

2024

CITY OF TEMPLE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2024





Annual Comprehensive Financial Report



City of Temple, Texas

**For the year ended
September 30, 2024**

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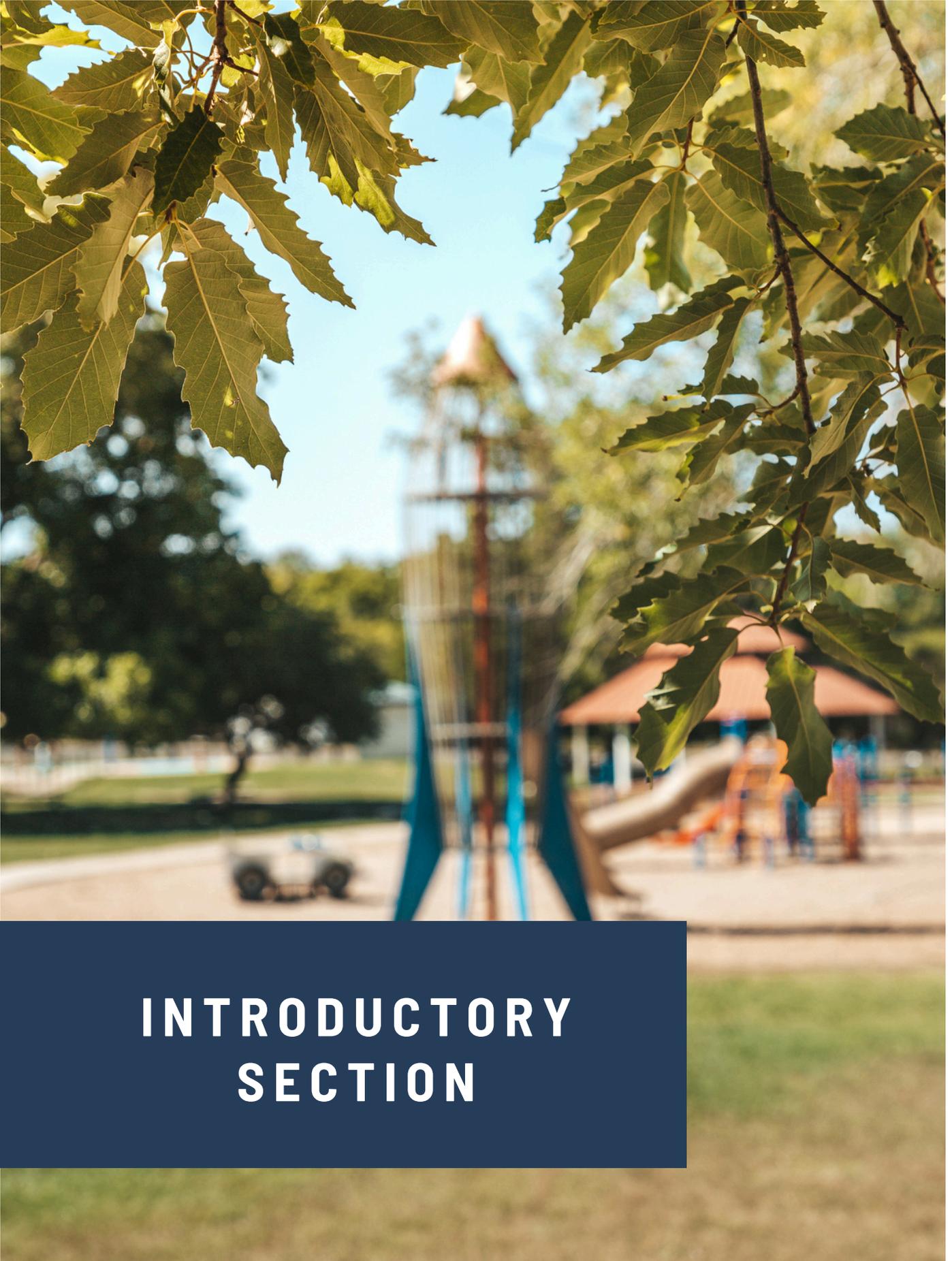
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INTRODUCTORY SECTION





March 6, 2025

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

The Annual Comprehensive Financial Report (ACFR) of the City of Temple, Texas (the City) for the fiscal year ended September 30, 2024, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

Brockway, Gersbach, Franklin & Niemeier, P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Temple financial statements for the year ended September 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

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

GENERAL INFORMATION – CITY OF TEMPLE

Temple is located near the geographic and population center of the State of Texas, 67 miles north of Austin, 130 miles north of San Antonio, 160 miles northwest of Houston, and 120 miles south of the Dallas-Fort Worth Metroplex. There are approximately 78.77 square miles in the City's corporate boundary.

The City was founded on June 20, 1881, when the original town lots were sold by the Gulf, Colorado and Santa Fe Railway. It was subsequently chartered on March 27, 1907 and operates

under a Council-Manager form of government. The City Council is comprised of a Mayor and four members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing members of various statutory and advisory boards, the City Manager, City Attorney, Director of Finance, City Secretary, and a Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the executive directors and heads of departments, and the performance of functions within the municipal organization.

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

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

Discretely presented component units are legally separate entities and not part of the primary government's operations. Accordingly, the Temple Economic Development Corporation and the Tax Increment Financing District (Reinvestment Zone No. 1) are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government.

The Temple Housing Authority, a related organization, is not a part of this report, as the City's accountability does not extend beyond appointing some members of the Board.

ECONOMIC CONDITIONS AND OUTLOOK

Temple's location, which is close to the geographic center of the State of Texas, provides a strategic location in the State and has been important for economic development. Temple continues to be a regional center for manufacturers, distribution centers and medical facilities in the Central Texas area. Temple's location is enhanced being located at the intersection of Interstate Highway 35 (NAFTA link with Mexico and the U.S.), Interstate 14, State Highways 36, 53, 93, and 95. Additionally, major rail services intersect within Temple's city limits. During the past year, the City has experienced a steady increase in economic development. Significant new construction permits of \$ 107,316,222 for FY 2024 underscore the continued steady expansion of our residential base. Sales tax receipts of \$ 37,769,286 show an increase of 3.49% over fiscal year 2023. Local unemployment is currently 4.01%, representing one of the lowest rates in the State of Texas.

In FY 2024, the City experienced a 17.98% increase in taxable assessed property value to bring the current value to \$ 8,683,508,717. The census figures for 2020 of 82,073 residents show an average growth of 3.78% per year over the past ten years.

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

- An economic development agreement exists between the City, Temple Historic Arcadia Theatre, Inc., and Turner Behringer Development Company ("TB") for the redevelopment of the Hawn Hotel, Arcadia Theater, and the Sears Building properties in downtown Temple. This project will redevelop approximately 85,000 square feet of historic buildings in downtown Temple into mixed-use residential, retail space, and entertainment uses. The project includes the Hawn Hotel and Arcadia Theatre that will include approximately 40-50 for-lease residential units, as well as retail and restaurant space. The Arcadia Theatre will be redeveloped into a multi-purpose events and performance hall. The Sears Building will include retail, office, and/or residential units. A lease agreement was approved by the City in December 2020 to exclusively lease eighty-nine parking spaces and all the retail space in the parking garage to be constructed on the central parking lot, located east of North 4th Street and north of East Central Avenue. The project continues to move forward and is an exciting redevelopment project for downtown Temple. The estimated completion date of the project is late Spring 2025.
- In March 2022, Meta, formerly the Facebook company, announced their plan to invest \$ 800,000,000 in the creation of a Hyperscale Data Center in Temple. The new facility, which will total approximately 900,000 square feet when completed, will be located on 393 acres off NW H K Dodgen Loop and Industrial Boulevard, and will support approximately 100 direct operational jobs and 200 full time contract employees in the community. The project is expected to employ 1,250 construction workers onsite during peak construction, which began in Spring 2022. In December 2022, Meta announced a pause in their construction of the Temple Data Center to respond to shifts in technology in the Artificial Intelligence (AI) space. Fostering a new design that will support the next generation of AI systems, construction on the Data Center ramped back up in October 2023. Construction is estimated to be completed by June 2026.

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

- a Tax Abatement Agreement which will abate a percentage of the increases in the taxable value of certain real and personal property located on an approximately 399.2-acre site at the southeast corner of Industrial Boulevard and Loop 363 and designated as City of Temple Tax Abatement Reinvestment Zone Number 43,
- an Economic Development Agreement to construct or cause the construction of and equip one or more new data centers and/or other

facilities used to house, and in which are operated, computer systems and associated components, including accessory uses on an approximately 399.2-acre site at the southeast corner of Industrial Boulevard and Loop 363, and

- a Water and Wastewater Agreement with Polmer LLC to provide continuous and adequate potable water supply and water-carried wastes services and infrastructure to support the Project.
- In June 2022, H-E-B, the San Antonio based supermarket chain, announced they were expanding their distribution facility in Temple with a new automated frozen distribution line. The current facility will be expanded by 325,000 square feet and will add over 100 jobs to the local economy. Construction is slated to be complete in 2024.

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

- 100% for Year 1 through Year 5, and
- 60% for Year 6 through Year 10.
- Fire Safety Supply, a provider of comprehensive fire protection equipment and services, is expanding into the southern region with a new project in Temple. This expansion will create 5 new jobs and involves a \$400,000 investment in the local community.
- SeAH Superalloy Technologies is set to invest \$ 110 million in the construction of a high-performance metal manufacturing facility in Temple, which will generate around 100 full-time jobs. Situated on 45 acres within Temple's Industrial Park, this facility will be SeAH's first special alloy manufacturing plant in the United States. Construction is scheduled to begin in the third quarter of 2024, with commercial production expected to start in the first quarter of 2026.
- In December 2024, CHEP USA, a logistics corporation, revealed plans to invest \$ 12.5 million in the construction of a new 65,000-square-foot facility at Temple's Industrial Park. This facility will be dedicated to the year-round maintenance and repair of pallets, supporting the company's global operations. The project is expected to create 45 new full-time jobs and is scheduled to begin operations by September 2025.

The City has entered into an economic development agreement with the company, outlining the City's responsibilities as follows:

- provide ten annual property tax grants per eligible phase of the project,

- each grant payment will be an amount equal to a percentage of the real and personal property taxes for the City and real property taxes for Bell County paid by the company for each eligible phase in the following percentages:
 - 100% in Year 1 through Year 5,
 - 90% in Year 6,
 - 80% in Year 7,
 - 70% in Year 8,
 - 60% in Year 9, and
 - 50% in Year 10
- reimburse the cost of designing and constructing the infrastructure improvements at a total amount of \$ 2,000,000 – the infrastructure reimbursement shall be paid by the City in four equal annual installments; and
- reimburse the cost of designing and constructing the extension of Distribution Drive at a total not-to-exceed amount of \$ 2,500,000, or the actual cost of construction, whichever is less.

The City of Temple is recognized by the medical community in the United States as a leading medical provider with two major hospitals located within Temple. Baylor Scott & White Health (BS&W) and the Olin E. Teague Veterans Hospital, combined, employ approximately 11,300 full time positions. The hospitals provide medical care to the surrounding local, state, and international community. Texas A&M University College of Medicine, in conjunction with BS&W and Veterans Hospital, provide the four years of medical school, as well as research and development.

Baylor Scott & White Health includes 52 hospitals, more than 1,300 health system care sites, more than 7,200 active physicians, 57,000 employees, and the Scott & White Health Plan. It is guided by a combined team of leaders from both Baylor and Scott & White. It is the largest not-for-profit health system in Texas and one of the largest in the United States.

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

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

The City of Temple also operates the Frank Mayborn Civic and Convention Center which can accommodate both small activities and major conventions. There is over 1,509 miles of developed park acreage which includes public parks and special use areas, ranging from small neighborhood

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

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

LONG-TERM FINANCIAL PLANNING

The City of Temple is currently managing the largest capital improvement program in the history of the community. As of September 30, 2024, a total of \$ 580,757,426 has been allocated for various capital projects including such improvements as water and wastewater infrastructure, transportation infrastructure, parks improvements, and public safety infrastructure. Funding sources for these projects can be identified in seven major areas:

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

During FY 2024, several major capital projects were underway or have been completed such as completion of North Pea Ridge Road - Phase IIA & Phase IIB improvements, Draughon-Miller Regional Airport FBO Center & Parking, Corporate Hangar Infrastructure - Phase IV, 920 Pressure Plane Elevated Storage Tank, Loop 363 Transmission Main, Range Road Transmission Main, replacement of aircraft rescue and firefighting truck for Airport, implementation of a new fire station alerting system, as well as various waterline and wastewater line replacements.

The FY 2024 Budget included \$ 32,270,480 for routine capital for the general operating budget which includes equipment and public infrastructure projects that are underway and/or planned for this fiscal year. Included in this amount is \$ 25,805,000 of Reinvestment Zone infrastructure improvements. In accordance with current fiscal and financial policies, \$ 3,670,350 of General Fund routine capital is funded with fund balance.

