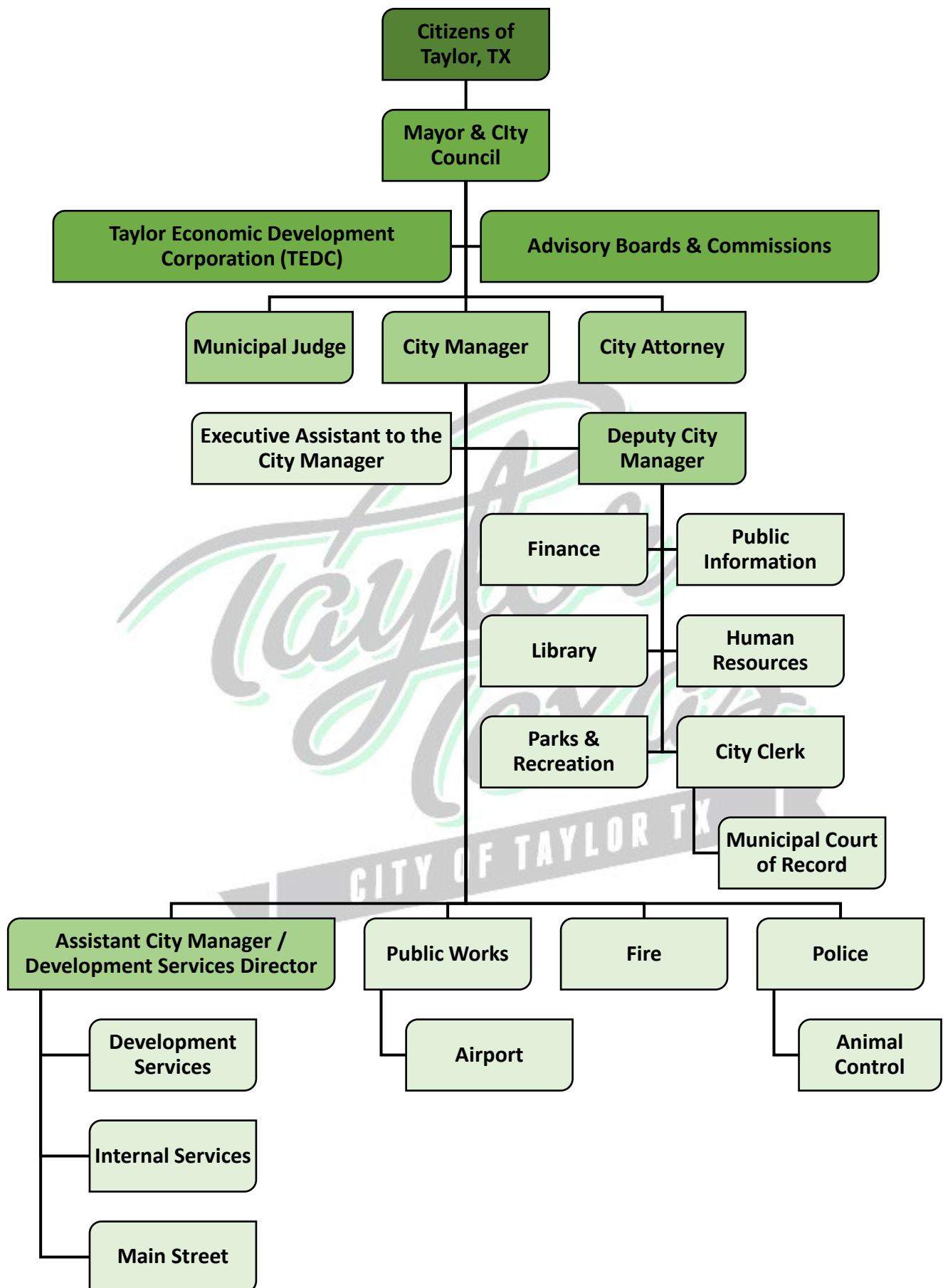
Furthermore, I would like to acknowledge the work of the independent auditors from BrooksWatson & Company, PLLC, which is greatly appreciated.

Respectfully submitted,

A handwritten signature in blue ink that reads "Jeffrey B. Wood". The signature is stylized, with the first name "Jeffrey" written in a cursive-like script and the last name "Wood" in a more blocky, capital-letter style.

Jeffrey B. Wood  
Director of Finance

## CITY ORGANIZATION CHART



# City of Taylor, Texas

## *PRINCIPAL OFFICIALS*

September 30, 2021

### **City Council**

Brandt Rydell.....	Mayor	Term Expires May 2024
Gerald Anderson.....	Mayor Pro Tem	Term Expires May 2022
Dwayne Ariola.....	Council Member	Term Expires May 2023
Robert Garcia.....	Council Member	Term Expires May 2022
Mitchell Drummond.....	Council Member	Term Expires May 2024

### **City Staff**

Brian LaBorde.....	City Manager
Jeffery Jenkins.....	Deputy City Manager
Rocio Lopez .....	Executive Assistant to the City Manager
Ted Hejl.....	City Attorney
Dianna Barker.....	City Clerk
Jeffrey Wood.....	Director of Finance
Daniel Baum.....	Fire Chief
Karen Ellis.....	Library Director
Tom Yantis.....	Asst. City Mgr./Director of Development Services
LaShon Gros.....	Director of Human Resources
James Gray.....	Director of Public Works
Lisa Thompson.....	Director of Internal Services
Kendra Dubee.....	Public Information Officer
Henry Fluck.....	Police Chief
Jan Harris.....	Main Street Manager



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Taylor  
Texas**

For its Annual Comprehensive  
Financial Report  
for the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO



## ***FINANCIAL SECTION***





## ***INDEPENDENT AUDITOR'S REPORT***

To the Honorable Mayor and  
Members of the City Council  
City of Taylor, Texas:

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

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

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note V.H to the financial statements, the City restated the beginning net position/fund balance of the governmental activities and capital improvement fund due to an accounting error occurring in the prior year. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, slightly stylized font.

BrooksWatson & Co., PLLC  
Certified Public Accountants  
Houston, Texas  
March 15, 2022



***MANAGEMENT'S DISCUSSION  
AND ANALYSIS***



# City of Taylor, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### September 30, 2021

As management of the City of Taylor, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

#### **Financial Highlights**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (net position) at September 30, 2021 by \$81,895,181.
- The City's total net position increased by \$6,361,540. The majority of the City's net position is invested in capital assets and restricted for specific purposes.
- The City's governmental funds reported combined ending fund balances of \$16,936,363 at September 30, 2021, a decrease of \$2,048,802 from the prior fiscal year; this includes an increase of \$1,081,209 in the general fund, a decrease of \$534,250 in the capital improvements fund, an increase of \$165,397 in the I&S fund, and a decrease in the transportation user fee fund of \$2,826,771.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$6,473,119 or 38% of total general fund expenditures.
- The City's outstanding bonds and certificates of obligation payable decreased by \$4,245,000 from the prior year. The total bonds and certificates of obligation payable at the close of the fiscal year were \$50,705,000.
- The City's net pension liability totaled \$3,983,228 as of year end.

#### **Overview of the Financial Statements**

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

#### **Government-Wide Statements**

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

# City of Taylor, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2021

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, culture and recreation, community development, public safety, and public works. The business-type activities of the City include water and sewer, airport, and cemetery operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Taylor Economic Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 22-27 of this report.

### FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

#### Governmental Funds

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

# City of Taylor, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### September 30, 2021

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital improvements fund, the I&S for CO bonds fund, and the transportation user fee fund (a special revenue fund), which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general, I&S for CO bonds, and special revenue funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with their respective budget.

The basic governmental fund financial statements can be found on pages 28-33 of this report.

#### **Proprietary Funds**

The City maintains two different types of proprietary funds. *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 public utilities, airport, cemetery operations and sanitation. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the maintenance and purchase of equipment.

Proprietary financial statements 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 sewer fund since it is considered a major fund of the City.

The basic proprietary fund financial statements can be found on pages 36-45 of this report.

# City of Taylor, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2021

### **Component Units**

The City maintains the accounting and financial statements for two component units. The Taylor Economic Development Corporation and the Tax Increment Financing Funds are discretely presented component units displayed on the government-wide financial statements.

### **Notes to Financial Statements**

The notes provide additional information that is necessary to acquire 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 47-94 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's changes in net pension liability and employer contributions to the plan.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Taylor, Texas, assets exceed liabilities by \$81,895,181 as of September 30, 2021, in the primary government.

The largest portion of the City's net position, \$70,331,789, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that are 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 assets themselves cannot be used to liquidate these liabilities.

**City of Taylor, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**September 30, 2021**

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 19,153,357	\$ 11,600,883	\$ 30,754,240	\$ 20,889,680	\$ 13,048,206	\$ 33,937,886
Capital assets, net	74,803,068	40,936,853	115,739,921	70,377,041	39,019,331	109,396,372
<b>Total Assets</b>	<b>93,956,425</b>	<b>52,537,736</b>	<b>146,494,161</b>	<b>91,266,721</b>	<b>52,067,537</b>	<b>143,334,258</b>
<b>Deferred Outflows of Resources</b>	<b>1,205,510</b>	<b>619,835</b>	<b>1,825,345</b>	<b>1,476,894</b>	<b>714,533</b>	<b>2,191,427</b>
Other liabilities	6,412,904	3,562,493	9,975,397	5,450,241	3,008,581	8,458,822
Long-term liabilities	32,386,492	23,020,985	55,407,477	35,532,100	25,079,608	60,611,708
<b>Total Liabilities</b>	<b>38,799,396</b>	<b>26,583,478</b>	<b>65,382,874</b>	<b>40,982,341</b>	<b>28,088,189</b>	<b>69,070,530</b>
<b>Deferred Inflows of Resources</b>	<b>892,531</b>	<b>148,920</b>	<b>1,041,451</b>	<b>789,744</b>	<b>131,770</b>	<b>921,514</b>
Net Position:						
Net investment						
in capital assets	49,829,796	20,501,993	70,331,789	47,078,362	17,661,875	64,740,237
Restricted	5,609,894	-	5,609,894	3,514,866	-	3,514,866
Unrestricted	30,318	5,923,180	5,953,498	378,302	6,900,236	7,278,538
<b>Total Net Position</b>	<b>\$ 55,470,008</b>	<b>\$ 26,425,173</b>	<b>\$ 81,895,181</b>	<b>\$ 50,971,530</b>	<b>\$ 24,562,111</b>	<b>\$ 75,533,641</b>

Governmental activities current assets decreased by \$1,736,323 due to the expenditure of bond proceeds on capital projects. Government-wide capital assets increased \$6,343,549 due to various infrastructure and capital projects. Governmental activities long-term liabilities decreased by \$3,145,608 due to payments on long-term debt and a decrease in pension liabilities. TMRS had a significant increase in investment income due to favorable market conditions which led to the decrease in the net pension liability. Business-type activities long-term liabilities decreased by \$2,058,623 primarily due to the aforementioned changes in debt and pension liabilities.

# City of Taylor, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### September 30, 2021

#### Statement of Activities:

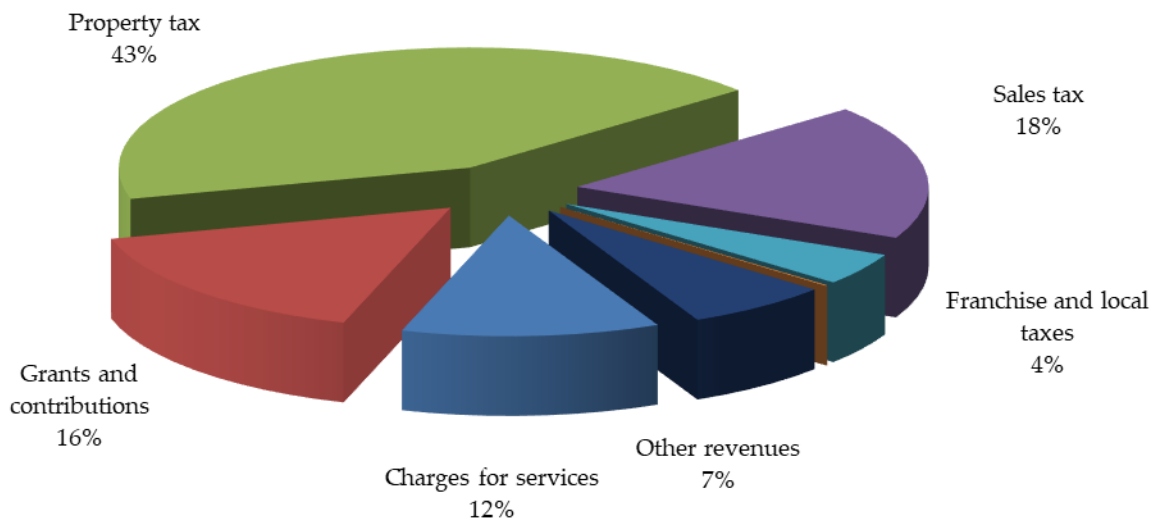
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2021			For the Year Ended September 30, 2020		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,826,676	\$ 13,212,338	\$ 16,039,014	\$ 2,570,775	\$ 12,546,043	\$ 15,116,818
Operating grants	873,523	-	873,523	620,842	-	620,842
Capital grants	3,101,919	181,985	3,283,904	1,853,806	-	1,853,806
General revenues:						
Property tax	10,250,945	-	10,250,945	9,918,365	-	9,918,365
Sales tax	4,312,637	-	4,312,637	3,795,264	-	3,795,264
Franchise and local taxes	1,033,733	-	1,033,733	989,105	-	989,105
Investment income	20,767	4,010	24,777	318,116	93,775	411,891
Other revenues	1,593,623	155,220	1,748,843	306,007	121,365	427,372
<b>Total Revenues</b>	<b>24,013,823</b>	<b>13,553,553</b>	<b>37,567,376</b>	<b>20,372,280</b>	<b>12,761,183</b>	<b>33,133,463</b>
<b>Expenses</b>						
General government	5,580,982	-	5,580,982	4,261,634	-	4,261,634
Culture and recreation	1,747,219	-	1,747,219	1,395,692	-	1,395,692
Community development	1,694,206	-	1,694,206	1,831,618	-	1,831,618
Public safety	7,299,018	-	7,299,018	6,694,441	-	6,694,441
Public works	3,932,205	-	3,932,205	3,611,256	-	3,611,256
Interest and fiscal charges	1,040,215	873,547	1,913,762	1,114,377	974,782	2,089,159
Public utility	-	6,832,860	6,832,860	-	6,431,671	6,431,671
Airport	-	494,656	494,656	-	450,818	450,818
Cemetery operating	-	231,953	231,953	-	156,441	156,441
Sanitation	-	1,478,975	1,478,975	-	1,429,656	1,429,656
<b>Total Expenses</b>	<b>21,293,845</b>	<b>9,911,991</b>	<b>31,205,836</b>	<b>18,909,018</b>	<b>9,443,368</b>	<b>28,352,386</b>
<b>Change in Net Position</b>						
<b>Before Transfers</b>	<b>2,719,978</b>	<b>3,641,562</b>	<b>6,361,540</b>	<b>1,463,262</b>	<b>3,317,815</b>	<b>4,781,077</b>
Transfers	1,778,500	(1,778,500)	-	1,753,305	(1,753,305)	-
<b>Total</b>	<b>1,778,500</b>	<b>(1,778,500)</b>	<b>-</b>	<b>1,753,305</b>	<b>(1,753,305)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>4,498,478</b>	<b>1,863,062</b>	<b>6,361,540</b>	<b>3,216,567</b>	<b>1,564,510</b>	<b>4,781,077</b>
Beginning Net Position	50,971,530	24,562,111	75,533,641	47,754,963	22,997,601	70,752,564
<b>Ending Net Position</b>	<b>\$ 55,470,008</b>	<b>\$ 26,425,173</b>	<b>\$ 81,895,181</b>	<b>\$ 50,971,530</b>	<b>\$ 24,562,111</b>	<b>\$ 75,533,641</b>

**City of Taylor, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**September 30, 2021**

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

**Governmental Activities - Revenues**

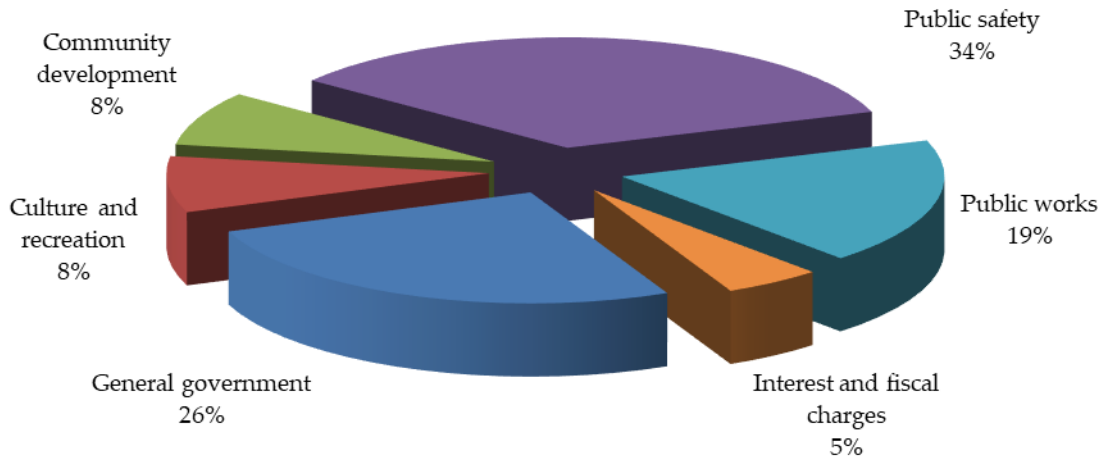


For the year ended September 30, 2021, revenues from governmental activities totaled \$24,013,823. Property tax, charges for services, capital grants, and sales tax are the City's largest general revenue sources. Overall revenue increased \$3,641,543 or 18% from the prior year. Property tax revenue increased \$332,580 due to an increase in property values and a growing tax base. Sales tax revenue increased by \$517,373 due to increasing economic growth within the City. Charges for services increased \$255,901 due to an increase in building permit revenue. Capital grants and contributions increased \$1,248,113 due to the new American Recovery Act Program grant totaling \$2,153,632. Investment income decreased by \$297,349 due to lower savings rates and less cash on hand during the year. All other revenues remained relatively stable when compared to the previous year.

**City of Taylor, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**September 30, 2021**

This graph shows the governmental function expenses of the City:

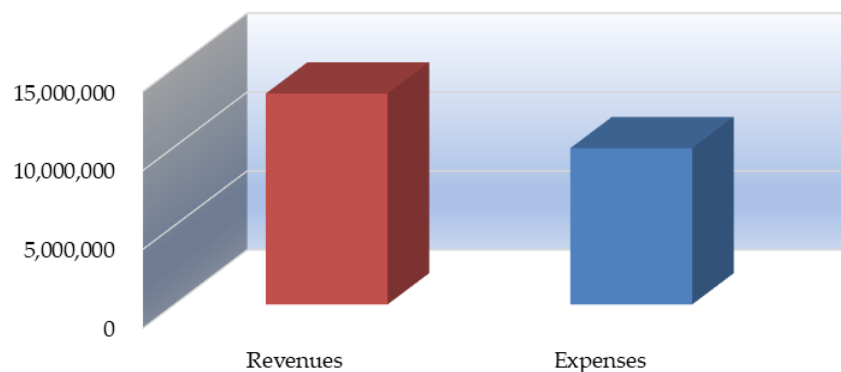
**Governmental Activities - Expenses**



For the year ended September 30, 2021, expenses for governmental activities totaled \$21,293,845. This represents an increase of \$2,384,827 or 13% from the prior year. The City's largest functional expense is public safety totaling \$7,299,018. Public safety increased \$604,577 or 9% when compared to the prior year primarily due to an increase in payroll and related employee expenses. General government expenses increased by \$1,319,348 or 31% due to a combination of repairs from the Winter freeze and personnel costs. Community development decreased by \$137,412 or 8% primarily as a result of nonrecurring expenditures occurring in the prior year. All remaining expenses remained relatively consistent with the previous year.

Business-type activities are shown comparing operating costs to revenues generated by related services.

**Business-Type Activities - Revenues  
and Expenses**



# City of Taylor, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2021

For the year ended September 30, 2021, charges for services by business-type activities totaled \$13,212,338. This is an increase of \$666,295, or 5%, from the previous year. This increase can be attributed to growth within in the City. New connections, water usage, and overall utility customers were up as of the end of the year.

Total expenses increased \$468,623 or 5% to a total of \$9,911,991. Public utility expenses totaled \$7,666,383, while airport, cemetery operations, and sanitation totaled \$534,680, \$231,953, and \$1,478,975, respectively. The largest increase in expenses was seen in public utility expenses. This increase was mainly attributed to personnel costs, treated water contract expenses, and supplies expenses.

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of 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 the City's net resources available for spending at the end of the year.

At September 30, 2021, the City's governmental funds reported combined fund balances of \$16,936,363, a decrease of \$2,048,802 in comparison with the prior year. Approximately 38% of this amount, \$6,473,119, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted* or *committed* to indicate that it is 1) not in spendable form \$713,268, 2) committed \$2,068,031 or 3) restricted for particular purposes \$7,681,945.

As of the end of the year the general fund reflected a total fund balance of \$8,302,405. Of this, \$1,429,986 is considered restricted and \$6,473,119 is unassigned. General fund balance increased by \$1,081,209. This increase can be attributed to greater than anticipated sales tax and intergovernmental revenues for the year ended.

As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of \$6,473,119 is 38% of total general fund operating expenditures.

The capital improvements fund had an ending fund balance of \$4,938,951 as of yearend. Total fund balance decreased by \$534,250 from the prior year due to capital outlay expenditures exceeding capital financing during the year. During the year, the City expended \$6,747,701 on various capital improvement projects recorded in this fund.

# City of Taylor, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### September 30, 2021

The I&S for CO bonds fund had an ending fund balance of \$952,961 at September 30, 2021, an increase of \$165,397 when compared to the previous year. During the year, the fund recorded total principal and interest payments of \$2,815,268 and property tax revenue of \$2,533,058. The increase in fund balance was a result of I&S tax levies exceeding expectations.

