



ANNUAL COMPREHENSIVE FINANCIAL REPORT **2022**

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2022

**CITY OF
TAYLOR, TEXAS**

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***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

of the

City of Taylor, Texas

**For the Year Ended
September 30, 2022**

Prepared by:
Finance Department

Jeffrey B. Wood
Chief Financial Officer



City of Taylor, Texas

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September 30, 2022

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INTRODUCTORY SECTION





March 17, 2023

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, 2022.

This report is published to provide the City Council, city staff, citizens of Taylor, 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 solely with the City of Taylor. 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, 2022, 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 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 was incorporated in 1876 and is in eastern Williamson County, which is part of 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 an estimated population of 18,000 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 that changed the city governance 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 primarily responsible for setting policy, passing ordinances, adopting the annual budget, appointing committee members, and appointing 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. City 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 City Council members are elected by district with the remaining council member being elected at-large. After each election, the five members of the City Council select one of their 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 through city-owned facilities. 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, business incentives, and the City's proximity to Austin are major factors that have contributed to the City's economic growth.

For many years, the City's economy has been largely based on agriculture and small commercial businesses. These are still important aspects to the city and surrounding area today, however, the City of Taylor and the Taylor Economic Development Corporation actively recruit companies that add to the diversity of the City's local economy while providing residents with good employment opportunities.

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.

In Q4 2021, Samsung Semiconductor announced that they would build a 6,000,000 square foot, \$17 billion next generation semiconductor manufacturing facility in Taylor. Construction of this facility began in early 2022 and it is anticipated that the first of two planned fabrication facilities will begin manufacturing by the end of 2023. This facility will provide thousands of construction jobs as well as 1,800 permanent jobs. The company owns more than 1,200 acres of property at the site and has requested property tax relief for an additional eight fabrication facilities. There are no plans in place currently for the construction of these additional facilities. It is also anticipated that ancillary suppliers for Samsung will build facilities in the vicinity of the new plant.

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. 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 local economy has recovered from the pandemic with the county unemployment rate in September 2022 at 2.8%. 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

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 requires a minimum unassigned fund balance in 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

be adequate liquid resources to serve as a financial cushion against the potential shock of unanticipated events.

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 adopted a strategic Plan in 2020 to guide city staff in developing programs and strategies for the good of the community. Future management of growth issues and budget decisions will be guided by the goals and strategies contained in the Strategic Plan. The following goals are used in the development and management of the City's operational focus:

- ❖ **Financial** – To be good stewards of the City's resources.
- ❖ **Customer** – Our residents and businesses are proud to call Taylor home.
- ❖ **Internal Process** – Our clearly defined processes and procedures make it easy to do business with the city.
- ❖ **Employee** – Our knowledgeable, engaged employees deliver an exceptional customer experience by doing a job they love.
- ❖ **Culture** – Our friendly, welcoming environment attracts residents, businesses, and visitors.

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.

Major Initiatives

During the 2019 fiscal year, the City issued a Combination Tax & Revenue Certificate of Obligations, Series 2019 to fund multiple street, 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 has completed all of these projects as of the end of the 2022 fiscal year with the exception of acquiring all parcels of land for the proposed justice center.

In 2018 the City of Taylor was approved and received a Non-Urban Outdoor Grant of \$500,000 on a 50/50 match basis. The funds were earmarked for the Taylor Regional Park and Sports Complex Phase II and Doak Street Park enhancement projects, and this work was completed during FY2022. Proposed improvements for TRPSC included:

- ❖ 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 was 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.

The City of Taylor issued \$22.91 million in debt in March 2022. This debt will be used to fund improvement projects in the City's water and wastewater infrastructure, street system, drainage system, animal shelter, and parks system. It will also provide funding for equipment to enhance the City's street maintenance program, as well as funding for public safety vehicles.

The City of Taylor issued \$5.325 million in a Limited Tax Note in July 2022 to fund improvements to the City's parks, with the primary focus on improvements to the swimming pool in Murphy Park. This work is still ongoing.

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 and Finance Department staff use these requests as the starting point for developing a proposed budget. The City Manager then presents a proposed budget to the City Council for review and budget workshops are

scheduled. The City Council is required to hold a public hearing on the proposed budget and then adopt the final budget no later than September 15th.

The 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 an ordinance by the City Council that formally amends the adopted budget.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an 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 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, 2021. This was the fourteenth consecutive year that the City of Taylor has received this prestigious award. To be awarded a Certificate of Achievement, a local government must publish an 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 City's Finance Department, who have completed and recorded nearly 100,000 financial transactions that are reflected in the financial statements contained in this report. I am truly honored to lead and work with such a group of finance professionals. I would also like to thank the Mayor and the City Council for their continued support in maintaining the highest standards of professionalism in the management of the City of Taylor's financial operations.

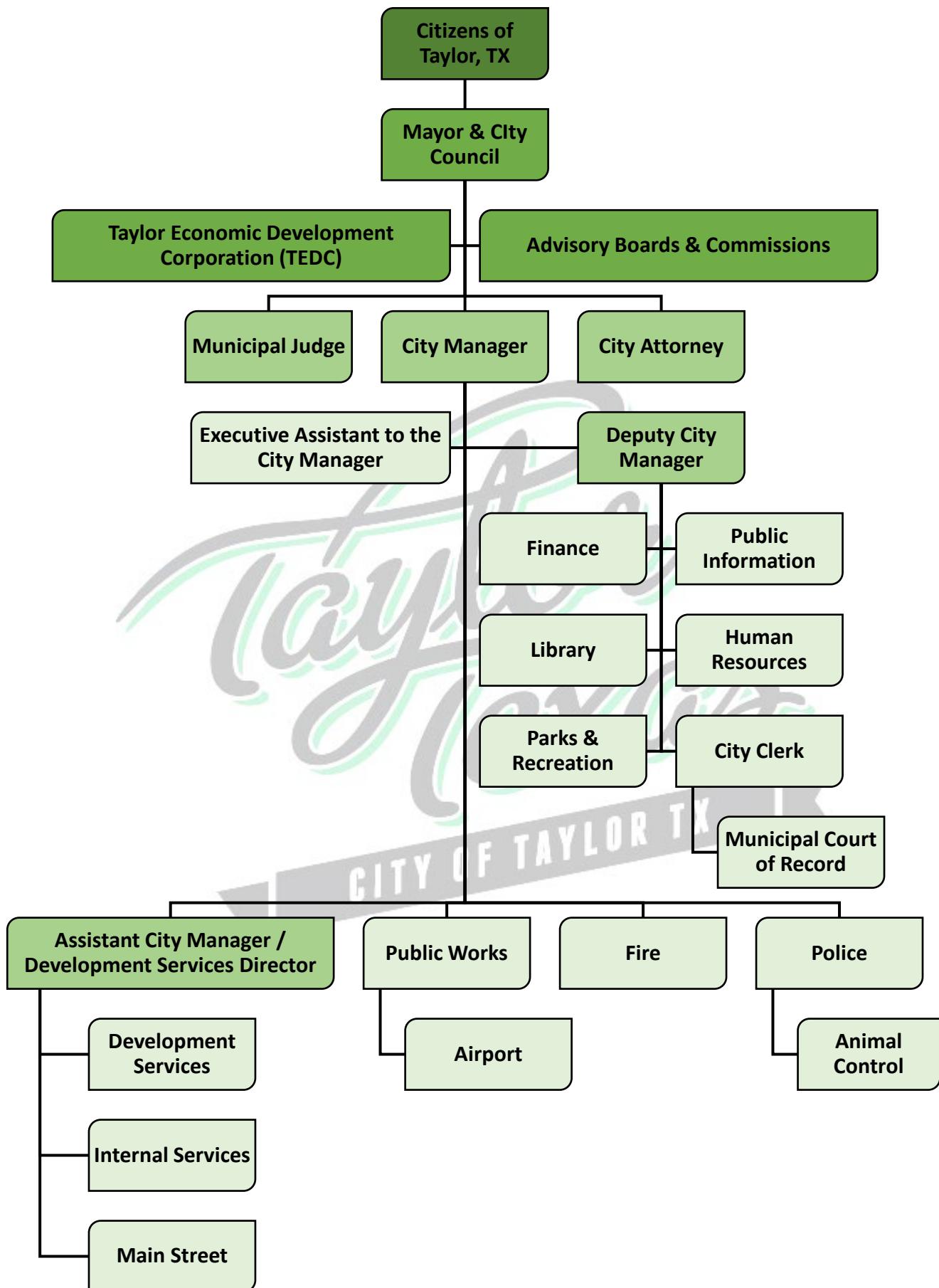
Furthermore, I would like to acknowledge the work of the independent auditors from BrooksWatson & Company, PLLC, who have diligently examined the City's financial activities.

Respectfully submitted,

A handwritten signature in blue ink that reads "Jeffrey B. Wood". The signature is fluid and cursive, with "Jeffrey" on the top line and "B. Wood" on the bottom line.

Jeffrey B. Wood
Chief Financial Officer

CITY ORGANIZATION CHART



City of Taylor, Texas

PRINCIPAL OFFICIALS

September 30, 2022

City Council

Brandt Rydell.....	Mayor	Term Expires May 2024
Gerald Anderson.....	Mayor Pro Tem	Term Expires May 2025
Dwayne Ariola.....	Council Member	Term Expires May 2023
Robert Garcia.....	Council Member	Term Expires May 2025
Mitchell Drummond.....	Council Member	Term Expires May 2024

City Staff

Brian LaBorde.....	City Manager
Jeffery Jenkins.....	Deputy City Manager
Tom Yantis.....	Asst. City Manager
Rocio Lopez	Executive Assistant to the City Manager
Ted Hejl.....	City Attorney
Dianna McLean.....	City Clerk
Jeffrey Wood.....	Chief Financial Officer
Daniel Baum.....	Fire Chief
Karen Ellis.....	Library Director
Colin Harrison.....	Director of Development Services
LaShon Gros.....	Director of Human Resources
James Gray.....	Director of Public Works
Nicole Oman.....	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, 2021

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Taylor, Texas, as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Taylor, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the

preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

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 City of Taylor, Texas's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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 22, 2023 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.

The signature is handwritten in black ink. It starts with a large, stylized 'B', followed by 'rooks' and 'Watson', and ends with 'Co.' on a separate line.

BrooksWatson & Co., PLLC

Certified Public Accountants

Houston, Texas

March 22, 2023

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



City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2022

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, 2022. 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-vii of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (net position) at September 30, 2022 by \$113,738,048.
- The City's total net position increased by \$31,842,867. 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 \$35,681,070 at September 30, 2022, an increase of \$18,744,707 from the prior fiscal year; this includes an increase of \$2,666,663 in the general fund, an increase of \$15,696,217 in the capital improvements fund, an increase of \$179,808 in the I&S fund, and an increase in the transportation user fee fund of \$101,561.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$8,543,460 or 44% of total general fund expenditures.
- The City's outstanding bonds, tax notes, and certificates of obligations increased by \$23,630,000 from the prior year. The total bonds and certificates of obligation payable at the close of the fiscal year were \$74,335,000.
- The City's net pension liability totaled \$2,099,431 as of yearend.

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, 2022

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, 2022

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, 2022

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 47-96 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 and deferred outflows exceeded liabilities and deferred inflows by \$113,738,048 as of September 30, 2022, in the primary government.

The largest portion of the City's net position, \$80,050,853, 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, 2022

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2022			2021				
	Governmental Activities		Business-Type Activities	Total	Governmental Activities		Business-Type Activities	Total
	Activities	Activities		Activities	Activities			
Current and other assets	\$ 40,717,245	\$ 33,759,026	\$ 74,476,271	\$ 19,197,905	\$ 11,736,691	\$ 30,934,596		
Capital assets, net	77,100,583	53,126,474	130,227,057	74,803,068	40,936,853	115,739,921		
Total Assets	117,817,828	86,885,500	204,703,328	94,000,973	52,673,544	146,674,517		
Deferred Outflows of Resources	1,111,177	576,942	1,688,119	1,205,510	619,835	1,825,345		
Other liabilities	6,327,606	4,319,121	10,646,727	6,412,904	3,562,493	9,975,397		
Long-term liabilities	47,681,829	31,954,195	79,636,024	32,386,492	23,020,985	55,407,477		
Total Liabilities	54,009,435	36,273,316	90,282,751	38,799,396	26,583,478	65,382,874		
Deferred Inflows of Resources	1,962,104	408,544	2,370,648	937,079	284,728	1,221,807		
Net Position:								
Net investment in capital assets	50,598,045	29,452,808	80,050,853	49,829,796	20,501,993	70,331,789		
Restricted	6,845,822	12,233,931	19,079,753	5,609,894	-	5,609,894		
Unrestricted	5,513,599	9,093,843	14,607,442	30,318	5,923,180	5,953,498		
Total Net Position	\$ 62,957,466	\$ 50,780,582	\$ 113,738,048	\$ 55,470,008	\$ 26,425,173	\$ 81,895,181		

Government-wide current assets increased by \$43,541,675 primarily due to greater cash and investments on hand resulting from unspent bond proceeds as of yearend. Government-wide capital assets increased \$14,487,136 due primarily to utility infrastructure related to a new semiconductor plan. Government-wide long-term liabilities increased by \$24,228,547 due to new bond issuances in the current year. In addition, TMRS had a significant increase in investment income due to favorable market conditions, which led to the decrease in the net pension liability.

City of Taylor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2022

Statement of Activities:

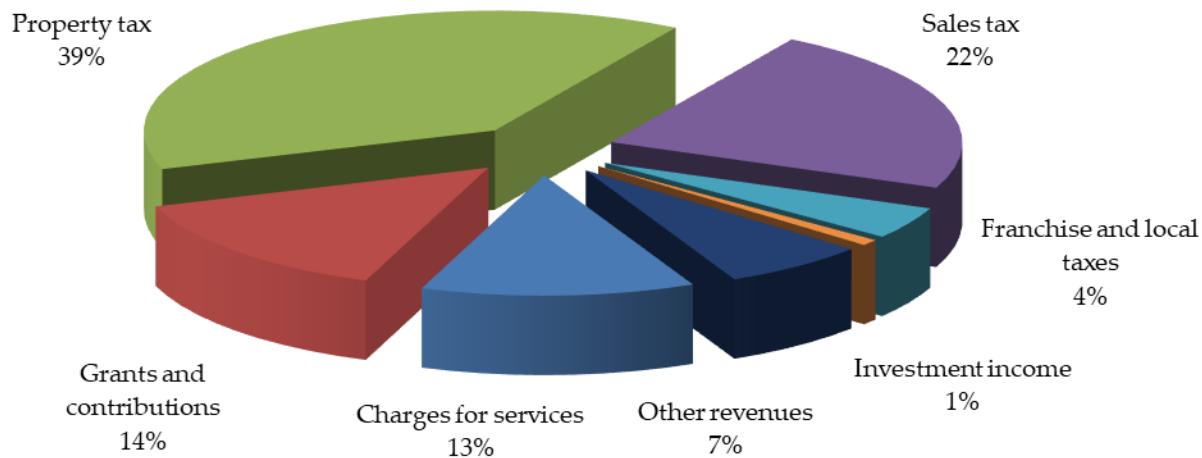
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2022			For the Year Ended September 30, 2021		
	Governmental Activities		Total	Governmental Activities		Total
	Business-Type Activities	Primary Government	Business-Type Activities	Primary Government		
Revenues						
Program revenues:						
Charges for services	\$ 3,589,693	\$ 15,338,346	\$ 18,928,039	\$ 2,826,676	\$ 13,212,338	\$ 16,039,014
Operating grants	801,854	-	801,854	873,523	-	873,523
Capital grants	3,129,103	22,351,425	25,480,528	3,101,919	181,985	3,283,904
General revenues:						
Property tax	11,059,357	-	11,059,357	10,250,945	-	10,250,945
Sales tax	6,433,466	-	6,433,466	4,312,637	-	4,312,637
Franchise and local taxes	1,238,812	-	1,238,812	1,033,733	-	1,033,733
Investment income	234,574	187,444	422,018	20,767	4,010	24,777
Other revenues	1,996,649	119,066	2,115,715	1,593,623	155,220	1,748,843
Total Revenues	28,483,508	37,996,281	66,479,789	24,013,823	13,553,553	37,567,376
Expenses						
General government	5,318,826	-	5,318,826	5,580,982	-	5,580,982
Culture and recreation	1,416,522	-	1,416,522	1,747,219	-	1,747,219
Community develp.	3,650,230	-	3,650,230	1,694,206	-	1,694,206
Public safety	6,853,371	-	6,853,371	7,299,018	-	7,299,018
Public works	4,413,144	-	4,413,144	3,932,205	-	3,932,205
Interest & fiscal chrgs.	1,256,670	861,921	2,118,591	1,040,215	873,547	1,913,762
Public utility	-	8,355,013	8,355,013	-	6,832,860	6,832,860
Airport	-	669,811	669,811	-	494,656	494,656
Cemetery operating	-	243,933	243,933	-	231,953	231,953
Sanitation	-	1,597,481	1,597,481	-	1,478,975	1,478,975
Total Expenses	22,908,763	11,728,159	34,636,922	21,293,845	9,911,991	31,205,836
Change in Net Position						
Before Transfers	5,574,745	26,268,122	31,842,867	2,719,978	3,641,562	6,361,540
Transfers	1,912,713	(1,912,713)	-	1,778,500	(1,778,500)	-
Total	1,912,713	(1,912,713)	-	1,778,500	(1,778,500)	-
Change in Net Position	7,487,458	24,355,409	31,842,867	4,498,478	1,863,062	6,361,540
Beginning Net Position	55,470,008	26,425,173	81,895,181	50,971,530	24,562,111	75,533,641
Ending Net Position	\$ 62,957,466	\$ 50,780,582	\$ 113,738,048	\$ 55,470,008	\$ 26,425,173	\$ 81,895,181