FINANCIAL INFORMATION

Accounting Procedures and Budgetary Controls

The City's accounting records for general governmental activities are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures

being recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City's water and sewer utility fund are maintained on the accrual basis.

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

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

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

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

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

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

GENERAL GOVERNMENTAL FUNCTIONS

Tax Rates

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

The allocation of the property tax rate by purpose (General Fund operations and Debt Service) for FY 2023-24 and the preceding four fiscal years is reflected in the following table:

Purpose	Fiscal Year				
	2024	2023	2022	2021	2020
General Fund	\$0.2670	\$0.2863	\$0.3030	\$0.3000	\$0.3097
Debt Service	0.3460	0.3267	0.3370	0.3525	0.3630
Total Tax Rate	<u>\$0.6130</u>	<u>\$0.6130</u>	<u>\$0.6400</u>	<u>\$0.6525</u>	<u>\$0.6727</u>

Tax Appraisal/Collection Responsibilities

Under Texas law enacted in 1979, and subsequent revisions to the State Property Tax Code, the appraised value of taxable property in Temple is established by the Tax Appraisal District of Bell County. The City of Temple and other taxing jurisdictions in Bell County pay a pro rata share of the budgeted expenditures incurred by the Appraisal District, based upon individual levy. In fiscal year 2023-24, the City's payment to the Appraisal District for tax collection and appraisal services was \$ 614,438 an increase of \$ 141,310 from the amount paid by the City in FY 2022-23.

Debt Administration

Two ratios traditionally used to analyze the debt structure of municipalities are presented below. Revenue debt has been excluded since service and user charges made by utility system customers are used to retire such debt and no ad valorem tax proceeds are used for utility revenue bond debt service.

Outstanding General Bonded Debt at 9-30-24 (Net of Debt Service)	\$ 356,313,218
Estimated Population	94,935
Net Bonded Debt per Capita	\$ 3,753
Net Bonded Debt per Assessed Value	4.10%

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

Cash Management

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

Safety

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

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

\$ 21,811,863 in letters of credit from the Federal Home Loan Bank of Dallas

\$ 22,025,000 in letters of credit from the Federal Home Loan Bank of San Francisco

\$ 11,340,145 in government securities at fair value held at the Federal Home Loan Bank of Dallas

\$ 12,587,776 in government securities at fair value held at the Federal Reserve Bank of Boston

Liquidity

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

At September 30, 2024, the weighted average maturity of the City's investment portfolio was 55.74 days.

Yield

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

The City of Temple uses the average rolling 90-day T-bill rate as a yield benchmark. The City's portfolio average yield was 5.09% at September 30, 2024, which was below the average rolling T-bill yield of 5.24%.

As of September 30, 2024, the City's cash and investment resources were divided between cash on hand of \$ 17,850, deposits of \$ 48,254,581, and investments of \$ 259,849,035.

MAJOR INITIATIVES

Budget Development & Background

Budget Process - The City's typical budget process occurs over an eight-month period through the collective efforts of department staff members, directors, the City Manager, and the City Council. The budget process is coordinated to identify major policy issues for City Council consideration several months prior to the budget approval date so that proper decisions can be made. Preparation of the FY 2025 Budget was comprised of several key steps:

- Strategic Plan Working Group Meetings
- Department Head Budget Retreat
- City Council Strategic Planning Workshop
- City Council Budget Retreat
- Departments Review Performance Measures and Strategic Initiative Process with Strategy & Innovation Department
- Departments Develop Budget Requests
- Departmental Budget Review Sessions
- City Manager Develops Proposed Budget
- City Manager Files Proposed Budget with City Secretary
- City Council Work Sessions
- Hold Public Hearings on Budget & Tax Rate
- Adopt Budget & Tax Rate

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

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

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

City Manager's Highlights

The focus of the FY 2025 Budget is on enhancing our service levels while responding to the growth of our community and doing so in a way that maintains the financial health of the City. The budget reflects a fiscally responsible approach to improving the City's infrastructure and maintaining quality City services to a growing population.

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

For fiscal year 2025, the Budget totals \$ 274,814,262 for all funds. This Annual Budget has been developed with the goal of providing a wide range of high-quality services while maintaining fiscal soundness as the foundation of all that we do.

FY 2025 Budget Financial Highlights by Fund

General Fund Revenues - Total revenues for the FY 2025 General Fund Budget are presented at \$ 126,412,706 an increase of 7.36% as compared to the FY 2024 Adopted Budget. The three largest sources of revenue for the General Fund are sales tax, property tax, and solid waste charges.

Property Tax - In the FY 2025 Proposed Budget, property tax accounts for 22.53% of the General Fund budgeted revenues and is the second largest revenue source of the General Fund. The Budget is based on a property tax rate of 62.65¢ per \$100 valuation, which is an increase of 1.35¢ as compared to FY 2024 tax rate of 61.30¢.

This rate is based on an appraised value of \$ 9,365,664,535 (net taxable value not adjusted for frozen values). The tax rate is comprised of two components, the Maintenance and Operations rate (M&O) and the Interest and Sinking rate (I&S). This year's tax rate is at 29.76¢ for the M&O rate and 32.89¢ for the I&S rate.

Sales Tax - While much attention is focused on the property tax rate number, our single largest source of revenue for the General Fund continues to be sales tax revenue. In the FY 2025 Budget, sales tax accounts for 29.95% of the General Fund budgeted revenues.

The FY 2025 Budget estimates \$ 37,854,532 in sales tax revenue, a 3.73% decrease in sales tax revenue over budgeted FY 2024 sales tax revenue.

Solid Waste Rates - Charges associated with solid waste services represent the third largest source of revenue for the General Fund and are projected to account for 13.99% of total General Fund revenues. \$ 17,686,210 in solid waste revenue is projected for FY 2025, representing an 11.19% increase from the FY 2024 solid waste revenue adopted budget of \$ 15,906,877. A rate

adjustment of approximately 7.40% is being proposed for residential services, as well as an approximate 7.00% rate adjustment for commercial services.

General Fund Expenditures - Total expenditures for the FY 2025 General Fund Budget are presented at \$ 130,340,706, an increase of 6.18% compared to the FY 2024 Adopted Budget.

Water and Wastewater Fund - Total revenues for the FY 2025 Water and Wastewater Fund Budget are presented at \$ 67,987,777, an increase of 15.65% compared to the FY 2024 Budget. Total expenditures for the FY 2025 Water and Wastewater Fund Budget are presented at \$ 67,987,777, an increase of 15.65% compared to the FY 2024 Adopted Budget. A rate adjustment of approximately 8.50% is being proposed for water rates, as well as an approximate 25.50% rate adjustment for wastewater rates.

Hotel/Motel Tax Fund - Total revenues for the Hotel/Motel Fund Budget are presented at \$ 5,960,576, an increase of 74.95% compared to the FY 2024 Adopted Budget. Expenditures for the Hotel/Motel Fund Budget are presented at \$ 6,685,357, an increase of 96.22% compared to the FY 2024 Adopted Budget. The significant increase in revenues and expenditures can be attributed to the iconic music festival being planned for in the upcoming fiscal year. This event accounts for 42.41% of the Hotel/Motel Fund revenues and 37.40% of the Hotel/Motel expenditures.

Federal and State Grant Fund - Total revenues and expenditures for Federal and State Grant Fund Budget are presented at \$ 744,152, a decrease of 4.41% compared to the FY 2024 Adopted Budget. Total revenues include the award of the Community Development Block Grant (CDBG) and the anticipated award of \$ 93,739 for the Crisis Assistance grant. The allocation of CDBG funds are as follows:

- Homelessness & Mental Health Program - \$ 164,297
- Projects - \$ 137,562
- General Administration - \$ 130,082
- Housing Improvement Program - \$ 129,588
- Neighborhood Revitalization Program - \$ 88,884

Drainage Fund - Total revenues for the Drainage Fund Budget are presented at \$ 3,220,278, an increase of 1.05% compared to the FY 2024 Adopted Budget. These revenues are based on rates that remain unchanged from current year. Expenditures for the Drainage Fund Budget are presented at \$ 3,254,178, an increase of 2.11%.

FY 2025 – FY 2030 Financial Plan

The Financial Plan links the City's strategic focus areas to a multi-year funding model to ensure that the necessary resources are allocated to the City's goals in order to make their achievement possible. The Financial Plan aligns the City's budget with the five strategic focus areas, estimates available revenue over the multi-year planning period, and identifies the resources

needed for the specific initiatives that will help accomplish the strategic goals of the City and drive improvement in each focus area.

Talented and Dedicated Employees who have a Heart for Service

The City of Temple is committed to delivering exceptional services to our community. Providing service is at the heart of what we do. We are a service-based organization. With few exceptions, we do not produce or sell products; we provide services. Our citizens expect those services to be provided in an efficient, professional, and practical manner. Our employees are the drivers of our ability to deliver high quality services and so attracting and retaining the very best employees is a critical strategy to ensure we are providing the highest levels of service in the most efficient way possible. The Financial Plan includes the addition of two People Operations Generalist (FY 26, decelerated from FY 25 and FY 29, decelerated from FY 27), a Training Administrator (FY 27, a new request), a Training Coordinator (FY 30, decelerated from FY 26), a Total Rewards Assistant (FY 27, a new request), a Safety Program Specialist (FY 28, a new request), and a Wellness Coordinator (FY 30, a new request) to provide the staffing resources necessary to attract, retain, and develop talented employees. The Financial Plan includes an allocation to develop and implement a Leadership Succession Plan (FY 26, decelerated from FY 25) and an Employee Development Days Conference (FY 30, a new request). The Financial Plan includes an allocation to conduct and implement compensation studies for public safety employees (FY 26, FY 28, FY 30) and general government employees (FY 25, FY 27, FY 29) to ensure competitive compensation. The plan also continues to fund our group health insurance plan, employee retirement plan, and employee longevity program.

An Organization Committed to Performance Excellence

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

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

- replacement police and fire mobile data laptops (FY 25, FY29),
- a new document management system (FY 25),
- a traffic intersection video surveillance and advanced license plate recognition system (FY 27; FY 28; and FY 29, decelerated from FY 25; FY 26; and F7 27, respectively), and
- a new financial management system (FY 27, decelerated from FY 26).

In addition to the above, the Financial Plan includes an allocation of approximately \$ 2.1 million to invest in other essential software, technology programs, and devices, including robust cybersecurity measures, to modernize our infrastructure and ensure the secure and efficient delivery of services to our community.

The Financial Plan also recommends the addition of a Geographic Information Systems Analyst (FY 26, decelerated from FY 25), a Geographic Information Systems Intern (FY 27, decelerated

from FY 25), a Network Support Technician (FY 27, decelerated from FY 25), a Network Analyst (FY 27, decelerated from FY 26), a Technical Trainer (FY 28, decelerated from FY 25), an IT Security Administrator (FY 28, decelerated from FY 27), and an Infrastructure Project Manager (FY 28, a new addition) to provide the staff resources necessary to implement and maintain these systems. The Financial Plan also recommends funding for the development and implementation of a comprehensive Geographic Information Systems Master Plan, which will significantly enhance our community's ability to manage resources, improve public services, and plan for future growth effectively.

Facility Services - In order to plan for, design, construct, and maintain high quality facilities that meet the needs of the community now and in the future, the Financial Plan allocates funding for our Facilities Capital Improvement Program with \$ 34,500,000 in facility related projects identified in the proposed capital improvement program.

The Financial Plan recommends continuing funding for a routine Facility Maintenance Program. The program was established beginning in fiscal year 2024 with an initial allocation of \$ 250,000. The Financial Plan also recommends allocating \$ 250,000 in fiscal year 2025 and then includes adding in an additional \$ 100,000 per year beginning in fiscal year 2026 and continuing annually, until we reach the optimum funding level of \$ 1,500,000 per year.

The Financial Plan also recommends the addition of a Project Manager (FY 27, decelerated from FY 25), a Project Coordinator (FY 28, decelerated from FY 26), two Building Improvement Technicians in Facility Services (FY 27, decelerated from FY 25 and FY 27, a new request), an additional Custodial Crew (FY 27, decelerated from FY 26), an Energy and Sustainability Manager (FY 28, a new request), and a Building Maintenance Technician (FY 30, decelerated from FY 29) to provide the staff resources necessary to implement and maintain these projects and facilities.

Fleet Services - The Financial Plan allocates approximately \$ 50.6 million in capital equipment purchases and replacements throughout the multi-year plan and recommends the addition of an Automotive Technician II (FY 26, decelerated from FY 25), an Operations Manager (FY 26, a new request), and a Fleet Services Foreman II (FY 27, a new request). Funding is also included for the addition of an Inventory Specialist (FY 30, decelerated from FY 26) for Fleet Services.