The transportation user fee fund had an ending fund balance of \$1,410,906 at September 30, 2021, a decrease of \$2,826,771 when compared to the prior year. The decrease is a direct result of capital project expenditures in the current year.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the City's largest proprietary fund, the public utility fund, totaled \$20,609,789. Unrestricted net position at the close of the fiscal year amounted to \$5,237,009, a total increase of \$1,806,772 from the previous year. Total investment in capital assets, net of related debt of was \$15,372,780, and capital assets, net of depreciation totaled \$35,412,681.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

Supplemental budget amendments were approved during the fiscal year increasing total budgeted expenditures by \$1,919,222 and increasing total revenues by \$2,686,336 resulting in a net increase in budgeted fund balance of \$743,418. The primary reasons for the budget revision were due to higher than expected sales and property taxes as well as insurance reimbursements related to the Winter freeze. Expenditures were amended to account for general revisions to reflect actual operating results. Total budgeted revenues of \$15,825,436 were less than actual revenues of \$15,962,025, resulting in a total positive revenue variance of \$136,589. Total budgeted expenditures of \$17,045,735 were more than actual expenditures of \$16,850,702, resulting in a total positive expenditure variance of \$195,033.

#### CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$74,803,068 in a variety of capital assets and infrastructure, net of accumulated depreciation including assets recorded in the internal service funds of \$2,853,164. The City's business-type activities funds had invested \$40,936,853 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure.

Major capital asset additions during the current year include the following:

- 3<sup>rd</sup> Street improvements of \$718,345.
- County Road 101 improvements totaling \$826,557.
- Various 2019 Bond infrastructure improvements totaling \$3,108,109.
- Drainage projects totaling \$609,619.
- Vacuum Truck for \$406,722.

# City of Taylor, Texas

## *MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)*

### September 30, 2021

- Kabota Tractor totaling \$137,587
- Wastewater treatment plant improvements in the amount of \$1,192,428
- Water and sewer infrastructure totaling \$1,558,798
- Developer contributions of streets, drainage, water and wastewater infrastructure totaling \$363,971.

More detailed information about the City's capital assets is presented in note IV. D to the financial statements.

#### **LONG-TERM DEBT**

The City's outstanding bonds and certificates of obligation payable net of all premiums and discounts decreased by \$4,382,228 or 8% from the prior year. The total bonds and certificates of obligation payable at the close of the fiscal year were \$53,210,992, net of all premiums and discounts. All of the City's debt is backed by a full-faith credit pledge of property taxes with a limited pledge of revenues of the enterprise/utility system. The City monitors its debt obligations and callable bonds for refinancing opportunities with market conditions.

More detailed information about the City's long-term liabilities is presented in note IV. F to the financial statements.

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

The local economy is expanding as evidenced by increasing sales tax collections and new construction activity. In FY2021, the City issued a total of 1124 building permits with a total valuation of \$93,792,969. This is an increase in permit valuation of \$25,810,095 from the previous year. While growth brings additional revenue to the City, it also increases the demands on City services. The City is planning for future growth by recently updating the City's Comprehensive Plan, by completing a public utilities assessment, and completing a comprehensive drainage improvements plan. The FY2022 budget also continues to address its aging infrastructure through a series of improvements that are funded by a combination of utility revenues and debt proceeds.

Meeting the challenges created by growth takes financial resources, a Council vision, and budgetary constraint. The Avery Glen residential development began construction in early 2019 and was completely built of by the end of FY2021. The Grove residential development began infrastructure construction in 2020 and will build out over the next two to three years. Both developments could seek approval for additional builds if the economy continues to grow. In addition, a new mixed residential development named Castlewood received initial approval in 2020 and began construction in 2021. Other residential developments are currently under consideration.

On the commercial side, Hart Components recently completed construction on a new manufacturing facility within the City limits. Hart Components manufactures roof trusses and provides both property

# City of Taylor, Texas

## *MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)*

**September 30, 2021**

tax and sales tax revenues. In addition, RCR Taylor Logistics Park, a master planned rail-served logistic & industrial park broke ground in 2019 and continues to develop and market the property. Finally, in Q4 2021 Samsung announced that they will build a 6,000,000 square foot, \$17 billion semiconductor manufacturing facility in Taylor. This facility will provide thousands of construction jobs as well as 1,800 permanent jobs. It is also anticipated that ancillary suppliers will provide additional jobs and facilities in the vicinity of the new plant.

For many years, the City's economy has been largely based in agriculture and manufacturing. These industries are still with the City today, however, the Taylor Economic Development Corporation actively recruits companies that add to the diversity of the City's local industry while providing residents with good employment. A major industry that is located within the City of Taylor is the Electric Reliability Council of Texas (ERCOT), which manages the flow of electric power to more than 26 million Texas customers, or about 90 percent of the state's electric load. ERCOT is the City's largest employer, while the Taylor Independent School District (TISD) is the second largest employer in the City.

The City's Fund Balance Policy requires that the General Fund maintains a minimum of three months of operating expenditures as unassigned reserves. The unassigned fund balance for the general fund can be found in the Financial Highlights section of the Management Discussion and Analysis. It is intended that the available fund balance beyond the minimum be used for capital outlay, unbudgeted personnel expenses and emergency expenditures. For the fiscal year 2022, fund balance in all budgeted funds is projected to remain at adequate levels to provide for unexpected decreases in revenue plus extraordinary unbudgeted expenditures.

The property tax rate for fiscal year 2021-22 is \$0.765115 per \$ 100 valuation, a reduction of 4.41 cents from the previous year. Approximately 75 percent of this rate, or \$0.569637, is utilized for General Fund activities. The remaining 25 percent, or \$0.195478, is used for debt service. The General Fund's portion of property tax revenue for fiscal year 2021-22 is estimated to be \$8,087,000. Sales tax revenue for fiscal year 2021-22 is budgeted at \$4,250,000. The COVID-19 pandemic has not had a negative effect on these revenue sources in previous fiscal years and it is not anticipated that a negative effect will occur in FY2022.

The largest revenue source for the Utility Fund is water and wastewater user fees, accounting for 98 percent of utility revenues. A water and sewer rate study was completed and adopted by Council during fiscal year 2014-2015 and rate increases were implemented beginning in fiscal year 2015-16 and increased annually for the next four years, ending in 2019. There was not a rate increase for water or sewer services in fiscal year 2019-20, nor was a rate increase budgeted for fiscal year 2020-21. A new rate study was completed in 2021 and presented to Council for consideration. A ten percent rate increase for both water and sewer services was approved for fiscal year 2022. It is anticipated that additional rate increases will be needed in the coming fiscal years. Water and sewer rate increases are used to cover increasing operational costs, to fund future projects and build up reserves in the Public

# City of Taylor, Texas

## *MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)*

September 30, 2021

Utilities Fund. The current rate system, which focuses on water conservation, implements an increasing tier rate which charges a higher price for water at higher levels of consumption.

The City Council approved an ordinance establishing a Transportation User Fee (TUF) that applied to businesses and residents within the City of Taylor city limits. The new rate took effect in June of 2016. A flat fee of \$8.00 per residential unit was assessed, with commercial customers being assessed at 6 distinct tier rates that ranged from \$25 to \$133 per month. The total annual revenue generated from the TUF is projected to be \$825,000 for the fiscal year 2022. The TUF was designed to address a portion of the street repair and maintenance expenses for Taylor's aged infrastructure but is not enough to meet the demands of all the lower rated streets.

The sanitation fee for residential garbage was increased 3.4% for fiscal year 2022 to a base charge of \$12.45 per month. It is anticipated that sanitation rates will be increased again for the 2023 fiscal year.

The City Council approved a residential curbside recycling program in December of 2017. The program's initial cost was \$2.50 per month per resident with the City paying \$.75 per month per resident for the first year of service. After the first year, the cost share ended and the rate increased to \$3.25 per month. This rate was increased 3.4% for FY2022 to \$3.36 per month and it is anticipated that this rate will be increased again for the 2023 fiscal year.

The City has maintained a Municipal Drainage Utility System (MDUS) fee to provide funding for the maintenance and improvement of the City's drainage system. The fee for a single-family dwelling remains at \$3.00 per month in fiscal year 2022. The total annual revenue generated from the MDUS fee is projected to be \$520,000 for the fiscal year 2022.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance at 400 Porter St., Taylor Texas 76574 or call (512) 352-5997.

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## ***FINANCIAL STATEMENTS***

# City of Taylor, Texas

## STATEMENT OF NET POSITION (Page 1 of 2) September 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 13,086,448	\$ 8,608,881	\$ 21,695,329
Investments	4,441,940	1,054,000	5,495,940
Restricted cash-customer deposits	-	500,565	500,565
Receivables, net	1,624,969	1,337,549	2,962,518
Due from other funds	-	-	-
Inventories	-	99,888	99,888
<b>Total Current Assets</b>	<b>19,153,357</b>	<b>11,600,883</b>	<b>30,754,240</b>
Land held for investment	-	-	-
Capital assets:			
Non-depreciable	12,790,866	4,946,360	17,737,226
Net depreciable capital assets	62,012,202	35,990,493	98,002,695
<b>Total Noncurrent Assets</b>	<b>74,803,068</b>	<b>40,936,853</b>	<b>115,739,921</b>
<b>Total Assets</b>	<b>93,956,425</b>	<b>52,537,736</b>	<b>146,494,161</b>
<b><u>Deferred Outflows of Resources</u></b>			
Deferred charge on refunding	140,679	457,766	598,445
Pension outflows	863,617	144,096	1,007,713
OPEB outflows	201,214	17,973	219,187
<b>Total Deferred Outflows of Resources</b>	<b>1,205,510</b>	<b>619,835</b>	<b>1,825,345</b>

Component Units		
Taylor	Tax Increment	
EDC	Financing	
\$ 3,586,112	\$ 231,924	
-	-	
-	-	
448,097	-	
2,792	-	
-	-	
4,037,001	231,924	
294,593	-	
-	-	
33,326	-	
327,919	-	
4,364,920	231,924	
-	-	
-	-	
-	-	
-	-	
-	-	

# City of Taylor, Texas

## STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2021

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<b><u>Liabilities</u></b>			
Accounts payable and accrued liabilities	1,764,235	1,056,401	2,820,636
Due to component unit	2,792	-	2,792
Customer deposits	-	500,565	500,565
Compensated absences, current	1,411,965	26,856	1,438,821
Accrued interest payable	124,284	118,671	242,955
Long-term debt due within one year	3,109,628	1,860,000	4,969,628
<b>Total Current Liabilities</b>	<b>6,412,904</b>	<b>3,562,493</b>	<b>9,975,397</b>
Noncurrent liabilities:			
Net pension liability	3,413,653	569,575	3,983,228
OPEB liability	1,391,878	83,485	1,475,363
Compensated absences, noncurrent	156,884	2,984	159,868
Debt due in more than one year	27,424,077	22,364,941	49,789,018
<b>Total Noncurrent Liabilities</b>	<b>32,386,492</b>	<b>23,020,985</b>	<b>55,407,477</b>
<b>Total Liabilities</b>	<b>38,799,396</b>	<b>26,583,478</b>	<b>65,382,874</b>
<b><u>Deferred Inflows of Resources</u></b>			
Pension inflows	840,424	140,226	980,650
OPEB Inflows	52,107	8,694	60,801
<b>Total Deferred Inflows of Resources</b>	<b>892,531</b>	<b>148,920</b>	<b>1,041,451</b>
<b><u>Net Position</u></b>			
Net investment in capital assets	49,829,796	20,501,993	70,331,789
Restricted for:			
Debt service	952,961	-	952,961
Capital projects	2,367,283	-	2,367,283
Community development	-	-	-
Cemetery land purchase	131,406	-	131,406
Moody museum	200,756	-	200,756
Library bequest funds	315,790	-	315,790
Cemetery - nonexpendable	713,268	-	713,268
Municipal court	90,583	-	90,583
Other purposes	837,847	-	837,847
Unrestricted	30,318	5,923,180	5,953,498
<b>Total Net Position</b>	<b>\$ 55,470,008</b>	<b>\$ 26,425,173</b>	<b>\$ 81,895,181</b>

See Notes to Financial Statements.

Component Units	
Taylor EDC	Tax Increment Financing
72,127	-
-	-
22,037	-
-	-
-	-
94,164	-
-	-
-	-
2,449	-
-	-
2,449	-
96,612	-
-	-
-	-
-	-
33,326	-
-	-
-	-
4,234,982	231,924
-	-
-	-
-	-
-	-
-	-
-	-
-	-
\$ 4,268,308	\$ 231,924

# City of Taylor, Texas

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 5,580,982	\$ 2,137,115	\$ 873,523	\$ -
Culture and recreation	1,747,219	-	-	-
Community development	1,694,206	-	-	2,919,934
Public safety	7,299,018	177,717	-	-
Public works	3,932,205	511,844	-	181,985
Interest and fiscal charges	1,040,215	-	-	-
<b>Total Governmental Activities</b>	<u>21,293,845</u>	<u>2,826,676</u>	<u>873,523</u>	<u>3,101,919</u>
<b>Business-Type Activities</b>				
Public Utility	7,666,383	10,749,796	-	181,985
Airport	534,680	444,814	-	-
Cemetery Operating	231,953	308,766	-	-
Sanitation	1,478,975	1,708,962	-	-
<b>Total Business-Type Activities</b>	<u>9,911,991</u>	<u>13,212,338</u>	<u>-</u>	<u>181,985</u>
<b>Total Primary Government</b>	<u>\$ 31,205,836</u>	<u>\$ 16,039,014</u>	<u>\$ 873,523</u>	<u>\$ 3,283,904</u>
<b>Component Units</b>				
Taylor Economic Development Corporation	\$ 894,072	\$ -	\$ -	\$ -
Tax Increment Financing	398,862	-	-	-
<b>Total Component Units</b>	<u>\$ 1,292,934</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

### General Revenues:

Taxes  
 Property tax  
 Sales tax  
 Franchise and local taxes  
 Investment income  
 Other revenues

### Transfers

### Total General Revenues and Transfers

### Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

**Net (Expense) Revenue and Changes in Net Position**

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Taylor EDC	Tax Increment Financing
\$ (2,570,344)	\$ -	\$ (2,570,344)	\$ -	\$ -
(1,747,219)	-	(1,747,219)	-	-
1,225,728	-	1,225,728	-	-
(7,121,301)	-	(7,121,301)	-	-
(3,238,376)	-	(3,238,376)	-	-
(1,040,215)	-	(1,040,215)	-	-
(14,491,727)	-	(14,491,727)	-	-
-	3,265,398	3,265,398	-	-
-	(89,866)	(89,866)	-	-
-	76,813	76,813	-	-
-	229,987	229,987	-	-
-	3,482,332	3,482,332	-	-
(14,491,727)	3,482,332	(11,009,395)	-	-
			(894,072)	-
			-	(398,862)
			(894,072)	(398,862)
10,250,945	-	10,250,945	-	248,147
4,312,637	-	4,312,637	1,437,546	-
1,033,733	-	1,033,733	-	-
20,767	4,010	24,777	6,594	206
1,593,623	155,220	1,748,843	187,718	137,396
1,778,500	(1,778,500)	-	-	-
18,990,205	(1,619,270)	17,370,935	1,631,858	385,749
4,498,478	1,863,062	6,361,540	737,786	(13,113)
50,971,530	24,562,111	75,533,641	3,530,522	245,037
\$ 55,470,008	\$ 26,425,173	\$ 81,895,181	\$ 4,268,308	\$ 231,924

# City of Taylor, Texas

## BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2021

	General	Capital Improvements	I & S for CO Bonds
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 4,105,794	\$ 5,996,648	\$ 811,158
Investments	3,495,940	-	-
Receivables, net	1,420,086	6,087	63,808
Due from other funds	162,532	-	141,803
<b>Total Assets</b>	<b>\$ 9,184,352</b>	<b>\$ 6,002,735</b>	<b>\$ 1,016,769</b>
<b><u>Liabilities</u></b>			
Accounts payable and accrued liabilities	\$ 544,644	\$ 1,063,784	\$ -
Due to other funds	141,803	-	-
Due to component unit	2,792	-	-
<b>Total Liabilities</b>	<b>689,239</b>	<b>1,063,784</b>	<b>-</b>
<b><u>Deferred Inflows of Resources</u></b>			
Unavailable revenue - property taxes	192,708	-	63,808
<b>Total Deferred Inflows of Resources</b>	<b>192,708</b>	<b>-</b>	<b>63,808</b>
<b><u>Fund Balances</u></b>			
Nonspendable:			
Permanent fund	-	-	-
Restricted for:			
Debt service	-	-	952,961
Capital projects	213,651	4,938,951	-
Library donation fund	315,790	-	-
Roadway impact fund	391,048	-	-
Special revenue	-	-	-
Moody museum	200,756	-	-
Other purposes	308,741	-	-
Committed for:			
Drainage	-	-	-
ERCOT	375,000	-	-
Cattainer	24,300	-	-
Road maintenance	-	-	-
Unassigned reported in:			
General fund	6,473,119	-	-
<b>Total Fund Balances</b>	<b>8,302,405</b>	<b>4,938,951</b>	<b>952,961</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 9,184,352</b>	<b>\$ 6,002,735</b>	<b>\$ 1,016,769</b>

See Notes to Financial Statements.

<b>Transportation User Fee</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,385,509	\$ 552,130	\$ 12,851,239
-	946,000	4,441,940
84,551	50,437	1,624,969
-	-	304,335
<u>\$ 1,470,060</u>	<u>\$ 1,548,567</u>	<u>\$ 19,222,483</u>
\$ 59,154	\$ 54,895	\$ 1,722,477
-	162,532	304,335
-	-	2,792
<u>59,154</u>	<u>217,427</u>	<u>2,029,604</u>
-	-	256,516
<u>-</u>	<u>-</u>	<u>256,516</u>
-	713,268	713,268
-	-	952,961
-	-	5,152,602
-	-	315,790
-	-	391,048
-	360,047	360,047
-	-	200,756
-	-	308,741
-	257,825	257,825
-	-	375,000
-	-	24,300
1,410,906	-	1,410,906
-	-	6,473,119
<u>1,410,906</u>	<u>1,331,140</u>	<u>16,936,363</u>
<u>\$ 1,470,060</u>	<u>\$ 1,548,567</u>	<u>\$ 19,222,483</u>

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# City of Taylor, Texas

## RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2021

<b>Fund Balances - Total Governmental Funds</b>	<b>\$ 16,936,363</b>
<b>Adjustments for the Statement of Net Position:</b>	
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
Capital assets - non-depreciable	12,790,866
Capital assets - net depreciable	59,159,038
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	256,516
Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then.	
Deferred charge on refunding	140,679
Pension Outflows-TMRS	847,417
OPEB Outflows-TMRS	105,699
OPEB Outflows-Retiree healthcare	93,494
Internal service funds are used by management to charge the cost of equipment services and replacement to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Net position - governmental activities	(142,427)
Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.	
Pension Inflows-TMRS	(824,659)
OPEB Inflows-TMRS	(51,130)
Some liabilities, including bonds payable and compensated absences, are not reported as liabilities in the governmental funds.	
Net pension liability	(3,349,620)
OPEB liability-Supplemental Death Fund	(490,964)
OPEB liability-Retiree Healthcare	(891,528)
Accrued interest	(124,284)
Bond premium	(1,406,548)
Compensated absences	(1,563,904)
Non-current liabilities due in one year	(2,550,000)
Non-current liabilities due in more than one year	(23,465,000)
<b>Net Position of Governmental Activities</b>	<b>\$ 55,470,008</b>

See Notes to Financial Statements.

# City of Taylor, Texas

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

For the Year Ended September 30, 2021

	General	Capital Improvements	I & S for CO Bonds
<b><u>Revenues</u></b>			
Property tax	\$ 7,689,675	\$ -	\$ 2,533,058
Sales tax	4,312,637	-	-
Franchise and local taxes	848,754	-	-
License and permits	922,614	-	-
Charges for services	375,580	-	-
Fines and forfeitures	169,110	-	-
Intergovernmental	511,373	2,919,934	342,150
Investment income	11,524	7,072	354
Other revenues	1,120,758	365,000	71,953
<b>Total Revenues</b>	<b>15,962,025</b>	<b>3,292,006</b>	<b>2,947,515</b>
<b><u>Expenditures</u></b>			
Current:			
General government	4,235,630	-	-
Culture and recreation	1,755,704	-	-
Community development	1,315,181	-	-
Public safety	7,474,861	-	-
Public works	2,069,326	-	-
Debt service:			
Principal retirement	-	-	1,980,000
Interest and fiscal charges	-	-	835,268
Bond issuance costs	-	-	91,158
Capital outlay	-	6,747,701	-
<b>Total Expenditures</b>	<b>16,850,702</b>	<b>6,747,701</b>	<b>2,906,426</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(888,677)</b>	<b>(3,455,695)</b>	<b>41,089</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers in	1,984,486	2,946,731	279,750
Transfers (out)	(14,600)	(25,286)	(246,600)
Bond issuance	-	-	3,660,000
Bond premium	-	-	222,178
Payment to refunding bond escrow agent	-	-	(3,791,020)
<b>Total Other Financing Sources (Uses)</b>	<b>1,969,886</b>	<b>2,921,445</b>	<b>124,308</b>
<b>Net Change in Fund Balances</b>	<b>1,081,209</b>	<b>(534,250)</b>	<b>165,397</b>
Beginning fund balances	7,221,196	5,473,201	787,564
<b>Ending Fund Balances</b>	<b>\$ 8,302,405</b>	<b>\$ 4,938,951</b>	<b>\$ 952,961</b>

See Notes to Financial Statements.

<b>Transporation Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 10,222,733
-	-	4,312,637
-	184,979	1,033,733
-	-	922,614
823,043	527,722	1,726,345
-	8,607	177,717
-	20,000	3,793,457
959	722	20,631
-	10,681	1,568,392
824,002	752,711	23,778,259
-	241,248	4,476,878
-	-	1,755,704
-	-	1,315,181
-	-	7,474,861
413,123	-	2,482,449
135,000	-	2,115,000
155,919	-	991,187
-	-	91,158
-	-	6,747,701
704,042	241,248	27,450,119
119,960	511,463	(3,671,860)
-	19,600	5,230,567
(2,946,731)	(465,450)	(3,698,667)
-	-	3,660,000
-	-	222,178
-	-	(3,791,020)
(2,946,731)	(445,850)	1,623,058
(2,826,771)	65,613	(2,048,802)
4,237,677	1,265,527	18,985,165
\$ 1,410,906	\$ 1,331,140	\$ 16,936,363

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# City of Taylor, Texas

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

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

Net changes in fund balances - total governmental funds	\$ (2,048,802)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	7,196,635
Contributed capital	181,985
Depreciation expense	(2,565,146)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	28,212
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Pension expense	309,790
OPEB expense	(103,395)
Compensated absences	(198,045)
Accrued interest	8,492
Amortization of deferred charges on refunding	(29,271)
Amortization of bond premium and discounts	160,539

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments	2,115,000
Bonds issued	(3,660,000)
Bonds refunded	3,790,000
Premium on bonds refunded	87,910
Premiums on debt issued	(222,178)
Deferred charge on refunding	(86,890)

Internal service funds are used by management to charge the cost of equipment services and replacement to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

(466,358)

<b>Change in Net Position of Governmental Activities</b>	<b>\$ 4,498,478</b>
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See Notes to Financial Statements.