City of Taylor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2022

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

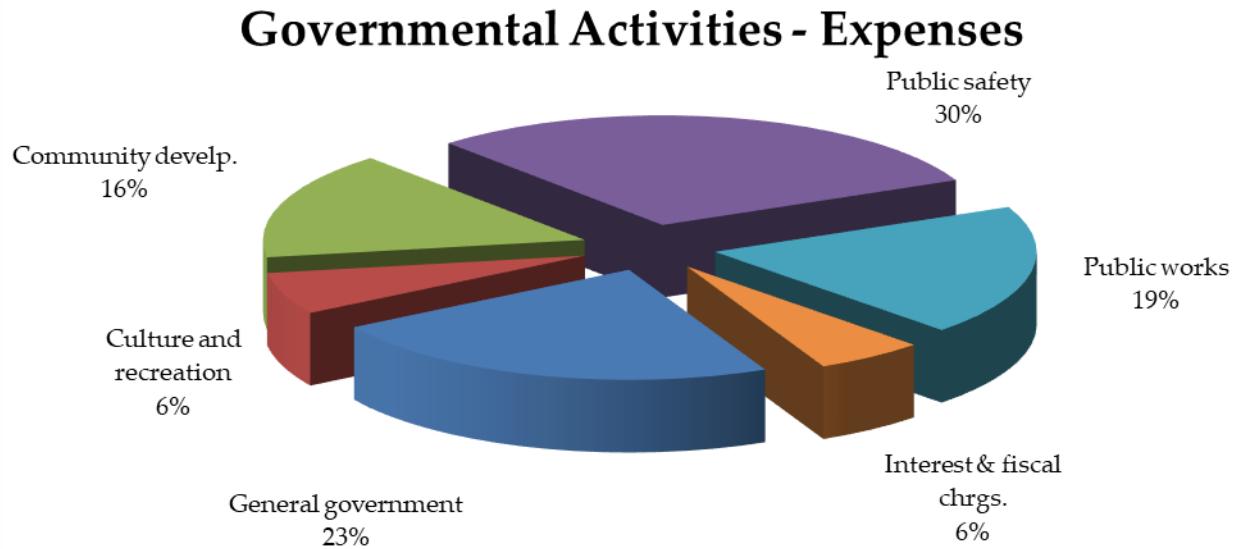
Governmental Activities - Revenues



For the year ended September 30, 2022, revenues from governmental activities totaled \$28,483,508. Property tax, charges for services, capital grants, and sales tax are the City's largest general revenue sources. Overall revenue increased \$4,469,685 or 19% from the prior year. Property tax revenue increased \$808,412 due to greater property values and a growing tax base. Sales tax revenue increased by \$2,120,829 due to local growth and construction of new Samsung semiconductor plant over the course of the year. Charges for services increased \$763,017 due to greater plan review fees and subdivision fees resulting from new construction and local growth. Investment income increased by \$213,807 due to rising interest rates and greater interest-bearing account balances. Other revenues increased by \$403,026 or 25% primarily due to advanced funding received to expedite the development review and approval of the semiconductor plant construction in the current 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, 2022

This graph shows the governmental function expenses of the City:



For the year ended September 30, 2022, expenses for governmental activities totaled \$22,908,763. This represents an increase of \$1,614,918 or 8% from the prior year. The City's largest functional expense is public safety totaling \$6,853,371. Public safety decreased \$445,647 or 6% when compared to the prior year primarily due to a reduction in personnel costs, resulting from declining compensated absence liabilities over the course of the year. Community development expenses increased by \$1,956,024 or 115% primarily as a result of new planner and permit technician positions created in the current year. In addition, the City incurred greater depreciation expenses and costs for development plan reviews/inspections resulting from new construction projects during the year. Culture and recreation decreased by \$330,697 or 19% primarily due to greater capitalizable expenses incurred in the current year. Public works increased by \$480,939 or 12% resulting from current year raises, greater fuel and vehicle rental expenses, and increasing asset depreciation over the course of the year. Interest and fiscal charges increased by \$216,455 or 21% primarily due to nonrecurring bond issuance costs recognized in the current year. All remaining expenses remained relatively consistent with the previous year.

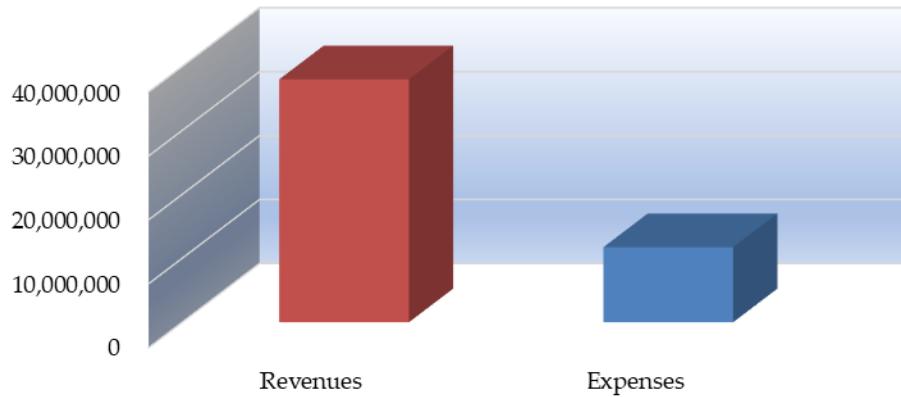
City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2022

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

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2022, charges for services by business-type activities totaled \$15,338,346. This is an increase of \$2,126,008, or 16%, from the previous year. This increase is primarily attributed to the 10% increase in water and sewer service rates during the year. In addition, local growth resulted in new connections, increased consumption, and overall utility customers were up as of the end of the year.

Total expenses increased \$1,816,168 or 18% to a total of \$11,728,159. Public utility expenses totaled \$9,180,589, while airport, cemetery operations, and sanitation totaled \$706,156, \$243,933, and \$1,597,481, respectively. The largest increase was seen in public utility expenses. This increase was mainly attributed to personnel costs, treated water contract expenses, asset depreciation, 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, 2022, the City's governmental funds reported combined fund balances of \$35,681,070, an increase of \$18,744,707 in comparison with the prior year. Approximately 24% of this amount, \$8,543,460, constitutes *unassigned fund balance*, which is available for spending at the government's

City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2022

discretion. The remainder of the fund balance is either *nonspendable, restricted or committed* to indicate that it is 1) not in spendable form \$723,054, 2) committed \$1,810,252 or 3) restricted for particular purposes \$24,604,304.

As of the end of the year the general fund reflected a total fund balance of \$10,969,068. Of this, \$2,425,608 is considered restricted and \$8,543,460 is unassigned. General fund balance increased by \$2,666,663. This increase is consistent with the City's planned budgeted increase in fund balance of \$3,009,344. In addition, property taxes, sales taxes, and charges for services increased significantly compared to the prior year.

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 \$8,543,460 is 44% of total general fund operating expenditures.

The capital improvements fund had an ending fund balance of \$20,635,168 as of yearend. Total fund balance increased by \$15,696,217 from the prior year primarily due to proceeds from bond issuances in the current year. During the year, the City expended \$5,814,163 on various capital improvement projects recorded in this fund.

The I&S for CO bonds fund had an ending fund balance of \$1,132,769 at September 30, 2022, an increase of \$179,808 when compared to the previous year. During the year, the fund recorded total principal and interest payments of \$3,184,862 and property tax revenue of \$2,906,755. The increase in fund balance was a result of I&S tax levies and transfers from other funds exceeding expectations.

The transportation user fee fund had an ending fund balance of \$1,512,467 at September 30, 2022, an increase of \$101,561 when compared to the prior year. The increase is a result of greater than anticipated user fees earned during the 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 \$44,994,134. Unrestricted net position at the close of the fiscal year amounted to \$8,333,596, a total increase of \$3,096,587 from the previous year. Total investment in capital assets, net of related debt of was \$24,426,607, and capital assets, net of depreciation totaled \$47,757,146

GENERAL FUND BUDGETARY HIGHLIGHTS

Supplemental budget amendments were approved during the fiscal year increasing total budgeted expenditures by \$2,374,650 and increasing total revenues by \$5,277,197 resulting in a net increase in budgeted fund balance of \$3,006,746. The primary reasons for the budget revision were due to higher than expected sales taxes, as well as, advanced funding received through a development review services contract. Expenditures were amended to account for general revisions to reflect actual

City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2022

operating results. Total budgeted revenues of \$20,281,797 were more than actual revenues of \$19,999,289, resulting in a total negative revenue variance of \$282,508. Total budgeted expenditures of \$19,344,784 were more than actual expenditures of \$19,277,226, resulting in a total positive expenditure variance of \$67,558.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$77,100,583 in a variety of capital assets and infrastructure, net of accumulated depreciation including assets recorded in the internal service funds of \$2,011,794. The City's business-type activities funds had invested \$53,126,474 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:

- Regional park expansion and Doak Park project investments totaling \$1,566,656.
- Percussion Park improvements for \$260,191.
- Various 2019 Bond infrastructure improvements totaling \$1,298,097.
- Bull Branch/Donna drainage projects totaling \$286,593.
- Robison Field lighting improvements for \$119,895.
- Purchased new machinery and equipment for public works department totaling \$1,223,516.
- Purchased body camera system for \$92,620.
- Acquired land for justice center for \$575,715.
- Capital contributions totaling \$22,351,425 (including advanced funding) for utility infrastructure to support new Samsung semiconductor plant.
- Mustang Creek wastewater improvements totaling \$2,144,946.
- FM 973 & CR 401 water wand wastewater improvements for \$8,089,732.
- Castlewood Phase 1 project improvements totaling \$1,596,831.

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, tax notes, and certificates of obligation payable net of all premiums and discounts increased by \$25,266,987 or 47% from the prior year. The total bonds and certificates of obligation payable at the close of the fiscal year were \$78,477,979, 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.

City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2022

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 FY2022, the City issued a total of 1509 building permits with a total valuation of \$1,166,317,719. This is an increase in permit valuation of \$1,072,524,750 from the previous year. While growth provides additional revenue to the City of Taylor, it also increases the demands on City services and infrastructure. The City has been planning for growth by updating the Taylor Comprehensive Plan, by completing a public utilities assessment, a park facilities plan, and a comprehensive drainage improvement plan.

One of the larger challenges the City of Taylor faces is the utility infrastructure in the core, central part of town. This area is the oldest part of the city with a downtown area that dates back to 1876. This area has water and wastewater pipes that are decades old and in need of replacement. To fund improvements to this aging infrastructure and expand the system's capacity for growth, the City plans to issue a series of bonds that are funded by a combination of utility revenues and property tax proceeds. The most recent bond in this series of planned debt was issued in March 2022.

Meeting the challenges created by growth requires financial resources, a City Council vision, and budgetary constraint. The Avery Glen residential development began construction in early 2019 and was completed by the end of 2021. The Grove residential development began infrastructure construction in 2020 and began home construction in 2021. This community should be completed by mid-year 2023. Both developments could seek approval for additional builds if the economy continues to grow. In addition, a new mixed residential development named Castlewood completed its infrastructure construction in mid-2022 and began home construction in the Fall of 2022. This development has two planned phases offering a mix of individual and multi-family housing and will be built over the next 24 to 36 months. Other residential developments are currently under consideration and review.

On the commercial side, the City of Taylor continues to attract interest from family-owned businesses and regional chain establishments. The City has contracted with a consultant to assist in marketing the area to potential new commercial entities and helping them find suitable locations in Taylor. These efforts have resulted in a new Starbucks location that opened in late 2022 and a regional pet store that will open in the first quarter of 2023.

The City of Taylor continues to seek and attract industrial business. Hart Components completed construction on a new manufacturing facility in 2021. Hart Components manufactures roof trusses and provides both property tax and sales tax revenues. RCR Taylor Logistics Park, a master planned rail-served logistic & industrial park broke ground in 2019 and continues to develop and market the property. The mix of commercial and industrial businesses located in the park will provide both sales

City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2022

and property taxes to the City. Finally, in Q4 2021 Samsung Semiconductor announced that they would build a 6,000,000 square foot, \$17 billion semiconductor manufacturing facility in Taylor. Construction of this facility began in early 2022 and it is anticipated that the first of two planned fabrication facilities will begin manufacturing by the end of 2023. This facility will provide thousands of construction jobs as well as 1,800 permanent jobs. The company owns more than 1,200 acres of property at the site and has requested property tax relief for an additional eight fabrication facilities. There are no plans in place currently for the construction of these additional facilities. It is also anticipated that ancillary suppliers for Samsung will build facilities in the vicinity of the new plant.

For many years, the City's economy has been largely based on agriculture and small commercial businesses. These are still important aspects to the city and surrounding area today, however, the City of Taylor and the Taylor Economic Development Corporation actively recruit companies that add to the diversity of the City's local economy while providing residents with good employment opportunities. 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 with over 600 employees working in Taylor. Other large employers in the city include the Taylor Independent School District (TISD), Wal-Mart and Durcon.

The property tax rate for tax year 2022 (fiscal year 2023) is \$0.648953 per \$100 valuation, a reduction of 11.62 cents from the previous year. Approximately 70 percent of this rate, or \$0.453380, is utilized for General Fund maintenance and operating activities. The remaining 30 percent, or \$0.195573, is used for debt service. The General Fund's portion of property tax revenue for fiscal year 2023 is estimated to be \$8,860,000. Sales tax revenue for fiscal year 2023 is budgeted at \$11,325,000 and represents an increase of \$7,075,000 compared to FY2022. The higher sales tax revenues are indicative of the economic impact of the new Samsung Semiconductor facility being built and the residential growth experienced over the last three years.

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 will be used for capital outlay and emergency expenditures. We anticipate that revenues and expenditures for fiscal year 2023 will allow fund balance to remain at adequate levels to meet these stated goals and objectives.

The largest revenue source for the Utilities 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 the City Council during fiscal year 2015 and rate increases were implemented beginning in fiscal year 2016 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 2020 or fiscal year 2021. A new rate study was completed in 2021 and presented to the City Council for consideration. Ten percent rate increases for both water and sewer services were approved for fiscal year 2022. For fiscal year 2023, the City Council approved a ten

City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2022

percent increase to the water rates and an eight percent increase to the sewer rates. 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 capital improvements and to build up reserves in the Public 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.

In 2016, the City Council approved an ordinance establishing a Transportation User Fee (TUF) that applies to properties within the City of Taylor. A flat fee of \$8.00 per equivalent residential unit is assessed, with commercial customers being assessed at 6 different tier levels that ranged from \$25 to \$133 per month. The total annual revenue generated from the TUF is projected to be \$850,500 for the fiscal year 2023. 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 City contracts with a solid waste collection provider for sanitation and recycling services within the city limits. Sanitation and recycling fees for all customer classes were increased 3.4% for fiscal year 2023. This was the second part of a two-year rate increase that was approved in 2021. The City is in negotiations with our current solid waste collection provider for a contract extension, and it is anticipated that sanitation rates will be increased again for the 2024 fiscal year.

The City of Taylor assesses a Municipal Drainage Utility System (MDUS) fee to provide funding for the maintenance and improvement of the City's drainage system. The fee for residential dwellings remains at \$3.00 per equivalent residential unit per month in fiscal year 2023. The fee for non-residential properties remains at \$3.00 per 2,500 square feet of impervious area. The total annual revenue generated from the MDUS fee is projected to be \$523,500 for the fiscal year 2023.

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.

FINANCIAL STATEMENTS

City of Taylor, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2022

	Primary Government			
	Governmental Activities		Business-Type Activities	
	Activities	Activities	Activities	
<u>Assets</u>				
Cash and cash equivalents	\$ 25,457,744	\$ 17,918,977	\$ 43,376,721	
Investments	10,320,694	1,054,000	11,374,694	
Restricted cash	1,695,725	12,776,339	14,472,064	
Receivables, net	3,223,608	1,757,427	4,981,035	
Lease receivable	19,474	56,726	76,200	
Due from other funds	-	-	-	
Other assets	-	-	-	
Inventories	-	155,232	155,232	
Total Current Assets	40,717,245	33,718,701	74,435,946	
Land held for investment	-	-	-	
Lease receivable	-	40,325	40,325	
Capital assets:				
Non-depreciable	9,120,512	14,650,449	23,770,961	
Net depreciable capital assets	67,980,071	38,476,025	106,456,096	
Total Noncurrent Assets	77,100,583	53,166,799	130,267,382	
Total Assets	117,817,828	86,885,500	204,703,328	
<u>Deferred Outflows of Resources</u>				
Deferred charge on refunding	111,408	410,127	521,535	
Pension outflows	905,052	151,010	1,056,062	
OPEB outflows	94,717	15,805	110,522	
Total Deferred Outflows of Resources	1,111,177	576,942	1,688,119	

Component Units		
Taylor	Tax Increment	
EDC	Financing	
\$ 5,091,823	\$ 268,507	
-	-	
-	-	
570,305	-	
5,245	-	
432	-	
-	-	
5,667,805	268,507	
240,370	-	
-	-	
-	-	
115,234	-	
355,604	-	
6,023,409	268,507	
-	-	
-	-	
-	-	
-	-	
-	-	

City of Taylor, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	Liabilities		
Accounts payable and accrued liabilities	2,416,500	1,402,523	3,819,023
Due to component unit	5,245	-	5,245
Customer deposits	-	542,408	542,408
Compensated absences, current	825,112	28,699	853,811
Accrued interest payable	228,401	185,491	413,892
Long-term debt due within one year	2,852,348	2,160,000	5,012,348
Total Current Liabilities	6,327,606	4,319,121	10,646,727
Noncurrent liabilities:			
Net pension liability	1,799,226	300,205	2,099,431
OPEB liability	1,297,497	93,865	1,391,362
Compensated absences, noncurrent	91,679	3,189	94,868
Advances payable	1,402,313	-	1,402,313
Debt due in more than one year	43,091,114	31,556,936	74,648,050
Total Noncurrent Liabilities	47,681,829	31,954,195	79,636,024
Total Liabilities	54,009,435	36,273,316	90,282,751
Deferred Inflows of Resources			
Lease related	22,274	101,312	123,586
Pension inflows	1,815,702	302,953	2,118,655
OPEB inflows	124,128	4,279	128,407
Total Deferred Inflows of Resources	1,962,104	408,544	2,370,648
Net Position			
Net investment in capital assets	50,598,045	29,452,808	80,050,853
Restricted for:			
Debt service	1,132,769	-	1,132,769
Capital projects	2,209,651	12,233,931	14,443,582
Community development	-	-	-
Cemetery land purchase	131,774	-	131,774
Moody museum	223,546	-	223,546
Library bequest funds	317,623	-	317,623
Cemetery - nonexpendable	723,054	-	723,054
Municipal court	98,965	-	98,965
Other purposes	2,008,440	-	2,008,440
Unrestricted	5,513,599	9,093,843	14,607,442
Total Net Position	\$ 62,957,466	\$ 50,780,582	\$ 113,738,048

See Notes to Financial Statements.