The Financial Plan also recommends Heavy Duty Truck Technicians embedded in Transportation Services (FY 26, decelerated from FY 25), Solid Waste (FY 26, a new request), and Utility Services (FY 27, accelerated from FY 29) and a Fleet Services Coordinator in Fire (FY 27, decelerated from FY 26) to help serve as a liaison between the operating departments and Fleet Services and to provide preventative maintenance services to our departments with large fleets.

Finance, Accounting, and Purchasing - Temple is committed to continuing our history of being a well-run, financially stable city as evidenced by our strong fund balance, conservative budgeting practices, and AA bond rating from Standard & Poor's. The Financial Plan proposes the addition of four Accountants (three in FY 25, one accelerated from FY 26 and two new requests; and one in FY 30, decelerated from FY 28), a Budget and Reporting Manager (FY 25, a new request), a

Financial Systems Analyst (FY 25, a new request), a Payroll Analyst (FY 26, a new request), and an Accounts Payable Specialist (FY 28, a new addition) in the Finance Department to provide the resources necessary to ensure financial excellence.

Customer Care - The Financial Plan proposes the creation of a comprehensive customer care program to establish a 311 consolidated call center, streamlining citizen access to municipal services and information and includes the addition of three additional Community Solutions Specialist positions (FY 25, FY 26, and FY 27, new requests), two additional Customer Care Specialist (FY 25, a new request), a Utility Billing Specialist (FY 27), and an Executive Support Specialist (FY 25, a new request) to ensure efficient and effective service delivery, enhancing overall community satisfaction and engagement.

Strategy and Innovation - The Financial Plan also proposes funding to add staffing positions for three critical initiatives: a performance and analytics program, a process and innovation program, and a legislative engagement program. These programs will drive efficiency, improve service delivery, and foster innovation within our city operations, ultimately leading to more responsive and streamlined services for our residents. The performance and analytics team will provide data-driven insights to enhance decision-making, track implementation of our Strategic Plan, and measure the impact of our initiatives. Meanwhile, the process and innovation team will manage our Red Tape Reduction program which focuses on identifying and eliminating bureaucratic obstacles, ensuring that our city functions more effectively and is better equipped to meet the evolving needs of our community. Additionally, the legislative engagement program will strengthen our city's relationships with key stakeholders and lawmakers, ensuring our policies and initiatives align with legislative priorities and benefit from broader support and advocacy.

Included in the Financial Plan are two additional Business Data Analyst positions (FY 26, a new request and FY 28, a new request), a Process and Innovation Analyst (FY 27, a new request), a Strategy Analyst (FY 28, a new request), and a Legislative Affairs Program Manager (FY 28, a new request).

Open and Responsive Communication with our Community

Expanding opportunities for communication and engagement with our community is critical to our work of building strong community connections and enhancing access to services in the community. Funding for the expansion of the Communications and Marketing Department is proposed in the Proposed Financial Plan to invest in the resources necessary to ensure strong communication.

The Financial Plan includes a Marketing Specialist (FY 28, decelerated from FY 27), a Community Engagement Specialist (FY 28, decelerated from FY 27), a Web Designer (FY 29, decelerated from FY 28), and an Assistant Director position (FY 26, accelerated from FY 29). These proposed staff additions will provide the resources necessary to implement a city-wide Communication, Marketing, and Engagement Plan. Funding for an overall increase to our marketing and communications resource budget is recommended in the Financial Plan.

Beautiful Spaces and Unique Experiences

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

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

The Financial Plan includes continued funding for our Places and Spaces Capital Improvement Program with a total of over \$ 30,390,000 in parks-related projects identified in the proposed capital improvement program.

The Financial Plan recommends continuing funding for routine Parks and Recreation Improvement Programs. The Parks Improvement Program was established in fiscal year 2024 with an initial allocation of \$ 350,000. The Financial Plan also recommends allocating \$ 250,000 in FY 2025 and then includes adding in an additional \$ 100,000 per year beginning in fiscal year 2026 and continuing annually until we reach the optimum funding level of \$ 1,500,000 per year. The Financial Plan also recommends allocating \$ 250,000 in FY 2025 for the Recreation Improvement Program and then includes adding in an additional \$ 100,000 per year beginning in fiscal year 2026 and continuing annually until we reach the optimum funding level of \$ 1,500,000 per year.

The Financial Plan includes funding for a Landscape Spray Technician (FY 26, decelerated from FY 25), a Park Irrigation Technician (FY 26, decelerated from FY 25), an additional Forestry (tree trimming) Crew (FY 27, a new request), two Park Inspector positions (FY 27 and FY 28, a new request), and five additional Maintenance Workers (two in FY 27; one in FY 28; and two in FY 29, decelerated from FY 25; FY 26; FY 27, respectively) to maintain our park system. An additional Recreation Specialist position (FY 27, decelerated from FY 25) is also recommended to help support after school programming, and an Assistant Golf Professional position (FY 27, decelerated from FY 25) is recommended to help provide additional management support for Sammons Golf Course as well as a Food and Beverage Manager position to manage the food service operations at the expanded Sammons Club House (FY 26, a new request).

A new park ranger program is also proposed, including the addition of a Lead Park Ranger (FY 29, decelerated from FY 27) and three Park Ranger positions (one in FY 29, decelerated from FY 27 and 2 in FY 30, decelerated from FY 28).

The Financial Plan also recommends funding to develop a new Parks and Open Space Master Plan (FY 26, a new request). This initiative will involve extensive stakeholder engagement to develop a comprehensive plan to guide future investments in our park system.

Art, Culture, and Tourism - The Financial Plan also recommends the development of a Museum and Museum District Master Plan (FY 25, a new addition). This plan will explore the feasibility

and benefits of creating a museum district and outline the development and enhancement of our existing museum.

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

The plan also recommends a Sports Marketing Specialist (FY 27, decelerated from FY 25) to help increase sporting events and related tourism. The Financial Plan recommends funding to implement the recommendations in the recently completed Special Events Strategic Plan, including the establishment and expansion of City-sponsored special events, updates to our Special Event Application process, and implementation of a Special Event Support program. The Financial Plan recommends funding for a Community Outreach Coordinator (FY 28, a new request) for the Special Events Team to help coordinate sponsorship opportunities for special events.

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

Library - As part of the recently completed Library Master Plan's implementation, the Financial Plan recommends additional staffing positions including a Youth Services Librarian (FY 28, decelerated from FY 27), a second Assistant Director (FY 30, decelerated from FY 29), and an Executive Support Coordinator (FY 30, a new request) to bolster the library's capabilities and support expanded programming at the Central Branch.

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

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

The Financial Plan includes a placeholder for \$ 45 million for a Library & Parks Capital Improvement Program, to be funded through a general obligation bond. This program includes the construction of three branch libraries, as identified in our Library Master Plan, which underscores the importance of community accessibility and outreach. This strategic move will

ensure that library services and resources are brought closer to various neighborhoods, making them more accessible to a wider range of residents. The Financial Plan also includes an allocation for staffing and operating funds (FY 28) for one of the three branch libraries which is anticipated to open within the 6-year planning period.

Neighborhoods Where People Love to Live

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

Love Where You Live - The Financial Plan recommends the continuation and expansion of our Love Where You Live neighborhood planning program which is comprised of two major components: 1) the physical transformation of our older neighborhoods through public improvements, housing reinvestment projects, and neighborhood cleanups; and 2) social transformation through education, awareness, and neighborhood engagement.

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

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

The Financial Plan includes funding to systematically develop neighborhood-specific strategic plans for each of the neighborhood planning districts and a corridor-specific plan for each of the ten strategic corridor districts until all plans have been completed.

The plan recommends additional positions to help provide the staffing resources necessary to develop and implement our neighborhood planning programs, including a Special Projects Coordinator (FY 28, a new request), an additional Resource Coordinator (FY 29, decelerated from FY 26) focused on housing, a Neighborhood Project Coordinator (FY 30, a new request), and a Grant Coordinator (FY 25) to help us maximize grant funding opportunities.

The Financial Plan includes continued funding for our Places and Spaces Capital Improvement Program with a total of over \$ 12,700,000 in neighborhood-related projects identified in the proposed capital improvement program.

Grants and Community Partnerships - The Financial Plan continues to leverage our Community Development Block Grant (CDBG) funds to assist with the implementation of our efforts to build strong neighborhoods. Programs proposed for funding throughout the multi-year plan include housing improvements, neighborhood revitalization, homelessness and mental health programs, and other community development projects.

Successful partnerships within the community help the city leverage service delivery and offer the ability to respond to the needs of our growing community. To help us foster coordination with other agencies and organizations and to improve access to affordable housing and social services, the Financial Plan recommends a \$ 25,000 allocation for grant funding available for Education and Recreation Partnership organizations. This funding is focused primarily on educational and recreational programs for underserved youth. These programs could include after school care, athletics, nutrition, arts, and music. The Financial Plan also recommends a \$ 125,000 for grant funding available for Community Enhancement Partnerships. Partnerships created under this category will relate to administration of programs and activities that achieve specific outcomes that are in alignment with the City of Temple's Strategic Plan and/or Community Development Consolidated Plan.

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

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

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

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

In order to continue to facilitate high quality, safe, and strategic community growth, the Financial Plan recommends three additional Combination Building Inspector positions (FY 26, a new addition; FY 27, a new addition; and FY 28, a new addition) a Planning Manager (FY 27, decelerated from FY 26), and an Office Assistant position (FY 28, a new request) in the Planning and Development Department.

The addition of a Business Navigator (FY 30, decelerated from FY 28) is also proposed to provide increased support to small, mid-sized, and start-up businesses throughout the development process.

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

In order for us to continue to meet the demands for current service, and in order for us to meet the needs of projected growth and development, it is critical that we continue to invest in expanding our tax base. For many years, the City of Temple has committed to fund the operations of the Temple Economic Development Corporation to provide investment attraction marketing and incentive negotiation services. The Financial Plan continues that commitment.

Infrastructure and Systems that Support Exceptional Services and Community Growth

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

Mobility, Transportation, and Drainage - The Financial Plan includes continued funding for our Mobility Capital Improvement Program with just under \$ 86,000,000 in mobility related projects identified in the proposed capital improvement program.

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

The Financial Plan recommends continued funding for the routine Pavement Maintenance Program. The program was established in fiscal year 2022 with an initial allocation of \$ 250,000. The Financial Plan recommends allocating \$ 750,000 in FY 2025 and then includes adding in an additional \$ 250,000 per year beginning in fiscal year 2026 and continuing annually until we reach the optimum funding level of \$ 1,500,000 per year.

Six new transportation-related maintenance crews are also proposed as part of the Financial Plan. Additional crew proposals include a Pavement Marking and Right-of-Way Crew (FY 26, decelerated from FY 25), an Alley and Right-of-Way Crew (FY 28, decelerated from FY 26), a Street Patching Crew (FY 27, decelerated from FY 25), a Forestry & Tree Trimming Crew (FY 27, decelerated from FY 25), a Sign Crew (FY 30, decelerated from FY 27), and a Street Reconstruction Crew (FY 30, decelerated from FY 28). The Financial Plan also recommends the implementation of an annual Pavement Marking Maintenance Program (FY 26, decelerated from FY 25), the addition of a Traffic Signal Maintenance Technician (FY 27, decelerated from FY 25), and a Street Foreman (FY 28, decelerated from FY 27).

We are currently in the process of finalizing a Drainage Study and Comprehensive Modeling Assessment. An expansion to the Drainage Capital Improvement Program is anticipated following the full completion of the study. It is recommended that the highest priority projects that were identified as part of the Drainage Study be included as part of this bond program. A Drainage Rate Study will also be conducted to determine capital project capacity and funding options.

Water and Wastewater – The Financial Plan includes an additional \$ 295,000,000 in capital funds to implement water and wastewater improvement projects, including an expansion of the Temple-Belton and Doshier Farms wastewater treatment plants and an extensive and systematic approach to reducing sanitary sewer overflows.

Four additional water maintenance crews (FY 25, FY 27, FY 28, FY 29) are proposed as part of the Financial Plan to provide the staffing resources necessary to maintain our water distribution system and to provide an enhanced response time for nonemergency water leaks.

Three additional wastewater maintenance crews (FY 26, FY 28, FY 29) are also proposed as part of the Financial Plan to provide the staffing resources necessary to maintain our wastewater collection system and to provide a systematic approach to eliminating sanitary sewer overflows.

Two additional Water Operator positions (FY 27) are recommended to support the new Membrane Water Treatment Plant expansion and provide additional maintenance capacity.

The Financial Plan also recommends the addition of two Utility Foreman positions (FY 28), a Metering Crew Leader (FY 25, a new request), two Meter Technicians (FY 28 and FY 29, a new request), a Meter Technician Apprentice (FY 26), an Environmental Program Technician (FY 28), and an Administrative Assistant for the Environmental Programs division (FY 29).