# City of Taylor, Texas

## STATEMENT OF NET POSITION (Page 1 of 2)

### PROPRIETARY FUNDS

September 30, 2021

	Business-Type Activities Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Cash and cash equivalents	\$ 7,056,737	\$ 1,078,947	\$ 141,931
Investments	1,000,000	-	54,000
Restricted cash:			
Customer deposits	500,565	-	-
Receivables, net	1,078,491	9,118	13,930
Inventories	99,888	-	-
<b>Total Current Assets</b>	<b>9,735,681</b>	<b>1,088,065</b>	<b>209,861</b>
<b><u>Noncurrent Assets</u></b>			
Capital assets:			
Non-depreciable	4,073,647	872,713	-
Net depreciable capital assets	31,339,034	4,644,938	6,521
<b>Total Noncurrent Assets</b>	<b>35,412,681</b>	<b>5,517,651</b>	<b>6,521</b>
<b>Total Assets</b>	<b>45,148,362</b>	<b>6,605,716</b>	<b>216,382</b>
<b><u>Deferred Outflows of Resources</u></b>			
Deferred charge on refunding	456,804	962	-
Pension outflows	132,204	4,829	7,063
OPEB outflows	16,490	602	881
<b>Total Deferred Outflows of Resources</b>	<b>605,498</b>	<b>6,393</b>	<b>7,944</b>

Business-Type Activities Enterprise Funds		Governmental Activities
Sanitation	Total	Internal Service
\$ 331,266	\$ 8,608,881	\$ 235,209
-	1,054,000	-
-	500,565	-
236,010	1,337,549	-
-	99,888	-
<u>567,276</u>	<u>11,600,883</u>	<u>235,209</u>
-	4,946,360	-
-	35,990,493	2,853,164
-	40,936,853	2,853,164
<u>567,276</u>	<u>52,537,736</u>	<u>3,088,373</u>
-	457,766	-
-	144,096	16,200
-	17,973	2,021
-	619,835	18,221

# City of Taylor, Texas

## STATEMENT OF NET POSITION (Page 2 of 2)

### PROPRIETARY FUNDS

September 30, 2021

	Business-Type Activities		
	Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
<b><u>Liabilities</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts payable	895,822	3,205	5,636
Customer deposits	500,565	-	-
Current maturities of long-term debt	1,820,000	40,000	-
Compensated absences, current	26,856	-	-
Accrued interest	112,620	6,051	-
<b>Total Current Liabilities</b>	<b>3,355,863</b>	<b>49,256</b>	<b>5,636</b>
<b><u>Noncurrent Liabilities</u></b>			
Long-term debt	21,049,429	1,315,512	-
Compensated absences, noncurrent	2,984	-	-
Net pension liability	522,569	19,088	27,918
OPEB liability	76,595	2,798	4,092
<b>Total Liabilities</b>	<b>25,007,440</b>	<b>1,386,654</b>	<b>37,646</b>
<b><u>Deferred Inflows of Resources</u></b>			
Pension inflows	128,654	4,699	6,873
OPEB Inflows	7,977	291	426
<b>Total Deferred Inflows of Resources</b>	<b>136,631</b>	<b>4,990</b>	<b>7,299</b>
<b><u>Net Position</u></b>			
Net investment in capital assets	15,372,780	5,122,692	6,521
Unrestricted	5,237,009	97,773	172,860
<b>Total Net Position</b>	<b>\$ 20,609,789</b>	<b>\$ 5,220,465</b>	<b>\$ 179,381</b>

See Notes to Financial Statements.

Business-Type Activities Enterprise Funds		Governmental Activities
Sanitation	Total	Internal Service
151,738	1,056,401	41,758
-	500,565	-
-	1,860,000	559,628
-	26,856	4,451
-	118,671	-
151,738	3,562,493	605,837
-	22,364,941	2,552,529
-	2,984	494
-	569,575	64,033
-	83,485	9,386
151,738	26,583,478	3,232,279
-	140,226	15,765
-	8,694	977
-	148,920	16,742
-	20,501,993	23,749
415,538	5,923,180	(166,176)
\$ 415,538	\$ 26,425,173	\$ (142,427)

# City of Taylor, Texas

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

For the Year Ended September 30, 2021

	Business-Type Activities		
	Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
<b><u>Operating Revenues</u></b>			
Water revenue	\$ 6,056,812	\$ -	\$ -
Sewer revenue	4,692,984	-	-
Airport services	-	444,814	-
Cemetery services	-	-	308,766
Sanitation	-	-	-
Other income	51,080	-	17,380
Charges for services	-	-	-
Rents and royalties	86,760	-	-
<b>Total Operating Revenues</b>	<b>10,887,636</b>	<b>444,814</b>	<b>326,146</b>
<b><u>Operating Expenses</u></b>			
Personnel services	1,470,869	89,284	109,859
Contractual services	3,562,627	237,655	117,528
Material and supplies	529,358	4,024	4,064
Depreciation	1,260,666	163,693	502
<b>Total Operating Expenses</b>	<b>6,823,520</b>	<b>494,656</b>	<b>231,953</b>
<b>Operating Income (Loss)</b>	<b>4,064,116</b>	<b>(49,842)</b>	<b>94,193</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>			
Investment income	3,534	476	-
Interest expense	(833,523)	(40,024)	-
Bond issuance costs	(9,340)	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(839,329)</b>	<b>(39,548)</b>	<b>-</b>
<b>Income Before Transfers &amp; Capital Contributions</b>	<b>3,224,787</b>	<b>(89,390)</b>	<b>94,193</b>
<b><u>Transfers and Capital Contributions</u></b>			
Capital grants and contributions	181,985	-	-
Transfers in	-	-	700
Transfers (out)	(1,600,000)	(15,000)	-
<b>Change in Net Position</b>	<b>1,806,772</b>	<b>(104,390)</b>	<b>94,893</b>
Beginning net position	18,803,017	5,324,855	84,488
<b>Ending Net Position</b>	<b>\$ 20,609,789</b>	<b>\$ 5,220,465</b>	<b>\$ 179,381</b>

See Notes to Financial Statements.

Business-Type Activities Enterprise Funds		Governmental Activities
Sanitation	Total	Internal Service
\$ -	\$ 6,056,812	\$ -
-	4,692,984	-
-	444,814	-
-	308,766	-
1,708,962	1,708,962	-
-	68,460	25,231
-	-	1,181,316
-	86,760	-
<u>1,708,962</u>	<u>13,367,558</u>	<u>1,206,547</u>
-	1,670,012	172,467
1,478,975	5,396,785	665,371
-	537,446	-
-	1,424,861	984,173
<u>1,478,975</u>	<u>9,029,104</u>	<u>1,822,011</u>
<u>229,987</u>	<u>4,338,454</u>	<u>(615,464)</u>
-	4,010	136
-	(873,547)	(97,630)
-	(9,340)	-
<u>-</u>	<u>(878,877)</u>	<u>(97,494)</u>
229,987	3,459,577	(712,958)
-	181,985	-
-	700	246,600
(164,200)	(1,779,200)	-
<u>65,787</u>	<u>1,863,062</u>	<u>(466,358)</u>
<u>349,751</u>	<u>24,562,111</u>	<u>323,931</u>
<u>\$ 415,538</u>	<u>\$ 26,425,173</u>	<u>\$ (142,427)</u>

**City of Taylor, Texas**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (Page 1 of 2)**  
**For the Year Ended September 30, 2021**

	Business-Type Activities		
	Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
<b><u>Cash Flows from Operating Activities</u></b>			
Receipts from customers	\$ 10,851,190	\$ 454,264	\$ 328,012
Payments to suppliers and contractors	(3,623,125)	(243,116)	(183,966)
Payments to employees for salaries and benefits	(1,513,611)	(90,845)	(112,143)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>5,714,454</b>	<b>120,303</b>	<b>31,903</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>			
Transfer in	-	-	700
Transfer (out)	(1,600,000)	(15,000)	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(1,600,000)</b>	<b>(15,000)</b>	<b>700</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>			
Purchases of capital assets	(3,160,398)	-	-
Proceeds from capital debt	-	-	-
Principal paid on capital debt	(1,735,000)	(65,000)	-
Interest paid on capital debt	(881,375)	(41,700)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(5,776,773)</b>	<b>(106,700)</b>	<b>-</b>
<b><u>Cash Flows from Investing Activities</u></b>			
Proceeds from sale of investments	(1,000,000)	-	-
Interest on investments	3,534	476	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(996,466)</b>	<b>476</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(2,658,785)</b>	<b>(921)</b>	<b>32,603</b>
Beginning cash and cash equivalents	10,216,087	1,079,868	109,328
<b>Ending Cash and Cash Equivalents (Including Restricted Cash)</b>	<b>\$ 7,557,302</b>	<b>\$ 1,078,947</b>	<b>\$ 141,931</b>

See Notes to Financial Statements.

Business-Type Activities Enterprise Funds		Governmental Activities
Sanitation	Total	Internal Service
\$ 1,697,365	\$ 13,330,831	\$ 1,206,547
(1,469,695)	(5,519,902)	(678,714)
-	(1,716,599)	(177,705)
227,670	6,094,330	350,128
-	700	246,600
(164,200)	(1,779,200)	-
(164,200)	(1,778,500)	246,600
-	(3,160,398)	(596,726)
-	-	639,250
-	(1,800,000)	(575,239)
-	(923,075)	(102,019)
-	(5,883,473)	(634,734)
-	(1,000,000)	-
-	4,010	136
-	(995,990)	136
63,470	(2,563,633)	(37,870)
267,796	11,673,079	273,079
\$ 331,266	\$ 9,109,446	\$ 235,209

**City of Taylor, Texas**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (Page 2 of 2)**  
**For the Year Ended September 30, 2021**

	Business-Type Activities		
	Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
<b><u>Reconciliation of Operating Income (Loss)</u></b>			
<b><u>to Net Cash Provided (Used) by Operating Activities</u></b>			
Operating Income (Loss)	\$ 4,064,116	\$ (49,842)	\$ 94,193
Adjustments to reconcile operating income to net cash provided (used):			
Depreciation	1,260,666	163,693	502
<b>Changes in Operating Assets and Liabilities:</b>			
<b>(Increase) Decrease in:</b>			
Accounts receivable	(62,030)	9,450	1,866
Inventory	-	-	(54,000)
Deferred Outflows of Resources:			
Pension outflows	28,881	1,055	1,543
OPEB outflows	(7,488)	(273)	(400)
<b>Increase (Decrease) in:</b>			
Accounts payable	468,860	(1,437)	(8,374)
Customer deposits	25,584	-	-
Net pension liability	(88,706)	(3,240)	(4,739)
OPEB liability	8,835	323	472
Deferred Inflows of Resources:			
Pension inflows	11,497	154	226
OPEB inflows	4,239	420	614
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 5,714,454</b>	<b>\$ 120,303</b>	<b>\$ 31,903</b>
<b><u>Schedule of Non-Cash Capital and Related</u></b>			
<b><u>Financing Activities</u></b>			
Capital contributions	\$ 181,985	\$ -	\$ -
Debt refunding	412,168	-	-
<b>Total</b>	<b>\$ 594,153</b>	<b>\$ -</b>	<b>\$ -</b>

See Notes to Financial Statements.

Business-Type Activities Enterprise Funds		Governmental Activities
Sanitation	Total	Internal Service
\$ 229,987	\$ 4,338,454	\$ (615,464)
-	1,424,861	984,173
(11,597)	(62,311)	-
-	(54,000)	-
-	31,479	3,539
-	(8,161)	(918)
9,280	468,329	(13,343)
-	25,584	-
-	(96,685)	(10,870)
-	9,630	1,083
-	11,877	1,409
-	5,273	519
<u>\$ 227,670</u>	<u>\$ 6,094,330</u>	<u>\$ 350,128</u>
\$ -	\$ 181,985	\$ -
-	412,168	-
<u>\$ -</u>	<u>\$ 594,153</u>	<u>\$ -</u>

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# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS

September 30, 2021

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

#### B. Reporting Entity

The City of Taylor, Texas is a municipal corporation incorporated under *Article XI, Section 5* of the *Constitution of the State of Texas (Home Rule Amendment)* in 1914. The City operates under a Council-Manager form of government. The City provides such services as are authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The Taylor Economic Development Corporation (the "TEDC") and the Tax Increment Financing Fund (the "TIF"), although legally separate, are considered part of the reporting entity. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**Discretely Presented Component Units**

Taylor Economic Development Corporation

The Taylor Economic Development Corporation (the "TEDC") serves all citizens of the City and is governed by a five member board of directors appointed by the Taylor City Council. An Executive Director is appointed by the TEDC board to carry out the Board's administrative and policy initiatives. The TEDC is a 4A Corporation and is supported by a half-cent sales tax voted by referendum in 1994. The scope of public service of the TEDC benefits the government and its citizens and is operated primarily within geographic boundaries of the City.

Separately issued audited financial statements are available from TEDC, 316 North Main, Taylor, TX 76574.

Tax Increment Financing Fund

The Tax Increment Financing fund is legally separate from the City and was created to encourage and accelerate planned development within the City limits. The fund accounts for all tax and expenditure activity associated with the fund's primary purpose. The tax increment is derived from the difference in appraised value between the year in which the reinvestment zone is established (base year) and each year the reinvestment zone is in existence. The Board of Directors shall consist of at least five members, but no more than fifteen members including any members appointed by the participating taxing units, and that the Taylor Main Street Advisory Board is appointed to serve as the Board of Directors. The current Board is not primarily comprised of City Council members. Therefore, discrete presentation is appropriate. Separately issued audited financial statements are not available. However, the fund's government wide presentation represents a complete presentation of the entity's activity.

**C. Basis of Presentation - Government-Wide and Fund Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As discussed earlier, the government has two discretely presented component units and are shown in separate columns in the government-wide financial statements.

# City of Taylor, Texas

## *NOTES TO FINANCIAL STATEMENTS, Continued*

### September 30, 2021

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and transit 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.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

#### **General Fund**

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, culture and recreation, and community development.

#### **Capital Improvements Fund**

The capital improvements fund accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

#### **I&S for CO Bonds Fund**

The City accounts for the accumulation of financial resources for the payments of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the I & S for CO Bonds fund is restricted exclusively for debt service expenditures.

#### **Transportation User Fee Fund**

The transportation user fee fund collects revenues used to fund street maintenance and reconstruction of streets related expenditures and projects.

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

The government reports the following major enterprise funds:

**Public Utilities Fund**

Water and wastewater services provided by the City are accounted for in the public utilities fund. Activities of the fund include administration, operation and maintenance of the water and wastewater system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

**Airport**

The Airport fund accounts for the administration, operation and maintenance of the municipal airport.

**Cemetery Operating Fund**

The Cemetery operating fund accounts for the administration, operation and maintenance of the cemetery.

**Sanitation Fund**

The Sanitation fund accounts for the operation and maintenance of the sanitation department.

Additionally, the government reports the following fund types:

**Special Revenue Funds**

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. These funds consist of the hotel/motel tax, Texas capital, main street revenue, cemetery land purchases, municipal court special fee, and drainage funds.

**Internal Service Funds**

Revenues and expenses related to services provided to organizations inside the City on a cost reimbursement basis are accounted for in an internal service fund. The City's internal service funds include the equipment services and equipment replacement funds.

# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2021

#### **Permanent Fund**

Chapter 6 Section 6-8 of the City Code establishes a cemetery trust fund subject to control of the City Council. Interest income from the investment of the permanent fund is to be used for beautification and upkeep of the cemetery. The City's only permanent fund is the cemetery permanent fund.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

#### **D. Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

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 government 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**E. Assets, Liabilities, Deferred Outflows / Inflows, and Fund Equity or Net Position**

**1. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

# City of Taylor, Texas

## *NOTES TO FINANCIAL STATEMENTS, Continued*

### September 30, 2021

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

## **2. Fair Value**

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

## **3. Receivables and Interfund Transactions**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

## **4. Inventories and Prepaid Items**

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). Inventories of supplies are reported at cost, whereas inventories held for resale are reported at lower of cost or market. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

**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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, and capital items received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements. 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.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

<b>Asset Description</b>	<b>Estimated Useful Life</b>
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure	5 to 30 years
Buildings and improvements	25 years

**6. Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis

# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2021

of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### **7. Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### **8. Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### **9. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The government has adopted a policy to maintain a minimum reserve of unassigned fund balance in the general fund at an amount equal to or greater than 25% of operating expenditures of that fund.

**10. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund.

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

**11. Pensions**

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

**12. Other Postemployment Benefits ("OPEB")**

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. 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 on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

In addition to the contributions made to TMRS, the City provides certain other post-employment benefits to its retirees and dependents. Full time City of Taylor employees who retire from the City under the Texas Municipal Retirement System on or after January 1, 2000, and who are covered by the City of Taylor group hospitalization and medical insurance at the time of retirement, will be eligible to receive the current health plan which is an 80/20 HMO insurance plan that includes a \$500 deductible for individual and a \$1,000 deductible for family medical insurance provided by the City to its employees, from the date of retirement until the 5th anniversary date after retirement.

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

**13. Estimates**

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

**F. Revenues and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**2. Property Taxes**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

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.

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 legislature 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 operation in January 1980. The appraisal of property within the City is the responsibility of the Williamson County Tax Appraisal District. The Appraisal District is

# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2021

required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of real property within the Appraisal District must be reviewed at least every four years. The City, at its own expense, 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.

### **3. Compensated Absences**

City employees earn vacation and sick leave, which may either be taken or accumulated, up to certain amounts, until retirement or termination. In the event of termination, resignation or retirement, all full-time employees, other than policeman and firemen, will be reimbursed for accrued vacation time up to 120 hours. Policeman and firemen, upon termination, resignation or retirement, will be reimbursed for accrued sick and vacation time according to civil service regulations. For all other employees, sick leave is not paid at termination or retirement.

All vacation and qualifying sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

### **4. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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 public utility fund, airport fund, cemetery operating, and sanitation funds are charges to customers for sales and services. The public utility fund 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 enterprise funds and

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

internal service funds 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 non-operating revenues and expenses.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.**

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, I&S for CO bonds, hotel/motel tax, main street revenue, municipal court security and technology, tax increment fund, drainage, transportation user fee, and enterprise funds. Capital project funds have no binding annual budget. Project-length financial plans are adopted for all capital projects; accordingly, no comparison of budget to actual is presented in the financial statements. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the fund level. No funds can be transferred or added which affect the total fund expenditures without City Council approval. Appropriations lapse at the end of the year. Several supplemental budget appropriations were made during the year.

# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2021

#### A. Expenditures Over Appropriations

For the year ended September 30, 2021, expenditures exceeded appropriations at the legal level of control as follows:

Transportation User Fee	\$554,079
I&S for CO Bonds	\$11,745
Drainage	\$688

#### B. Deficit Fund Balance

At September 30, 2021, the equipment services and equipment replacement funds have a deficit net position of \$82,881 and \$59,546, respectively. The deficits will be eliminated in the future through reimbursements from other funds.

#### C. Restricted/Committed Fund Equity

The City records fund balance restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of fund balances restricted/committed by the City:

	<u>Restricted</u>	<u>Committed</u>
Debt service	\$ 952,961	\$ -
Capital projects	5,152,602	-
Cemetery land purchase	131,406	-
Municipal court	* 90,583	-
Moody museum	200,756	-
Library bequest funds	315,790	-
Roadway impact fees	391,048	-
PEG Fees	196,556	-
Public safety	9,381	-
Other purposes	240,862	-
ERCOT	-	375,000
Cattainer	-	24,300
Drainage	-	257,825
Road maintenance	-	1,410,906
<b>Total</b>	<u><u>\$ 7,681,945</u></u>	<u><u>\$ 2,068,031</u></u>

\* Restricted by enabling legislation

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of September 30, 2021, the primary government had the following investments:

<b>Investment Type</b>	<b>Value</b>	<b>Weighted Average Maturity (Years)</b>	<b>Credit Rating</b>
Municipal bonds	\$ 5,495,940	1.70	AAA
External investment pools	22,327,540	0.11	AAAm
Total fair value	<u>\$ 27,823,480</u>		
Portfolio weighted average maturity		0.36	

As of September 30, 2021, the component units had the following investments:

<b>Investment Type</b>	<b>Value</b>	<b>Weighted Average Maturity (Years)</b>	<b>Credit Rating</b>
External investment pools	\$ 238,203	0.12	AAAm
Total fair value	<u>\$ 238,203</u>		
Portfolio weighted average maturity		0.12	

*Interest rate risk* In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

*Credit risk:* The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2021, the City's investment in investment pools were rated AAAm by Standard & Poor's.

*Custodial credit risk – deposits:* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government

# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2021

obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2021, the market values of pledged securities and FDIC exceeded bank balances.

*Custodial credit risk – investments:* For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

#### **TexPool**

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. 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. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2021, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

#### **TexSTAR**

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 and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. 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. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated AAAM by Standard & Poor's. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2021

#### Texas CLASS

MBIA is a participant of the Texas CLASS program. Texas CLASS has been established for governmental entities pursuant to the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. 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 consultants for Texas CLASS, including the Program Administrator and the Custodian. MBIA's Texas CLASS is rated AAA by Fitch. There were no limitations or restrictions on withdrawals.

#### **B. Fair Value Measurement**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are remeasured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The City's financial instruments consist of cash and cash equivalents, investments in certificates of deposits maturing in greater than three months, and accounts receivable. The estimated fair value of cash, cash equivalents, investments, and accounts receivable approximate their carrying amounts due to the short-term nature of these instruments.

The following table sets forth by level, within the fair value hierarchy, the City's fair value measurements at September 30, 2021.