Component Units		
Taylor	Tax Increment	
EDC	Financing	
19,816	-	
-	-	
-	-	
23,109	-	
-	-	
27,562	-	
70,487	—————	—————
-	-	
-	-	
2,568	-	
-	-	
40,771	-	
43,339	—————	—————
113,826	—————	—————
-	-	
-	-	
-	-	
46,901	—————	—————
-	-	
-	-	
5,862,682	268,507	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
\$ 5,909,583	—————	—————
\$ 268,507	—————	—————

City of Taylor, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 5,318,826	\$ 2,873,499	\$ 801,854	\$ -
Culture and recreation	1,416,522	-	-	-
Community development	3,650,230	-	-	2,629,103
Public safety	6,853,371	186,683	-	-
Public works	4,413,144	529,511	-	500,000
Interest and fiscal charges	1,256,670	-	-	-
Total Governmental Activities	22,908,763	3,589,693	801,854	3,129,103
Business-Type Activities				
Public Utility	9,180,589	12,653,974	-	22,351,425
Airport	706,156	611,153	-	-
Cemetery Operating	243,933	249,062	-	-
Sanitation	1,597,481	1,824,157	-	-
Total Business-Type Activities	11,728,159	15,338,346	-	22,351,425
Total Primary Government	\$ 34,636,922	\$ 18,928,039	\$ 801,854	\$ 25,480,528
Component Units				
Taylor Economic Development Corporation	\$ 749,394	\$ -	\$ -	\$ -
Tax Increment Financing	383,032	-	-	-
Total Component Units	\$ 1,132,426	\$ -	\$ -	\$ -
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	
\$ (1,643,473)	\$ -	\$ (1,643,473)	\$ -	\$ -	\$ -
(1,416,522)	-	(1,416,522)	-	-	-
(1,021,127)	-	(1,021,127)	-	-	-
(6,666,688)	-	(6,666,688)	-	-	-
(3,383,633)	-	(3,383,633)	-	-	-
(1,256,670)	-	(1,256,670)	-	-	-
<u>(15,388,113)</u>	<u>-</u>	<u>(15,388,113)</u>	<u>-</u>	<u>-</u>	<u>-</u>
- 25,824,810		25,824,810	-	-	-
- (95,003)		(95,003)	-	-	-
- 5,129		5,129	-	-	-
- 226,676		226,676	-	-	-
<u>- 25,961,612</u>	<u></u>	<u>25,961,612</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(15,388,113)</u>	<u>25,961,612</u>	<u>10,573,499</u>	<u>-</u>	<u>-</u>	<u>-</u>
			(749,394)	-	-
			-	(383,032)	
			<u>(749,394)</u>	<u>(383,032)</u>	
11,059,357	-	11,059,357	-	276,846	
6,433,466	-	6,433,466	2,144,488	-	-
1,238,812	-	1,238,812	-	-	-
234,574	187,444	422,018	6,410	1,686	
1,996,649	119,066	2,115,715	239,771	141,083	
1,912,713	(1,912,713)	-	-	-	-
<u>22,875,571</u>	<u>(1,606,203)</u>	<u>21,269,368</u>	<u>2,390,669</u>	<u>419,615</u>	
7,487,458	24,355,409	31,842,867	1,641,275	36,583	
55,470,008	26,425,173	81,895,181	4,268,308	231,924	
<u>\$ 62,957,466</u>	<u>\$ 50,780,582</u>	<u>\$ 113,738,048</u>	<u>\$ 5,909,583</u>	<u>\$ 268,507</u>	

City of Taylor, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2022

	General	Capital Improvements	I & S for CO Bonds
Assets			
Cash and cash equivalents	\$ 331,692	\$ 21,638,632	\$ 922,185
Restricted cash	1,695,725	-	-
Investments	9,374,694	-	-
Receivables, net	2,783,541	191,814	58,670
Lease receivable	19,474	-	-
Due from other funds	167,857	-	210,584
Total Assets	<u>\$ 14,372,983</u>	<u>\$ 21,830,446</u>	<u>\$ 1,191,439</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 2,493,191	\$ 1,188,160	\$ -
Due to other funds	208,791	7,118	-
Due to component unit	5,245	-	-
Total Liabilities	<u>2,707,227</u>	<u>1,195,278</u>	<u>-</u>
Deferred Inflows of Resources			
Lease related	22,274	-	-
Unavailable revenue - property taxes	174,414	-	58,670
Unavailable revenue - grants	500,000	-	-
Total Deferred Inflows of Resources	<u>696,688</u>	<u>-</u>	<u>58,670</u>
Fund Balances			
Nonspendable:			
Permanent fund	-	-	-
Restricted for:			
Debt service	-	-	1,132,769
Capital projects	56,019	20,635,168	-
Library donation fund	317,623	-	-
Roadway impact fund	487,326	-	-
Special revenue	-	-	-
Moody museum	223,546	-	-
Development review	995,325	-	-
Other purposes	345,769	-	-
Committed for:			
Drainage	-	-	-
Road maintenance	-	-	-
Unassigned reported in:			
General fund	8,543,460	-	-
Total Fund Balances	<u>10,969,068</u>	<u>20,635,168</u>	<u>1,132,769</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,850,709</u>	<u>\$ 21,830,446</u>	<u>\$ 1,191,439</u>

See Notes to Financial Statements.

Transportation User Fee	Nonmajor Governmental Funds		Total Governmental Funds
\$ 1,434,410	\$ 631,696	\$ 24,958,615	
-	-	1,695,725	
-	946,000	10,320,694	
103,051	86,532	3,223,608	
-	-	19,474	
-	-	378,441	
<u>\$ 1,537,461</u>	<u>\$ 1,664,228</u>	<u>\$ 40,596,557</u>	

\$ 24,994	\$ 70,098	\$ 3,776,443
-	162,532	378,441
-	-	5,245
<u>24,994</u>	<u>232,630</u>	<u>4,160,129</u>

-	-	22,274
-	-	233,084
-	-	500,000
-	-	755,358

-	723,054	723,054
-	-	1,132,769
-	-	20,691,187
-	-	317,623
-	-	487,326
-	410,759	410,759
-	-	223,546
-	-	995,325
-	-	345,769
-	297,785	297,785
1,512,467	-	1,512,467
-	-	8,543,460
<u>1,512,467</u>	<u>1,431,598</u>	<u>35,681,070</u>
<u>\$ 1,537,461</u>	<u>\$ 1,664,228</u>	<u>\$ 40,074,283</u>

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City of Taylor, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS September 30, 2022

Fund Balances - Total Governmental Funds \$ 35,681,070

Adjustments for the Statement of Net Position:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Capital assets - non-depreciable	9,120,512
Capital assets - net depreciable	65,968,277

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. 733,084

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	111,408
Pension Outflows-TMRS	888,075
OPEB Outflows-TMRS	92,940

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	(144,012)
--	-----------

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	(1,781,643)
OPEB Inflows-TMRS	(25,165)
OPEB Inflows-Healthcare	(98,482)

Some liabilities, including bonds payable and compensated absences, are not reported as liabilities in the governmental funds.

Net pension liability	(1,765,476)
OPEB liability-Supplemental Death Fund	(552,007)
OPEB liability-Retiree Healthcare	(734,938)
Accrued interest	(228,401)
Bond premium	(2,270,930)
Compensated absences	(911,846)
Non-current liabilities due in one year	(2,375,000)
Non-current liabilities due in more than one year	(38,750,000)
Net Position of Governmental Activities	\$ 62,957,466

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, 2022

	General	Capital Improvements	I & S for CO Bonds
Revenues			
Property tax	\$ 8,176,034	\$ -	\$ 2,906,755
Sales tax	6,433,466	-	-
Franchise and local taxes	931,861	-	-
License and permits	1,340,385	-	-
Charges for services	665,537	-	-
Fines and forfeitures	174,026	-	-
Intergovernmental	442,354	2,629,103	339,500
Investment income	87,296	128,929	11,578
Other revenues	1,748,330	92,000	72,137
Total Revenues	19,999,289	2,850,032	3,329,970
Expenditures			
Current:			
General government	4,216,205	-	-
Culture and recreation	1,937,243	-	-
Community development	2,965,621	-	-
Public safety	7,728,914	-	-
Public works	2,429,243	-	-
Debt service:			
Principal retirement	-	-	2,410,000
Interest and fiscal charges	-	-	774,862
Bond issuance costs	-	300,475	-
Capital outlay	-	5,814,163	-
Total Expenditures	19,277,226	6,114,638	3,184,862
Excess of Revenues Over (Under) Expenditures	722,063	(3,264,606)	145,108
Other Financing Sources (Uses)			
Transfers in	1,959,200	249,623	275,450
Transfers (out)	(14,600)	-	(240,750)
Bond issuance	-	17,660,000	-
Bond premium	-	1,051,200	-
Total Other Financing Sources (Uses)	1,944,600	18,960,823	34,700
Net Change in Fund Balances	2,666,663	15,696,217	179,808
Beginning fund balances	8,302,405	4,938,951	952,961
Ending Fund Balances	\$ 10,969,068	\$ 20,635,168	\$ 1,132,769

See Notes to Financial Statements.

Transportation Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 11,082,789
-	-	6,433,466
-	306,951	1,238,812
-	-	1,340,385
857,793	539,295	2,062,625
-	12,657	186,683
-	20,000	3,430,957
4	5,349	233,156
-	78,894	1,991,361
857,797	963,146	28,000,234
-	384,546	4,600,751
-	-	1,937,243
-	-	2,965,621
-	-	7,728,914
355,064	-	2,784,307
140,000	-	2,550,000
150,041	-	924,903
-	-	300,475
-	20,399	5,834,562
645,105	404,945	29,626,776
212,692	558,201	(1,626,542)
-	19,600	2,503,873
(111,131)	(477,343)	(843,824)
-	-	17,660,000
-	-	1,051,200
(111,131)	(457,743)	20,371,249
101,561	100,458	18,744,707
1,410,906	1,331,140	16,936,363
\$ 1,512,467	\$ 1,431,598	\$ 35,681,070

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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, 2022

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

Net changes in fund balances - total governmental funds	\$ 18,744,707
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	6,083,617
Depreciation expense	(2,944,732)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
	476,568
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	667,818
OPEB expense	(83,223)
Compensated absences	652,058
Accrued interest	(104,117)
Amortization of deferred charges on refunding	(29,271)
Amortization of bond premium and discounts	186,818
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	2,550,000
Bonds issued	(17,660,000)
Premiums on debt issued	(1,051,200)
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.	
	(1,585)
Change in Net Position of Governmental Activities	\$ 7,487,458

See Notes to Financial Statements.

City of Taylor, Texas

STATEMENT OF NET POSITION (Page 1 of 2) PROPRIETARY FUNDS

September 30, 2022

	Business-Type Activities Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
Assets			
Current Assets			
Cash and cash equivalents	\$ 16,269,290	\$ 1,101,972	\$ 164,181
Investments	1,000,000	-	54,000
Restricted cash:			
Customer deposits	542,408	-	-
Capital improvements	12,233,931	-	-
Receivables, net	1,497,085	-	-
Lease receivable	56,726	-	-
Inventories	155,232	-	-
Total Current Assets	31,754,672	1,101,972	218,181
Noncurrent Assets			
Lease receivable	40,325	-	-
Capital assets:			
Non-depreciable	13,777,736	872,713	-
Net depreciable capital assets	33,979,410	4,490,595	6,020
Total Noncurrent Assets	47,797,471	5,363,308	6,020
Total Assets	79,552,143	6,465,280	224,201
Deferred Outflows of Resources			
Deferred charge on refunding	410,127	-	-
Pension outflows	138,547	5,061	7,402
OPEB outflows	14,500	530	775
Total Deferred Outflows of Resources	563,174	5,591	8,177

Business-Type Activities Enterprise Funds		Governmental Activities	
Sanitation	Total	Internal Service	
\$ 383,534	\$ 17,918,977	\$ 499,129	
-	1,054,000	-	
-	542,408	-	
-	12,233,931	-	
260,342	1,757,427	-	
-	56,726	-	
-	155,232	-	
<u>643,876</u>	<u>33,718,701</u>	<u>499,129</u>	
-	40,325	-	
-	14,650,449	-	
-	38,476,025	2,011,794	
<u>-</u>	<u>53,166,799</u>	<u>2,011,794</u>	
<u>643,876</u>	<u>86,885,500</u>	<u>2,510,923</u>	
-	410,127	-	
-	151,010	16,977	
-	15,805	1,777	
<u>-</u>	<u>576,942</u>	<u>18,754</u>	

City of Taylor, Texas

STATEMENT OF NET POSITION (Page 2 of 2) PROPRIETARY FUNDS

September 30, 2022

	Business-Type Activities Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
Liabilities			
Current Liabilities			
Accounts payable	1,192,389	37,353	6,919
Customer deposits	542,408	-	-
Current maturities of long-term debt	2,090,000	70,000	-
Compensated absences, current	28,699	-	-
Accrued interest	180,701	4,790	-
Total Current Liabilities	4,034,197	112,143	6,919
Noncurrent Liabilities			
Long-term debt	30,339,061	1,217,875	-
Compensated absences, noncurrent	3,189	-	-
Net pension liability	275,429	10,061	14,715
OPEB liability	86,118	3,146	4,601
Total Noncurrent Liabilities	30,703,797	1,231,082	19,316
Total Liabilities	34,737,994	1,343,225	26,235
Deferred Inflows of Resources			
Lease related	101,312	-	-
Pension inflows	277,951	10,153	14,849
OPEB Inflows	3,926	143	210
Total Deferred Inflows of Resources	383,189	10,296	15,059
Net Position			
Net investment in capital assets	24,426,607	5,020,181	6,020
Restricted for capital improvements	12,233,931	-	-
Unrestricted	8,333,596	97,169	185,064
Total Net Position	\$ 44,994,134	\$ 5,117,350	\$ 191,084

See Notes to Financial Statements.

Business-Type Activities		Governmental Activities
Enterprise Funds		Internal Service
Sanitation	Total	
165,862	1,402,523	42,370
-	542,408	-
-	2,160,000	477,348
-	28,699	4,451
-	185,491	-
165,862	4,319,121	524,169
-	31,556,936	2,070,184
-	3,189	494
-	300,205	33,750
-	93,865	10,552
-	31,954,195	2,114,980
165,862	36,273,316	2,639,149
-	101,312	-
-	302,953	34,059
-	4,279	481
-	408,544	34,540
-	29,452,808	(316,278)
-	12,233,931	-
478,014	9,093,843	172,266
\$ 478,014	\$ 50,780,582	\$ (144,012)

City of Taylor, Texas

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

For the Year Ended September 30, 2022

	Business-Type Activities		
	Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
Operating Revenues			
Water revenue	\$ 7,417,649	\$ -	\$ -
Sewer revenue	5,236,325	-	-
Airport services	-	611,153	-
Cemetery services	-	-	249,062
Sanitation	-	-	-
Other income	29,247	274	1,595
Charges for services	-	-	-
Rents and royalties	87,950	-	-
Total Operating Revenues	12,771,171	611,427	250,657
Operating Expenses			
Personnel services	1,622,856	102,717	129,021
Contractual services	4,131,590	393,860	108,945
Material and supplies	992,996	7,204	5,465
Depreciation	1,404,371	166,030	502
Total Operating Expenses	8,151,813	669,811	243,933
Operating Income (Loss)	4,619,358	(58,384)	6,724
Nonoperating Revenues (Expenses)			
Investment income	180,830	6,614	-
Interest expense	(825,576)	(36,345)	-
Bond issuance costs	(203,200)	-	-
Total Nonoperating Revenues (Expenses)	(847,946)	(29,731)	-
Income Before Transfers & Capital Contributions	3,771,412	(88,115)	6,724
Transfers and Capital Contributions			
Capital grants and contributions	22,351,425	-	-
Transfers in	-	-	4,979
Transfers (out)	(1,738,492)	(15,000)	-
Change in Net Position	24,384,345	(103,115)	11,703
Beginning net position	20,609,789	5,220,465	179,381
Ending Net Position	\$ 44,994,134	\$ 5,117,350	\$ 191,084

See Notes to Financial Statements.

Business-Type Activities		Governmental Activities	
Enterprise Funds		Internal Service	
Sanitation	Total		
\$ -	\$ 7,417,649	\$ -	
-	5,236,325	-	
-	611,153	-	
-	249,062	-	
1,824,157	1,824,157	-	
-	31,116	5,288	
-	-	1,720,642	
-	87,950	-	
1,824,157	15,457,412	1,725,930	
-	1,854,594	172,978	
1,597,481	6,231,876	777,597	
-	1,005,665	-	
-	1,570,903	946,300	
1,597,481	10,663,038	1,896,875	
226,676	4,794,374	(170,945)	
-	187,444	1,418	
-	(861,921)	(84,722)	
-	(203,200)	-	
-	(877,677)	(83,304)	
226,676	3,916,697	(254,249)	
-	22,351,425	-	
-	4,979	252,664	
(164,200)	(1,917,692)	-	
62,476	24,355,409	(1,585)	
415,538	26,425,173	(142,427)	
\$ 478,014	\$ 50,780,582	\$ (144,012)	

City of Taylor, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 1 of 2)
For the Year Ended September 30, 2022

	Business-Type Activities		
	Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 12,398,681	\$ 620,545	\$ 264,587
Payments to suppliers and contractors	(4,883,362)	(366,916)	(113,128)
Payments to employees for salaries and benefits	(1,717,532)	(106,250)	(134,188)
Net Cash Provided (Used) by Operating Activities	5,797,787	147,379	17,271
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfer in	-	-	4,979
Transfer (out)	(1,738,492)	(15,000)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(1,738,492)	(15,000)	4,979
<u>Cash Flows from Capital and Related Financing Activities</u>			
Capital contribution	20,754,595	-	-
Purchases of capital assets	(12,152,007)	(11,687)	-
Proceeds from capital debt	11,471,200	-	-
Principal paid on capital debt	(1,795,000)	(65,000)	-
Interest paid on capital debt	(827,386)	(39,281)	-
Bond issuance costs	(203,200)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	17,248,202	(115,968)	-
<u>Cash Flows from Investing Activities</u>			
Interest on investments	180,830	6,614	-
Net Cash Provided (Used) by Investing Activities	180,830	6,614	-
Net Increase (Decrease) in Cash and Cash Equivalents	21,488,327	23,025	22,250
Beginning cash and cash equivalents	7,557,302	1,078,947	141,931
Ending Cash and Cash Equivalents (Including Restricted Cash)	\$ 29,045,629	\$ 1,101,972	\$ 164,181

See Notes to Financial Statements.