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

Additional residential garbage and recycling routes are recommended in fiscal year 2025, 2027 (decelerated from FY 26), 2029 (decelerated from FY 28), and 2030 (decelerated from FY 29). Additional commercial frontload routes are recommended in fiscal years 2025 and 2029 (decelerated from FY 28). An additional brush and bulk route is recommended in fiscal year 2025. Additional commercial roll-off routes are recommended in fiscal years 2025, 2028 (decelerated from FY 27), and 2030 (decelerated from FY 29).

The Financial Plan also recommends the addition of a Recycling Assistant and recycling trailers to implement a multi-family recycling program (FY 27, decelerated from FY 25), a Maintenance Worker position (FY 27, decelerated from FY 26), two Assistant Division Director positions (FY 25 and FY 27, both new requests), an additional Operations Manager position (FY 26, a new addition), and the addition of a Litter Crew (FY 28, decelerated from FY 27).

Engineering - Two additional Project Engineer positions (FY 25 and FY 29, decelerated from FY 28) are proposed in Engineering in order to provide project management support for our extensive capital improvement programs. A Transportation Engineer (FY 30, decelerated from FY 28) is recommended for funding in order to support the development of sustainable and safe transportation solutions within our city.

A Safe and Healthy Community

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

An allocation of \$ 68,200,000 for a Public Safety Capital Improvement Program is included in the Financial Plan and is proposed as a certificate of obligation bond program. It is recommended that this bond include an expansion of the Public Safety Training Center, improvements to fire stations, construction of an additional fire station, and investments in equipment.

Police and Animal Services – The Financial Plan recommends adding a total of 42 sworn police officer positions and 10 civilian positions to add the resources necessary for our Police Department to provide enhanced response capacity; a consistent, visible police presence in our community; and build ongoing, authentic relationships between the community and the police.

The plan recommends the expansion of our police patrol program from eight patrol districts to ten patrol districts and moving from a twelve-hour shift to a ten-hour shift. A total of ten additional police officers and four additional sergeants is needed to complete this initiative. The addition of five Police Officer positions and two Sergeant positions each year is recommended in fiscal year 2028 and fiscal year 2029 (decelerated from FY 27 and FY 28).

Funding is recommended in the Financial Plan to establish an enhanced Neighborhood and District Community Policing Program. This proposal involves funding an additional Community Oriented Policing (COPs) unit. Funding for four Police Officer positions and one Sergeant position is recommended in fiscal year 2030 (decelerated from FY 29) to help provide expanded foot and bicycle patrol in neighborhoods, downtown, and in our parks.

The plan also recommends funding to complete the final phase of staffing for the Proactive Enforcement/Violent Crime Squad. The addition of two Police Officer positions (FY 29, decelerated from FY 28 and FY 30, decelerated from FY 29) is recommended to fully staff that unit.

A second Property Crimes Investigation Squad is recommended to respond to the projected increase in case load based on the growth of our community. Funding is recommended for six Police Officer positions (four in FY 29, decelerated from FY 28) and two in FY 30, decelerated from FY 29) and one Sergeant position (FY 29, decelerated from FY 28).

The Financial Plan also recommends funding for the addition of ten school resource officers and one Sergeant/supervisor position to support Temple and Belton ISDs in complying with the new state law mandating armed security in all schools. Five officers and the Sergeant are proposed in fiscal year 2029, followed by the remaining five officers in fiscal year 2030. This phased approach ensures that both school districts have the necessary resources to maintain a safe and secure learning environment for all students.

The Financial Plan also recommends funding allocations for the addition of two Police Officer positions (FY 28, decelerated from FY 27 and FY 30, decelerated from FY 29) to implement an enhanced training program, a Crime Scene Supervisor (FY 30, decelerated from FY 29), a Forensic Electronic Investigator (FY 30, decelerated from FY 29), three Animal Services Field Officer positions (FY 27, FY 28, and FY 29), as well as two additional Animal Shelter Technicians (FY 28, FY 29), to maintain service levels as our community grows.

Fire and Rescue – The Financial Plan recommends adding a total of 56 sworn firefighter positions and seven civilian positions to add the resources necessary for our Fire Department to provide emergency response as our community grows.

The Financial Plan recommends two additional fire squad vehicles to be purchased and fully staffed (FY 26, decelerated from FY 25 and FY 27, decelerated from FY 26) to provide enhanced response capacity in the growth areas of our community.

Three additional Battalion Chief (FY 26, decelerated from FY 25) positions and three additional Driver Safety Officer (FY 26, decelerated from FY 25) positions are recommended to be funded in order to allow the City to be divided into two response districts to provide greater supervisory resources to the Fire Department as the community continues to grow.

The plan also recommends the addition of two additional Deputy Fire Marshal positions (FY 28, decelerated from FY 27; and FY 30, decelerated from FY 29), a Fire Educator/Public Information Officer position (FY 28, a new request) focused on the North Industrial Park and Synergy Industrial Park, to enhance fire safety awareness and preparedness among businesses and employees in these critical areas, a Battalion Chief of Administration (FY 29, decelerated from FY 28), nine additional Firefighter positions to provide coverage for personnel on leave or in training (three in FY 27, decelerated from FY 26; three in FY 28, decelerated from FY 27; and three in FY 30, a new addition), a Fire Training Officer position (FY 30, decelerated from FY 28) to implement an enhanced training program, and nine additional Firefighter positions to provide additional staffing on each ladder truck (three each in FY 28, decelerated in FY 27; FY 29, decelerated from FY 28; and FY 30, decelerated from FY 29) for the Fire Department.

The recently completed Fire Master Plan recommends a new station in west Temple be constructed within the next 4-9 years. The Financial Plan also includes a placeholder in fiscal year 2029 for staffing for new Station #9.

Code Compliance – Funding for additional code compliance resources is included in the Financial Plan including four Code Compliance Officer positions (one in FY 27, decelerated from FY 26; two in FY 28, one decelerated from FY 27 and one new request; and one in FY 30, decelerated from FY 29). These proposed additions will provide the staff resources necessary to expand our proactive, solution-oriented code compliance approach. Staffing for the new ReSource Hub is also proposed ensuring it is adequately equipped to provide comprehensive support services and resources to our community members. The Financial Plan recommends funding a Lead ReSource Hub Agent (FY 27, a new addition) and a ReSource Hub Agent (FY 28, a new addition).

Mental Health and Homelessness – The City of Temple, in partnership with the City of Killeen and Bell County, recently completed a county-wide strategic plan to address Mental Health and Homelessness resources within our communities. Central to the implementation of the strategy is the establishment of a transformative centralized campus where individuals experiencing homelessness can seek shelter, along with comprehensive mental health treatment and recovery services. The Financial Plan recommends funding for construction of the initial phase of the campus in fiscal year 2025.

OTHER INFORMATION

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

It should be noted that the auditors included all funds in their audit, performed their audit in accordance with auditing standards generally accepted in the United States of America and stated that, in their opinion, the statements herein present fairly, in all material respects, the financial position of the City at September 30, 2024, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Temple for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Temple has received a Certificate of Achievement for the last forty-three consecutive years (Fiscal Years ended 1981-2023). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Distinguished Budget Presentation Award For the fiscal year 2023-24 Budget document, the City received, for the twenty-eighth consecutive year, the distinguished Budget Presentation Award from the Governmental Finance Officers Association (GFOA).

Acknowledgments

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

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

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

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

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

Respectfully submitted,



Traci L. Barnard, CPA
Director of Finance



Brynn Myers
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

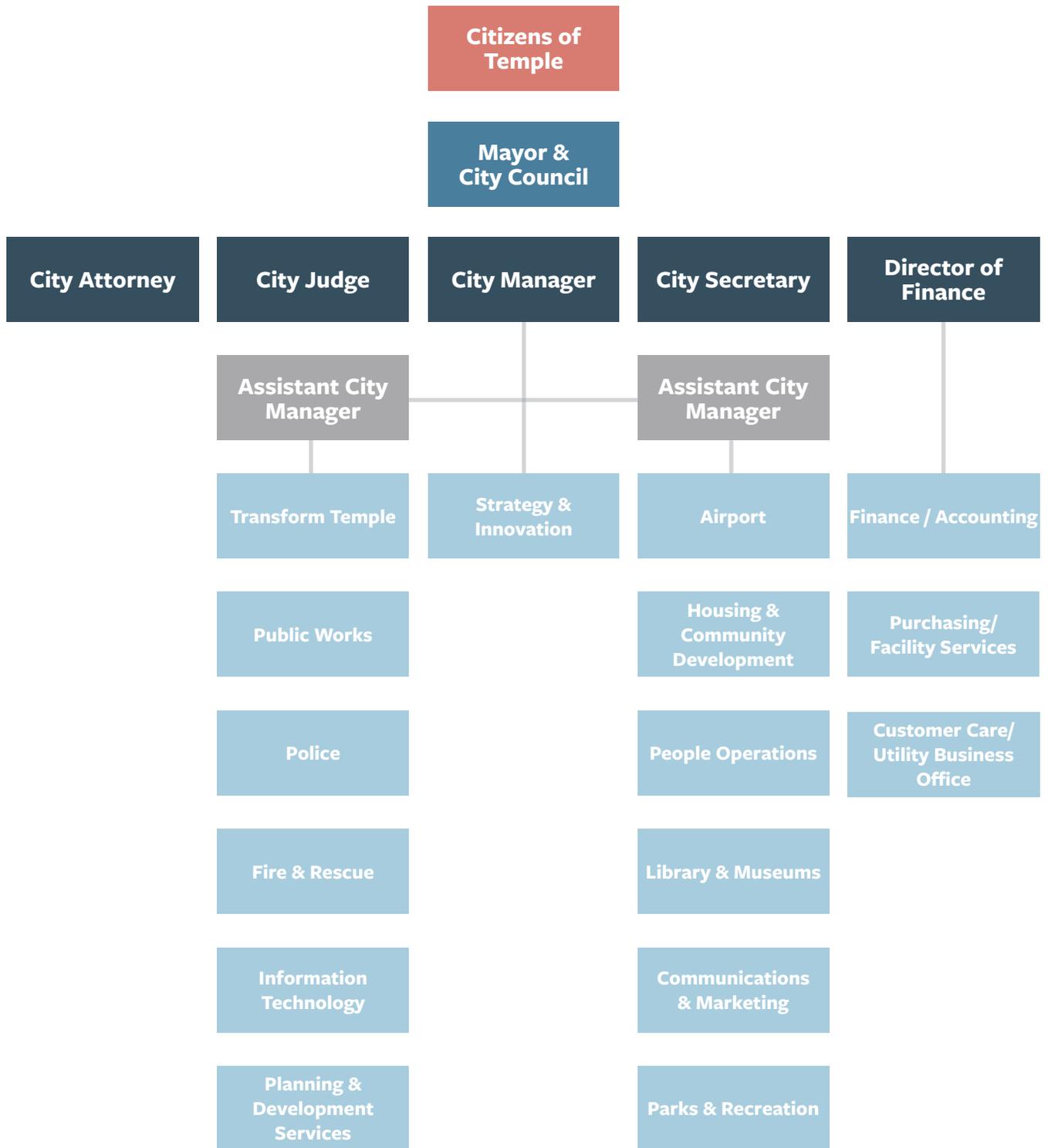
**City of Temple
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO



Council-Appointed

City Department

**CITY OF TEMPLE
PRINCIPAL OFFICIALS**



MAYOR
TIM DAVIS

MAYORPRO-TEMPORE
JESSICA WALKER

COUNCILMEMBER
MIKE PILKINGTON

COUNCILMEMBER
DR. ZOE GRANT

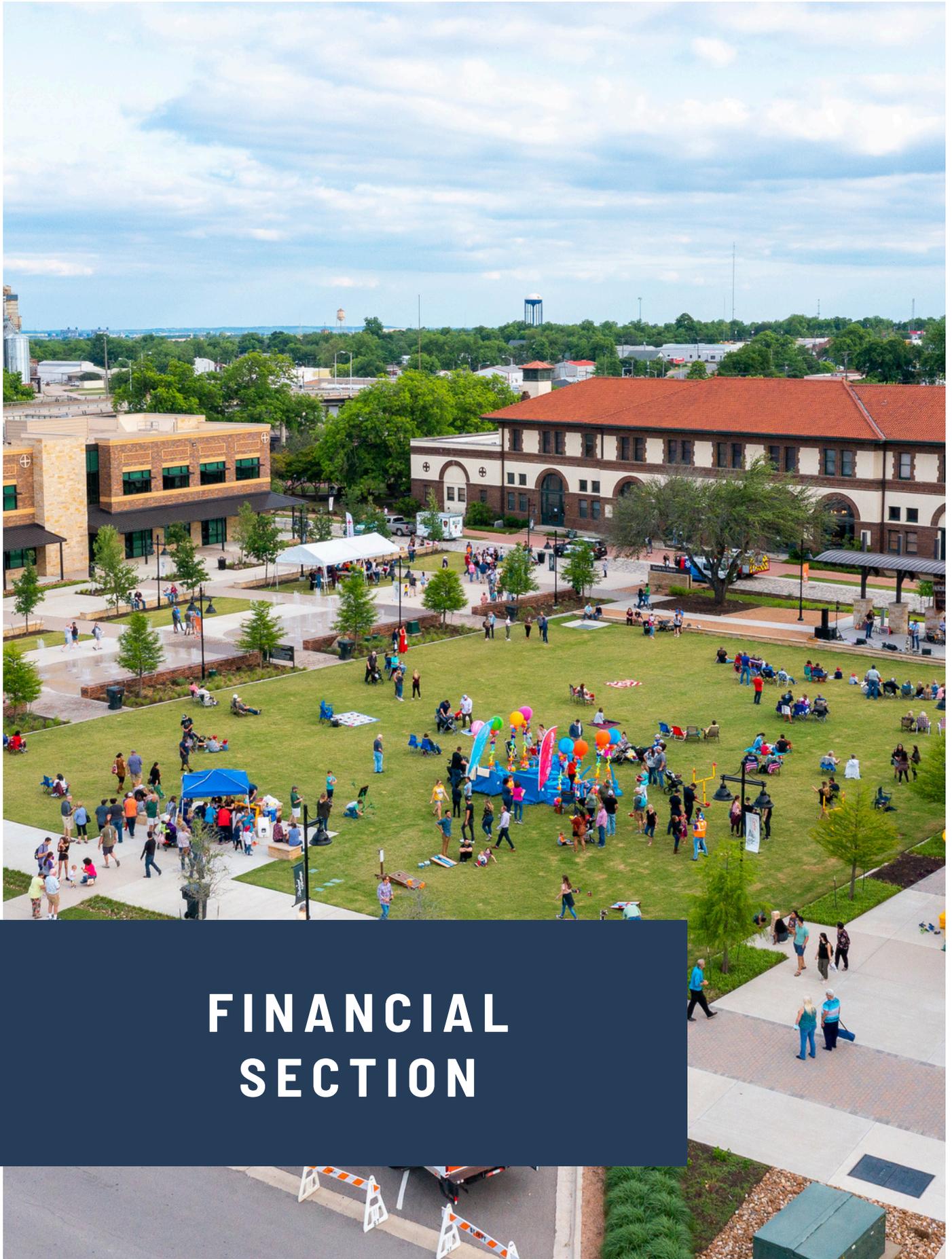
COUNCILMEMBER
SUSAN LONG

BRYNN MYERS, *CITY MANAGER*

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

KATHRYN DAVIS, *CITY ATTORNEY*

JANA LEWELLEN, *CITY SECRETARY*



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules, and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Temple, Texas
February 5, 2025



**MANAGEMENT'S
DISCUSSION AND
ANALYSIS**



CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

Our discussion and analysis of the City of Temple's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the transmittal letter and the basic financial statements provided.

FINANCIAL HIGHLIGHTS

- Primary government net position – As of September 30, 2024, the City's net position of the primary government was \$ 442,328,308. This includes \$ 16,887,967 in unrestricted funds which may be used to meet the City's future obligations. Of this amount, \$ 1,298,483 is related to governmental activities, which includes the General Fund. The \$ 15,589,484 balance of unrestricted net position is related to business-type activities, which is the City's enterprise fund (water and wastewater).
- Total net position – During the fiscal year, the City of Temple's total net position increased by \$ 26,327,201. The net position of governmental activities rose by \$ 19,068,050, from \$ 199,580,268, while the net position of business-type activities grew by \$ 7,259,151, from \$ 216,420,839. The overall increase in both governmental and business-type activities is primarily due to a \$ 28,509,353 increase in the City's investment in capital assets. Additionally, the recording of GASB 96 items related to subscription-based information technology arrangements and GASB 87 items related to leases contributed to the net position growth. Infrastructure donations from developers also played a role in this increase.
- Pension liability and deferred inflows/outflows - The decrease in the net pension liability resulted in a corresponding reduction in deferred outflows of resources by \$ 10,925,236. Additionally, deferred inflows of resources increased by \$ 3,653,197. The comparison between the previous fiscal year's recording of infrastructure donations from developers and the current fiscal year contributed to the decrease in deferred outflows.
- Governmental funds - As of September 30, 2024, the City of Temple's governmental funds reported combined ending fund balances of \$ 225,025,085, an increase of \$ 43,138,141 in comparison with the prior fiscal year. The capital projects fund had a net increase of \$ 36,470,699 due to the issuance and expenditure of bond proceeds from Transportation Capital Improvement Program, Places & Spaces Capital Improvement Program, as well as constructing and equipping City facilities. In addition, there was an increase of \$ 4,970,425 in the general fund balance and a \$ 136,044 increase in the fund balance of nonmajor governmental funds. The offset to the overall increase is attributable to the increase in the debt service fund of \$ 1,560,973.
- General fund stability - At the end of the current fiscal year, the assigned/unassigned fund balance for the general fund was \$ 51,784,963 or approximately 23.01% of total general fund expenditures.

CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

- Bonded debt - The City's total net bonded debt increased by \$ 51,016,869 during the current fiscal year. This net increase was due to bond issuance of \$ 61,460,000 for the Transportation, Places and Spaces, and Facility Capital Improvement Programs in conjunction with the offset of debt payments made during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but not used vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting.

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

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, library, airport, streets, sanitation, culture and recreation, and general government. Property taxes, sales taxes and franchise fees finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and wastewater system activity are reported here.

CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

- Component units – The City includes two separate legal entities in its report – the Temple Economic Development Corporation and the Reinvestment Zone No. 1 (a tax incremental financing unit). Although legally separate, these “component units” are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

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

- Governmental funds – The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

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

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

CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 81 through 148 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's net pension obligation as it relates to Texas Municipal Retirement System and Temple Firefighters' Relief and Retirement Fund as well as the total OPEB liabilities as it relates to the TMRS-SDB and retiree health plan. Required supplementary information can be found on page 150 through 160 of this report.

THE CITY AS A WHOLE – Government-Wide Financial Analysis

The City's combined net position was \$ 442,328,308 as of September 30, 2024. The following tables focus on the net position (Table I) and general revenues and significant expenses of the City's governmental and business-type activities (Table II).

By far the largest portion of the City's net position (94.77%) represents its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024**

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

	Governmental		Business-type		Total	
	Activities		Activities		Primary	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 271,427,503	\$ 229,734,169	\$ 81,708,772	\$ 108,024,575	\$ 353,136,275	\$ 337,758,744
Capital assets	415,237,124	376,997,930	381,633,862	357,701,356	796,870,986	734,699,286
Total assets	<u>686,664,627</u>	<u>606,732,099</u>	<u>463,342,634</u>	<u>465,725,931</u>	<u>1,150,007,261</u>	<u>1,072,458,030</u>
Deferred outflows of resources	<u>27,397,196</u>	<u>37,125,768</u>	<u>5,698,563</u>	<u>6,895,227</u>	<u>33,095,759</u>	<u>44,020,995</u>
Long-term liabilities outstanding	447,737,235	396,551,792	234,425,816	248,297,411	682,163,051	644,849,203
Other liabilities	24,077,738	27,719,511	10,310,207	7,338,685	34,387,945	35,058,196
Total liabilities	<u>471,814,973</u>	<u>424,271,303</u>	<u>244,736,023</u>	<u>255,636,096</u>	<u>716,550,996</u>	<u>679,907,399</u>
						6,895,227
Deferred inflows of resources	<u>23,598,532</u>	<u>20,006,296</u>	<u>625,184</u>	<u>564,223</u>	<u>24,223,716</u>	<u>20,570,519</u>
Net Position:						
Net investment in capital assets	213,400,621	194,236,539	205,794,642	196,449,371	419,195,263	390,685,910
Restricted	3,949,214	3,912,235	2,295,864	1,964,777	6,245,078	5,877,012
Unrestricted	1,298,483	1,431,494	15,589,484	18,006,691	16,887,967	19,438,185
Total net position, as restated	<u>\$ 218,648,318</u>	<u>\$ 199,580,268</u>	<u>\$ 223,679,990</u>	<u>\$ 216,420,839</u>	<u>\$ 442,328,308</u>	<u>\$ 416,001,107</u>

An additional portion of the City of Temple's net position (1.41%) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position, \$ 16,887,967, may be used to meet the government's ongoing obligations to citizens and creditors.

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

There was an increase of \$ 7,259,151 in net position reported in connection with the City of Temple's business-type activities. The net increase is the result of an increase in investments in capital assets in FY 2024.

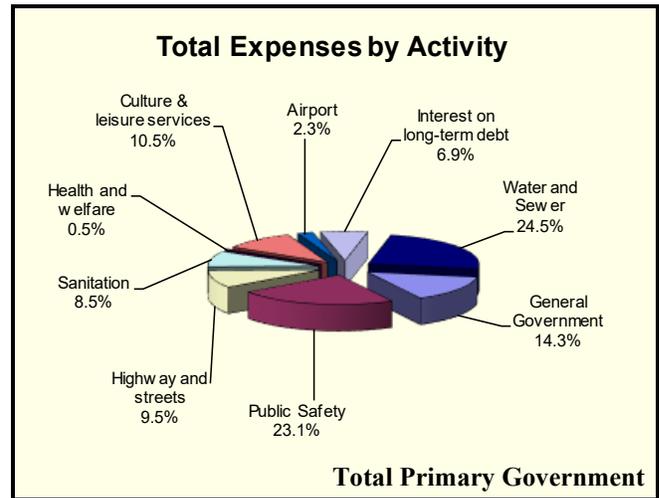
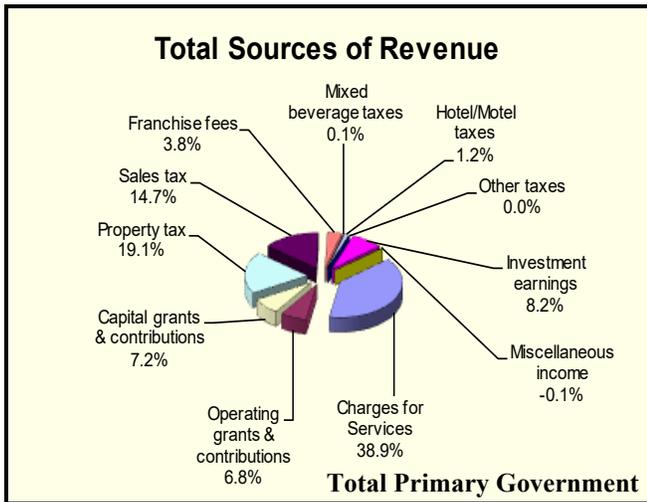
**CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024**

Governmental and business-type activities increased the City's net position by \$ 26,327,201. The key elements of this increase are as follows:

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

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 45,703,871	\$ 43,302,538	\$ 54,177,682	\$ 52,114,559	\$ 99,881,553	\$ 95,417,097
Operating grants and contributions	17,463,336	5,323,506	-	-	17,463,336	5,323,506
Capital grants and contributions	16,045,384	47,700,095	2,511,746	19,698,818	18,557,130	67,398,913
General revenues:						
Property tax	49,110,760	42,546,516	-	-	49,110,760	42,546,516
Sales tax	37,769,286	36,496,375	-	-	37,769,286	36,496,375
Franchise fees	9,662,353	8,965,301	-	-	9,662,353	8,965,301
Mixed beverage taxes	275,291	260,833	-	-	275,291	260,833
Hotel/Motel taxes	2,957,668	2,713,494	-	-	2,957,668	2,713,494
Other taxes	30,757	69,809	-	-	30,757	69,809
Investment earnings	14,116,541	8,805,593	6,844,790	6,262,129	20,961,331	15,067,722
Miscellaneous income	(335,378)	1,075,358	9,073	-	(326,305)	1,075,358
Total revenues	<u>192,799,869</u>	<u>197,259,418</u>	<u>63,543,291</u>	<u>78,075,506</u>	<u>256,343,160</u>	<u>275,334,924</u>
Expenses:						
General government	32,966,115	28,947,790	-	-	32,966,115	28,947,790
Public safety	53,165,284	46,304,951	-	-	53,165,284	46,304,951
Highway and streets	21,775,248	14,725,735	-	-	21,775,248	14,725,735
Sanitation	19,627,422	13,550,411	-	-	19,627,422	13,550,411
Health and welfare	1,065,377	1,133,909	-	-	1,065,377	1,133,909
Culture & leisure services	24,118,969	23,810,117	-	-	24,118,969	23,810,117
Airport	5,221,719	5,074,212	-	-	5,221,719	5,074,212
Interest on long-term debt	15,791,685	9,530,691	-	-	15,791,685	9,530,691
Water and sewer	-	-	56,284,140	53,618,040	56,284,140	53,618,040
Total expenses	<u>173,731,819</u>	<u>143,077,816</u>	<u>56,284,140</u>	<u>53,618,040</u>	<u>230,015,959</u>	<u>196,695,856</u>
Increase (decrease) in net position, as restated	19,068,050	54,181,602	7,259,151	24,457,466	26,327,201	78,639,068
Net position - beginning, as restated	199,580,268	145,398,666	216,420,839	191,963,373	416,001,107	337,362,039
Net position - ending	<u>\$ 218,648,318</u>	<u>\$ 199,580,268</u>	<u>\$ 223,679,990</u>	<u>\$ 216,420,839</u>	<u>\$ 442,328,308</u>	<u>\$ 416,001,107</u>

**CITY OF TEMPLE, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
September 30, 2024**



For FY 2024, revenues from governmental activities totaled \$ 192,799,869. In comparison to FY 2023, revenues for governmental activities decreased \$ 4,459,549 or 2.26%. Property taxes experienced an increase of \$ 6,564,244 due to growth in assessed valuations from both new construction and increases in existing values. Sales tax reflected an increase of \$ 1,272,911, an increase of 3.49%. Property taxes and sales tax combined are the largest components of revenues (45.06%). In addition, charges for services increased \$ 2,401,333 in FY 2024 as compared to FY 2023. This increase can be attributed to an increase of \$ 1,016,915 in Sanitation charges for services associated with customer growth in solid waste collection. In addition, Culture and Leisure Services saw an increase of \$ 529,308. It should also be noted that charges for services account for 23.71% of total governmental revenue.