	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Municipal Bonds	\$ 5,495,940	\$ 5,495,940	\$ -	\$ -
Total Assets at fair value	<u>\$ 5,495,940</u>	<u>\$ 5,495,940</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

**C. Receivables**

The following comprise receivable balances of the primary government at year end:

<b>Governmental Activities</b>						<b>Total</b>
	<b>General</b>	<b>I&amp;S for CO Bonds</b>	<b>Capital Improvements</b>	<b>Transportation User Fee</b>	<b>Nonmajor Governmental</b>	
Property taxes	\$ 192,708	\$ 63,808	\$ -	\$ -	\$ -	\$ 256,516
Sales tax	788,065	-	-	-	-	788,065
Franchise taxes	228,169	-	-	-	-	228,169
Accounts	-	-	-	101,344	65,013	166,357
Other	211,144	-	6,087	-	472	217,703
Allowance	-	-	-	(16,793)	(15,048)	(31,841)
	<u>\$ 1,420,086</u>	<u>\$ 63,808</u>	<u>\$ 6,087</u>	<u>\$ 84,551</u>	<u>\$ 50,437</u>	<u>\$ 1,624,969</u>

<b>Business-Type Activities</b>					<b>Total</b>
	<b>Public Utilities</b>	<b>Airport</b>	<b>Cemetery Operating</b>	<b>Sanitation</b>	
Accounts	\$ 1,139,121	\$ 9,118	\$ 13,930	\$ 246,602	\$ 1,408,771
Allowance	(60,630)	-	-	(10,592)	(71,222)
	<u>\$ 1,078,491</u>	<u>\$ 9,118</u>	<u>\$ 13,930</u>	<u>\$ 236,010</u>	<u>\$ 1,337,549</u>

The Taylor Economic Development Corporation receivables consisted sales tax totaling \$263,127 and \$184,970 for the repayment related to the default of a performance obligation grant.

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

**D. Capital Assets**

A summary of changes in governmental activities capital assets for the year end was as follows:

	<b>Beginning Balances</b>	<b>Additions</b>	<b>Retirements/ Reclassifications</b>	<b>Ending Balances</b>
Capital assets, not being depreciated:				
Land	\$ 2,939,683	\$ 478,290	\$	\$ 3,417,973
Construction in progress	3,634,014	5,940,186	(201,307)	9,372,893
Total capital assets not being depreciated	<u>6,573,697</u>	<u>6,418,476</u>	<u>(201,307)</u>	<u>12,790,866</u>
Capital assets, being depreciated:				
Streets and bridges	54,706,521	188,960	-	54,895,481
Parks and dams	19,085,371	-	201,307	19,286,678
Sidewalks, curbs and gutters	3,789,523	-	-	3,789,523
Buildings and improvements	11,483,787	296,747	-	11,780,534
Operating equipment	3,448,407	474,437	-	3,922,844
Equipment in internal service funds	7,655,230	596,726	(69,949)	8,182,007
Total capital assets being depreciated	<u>100,168,839</u>	<u>1,556,870</u>	<u>131,358</u>	<u>101,857,067</u>
Less accumulated depreciation				
Streets and bridges	19,903,574	1,378,366	-	21,281,940
Parks and dams	4,217,483	585,325	-	4,802,808
Sidewalks, curbs and gutters	773,710	94,738	-	868,448
Buildings and improvements	4,077,916	344,081	-	4,421,997
Operating equipment	2,978,193	162,636	-	3,140,829
Equipment in internal service funds	4,414,619	984,173	(69,949)	5,328,843
Total accumulated depreciation	<u>36,365,495</u>	<u>3,549,319</u>	<u>(69,949)</u>	<u>39,844,865</u>
Net capital assets being depreciated	<u>63,803,344</u>	<u>(1,992,449)</u>	<u>201,307</u>	<u>62,012,202</u>
<b>Total Capital Assets</b>	<u><u>\$ 70,377,041</u></u>	<u><u>\$ 4,426,027</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 74,803,068</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 272,676
Community development	163,565
Public safety	649,438
Public works	1,479,467
Internal service funds	984,173
<b>Total Governmental Activities Depreciation Expense</b>	<u><u>\$ 3,549,319</u></u>

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

A summary of changes in business-type activities capital assets for the year end was as follows:

	<b>Beginning Balances</b>	<b>Additions</b>	<b>Retirements/ Reclassifications</b>	<b>Ending Balances</b>
Capital assets, not being depreciated:				
Land	\$ 1,317,035	\$ -	\$ -	\$ 1,317,035
Construction in progress	878,099	2,751,226	-	3,629,325
Total capital assets not being depreciated	<u>2,195,134</u>	<u>2,751,226</u>	<u>-</u>	<u>4,946,360</u>
Capital assets, being depreciated:				
Plant distribution and collection	49,924,766	220,362	-	50,145,128
Buildings	10,718,045	-	-	10,718,045
Runway	2,238,416	-	-	2,238,416
Equipment	971,513	370,795	-	1,342,308
Total capital assets being depreciated	<u>63,852,740</u>	<u>591,157</u>	<u>-</u>	<u>64,443,897</u>
Less accumulated depreciation				
Plant distribution and collection	21,678,591	1,063,012	-	22,741,603
Buildings	3,642,280	245,752	-	3,888,032
Runway	912,893	55,960	-	968,853
Equipment	794,779	60,137	-	854,916
Total accumulated depreciation	<u>27,028,543</u>	<u>1,424,861</u>	<u>-</u>	<u>28,453,404</u>
Net capital assets being depreciated	<u>36,824,197</u>	<u>(833,704)</u>	<u>-</u>	<u>35,990,493</u>
<b>Total Capital Assets</b>	<u><u>\$ 39,019,331</u></u>	<u><u>\$ 1,917,522</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 40,936,853</u></u>

Depreciation was charged to business-type activities as follows:

Public Utilities	\$ 1,260,666
Airport	163,693
Cemetery	502
<b>Total Business-type Activities Depreciation Expense</b>	<u><u>\$ 1,424,861</u></u>

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

A summary of changes in discretely presented component unit capital assets for the year end was as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases/ Reclassifications</b>	<b>Ending Balances</b>
Capital assets being depreciated				
Leasehold improvements	\$ 26,795	\$ -	\$ -	\$ 26,795
Commercial sign	17,244	1,550	-	18,794
Office Equipment	35,723	-	(533)	35,190
Total capital assets being depreciated	<u>79,762</u>	<u>1,550</u>	<u>(533)</u>	<u>80,779</u>
Less accumulated depreciation				
Leasehold improvements	3,574	1,724	-	5,298
Commercial sign	7,040	2,565	-	9,605
Office Equipment	30,799	1,751	-	32,550
Total Accumulated Depreciation	<u>41,413</u>	<u>6,040</u>	<u>-</u>	<u>47,453</u>
<b>Total Capital Assets, Net</b>	<u><u>\$ 38,349</u></u>	<u><u>\$ (4,490)</u></u>	<u><u>\$ (533)</u></u>	<u><u>\$ 33,326</u></u>

**E. Other Long-term Liabilities**

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general and enterprise funds to liquidate compensated absences.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 1,365,859	\$ 691,574	\$ (493,529)	\$ 1,563,904	\$ 1,407,514
Compensated Absences in internal service funds	4,945	8,719	(8,719)	4,945	4,451
<b>Total Governmental Activities</b>	<u><u>\$ 1,370,804</u></u>	<u><u>\$ 700,293</u></u>	<u><u>\$ (502,248)</u></u>	<u><u>\$ 1,568,849</u></u>	<u><u>\$ 1,411,965</u></u>
<b>Business-Type Activities:</b>					
Compensated Absences	\$ 29,840	\$ 38,014	\$ (38,014)	\$ 29,840	\$ 26,856
<b>Total Business-Type Activities</b>	<u><u>\$ 29,840</u></u>	<u><u>\$ 38,014</u></u>	<u><u>\$ (38,014)</u></u>	<u><u>\$ 29,840</u></u>	<u><u>\$ 26,856</u></u>
<b>Component Unit Activities - Taylor EDC</b>					
Compensated Absences	\$ 16,002	\$ 24,485	\$ (16,002)	\$ 24,485	\$ 22,037
<b>Total Component Unit Activities</b>	<u><u>\$ 16,002</u></u>	<u><u>\$ 24,485</u></u>	<u><u>\$ (16,002)</u></u>	<u><u>\$ 24,485</u></u>	<u><u>\$ 22,037</u></u>

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

**F. Long-term Debt**

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2021. In general, the City uses the debt service fund and general fund to liquidate governmental long-term liabilities and pension liabilities, respectively.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Refunds/ Payments</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds, notes and other payables:					
General Obligation Bonds	\$ 8,705,000	\$ 3,660,000	\$ (3,090,000)	\$ 9,275,000	\$ 1,690,000
Combination Tax and Revenue Certificates of Obligation	19,555,000	-	(2,815,000)	16,740,000	860,000
Revenue Certificates of Obligation - ISF	1,720,000	-	(195,000)	1,525,000	195,000
Less deferred amounts:					
For premiums	1,432,819	222,178	(248,449)	1,406,548	-
For premiums - ISF	43,892	-	(4,389)	39,503	-
Total Bonds Payable	<u>31,456,711</u>	<u>3,882,178</u>	<u>(6,352,838)</u>	<u>28,986,051</u>	<u>2,745,000</u>
Note Payable - internal service fund	210,440	406,722	(137,447)	479,715	151,555
Capital Lease - internal service fund	1,078,203	232,528	(242,792)	1,067,939	213,073
<b>Total Governmental Activities</b>	<u>\$ 32,745,354</u>	<u>\$ 4,521,428</u>	<u>\$ (6,733,077)</u>	<u>\$ 30,533,705</u>	<u>\$ 3,109,628</u>
<b>Long-term liabilities due in more than one year</b>				<u>\$ 27,424,077</u>	
<b>Business-Type Activities:</b>					
General Obligation Bonds	\$ 8,410,000	\$ 375,000	\$ (885,000)	\$ 7,900,000	\$ 515,000
Combination Tax and Revenue Certificates of Obligation	16,560,000	-	(1,295,000)	15,265,000	1,345,000
Less deferred amounts:					
For premiums	1,166,509	22,764	(129,332)	1,059,941	-
Total Bonds Payable	<u>26,136,509</u>	<u>397,764</u>	<u>(2,309,332)</u>	<u>24,224,941</u>	<u>1,860,000</u>
<b>Total Business-Type Activities</b>	<u>\$ 26,136,509</u>	<u>\$ 397,764</u>	<u>\$ (2,309,332)</u>	<u>\$ 24,224,941</u>	<u>\$ 1,860,000</u>
<b>Long-term liabilities due in more than one year</b>				<u>\$ 22,364,941</u>	

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

Long-term debt applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund. The general fund has typically been used to liquidate the liability for compensated absences for governmental activities. Capital leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset. The Taylor EDC has an unused line of credit totaling \$3,500,000. Assets under capital lease have a net book value of \$808,733 of year end.

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

Long-term debt at year end was comprised of the following debt issues:

	<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>Total</b>
<b>General Obligation Bonds:</b>			
\$3,945,000 General Obligation Refunding Bonds, Series 2010, due in installments through 2022, interest at 1.5% to 4%	\$ 90,000	\$ 25,000	\$ 115,000
\$4,595,000 General Obligation Refunding Bonds, Series 2015, due in installments through 2025, interest at 2.9%	1,500,000	1,140,000	2,640,000
\$8,010,000 General Obligation Refunding Bonds, Series 2016, due in installments through 2034, interest at 4%	2,945,000	5,065,000	8,010,000
\$3,020,000 General Obligation Refunding Bonds, Series 2017, due in installments through 2029, interest at 2% to 4%	1,080,000	1,295,000	2,375,000
\$4,035,000 General Obligation Refunding Bonds, Series 2021, due in installments through 2032, interest at 3%	3,660,000	375,000	4,035,000
<b>Total General Obligation Bonds</b>	<b>\$ 9,275,000</b>	<b>\$ 7,900,000</b>	<b>\$ 17,175,000</b>
<b>Combination Tax and Revenue Certificates of Obligation:</b>			
\$4,200,000 Combination Tax and Revenue Certificates of Obligation, Series 2006, due in annual installments through 2026, interest at 4.45%	\$ -	\$ 2,940,000	\$ 2,940,000
\$10,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2007, due in annual installments through 2027, interest at 3.83%	2,400,000	4,520,000	6,920,000
\$3,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2013, due in annual installments through 2033, interest at 4%	2,770,000	-	2,770,000
\$5,340,000 Combination Tax and Revenue Certificates of Obligation, Series 2017, due in annual installments through 2037, interest at 2.9-3.25%	1,255,000	3,545,000	4,800,000
\$5,440,000 Combination Tax and Revenue Certificates of Obligation, Series 2018, due in annual installments through 2030, interest at 3%	4,175,000	-	4,175,000
\$12,590,000 Combination Tax and Revenue Certificates of Obligation, Series 2019, due in annual installments through 2044, interest at 2.75%	7,665,000	4,260,000	11,925,000
<b>Total Combination Tax and Revenue/Certificates of Obligation</b>	<b>\$ 18,265,000</b>	<b>\$ 15,265,000</b>	<b>\$ 33,530,000</b>

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

	<b>Governmental Activities</b>	<b>Type Activities</b>	<b>Total</b>
Less deferred amounts:			
Discounts and premiums	\$ 1,446,051	\$ 1,059,941	\$ 2,505,992
<b>Notes Payable</b>			
\$354,000 Note Payable to Signature Bank, due in annual installments of \$75,167 through August 2022, interest at 2.98%	72,992	-	72,992
\$406,7220 Note Payable to Government Capital, due in annual installments of \$88,844 through October 2025, interest at 2.49%	406,722	-	406,722
<b>Capital Leases Payable:</b>			
\$53,931 Capital lease payable to John Deere, due in monthly installments of \$4,733 through 2017, interest at 3.25%	14,001	-	14,001
\$27,372 Capital lease payable to John Deere, due in monthly installments of \$229 through 2018, interest at 3.25%	6,790	-	6,790
\$72,633 Capital lease payable to Wells Fargo, due in monthly installments of \$28,815 through 2017, interest at 3.25%	3,218	-	3,218
\$52,750 Capital lease payable to Wells Fargo, due in monthly installments of \$28,815 through 2017, interest at 3.25%	13,378	-	13,378
\$1,030,100 Capital lease payable to Community Leasing, due in annually installments of \$91,322 through 2030, interest at 3.79%	685,553	-	685,553
\$192,000 Capital lease payable to Frost Bank, due in annual installments of \$41,076 through 2023, interest at 3.48%	78,047	-	78,047
\$163,750 Capital lease payable to Clayton Holdings, LLC, due in annual installments of \$34,550.64 through 2024, interest at 2.25%	81,164	-	81,164
\$232,528 Capital lease payable to US Bank, due in annual installments of \$48,148.05 through 2025, interest at 1.42%	185,789	-	185,789
Total Notes and Capital Leases Payable	<u>1,547,654</u>	<u>-</u>	<u>1,547,654</u>
<b>Total Debt</b>	<u><u>\$ 30,533,705</u></u>	<u><u>\$ 24,224,941</u></u>	<u><u>\$ 54,758,646</u></u>

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

The annual requirements to amortize the City's long-term activities debt issues outstanding at year ending were as follows:

General Obligation Bonds

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 1,690,000	\$ 296,804	\$ 515,000	\$ 290,090
2023	1,305,000	250,756	515,000	276,251
2024	985,000	214,172	375,000	262,283
2025	845,000	187,417	535,000	252,060
2026	575,000	163,400	530,000	238,400
2027	265,000	142,700	1,255,000	217,200
2028	475,000	134,400	1,950,000	167,000
2029	525,000	117,800	330,000	89,000
2030	535,000	99,300	355,000	75,800
2031	555,000	80,400	360,000	61,600
2032	575,000	59,450	380,000	47,200
2033	465,000	37,800	395,000	32,000
2034	480,000	19,200	405,000	16,200
<b>Total</b>	<b>\$ 9,275,000</b>	<b>\$ 1,803,599</b>	<b>\$ 7,900,000</b>	<b>\$ 2,025,084</b>

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

Certificates of Obligation

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 1,055,000	\$ 675,854	\$ 1,345,000	\$ 569,462
2023	1,095,000	635,674	1,420,000	514,188
2024	1,470,000	593,844	1,665,000	456,066
2025	1,680,000	546,799	1,585,000	389,578
2026	2,030,000	482,079	1,665,000	325,587
2027	2,090,000	403,911	1,025,000	255,952
2028	1,435,000	323,474	420,000	215,754
2029	1,250,000	267,939	430,000	200,424
2030	1,050,000	222,459	445,000	186,249
2031	745,000	185,134	460,000	171,584
2032	775,000	156,764	475,000	156,374
2033	675,000	127,194	495,000	140,674
2034	340,000	100,194	510,000	124,284
2035	350,000	86,594	525,000	107,404
2036	365,000	72,594	545,000	89,979
2037	385,000	57,994	565,000	71,919
2038	395,000	46,444	220,000	54,094
2039	405,000	34,594	225,000	47,494
2040	125,000	21,938	235,000	40,463
2041	130,000	17,875	240,000	32,825
2042	135,000	13,650	250,000	25,025
2043	140,000	9,263	255,000	16,900
2044	145,000	4,713	265,000	8,613
<b>Total</b>	<b>\$ 18,265,000</b>	<b>\$ 5,086,972</b>	<b>\$ 15,265,000</b>	<b>\$ 4,200,888</b>

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

The annual requirements to amortize capital leases outstanding at year ending were as follows:

Year ending September 30,	Governmental Activities		Total
	Principal	Interest	
2022	\$ 213,073	\$ 34,339	\$ 247,412
2023	192,436	28,462	220,898
2024	132,962	23,067	156,028
2025	120,512	18,958	139,470
2026	75,822	15,500	91,322
2027	78,696	12,626	91,322
2028	81,679	9,643	91,322
2029	84,774	6,548	91,322
2030	87,986	3,335	91,321
<b>Total</b>	<b>\$ 1,067,939</b>	<b>\$ 152,477</b>	<b>\$ 1,220,416</b>

The annual requirements to amortize notes and other obligations payable outstanding at year ending were as follows:

Year ending September 30,	Governmental Activities		Total
	Principal	Interest	
2022	\$ 151,555	\$ 12,456	\$ 164,011
2023	80,520	8,324	88,844
2023	82,525	6,319	88,844
2024	84,580	4,265	88,844
2024	80,535	2,158	82,693
<b>Total</b>	<b>\$ 479,715</b>	<b>\$ 33,522</b>	<b>\$ 513,237</b>

**G. Deferred Charges on Refunding**

Deferred charges (gains) resulting from the issuance of series 2010, 2012, 2015, 2016, 2017, and 2021 general obligation refunding bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding bonds. Current year balances for governmental and business-type activities totaled \$140,679 and \$457,766, respectively. Current year amortization expense for governmental and business-type activities totaled \$29,271 and \$47,636, respectively.

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

**H. Current Refunding**

On August 24, 2021, the City issued \$4,035,000 worth of general obligation refunding bonds, series 2021, with average interest rates of 3%. The bonds will be used to pay \$1,835,000 worth of 2012 certificates of obligation and \$2,335,000 worth of 2012 general obligation refunding bonds, with average interest rates of 2-3%. The net proceeds of \$4,179,444 (including a \$244,943 premium and after payment of \$100,498 in underwriting fees and other issuance costs) were utilized for payment on the refunded bonds. As a result, the 2012 certificates of obligation and general obligation bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price was less than the net carrying amount of the old debt by \$110,634. This amount is being amortized over the remaining life of the refunding debt. The current refunding will reduce its total debt service payments over 5 years by \$243,766 and obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$192,872.

**I. Interfund Transactions**

Transfers between the primary government funds during the 2021 year were as follows:

Transfer out:	Transfer In:						Total
	General	Capital Improvements	I&S for CO Bonds	Nonmajor Government	Cemetery Operating	Equipment Replacement	
General	\$ -	\$ -	\$ -	\$ 14,600	\$ -	\$ -	\$ 14,600
Capital Improvements	25,286	-	-	-	-	-	25,286
I&S for CO Bonds	-	-	-	-	-	246,600	246,600
Transportation	-	2,946,731	-	-	-	-	2,946,731
Nonmajor Governmental	180,000	-	279,750	5,000	700	-	465,450
Public Utilities	1,600,000	-	-	-	-	-	1,600,000
Airport	15,000	-	-	-	-	-	15,000
Sanitation	164,200	-	-	-	-	-	164,200
<b>Total</b>	<b>\$ 1,984,486</b>	<b>\$ 2,946,731</b>	<b>\$ 279,750</b>	<b>\$ 19,600</b>	<b>\$ 700</b>	<b>\$ 246,600</b>	<b>\$ 5,477,868</b>

Transfers between general, transportation and capital improvements were primarily to support capital projects. Transfers between the enterprise funds to the general fund were for franchise fees and contributions for operations. Transfers between to I&S CO Bonds were for debt service payments. Transfers to the equipment replacement fund were for equipment purchases.

During the year, the Tax Increment Financing discretely present component unit contributed \$342,150 and \$20,000 to the I&S for CO Bonds and Main Street Revenue funds, respectively, for debt service and capital funding.

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

The compositions of interfund balances as of the year ended September 30, 2021 were as follows:

<b>Payable Fund:</b>	<b>Receivable Fund:</b>		<b>Total</b>
	<b>General</b>	<b>I&amp;S For CO Bonds</b>	
General	\$ -	\$ 141,803	141,803
Nonmajor governmental	162,532	-	162,532
<b>Total</b>	<b>\$ 162,532</b>	<b>\$ 141,803</b>	<b>\$ 304,335</b>

Interfund receivables and payables relate to various amounts used to cover operational and capital expenditures. All balances are expected to be resolved in the subsequent year.

**V. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with over 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

**B. Commitments and Contingent Liabilities**

Amounts received or receivable from granting 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 amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

**C. Construction Commitments**

In June 2020, the City of Taylor awarded a bid for the 2019 Infrastructure Bond Street Reconstruction Project in the amount of \$5,560,514. As of September 30, 2021 this project had \$518,576 remaining.

# City of Taylor, Texas

## *NOTES TO FINANCIAL STATEMENTS, Continued*

### September 30, 2021

In December 2020, the City of Taylor awarded a bid for the construction of improvements at the Mustang Creek Wastewater Treatment Plant Train 1 in the amount of \$1,583,440. As of September 30, 2021, this project had \$525,522 remaining.