Business-Type Activities Enterprise Funds		Governmental Activities Internal Service	
Sanitation	Total		
\$ 1,799,825	\$ 15,083,638	\$ 1,725,930	
(1,583,357)	(6,946,763)	(776,985)	
-	(1,957,970)	(184,830)	
<u>216,468</u>	<u>6,178,905</u>	<u>764,115</u>	
-	4,979	252,664	
(164,200)	(1,917,692)	-	
<u>(164,200)</u>	<u>(1,912,713)</u>	<u>252,664</u>	
-	20,754,595	-	
-	(12,163,694)	(104,930)	
-	11,471,200	-	
-	(1,860,000)	(560,235)	
-	(866,667)	(89,112)	
-	(203,200)	-	
<u>-</u>	<u>17,132,234</u>	<u>(754,277)</u>	
-	187,444	1,418	
<u>-</u>	<u>187,444</u>	<u>1,418</u>	
52,268	21,585,870	263,920	
<u>331,266</u>	<u>9,109,446</u>	<u>235,209</u>	
<u>\$ 383,534</u>	<u>\$ 30,695,316</u>	<u>\$ 499,129</u>	

City of Taylor, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 2 of 2)
For the Year Ended September 30, 2022

	Business-Type Activities		
	Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
<u>Reconciliation of Operating Income (Loss)</u>			
<u>to Net Cash Provided (Used) by Operating Activities</u>			
Operating Income (Loss)	\$ 4,619,358	\$ (58,384)	\$ 6,724
Adjustments to reconcile operating income to net cash provided (used):			
Depreciation	1,404,371	166,030	502
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(418,594)	9,118	13,930
Inventory	(55,344)	-	-
Lease receivable	4,261	-	-
Deferred Outflows of Resources:			
Pension outflows	(6,343)	(232)	(339)
OPEB outflows	1,990	72	106
Increase (Decrease) in:			
Accounts payable	296,568	34,148	1,282
Customer deposits	41,843	-	-
Net pension liability	(247,140)	(9,027)	(13,203)
OPEB liability	9,523	348	509
Deferred Inflows of Resources:			
Pension inflows	149,297	(148)	(216)
OPEB inflows	(4,051)	5,454	7,976
Net Cash Provided (Used) by Operating Activities	\$ 5,797,787	\$ 147,379	\$ 17,271

Schedule of Non-Cash Capital and Related Financing Activities

Capital contributions	\$ 1,596,830	\$ -	\$ -
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See Notes to Financial Statements.

Business-Type Activities		Governmental Activities	
Enterprise Funds		Internal Service	
Sanitation	Total		
\$ 226,676	\$ 4,794,374	\$ (170,945)	
-	1,570,903		946,300
(24,332)	(419,878)		-
-	(55,344)		-
-	4,261		-
-	(6,914)		(777)
-	2,168		244
14,124	346,122		612
-	41,843		-
-	(269,370)		(30,283)
-	10,380		1,166
-	148,933		33,082
-	9,379		(15,284)
\$ 216,468	\$ 6,178,905		\$ 764,115

\$ - \$ 1,596,830 \$ -

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City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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 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, 2022

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, 2022

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.

Asset Description	Estimated Useful Life
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 assets 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 two items that qualify for reporting in this category. It is the deferred charge on refunding and deferred pension/OPEB outflows 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 assets 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 of

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

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, 2022

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 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, lease transactions are recorded as other

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

financing sources and as capital outlay expenditures in the general fund. 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. Leases

Lessee: The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the full-accrual financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

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

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

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

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

Lessor: The City is a lessor for a noncancellable lease of cell towers and a road tolling system. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2022

lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

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

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

12. 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.

13. 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

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2022

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.

14. 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.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2022

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 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.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2022

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 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."

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2022

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.

A. Expenditures Over Appropriations

For the year ended September 30, 2022, expenditures exceeded appropriations at the legal level of control as follows:

Hotel/Motel Tax	\$56,453
Main Street Revenue	\$19,621
Drainage	\$952

B. Deficit Fund Balance

At September 30, 2022, the equipment services and equipment replacement funds have a deficit net position of \$88,501 and \$55,511, 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.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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

	<u>Restricted</u>	<u>Committed</u>
Debt service	\$ 1,132,769	\$ -
Capital projects	20,691,187	-
Cemetery land purchase	131,774	-
Municipal court	* 98,965	-
Moody museum	223,546	-
Library bequest funds	317,623	-
Roadway impact fees	487,326	-
PEG Fees	196,556	-
Public safety	9,381	-
Other purposes	319,852	-
Development review	995,325	-
Drainage	- 297,785	
Road maintenance	- 1,512,467	
Total	\$ 24,604,304	\$ 1,810,252

* Restricted by enabling legislation

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2022, the primary government had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)	Credit Rating
Municipal bonds	\$ 11,374,694	0.88	AAA
External investment pools	38,766,158	0.06	AAAm
Total fair value	\$ 50,140,852		
Portfolio weighted average maturity		0.95	

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

As of September 30, 2022, the component units had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)	Credit Rating
External investment pools	\$ 238,578	0.07	AAAm
Total fair value	<u><u>\$ 238,578</u></u>		
Portfolio weighted average maturity		0.07	

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, 2022, 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 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, 2022, 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.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

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 AAA. 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, 2022, 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 AAA 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.

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.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2022

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, 2022.

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Municipal Bonds	\$ 11,374,694	\$ 11,374,694	\$ -	\$ -
Total Assets at fair value	<u><u>\$ 11,374,694</u></u>	<u><u>\$ 11,374,694</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

C. Receivables

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

	Governmental Activities					
	General	I&S for CO Bonds	Capital Improvements	Transportation User Fee	Nonmajor Governmental	Total
Property taxes	\$ 216,145	\$ 72,942	\$ -	\$ -	\$ -	\$ 289,087
Sales tax	1,699,063	-	-	-	-	1,699,063
Franchise taxes	256,896	-	-	-	-	256,896
Accounts	-	-	-	122,404	101,580	223,984
Other	653,169	-	191,814	-	-	844,983
Allowance	<u>(41,732)</u>	<u>(14,272)</u>	<u>-</u>	<u>(19,353)</u>	<u>(15,048)</u>	<u>(90,405)</u>
	<u><u>\$ 2,783,541</u></u>	<u><u>\$ 58,670</u></u>	<u><u>\$ 191,814</u></u>	<u><u>\$ 103,051</u></u>	<u><u>\$ 86,532</u></u>	<u><u>\$ 3,223,608</u></u>

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

Business-Type Activities			
Public			
	Utilities	Sanitation	Total
Accounts	\$ 1,603,323	\$ 277,644	\$ 1,880,967
Allowance	(106,238)	(17,302)	(123,540)
	<u>\$ 1,497,085</u>	<u>\$ 260,342</u>	<u>\$ 1,757,427</u>

The Taylor Economic Development Corporation receivables consisted sales tax totaling \$570,305.

Lease Receivables

The City is the lessor of three contracts in which the City receives lease payments from lessees. This includes two separate cell phone companies for the use of existing water tower antenna space and one tolling equipment company. The cell tower leases commenced in 2018 and 2021 and are renewable in 5-year increments. Annual lease payments of \$18,150 will be received from AT&T through September 2026. Monthly lease payments of \$2,133.75 will be received from Verizon through December 2023. Monthly lease payments of \$2,200 will be received from Telvent through June 2023, for the use and access of roadway to test a road tolling system. As of September 30, 2022, the lease receivable and offsetting deferred inflows amounted to \$97,051 and \$101,312, respectively, for the cell tower leases. The lease receivable and offsetting deferred inflows amounted to \$19,474 and \$22,274, respectively, for the tolling company roadway lease.

The annual principal and interest payments to be received are as follows:

Year ending	Governmental Activities	
	Principal	Interest (4%)
September 30,		
2023	\$ 19,474	\$ 326
	<u>\$ 19,474</u>	<u>\$ 326</u>
Year ending	Business-Type Activities	
	Principal	Interest (4%)
September 30,		
2023	\$ 40,325	\$ 3,430
2024	22,494	2,057
2025	16,781	1,369
2026	17,452	698
	<u>\$ 97,051</u>	<u>\$ 7,555</u>

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

D. Capital Assets

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

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 3,417,973	\$ 585,715	\$ -	\$ 4,003,688
Construction in progress	9,372,893	3,442,929	(7,698,998)	5,116,824
Total capital assets not being depreciated	<u>12,790,866</u>	<u>4,028,644</u>	<u>(7,698,998)</u>	<u>9,120,512</u>
Capital assets, being depreciated:				
Streets and bridges	54,895,481	-	7,080,629	61,976,110
Parks and dams	19,286,678	451,309	-	19,737,987
Sidewalks, curbs and gutters	3,789,523	-	-	3,789,523
Buildings and improvements	11,780,534	48,124	618,369	12,447,027
Operating equipment	3,922,844	1,555,540	(19,729)	5,458,655
Equipment in internal service funds	8,182,007	104,930	-	8,286,937
Total capital assets being depreciated	<u>101,857,067</u>	<u>2,159,903</u>	<u>7,679,269</u>	<u>111,696,239</u>
Less accumulated depreciation				
Streets and bridges	21,281,940	1,462,565	-	22,744,505
Parks and dams	4,802,808	646,300	-	5,449,108
Sidewalks, curbs and gutters	868,448	94,738	-	963,186
Buildings and improvements	4,421,997	383,126	-	4,805,123
Operating equipment	3,140,829	358,003	(19,729)	3,479,103
Equipment in internal service funds	5,328,843	946,300	-	6,275,143
Total accumulated depreciation	<u>39,844,865</u>	<u>3,891,032</u>	<u>(19,729)</u>	<u>43,716,168</u>
Net capital assets being depreciated	<u>62,012,202</u>	<u>(1,731,129)</u>	<u>7,698,998</u>	<u>67,980,071</u>
Total Capital Assets	<u>\$ 74,803,068</u>	<u>\$ 2,297,515</u>	<u>\$ -</u>	<u>\$ 77,100,583</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 282,850
Community development	750,817
Public safety	209,346
Public works	1,701,720
Internal service funds	946,300
Total Governmental Activities Depreciation Expense	<u>\$ 3,891,033</u>

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 1,317,035	\$ 733,377	\$	\$ 2,050,412
Construction in progress	3,629,325	11,260,290	(2,289,578)	12,600,037
Total capital assets not being depreciated	<u>4,946,360</u>	<u>11,993,667</u>	<u>(2,289,578)</u>	<u>14,650,449</u>
Capital assets, being depreciated:				
Plant distribution and collection	50,145,128	1,635,953	2,289,578	54,070,659
Buildings	10,718,045	-	-	10,718,045
Runway	2,238,416	-	-	2,238,416
Equipment	1,342,308	130,904	(206,092)	1,267,120
Total capital assets being depreciated	<u>64,443,897</u>	<u>1,766,857</u>	<u>2,083,486</u>	<u>68,294,240</u>
Less accumulated depreciation				
Plant distribution and collection	22,741,603	1,163,905	-	23,905,508
Buildings	3,888,032	245,752	-	4,133,784
Runway	968,853	55,960	-	1,024,813
Equipment	854,916	105,286	(206,092)	754,110
Total accumulated depreciation	<u>28,453,404</u>	<u>1,570,903</u>	<u>(206,092)</u>	<u>29,818,215</u>
Net capital assets being depreciated	35,990,493	195,954	2,289,578	38,476,025
Total Capital Assets	<u>\$ 40,936,853</u>	<u>\$ 12,189,621</u>	<u>\$ -</u>	<u>\$ 53,126,474</u>

Depreciation was charged to business-type activities as follows:

Public Utilities	\$ 1,404,371
Airport	166,030
Cemetery	502
Total Business-type Activities Depreciation Expense	<u>\$ 1,570,903</u>

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets being depreciated				
Leasehold improvements	\$ 26,261	\$ -	\$ -	\$ 26,261
Commercial sign	17,244	-	-	17,244
Office Equipment	37,273	22,006	-	59,279
RTU Asset	8,974	85,552	(8,974)	85,552
Total capital assets being depreciated	<u>89,752</u>	<u>107,558</u>	<u>(8,974)</u>	<u>188,336</u>
Less accumulated depreciation				
Leasehold improvements	5,325	1,751	-	7,076
Commercial sign	8,764	1,724	-	10,488
Office Equipment	33,364	3,162	-	36,526
RTU Asset	-	27,986	(8,974)	19,012
Total Accumulated Depreciation	<u>47,453</u>	<u>34,623</u>	<u>(8,974)</u>	<u>73,102</u>
Total Capital Assets, Net	<u>\$ 42,299</u>	<u>\$ 72,935</u>	<u>\$ -</u>	<u>\$ 115,234</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.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 1,563,904	\$ 773,368	\$ (1,425,426)	\$ 911,846	\$ 820,661
Compensated Absences in internal service funds	4,945	4,945	(4,945)	4,945	4,451
Total Governmental Activities	<u>\$ 1,568,849</u>	<u>\$ 778,313</u>	<u>\$ (1,430,371)</u>	<u>\$ 916,791</u>	<u>\$ 825,112</u>
Business-Type Activities:					
Compensated Absences	\$ 29,840	\$ 31,888	\$ (29,840)	\$ 31,888	\$ 28,699
Total Business-Type Activities	<u>\$ 29,840</u>	<u>\$ 31,888</u>	<u>\$ (29,840)</u>	<u>\$ 31,888</u>	<u>\$ 28,699</u>
Component Unit Activities - Taylor EDC					
Compensated Absences	\$ 24,485	\$ 25,677	\$ (24,485)	\$ 25,677	\$ 23,109
Total Component Unit Activities	<u>\$ 24,485</u>	<u>\$ 25,677</u>	<u>\$ (24,485)</u>	<u>\$ 25,677</u>	<u>\$ 23,109</u>

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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, 2022. In general, the City uses the debt service fund and general fund to liquidate governmental long-term liabilities and pension liabilities, respectively.

	Beginning Balance	Additions	Refunds/ Payments	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, notes and other payables:					
General Obligation Bonds	\$ 9,275,000	\$ -	\$ (1,690,000)	\$ 7,585,000	\$ 1,305,000
Combination Tax and Revenue Certificates of Obligation	16,740,000	12,335,000	(860,000)	28,215,000	975,000
Revenue Certificates of Obligation - ISF	1,525,000	-	(195,000)	1,330,000	205,000
Limited Tax Note	-	5,325,000	-	5,325,000	95,000
Less deferred amounts:					
For premiums	1,446,051	1,051,200	(191,207)	2,306,044	-
Total Bonds Payable	28,986,051	18,711,200	(2,936,207)	44,761,044	2,580,000
Note Payable - internal service fund	1,324,478	-	(287,569)	1,036,909	221,075
Lease - internal service fund	223,175	-	(77,666)	145,509	51,273
Total Governmental Activities	\$ 30,533,704	\$ 18,711,200	\$ (3,301,442)	\$ 45,943,462	\$ 2,852,348
Long-term liabilities due in more than one year					
Business-Type Activities:					
General Obligation Bonds	\$ 7,900,000	\$ -	\$ (515,000)	\$ 7,385,000	\$ 515,000
Combination Tax and Revenue Certificates of Obligation	15,265,000	10,575,000	(1,345,000)	24,495,000	1,645,000
Less deferred amounts:					
For premiums	1,059,941	896,200	(119,205)	1,836,936	-
Total Bonds Payable	24,224,941	11,471,200	(1,979,205)	33,716,936	2,160,000
Total Business-Type Activities	\$ 24,224,941	\$ 11,471,200	\$ (1,979,205)	\$ 33,716,936	\$ 2,160,000
Long-term liabilities due in more than one year					

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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. Leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset. Assets under lease have a net book value of \$166,327 at year end. Assets financed through notes payable have a book value of \$971,467.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due in one Year</u>
Component Unit - Taylor EDC					
Building lease	\$ 8,974	\$ 85,552	\$ (26,193)	\$ 68,333	\$ 27,562
Total Component Unit Activities	<u>\$ 8,974</u>	<u>\$ 85,552</u>	<u>\$ (26,193)</u>	<u>\$ 68,333</u>	<u>\$ 27,562</u>
Lease Liabilities Due in More than One Year				<u>\$ 40,771</u>	

In February 2022, the Corporation signed a noncancelable lease for an office building. The lease term is for 3 years with monthly payments of \$2,380, \$2,500, & \$2,650, respectively, in twelve-month increments. There is no stated interest rate in the lease. The Corporation has utilized our incremental borrowing rate which was determined to be 5.5% on the date of the agreement. The final payment will be made on January 31, 2025. The present value of the remaining building lease payments as of September 30, 2021 was determined to be \$8,974. The Corporation restated lease payable and RTU assets for this amount. The Taylor EDC has an unused line of credit totaling \$3,500,000.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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

	Governmental Activities	Business - Type Activities	Total
General Obligation Bonds:			
\$4,595,000 General Obligation Refunding Bonds, Series 2015, due in installments through 2025, interest at 2.9%	1,130,000	900,000	2,030,000
\$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%	1,005,000	1,225,000	2,230,000
\$4,035,000 General Obligation Refunding Bonds, Series 2021, due in installments through 2032, interest at 3%	2,505,000	195,000	2,700,000
Total General Obligation Bonds	\$ 7,585,000	\$ 7,385,000	\$ 14,970,000
Combination Tax and Revenue Certificates of Obligation:			
\$4,200,000 Combination Tax and Revenue Certificates of Obligation, Series 2006, due in annual installments through 2026, interest at 4.45%	\$ -	\$ 2,450,000	\$ 2,450,000
\$10,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2007, due in annual installments through 2027, interest at 3.83%	2,300,000	3,855,000	6,155,000
\$3,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2013, due in annual installments through 2033, interest at 4%	2,740,000	-	2,740,000
\$5,340,000 Combination Tax and Revenue Certificates of Obligation, Series 2017, due in annual installments through 2037, interest at 2.9-3.25%	1,155,000	3,470,000	4,625,000
\$5440,000 Combination Tax and Revenue Certificates of Obligation, Series 2018, due in annual installments through 2030, interest at 3%	3,720,000	-	3,720,000
\$12,590,000 Combination Tax and Revenue Certificates of Obligation, Series 2019, due in annual installments through 2044, interest at 2.75%	7,295,000	4,145,000	11,440,000
\$22,910,000 Combination Tax and Revenue Certificates of Obligation, Series 2022, due in annual installments through 2042, interest at 3%	12,335,000	10,575,000	22,910,000
Total Combination Tax and Revenue/Certificates of Obligation	\$ 29,545,000	\$ 24,495,000	\$ 54,040,000
Tax Notes:			
\$5,325,000 Limited Tax Note Series 2022, due in annual installments through 2029, interest at 2.77%	5,325,000	-	5,325,000
Total Tax Notes	\$ 5,325,000	\$ -	\$ 5,325,000