Expenses for governmental activities in FY 2024 totaled \$ 173,731,819. In comparison to FY 2023, expenses for governmental activities increased \$ 30,654,003 or 21.42%. The increase in governmental activities can be attributed to several key factors ranging from higher investments in capital assets, including infrastructure donations from developers to recording of GASB 96 items related to subscription-based information technology arrangements and GASB 87 items related to leases. Additionally, the City of Temple implemented civil service pay adjustments for its employees in FY 2024 as part of a commitment to improving compensation and retaining qualified personnel. These pay increases were strategically funded through the City's budget and contributed to an increase in operating expenditures. The investment in human capital, though adding to costs, was seen as essential for maintaining the quality of public services and supporting employee morale and retention. Finally, in May 2024, tornadoes and storms hit the City of Temple, causing considerable damage to public infrastructure. Despite the destruction, the city showed remarkable resilience in its recovery. Insurance settlements and FEMA assistance helped ease the financial burden, covering a portion of the storm-related expenses.

**CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024**

The five largest program expenses in FY 2024 are public safety (\$ 53,165,284), general government (\$ 32,966,115), culture and leisure services (\$ 24,118,969), highways and streets (\$ 21,775,248), and sanitation (\$ 19,627,422).

For governmental activities, the Statement of Activities on page 67 shows that \$ 45,703,871 was financed by those receiving services, \$ 17,463,336 from operating grants and contributions, \$ 16,045,384 from capital grants and contributions, with the City's general revenues financing \$ 113,587,278 of the remaining program expenses.

The debt service fund has a total fund balance of \$ 1,652,395, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was attributable to the use of fund balance for debt service payments and the levy of taxes for debt that was not issued as planned for in FY 2024.

The capital projects fund has a total fund balance of \$ 162,000,385. The fund balance increased by \$ 36,470,699 during the current fiscal year. This net increase is due to the issuance of bonds and expenditure of bond proceeds during the fiscal year.

Business-type Activities

Revenues of the City's business-type activities were \$ 63,543,291 for the fiscal year ended September 30, 2024. Revenues decreased \$ 14,532,215 as compared to the prior fiscal year. Expenses for the City's business-type activities were \$ 56,284,140, an increase of \$ 2,666,100, or 4.97%, compared to the prior fiscal year. The decline in revenues is mainly due to a substantial reduction in infrastructure donations from developers in FY 2024 compared to FY 2023, along with a decrease in water consumption. Water consumption decreased 7.13% in FY 2024 compared to the prior fiscal year. Unrestricted net position of the water and wastewater fund was \$ 15,589,484. The water and wastewater fund unrestricted net position decreased in the current fiscal year by \$ 2,417,207.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of FY 2024, the City had \$ 796,870,986 invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges and water and wastewater lines.

**CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024**

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 48,608,236	\$ 44,377,469	\$ 4,155,932	\$ 4,154,314	\$ 52,764,168	\$ 48,531,783
Construction in progress	51,415,082	29,330,376	92,960,607	70,978,773	144,375,689	100,309,149
Buildings	55,911,329	56,450,000	23,656,957	24,695,820	79,568,286	81,145,820
Infrastructure	216,168,241	216,797,731	254,405,196	252,741,903	470,573,437	469,539,634
Furniture & equipment	12,475,022	9,764,639	227,644	299,059	12,702,666	10,063,698
Machinery & equipment	22,485,705	18,893,109	6,037,149	4,574,207	28,522,854	23,467,316
Right-to-use leased equipment	2,310,927	193,328	6,574	12,209	2,317,501	205,537
Right-to-use subscription	5,862,582	1,191,278	183,803	245,071	6,046,385	1,436,349
	<u>\$ 415,237,124</u>	<u>\$ 376,997,930</u>	<u>\$ 381,633,862</u>	<u>\$ 357,701,356</u>	<u>\$ 796,870,986</u>	<u>\$ 734,699,286</u>

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

- Extension and Utility Improvements of North Pea Ridge, Phase II - \$ 5,912,762
- Repairs to sewer lines in Western Hills Subdivision - \$ 1,619,359
- Replacement of a Fire Truck - \$1,394,130
- Purchase of an Aircraft Rescue and Firefighting Truck for Airport - \$1,283,290
- Extension of water line along Lorraine Avenue and Tower Road, Phase I - \$1,270,998
- Reactor Air Project, Phase IV, V, VII at Temple-Belton WWTP – \$ 1,156,931
- Utility Improvements for 57th Street to 41st Street, Avenue R to Avenue Z - \$ 1,151,615
- Acquisition of 311 East Central Avenue and 4 South MLK Drive - \$1,005,960
- Rehabilitation of Apache Elevated Storage Tank - \$ 921,634
- Rehabilitation of 25th Street Elevated Storage Tank - \$ 816,616

Additional information on the City of Temple's capital assets can be found in Note III on pages 101 through 104 of this report.

Debt

At year-end, the City had \$ 591,913,722 in bonds and notes payable outstanding as shown in Table IV.

**CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024**

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

	Governmental		Business-type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 45,650,000	\$ 51,185,000	\$ 18,440,000	\$ 22,925,000	\$ 64,090,000	\$ 74,110,000
Certificate of obligation	274,730,000	224,750,000	-	-	274,730,000	224,750,000
Contractual obligations	10,845,000	9,485,000	-	-	10,845,000	9,485,000
Revenue bonds	-	-	186,540,000	194,945,000	186,540,000	194,945,000
Notes payable	1,875,834	2,048,770	139,242	152,079	2,015,076	2,200,849
Lease liability	2,327,872	108,365	5,869	11,559	2,333,741	119,924
Subscription liability	5,689,314	963,043	191,641	250,125	5,880,955	1,213,168
Premiums/discounts	25,088,218	22,506,706	20,390,732	22,014,148	45,478,950	44,520,854
Totals	\$ 366,206,238	\$ 311,046,884	\$ 225,707,484	\$ 240,297,911	\$ 591,913,722	\$ 551,344,795

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

The City is permitted by State law and provisions of the City Charter to levy taxes up to \$ 1.20 per \$ 100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is 4.10%.

Additional information on the City of Temple’s long-term debt can be found in Note III, on pages 110 through 118 of this report.

FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

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

At the end of the current fiscal year, the City of Temple’s governmental funds reported combined ending fund balances of \$ 225,025,085. Approximately 23.01% of this total amount, \$ 51,784,963, constitutes assigned/unassigned fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending. It is either nonspendable for inventory, prepaid items, and leases totaling \$ 2,541,442, or has already been restricted for the following purposes: 1) debt service, \$ 1,652,395; 2) drug enforcement, \$ 173,845; 3) library collection enhancement and other, \$ 821,309; 4) bond-funded construction projects,

**CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024**

\$ 162,000,385; 5) museum expenditures, \$17,581; 6) other purposes, \$ 2,936,479; 7) drainage, \$ 2,939,514; or 8) economic and community development, \$ 157,172.

In the general fund, the City budgeted for a decrease in the fund balance of \$ 9,316,390, which was primarily resulting from transfers of \$ 7,389,488 to capital project funds, debt service fund, grant fund, and Temple Revitalization Corporation. This decrease was a reduction of excess fund balance to fund "pay as you go" capital projects. The actual fund balance increased for FY 2024 by \$ 4,970,425 due to a net variance with the final adopted budget of \$ 14,286,815. The increase was primarily attributed to revenue from sales tax and property tax.

- Sales tax – There was a 3.49% increase in sales tax revenue as compared to FY 2023, largely driven by the rising cost of goods. The City continues to see new economic growth in construction, retail, food, and information sectors due to population growth and new industries establishing themselves in Temple. Sales tax revenue for FY 2024 came in \$ 1,550,714 under budget.
- Property tax - As compared to FY 2023, property tax revenue in FY 2024 saw significant growth due to an approximate 18.48% increase in market values along with a 17.98% increase in taxable property values, driven by increased local real estate market values. Additionally, the City had approximately \$ 314,342,683 of new value for all property types added to the tax roll, which was a 38.52% increase in FY 2024 as compared to FY 2023. Property tax revenue for FY 2024 ended \$ 540,658 under budget for property tax revenues in the general fund.

It is important to note that the following netted revenues also affect fund balance: franchise fees were \$ 368,802 over budget, charges for services were \$ 116,833 under budget, licenses and permits were \$ 427,877 over budget, interest income was \$ 612,892 over budget, sale of assets were \$ 293,061 over budget, fines were \$ 227,538 under budget, intergovernmental revenues were \$166,045 under budget, and all other revenues were under budget by \$ 1,572,118. In addition, total expenditures in the general fund came in \$ 16,592,044 under budget. Expenditures coming in under budget aligns with our budgetary philosophy of estimating expenditures high. Hiring lag is the primary factor contributing to expenditures coming in under budget. Other expenditures that came in under budget include repairs and maintenance, supplies, professional services, capital under \$5,000, travel and training, and golf course operations. Operating expenditures spread across all departments accounted for \$ 6,484,585 of expenditures that came in under budget.

Debt service fund balance increased in FY 2024 by \$ 1,560,973 for an ending balance of \$ 1,652,395. The net increase in fund balance during the current year in the debt service fund was attributable to the use of fund balance for debt service payments and the levy of taxes for debt that was not issued as planned for in FY 2024. Capital projects fund balance had a net increase in FY 2024 of \$ 36,470,699 due to the issuance of bonds and the expenditure of prior bond proceeds.

CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

Proprietary Funds – The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Wastewater fund is \$ 15,589,484, a decrease of \$ 2,417,207. The water and wastewater fund unrestricted net position decrease in the current fiscal year can be attributed to decreases in contributed capital and consumption, as well as an increase in the "pay as you go" capital expenses.

General Fund Budgetary Highlights – The City revised the original appropriations approved by the City Council, resulting in a 24.98% increase in budgeted expenditures, or \$30,662,719, compared to the original budget. The key factors contributing to this increase are as follows:

- \$ 2,326,002 increase in personnel services for various departments. Of this amount,
 - \$ 456,327 was appropriated for salaries and benefits associated to two authorized but unfunded over hires, as well as more overtime than budgeted.
 - Approximately \$ 443,700 was supplemental funding for personnel services for Purchasing (\$ 19,810), Planning (\$ 21,065), and Fire (\$ 402,825).
 - \$ 306,868 was carried forward from FY 2023 to fund hiring incentives for Police, as well as the reclassification of a Marketing Specialist to a Multi-Media Specialist in Communications & Marketing.
 - \$ 305,925 was appropriated into Fire's salary and benefit accounts based on the anticipated reimbursement from Texas Division of Emergency Management for firefighters being deployed to assist in the field for various weather events.
 - \$ 259,511 was appropriated into several General Fund departments based on the anticipated reimbursement from FEMA related to the tornadic event that occurred in May 2024.
 - \$ 220,000 was supplemental funding for Special Services to cover the additional separation pay, as well as vacation and sick leave accrual in FY 2024.
 - \$ 109,158 was appropriated to fund salary expense associated to golf lessons provided at Sammons Golf Course.
 - \$ 99,600 was appropriated for extra help/seasonal salaries associated to aquatics programming.
 - \$ 69,237 was supplemental funding was provided for salaries and benefits associated with the implementation of Temple 311
 - \$ 67,349 was supplemental funding was allocated for employment agreements for Council-appointed positions, as authorized by the City Council in April 2024.
 - \$ 54,040 was appropriated for salaries and benefits for Housing & Community Development staff who did not work as many Community Development Block Grant hours as budgeted.