In February 2021, the City of Taylor awarded a bid for the construction of lighting at Robinson Park and Peirce Park in the amount of \$109,982. As of September 30, 2021, this project had \$57,100 remaining.

In May 2021, the City of Taylor awarded a bid for the construction of drainage improvements at 1<sup>st</sup>/Royal/Walnut Streets in the amount of \$267,787. As of September 30, 2021, this project had \$267,787 remaining.

In August 2021, the City of Taylor awarded a bid for the construction of Taylor Regional Park/Doak Park improvements in the amount of \$1,477,926. As of September 30, 2021, this project had \$1,477,926 remaining.

#### **D. Defined Benefit Pension Plans**

##### **1. Plan Description**

The City of Taylor, Texas participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

##### **2. 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 payments

# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2021

options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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

	<u>Plan Year 2019</u>	<u>Plan Year 2020</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	1.5 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI	30% of CPI
Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

#### **Employees covered by benefit terms**

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

Inactive employees or beneficiaries currently receiving benefits	108
Inactive employees entitled to but not yet receiving benefits	124
Active employees	<u>153</u>
<b>Total</b>	<b><u>385</u></b>

### **3. Contributions**

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

Employees for the City of Taylor, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Taylor, Texas were

# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2021

12.70% and 13.18% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were \$1,215,943, and were equal to the required contributions.

#### **4. Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

#### **Actuarial assumptions**

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

(expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

**Discount Rate**

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

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

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

**Changes in the Net Pension Liability**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
<b>Balance at 12/31/19</b>	\$ 33,927,845	\$ 29,268,458	\$ 4,659,387
Changes for the year:			
Service cost	1,445,657	-	1,445,657
Interest	2,285,948	-	2,285,948
Change in benefit terms	-	-	-
Difference between expected and actual experience	(434,362)	-	(434,362)
Changes of assumptions	-	-	-
Contributions – employer	-	1,138,244	(1,138,244)
Contributions – employee	-	627,378	(627,378)
Net investment income	-	2,222,717	(2,222,717)
Benefit payments, including refunds of emp. contributions	(1,569,543)	(1,569,543)	-
Administrative expense	-	(14,376)	14,376
Other changes	-	(561)	561
Net changes	1,727,700	2,403,859	(676,159)
<b>Balance at 12/31/20</b>	<b>\$ 35,655,545</b>	<b>\$ 31,672,317</b>	<b>\$ 3,983,228</b>

**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 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 9,396,676	\$ 3,983,228	\$ (414,290)

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

For the year ended September 30, 2021, the City recognized pension expense of \$848,824.

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between projected and investment earnings	\$ -	\$ 832,222
Changes in actuarial assumptions	106,826	-
Differences between expected and actual economic experience	-	148,428
Contributions subsequent to the measurement date	900,887	-
<b>Total</b>	<b>\$ 1,007,713</b>	<b>\$ 980,650</b>

The City reported \$900,887 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended December 31:**

2021	\$ (267,806)
2022	(6,910)
2023	(549,689)
2024	(49,419)
2025	-
Thereafter	-
	<b>\$ (873,824)</b>

**E. Other Post-Employment Benefits**

**Supplemental Death Benefits Fund**

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

# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2021

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); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The 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 employees' entire careers.

#### **Employees covered by benefit terms**

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

Inactive employees or beneficiaries currently receiving benefits	70
Inactive employees entitled to but not yet receiving benefits	24
Active employees	153
Total	247

The City's contributions to the TMRS SDBF for the years ended 2021, 2020 and 2019 were \$14,040, \$6,251 and \$5,982, respectively, which equaled the required contributions each year.

#### Schedule of Contribution Rates (*RETIREE-only portion of the rate*)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2019	0.07%	0.07%	100.0%
2020	0.07%	0.07%	100.0%
2021	0.18%	0.18%	100.0%

#### **Total OPEB Liability**

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2020, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2021

#### Actuarial assumptions:

The Total OPEB Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%, including inflation per year
Discount rate	2.75%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. For service retirees and beneficiary mortality rates, the OPEB liability and the OPEB contribution rates utilized 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. Based on the size of the city, rates are multiplied by an additional factor of 100.0%. For disabled annuitants mortality rates, the OPEB liability and the OPEB contribution rates utilized the 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.

#### Discount Rate:

The discount rate used to measure the Total OPEB Liability was 2.00%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

#### Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

1% Decrease (1.75%)	Current Single Rate Assumption 2.75%	1% Increase (3.75%)
\$ 717,903	\$ 583,835	\$ 481,253

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

**Changes in the Total OPEB Liability:**

	<b>Total OPEB Liability</b>
<b>Balance at 12/31/18</b>	<b>\$ 516,491</b>
Changes for the year:	
Service Cost	27,784
Interest	14,499
Difference between expected and actual experience	(48,165)
Changes of assumptions	79,500
Benefit payments	(6,274)
Net changes	67,344
<b>Balance at 12/31/19</b>	<b>\$ 583,835</b>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2021, the City recognized OPEB expense of \$56,594.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 60,801
Change in assumptions	113,390	-
Contributions subsequent to measurement date	12,303	-
<b>Total</b>	<b>\$ 125,693</b>	<b>\$ 60,801</b>

The City reported \$12,303 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2022.

# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2021

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:		
2021	\$	14,311
2022		11,789
2023		11,867
2024		12,517
2025		2,105
Thereafter		-
	\$	<u>52,589</u>

#### **Health Care Benefit Provided by Plan**

In addition to the contributions made to TMRS, the City provides certain other post-employment benefits to its retirees and dependents. This plan is considered a single-employer defined benefit plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and the fund is considered to be unfunded. Full time City of Taylor employees who retire from the City under the Texas Municipal Retirement System on or after January 1, 2000, and who are covered by the City of Taylor group hospitalization and medical insurance at the time of retirement, will be eligible to receive current health plan which is an 80/20 HMO insurance plan that includes a \$500 deductible for individual and a \$1,000 deductible for family medical insurance provided by the City to its employees, from the date of retirement until the 5th anniversary date after retirement. The City will pay the full premiums for the HMO insurance coverage for any retiree who retired between January 1, 2000 and August 11, 2005 until the 5th anniversary date after retirement unless anyone of the three events listed below, also pertaining to retirements after August 11, 2005, occurs. Employees retiring after August 11, 2005, shall not receive full premium payment from the City. The City will pay only the premium amount paid by the City for its active employees provided the retiree pays the difference, if any, between the amount paid by the City for active employees and the full premium required for the retiree HMO insurance coverage.

Payments by the City will continue until the 5th anniversary date after retirement unless any one of the following three events occurs:

1. The retiree attains the age of 65 years, or;
2. The retiree becomes eligible for hospitalization and medical insurance coverage by virtue of other employment; or
3. The retiree becomes eligible for disability retirement provided by the Federal Government that is paid for less than a 100% disability of the retiree.

# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

### Deferred Retirement Benefits

Employees who terminate their employment but do not formally retire under the Texas Municipal Retirement System are not eligible for retiree health care benefits. An employee must be covered by the City of Taylor's health insurance plan at the time of retirement.

### Duty Death in Service Retirement Benefits

With the passage of SM 872, the City of Taylor will be required to do the following:

1. To provide health benefit coverage to the surviving spouse of a peace officer or firefighter killed in the line of duty at the same rate paid by current employees;
2. Allows an eligible survivor up to 180 days to apply for health coverage;
3. To provide an eligible surviving spouse coverage until the surviving spouse becomes eligible for federal Medicare benefits;
4. To provide an eligible minor coverage until the minor turns 18.

### Non-duty in Service Retirement Benefits

Survivors of employees who die while actively employed are not eligible for retiree health care benefits.

### Duty and Non-duty Disabled Retirement Benefits

Employees who retire under a disability retirement are eligible for retiree health care benefits as long as they are covered on the health insurance plan at the time of retirement and meet the criteria as listed under the normal retirement benefits.

### Benefits for Spouses of Retired Employees

Retiree may purchase retiree health care coverage for eligible spouses and dependents at their own expense. Surviving spouses and dependents of deceased retired member's insurance coverage will terminate the end of the month the retiree dies.

### Non-Medicare and Medicare-Eligible Provisions

City of Taylor coverage ceases when the retiree becomes eligible for Medicare coverage. Retirees are required to enroll in Medicare once they are eligible. Retiree pays full Medicare premiums.

### Vision Coverage

Vision coverage is part of the health insurance plan at no extra cost.

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

Dental Coverage

City of Taylor does not offer dental coverage for retirees or their dependents. This is offered as Cobra insurance. If the retiree is interested then the retiree pays the premium.

Life Insurance Coverage

Life insurance coverage is part of the Pension plan at \$7,500 for retirees and one times the annual salary for active employees.

Retiree Opt-Out

Retirees who decide to opt-out of the retiree health care plan will not be eligible to opt back in when coverage from cobra or another entity ceases. There is no additional premium payment provided for those who opt out of the retiree health care plan.

Benefits Paid By the Plan

Retiree medical coverage is the same coverage provided to active City of Taylor employees in accordance with the term and conditions of the current City's health plan. Employees retiring after August 11, 2005 the City of Taylor will play only the premium amount paid by the City for its active employees provided the retiree pays the difference.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.25%. The discount rate was based on the Bond Buyer GO Bond 20 Year Index rate as of September 30, 2020, date of the actuarial valuation.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 2.25%, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

1% Decrease (1.25%)	Current Single Rate Assumption 2.25%	1% Increase (3.25%)
\$ 964,693	\$ 891,528	\$ 823,018

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

Healthcare Cost Trend

1% Decrease (3.5%)	Current Healthcare Cost Trend (4.5%)	1% Increase (5.5%)
\$ 795,207	\$ 891,528	\$ 1,004,059

Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at 9/30/2020</b>	\$ 839,411
Changes for the year:	
Service Cost	67,723
Interest	20,010
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments	(35,616)
Net changes	52,117
<b>Balance at 9/30/2021</b>	<b>\$ 891,528</b>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of \$103,213.

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

	<b>Deferred Outflows of Resources</b>
Difference between expected and actual experience	\$ 34,988
Change in assumptions	58,506
<b>Total</b>	<b>\$ 93,494</b>

# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2021

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:		
2022	\$	15,480
2023		15,480
2024		15,480
2025		15,480
2026		15,480
Thereafter		16,094
	\$	<u>93,494</u>

#### Employees covered by benefit terms

At the September 30, 2020 valuation date, the following employees were covered by the benefit terms:

<u>Status</u>	<u>Employee</u>	<u>Employee &amp; Spouse</u>
Inactive employees or beneficiaries currently receiving benefits	1	2
Active employees	91	53
Total	92	55

#### Funding Status and Funding Progress

Actuarial valuations of an ongoing program involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Program, assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The current valuation dated September 30, 2020 and measured as of September 30, 2021 uses the mortality table: RPH 2014 Total Table with Projection MP-2019 and turnover: rates varying based on genera, age, and select and ultimate at 9 years. Rates based on the TMRS actuarial assumptions from the 2017 retirement plan valuation report.

#### Actuarial Methods and Assumptions

There have been no substantive changes in the retiree plan since the last full valuation. Therefore, the interim-year projection study is based on the census information, benefit

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

schedules and costs for the fiscal year 2020 actuarial valuation for the development of the GASB 75 disclosures related to OPEB benefits for the year ended September 30, 2021 and roll forward using a measurement date of September 30, 2021.

Projections of benefits for financial reporting purposes are based on the substantive program (the program as understood by the employer and the Program members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Program members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following is a summary of the actuarial assumptions:

Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percent-of-Payroll
Asset Valuation Method	N/A
Discount Rate	2.25%
Inflation Rate	2.5%
Salary Growth	3.0%
Healthcare Cost Trend Rate (Initial/Ultimate)	4.5% for medical

The amount of OPEB expenses during the year were \$56,594 and \$103,213 for the SDB and Retiree Healthcare plans, respectively, totaling \$159,807.

**F. Deferred Compensation Plan**

The City has established a deferred compensation plan (the 457 plan) in accordance with Internal Revenue Code, Section 457. The 457 plan, available to all employees, permits them to defer a portion of their salaries until future years. The benefits of the plan are not available to employees until termination, retirement, or unforeseeable emergency. Benefits are available to employee's beneficiaries in case of death.

All amounts of compensation deferred under the 457 plan, all property rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan) subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of the general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the City that the City has no liability for investment losses under the 457 plan, but does have the duty of due care that would be required of an ordinary prudent

# City of Taylor, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2021

investor. The City believes that it is unlikely that it will use the 457 plan assets to satisfy the claims of general creditors in the future.

The City's deferred compensation plan is administered by a private corporation under contract with the City. Participant and City contributions totaled \$112,268 for the year ended September 30, 2021.

#### G. Tax Abatement Disclosures

The City of Taylor negotiates property tax abatement agreements on an individual basis. The City has tax abatement agreements with three entities as of September 30, 2021:

<u>Purpose</u>	<u>Percentage of Taxes Abated during the Fiscal Year</u>	<u>Amount of Taxes Abated during the Fiscal Year Property Tax</u>	<u>Amount of Taxes Abated during the Fiscal Year Sales Tax</u>
Construction of a hotel with a minimum of 65 rooms to create positive economic benefits through employment and tax revenue.	100%	\$ 36,603	\$ -
Construction of a 60,000 sf regional manufacturing and retail facility to create positive economic benefits through employment and tax revenue.	50%	-	16,143
Construction and operation of a window manufacturing business create positive economic benefits through employment and tax revenue.	50%	5,026	-
<b>Total</b>		<u><u>\$ 41,629</u></u>	<u><u>\$ 16,143</u></u>

Each agreement was negotiated under Article III, Section 52-a, Texas Constitution, and Chapter 380, Texas Local Gov't Code, stating that the City may establish and provide for the administration of a program for making loans and grants of public money to promote state or local economic development and to stimulate business and commercial activity in the municipality. The agreement is in accordance with Section 501.103, Texas Local Gov't Code. Taxes were abated through a rebate of taxes received. Recipients of the sales tax abatements agree to operate within the City limits through the term of their agreement.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. The City has chosen to disclose information about its tax abatement agreements individually. It established a quantitative threshold of 100% percent of the total dollar amount of taxes abated during the year.

**City of Taylor, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

**H. Restatement**

Due to an accounting error relating to timing of grant revenue, the City restated beginning net position/fund balance of the governmental activities and capital improvements fund. The restatement of beginning net position/fund balance is as follows:

	<u>Governmental Activities</u>	<u>Capital Improvements</u>
Prior year ending net position/ fund balance, as reported	\$ 50,959,655	\$ 5,461,626
To correct timing of expenditures incurred	11,875	11,875
Restated beginning net position/fund balance	<u>\$ 50,971,530</u>	<u>\$ 5,473,501</u>

**I. Subsequent Events**

The City has issued an intent to issue \$24,900,000 worth of certificates of obligation. The authorization is scheduled to occur and be approved by City Council on March 10, 2022.

The City entered into a Development Review Services contract in order to expedite the development review and approval of the construction and development of a semiconductor production fabrication plant on land that will be utilized for construction of a manufacturing facility. The Company will provide an advance of \$500,000 to be placed in escrow and utilized as necessary to complete the development review. The advance can be increased up to \$5,000,000 if necessary.

The City entered into an escrow agreement with a manufacturing company that requires the construction of water and wastewater facilities on land that will be utilized for construction of a manufacturing facility. In order to expedite the construction of these facilities, the Company will advance \$12,409,811 in funding to be placed in escrow and utilized for the construction of water and wastewater facilities. The City is to repay the entire amount of escrow funds utilized to the Company 120 days after the execution the agreement provided the City receives funds from the issuance of revenue bonds.

There were no other material subsequent events through March 15, 2022, the date the financial statements were issued.

## ***REQUIRED SUPPLEMENTARY INFORMATION***

# City of Taylor, Texas

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

### GENERAL FUND (Page 1 of 2)

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property tax	\$ 7,592,000	\$ 7,763,551	\$ 7,689,675	\$ (73,876)
Sales tax	3,140,000	4,181,521	4,312,637	131,116
Franchise and local taxes	880,000	776,593	848,754	72,161
License and permits	494,800	924,048	922,614	(1,434)
Charges for services	272,400	371,999	375,580	3,581
Fines and forfeitures	266,500	168,558	169,110	552
Intergovernmental	127,700	202,863	511,373	308,510
Investment income	154,000	11,276	11,524	248
Other revenues	211,700	1,425,027	1,120,758	(304,269)
<b>Total Revenues</b>	<b>13,139,100</b>	<b>15,825,436</b>	<b>15,962,025</b>	<b>136,589</b>
<b>Expenditures</b>				
Current:				
General government				
City council	195,588	275,961	275,959	2
City management	668,015	689,089	689,089	-
Public information	196,018	174,224	174,224	-
Human resources	236,632	268,114	267,064	1,050
Financial services	603,991	599,062	599,945	(883)
Municipal court	404,147	340,719	340,769	(50)
Building maintenance	497,746	559,823	558,843	980
Information technology	263,243	289,921	287,036	2,885
Nondepartmental	644,800	1,083,531	1,042,701	40,830
Total general government	3,710,180	4,280,444	4,235,630	44,814
Culture and recreation				
Moody museum	9,895	6,644	6,644	-
Public library	476,966	471,009	462,895	8,114
Parks and recreation	1,041,308	1,427,293	1,286,165	141,128
Total culture and recreation	1,528,169	1,904,946	1,755,704	149,242

# City of Taylor, Texas

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

### GENERAL FUND (Page 2 of 2)

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community development				
Planning and development	\$ 1,037,671	\$ 1,210,445	\$ 1,215,233	\$ (4,788)
Main Street program	112,655	101,013	99,948	1,065
Total community development	1,150,326	1,311,458	1,315,181	(3,723)
Public safety				
Fire department	2,647,342	3,066,956	3,076,461	(9,505)
Police department	4,005,311	4,162,647	4,157,483	5,164
Animal control	224,561	250,768	240,917	9,851
Total public safety	6,877,214	7,480,371	7,474,861	5,510
Public works				
Maintenance	1,705,624	1,784,293	1,785,103	(810)
Public works administration	5,000	8,781	8,781	-
Engineering and inspection	150,000	275,442	275,442	-
Total public works	1,860,624	2,068,516	2,069,326	(810)
<b>Total Expenditures</b>	15,126,513	17,045,735	16,850,702	195,033
<b>Revenues Over (Under) Expenditures</b>	(1,987,413)	(1,220,299)	(888,677)	331,622
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	2,008,182	1,984,486	1,984,486	-
Transfers (out)	(14,600)	(14,600)	(14,600)	-
<b>Total Other Financing Sources (Uses)</b>	1,993,582	1,969,886	1,969,886	-
<b>Net Change in Fund Balance</b>	\$ 6,169	\$ 749,587	1,081,209	\$ 331,622
Beginning fund balance			7,221,196	
<b>Ending Fund Balance</b>			<u>\$ 8,302,405</u>	

#### Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

\* Expenditures exceeded appropriations at the legal level of control.

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**City of Taylor, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**TRANSPORTATION USER FEE**  
**For the Year Ended September 30, 2021**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Charges for services	\$ 789,500	\$ 767,557	\$ 823,043	\$ 55,486
Investment income	3,000	953	959	6
<b>Total Revenues</b>	<b>792,500</b>	<b>768,510</b>	<b>824,002</b>	<b>55,492</b>
<b><u>Expenditures</u></b>				
Public works	470,300	417,992	413,123	4,869
Debt service:				
Principal	135,000	135,000	135,000	-
Interest	155,919	155,919	155,919	-
<b>Total Expenditures</b>	<b>761,219</b>	<b>708,911</b>	<b>704,042</b>	<b>4,869</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>31,281</b>	<b>59,599</b>	<b>119,960</b>	<b>60,361</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers (out)	-	(2,392,652)	(2,946,731)	(554,079) *
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(2,392,652)</b>	<b>(2,946,731)</b>	<b>(554,079)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 31,281</b>	<b>\$ (2,333,053)</b>	<b>(2,826,771)</b>	<b>\$ (493,718)</b>
Beginning fund balance			4,237,677	
<b>Ending Fund Balance</b>			<b>\$ 1,410,906</b>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

\* Expenditures exceeded appropriations at the legal level of control.

# City of Taylor, Texas

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	12/31/2020	12/31/2019	12/31/2018
Total pension liability			
Service cost	\$ 1,445,657	\$ 1,401,414	\$ 1,182,552
Interest	2,285,948	2,112,720	2,033,920
Changes in benefit terms	-	(645,002)	-
Differences between expected and actual experience	(434,362)	368,547	(21,953)
Changes of assumptions	-	239,530	-
Benefit payments, including refunds of participant contributions	(1,569,543)	(1,586,423)	(1,396,663)
<b>Net change in total pension liability</b>	<b>1,727,700</b>	<b>1,890,786</b>	<b>1,797,856</b>
<b>Total pension liability - beginning</b>	<b>33,927,845</b>	<b>32,037,059</b>	<b>30,239,203</b>
<b>Total pension liability - ending (a)</b>	<b>35,655,545</b>	<b>33,927,845</b>	<b>32,037,059</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 1,138,244	\$ 1,035,374	\$ 963,711
Contributions - members	627,378	610,069	567,366
Net investment income	2,222,717	3,916,028	(778,480)
Benefit payments, including refunds of participant contributions	(1,569,543)	(1,586,423)	(1,396,663)
Administrative expenses	(14,376)	(22,115)	(15,038)
Other	(561)	(664)	(786)
<b>Net change in plan fiduciary net position</b>	<b>2,403,859</b>	<b>3,952,269</b>	<b>(659,890)</b>
<b>Plan fiduciary net position - beginning</b>	<b>29,268,458</b>	<b>25,316,189</b>	<b>25,976,079</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 31,672,317</b>	<b>\$ 29,268,458</b>	<b>\$ 25,316,189</b>
<b>Fund's net pension liability - ending (a) - (b)</b>	<b>\$ 3,983,228</b>	<b>\$ 4,659,387</b>	<b>\$ 6,720,870</b>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	 88.83%	 86.27%	 79.02%
<b>Covered payroll</b>	<b>\$ 8,962,539</b>	<b>\$ 8,715,264</b>	<b>\$ 8,105,224</b>
<b>Fund's net pension liability as a percentage of covered payroll</b>	<b>44.44%</b>	<b>53.46%</b>	<b>82.92%</b>

### Notes to schedule:

1) This schedule is presented to illustrate the requirement to show information for ten calendar years. However, until a full ten-year trend is compiled, only available information is shown.