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

	Business -		
	Governmental Activities	Type Activities	Total
Less deferred amounts:			
Discounts and premiums	\$ 2,306,044	\$ 1,836,936	\$ 4,142,980
Notes Payable			
\$406,7220 Note Payable to Government Capital, due in annual installments of \$88,844 through October 2025, interest at 2.49%	328,160	-	328,160
\$1,030,100 lease payable to Community Leasing, due in annually installments of \$91,322 through 2030, interest at 3.79%	620,212	-	620,212
\$192,000 lease payable to Frost Bank, due in annual installments of \$41,076 through 2023, interest at 3.48%	39,692	-	39,692
\$163,750 lease payable to Clayton Holdings, LLC, due in annual installments of \$34,550.64 through 2024, interest at 2.25%	48,845	-	48,845
Leases Payable:			
\$53,931 lease payable to John Deere, due in monthly installments of \$4,733 through 2023, interest at 3.25%	2,846	-	2,846
\$27,372 lease payable to John Deere, due in monthly installments of \$229 through 2022, interest at 3.25%	986	-	986
\$52,750 lease payable to Wells Fargo, due in monthly installments of \$28,815 through 2023, interest at 3.25%	1,334	-	1,334
\$232,528 lease payable to US Bank, due in annual installments of \$48,148.05 through 2025, interest at 1.42%	140,343	-	140,343
Total Notes and Leases Payable	1,182,418	-	1,182,418
Total Debt	\$ 45,943,462	\$ 33,716,936	\$ 79,660,398

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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

General Obligation Bonds

Year Ending	Governmental Activities			Business-type Activities		
	Principal	Interest		Principal	Interest	
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	
Total	\$ 7,585,000	\$ 1,506,795		\$ 7,385,000	\$ 1,734,994	

Tax Notes

Year Ending	Governmental Activities		
	Principal	Interest	
2023	\$ 95,000	\$ 140,947	
2024	100,000	144,871	
2025	505,000	142,101	
2026	355,000	128,113	
2027	1,180,000	118,279	
2028	1,590,000	85,593	
2029	1,500,000	41,550	
Total	\$ 5,325,000	\$ 801,453	

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

Certificates of Obligation

Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 1,180,000	\$ 1,237,358	\$ 1,645,000	\$ 1,033,128
2024	1,915,000	1,026,300	2,045,000	821,466
2025	2,145,000	962,011	1,980,000	740,253
2026	2,510,000	882,179	2,070,000	663,424
2027	2,585,000	790,811	1,440,000	582,652
2028	1,955,000	685,624	860,000	521,704
2029	1,795,000	604,089	890,000	484,374
2030	1,620,000	531,359	930,000	447,199
2031	1,345,000	465,534	965,000	408,284
2032	1,405,000	407,164	1,005,000	367,824
2033	1,325,000	358,694	1,045,000	336,224
2034	1,015,000	305,694	1,080,000	297,834
2035	1,045,000	271,844	1,110,000	263,854
2036	1,080,000	236,994	1,150,000	228,879
2037	1,120,000	200,944	1,190,000	192,669
2038	1,155,000	167,344	860,000	156,094
2039	1,185,000	132,694	885,000	130,294
2040	930,000	96,638	915,000	103,463
2041	960,000	68,425	940,000	75,425
2042	990,000	39,300	970,000	46,625
2043	140,000	9,263	255,000	16,900
2044	145,000	4,713	265,000	8,613
Total	<u>\$ 29,545,000</u>	<u>\$ 9,484,971</u>	<u>\$ 24,495,000</u>	<u>\$ 7,927,178</u>

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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

Year ending September 30,	Governmental Activities			Total
	Principal	Interest		
2023	\$ 51,273	\$ 2,068		\$ 53,341
2023	46,778	1,370		48,148
2024	47,458	690		48,148
Total	\$ 145,509	\$ 4,128		\$ 149,637

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		
2023	\$ 221,075	\$ 34,718		\$ 255,793
2024	168,709	28,016		196,725
2025	157,633	22,533		180,166
2026	156,356	17,658		174,014
2027	78,696	12,626		91,322
2028	81,679	9,643		91,322
2029	84,774	6,548		91,322
2030	87,987	3,335		91,322
Total	\$ 1,036,909	\$ 135,077		\$ 1,171,986

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 \$111,408 and \$410,127, respectively. Current year amortization expense for governmental and business-type activities totaled \$29,271 and \$47,637, respectively.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

H. Interfund Transactions

Transfers between the primary government funds during the 2022 year were as follows:

Transfer out:	Transfer In:						Total
	General	Capital Improvements	I&S for CO Bonds	Nonmajor Governmental	Cemetery Operating	Equipment Replacement	
General	\$ -	\$ -	\$ -	\$ 14,600	\$ -	\$ -	\$ 14,600
I&S for CO Bonds	-	-	-	-	-	\$ 240,750	\$ 240,750
Transportation	-	111,131	-	-	-	-	111,131
Nonmajor Governmental	180,000	-	275,450	5,000	4,979	11,914	477,343
Public Utilities	1,600,000	138,492	-	-	-	-	1,738,492
Airport	15,000	-	-	-	-	-	15,000
Sanitation	164,200	-	-	-	-	-	164,200
Total	\$ 1,959,200	\$ 249,623	\$ 275,450	\$ 19,600	\$ 4,979	\$ 252,664	\$ 2,761,516

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 \$23,532, \$342,150 and \$20,000 to the General, I&S for CO Bonds and Main Street Revenue funds, respectively, for debt service and capital funding.

The compositions of interfund balances as of the year ended September 30, 2022 were as follows:

Payable Fund:	Receivable Fund:		
	I&S For CO		
	General	Bonds	Total
General	\$ -	\$ 208,791	\$ 208,791
Capital projects	5,325	1,793	7,118
Nonmajor governmental	162,532	-	162,532
Total	\$ 167,857	\$ 210,584	\$ 378,441

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.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

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.

Development Review Reimbursement Agreement ("DRRA")

The City entered into a Development Review Costs and 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 a manufacturing facility. This agreement includes funding for City development review costs and services as well as costs of 3rd party contractors. The City is to repay all amounts funded for direct City costs associated with the project, as defined in the agreement. The City is not required to repay amounts provided and expended for 3rd party review charges and costs. The Company provided a total of \$1,402,313 during the year which was placed in escrow and utilized as necessary to complete the City's development review. Subsequent replenishments will be made upon request, if necessary. This balance and subsequent advances will be paid back in annual payments starting in 2027. The amount reported as payable under this agreement totaled \$1,402,313 as of September 30, 2022. During the year, the Company has also funded City \$1,000,000 for 3rd party review costs.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

Project Funding Agreement

The City entered into a project funding agreement with a manufacturing company that requires the construction of water and wastewater facilities to land that will be utilized for construction of a manufacturing facility. In order to expedite the construction of these facilities, the Company will contribute toward the cost of the various phases of the project. During the current fiscal year, the company provided \$20,754,595 in funding to be placed in escrow and utilized for the construction of water and wastewater facilities. The balance of unspent contributions remaining at year end totaled \$12,233,931.

C. Construction Commitments

The City of Taylor has active construction projects as of September 30, 2022. The projects include improvements for parks, the animal shelter facility, the intersection at 2nd and Main streets, downtown roads, and water and wastewater infrastructure.

At year end, the City of Taylor's commitments with contractors are as follows:

Project	Authorized Contract Award	Remaining Commitment
TRP & Doak Park	\$ 1,575,550	\$ 264,216
Animal Shelter Construction	1,423,262	1,423,262
2nd & Main Intersection	226,034	226,034
Downtown Striping Project	146,006	146,006
Downtown Signage Project	150,967	150,967
Downtown Streetscape	88,941	88,941
Mustang Creek WWTP Improvements Train 2 Rehab	5,339,000	3,921,666
FM 973 Water and Wastewater Line Improvements	8,307,365	2,723,660
Northside Pump Station Improvements	2,124,640	2,054,587
North Pump Station Generator	290,469	261,422
Total	<u>\$ 19,672,233</u>	<u>\$ 11,260,760</u>

D. Defined Benefit Pension Plans

1. Plan Description

The City of Taylor, Texas participates as one of 901 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

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

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 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 2021</u>	<u>Plan Year 2020</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 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)	30% 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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

Inactive employees or beneficiaries currently receiving benefits	117
Inactive employees entitled to but not yet receiving benefits	133
Active employees	<u>156</u>
Total	<u>406</u>

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 12.69% and 13.18% in calendar years 2022 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$1,345,915, and were equal to the required contributions.

4. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

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

Inflation	2.50% 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

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

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, 2109 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public/Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
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

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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.tmrs.com.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/20	\$ 35,655,545	\$ 31,672,315	\$ 3,983,230
Changes for the year:			
Service cost	1,544,110	-	1,544,110
Interest	2,401,979	-	2,401,979
Change in benefit terms	-	-	-
Difference between expected and actual experience	217,930	-	217,930
Changes of assumptions	-	-	-
Contributions – employer	-	1,264,770	(1,264,770)
Contributions – employee	-	671,769	(671,769)
Net investment income	-	4,130,252	(4,130,252)
Benefit payments, including refunds of emp. contributions	(1,685,453)	(1,685,453)	-
Administrative expense	-	(19,104)	19,104
Other changes	-	131	(131)
Net changes	2,478,566	4,362,365	(1,883,799)
Balance at 12/31/21	\$ 38,134,111	\$ 36,034,680	\$ 2,099,431

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	Current Single Rate	1% Increase
5.75%	Assumption 6.75%	7.75%
\$ 7,855,734	\$ 2,099,431	\$ (2,577,511)

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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

For the year ended September 30, 2022, the City recognized pension expense of \$551,939. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and investment earnings	\$ -	\$ (2,118,655)
Changes in actuarial assumptions	40,475	-
Differences between expected and actual economic experience	33,392	-
Contributions subsequent to the measurement date	982,195	-
Total	\$ 1,056,062	\$ (2,118,655)

The City reported \$982,195 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:	
2022	\$ (342,581)
2023	(885,360)
2024	(418,380)
2025	(398,467)
2026	-
Thereafter	-
	<u>\$ (2,044,788)</u>

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

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2022

under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

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

Inactive employees or beneficiaries currently receiving benefits	77
Inactive employees entitled to but not yet receiving benefits	29
Active employees	156
Total	262

The City's contributions to the TMRS SDBF for the years ended 2022, 2021 and 2020 were \$15,029, \$14,040, and \$6,251, 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
2021	0.07%	0.07%	100.0%
2022	0.18%	0.18%	100.0%
2023	0.13%	0.13%	100.0%

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2021, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2021 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	1.84%
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 1.84%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

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 1.84%, as well as what the City's net pension liability (asset) would be if it were calculated

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

1% Decrease (0.84%)	Current Single Rate Assumption 1.84%	1% Increase (2.84%)
\$ 813,156	\$ 656,424	\$ 538,307

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/20	\$ 583,835
Changes for the year:	
Service Cost	38,387
Interest	11,888
Difference between expected and actual experience	18,429
Changes of assumptions	21,159
Benefit payments	(17,274)
Net changes	72,589
Balance at 12/31/21	\$ 656,424

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$71,918.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 29,925
Change in assumptions	100,460	-
Contributions subsequent to measurement date	10,062	-
Total	\$ 110,522	\$ 29,925

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

The City reported \$10,062 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 of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:		
2022	\$	19,121
2023	19,194	
2024	19,852	
2025	9,437	
2026	2,931	
Thereafter	-	
	<hr style="border: 0.5px solid black;"/>	<hr style="border: 0.5px solid black;"/>
	\$	70,535

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

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

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.

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.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

Vision Coverage

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

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 pay 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 4.77%, 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 (3.77%) or 1-percentage-point higher (5.77%) than the current rate:

1% Decrease (3.77%)	Current Single Rate Assumption 4.77%	1% Increase (5.77%)
\$ 792,352	\$ 734,938	\$ 682,485

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

Healthcare Cost Trend

1% Decrease	Current Healthcare	1% Increase
(3.5%)	Cost Trend (4.5%)	(5.5%)
\$ 668,181	\$ 734,938	\$ 812,503

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 9/30/2021	\$ 891,528
Changes for the year:	
Service Cost	67,723
Interest	21,094
Difference between expected and actual experience	(47,941)
Changes of assumptions	(153,989)
Benefit payments	(43,477)
Net changes	(156,590)
Balance at 9/30/2022	\$ 734,938

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$103,213.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Inflows of Resources
Difference between expected and actual experience	\$ (12,707)
Change in assumptions	(85,775)
Total	\$ (98,482)

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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

Year ended September 30:		
2023	\$	(9,953)
2024		(9,953)
2025		(9,953)
2026		(9,953)
2027		(9,953)
Thereafter		<u>(48,719)</u>
	<u><u>\$</u></u>	<u><u>(98,482)</u></u>

Employees covered by benefit terms

At the September 30, 2022 valuation date, the following employees were covered by the benefit terms:

<u>Status</u>	<u>Employee</u>	<u>Employee & Spouse</u>
Inactive employees or beneficiaries currently receiving benefits	3	2
Active employees	100	44
Total	103	46

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, 2022 and measured as of September 30, 2022 uses the mortality table: RPH 2014 Total Table with Projection MP-2021 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

The discount rate for the current valuation was raised from 2.25% to 4.77%. There have been no other substantive changes in the retiree plan since the last full valuation.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

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	4.77%
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 \$71,918 and \$78,866 for the SDB and Retiree Healthcare plans, respectively, totaling \$150,784.

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 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.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

The City's deferred compensation plan is administered by a private corporation under contract with the City. Participant and City contributions totaled \$90,153 for the year ended September 30, 2022.

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, 2022:

<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 20,000 data information facility to create positive economic benefits through employment and tax revenue.	75%	\$ 74,222	\$ -
Construction of a 60,000 sf regional manufacturing and retail facility to create positive economic benefits through employment and tax revenue.	50%	-	50,647
Construction and operation of a window manufacturing business create positive economic benefits through employment and tax revenue.	50%	19,282	-
Total	\$ 93,504	\$ 50,647	

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, 2022

H. Subsequent Events

On March 9, 2023, the City was awarded financial assistance from the Texas Water Development Board consisting of \$5,090,000 in financing at 0% interest for drainage improvements. The City anticipates issuing the long-term debt in August 2023.

There were no other material subsequent events through March 22, 2023, the date the financial statements were issued.

I. New Accounting Pronouncements

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 87, entitled *Leases*. Due to the implementation of GASB 87 in the current year, the City recorded right to use assets and lease liabilities.

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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property tax	\$ 8,182,000	\$ 8,271,821	\$ 8,176,034	\$ (95,787)
Sales tax	4,250,000	5,494,880	6,433,466	938,586
Franchise and local taxes	832,000	698,613	931,861	233,248
License and permits	669,800	1,340,486	1,340,385	(101)
Charges for services	357,400	637,604	665,537	27,933
Fines and forfeitures	231,700	157,413	174,026	16,613
Intergovernmental	78,500	456,928	442,354	(14,574)
Investment income	25,400	87,297	87,296	(1)
Other revenues	377,800	3,136,755	1,748,330	(1,388,425)
Total Revenues	15,004,600	20,281,797	19,999,289	(282,508)
<u>Expenditures</u>				
Current:				
General government				
City council	219,480	197,702	220,240	(22,538)
City management	547,780	581,711	589,257	(7,546)
Public information	197,540	202,028	203,028	(1,000)
Human resources	277,822	268,590	271,731	(3,141)
Financial services	760,815	754,931	763,009	(8,078)
Municipal court	432,079	309,733	316,299	(6,566)
Building maintenance	576,697	711,803	715,830	(4,027)
Information technology	218,834	228,290	228,291	(1)
Nondepartmental	651,285	1,051,987	758,375	293,612
City clerk	157,800	147,519	150,145	(2,626)
Total general government	4,040,132	4,454,294	4,216,205	238,089
Culture and recreation				
Moody museum	10,075	6,546	6,547	(1)
Public library	521,638	504,803	515,382	(10,579)
Parks and recreation	1,085,937	1,409,530	1,415,314	(5,784)
Total culture and recreation	1,617,650	1,920,879	1,937,243	(16,364)

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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
				Positive (Negative)
Community development				
Planning and development	\$ 1,524,568	\$ 2,827,861	\$ 2,845,925	\$ (18,064)
Main Street program	121,376	118,582	119,696	(1,114)
Total community development	<u>1,645,944</u>	<u>2,946,443</u>	<u>2,965,621</u>	<u>(19,178)</u>
Public safety				
Fire department	2,915,482	2,991,034	3,051,347	(60,313)
Police department	4,348,044	4,313,452	4,371,148	(57,696)
Animal control	244,028	304,751	306,419	(1,668)
Total public safety	<u>7,507,554</u>	<u>7,609,237</u>	<u>7,728,914</u>	<u>(119,677)</u>
Public works				
Maintenance	1,983,854	1,987,362	2,002,674	(15,312)
Engineering and inspection	175,000	426,569	426,569	-
Total public works	<u>2,158,854</u>	<u>2,413,931</u>	<u>2,429,243</u>	<u>(15,312)</u>
Total Expenditures	<u>16,970,134</u>	<u>19,344,784</u>	<u>19,277,226</u>	<u>67,558</u>
Revenues Over (Under) Expenditures	<u>(1,965,534)</u>	<u>937,013</u>	<u>722,063</u>	<u>(214,950)</u>
Other Financing Sources (Uses)				
Transfers in	1,982,732	2,086,931	1,959,200	(127,731)
Transfers (out)	(14,600)	(14,600)	(14,600)	-
Total Other Financing Sources (Uses)	<u>1,968,132</u>	<u>2,072,331</u>	<u>1,944,600</u>	<u>(127,731)</u>
Net Change in Fund Balance	<u>\$ 2,598</u>	<u>\$ 3,009,344</u>	<u>2,666,663</u>	<u>\$ (342,681)</u>
Beginning fund balance			8,302,405	
Ending Fund Balance			<u>\$ 10,969,068</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)
<u>Revenues</u>				
Charges for services	\$ 824,500	\$ 782,701	\$ 857,793	\$ 75,092
Investment income	3,000	4	4	-
	Total Revenues	827,500	782,705	857,797
				75,092
<u>Expenditures</u>				
Public works	530,300	355,064	355,064	-
Debt service:				
Principal	140,000	140,000	140,000	-
Interest	150,519	150,041	150,041	-
	Total Expenditures	820,819	645,105	645,105
				-
	Excess of Revenues Over (Under) Expenditures	6,681	137,600	212,692
				75,092
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	(111,131)	(111,131)	-
	Total Other Financing Sources (Uses)	-	(111,131)	(111,131)
				-
	Net Change in Fund Balance	\$ 6,681	\$ 26,469	\$ 101,561
				\$ 75,092
Beginning fund balance			1,410,906	
			\$ 1,512,467	
				

Notes to Required Supplementary Information

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

City of Taylor, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Total pension liability			
Service cost	\$ 1,544,110	\$ 1,445,657	\$ 1,401,414
Interest	2,401,979	2,285,948	2,112,720
Changes in benefit terms	-	-	(645,002)
Differences between expected and actual experience	217,930	(434,362)	368,547
Changes of assumptions	-	-	239,530
Benefit payments, including refunds of participant contributions	(1,685,453)	(1,569,543)	(1,586,423)
Net change in total pension liability	2,478,566	1,727,700	1,890,786
Total pension liability - beginning	35,655,545	33,927,845	32,037,059
Total pension liability - ending (a)	38,134,111	35,655,545	33,927,845
Plan fiduciary net position			
Contributions - employer	\$ 1,264,770	\$ 1,138,244	\$ 1,035,374
Contributions - members	671,769	627,378	610,069
Net investment income	4,130,252	2,222,717	3,916,028
Benefit payments, including refunds of participant contributions	(1,685,453)	(1,569,543)	(1,586,423)
Administrative expenses	(19,104)	(14,376)	(22,115)
Other	129	(561)	(664)
Net change in plan fiduciary net position	4,362,363	2,403,859	3,952,269
Plan fiduciary net position - beginning	31,672,317	29,268,458	25,316,189
Plan fiduciary net position - ending (b)	\$ 36,034,680	\$ 31,672,317	\$ 29,268,458
Fund's net pension liability - ending (a) - (b)	\$ 2,099,431	\$ 3,983,228	\$ 4,659,387
Plan fiduciary net position as a percentage of the total pension liability	94.49%	88.83%	86.27%
Covered payroll	\$ 9,596,703	\$ 8,962,539	\$ 8,715,264
Fund's net pension liability as a percentage of covered payroll	21.88%	44.44%	53.46%

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.