**CITY OF TEMPLE, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
September 30, 2024**

- \$ 116,211 was unappropriated from salaries and benefits of police officers associated to the COPS Hiring Program through the Community Oriented Policing Services due to hiring challenges in the fiscal year.
- \$ 5,883,001 was appropriated for capitalization of new subscription-based information technology arrangements under GASB 96 – Police’s Axon (\$ 5,121,795), Police’s Flock Safety (\$ 332,310), Solid Waste’s Rubicon (\$ 359,311), and Fire’s Axon (\$ 69,585).
- \$ 4,412,504 in supplemental funding for services agreement with D&J Enterprises, Inc. for brush debris removal services related to the tornadic event that occurred in May 2024.
- \$ 3,698,056 in supplemental funding for capital to various departments within the General Fund for projects that were not completed in the previous year.
- \$ 2,483,778 was appropriated for capitalization of leases under GASB 87 – Police’s Axon (\$ 2,428,859) and Fire’s Axon (\$ 54,919).
- \$ 2,234,448 in supplemental funding for transfers out for capital projects and grants that were not completed in the previous year.
- \$ 2,068,032 in supplemental funding for operations to various departments within the General Fund for projects that were not completed in the previous year.
- \$ 1,470,289 in supplemental funding for the professional services agreement with Randall Scott Architects for the design of the new municipal building.
- \$ 1,367,656 in supplemental funding for services agreement with Tetra Tech, Inc. for FEMA compliance monitoring services for brush and debris removes services, as well as public assistance grant consulting services.
- Appropriation of \$ 1,289,903 in insurance proceeds, with \$1,084,286 specifically allocated for storm damage caused by the May 2024 storms.
- \$ 443,470 was appropriated for landfill tipping fees for Solid Waste, as well as \$83,387 for contracted related to residential single stream recycling.
- \$ 389,034 in supplemental funding for purchase of 0.458-acre property for South Temple Library Branch.
- \$ 226,902 in supplemental funding for the software system integration and operational items for the implementation of Temple 311.
- \$ 197,360 in supplemental funding for the acquisition of election equipment, along with the annual post-warranty license and maintenance/support fees.
- \$ 192,000 in supplemental funding for an agreement with Salvation Army to deliver housing and case management services to individuals facing homelessness.
- \$ 190,000 was appropriated for waived permit fees surrounding applications associated to damages caused by the tornadoes and storms in May 2024.
- \$ 199,987 in supplemental funding for replacement of three Police vehicles and one truck for Parks that were totaled in accidents.
- \$ 180,696 in supplemental funding for rental of seven sanitation vehicles from Big Truck Renal, LLC.

**CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024**

- \$ 157,834 in supplemental funding for repair & maintenance to sanitation vehicles for Solid Waste.
- \$ 153,416 in supplemental funding to assist with six homes associated to HOME Reinvestment Homeowner Reconstruction Assistance Program that provides homeowners with reconstruction of substandard housing owned and occupied by extremely low, very low, and low-income households.
- \$ 125,000 in supplemental funding for repair & maintenance to Fire's fleet.
- \$ 120,000 in supplemental funding for the second contract amendment to the professional consulting services agreement with Cent-Tex Alcoholic Rehabilitation Center, Inc. to assist with residential substance use disorder treatment for indigent citizens in Temple experience homelessness.
- \$ 115,463 in supplemental funding to Temple Revitalization Corporation to purchase 2.643-acre property to support future redevelopment efforts in the Ferguson Park Neighborhood District.
- \$ 105,000 was appropriated for merchandise, non-alcoholic beverages, alcoholic beverages, and food to be sold at Sammons Golf Course.
- \$ 82,357 in supplemental funding for the purchase of truck for an Animal Control Officer position that was accelerated in the Business Plan.
- \$ 65,728 in supplemental funding for the interlocal agreement with Hill Country Transit District for transit services.
- \$ 64,666 was appropriated into Fire's operational accounts based on the anticipated reimbursement from Texas Division of Emergency Management for firefighters being deployed to assist in the field for various weather events.
- \$ 48,273 in supplemental funding for the purchase of two police vehicles that came in over budget.
- \$ 48,000 in supplemental funding for legal services to be provided by Lloyd Gosselink Attorneys at Law for review and assessment of the provisions of the gas rights agreement with Waste Management.
- \$ 47,525 was appropriated to upgrade school flasher signals at four locations.
- \$ 40,000 was appropriated for food and beverage resale at Lions Junction Family Water Park.
- \$ 38,809 was appropriated to initiate the transition of firearms within the Police Department.
- \$ 30,000 in supplemental funding for the construction manager at risk contract with Cloud Construction Company, Inc. for the municipal building expansion project.
- \$ 19,403 was appropriated for equipment to be used by Communications & Marketing for the government access channel.
- \$ 18,510 in supplemental funding for a grant match for the purchase of two trailers for glass recycling.

**CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024**

- \$ 15,000 in supplemental funding for the City's match for a TxDOT grant to replace the automated weather observing system at Draughon-Miller Central Texas Regional Airport.

The increase in expenditure appropriations were possible because of additional anticipated revenues. The net increases in revenues included various charges for services to cover increases in services provided (\$ 1,400,237), an increase in licenses and permits (\$ 190,000), an increase in insurance proceeds (\$ 1,289,903), an increase in intergovernmental revenues (\$ 14,366,471), and an increase in other income from various sources (\$ 742,089). The remaining increases in expenditure appropriations were funded with Assigned General Fund Balance.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

As part of the American Rescue Plan Act of 2021, the City was awarded funding in the amount of \$ 14,170,861 during FY 2022 and FY 2023 through the Coronavirus State and Local Fiscal Recovery Funds to provide a substantial infusion of resources to help turn the tide on the COVID-19 pandemic, address the economic fallout, and lay the foundation for a strong and equitable recovery. In FY 2022, the City utilized approximately \$ 4,264,601 of the funding for premium pay to essential workers, as well as supporting and retaining public sector workers through a retention pay program. From FY 2022 through FY 2024, the City utilized \$ 642,025 for a professional services agreement with Randall Scott Architects for the design of the new municipal building. The remainder of the funding of \$ 9,264,235 was used during FY 2024 for Public Safety salaries and benefits.

The City's elected and appointed officials considered many factors when setting the FY 2025 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. The population growth experienced by the City has stimulated local business and development activity, and the community has placed additional demands on the City to maintain or enhance services provided to our citizens. Temple's greatest economic strength is the diversified employment base. The three largest job sectors are health and medical, distribution and manufacturing. It is anticipated that future growth for the region will focus on healthcare and small businesses. Temple's unemployment rate is 4.01%, representing one of the lowest rates in the State of Texas. The reasonable costs of living and homes priced below the national average continue to make Temple an attractive area for new business locations and re-locations. The City continues to attract new and existing companies due to the strategy of working diligently with corporations on relocation incentives.

These economic indicators were considered when adopting the General Fund budget for fiscal year 2025. The total 2024-2025 combined budget appropriation totals \$ 240,302,309 for six operating funds.

The 2024-2025 General Fund budget of \$ 130,340,706 represents an increase of 6.18% or \$ 7,584,828 in comparison to the adopted 2023-2024 budget. The focus of the FY 2025 Budget is on enhancing our service levels while responding to the growth of our community and doing

**CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024**

so in a way that maintains the financial health of the City. The adopted budget reflects a fiscally responsible approach to improving the City's infrastructure and maintaining quality City services to a growing population. The FY 2025 Budget allocates resources based on the five focus areas as identified in the Strategic Plan: High-Performing Organization, Communication and Collaboration, Places and Spaces, Public Safety, and Smart Growth.

Overall, the City Council was presented with a budget that requires \$ 3,928,000 from fund balance to assist in the funding of \$ 2,933,700 in capital outlay, \$700,000 supplement to health insurance increases, \$ 194,300 in funding for the Temple Revitalization Corporation, and \$ 100,000 for a GIS Master Plan. The budget assesses a tax rate of \$ 0.6265 per \$ 100 valuation, which reflects an increase of \$0.0135 as compared to the FY 2024 tax rate. The budget recognizes increases in ad valorem taxes, franchise fees, solid waste charges, and culture & recreation charges for services.

As a cost of service for the Enterprise Fund, Water & Wastewater rates must be sufficiently set to cover total operations and maintenance, debt, depreciation, and to fulfill bond covenant coverage requirements. During FY 2019, the City engaged the services of a consultant to develop a six-year cost of service study. One of the key elements of the study was to develop the revenue requirement for a six-year capital improvement program to construct, replace or rehabilitate facilities and infrastructure in the City of Temple distribution and collection systems. This also includes addressing additional staffing needs and other operational and maintenance expenditures.

Several scenarios were evaluated during they study. The chosen rate proposal includes:

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

Rates for FY 2020 were increased effective October 4, 2019. There were no rate adjustments to the water and wastewater rates in FY 2021. FY 2022 included a rate adjustment of \$ 0.25 per 1,000 gallons to volumetric rate for both water and wastewater. In FY 2023, water rates were adjusted approximately 3.86% and wastewater rates were adjusted approximately 13.83%, effective October 1, 2022. FY 2024 included an adjustment of approximately 7.00% for water rates, effective October 1, 2023. The FY 2025 Budget included an adjustment of approximately 8.50% for water rates and an approximate 25.50% adjustment for wastewater rates, effective October 1, 2024. The current rate model for FY 2026 through FY 2030 includes proposed rate adjustments. The rate model will be updated annually to determine if future rate adjustments will be necessary to support the revenue requirement.

Over the past years, the City has faced demands from Federal and State regulators to develop a more aggressive schedule to system improvements. Combined with the demands from

**CITY OF TEMPLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024**

regulatory agencies and the necessities of line relocations linked with TxDOT projects, the City has developed a revised Capital Improvement Program.

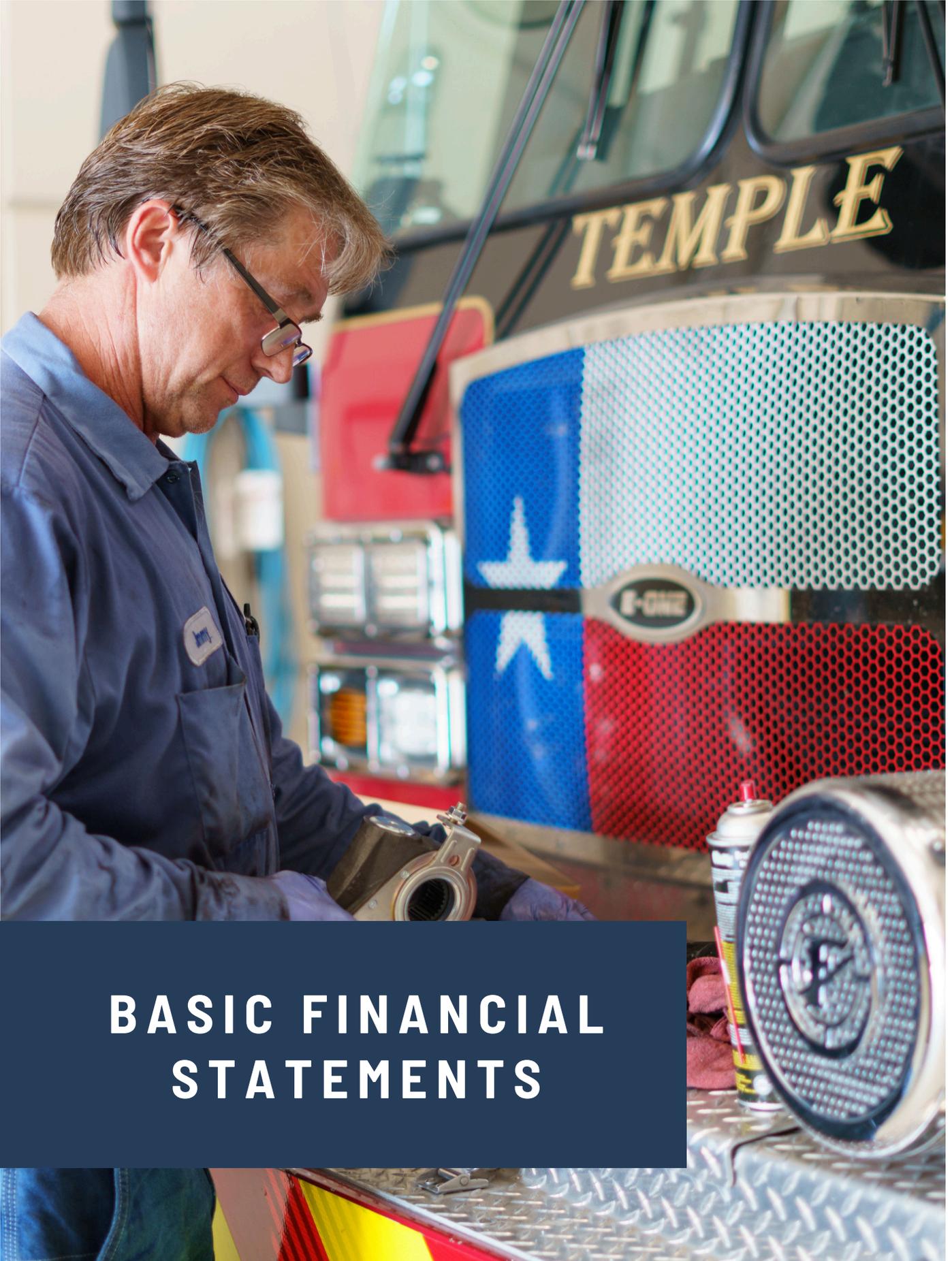
The City updated the Water and Wastewater Master Plan in 2019. The Master Plan included evaluation of system demand and improvements through 2070. The plan also included an assessment of current infrastructure, a water and wastewater system hydraulic analysis, and a plan for implementing future improvements. The total estimated cost for the projects identified in the 2019 Water and Wastewater Master Plan is \$ 171,935,000. Many of the projects have been reviewed and prioritized in the FY 2025 through FY 2030 Utility Capital Improvement Program.