12/31/2017	12/31/2016	12/31/2015	12/31/2014 <sup>1</sup>
\$ 1,041,311	\$ 968,428	\$ 969,566	\$ 849,391
1,924,860	1,820,956	1,807,443	1,722,971
-	-	-	-
(109,310)	(103,381)	(453,575)	(316,854)
-	-	67,202	-
(1,226,886)	(1,139,378)	(1,327,734)	(889,978)
1,629,975	1,546,625	1,062,902	1,365,530
28,609,228	27,062,603	25,999,701	24,634,171
30,239,203	28,609,228	27,062,603	25,999,701
\$ 865,382	\$ 823,209	\$ 856,984	\$ 816,847
508,931	472,404	477,619	443,939
3,147,066	1,428,482	31,157	1,123,153
(1,226,886)	(1,139,378)	(1,327,734)	(889,978)
(16,304)	(16,128)	(18,976)	(11,725)
(826)	(867)	(937)	(964)
3,277,363	1,567,722	18,113	1,481,272
22,698,716	21,130,994	21,112,881	19,631,609
\$ 25,976,079	\$ 22,698,716	\$ 21,130,994	\$ 21,112,881
\$ 4,263,124	\$ 5,910,512	\$ 5,931,609	\$ 4,886,820
85.90%	79.34%	78.08%	81.20%
\$ 7,246,423	\$ 6,748,626	\$ 6,823,122	\$ 6,341,992
58.83%	87.58%	86.93%	77.05%

# City of Taylor, Texas

## SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Actuarially determined employer contributions	\$ 1,215,943	\$ 1,113,923	\$ 1,015,485	\$ 939,599
Contributions in relation to the actuarially determined contribution	\$ 1,215,943	\$ 1,113,923	\$ 1,015,485	\$ 939,599
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 9,316,011	\$ 8,711,109	\$ 8,545,927	\$ 7,900,339
Employer contributions as a percentage of covered payroll	13.05%	12.79%	11.88%	11.89%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

### NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

#### Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

#### Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

#### Other Information:

Notes 1) Decreased repeating COLA from 70% to 30%.  
2) Increased municipal matching ratio from 1.5 - 1 to 2 - 1.

<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<sup>1</sup>
\$ 853,691	\$ 812,004	\$ 830,507	
<u>\$ 853,691</u>	<u>\$ 812,004</u>	<u>\$ 830,507</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 7,124,866	\$ 6,602,710	\$ 6,572,876	
11.98%	12.30%	12.64%	

# City of Taylor, Texas

## ***SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN***

**Year Ended:**

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u> <sup>1</sup>
Total OPEB liability				
Service cost	\$ 27,784	\$ 22,660	\$ 24,316	\$ 19,565
Interest	14,499	15,985	14,756	14,401
Differences between expected and actual experience	(48,165)	(21,171)	(17,300)	-
Changes of assumptions	79,500	82,525	(29,995)	33,502
Benefit payments, including refunds of participant contributions	(6,274)	(6,101)	(5,674)	(4,348)
<b>Net change in total OPEB liability</b>	<u>67,344</u>	<u>93,898</u>	<u>(13,897)</u>	<u>63,120</u>
<b>Total OPEB liability - beginning</b>	<u>516,491</u>	<u>422,593</u>	<u>\$ 436,490</u>	<u>\$ 373,370</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>583,835</u></u>	<u><u>516,491</u></u>	<u><u>\$ 422,593</u></u>	<u><u>\$ 436,490</u></u> <sup>2</sup>
 <b>Covered employee payroll</b>	 \$ 8,962,539	 \$ 8,715,264	 \$ 8,105,224	 \$ 7,246,423
<b>City's total OPEB liability as a percentage of covered employee payroll</b>	 6.51%	 5.93%	 5.21%	 6.02%

### **Notes to schedule:**

<sup>1</sup> This schedule is presented to illustrate the requirement to show information for ten calendar years. However, until a full ten-year trend is compiled, only available information is shown.

<sup>2</sup> No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

# City of Taylor, Texas

## *SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS RETIREE HEALTHCARE*

Year Ended:

	9/30/2021	9/30/2020	9/30/2019	9/30/2018 <sup>1</sup>
Total OPEB liability				
Service cost	\$ 67,723	\$ 44,401	\$ 44,401	\$ 42,669
Interest	20,010	28,470	25,128	25,079
Differences between expected and actual experience	-	46,574	-	-
Changes of assumptions	-	77,880	-	-
Benefit payments, including refunds of participant contributions	(35,616)	(29,465)	(33,771)	(13,977)
<b>Net change in total OPEB liability</b>	<b>52,117</b>	<b>167,860</b>	<b>35,758</b>	<b>53,771</b>
<b>Total OPEB liability - beginning</b>	<b>839,411</b>	<b>671,551</b>	<b>\$ 635,793</b>	<b>\$ 582,022</b>
<b>Total OPEB liability - ending (a)</b>	<b>891,528</b>	<b>839,411</b>	<b>\$ 671,551</b>	<b>\$ 635,793 <sup>2</sup></b>
 <b>Covered employee payroll</b>	 \$ 7,633,382	 \$ 7,206,702	 \$ 6,466,936	 \$ 6,466,936
<b>City's total OPEB liability as a percentage of covered employee payroll</b>	 11.68%	 11.65%	 10.38%	 9.83%

### Notes to schedule:

<sup>1</sup> This schedule is presented to illustrate the requirement to show information for ten calendar years. However, until a full ten-year trend is compiled, only available information is shown.

<sup>2</sup> No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

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***COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES***

**City of Taylor, Texas**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**September 30, 2021**

	<u>Hotel/ Motel Tax</u>	<u>Texas Capital</u>	<u>Main Street Revenue</u>	<u>Cemetery Land</u>	<u>Municipal Court Security/Tech</u>
<b><u>Assets</u></b>					
Cash and cash equivalents	\$ 87,023	\$ 4,252	\$ 101,678	\$ 57,255	\$ 90,231
Investments	-	-	-	186,000	-
Accounts receivable, net	-	-	-	-	352
<b>Total Assets</b>	<u><u>\$ 87,023</u></u>	<u><u>\$ 4,252</u></u>	<u><u>\$ 101,678</u></u>	<u><u>\$ 243,255</u></u>	<u><u>\$ 90,583</u></u>
<b><u>Liabilities</u></b>					
Accounts payable	\$ 42,955	\$ -	\$ 11,940	\$ -	\$ -
Due to other funds	-	-	-	111,849	-
<b>Total Liabilities</b>	<u>42,955</u>	<u>-</u>	<u>11,940</u>	<u>111,849</u>	<u>-</u>
<b><u>Fund Balances</u></b>					
Nonspendable	-	-	-	-	-
Restricted	44,068	4,252	89,738	131,406	90,583
Committed	-	-	-	-	-
<b>Total Fund Balances</b>	<u>44,068</u>	<u>4,252</u>	<u>89,738</u>	<u>131,406</u>	<u>90,583</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 87,023</u></u>	<u><u>\$ 4,252</u></u>	<u><u>\$ 101,678</u></u>	<u><u>\$ 243,255</u></u>	<u><u>\$ 90,583</u></u>

<u>Drainage</u>	<u>Total Nonmajor Special Revenue</u>	<u>Cemetery Permanent Fund</u>	<u>Total Nonmajor Governmental</u>
\$ 207,860	\$ 548,299	\$ 3,831	\$ 552,130
-	186,000	760,000	946,000
49,965	50,317	120	50,437
<u>\$ 257,825</u>	<u>\$ 784,616</u>	<u>\$ 763,951</u>	<u>\$ 1,548,567</u>
\$ -	\$ 54,895	\$ -	\$ 54,895
-	111,849	50,683	162,532
<u>-</u>	<u>166,744</u>	<u>50,683</u>	<u>217,427</u>
-	-	713,268	713,268
-	360,047	-	360,047
257,825	257,825	-	257,825
<u>257,825</u>	<u>617,872</u>	<u>713,268</u>	<u>1,331,140</u>
<u>\$ 257,825</u>	<u>\$ 784,616</u>	<u>\$ 763,951</u>	<u>\$ 1,548,567</u>

# City of Taylor, Texas

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended September 30, 2021

	Hotel/ Motel Tax	Texas Capital	Main Street Revenue	Cemetery Land	Municipal Court Security/Tech
<b><u>Revenues</u></b>					
Hotel occupancy tax	\$ 184,979	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Fines and fees	-	-	-	-	8,607
Intergovernmental	-	-	20,000	-	-
Other revenue	-	-	6,576	-	4,105
Investment income	-	-	-	22	-
<b>Total Revenues</b>	<b>184,979</b>	<b>-</b>	<b>26,576</b>	<b>22</b>	<b>12,712</b>
<b><u>Expenditures</u></b>					
General government	195,358	-	29,029	-	16,120
<b>Total Expenditures</b>	<b>195,358</b>	<b>-</b>	<b>29,029</b>	<b>-</b>	<b>16,120</b>
<b>Revenues Over (Under)</b>					
<b>Expenditures</b>	<b>(10,379)</b>	<b>-</b>	<b>(2,453)</b>	<b>22</b>	<b>(3,408)</b>
<b><u>Other Financing Sources</u></b>					
<b><u>(Uses)</u></b>					
Transfers in	-	-	19,600	-	-
Transfers (out)	(5,000)	-	-	-	-
<b>Total Other Financing</b>					
<b>Sources (Uses)</b>	<b>(5,000)</b>	<b>-</b>	<b>19,600</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund</b>					
<b>Balances</b>	<b>(15,379)</b>	<b>-</b>	<b>17,147</b>	<b>22</b>	<b>(3,408)</b>
Beginning fund balances	59,447	4,252	72,591	131,384	93,991
<b>Ending Fund Balances</b>	<b>\$ 44,068</b>	<b>\$ 4,252</b>	<b>\$ 89,738</b>	<b>\$ 131,406</b>	<b>\$ 90,583</b>

<u>Drainage</u>	<u>Total Nonmajor Special Revenue</u>	<u>Cemetery Permanent Fund</u>	<u>Total Nonmajor Governmental</u>
\$ -	\$ 184,979	\$ -	\$ 184,979
511,844	511,844	15,878	527,722
-	8,607	-	8,607
-	20,000	-	20,000
-	10,681	-	10,681
-	22	700	722
<u>511,844</u>	<u>736,133</u>	<u>16,578</u>	<u>752,711</u>
741	241,248	-	241,248
<u>741</u>	<u>241,248</u>	<u>-</u>	<u>241,248</u>
511,103	494,885	16,578	511,463
-	19,600	-	19,600
<u>(459,750)</u>	<u>(464,750)</u>	<u>(700)</u>	<u>(465,450)</u>
<u>(459,750)</u>	<u>(445,150)</u>	<u>(700)</u>	<u>(445,850)</u>
51,353	49,735	15,878	65,613
206,472	568,137	697,390	1,265,527
<u>\$ 257,825</u>	<u>\$ 617,872</u>	<u>\$ 713,268</u>	<u>\$ 1,331,140</u>

# City of Taylor, Texas

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL I&S FOR CO BONDS

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 2,436,000	\$ 2,470,926	\$ 2,533,058	\$ 62,132
Investment income	18,000	349	354	5
Intergovernmental	342,150	342,150	342,150	-
Other revenue	-	71,953	71,953	-
<b>Total Revenues</b>	<b>2,796,150</b>	<b>2,885,378</b>	<b>2,947,515</b>	<b>62,137</b>
<b>Expenditures</b>				
Debt service:				
Principal retirement	2,175,000	2,175,000	1,980,000	195,000
Interest and fiscal charges	886,700	886,868	835,268	51,600
<b>Total Expenditures</b>	<b>3,061,700</b>	<b>3,061,868</b>	<b>2,906,426</b>	<b>155,442 *</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(265,550)</b>	<b>(176,490)</b>	<b>41,089</b>	<b>217,579</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	279,750	279,750	279,750	-
Transfers (out)	(35,000)	(11,745)	(246,600)	(234,855)
Issuance of bonds	-	-	3,660,000	3,660,000
Premium	-	-	222,178	222,178
Payment to refunding bond escrow agent	-	-	(3,791,020)	(3,791,020)
<b>Total Other Financing Sources (Uses)</b>	<b>244,750</b>	<b>268,005</b>	<b>124,308</b>	<b>(143,697) *</b>
<b>Net Change in Fund Balance</b>	<b>\$ (20,800)</b>	<b>\$ 91,515</b>	<b>165,397</b>	<b>\$ 73,882</b>
Beginning fund balance			787,564	
<b>Ending Fund Balance</b>			<b>\$ 952,961</b>	

### Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

\* Expenditures exceeded appropriations at the legal level of control, net.

# City of Taylor, Texas

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

For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Hotel occupancy tax	\$ 205,000	\$ 184,980	\$ 184,979	\$ (1)
<b>Total Revenues</b>	<u>205,000</u>	<u>184,980</u>	<u>184,979</u>	<u>(1)</u>
<b><u>Expenditures</u></b>				
General government	<u>200,000</u>	<u>195,358</u>	<u>195,358</u>	<u>-</u>
<b>Total Expenditures</b>	<u>200,000</u>	<u>195,358</u>	<u>195,358</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>5,000</u>	<u>(10,378)</u>	<u>(10,379)</u>	<u>(1)</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers (out)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (15,378)</u>	<u>(15,379)</u>	<u>\$ (1)</u>
Beginning fund balance			<u>59,447</u>	
<b>Ending Fund Balance</b>			<u>\$ 44,068</u>	

### Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

# City of Taylor, Texas

## *SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MAIN STREET REVENUE*

For the Year Ended September 30, 2021

				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b><u>Revenues</u></b>				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 20,000	-
Other revenue	67,500	6,575	6,576	\$ 1
<b>Total Revenues</b>	<b>87,500</b>	<b>26,575</b>	<b>26,576</b>	<b>1</b>
<b><u>Expenditures</u></b>				
General government	97,650	38,841	29,029	9,812
<b>Total Expenditures</b>	<b>97,650</b>	<b>38,841</b>	<b>29,029</b>	<b>9,812</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(10,150)</b>	<b>(12,266)</b>	<b>(2,453)</b>	<b>9,813</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	19,600	19,600	19,600	-
<b>Total Other Financing Sources (Uses)</b>	<b>19,600</b>	<b>19,600</b>	<b>19,600</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ 9,450</b>	<b>\$ 7,334</b>	<b>17,147</b>	<b>\$ 9,813</b>
Beginning fund balance			72,591	
<b>Ending Fund Balance</b>			<b>\$ 89,738</b>	

### Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

# City of Taylor, Texas

## *SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MUNICIPAL COURT SECURITY AND TECHNOLOGY For the Year Ended September 30, 2021*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Charges for services	\$ 17,000	\$ 12,711	\$ 12,712	\$ 1
<b>Total Revenues</b>	<u>17,000</u>	<u>12,711</u>	<u>12,712</u>	<u>1</u>
<b><u>Expenditures</u></b>				
General government	10,212	23,791	16,120	7,671
<b>Total Expenditures</b>	<u>10,212</u>	<u>23,791</u>	<u>16,120</u>	<u>7,671</u>
<b>Net Change in Fund Balance</b>	<u>\$ 6,788</u>	<u>\$ (11,080)</u>	(3,408)	<u>\$ 7,672</u>
Beginning fund balance			93,991	
<b>Ending Fund Balance</b>			<u>\$ 90,583</u>	

### Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

# City of Taylor, Texas

## *SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL TAX INCREMENT FINANCING For the Year Ended September 30, 2021*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Charges for services	\$ 220,000	\$ 248,147	\$ 248,147	\$ -
Intergovernmental	113,000	137,396	137,396	-
Investment income	4,500	200	206	6
<b>Total Revenues</b>	<u>337,500</u>	<u>385,743</u>	<u>385,749</u>	<u>6</u>
<b><u>Expenditures</u></b>				
General government	411,132	398,863	398,862	1
<b>Total Expenditures</b>	<u>411,132</u>	<u>398,863</u>	<u>398,862</u>	<u>1</u>
<b>Net Change in Fund Balance</b>	<u>\$ (73,632)</u>	<u>\$ (13,120)</u>	(13,113)	<u>\$ 7</u>
Beginning fund balance			245,037	
<b>Ending Fund Balance</b>			<u>\$ 231,924</u>	

### Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

# City of Taylor, Texas

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

For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Charges for services	\$ 501,000	\$ 477,704	\$ 511,844	\$ 34,140
<b>Total Revenues</b>	<u>501,000</u>	<u>477,704</u>	<u>511,844</u>	<u>34,140</u>
<b><u>Expenditures</u></b>				
General government	650	53	741	(688)
Capital outlay	30,000	-	-	-
<b>Total Expenditures</b>	<u>30,650</u>	<u>53</u>	<u>741</u>	<u>(688) *</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>470,350</u>	<u>477,651</u>	<u>511,103</u>	<u>33,452</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers (out)	(459,750)	(459,750)	(459,750)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(459,750)</u>	<u>(459,750)</u>	<u>(459,750)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 10,600</u>	<u>\$ 17,901</u>	<u>51,353</u>	<u>\$ 33,452</u>
Beginning fund balance			206,472	
<b>Ending Fund Balance</b>			<u>\$ 257,825</u>	

### Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

\* Expenditures exceeded appropriations at the legal level of control.

**City of Taylor, Texas**  
**STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**September 30, 2021**

	<b>Equipment Services</b>	<b>Equipment Replacement</b>	<b>Total</b>
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Cash and cash equivalents	\$ 8,785	\$ 226,424	\$ 235,209
<b>Total Current Assets</b>	<b>8,785</b>	<b>226,424</b>	<b>235,209</b>
<b><u>Noncurrent Assets</u></b>			
Capital assets:			
Net depreciable capital assets	-	2,853,164	2,853,164
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>2,853,164</b>	<b>2,853,164</b>
<b>Total Assets</b>	<b>8,785</b>	<b>3,079,588</b>	<b>3,088,373</b>
<b><u>Deferred Outflows of Resources</u></b>			
Pension outflows	16,200	-	16,200
OPEB outflows	2,021	-	2,021
<b>Total Deferred Outflows of Resources</b>	<b>18,221</b>	<b>-</b>	<b>18,221</b>
<b><u>Liabilities</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts payable and accrued liabilities	14,781	26,977	41,758
Current maturities of long-term debt	-	559,628	559,628
Compensated absences, current	4,451	-	4,451
<b>Total Current Liabilities</b>	<b>19,232</b>	<b>586,605</b>	<b>605,837</b>
<b><u>Noncurrent Liabilities</u></b>			
Long-term debt	-	2,552,529	2,552,529
Compensated absences, noncurrent	494	-	494
OPEB liability	9,386	-	9,386
Net pension liability	64,033	-	64,033
<b>Total Liabilities</b>	<b>93,145</b>	<b>3,139,134</b>	<b>3,232,279</b>
<b><u>Deferred Inflows of Resources</u></b>			
Pension inflows	15,765	-	15,765
OPEB inflows	977	-	977
<b>Total Deferred Inflows of Resources</b>	<b>16,742</b>	<b>-</b>	<b>16,742</b>
<b><u>Net Position</u></b>			
Net investment in capital assets	-	23,749	23,749
Unrestricted	(82,881)	(83,295)	(166,176)
<b>Total Net Position</b>	<b>\$ (82,881)</b>	<b>\$ (59,546)</b>	<b>\$ (142,427)</b>

See Notes to Financial Statements.

# City of Taylor, Texas

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS

For the Year Ended September 30, 2021

	Equipment Services	Equipment Replacement	Total
<b><u>Operating Revenues</u></b>			
Charges for services	\$ 772,960	\$ 408,356	\$ 1,181,316
Other revenue	107	25,124	25,231
<b>Total Operating Revenues</b>	<b>773,067</b>	<b>433,480</b>	<b>1,206,547</b>
<b><u>Operating Expenses</u></b>			
Personnel services	172,467	-	172,467
Contractual services	657,600	7,771	665,371
Depreciation	-	984,173	984,173
<b>Total Operating Expenses</b>	<b>830,067</b>	<b>991,944</b>	<b>1,822,011</b>
<b>Operating Income (Loss)</b>	<b>(57,000)</b>	<b>(558,464)</b>	<b>(615,464)</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>			
Investment income	-	136	136
Interest expense	-	(97,630)	(97,630)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>-</b>	<b>(97,494)</b>	<b>(97,494)</b>
<b><u>Transfers</u></b>			
Transfers in	-	246,600	246,600
<b>Total Transfers</b>	<b>-</b>	<b>246,600</b>	<b>246,600</b>
<b>Change in Net Position</b>	<b>(57,000)</b>	<b>(409,358)</b>	<b>(466,358)</b>
Beginning net position	(25,881)	349,812	323,931
<b>Ending Net Position</b>	<b>\$ (82,881)</b>	<b>\$ (59,546)</b>	<b>\$ (142,427)</b>

See Notes to Financial Statements.

**City of Taylor, Texas**  
**STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS (Page 1 of 2)**  
**For the Year Ended September 30, 2021**

	<b>Equipment Services</b>	<b>Equipment Replacement</b>	<b>Total</b>
<b><u>Cash Flows from Operating Activities</u></b>			
Receipts from customers	\$ 773,067	\$ 433,480	\$ 1,206,547
Payments to suppliers and contractors	(671,932)	(6,782)	(678,714)
Payments to employees for salaries and benefits	(177,705)	-	(177,705)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(76,570)</b>	<b>426,698</b>	<b>350,128</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>			
Transfer in	-	246,600	246,600
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>-</b>	<b>246,600</b>	<b>246,600</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>			
Purchases of capital assets	-	(596,726)	(596,726)
Proceeds from capital debt	-	639,250	639,250
Principal paid on capital debt	-	(575,239)	(575,239)
Interest paid on capital debt	-	(102,019)	(102,019)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(634,734)</b>	<b>(634,734)</b>
<b><u>Cash Flows from Investing Activities</u></b>			
Interest on investments	-	136	136
<b>Net Cash Provided by Investing Activities</b>	<b>-</b>	<b>136</b>	<b>136</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	<b>(76,570)</b>	<b>38,700</b>	<b>(37,870)</b>
Beginning cash and cash equivalents	85,355	187,724	273,079
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 8,785</b>	<b>\$ 226,424</b>	<b>\$ 235,209</b>

See Notes to Financial Statements.