	12/31/2018		12/31/2017		12/31/2016		12/31/2015		12/31/2014	¹
\$	1,182,552	\$	1,041,311	\$	968,428	\$	969,566	\$	849,391	
	2,033,920		1,924,860		1,820,956		1,807,443		1,722,971	
	-		-		-		-		-	
	(21,953)		(109,310)		(103,381)		(453,575)		(316,854)	
	-		-		-		67,202		-	
	(1,396,663)		(1,226,886)		(1,139,378)		(1,327,734)		(889,978)	
	1,797,856		1,629,975		1,546,625		1,062,902		1,365,530	
	30,239,203		28,609,228		27,062,603		25,999,701		24,634,171	
	32,037,059		30,239,203		28,609,228		27,062,603		25,999,701	
\$	963,711	\$	865,382	\$	823,209	\$	856,984	\$	816,847	
	567,366		508,931		472,404		477,619		443,939	
	(778,480)		3,147,066		1,428,482		31,157		1,123,153	
	(1,396,663)		(1,226,886)		(1,139,378)		(1,327,734)		(889,978)	
	(15,038)		(16,304)		(16,128)		(18,976)		(11,725)	
	(786)		(826)		(867)		(937)		(964)	
	(659,890)		3,277,363		1,567,722		18,113		1,481,272	
	25,976,079		22,698,716		21,130,994		21,112,881		19,631,609	
\$	25,316,189	\$	25,976,079	\$	22,698,716	\$	21,130,994	\$	21,112,881	
\$	6,720,870	\$	4,263,124	\$	5,910,512	\$	5,931,609	\$	4,886,820	
	79.02%		85.90%		79.34%		78.08%		81.20%	
\$	8,105,224	\$	7,246,423	\$	6,748,626	\$	6,823,122	\$	6,341,992	
	82.92%		58.83%		87.58%		86.93%		77.05%	

City of Taylor, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>
Actuarially determined employer contributions	\$ 1,345,915	\$ 1,215,943	\$ 1,113,923	\$ 1,015,485
Contributions in relation to the actuarially determined contribution	<u>\$ 1,345,915</u>	<u>\$ 1,215,943</u>	<u>\$ 1,113,923</u>	<u>\$ 1,015,485</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Annual covered payroll	<u>\$ 10,499,551</u>	<u>\$ 9,316,011</u>	<u>\$ 8,711,109</u>	<u>\$ 8,545,927</u>
Employer contributions as a percentage of covered payroll	12.82%	13.05%	12.79%	11.88%

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.
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years (longest amortization ladder)
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.
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Other Information:

Notes	There were no benefit changes during the year.
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<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	¹
\$ 939,599	\$ 853,691	\$ 812,004	\$ 830,507	
<hr/>	<hr/>	<hr/>	<hr/>	
\$ 939,599	\$ 853,691	\$ 812,004	\$ 830,507	
<hr/>	<hr/>	<hr/>	<hr/>	
\$ -	\$ -	\$ -	\$ -	
\$ 7,900,339	\$ 7,124,866	\$ 6,602,710	\$ 6,572,876	
11.89%	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>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Total OPEB liability				
Service cost	\$ 38,387	\$ 27,784	\$ 22,660	\$ 24,316
Interest	11,888	14,499	15,985	14,756
Differences between expected and actual experience	18,429	(48,165)	(21,171)	(17,300)
Changes of assumptions	21,159	79,500	82,525	(29,995)
Benefit payments, including refunds of participant contributions	(17,274)	(6,274)	(6,101)	(5,674)
Net change in total OPEB liability	72,589	67,344	93,898	(13,897)
Total OPEB liability - beginning	583,835	516,491	422,593	\$ 436,490
Total OPEB liability - ending	656,424	583,835	516,491	\$ 422,593
 Covered employee payroll	 \$ 9,596,703	 \$ 8,962,539	 \$ 8,715,264	 \$ 8,105,224
 City's total OPEB liability as a percentage of covered employee payroll	 6.84%	 6.51%	 5.93%	 5.21%

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.

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

12/31/2017 ¹

\$ 19,565
14,401

-
33,502

(4,348)
63,120
\$ 373,370
\$ 436,490 ²

\$ 7,246,423

6.02%

City of Taylor, Texas

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

RETIREE HEALTHCARE

Year Ended:

	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>
Total OPEB liability				
Service cost	\$ 67,723	\$ 67,723	\$ 44,401	\$ 44,401
Interest	21,094	20,010	28,470	25,128
Differences between expected and actual experience	(47,941)	-	46,574	-
Changes of assumptions	(153,989)	-	77,880	-
 Benefit payments, including refunds of participant contributions	 (43,477)	 (35,616)	 (29,465)	 (33,771)
Net change in total OPEB liability	(156,590)	52,117	167,860	35,758
Total OPEB liability - beginning	891,528	839,411	671,551	\$ 635,793
Total OPEB liability - ending (a)	734,938	891,528	839,411	\$ 671,551
 Covered employee payroll	 \$ 9,225,768	 \$ 7,633,382	 \$ 7,206,702	 \$ 6,466,936
City's total OPEB liability as a percentage of covered employee payroll	7.97%	11.68%	11.65%	10.38%

Notes to schedule:

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

²

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay rel

9/30/2018 ¹

\$ 42,669
25,079

-
-

(13,977)
53,771
\$ 582,022
\$ 635,793 ²

\$ 6,466,936

9.83%

until a full ten-

ated 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, 2022

	Hotel/ Motel Tax	Texas Capital	Main Street Revenue	Cemetery Land	Municipal Court Security/Tech
Assets					
Cash and cash equivalents	\$ 123,124	\$ 4,252	\$ 97,272	\$ 57,623	\$ 98,965
Investments	-	-	-	186,000	-
Accounts receivable, net	24,520	-	-	-	-
Total Assets	\$ 147,644	\$ 4,252	\$ 97,272	\$ 243,623	\$ 98,965
Liabilities					
Accounts payable	\$ 58,422	\$ -	\$ 10,726	\$ -	\$ -
Due to other funds	-	-	-	111,849	-
Total Liabilities	58,422	-	10,726	111,849	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	89,222	4,252	86,546	131,774	98,965
Committed	-	-	-	-	-
Total Fund Balances	89,222	4,252	86,546	131,774	98,965
Total Liabilities and Fund Balances	\$ 147,644	\$ 4,252	\$ 97,272	\$ 243,623	\$ 98,965

Drainage	Total Nonmajor	Cemetery Permanent Fund	Total Nonmajor Governmental
	Special Revenue		
\$ 236,723	\$ 617,959	\$ 13,737	\$ 631,696
-	186,000	760,000	946,000
62,012	86,532	-	86,532
<u>\$ 298,735</u>	<u>\$ 890,491</u>	<u>\$ 773,737</u>	<u>\$ 1,664,228</u>
\$ 950	\$ 70,098	\$ -	\$ 70,098
-	111,849	50,683	162,532
<u>950</u>	<u>181,947</u>	<u>50,683</u>	<u>232,630</u>
-	-	723,054	723,054
-	410,759	-	410,759
297,785	297,785	-	297,785
<u>297,785</u>	<u>708,544</u>	<u>723,054</u>	<u>1,431,598</u>
<u>\$ 298,735</u>	<u>\$ 890,491</u>	<u>\$ 773,737</u>	<u>\$ 1,664,228</u>

City of Taylor, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

	Hotel/ Motel Tax	Texas Capital	Main Street Revenue	Cemetery Land	Municipal Court Security/Tech
Revenues					
Hotel occupancy tax	\$ 306,951	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Fines and fees	-	-	-	-	12,657
Intergovernmental	-	-	20,000	-	-
Other revenue	13,572	-	65,322	-	-
Investment income	-	-	-	368	-
Total Revenues	320,523	-	85,322	368	12,657
Expenditures					
General government	270,369	-	108,114	-	4,275
Capital outlay	-	-	-	-	-
Total Expenditures	270,369	-	108,114	-	4,275
Revenues Over (Under) Expenditures	50,154	-	(22,792)	368	8,382
Other Financing Sources (Uses)					
Transfers in	-	-	19,600	-	-
Transfers (out)	(5,000)	-	-	-	-
Total Other Financing Sources (Uses)	(5,000)	-	19,600	-	-
Net Change in Fund Balances	45,154	-	(3,192)	368	8,382
Beginning fund balances	44,068	4,252	89,738	131,406	90,583
Ending Fund Balances	\$ 89,222	\$ 4,252	\$ 86,546	\$ 131,774	\$ 98,965

Drainage	Total Nonmajor Special Revenue	Cemetery Permanent Fund	Total Nonmajor Governmental
\$ -	\$ 306,951	\$ -	\$ 306,951
529,511	529,511	9,784	539,295
-	12,657	-	12,657
-	20,000	-	20,000
-	78,894	-	78,894
-	368	4,981	5,349
<u>529,511</u>	<u>948,381</u>	<u>14,765</u>	<u>963,146</u>
1,788	384,546	-	384,546
20,399	20,399	-	20,399
<u>22,187</u>	<u>404,945</u>	<u>-</u>	<u>404,945</u>
<u>507,324</u>	<u>543,436</u>	<u>14,765</u>	<u>558,201</u>
-	19,600	-	19,600
(467,364)	(472,364)	(4,979)	(477,343)
<u>(467,364)</u>	<u>(452,764)</u>	<u>(4,979)</u>	<u>(457,743)</u>
39,960	90,672	9,786	100,458
257,825	617,872	713,268	1,331,140
<u>\$ 297,785</u>	<u>\$ 708,544</u>	<u>\$ 723,054</u>	<u>\$ 1,431,598</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, 2022

					Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual		
Revenues					
Property taxes	\$ 2,818,000	\$ 2,849,629	\$ 2,906,755	\$ 57,126	
Investment income	1,500	11,578	11,578	-	
Intergovernmental	339,500	339,500	339,500	-	
Other revenue	74,000	72,137	72,137	-	
Total Revenues	3,233,000	3,272,844	3,329,970	57,126	
Expenditures					
Debt service:					
Principal retirement	2,605,000	2,605,000	2,410,000	195,000	
Interest and fiscal charges	831,200	579,862	774,862	(195,000)	
Total Expenditures	3,436,200	3,184,862	3,184,862	-	
Excess of Revenues Over (Under) Expenditures	(203,200)	87,982	145,108	57,126	
Other Financing Sources (Uses)					
Transfers in	275,450	275,450	275,450	-	
Transfers (out)	(34,600)	(240,750)	(240,750)	-	
Total Other Financing Sources (Uses)	240,850	34,700	34,700	-	
Net Change in Fund Balance	\$ 37,650	\$ 122,682	179,808	\$ 57,126	
Beginning fund balance			952,961		
Ending Fund Balance			\$ 1,132,769		

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
HOTEL/MOTEL TAX
For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Positive (Negative)</u>
Revenues					
Hotel occupancy tax	\$ 190,000	\$ 282,430	\$ 306,951	\$ 24,521	
Other revenue	-	13,572	13,572	-	
Total Revenues	190,000	296,002	320,523	24,521	
Expenditures					
General government	199,000	213,916	270,369	(56,453)	
Total Expenditures	199,000	213,916	270,369	(56,453)	*
Excess of Revenues Over (Under) Expenditures	(9,000)	82,086	50,154	(31,932)	
Other Financing Sources (Uses)					
Transfers (out)	(5,000)	(5,000)	(5,000)	-	
Total Other Financing Sources (Uses)	(5,000)	(5,000)	(5,000)	(5,000)	
Net Change in Fund Balance	\$ (14,000)	\$ 77,086	45,154	\$ (31,932)	
Beginning fund balance			44,068		
Ending Fund Balance			\$ 89,222		

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
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MAIN STREET REVENUE
For the Year Ended September 30, 2022

				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 20,000	-
Other revenue	68,500	65,322	65,322	\$ -
Total Revenues	88,500	85,322	85,322	-
Expenditures				
General government	108,100	88,493	108,114	(19,621)
Total Expenditures	108,100	88,493	108,114	(19,621) *
Excess of Revenues				
Over (Under) Expenditures	(19,600)	(3,171)	(22,792)	(19,621)
Other Financing Sources (Uses)				
Transfers in	19,600	19,600	19,600	-
Total Other Financing Sources (Uses)	19,600	19,600	19,600	-
Net Change in Fund Balance	\$ -	\$ 16,429	(3,192)	\$ (19,621)
Beginning fund balance				89,738
Ending Fund Balance				\$ 86,546

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
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT SECURITY AND TECHNOLOGY
For the Year Ended September 30, 2022

				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 19,000	\$ 12,657	\$ 12,657	\$ -
Total Revenues	19,000	12,657	12,657	-
Expenditures				
General government	9,712	4,275	4,275	-
Total Expenditures	9,712	4,275	4,275	-
Net Change in Fund Balance	\$ 9,288	\$ 8,382	8,382	\$ -
Beginning fund balance				90,583
Ending Fund Balance				\$ 98,965

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, 2022

						Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual			
Revenues						
Charges for services	\$ 270,000	\$ 276,846	\$ 276,846			\$ -
Intergovernmental	140,000	141,083	141,083			-
Investment income	1,500	1,686	1,686			-
Total Revenues	411,500	419,615	419,615			-
Expenditures						
General government	408,032	383,032	383,032			-
Total Expenditures	408,032	383,032	383,032			-
Net Change in Fund Balance	\$ 3,468	\$ 36,583	36,583			\$ -
Beginning fund balance				231,924		
Ending Fund Balance				\$ 268,507		

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, 2022

				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 522,500	\$ 482,161	\$ 529,511	\$ 47,350
Total Revenues	<u>522,500</u>	<u>482,161</u>	<u>529,511</u>	<u>47,350</u>
Expenditures				
General government	650	836	1,788	(952)
Capital outlay	57,500	20,399	20,399	-
Total Expenditures	<u>58,150</u>	<u>21,235</u>	<u>22,187</u>	<u>(952)</u> *
Excess of Revenues				
Over (Under) Expenditures	464,350	460,926	507,324	46,398
Other Financing Sources (Uses)				
Transfers (out)	(455,450)	(467,364)	(467,364)	-
Total Other Financing Sources (Uses)	<u>(455,450)</u>	<u>(467,364)</u>	<u>(467,364)</u>	<u>-</u>
Net Change in Fund Balance	\$ 8,900	\$ (6,438)	39,960	\$ 46,398
Beginning fund balance			257,825	
Ending Fund Balance			<u>\$ 297,785</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, 2022

	Equipment Services	Equipment Replacement	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ -	\$ 499,129	\$ 499,129
Due from other funds	- 4,623	4,623	4,623
Total Current Assets	-	503,752	503,752
Noncurrent Assets			
Capital assets:			
Net depreciable capital assets	- 2,011,794	2,011,794	2,011,794
Total Noncurrent Assets	-	2,011,794	2,011,794
Total Assets	-	2,515,546	2,515,546
Deferred Outflows of Resources			
Pension outflows	16,977	-	16,977
OPEB outflows	1,777	-	1,777
Total Deferred Outflows of Resources	18,754	-	18,754
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	18,845	23,525	42,370
Current maturities of			
long-term debt	- 477,348	477,348	477,348
Compensated absences, current	4,451	-	4,451
Due to other funds	4,623	-	4,623
Total Current Liabilities	27,919	500,873	528,792
Noncurrent Liabilities			
Long-term debt	- 2,070,184	2,070,184	2,070,184
Compensated absences, noncurrent	494	-	494
OPEB liability	10,552	-	10,552
Net pension liability	33,750	-	33,750
Total Liabilities	72,715	2,571,057	2,643,772
Deferred Inflows of Resources			
Pension inflows	34,059	-	34,059
OPEB inflows	481	-	481
Total Deferred Inflows of Resources	34,540	-	34,540
Net Position			
Net investment in capital assets	- (316,278)	(316,278)	(316,278)
Unrestricted	(88,501)	260,767	172,266
Total Net Position	\$ (88,501)	\$ (55,511)	\$ (144,012)

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, 2022

	Equipment Services	Equipment Replacement	Total
<u>Operating Revenues</u>			
Charges for services	\$ 905,002	\$ 815,640	\$ 1,720,642
Other revenue	1,939	3,349	5,288
Total Operating Revenues	906,941	818,989	1,725,930
<u>Operating Expenses</u>			
Personnel services	172,978	-	172,978
Contractual services	739,583	38,014	777,597
Depreciation	-	946,300	946,300
Total Operating Expenses	912,561	984,314	1,896,875
Operating Income (Loss)	(5,620)	(165,325)	(170,945)
<u>Nonoperating Revenues (Expenses)</u>			
Investment income	-	1,418	1,418
Interest expense	-	(84,722)	(84,722)
Total Nonoperating Revenues (Expenses)	-	(83,304)	(83,304)
<u>Transfers</u>			
Transfers in	-	252,664	252,664
Total Transfers	-	252,664	252,664
Change in Net Position	(5,620)	4,035	(1,585)
Beginning net position	(82,881)	(59,546)	(142,427)
Ending Net Position	\$ (88,501)	\$ (55,511)	\$ (144,012)

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, 2022

	Equipment Services	Equipment Replacement	Total
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 906,941	\$ 818,989	\$ 1,725,930
Payments to suppliers and contractors	(730,896)	(46,089)	(776,985)
Payments to employees for salaries and benefits	(184,830)	-	(184,830)
Net Cash Provided (Used) by Operating Activities	(8,785)	772,900	764,115
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfer in	-	252,664	252,664
Net Cash Provided (Used) by Noncapital Financing Activities	-	252,664	252,664
<u>Cash Flows from Capital and Related Financing Activities</u>			
Purchases of capital assets	-	(104,930)	(104,930)
Principal paid on capital debt	-	(560,235)	(560,235)
Interest paid on capital debt	-	(89,112)	(89,112)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(754,277)	(754,277)
<u>Cash Flows from Investing Activities</u>			
Interest on investments	-	1,418	1,418
Net Cash Provided by Investing Activities	-	1,418	1,418
Net (Decrease) in Cash and Cash Equivalents	(8,785)	272,705	263,920
Beginning cash and cash equivalents	8,785	226,424	235,209
Ending Cash and Cash Equivalents	\$ -	\$ 499,129	\$ 499,129

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, 2022

	Equipment Services	Equipment Replacement	Total
<u>Reconciliation of Operating (Loss)</u>			
<u>to Net Cash Provided by Operating Activities</u>			
Operating Income (Loss)	\$ (5,620)	\$ (165,325)	\$ (170,945)
Adjustments to reconcile operating income to net cash provided (used):			
Depreciation	-	946,300	946,300
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Due from/to other funds	4,623	(4,623)	-
Deferred Outflows of Resources:			
Pension outflows	(777)	-	(777)
OPEB outflows	244	-	244
Increase (Decrease) in:			
Accounts payable	4,064	(3,452)	612
Net pension liability	(30,283)	-	(30,283)
OPEB liability	1,166	-	1,166
Deferred Inflows of Resources:			
Pension inflows	33,082	-	33,082
OPEB inflows	(15,284)	-	(15,284)
Net Cash Provided (Used) by Operating Activities	<u>\$ (8,785)</u>	<u>\$ 772,900</u>	<u>\$ 764,115</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.