**City of Taylor, Texas**  
**STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS (Page 2 of 2)**  
**For the Year Ended September 30, 2021**

	<u>Equipment Services</u>	<u>Equipment Replacement</u>	<u>Total</u>
<b><u>Reconciliation of Operating (Loss)</u></b>			
<b><u>to Net Cash Provided by Operating Activities</u></b>			
Operating Income (Loss)	\$ (57,000)	\$ (558,464)	\$ (615,464)
Adjustments to reconcile operating income to net cash provided (used):			
Depreciation	-	984,173	984,173
<b>Changes in Operating Assets and Liabilities:</b>			
<b>(Increase) Decrease in:</b>			
Deferred Outflows of Resources:			
Pension outflows	3,539	-	3,539
OPEB outflows	(918)	-	(918)
<b>Increase (Decrease) in:</b>			
Accounts payable	(14,332)	989	(13,343)
Net pension liability	(10,870)	-	(10,870)
OPEB liability	1,083	-	1,083
Deferred Inflows of Resources:			
Pension inflows	1,409	-	1,409
OPEB inflows	519	-	519
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ (76,570)</u></u>	<u><u>\$ 426,698</u></u>	<u><u>\$ 350,128</u></u>

See Notes to Financial Statements.

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## STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	124
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	134
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	140
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	147
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	150
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

**City of Taylor, Texas**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years (Unaudited)**  
**(accrual basis of accounting)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 49,829,796	\$ 47,078,362	\$ 44,951,472	\$ 45,342,543
Restricted	5,609,894	3,514,866	3,241,616	3,580,816
Unrestricted (Deficit)	<u>30,318</u>	<u>378,302</u>	<u>(438,125)</u>	<u>(1,490,350)</u>
<b>Total governmental activities net position</b>	<u><u>\$ 55,470,008</u></u>	<u><u>\$ 50,971,530</u></u>	<u><u>\$ 47,754,963</u></u>	<u><u>\$ 47,433,009</u></u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 20,501,993	\$ 17,661,875	\$ 16,703,213	\$ 16,205,762
Unrestricted (Deficit)	<u>5,923,180</u>	<u>6,900,236</u>	<u>6,294,388</u>	<u>4,248,544</u>
<b>Total business-type activities net position</b>	<u><u>\$ 26,425,173</u></u>	<u><u>\$ 24,562,111</u></u>	<u><u>\$ 22,997,601</u></u>	<u><u>\$ 20,454,306</u></u>
<b>Primary government</b>				
Net investment in capital assets	\$ 70,331,789	\$ 64,740,237	\$ 61,654,685	\$ 61,548,305
Restricted	5,609,894	3,514,866	3,241,616	3,580,816
Unrestricted	<u>5,953,498</u>	<u>7,278,538</u>	<u>5,856,263</u>	<u>2,758,194</u>
<b>Total primary government net position</b>	<u><u>\$ 81,895,181</u></u>	<u><u>\$ 75,533,641</u></u>	<u><u>\$ 70,752,564</u></u>	<u><u>\$ 67,887,315</u></u>

Source: City Audited Financials.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 42,810,269	\$ 41,563,836	\$ 41,623,407	\$ 41,768,181	\$ 42,658,990	\$ 39,458,232
2,627,354	3,248,859	2,787,325	2,676,573	2,630,586	7,311,640
<u>(812,248)</u>	<u>(1,790,067)</u>	<u>(1,155,715)</u>	<u>(1,311,590)</u>	<u>2,842,851</u>	<u>2,436,264</u>
<u>\$ 44,625,375</u>	<u>\$ 43,022,628</u>	<u>\$ 43,255,017</u>	<u>\$ 43,133,164</u>	<u>\$ 48,132,427</u>	<u>\$ 49,206,136</u>
\$ 13,463,393	\$ 13,597,654	\$ 13,247,923	\$ 12,540,010	\$ 9,092,144	\$ 12,109,434
<u>2,719,836</u>	<u>658,527</u>	<u>220,034</u>	<u>1,146,589</u>	<u>5,339,652</u>	<u>1,967,586</u>
<u>\$ 16,183,229</u>	<u>\$ 14,256,181</u>	<u>\$ 13,467,957</u>	<u>\$ 13,686,599</u>	<u>\$ 14,431,796</u>	<u>\$ 14,077,020</u>
\$ 56,273,662	\$ 55,161,490	\$ 54,871,330	\$ 54,308,191	\$ 51,751,134	\$ 51,567,666
2,627,354	3,248,859	2,787,325	2,676,573	2,630,586	7,311,640
<u>1,907,588</u>	<u>(1,131,540)</u>	<u>(935,681)</u>	<u>(165,001)</u>	<u>8,182,503</u>	<u>4,403,850</u>
<u>\$ 60,808,604</u>	<u>\$ 57,278,809</u>	<u>\$ 56,722,974</u>	<u>\$ 56,819,763</u>	<u>\$ 62,564,223</u>	<u>\$ 63,283,156</u>

# City of Taylor, Texas

## CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2021	2020	2019	2018
<b>Expenses</b>				
Governmental activities:				
General government	\$ 5,580,982	\$ 4,261,634	\$ 5,012,235	\$ 3,365,998
Culture and recreation	1,747,219	1,395,692	1,359,674	1,252,029
Community services	1,694,206	1,831,618	1,371,973	833,796
Public safety	7,299,018	6,694,441	6,924,255	6,404,119
Public works	3,932,205	3,611,256	3,915,394	3,230,070
Interest on long-term debt	1,040,215	1,114,377	1,013,513	983,114
<b>total governmental activities expenses</b>	<b>21,293,845</b>	<b>18,909,018</b>	<b>19,597,044</b>	<b>16,069,126</b>
Business-type activities:				
Public utilities fund	6,832,860	6,431,671	5,918,157	5,418,007
Airport fund	494,656	450,818	405,680	369,772
Cemetery operating fund	231,953	156,441	175,801	160,970
Sanitation fund	1,478,975	1,429,656	1,427,419	1,403,324
Interest on long-term debt	873,547	974,782	882,959	891,073
<b>total business-type activities expenses</b>	<b>9,911,991</b>	<b>9,443,368</b>	<b>8,810,016</b>	<b>8,243,146</b>
<b>Total primary government expenses</b>	<b>\$ 31,205,836</b>	<b>\$ 28,352,386</b>	<b>\$ 28,407,060</b>	<b>\$ 24,312,272</b>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 2,137,115	\$ 1,867,402	\$ 1,589,404	\$ 1,348,310
Public safety	177,717	203,814	335,026	373,280
Public works	511,844	499,559	491,082	486,165
Community services	-	-	-	-
Operating grants and contributions	873,523	608,967	527,698	204,610
Capital grants and contributions	3,101,919	1,865,681	1,238,407	1,319,107
<b>Total governmental activities</b>				
<b>program revenues</b>	<b>6,802,118</b>	<b>5,045,423</b>	<b>4,181,617</b>	<b>3,731,472</b>
Business-type activities:				
Charges for services:				
Public utilities fund	10,749,796	10,279,494	10,118,130	9,756,417
Airport fund	444,814	395,988	419,847	413,634
Cemetery fund	308,766	220,123	197,994	158,910
Sanitation fund	1,708,962	1,650,438	1,632,265	1,608,016
Capital grants and contributions	181,985	-	156,197	2,263,131
<b>Total business-type activities</b>				
<b>program revenues</b>	<b>13,394,323</b>	<b>12,546,043</b>	<b>12,524,433</b>	<b>14,200,108</b>
<b>Total primary government program</b>				
<b>revenues</b>	<b>\$ 20,196,441</b>	<b>\$ 17,591,466</b>	<b>\$ 16,706,050</b>	<b>\$ 17,931,580</b>

2017	2016	2015	2014	2013	2012
\$ 3,903,456	\$ 3,647,370	\$ 4,860,808	\$ 4,862,420	\$ 4,770,073	\$ 3,820,796
1,266,740	1,132,102	1,098,786	1,109,876	1,112,269	1,056,650
854,916	866,779	628,159	661,224	655,822	502,428
5,987,519	5,292,525	5,233,324	5,135,384	4,654,499	4,501,449
3,012,792	2,767,401	2,839,114	2,919,795	2,905,400	2,778,499
931,650	946,971	911,760	970,486	1,009,285	900,074
15,957,073	14,653,148	15,571,951	15,659,185	15,107,348	13,559,896
5,036,902	5,287,437	5,167,958	4,865,365	4,696,288	4,883,367
380,583	386,176	407,521	473,911	480,214	395,849
172,778	178,182	146,682	163,769	133,354	120,031
1,378,240	1,362,258	-	-	-	-
932,864	861,912	1,067,397	1,107,014	1,202,405	1,219,817
7,901,367	8,075,965	6,789,558	6,610,059	6,512,261	6,619,064
\$ 23,858,440	\$ 22,729,113	\$ 22,361,509	\$ 22,269,244	\$ 21,619,609	\$ 20,178,960
\$ 1,433,520	\$ 795,794	\$ 1,732,647	\$ 1,740,528	\$ 1,631,501	\$ 2,283,280
279,426	248,042	266,967	319,668	323,928	247,130
332,653	326,121	299,593	330,203	325,698	69,481
-	-	-	-	-	-
126,478	498,965	141,889	129,182	127,201	-
2,166,109	353,415	470,172	142,440	184,969	-
4,338,186	2,222,337	2,911,268	2,662,021	2,593,297	2,599,891
9,081,323	7,804,655	6,300,263	6,875,146	6,929,109	7,150,801
364,728	426,245	450,606	484,048	500,255	426,859
86,733	145,705	117,340	135,458	118,160	120,529
1,642,591	1,638,338	-	-	-	-
-	24,580	530,695	79,326	164,979	-
11,175,375	10,039,523	7,398,904	7,573,978	7,712,503	7,698,189
\$ 15,513,561	\$ 12,261,860	\$ 10,310,172	\$ 10,235,999	\$ 10,305,800	\$ 10,298,080

**City of Taylor, Texas**  
**CHANGES IN NET POSITION (Continued)**  
**Last Ten Fiscal Years (Unaudited)**  
**(accrual basis of accounting)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Net (Expenses) Revenue</b>				
Governmental activities	\$ (14,491,727)	\$ (13,863,595)	\$ (15,415,427)	\$ (12,337,654)
Business-type activities	3,482,332	3,102,675	3,714,417	5,956,962
<b>Total primary government net expense</b>	<u>\$ (11,009,395)</u>	<u>\$ (10,760,920)</u>	<u>\$ (11,701,010)</u>	<u>\$ (6,380,692)</u>
 <b>General Revenues and Other</b>				
<b>Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 10,250,945	\$ 9,918,365	\$ 8,885,991	\$ 8,270,706
Sales taxes	4,312,637	3,795,264	3,438,534	3,244,108
Franchise taxes	1,033,733	989,105	958,665	1,001,000
Investment earnings	20,767	318,116	518,264	259,866
Other revenues	1,593,623	306,007	476,896	495,695
Transfers	1,778,500	1,753,305	1,437,725	1,873,913
<b>Total governmental activities</b>	<u>18,990,205</u>	<u>17,080,162</u>	<u>15,716,075</u>	<u>15,145,288</u>
Business-type activities:				
Investment earnings	4,010	93,775	128,330	48,199
Miscellaneous	155,220	121,365	138,273	139,829
Transfers	(1,778,500)	(1,753,305)	(1,437,725)	(1,873,913)
Total business-type activities	<u>(1,619,270)</u>	<u>(1,538,165)</u>	<u>(1,171,122)</u>	<u>(1,685,885)</u>
<b>Total primary government</b>	<u>\$ 17,370,935</u>	<u>\$ 15,541,997</u>	<u>\$ 14,544,953</u>	<u>\$ 13,459,403</u>
 <b>Change in Net Position</b>				
Governmental activities	\$ 4,498,478	\$ 3,216,567	\$ 300,648	\$ 2,807,634
Business-type activities	1,863,062	1,564,510	2,543,295	4,271,077
<b>Total primary government</b>	<u>\$ 6,361,540</u>	<u>\$ 4,781,077</u>	<u>\$ 2,843,943</u>	<u>\$ 7,078,711</u>

Source: City Audited Financials.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ (11,618,887)	\$ (12,430,811)	\$ (12,660,683)	\$ (12,997,164)	\$ (12,514,051)	\$ (10,960,005)
3,274,008	1,963,558	609,346	963,919	1,200,242	1,079,125
<u>\$ (8,344,879)</u>	<u>\$ (10,467,253)</u>	<u>\$ (12,051,337)</u>	<u>\$ (12,033,245)</u>	<u>\$ (11,313,809)</u>	<u>\$ (9,880,880)</u>
\$ 7,655,907	\$ 7,247,922	\$ 6,858,118	\$ 6,420,308	\$ 6,374,806	\$ 6,212,695
2,989,454	2,962,203	2,952,740	2,744,362	2,535,174	2,411,533
938,187	939,301	1,087,771	1,103,835	1,055,651	890,874
110,551	38,666	19,475	31,020	38,322	25,783
603,343	251,452	626,032	212,420	384,719	391,765
1,493,201	1,416,323	1,251,871	1,244,003	1,051,670	869,999
<u>13,790,643</u>	<u>12,855,867</u>	<u>12,796,007</u>	<u>11,755,948</u>	<u>11,440,342</u>	<u>10,802,649</u>
24,796	2,825	465	412	3,149	5,467
174,389	208,164	423,418	161,510	203,055	221,503
(1,493,201)	(1,386,323)	(1,251,871)	(1,244,003)	(1,051,670)	(869,999)
<u>(1,294,016)</u>	<u>(1,175,334)</u>	<u>(827,988)</u>	<u>(1,082,081)</u>	<u>(845,466)</u>	<u>(643,029)</u>
<u>\$ 12,496,627</u>	<u>\$ 11,680,533</u>	<u>\$ 11,968,019</u>	<u>\$ 10,673,867</u>	<u>\$ 10,594,876</u>	<u>\$ 10,159,620</u>
\$ 2,171,756	\$ 425,056	\$ 135,324	\$ (1,241,216)	\$ (1,073,709)	\$ (157,356)
1,979,992	788,224	(218,642)	(118,162)	354,776	436,096
<u>\$ 4,151,748</u>	<u>\$ 1,213,280</u>	<u>\$ (83,318)</u>	<u>\$ (1,359,378)</u>	<u>\$ (718,933)</u>	<u>\$ 278,740</u>

# City of Taylor, Texas

## FUND BALANCES OF GOVERNMENTAL FUNDS

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

	2021	2020	2019	2018
<b>General Fund</b>				
Restricted	\$ 1,429,986	\$ 1,668,247	\$ 1,557,807	\$ 1,955,258
Committed	399,300	379,300	460,085	10,785
Assigned	-	-	-	-
Unassigned	6,473,119	5,173,649	3,956,675	3,481,297
<b>Total general fund</b>	<u>\$ 8,302,405</u>	<u>\$ 7,221,196</u>	<u>\$ 5,974,567</u>	<u>\$ 5,447,340</u>
<b>All Other Governmental Funds</b>				
Non-spendable	\$ 713,268	\$ 697,390	\$ 688,074	\$ 679,385
Restricted	6,251,959	6,622,430	7,236,120	4,973,144
Committed	1,668,731	4,444,149	5,363,476	884,560
<b>Total all other governmental funds</b>	<u>\$ 8,633,958</u>	<u>\$ 11,763,969</u>	<u>\$ 13,287,670</u>	<u>\$ 6,537,089</u>

Source: City Audited Financials.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 1,133,876	\$ 1,223,913	\$ 865,526	\$ 778,132	\$ 781,021	\$ 612,452
10,785	10,785	10,785	10,785	10,785	10,785
-	-	-	-	-	409,969
3,427,943	3,285,095	3,216,861	3,290,862	3,686,745	3,855,829
<u>\$ 4,572,604</u>	<u>\$ 4,519,793</u>	<u>\$ 4,093,172</u>	<u>\$ 4,079,779</u>	<u>\$ 4,478,551</u>	<u>\$ 4,889,035</u>
\$ 670,852	\$ 703,783	\$ 697,882	\$ 701,766	\$ 697,543	\$ 729,268
3,944,577	4,422,813	5,058,875	7,244,749	7,778,543	6,389,661
1,388,667	697,454	450,768	462,996	450,114	327,257
<u>\$ 6,004,096</u>	<u>\$ 5,824,050</u>	<u>\$ 6,207,525</u>	<u>\$ 8,409,511</u>	<u>\$ 8,926,200</u>	<u>\$ 7,446,186</u>

# City of Taylor, Texas

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2021	2020	2019	2018
<b>Revenues</b>				
Taxes	\$ 15,569,103	\$ 14,674,092	\$ 13,283,190	\$ 12,484,783
Licenses, permits, and fees	922,614	840,831	492,187	280,039
Charges for services	1,726,345	1,526,130	1,588,299	1,554,436
Fines and forfeitures	177,717	203,814	335,026	373,280
Intergovernmental	3,793,457	1,585,353	1,766,105	1,523,717
Investment earnings	20,631	309,315	476,346	253,842
Other revenues	1,568,392	317,886	299,600	798,161
<b>Total Revenues</b>	<b>23,778,259</b>	<b>19,457,421</b>	<b>18,240,753</b>	<b>17,268,258</b>
<b>Expenditures</b>				
Current:				
General government	4,476,878	3,860,922	3,605,447	3,106,456
Culture and recreation	1,755,704	1,579,745	1,485,635	1,308,251
Community development	1,315,181	1,190,988	1,097,759	829,836
Public safety	7,474,861	6,686,089	7,004,920	6,333,181
Public works	2,482,449	2,155,670	2,629,260	1,494,728
Debt Service:				
Principal retirement	2,115,000	1,845,000	1,655,000	1,455,000
Interest and fiscal changes	991,187	1,146,154	761,379	689,374
Bond issuance costs	91,158	-	120,931	112,216
Capital outlay:	6,747,701	2,787,805	2,840,031	5,538,230
Unrealized loss on investments	-	-	-	557
<b>Total Expenditures</b>	<b>27,450,119</b>	<b>21,252,373</b>	<b>21,200,362</b>	<b>20,867,829</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>(3,671,860)</b>	<b>(1,794,952)</b>	<b>(2,959,609)</b>	<b>(3,599,571)</b>
<b>Other financing sources (uses)</b>				
Transfers in	5,230,567	3,563,626	1,964,603	3,576,414
Transfers (out)	(3,698,667)	(2,057,621)	(729,574)	(2,098,750)
Debt issuance	3,660,000	-	8,165,000	4,825,000
Premium on debt issuance	222,178	-	816,082	249,402
Payments to escrow agent	(3,791,020)	-	-	(1,544,766)
<b>Total Other Financing Sources (Uses)</b>	<b>1,623,058</b>	<b>1,506,005</b>	<b>10,216,111</b>	<b>5,007,300</b>
<b>Net Change in Fund Balances</b>	<b>\$ (2,048,802)</b>	<b>\$ (288,947)</b>	<b>\$ 7,256,502</b>	<b>\$ 1,407,729</b>
<b>Debt service as percentage of noncapital expenditures</b>	<b>15.3%</b>	<b>16.6%</b>	<b>13.2%</b>	<b>14.1%</b>

Source: City Audited Financials.

2017	2016	2015	2014	2013	2012
\$ 11,583,548	\$ 11,297,631	\$ 10,880,953	\$ 10,246,691	\$ 9,940,659	\$ 9,588,691
331,723	282,906	214,560	134,322	101,808	169,159
1,434,450	839,009	1,817,680	1,936,409	1,855,391	1,948,547
279,426	248,042	266,967	319,668	323,928	247,130
2,292,587	673,865	612,061	271,622	312,170	146,780
110,548	40,324	19,256	31,020	38,322	25,381
227,976	505,598	601,386	174,181	382,384	235,561
16,260,258	13,887,375	14,412,863	13,113,913	12,954,662	12,361,249
3,620,828	3,031,068	4,132,938	4,193,947	4,147,828	3,874,060
1,255,298	1,141,441	1,099,300	1,107,678	1,110,059	-
828,646	841,276	632,021	660,441	631,422	-
5,705,113	5,134,332	5,174,338	4,915,960	4,441,585	4,051,068
1,304,925	1,153,524	1,252,245	1,316,652	1,374,935	2,465,390
1,290,000	1,494,972	1,271,180	1,207,384	1,213,983	993,484
725,728	692,008	861,304	919,438	823,110	839,966
34,807	95,074	-	-	134,800	54,500
4,348,143	794,863	3,253,720	775,494	1,883,518	825,405
35,019	-	-	-	-	-
19,148,507	14,378,558	17,677,046	15,096,994	15,761,240	13,103,873
(2,888,249)	(491,183)	(3,264,183)	(1,983,081)	(2,806,578)	(742,624)
2,441,818	2,029,948	1,822,939	1,633,050	1,126,893	1,595,738
(987,462)	(1,054,459)	(747,349)	(565,430)	(578,678)	(747,342)
1,620,000	5,845,000	-	-	6,990,000	4,875,000
46,750	544,267	-	-	254,070	-
-	(6,152,746)	-	-	(4,132,346)	-
3,121,106	1,212,010	1,075,590	1,067,620	3,659,939	5,723,396
\$ 232,857	\$ 720,827	\$ (2,188,593)	\$ (915,461)	\$ 853,361	\$ 4,980,772
13.6%	16.1%	14.6%	14.7%	14.5%	15.0%

# City of Taylor, Texas

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years (Unaudited)

(amounts expressed in thousands)

Fiscal Year Ended Sept 30	Real Property			Personal Property		Less Exemptions Real Property
	Residential Assessed Value	Commercial Assessed Value	Agriculture	Personal	Other	
2012	\$ 444,086	\$ 220,153	\$ 38,771	\$ 144,280	\$ -	\$ 26,915
2013	444,424	229,683	39,361	137,607	-	28,839
2014	482,453	238,861	43,761	133,642	-	31,398
2015	526,702	248,870	44,524	148,777	-	30,906
2016	579,978	264,734	48,240	155,488	-	34,349
2017	678,682	275,597	50,185	156,899	-	37,156
2018	737,483	291,010	52,915	154,804	-	43,906
2019	807,773	316,189	63,127	164,307	-	53,831
2020	814,077	340,511	66,323	161,119	-	60,414
2021	948,520	382,170	96,247	179,810	-	71,891

Notes: The appraisal of property within the City is the responsibility of the Williamson County Appraisal District. The Appraisal District is required under the Texas Property Tax Code to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal, and the market data comparison basis of appraisal, and the method considered most appropriate by the chief appraiser is to be used. The value placed upon property within the Appraisal District is subject to review by a three member Appraisal Review Board.

Source: Williamson County Appraisal District.

<b>Total Assessed Value</b>	<b>Tax Rate</b>	<b>Estimated Tax Value</b>	<b>Ratio of Total Assessed Value to Total Estimated Actual Value</b>
\$ 820,375	\$ 0.81389	\$ 820,375	100.0%
822,236	0.81389	822,236	100.0%
867,319	0.81390	867,319	100.0%
937,967	0.81389	937,967	100.0%
1,014,091	0.81389	1,014,091	100.0%
1,124,207	0.80389	1,124,207	100.0%
1,192,307	0.79800	1,192,307	100.0%
1,297,565	0.78800	1,297,565	100.0%
1,321,616	0.80922	1,321,616	100.0%
1,534,856	0.80922	1,534,856	100.0%

**City of Taylor, Texas**  
***DIRECT AND OVERLAPPING PROPERTY TAX RATES***  
**Last Ten Fiscal Years (Unaudited)**

Fiscal Year	CITY OF TAYLOR			WILLIAMSON COUNTY			
	Operating	Debt Service	Total Rate	Operating	Debt Service	RD/FM Operating	Total Rate
2012	\$ 0.57302	\$ 0.24087	\$ 0.81389	\$ 0.28153	\$ 0.16750	\$ 0.04000	\$ 0.48903
2013	0.57302	0.24087	0.81389	0.28153	0.16750	0.04000	0.48903
2014	0.59069	0.22321	0.81390	0.27903	0.16750	0.04000	0.48653
2015	0.59344	0.22045	0.81389	0.27403	0.16750	0.04000	0.48153
2016	0.59344	0.22045	0.81389	0.26903	0.16750	0.04000	0.47653
2017	0.59949	0.20441	0.80389	0.26903	0.16750	0.04000	0.47653
2018	0.60178	0.19622	0.79800	0.25903	0.16750	0.04000	0.46653
2019	0.59600	0.19200	0.78800	0.25153	0.16750	0.04000	0.45903
2020	0.61155	0.19766	0.80922	0.25153	0.16719	0.04000	0.45872
2021	0.61376	0.19546	0.80922	0.25153	0.16719	0.04000	0.45872

The entire City was located in Williamson County and within the Taylor Independent School District.

Source: Williamson County Tax Collector.

**TAYLOR SCHOOL DISTRICT**

<b>Operating</b>		<b>Debt Service</b>	<b>Total Rate</b>	<b>Total Direct &amp; Overlapping Rates</b>
\$	1.17000	\$ 0.28000	\$ 1.45000	\$ 2.75292
	1.17000	0.28000	1.45000	2.75292
	1.17000	0.28000	1.45000	2.75043
	1.17000	0.28000	1.45000	2.74542
	1.17000	0.40000	1.57000	2.86042
	1.17000	0.40000	1.57000	2.85042
	1.17000	0.40000	1.57000	2.83453
	1.17000	0.40000	1.57000	2.81703
	1.06830	0.40000	1.46830	2.73623
	1.03080	0.37250	1.40330	2.67123

**City of Taylor, Texas**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**Current and Nine Years Ago (Unaudited)**

Taxpayer	2021			2022		
	Assessed Valuation	Rank	Percentage of Total City Assessed Valuation	Assessed Valuation	Rank	Percentage of Total City Assessed Valuation
ERCOT	\$38,438,841	1	2.96%	\$ -	-	-
Corecivic	16,262,645	2	1.25%	-	-	-
Oncor Electric Delivery Company	14,587,447	3	1.12%	-	-	-
Electric Reliability Council of Texas	13,054,565	4	1.01%	-	-	-
Wal-Mart Real Estate Business Trust	12,289,015	5	0.95%	-	-	-
HEB Grocery Company LP	12,033,027	6	0.93%	-	-	-
Durcon Laboratory Tops Inc	11,452,814	7	0.88%	-	-	-
Union Pacific RR Co	10,991,318	8	0.85%	-	-	-
Taylor CPB Property LLC	8,444,649	9	0.65%	-	-	-
N Main Storage LLC	8,100,313	10	0.62%	-	-	-
ERCOT	-	-	-	\$42,136,699	1	5.39%
Electric Reliability Council of TX	-	-	-	30,601,547	2	3.91%
CCA Properties of Texas	-	-	-	13,100,000	3	1.68%
HEB Grocery Company	-	-	-	11,854,421	4	1.52%
Walmart Real Estate Business Trust	-	-	-	10,531,400	5	1.35%
Oncor Electric Delivery Company	-	-	-	8,490,536	6	1.09%
Walmart Stores East Inc	-	-	-	5,779,618	7	0.74%
Union Pacific RR Co.	-	-	-	5,756,647	8	0.74%
Taylor Plaza LLC	-	-	-	5,175,000	9	0.66%
Taylor CPB Property	-	-	-	4,900,000	10	0.63%
<b>Total</b>	<b>\$ 145,654,634</b>			<b>\$ 138,325,868</b>		

Source: Williamson County Tax Collector.

**City of Taylor, Texas**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years (Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Tax Levy		Amount	Percentage of Tax Levy
2012	\$ 6,195,426	\$ 6,119,868	98.8%	\$ 71,058	\$ 6,190,926	99.9%
2013	6,255,176	6,197,753	99.1%	52,601	6,250,354	99.9%
2014	6,352,505	6,292,672	99.1%	53,478	6,346,150	99.9%
2015	6,797,312	6,723,090	98.9%	66,671	6,789,761	99.9%
2016	7,318,681	7,245,999	99.0%	63,452	7,309,451	99.9%
2017	7,754,442	7,678,073	99.0%	64,201	7,742,274	99.8%
2018	8,377,844	8,274,955	98.8%	85,932	8,360,887	99.8%
2019	8,978,568	8,881,948	98.9%	70,242	8,952,190	99.7%
2020	9,988,936	9,894,518	99.1%	52,607	9,947,125	99.6%
2021	10,453,052	10,342,047	98.9%	-	10,342,047	98.9%

Source: Williamson County Appraisal District Reports.

**City of Taylor, Texas**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years (Unaudited)**

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Certificates of Obligation	Premiums/ Discounts	Contractual Obligation	Capital Lease	Note Payable
2012	\$ 8,723,764	\$ 14,516,902	65,197	\$ 120,375	\$ 351,050	\$ -
2013	8,739,097	16,479,268	293,387	93,267	340,278	-
2014	7,884,431	16,183,943	267,506	68,244	582,143	-
2015	7,059,764	15,796,861	241,626	43,221	379,215	285,899
2016	11,871,687	10,230,646	737,333	-	1,425,252	228,547
2017	10,205,000	11,490,000	710,249	-	1,310,951	424,225
2018	10,635,000	15,010,000	929,110	-	1,232,192	582,657
2019	9,680,000	22,335,000	1,644,956	-	1,181,458	391,289
2020	8,705,000	21,275,000	1,476,711	-	1,078,203	210,440
2021	9,275,000	18,265,000	1,446,051	-	1,067,939	479,715

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

Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
Combination Tax & Revenue Bonds	General Obligation Bonds	Premiums/ Discounts			
\$ 23,228,602	\$ 5,380,070	\$ 126,434	52,512,394	16.09%	3,266
21,420,022	5,971,060	181,061	53,517,440	16.25%	3,349
21,044,132	5,087,051	152,052	51,269,502	14.34%	3,110
20,650,000	4,178,042	123,043	48,757,671	15.01%	3,126
13,280,000	10,759,095	1,004,096	49,536,656	13.73%	3,005
16,690,000	8,685,000	956,162	50,471,587	12.49%	2,851
14,025,000	9,790,000	1,063,146	53,267,105	13.65%	3,137
17,560,000	9,105,000	1,270,965	63,168,668	15.08%	3,680
16,560,000	8,410,000	1,166,509	58,881,863	12.99%	3,387
15,265,000	7,900,000	1,059,941	54,758,646	12.91%	3,366

**City of Taylor, Texas**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years (Unaudited)**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Premiums/ Discounts</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Actual Taxable Value<sup>1</sup> of Property</b>	<b>Per Capita<sup>2</sup></b>
2012	\$ 14,103,834	\$ 191,631	\$ 145,607	\$ 13,958,227	1.70%	868
2013	14,710,158	458,021	236,346	14,473,812	1.76%	906
2014	12,971,482	412,207	225,505	12,745,977	1.47%	773
2015	11,237,806	366,392	185,697	11,052,109	1.18%	709
2016	22,630,782	1,752,228	276,695	22,354,087	2.20%	1,356
2017	18,890,000	1,609,052	387,965	18,502,035	1.65%	1,045
2018	20,425,000	1,808,742	573,932	19,851,068	1.66%	1,169
2019	18,785,000	1,653,335	645,602	18,139,398	1.40%	1,057
2020	17,115,000	1,435,049	719,638	16,395,362	1.24%	943
2021	17,175,000	1,503,315	811,158	16,363,842	1.07%	1,006

<sup>1</sup>See the Schedule of Assessed and Estimated Actual Value of Taxable Property for property value data.

<sup>2</sup>Population data can be found in the Schedule of Demographic and Economic Statistics.

Note:

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

**City of Taylor, Texas**  
***DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT***  
**As of September 30, 2021 (Unaudited)**

	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>1</sup></b>	<b>Estimated Share of Overlapping Debt</b>
<b>Governmental Unit</b>			
Debt repaid with property taxes:			
Williamson County	\$ 1,116,790	1.72%	\$ 19,209
Taylor ISD	\$ 58,624,916	100.00%	58,624,916
Subtotal, overlapping debt			<u>58,644,125</u>
 City of Taylor	 \$ 30,533,705	 100%	 <u>30,533,705</u>
 Total direct and overlapping debt			 \$ <u><u>89,177,830</u></u>

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 by the residents and businesses of Statistical. This process recognizes that, when considering the city's ability governments that is borne 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 the every taxpayer is a resident--and therefore responsible for repaying the debt--of each overlapping government.

<sup>1</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Source: Data from Texas Municipal Advisory Council

**City of Taylor, Texas**  
**LEGAL DEBT MARGIN INFORMATION**  
**Last Ten Fiscal Years (Unaudited)**  
**(amounts expressed in thousands)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt limit	\$ 401,687	\$ 345,508	\$ 337,849	\$ 309,053
Total net debt applicable to limit	<u>53,947</u>	<u>58,162</u>	<u>62,523</u>	<u>30,850</u>
Legal debt margin	<u><u>\$ 347,739</u></u>	<u><u>\$ 287,345</u></u>	<u><u>\$ 275,326</u></u>	<u><u>\$ 278,203</u></u>

**Legal Debt Margin Calculation for Fiscal Year 2021**

Assessed value	\$ 1,534,856
Add back: exempt real property	71,891
Total assessed value	<u>1,606,748</u>
Debt limit (10% of total assessed value)	401,687
Debt applicable to limit:	
Total Debt	54,759
Less: Amount set aside for repayment of general obligation debt	<u>(811)</u>
Total net debt applicable to limit	<u>53,947</u>
Legal debt margin	<u><u>\$ 347,739</u></u>

Note: There is no direct debt limitation in the City Charter or under state law. The City operates under a Home Rule Charter (Article XI, Section 5, Texas Constitution), that limits the maximum tax rate, for all city purposes, to \$2.50 per \$100 assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for general obligation debt service.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 290,341	\$ 262,110	\$ 242,218	\$ 224,679	\$ 212,769	\$ 211,823
29,915	25,164	37,137	37,205	37,875	37,719
<u>\$ 260,426</u>	<u>\$ 236,946</u>	<u>\$ 205,082</u>	<u>\$ 187,474</u>	<u>\$ 169,148</u>	<u>\$ 166,941</u>

**City of Taylor, Texas**  
**PLEDGED-REVENUE COVERAGE**  
**Last Ten Fiscal Years (Unaudited)**

Fiscal Year	Water Revenue Bonds						
	Utility	Less:	Net				Coverage
	Service	Operating	Available	Debt Service			
	Charges	Expenses	Revenue	Principal	Interest		
2012	\$ 7,259,363	\$ 3,704,075	\$ 3,555,288	\$ -	\$ -	100.0%	
2013	6,929,109	3,529,757	3,399,352	-	-	100.0%	
2014	6,875,146	3,618,109	3,257,037	-	-	100.0%	
2015	6,300,263	3,824,509	2,475,754	-	-	100.0%	
2016	7,804,655	3,917,205	3,887,450	-	-	100.0%	
2017	9,081,323	3,769,347	5,311,976	-	-	100.0%	
2018	9,756,417	4,105,939	5,650,478	-	-	100.0%	
2019	10,118,130	4,617,540	5,500,590	-	-	100.0%	
2020	10,279,494	5,209,488	5,070,006	-	-	100.0%	
2021	10,749,796	5,562,854	5,186,942	-	-	100.0%	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
Operating expenses do not include interest or depreciation.

# City of Taylor, Texas

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### Last Ten Fiscal Years (Unaudited)

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>3</sup></b>	<b>Per Capita<sup>5</sup> Personal Income</b>	<b>School Enrollment<sup>4</sup></b>	<b>Unemployment Rate<sup>2</sup></b>
2012	16,080	\$ 326,360	\$ 20,296	3,178	6.8%
2013	15,979	329,263	20,606	3,239	5.6%
2014	16,483	337,502	21,691	4,178	4.2%
2015	15,595	324,891	20,833	4,333	3.4%
2016	16,483	360,763	21,887	4,547	3.3%
2017	17,701	404,149	22,832	4,249	2.8%
2018	16,982	390,263	22,981	4,368	2.8%
2019	17,167	418,823	24,397	3,894	2.6%
2020	17,383	453,210	26,072	3,399	5.9%
2021	16,267	424,113	26,072	2,973	4.7%

**Data Sources:**

- <sup>1</sup> Texas State Data Center & Office of the State Demographer
- <sup>2</sup> State Department of Labor and City-Data.com
- <sup>3</sup> US Census adjusted by CPI for inflation, expressed in thousands
- <sup>4</sup> Taylor Independent School District
- <sup>5</sup> U. S. Census Bureau American Fact Finder

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**City of Taylor, Texas**  
**PRINCIPAL EMPLOYERS**  
**Current and Nine Years Ago (Unaudited)**

<b>Employer</b>	<b>2021</b>		<b>2012</b>	
	<b>No. Employees *</b>	<b>Rank</b>	<b>No. Employees **</b>	<b>Rank</b>
ERCOT	600+	1	-	
Taylor ISD	500+	2	-	
Durcon, Inc	400+	3	-	
E.R. Carpenter Co	200+	4	-	
Baylor Scott & White	180+	5	-	
H.E.B. Grocery Co.	160+	6	-	
Corrections Corp. of America (T. Don Hutto)	160+	7	-	
City of Taylor	140+	8	-	
Walm-Mart	125+	9	-	
Burrow Cabinets/TaylorCraft Cabinet Doors	100+	10	-	
ERCOT	-		635	1
Taylor ISD	-		548	2
Wal-Mart	-		240	3
Durcon Laboratory Tops	-		211	4
Scott & White	-		163	5
Corrections Corp of America	-		161	6
H.E.B.	-		161	7
City of Taylor	-		145	8
FloydCo (Floyd's Glass)	-		130	9
Burrows Cabinets	-		100	10
<b>Total</b>	<b>2,495</b>		<b>2,494</b>	

\* Source: [www.tayloredc.org](http://www.tayloredc.org)

\*\* Source: [www.mactexas.com](http://www.mactexas.com).

# City of Taylor, Texas

## FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function / Program	2021	2020	2019	2018	2017
General Government					
Management services	4	4	5	5	4
Public information	1	1	1	1	1
Human resources	2	2	2	2	2
Finance	5	5	5	5	4
Municipal court	4	4	5	5	4
C D - planning	8	8	8	7	7
Main street	1	1	1	1	1
Building	3	3	3	3	3
General services	-	1	1	1	1
Information technology	1	1	1	1	1
Other			-	1	1
Police					
Officers	30	30	29	29	27
Civilians	10	10	10	10	8
Animal control	3	3	3	4	3
Fire					
Firefighters and officers	23	23	23	23	23
Civilians	1	1	1	1	1
Other Public Works					
Engineering/inspection	0	0	1	1	1
Street maintenance	16	16	16	15	14
Grounds			-	-	-
Other			-	-	-
Parks and recreation	8	8	8	6	6
Library	7	7	8	8	9
Water	15	15	14	14	14
Wastewater	4	3	4	4	3
Utilities admin.	6	6	6	6	6
Airport	1	1	2	2	2
Cemetery	2	2	2	2	2
Fleet services	2	2	2	2	2
<b>Total all governmental funds</b>	<b>157</b>	<b>157</b>	<b>160</b>	<b>158</b>	<b>150</b>

Source: City records.

2016	2015	2014	2013	2012
4	4	4	4	4
1	1			
2	2	2	2	2
4	4	4	4	4
3	4	5	5	5
6	5	6	6	5
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
27	27	27	27	25
9	9	8	8	8
2	1	2	2	2
23	23	23	23	23
1	1	1	1	1
1	1	2	2	2
14	14	14	13	13
-	-	-	-	-
-	-	-	1	1
6	6	6	6	6
8	7	7	7	7
14	14	14	14	14
3	3	2	2	2
6	6	6	6	6
2	2	2	2	2
2	2	2	2	1
2	2	2	2	2
147	145	146	146	142

# City of Taylor, Texas

## OPERATING INDICATORS BY FUNCTIONS/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function/Program	2021	2020	2019	2018
General government				
Building permits issued	222	188	155	70
Building inspections conducted	outsourced	outsourced	outsourced	outsourced
Public Safety				
Police:				
Physical arrests	334	394	561	708
Parking violations	18	23	53	15
Traffic violations	5,489	3,922	6,073	7,436
Fire:				
Emergency responses	2,498	2,282	2,096	2,118
Fires extinguished	203	93	78	80
Inspections	134	206	266	343
Highways and streets				
Street resurfacing (miles)	3	n/a	3	1
Potholes repaired	1,003	n/a	1,097	240
Recreation				
Athletic field permits issued	22	27	39	41
Library				
Volumes in collection	24,330	54,947	57,129	55,098
Total volumes borrowed	55,679	32,937	63,645	61,669
Water				
New connections	393	300	227	190
Water main breaks	27	85	385	360
Average daily consumption (millions of gallons)	2.45 4	2	2	2
Peak daily consumption (millions of gallons)	2	3	3	3
Wastewater				
Average daily treatment (millions of gallons)	40	2	2	1
Airport	18			
LL fuel (thousand gallon)	20	38	40	43
Jet A fuel (thousand gallon)		9	10	11
Landings / Take off (thousand)	135	19	20	17
Cemetery				
Lots sold	1340	79	65	144
Municipal Court				
Cases processed		1,567	2,858	3,393
General Services	472			
Facilities				
Work orders	866	410	708	629
Fleet				
Work orders	185	816	880	870
Information Technology	331			
Personal computers / laptops	186	186	180	180
Service requests	448	448	565	629

Source: City records.

2017	2016	2015	2014	2013	2012
95 outsourced	94 outsourced	63 outsourced	129 outsourced	101 outsourced	82 1,637
573	813	722	717	669	653
37	36	33	54	67	86
4,546	3,429	1,543	1,604	3,615	2,660
2,281	2,127	2,036	1,915	1,069	1,813
82	44	64	61	56	45
329	361	359	316	137	194
-	15	17	10	-	-
130	741	777	655	461	771
30	32	33	30	37	37
54,117	53,011	50,223	47,952	44,850	45,413
74,872	78,368	75,581	78,186	79,187	87,895
137	160	50	44	96	720
353	222	235	352	437	445
2	2	3	2	2	2
3	3	2	3	3	4
1	2	2	1	2	1
46	59	48	46	45	35
14	27	29	23	32	23
14	12	9	14	14	11
33	77	66.5	80	84	75
2,675	1,876	2,113	2,562	4,158	4,852
577	645	553	538	453	450
941	834	903	816	1,071	1,270
171	155	152	135	135	132
475	415	407	549	555	562

# City of Taylor, Texas

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

### Last Ten Fiscal Years (Unaudited)

Function	2021	2020	2019	2018
Police				
Number of stations	1	1	1	1
Zone Officers	29	28	29	29
Number of patrol units	24	25	25	23
Fire				
Number of stations	2	2	2	2
Streets and Grounds				
Streets (miles)	120	114	114	114
Streetlights	1,119	1,114	1,114	1,114
Traffic signals	14	14	14	14
Recreation				
Acreage	463	463	463	463
Playgrounds	8	8	8	8
Baseball/softball diamonds	22	20	20	20
Swimming pools	1	1	1	1
Splash Pads	2	-	-	-
Skate park	1	1	1	1
Tennis courts	8	8	8	8
Pickleball Courts	3	-	-	-
Community Center	1	-	-	-
Pavilion	4	-	-	-
Water				
Water mains	131	130	128	123
Fire hydrants	696	685	652	619
Storage capacity	5	5	5	5
Wastewater				
Treatment capacity	4	4	4	4
Sanitary sewer (miles)	112	110	110	91
Storm sewers (miles)	21	20	18	6
Airport				
Runway length (ft)	4,000	4,000	4,000	4,000
Hangar spaces	64	64	64	64
Tie-downs	27	27	27	27
Cemetery				
Acreage	135	135	135	135
General Services				
Facilities	23	20	19	19
Fleet vehicles	192	176	171	171
Network servers	7	7	7	7

Source: City records.

2017	2016	2015	2014	2013	2012
1	1	1	1	1	1
27	27	27	27	27	25
15	15	15	15	15	15
2	2	2	2	2	2
106	106	106	106	106	93
1,114	1,114	1,113	1,102	1,102	1,102
12	12	12	12	12	13
462	462	462	462	462	387
7	7	7	7	7	7
20	20	20	20	20	20
2	2	2	2	2	2
-	-	-	-	-	-
-	-	-	-	-	-
8	8	8	8	8	8
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
118	125	121	121	120	119
808	808	604	604	598	598
5	5	5	5	5	5
4	4	4	4,000	4,000	4,000
95	95	90	90	89	89
6	6	5	5	4	4
4,000	4,000	4,000	4,000	4,000	4,000
52	52	52	52	52	52
27	27	27	27	27	27
135	135	135	135	135	135
19	19	19	19	19	16
168	165	164	164	162	157
7	7	7	7	4	4