Contents	Page
Financial Trends	128
<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	138
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	144
<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	151
<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	154
<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)

	2022	2021	2020	2019
Governmental activities				
Net investment in capital assets	\$ 50,598,045	\$ 49,829,796	\$ 47,078,362	\$ 44,951,472
Restricted	6,845,822	5,609,894	3,514,866	3,241,616
Unrestricted (Deficit)	<u>5,513,599</u>	<u>30,318</u>	<u>378,302</u>	<u>(438,125)</u>
Total governmental activities net position	<u>\$ 62,957,466</u>	<u>\$ 55,470,008</u>	<u>\$ 50,971,530</u>	<u>\$ 47,754,963</u>
Business-type activities				
Net investment in capital assets	\$ 29,452,808	\$ 20,501,993	\$ 17,661,875	\$ 16,703,213
Restricted	12,233,931	-	-	-
Unrestricted (Deficit)	<u>9,093,843</u>	<u>5,923,180</u>	<u>6,900,236</u>	<u>6,294,388</u>
Total business-type activities net position	<u>\$ 50,780,582</u>	<u>\$ 26,425,173</u>	<u>\$ 24,562,111</u>	<u>\$ 22,997,601</u>
Primary government				
Net investment in capital assets	\$ 80,050,853	\$ 70,331,789	\$ 64,740,237	\$ 61,654,685
Restricted	19,079,753	5,609,894	3,514,866	3,241,616
Unrestricted	<u>14,607,442</u>	<u>5,953,498</u>	<u>7,278,538</u>	<u>5,856,263</u>
Total primary government net position	<u>\$ 113,738,048</u>	<u>\$ 81,895,181</u>	<u>\$ 75,533,641</u>	<u>\$ 70,752,564</u>

Source: City Audited Financials.

2018	2017	2016	2015	2014	2013
\$ 45,342,543	\$ 42,810,269	\$ 41,563,836	\$ 41,623,407	\$ 41,768,181	\$ 42,658,990
3,580,816	2,627,354	3,248,859	2,787,325	2,676,573	2,630,586
(1,490,350)	(812,248)	(1,790,067)	(1,155,715)	(1,311,590)	2,842,851
\$ 47,433,009	\$ 44,625,375	\$ 43,022,628	\$ 43,255,017	\$ 43,133,164	\$ 48,132,427
\$ 16,205,762	\$ 13,463,393	\$ 13,597,654	\$ 13,247,923	\$ 12,540,010	\$ 9,092,144
-	-	-	-	-	-
4,248,544	2,719,836	658,527	220,034	1,146,589	5,339,652
\$ 20,454,306	\$ 16,183,229	\$ 14,256,181	\$ 13,467,957	\$ 13,686,599	\$ 14,431,796
\$ 61,548,305	\$ 56,273,662	\$ 55,161,490	\$ 54,871,330	\$ 54,308,191	\$ 51,751,134
3,580,816	2,627,354	3,248,859	2,787,325	2,676,573	2,630,586
2,758,194	1,907,588	(1,131,540)	(935,681)	(165,001)	8,182,503
\$ 67,887,315	\$ 60,808,604	\$ 57,278,809	\$ 56,722,974	\$ 56,819,763	\$ 62,564,223

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

	2022	2021	2020	2019
Expenses				
Governmental activities:				
General government	\$ 5,318,826	\$ 5,580,982	\$ 4,261,634	\$ 5,012,235
Culture and recreation	1,416,522	1,747,219	1,395,692	1,359,674
Community services	3,650,230	1,694,206	1,831,618	1,371,973
Public safety	6,853,371	7,299,018	6,694,441	6,924,255
Public works	4,413,144	3,932,205	3,611,256	3,915,394
Interest on long-term debt	1,256,670	1,040,215	1,114,377	1,013,513
 Total governmental activities expenses	22,908,763	21,293,845	18,909,018	19,597,044
Business-type activities:				
Public utilities fund	8,355,013	6,832,860	6,431,671	5,918,157
Airport fund	669,811	494,656	450,818	405,680
Cemetery operating fund	243,933	231,953	156,441	175,801
Sanitation fund	1,597,481	1,478,975	1,429,656	1,427,419
Interest on long-term debt	861,921	873,547	974,782	882,959
 Total business-type activities expenses	11,728,159	9,911,991	9,443,368	8,810,016
Total primary government expenses	\$ 34,636,922	\$ 31,205,836	\$ 28,352,386	\$ 28,407,060
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 2,873,499	\$ 2,137,115	\$ 1,867,402	\$ 1,589,404
Public safety	186,683	177,717	203,814	335,026
Public works	529,511	511,844	499,559	491,082
Community services	-	-	-	-
Operating grants and contributions	801,854	873,523	608,967	527,698
Capital grants and contributions	3,221,103	3,101,919	1,865,681	1,238,407
 Total governmental activities program revenues	7,612,650	6,802,118	5,045,423	4,181,617
Business-type activities:				
Charges for services:				
Public utilities fund	12,653,974	10,749,796	10,279,494	10,118,130
Airport fund	611,153	444,814	395,988	419,847
Cemetery fund	249,062	308,766	220,123	197,994
Sanitation fund	1,824,157	1,708,962	1,650,438	1,632,265
Capital grants and contributions	22,351,425	181,985	-	156,197
 Total business-type activities program revenues	37,689,771	13,394,323	12,546,043	12,524,433
Total primary government program revenues	\$ 45,302,421	\$ 20,196,441	\$ 17,591,466	\$ 16,706,050

2018	2017	2016	2015	2014	2013
\$ 3,365,998	\$ 3,903,456	\$ 3,647,370	\$ 4,860,808	\$ 4,862,420	\$ 4,770,073
1,252,029	1,266,740	1,132,102	1,098,786	1,109,876	1,112,269
833,796	854,916	866,779	628,159	661,224	655,822
6,404,119	5,987,519	5,292,525	5,233,324	5,135,384	4,654,499
3,230,070	3,012,792	2,767,401	2,839,114	2,919,795	2,905,400
983,114	931,650	946,971	911,760	970,486	1,009,285
<u>16,069,126</u>	<u>15,957,073</u>	<u>14,653,148</u>	<u>15,571,951</u>	<u>15,659,185</u>	<u>15,107,348</u>
5,418,007	5,036,902	5,287,437	5,167,958	4,865,365	4,696,288
369,772	380,583	386,176	407,521	473,911	480,214
160,970	172,778	178,182	146,682	163,769	133,354
1,403,324	1,378,240	1,362,258	-	-	-
891,073	932,864	861,912	1,067,397	1,107,014	1,202,405
<u>8,243,146</u>	<u>7,901,367</u>	<u>8,075,965</u>	<u>6,789,558</u>	<u>6,610,059</u>	<u>6,512,261</u>
<u>\$ 24,312,272</u>	<u>\$ 23,858,440</u>	<u>\$ 22,729,113</u>	<u>\$ 22,361,509</u>	<u>\$ 22,269,244</u>	<u>\$ 21,619,609</u>
\$ 1,348,310	\$ 1,433,520	\$ 795,794	\$ 1,732,647	\$ 1,740,528	\$ 1,631,501
373,280	279,426	248,042	266,967	319,668	323,928
486,165	332,653	326,121	299,593	330,203	325,698
-	-	-	-	-	-
204,610	126,478	498,965	141,889	129,182	127,201
<u>1,319,107</u>	<u>2,166,109</u>	<u>353,415</u>	<u>470,172</u>	<u>142,440</u>	<u>184,969</u>
<u>3,731,472</u>	<u>4,338,186</u>	<u>2,222,337</u>	<u>2,911,268</u>	<u>2,662,021</u>	<u>2,593,297</u>
9,756,417	9,081,323	7,804,655	6,300,263	6,875,146	6,929,109
413,634	364,728	426,245	450,606	484,048	500,255
158,910	86,733	145,705	117,340	135,458	118,160
1,608,016	1,642,591	1,638,338	-	-	-
<u>2,263,131</u>	<u>-</u>	<u>24,580</u>	<u>530,695</u>	<u>79,326</u>	<u>164,979</u>
<u>14,200,108</u>	<u>11,175,375</u>	<u>10,039,523</u>	<u>7,398,904</u>	<u>7,573,978</u>	<u>7,712,503</u>
<u>\$ 17,931,580</u>	<u>\$ 15,513,561</u>	<u>\$ 12,261,860</u>	<u>\$ 10,310,172</u>	<u>\$ 10,235,999</u>	<u>\$ 10,305,800</u>

City of Taylor, Texas

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2022	2021	2020	2019
Net (Expenses) Revenue				
Governmental activities	\$ (15,296,113)	\$ (14,491,727)	\$ (13,863,595)	\$ (15,415,427)
Business-type activities	25,961,612	3,482,332	3,102,675	3,714,417
Total primary government net expense	<u>\$ 10,665,499</u>	<u>\$ (11,009,395)</u>	<u>\$ (10,760,920)</u>	<u>\$ (11,701,010)</u>

General Revenues and Other

Changes in Net Position

Governmental activities:

Taxes				
Property taxes	\$ 11,059,357	\$ 10,250,945	\$ 9,918,365	\$ 8,885,991
Sales taxes	6,433,466	4,312,637	3,795,264	3,438,534
Franchise taxes	1,238,812	1,033,733	989,105	958,665
Investment earnings	234,574	20,767	318,116	518,264
Other revenues	1,904,649	1,593,623	306,007	476,896
Transfers	1,912,713	1,778,500	1,753,305	1,437,725
Total governmental activities	<u>22,783,571</u>	<u>18,990,205</u>	<u>17,080,162</u>	<u>15,716,075</u>

Business-type activities:

Investment earnings	187,444	4,010	93,775	128,330
Miscellaneous	119,066	155,220	121,365	138,273
Transfers	(1,912,713)	(1,778,500)	(1,753,305)	(1,437,725)
Total business-type activities	<u>(1,606,203)</u>	<u>(1,619,270)</u>	<u>(1,538,165)</u>	<u>(1,171,122)</u>
Total primary government	<u>\$ 21,177,368</u>	<u>\$ 17,370,935</u>	<u>\$ 15,541,997</u>	<u>\$ 14,544,953</u>

Change in Net Position

Governmental activities	\$ 7,487,458	\$ 4,498,478	\$ 3,216,567	\$ 300,648
Business-type activities	24,355,409	1,863,062	1,564,510	2,543,295
Total primary government	<u>\$ 31,842,867</u>	<u>\$ 6,361,540</u>	<u>\$ 4,781,077</u>	<u>\$ 2,843,943</u>

Source: City Audited Financials.

2018	2017	2016	2015	2014	2013
\$ (12,337,654)	\$ (11,618,887)	\$ (12,430,811)	\$ (12,660,683)	\$ (12,997,164)	\$ (12,514,051)
5,956,962	3,274,008	1,963,558	609,346	963,919	1,200,242
<u>\$ (6,380,692)</u>	<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>

\$ 8,270,706	\$ 7,655,907	\$ 7,247,922	\$ 6,858,118	\$ 6,420,308	\$ 6,374,806
3,244,108	2,989,454	2,962,203	2,952,740	2,744,362	2,535,174
1,001,000	938,187	939,301	1,087,771	1,103,835	1,055,651
259,866	110,551	38,666	19,475	31,020	38,322
495,695	603,343	251,452	626,032	212,420	384,719
<u>1,873,913</u>	<u>1,493,201</u>	<u>1,416,323</u>	<u>1,251,871</u>	<u>1,244,003</u>	<u>1,051,670</u>
<u>15,145,288</u>	<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>

48,199	24,796	2,825	465	412	3,149
139,829	174,389	208,164	423,418	161,510	203,055
<u>(1,873,913)</u>	<u>(1,493,201)</u>	<u>(1,386,323)</u>	<u>(1,251,871)</u>	<u>(1,244,003)</u>	<u>(1,051,670)</u>
<u>(1,685,885)</u>	<u>(1,294,016)</u>	<u>(1,175,334)</u>	<u>(827,988)</u>	<u>(1,082,081)</u>	<u>(845,466)</u>
<u>\$ 13,459,403</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>

\$ 2,807,634	\$ 2,171,756	\$ 425,056	\$ 135,324	\$ (1,241,216)	\$ (1,073,709)
4,271,077	1,979,992	788,224	(218,642)	(118,162)	354,776
<u>\$ 7,078,711</u>	<u>\$ 4,151,748</u>	<u>\$ 1,213,280</u>	<u>\$ (83,318)</u>	<u>\$ (1,359,378)</u>	<u>\$ (718,933)</u>

City of Taylor, Texas
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	2022	2021	2020	2019
General Fund				
Restricted	\$ 2,425,608	\$ 1,429,986	\$ 1,668,247	\$ 1,557,807
Committed	-	399,300	379,300	460,085
Assigned	-	-	-	-
Unassigned	8,543,460	6,473,119	5,173,649	3,956,675
Total general fund	<u>\$ 10,969,068</u>	<u>\$ 8,302,405</u>	<u>\$ 7,221,196</u>	<u>\$ 5,974,567</u>
All Other Governmental Funds				
Non-spendable	\$ 723,054	\$ 713,268	\$ 697,390	\$ 688,074
Restricted	22,178,696	6,251,959	6,622,430	7,236,120
Committed	1,810,252	1,668,731	4,444,149	5,363,476
Total all other governmental funds	<u>\$ 24,712,002</u>	<u>\$ 8,633,958</u>	<u>\$ 11,763,969</u>	<u>\$ 13,287,670</u>

Source: City Audited Financials.

2018	2017	2016	2015	2014	2013
\$ 1,955,258	\$ 1,133,876	\$ 1,223,913	\$ 865,526	\$ 778,132	\$ 781,021
10,785	10,785	10,785	10,785	10,785	10,785
-	-	-	-	-	-
<u>3,481,297</u>	<u>3,427,943</u>	<u>3,285,095</u>	<u>3,216,861</u>	<u>3,290,862</u>	<u>3,686,745</u>
<u>\$ 5,447,340</u>	<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>
\$ 679,385	\$ 670,852	\$ 703,783	\$ 697,882	\$ 701,766	\$ 697,543
4,973,144	3,944,577	4,422,813	5,058,875	7,244,749	7,778,543
884,560	1,388,667	697,454	450,768	462,996	450,114
<u>\$ 6,537,089</u>	<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>

City of Taylor, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2022	2021	2020	2019
Revenues				
Taxes	\$ 18,755,067	\$ 15,569,103	\$ 14,674,092	\$ 13,283,190
Licenses, permits, and fees	1,340,385	922,614	840,831	492,187
Charges for services	2,062,625	1,726,345	1,526,130	1,588,299
Fines and forfeitures	186,683	177,717	203,814	335,026
Intergovernmental	3,522,957	3,793,457	1,585,353	1,766,105
Investment earnings	233,156	20,631	309,315	476,346
Other revenues	1,899,361	1,568,392	317,886	299,600
Total Revenues	28,000,234	23,778,259	19,457,421	18,240,753
Expenditures				
Current:				
General government	4,600,751	4,476,878	3,860,922	3,605,447
Culture and recreation	1,937,243	1,755,704	1,579,745	1,485,635
Community development	2,965,621	1,315,181	1,190,988	1,097,759
Public safety	7,728,914	7,474,861	6,686,089	7,004,920
Public works	2,784,307	2,482,449	2,155,670	2,629,260
Debt Service:				
Principal retirement	2,550,000	2,115,000	1,845,000	1,655,000
Interest and fiscal changes	924,903	991,187	1,146,154	761,379
Bond issuance costs	300,475	91,158	-	120,931
Capital outlay:	5,834,562	6,747,701	2,787,805	2,840,031
Unrealized loss on investments	-	-	-	-
Total Expenditures	29,626,776	27,450,119	21,252,373	21,200,362
Excess of Revenues Over (Under) Expenditures	(1,626,542)	(3,671,860)	(1,794,952)	(2,959,609)
Other financing sources (uses)				
Transfers in	2,503,873	5,230,567	3,563,626	1,964,603
Transfers (out)	(843,824)	(3,698,667)	(2,057,621)	(729,574)
Debt issuance	17,660,000	-	-	8,165,000
Premium on debt issuance	1,051,200	222,178	-	816,082
Refunding debt issuance	-	3,660,000	-	-
Payments to escrow agent	-	(3,791,020)	-	-
Total Other Financing Sources (Uses)	20,371,249	1,623,058	1,506,005	10,216,111
Net Change in Fund Balances	\$ 18,744,707	\$ (2,048,802)	\$ (288,947)	\$ 7,256,502
Debt service as percentage of noncapital expenditures	14.8%	15.3%	16.6%	13.2%

Source: City Audited Financials.

2018	2017	2016	2015	2014	2013
\$ 12,484,783	\$ 11,583,548	\$ 11,297,631	\$ 10,880,953	\$ 10,246,691	\$ 9,940,659
280,039	331,723	282,906	214,560	134,322	101,808
1,554,436	1,434,450	839,009	1,817,680	1,936,409	1,855,391
373,280	279,426	248,042	266,967	319,668	323,928
1,523,717	2,292,587	673,865	612,061	271,622	312,170
253,842	110,548	40,324	19,256	31,020	38,322
798,161	227,976	505,598	601,386	174,181	382,384
<u>17,268,258</u>	<u>16,260,258</u>	<u>13,887,375</u>	<u>14,412,863</u>	<u>13,113,913</u>	<u>12,954,662</u>
3,106,456	3,620,828	3,031,068	4,132,938	4,193,947	4,147,828
1,308,251	1,255,298	1,141,441	1,099,300	1,107,678	1,110,059
829,836	828,646	841,276	632,021	660,441	631,422
6,333,181	5,705,113	5,134,332	5,174,338	4,915,960	4,441,585
1,494,728	1,304,925	1,153,524	1,252,245	1,316,652	1,374,935
1,455,000	1,290,000	1,494,972	1,271,180	1,207,384	1,213,983
689,374	725,728	692,008	861,304	919,438	823,110
112,216	34,807	95,074	-	-	134,800
5,538,230	4,348,143	794,863	3,253,720	775,494	1,883,518
557	35,019	-	-	-	-
<u>20,867,829</u>	<u>19,148,507</u>	<u>14,378,558</u>	<u>17,677,046</u>	<u>15,096,994</u>	<u>15,761,240</u>
(3,599,571)	(2,888,249)	(491,183)	(3,264,183)	(1,983,081)	(2,806,578)
3,576,414	2,441,818	2,029,948	1,822,939	1,633,050	1,126,893
(2,098,750)	(987,462)	(1,054,459)	(747,349)	(565,430)	(578,678)
4,825,000	1,620,000	5,845,000	-	-	6,990,000
249,402	46,750	544,267	-	-	254,070
-	-	-	-	-	-
<u>(1,544,766)</u>	<u>-</u>	<u>(6,152,746)</u>	<u>-</u>	<u>-</u>	<u>(4,132,346)</u>
5,007,300	3,121,106	1,212,010	1,075,590	1,067,620	3,659,939
<u>\$ 1,407,729</u>	<u>\$ 232,857</u>	<u>\$ 720,827</u>	<u>\$ (2,188,593)</u>	<u>\$ (915,461)</u>	<u>\$ 853,361</u>
14.1%	13.6%	16.1%	14.6%	14.7%	14.5%

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	
	Residential		Commercial	Assessed		Assessed		Real
	Assessed Value	Value	Value	Agriculture	Personal	Other	Property	
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		
2022	987,380	283,838	97,900	178,767	-	74,450		

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.

			Ratio of Total Assessed Value to Total Estimated Actual Value	
Total Assessed Value	Tax Rate	Estimated Tax Value		
\$ 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%
1,473,435	0.76512	1,473,435		100.0%

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

CITY OF TAYLOR				WILLIAMSON COUNTY				
Fiscal Year	Operating	Debt Service	Total Rate	Operating	Debt Service	RD/FM Operating	Total Rate	
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	
2022	0.56964	0.19548	0.76512	0.23585	0.16500	0.04000	0.44085	

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

Note: District.

Source: Williamson County Tax Collector.

TAYLOR SCHOOL DISTRICT

<u>Operating</u>	Debt Service	Total Rate	Total Direct & Overlapping Rates
\$ 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
0.96030	0.37250	1.33280	2.53877

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

Taxpayer	2022		2013	
	Assessed Valuation	Rank	Percentage of Total City Assessed Valuation	Percentage of Total City Assessed Valuation
Samsung Austin Semiconductor LLC	\$ 57,351,707	1	4.42%	\$ -
Electric Reliability Council of Texas, Inc	\$38,438,841	2	2.96%	-
Corecivic	16,262,645	3	1.25%	-
Oncor Electric Delivery Company	15,344,109	4	1.18%	-
Durcon Laboratory Tops Inc	13,855,517	5	1.07%	-
HEB Grocery Company LP	12,796,742	6	0.99%	-
Electric Reliability Council of Texas	12,740,393	7	0.98%	-
RCR Taylor Rail LP	12,654,741	8	0.98%	-
Wal-Mart Real Estate Business Trust	12,492,868	9	0.96%	-
Union Pacific RR Co	11,752,591	10	0.91%	-
Electric Reliability Council of TX	-	-	-	\$ 28,882,886 1 3.69%
ERCOT	-	-	-	\$ 21,863,896 2 2.80%
CCA Properties of Texas	-	-	-	\$ 13,100,000 3 1.68%
HEB Grocery Company	-	-	-	\$ 10,776,801 4 1.38%
Walmart Real Estate Business Trust	-	-	-	\$ 10,706,409 5 1.37%
Oncor Electric Delivery Company	-	-	-	\$ 9,396,793 6 1.20%
Union Pacific RR Co.	-	-	-	\$ 7,063,313 7 0.90%
Durcon Laboratory Tops Inc	-	-	-	\$ 6,810,591 8 0.87%
Clark Travel Charter Bus Service	-	-	-	\$ 5,808,178 9 0.74%
Walmart Stores East Inc	-	-	-	\$ 5,361,667 10 0.69%
Total	\$ 203,690,154			\$ 119,770,534

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		Collections in Subsequent Years	Total Collections to Date	
		Fiscal year of the Levy	Percentage of Tax Levy		Amount	Percentage of Tax Levy
2013	\$ 6,255,176	\$ 6,197,753	99.1%	\$ 53,601	\$ 6,251,354	99.9%
2014	6,352,505	6,292,672	99.1%	54,531	6,347,203	99.9%
2015	6,797,312	6,723,090	98.9%	67,882	6,790,972	99.9%
2016	7,318,681	7,245,999	99.0%	64,845	7,310,844	99.9%
2017	7,754,442	7,678,073	99.0%	67,215	7,745,288	99.9%
2018	8,377,844	8,274,955	98.8%	88,940	8,363,895	99.8%
2019	8,978,568	8,881,948	98.9%	75,876	8,957,824	99.8%
2020	9,988,936	9,894,518	99.1%	63,822	9,958,340	99.7%
2021	10,453,052	10,342,047	98.9%	52,180	10,394,226	99.4%
2022	11,298,250	11,184,793	99.0%	-	11,184,793	99.0%

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	Tax Note	Limited Lease	Note Payable	
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	-	-	223,175	1,324,478	-
2022	7,585,000	29,545,000	2,306,044	-	5,325,000	145,509	1,036,909	-

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

Business-type Activities

Combination Tax & Revenue Bonds	General Obligation Bonds	Premiums/ Discounts	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 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	54,758,645	12.91%	3,366
24,495,000	7,385,000	1,836,936	79,660,398	13.65%	4,677

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

Fiscal Year	General Obligation Bonds		Less: Amounts Available in Debt		Total	Percentage of Actual Taxable Value ¹ of Property		Per Capita ²
	Bonds	Premiums/ Discounts	Service Fund					
2013	\$ 14,710,158	\$ 458,021	\$ 236,346	\$ 14,931,833		1.82%		934
2014	12,971,482	412,207	225,505	13,158,184		1.52%		798
2015	11,237,806	366,392	185,697	11,418,502		1.22%		732
2016	22,630,782	1,752,228	276,695	24,106,315		2.38%		1,462
2017	18,890,000	1,609,052	387,965	20,111,087		1.79%		1,136
2018	20,425,000	1,808,742	573,932	21,659,810		1.82%		1,275
2019	18,785,000	1,653,335	645,602	19,792,733		1.53%		1,153
2020	17,115,000	1,435,049	719,638	17,830,411		1.35%		1,026
2021	17,175,000	1,503,315	811,158	17,867,157		1.16%		1,098
2022	14,970,000	1,503,315	922,185	15,551,130		1.06%		913

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

²Population 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)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Williamson County	\$ 1,109,300,000	1.65%	\$ 18,303,450
Taylor ISD	\$ 55,704,916	81.95%	<hr/> 45,650,179
Subtotal, overlapping debt			63,953,629
City of Taylor	\$ 45,943,462	100%	<hr/> 45,943,462
Total direct and overlapping debt			<hr/> \$ 109,897,091

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.

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

Source: Data from Texas Municipal Advisory Council

City of Taylor, Texas

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years (Unaudited)

(amounts expressed in thousands)

	2022	2021	2020	2019
Debt limit	\$ 386,971	\$ 401,687	\$ 345,508	\$ 337,849
Total net debt applicable to limit	<u>78,738</u>	<u>53,947</u>	<u>58,162</u>	<u>62,523</u>
Legal debt margin	<u><u>\$ 308,233</u></u>	<u><u>\$ 347,739</u></u>	<u><u>\$ 287,345</u></u>	<u><u>\$ 275,326</u></u>

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	\$ 1,473,435
Add back: exempt real property	74,450
Total assessed value	<u>1,547,885</u>
Debt limit (10% of total assessed value)	386,971
Debt applicable to limit:	
Total Debt	Total Debt
Less: Amount set aside for repayment of	79,660
general obligation debt	<u>(922)</u>
Total net debt applicable to limit	<u>78,738</u>
Legal debt margin	<u><u>\$ 308,233</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.

2018	2017	2016	2015	2014	2013
\$ 309,053	\$ 290,341	\$ 262,110	\$ 242,218	\$ 224,679	\$ 212,769
30,850	29,915	25,164	37,137	37,205	37,875
<u>\$ 278,203</u>	<u>\$ 260,426</u>	<u>\$ 236,946</u>	<u>\$ 205,082</u>	<u>\$ 187,474</u>	<u>\$ 169,148</u>

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

Fiscal Year	Water Revenue Bonds						
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest		
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%
2022	12,653,974	6,747,442	5,906,532	-	-		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)

Fiscal Year	Population ¹	Personal Income ³	Per Capita ⁵ Personal Income	School Enrollment ⁴	Unemployment Rate ²
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%
2022	17,031	583,397	34,255	3,061	2.8%

Data Sources:

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

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City of Taylor, Texas

PRINCIPAL EMPLOYERS

Current and Nine Years Ago (Unaudited)

Employer	2022		2013	
	No. Employees *	Rank	No. Employees **	Rank
Electric Reliability Council of Texas (ERCOT)	600+	1	-	-
Taylor ISD	500+	2	-	-
Durcon, Inc	400+	3	-	-
Baylor Scott & White	200+	4	-	-
H.E.B. Grocery Co.	180+	5	-	-
Corrections Corp. of America (T. Don Hutto)	160+	6	-	-
City of Taylor	160+	7	-	-
Wal-Mart	140+	8	-	-
Floyd Co. (Floyd's Glass)	125+	9	-	-
Burrows Cabinets	100+	10	-	-
ERCOT	-		500+	1
Taylor ISD	-		500+	2
Durcon Laboratory Tops	-		200-500	3
Corrections Corp of America	-		200-500	4
Scott & White	-		100-200	5
H.E.B.	-		100-200	6
City of Taylor	-		100-200	7
Floyd Co. (Floyd's Glass)	-		100-200	8
Wal-Mart	-		100-200	9
Burrows Cabinets	-		100-200	10
Total	2,495		3,200	

* Source: www.tayloredc.org

** Source: www.mactexas.com.

City of Taylor, Texas

FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function / Program	2022	2021	2020	2019
General Government				
Management services	5	4	4	5
Public information	1	1	1	1
Human resources	6	2	2	2
Finance	5	5	5	5
Municipal court	10	4	4	5
C D - planning	1	8	8	8
Main street	4	1	1	1
Building	-	3	3	3
General services	-	-	1	1
Information technology	-	1	1	1
Other				-
Police				
Officers	30	30	30	29
Civilians	10	10	10	10
Animal control	2	3	3	3
Fire				
Firefighters and officers	23	23	23	23
Civilians	1	1	1	1
Other Public Works				
Engineering/inspection	0	0	0	1
Street maintenance	16	16	16	16
Grounds	-	-	-	-
Other	-	-	-	-
Parks and recreation	8	8	8	8
Library	8	7	7	8
Water	15	15	15	14
Wastewater	5	4	3	4
Utilities admin.	6	6	6	6
Airport	2	1	1	2
Cemetery	2	2	2	2
Fleet services	2	2	2	2
Total all governmental funds	<u>161</u>	<u>157</u>	<u>157</u>	<u>160</u>

Source: City records.

2018	2017	2016	2015	2014	2013
5	4	4	4	4	4
1	1	1	1		
2	2	2	2	2	2
5	4	4	4	4	4
5	4	3	4	5	5
7	7	6	5	6	6
1	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
29	27	27	27	27	27
10	8	9	9	8	8
4	3	2	1	2	2
23	23	23	23	23	23
1	1	1	1	1	1
1	1	1	1	2	2
15	14	14	14	14	13
-	-	-	-	-	-
-	-	-	-	-	1
6	6	6	6	6	6
8	9	8	7	7	7
14	14	14	14	14	14
4	3	3	3	2	2
6	6	6	6	6	6
2	2	2	2	2	2
2	2	2	2	2	2
2	2	2	2	2	2
158	150	147	145	146	146

City of Taylor, Texas
OPERATING INDICATORS BY FUNCTIONS/PROGRAM
Last Ten Fiscal Years (Unaudited)

Function/Program	2022	2021	2020	2019
General government				
Building permits issued	274	222	188	155
Building inspections conducted	8,295	outsourced	outsourced	outsourced
Public Safety				
Police:				
Physical arrests	187	334	394	561
Parking violations	3	18	23	53
Traffic violations	2,083	5,489	3,922	6,073
Fire:				
Emergency responses	2,447	2,498	2,282	2,096
Fires extinguished	134	203	93	78
Inspections	156	134	206	266
Highways and streets				
Street resurfacing (miles)	2	3	n/a	3
Potholes repaired	1,000	1,003	n/a	1,097
Recreation				
Athletic field permits issued	15	22	27	39
Library				
Volumes in collection	59,200	24,330	54,947	57,129
Total volumes borrowed	36,708	55,679	32,937	63,645
Water				
New connections	874	393	300	227
Water main breaks	15	27	85	385
Average daily consumption (millions of gallons)		2.45		
Peak daily consumption (millions of gallons)	2	4	2	2
Wastewater				
Average daily treatment (millions of gallons)	3	40	2	2
Airport				
LL fuel (thousand gallon)	45	20	38	40
Jet A fuel (thousand gallon)	18		9	10
Landings / Take off (thousand)	16	135	19	20
Cemetery				
Lots sold	65	1340	79	65
Municipal Court				
Cases processed	1,121		1,567	2,858
General Services				
Facilities				
Work orders	786	866	410	708
Fleet				
Work orders	850	185	816	880
Information Technology				
Personal computers / laptops	241	186	186	180
Service requests	400	448	448	565

Source: City records.

2018	2017	2016	2015	2014	2013
70 outsourced	95 outsourced	94 outsourced	63 outsourced	129 outsourced	101 outsourced
708	573	813	722	717	669
15	37	36	33	54	67
7,436	4,546	3,429	1,543	1,604	3,615
2,118	2,281	2,127	2,036	1,915	1,069
80	82	44	64	61	56
343	329	361	359	316	137
1	-	15	17	10	-
240	130	741	777	655	461
41	30	32	33	30	37
55,098	54,117	53,011	50,223	47,952	44,850
61,669	74,872	78,368	75,581	78,186	79,187
190	137	160	50	44	96
360	353	222	235	352	437
2	2	2	3	2	2
3	3	3	2	3	3
1	1	2	2	1	2
43	46	59	48	46	45
11	14	27	29	23	32
17	14	12	9	14	14
144	33	77	66.5	80	84
3,393	2,675	1,876	2,113	2,562	4,158
629	577	645	553	538	453
870	941	834	903	816	1,071
180	171	155	152	135	135
629	475	415	407	549	555

City of Taylor, Texas
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years (Unaudited)

	2022	2021	2020	2019
Function				
Police				
Number of stations	1	1	1	1
Zone Officers	29	29	28	29
Number of patrol units	24	24	25	25
Fire				
Number of stations	2	2	2	2
Streets and Grounds				
Streets (miles)	120	120	114	114
Streetlights	1,119	1,119	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	22	20	20
Swimming pools	1	1	1	1
Splash Pads	2	2	-	-
Skate park	1	1	1	1
Tennis courts	8	8	8	8
Pickleball Courts	3	3	-	-
Community Center	1	1	-	-
Pavilion	4	4	-	-
Water				
Water mains	131	131	130	128
Fire hydrants	725	696	685	652
Storage capacity	5	5	5	5
Wastewater				
Treatment capacity	4	4	4	4
Sanitary sewer (miles)	112	112	110	110
Storm sewers (miles)	21	21	20	18
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	23	20	19
Fleet vehicles	214	192	176	171
Network servers	7	7	7	7

Source: City records.

2018	2017	2016	2015	2014	2013
1	1	1	1	1	1
29	27	27	27	27	27
23	15	15	15	15	15
2	2	2	2	2	2
114	106	106	106	106	106
1,114	1,114	1,114	1,113	1,102	1,102
14	12	12	12	12	12
463	462	462	462	462	462
8	7	7	7	7	7
20	20	20	20	20	20
1	2	2	2	2	2
-	-	-	-	-	-
1	-	-	-	-	-
8	8	8	8	8	8
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
123	118	125	121	121	120
619	808	808	604	604	598
5	5	5	5	5	5
4	4	4	4	4,000	4,000
91	95	95	90	90	89
6	6	6	5	5	4
4,000	4,000	4,000	4,000	4,000	4,000
64	52	52	52	52	52
27	27	27	27	27	27
135	135	135	135	135	135
19	19	19	19	19	19
171	168	165	164	164	162
7	7	7	7	7	4