The FY 2025 Water and Wastewater Fund operating budget of \$ 67,987,777, is an increase of 15.65% compared with the prior year. Cost drivers for the increase include cash capital outlays and debt service associated with the water and wastewater capital improvement plan.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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





**BASIC FINANCIAL
STATEMENTS**

CITY OF TEMPLE, TEXAS
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Reinvestment Zone No. 1	Temple Economic Development Corporation
ASSETS					
Cash	\$ 9,800	\$ 8,050	\$ 17,850	\$ -	\$ 4,348,423
Investments	228,494,863	20,454,115	248,948,978	21,834,416	-
Property taxes, net of allowance for uncollectibles	995,277	-	995,277	1,471,656	-
Receivables, net of allowance for uncollectibles	5,493,109	4,215,075	9,708,184	16,983	3,435
Lease receivable	20,081,862	-	20,081,862	-	3,524,752
Due from other governments	13,455,858	9,073	13,464,931	-	-
Inventories	455,876	397,184	853,060	-	-
Prepays	816,150	317,840	1,133,990	-	71,000
Other assets	18,561	-	18,561	-	-
Restricted assets:					
Cash and investments	1,606,147	56,307,435	57,913,582	61,814,345	3,737,816
Land held for investment	-	-	-	-	49,157,379
Capital assets not being depreciated:					
Land	48,608,236	4,155,932	52,764,168	25,317,199	-
Construction in progress	51,415,082	92,960,607	144,375,689	47,877,171	-
Capital assets, net of accumulated depreciation:					
Buildings	55,911,329	23,656,957	79,568,286	33,208,878	4,489,007
Infrastructure	216,168,241	254,405,196	470,573,437	114,578,597	-
Furniture and equipment	12,475,022	227,644	12,702,666	23,281	40,016
Machinery and equipment	22,485,705	6,037,149	28,522,854	-	-
Right-to-use capital assets	8,173,509	190,377	8,363,886	-	-
Total assets	<u>686,664,627</u>	<u>463,342,634</u>	<u>1,150,007,261</u>	<u>306,142,526</u>	<u>65,371,828</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts on refunding	2,369,348	3,256,132	5,625,480	810,148	-
Deferred amounts of contributions	8,321,841	977,342	9,299,183	-	-
Difference in investment experience	6,098,385	667,760	6,766,145	-	-
Difference in expected and actual experience	8,565,770	658,082	9,223,852	-	-
Changes in assumptions	2,041,852	139,247	2,181,099	-	-
Total deferred outflows of resources	<u>27,397,196</u>	<u>5,698,563</u>	<u>33,095,759</u>	<u>810,148</u>	<u>-</u>
LIABILITIES					
Vouchers and contracts payable	11,629,916	5,729,454	17,359,370	5,267,254	104,530
Retainage payable	1,075,832	1,914,798	2,990,630	1,380,554	-
Accrued payroll	3,833,221	454,427	4,287,648	-	-
Deposits	150,188	935,075	1,085,263	-	-
Accrued interest payable	1,894,128	1,196,174	3,090,302	1,121,504	-
Unearned revenues	5,494,453	80,279	5,574,732	-	-
Noncurrent liabilities:					
Due within one year	21,647,730	15,223,115	36,870,845	5,612,662	87,840
Due in more than one year	426,089,505	219,202,701	645,292,206	172,714,304	3,216,303
Total liabilities	<u>471,814,973</u>	<u>244,736,023</u>	<u>716,550,996</u>	<u>186,096,278</u>	<u>3,408,673</u>
DEFERRED INFLOWS OF RESOURCES					
Lease related	18,809,877	-	18,809,877	-	3,483,327
Difference in expected and actual experience	1,858,780	230,736	2,089,516	-	-
Changes in assumptions	2,929,875	394,448	3,324,323	-	-
Total deferred inflows of resources	<u>23,598,532</u>	<u>625,184</u>	<u>24,223,716</u>	<u>-</u>	<u>3,483,327</u>
NET POSITION					
Net investment in capital assets/right-to-use assets	213,400,621	205,794,642	419,195,263	94,614,541	1,224,880
Restricted for:					
Debt service	-	2,295,864	2,295,864	5,195,000	-
Promotion of tourism	2,936,479	-	2,936,479	-	-
Other	1,012,735	-	1,012,735	-	-
Economic development incentives	-	-	-	-	49,334,393
Unrestricted	1,298,483	15,589,484	16,887,967	21,046,855	7,920,555
Total net position	<u>\$ 218,648,318</u>	<u>\$ 223,679,990</u>	<u>\$ 442,328,308</u>	<u>\$ 120,856,396</u>	<u>\$ 58,479,828</u>

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

CITY OF TEMPLE, TEXAS
STATEMENT OF ACTIVITIES
For the year ended September 30, 2024

Functions/Programs Primary government:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Reinvestment Zone No. 1	Temple EDC
					Governmental Activities	Business-type Activities		
Governmental activities:								
General government	\$ 32,966,115	\$ 7,221,499	\$ 2,147,954	\$ 110,095	\$ (23,486,567)	\$ -	\$ -	\$ -
Public safety	53,165,284	4,534,070	10,334,159	86,135	(38,210,920)	-	-	-
Highways and streets	21,775,248	3,507,123	92,832	15,526,824	(2,648,469)	-	-	-
Sanitation	19,627,422	20,364,710	4,020,838	242,000	5,000,126	-	-	-
Health and welfare	1,065,377	-	838,792	-	(226,585)	-	-	-
Culture and leisure services	24,118,969	6,363,791	28,761	-	(17,726,417)	-	-	-
Airport	5,221,719	3,712,678	-	80,330	(1,428,711)	-	-	-
Interest on long-term debt	15,791,685	-	-	-	(15,791,685)	-	-	-
Total governmental activities	173,731,819	45,703,871	17,463,336	16,045,384	(94,519,228)	-	-	-
Business-type activities:								
Water and sewer	56,284,140	54,177,682	-	2,511,746	-	405,288	-	-
Total business-type activities	56,284,140	54,177,682	-	2,511,746	-	405,288	-	-
Total primary government	\$ 230,015,959	\$ 99,881,553	\$ 17,463,336	\$ 18,557,130	(94,519,228)	405,288	-	-
Component units:								
Reinvestment Zone No. 1	\$ 31,005,785	\$ 322,967	\$ -	\$ 80,330	-	-	(30,602,488)	-
Temple Economic Development Corporation	6,960,730	-	17,463,697	-	-	-	-	10,502,967
Total component units	\$ 37,966,515	\$ 322,967	\$ 17,463,697	\$ 80,330	-	-	(30,602,488)	10,502,967
General Revenues:								
Property taxes					49,110,760	-	30,624,404	-
Sales taxes					37,769,286	-	-	-
Franchise fees					9,662,353	-	-	-
Mixed beverage taxes					275,291	-	-	-
Hotel/Motel taxes					2,957,668	-	-	-
Other taxes					30,757	-	-	-
Investment income					14,116,541	6,844,790	4,942,603	497,191
Miscellaneous income					(335,378)	9,073	4,458,310	20,993
Total general revenues					113,587,278	6,853,863	40,025,317	518,184
Change in net position					19,068,050	7,259,151	9,422,829	11,021,151
Net position-beginning					199,580,268	216,420,839	111,433,567	47,458,677
Net position-ending					\$ 218,648,318	\$ 223,679,990	\$ 120,856,396	\$ 58,479,828

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

CITY OF TEMPLE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 5,300	\$ -	\$ -	\$ 4,500	\$ 9,800
Investments	52,971,910	1,641,195	167,878,754	6,003,004	228,494,863
Property taxes, net	437,094	558,183	-	-	995,277
Other receivables, net	4,957,598	-	100,253	435,258	5,493,109
Lease receivable	20,081,862	-	-	-	20,081,862
Due from other governments	4,658,220	3,564,467	-	5,233,171	13,455,858
Due from other funds	3,834,814	-	-	-	3,834,814
Inventories, at cost	447,839	-	-	8,037	455,876
Prepaid items	792,743	-	-	23,407	816,150
Restricted cash and investments	1,606,147	-	-	-	1,606,147
Other assets	-	-	-	18,561	18,561
Total assets	<u>\$ 89,793,527</u>	<u>\$ 5,763,845</u>	<u>\$ 167,979,007</u>	<u>\$ 11,725,938</u>	<u>\$ 275,262,317</u>
LIABILITIES					
Vouchers and contracts payable	\$ 5,162,021	\$ -	\$ 5,374,276	\$ 1,093,619	\$ 11,629,916
Retainage payable	21,481	-	596,154	458,197	1,075,832
Accrued payroll	3,693,150	-	8,192	131,879	3,833,221
Vacation and sick leave payable	851,371	-	-	36,601	887,972
Deposits	58,983	-	-	91,205	150,188
Due to other funds	-	-	-	3,834,814	3,834,814
Unearned revenues	5,903,962	4,111,450	-	-	10,015,412
Total liabilities	<u>15,690,968</u>	<u>4,111,450</u>	<u>5,978,622</u>	<u>5,646,315</u>	<u>31,427,355</u>
DEFERRED INFLOWS OF RESOURCES					
Lease related	18,809,877	-	-	-	18,809,877
Total deferred inflows of resources	<u>18,809,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,809,877</u>
FUND BALANCES					
Fund Balances:					
Nonspendable:					
Inventories, prepaid items, and leases	2,512,565	-	-	28,877	2,541,442
Restricted for:					
Debt service	-	1,652,395	-	-	1,652,395
Drug enforcement	173,845	-	-	-	173,845
Library and other	821,309	-	-	-	821,309
Construction	-	-	162,000,385	-	162,000,385
Museum	-	-	-	17,581	17,581
Other purposes	-	-	-	2,936,479	2,936,479
Committed to:					
Drainage	-	-	-	2,939,514	2,939,514
Economic and community development	-	-	-	157,172	157,172
Assigned to:					
Capital technology acquisition	575,000	-	-	-	575,000
Capital projects	12,592,170	-	-	-	12,592,170
Purchases on order	8,624,907	-	-	-	8,624,907
Unassigned	29,992,886	-	-	-	29,992,886
Total fund balances	<u>55,292,682</u>	<u>1,652,395</u>	<u>162,000,385</u>	<u>6,079,623</u>	<u>225,025,085</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 89,793,527</u>	<u>\$ 5,763,845</u>	<u>\$ 167,979,007</u>	<u>\$ 11,725,938</u>	<u>\$ 275,262,317</u>

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

CITY OF TEMPLE, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2024

Total fund balances-governmental funds \$ 225,025,085

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

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

Land	\$	48,608,236	
Construction in progress		51,415,082	
Buildings		107,443,062	
Infrastructure		399,271,117	
Furniture and equipment		41,396,528	
Machinery and equipment		56,909,976	
Right-to-use leased equipment		3,733,703	
Right-to-use subscriptions		7,823,711	
Accumulated depreciation and amortization		(301,364,291)	
Total capital assets	\$	<u>415,237,124</u>	415,237,124

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

Deferred amounts on refunding	\$	2,369,348	
Deferred amounts of contributions		8,321,841	
Difference in expected and actual experience		6,098,385	
Deferred amounts of changes in assumptions		2,041,852	
Difference in projected and actual investment earnings		8,565,770	
	\$	<u>27,397,196</u>	27,397,196

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

Maintenance & operations taxes not collected	\$	409,509	
Interest & sinking fund taxes not collected		546,983	
Pass-through toll agreement		3,564,467	
Total deferred revenue reclassified	\$	<u>4,520,959</u>	4,520,959

Interest and arbitrage interest payable on long-term debt does not require current financial resources. Therefore, interest and arbitrage interest payable is not reported as a liability in the governmental funds balance sheet. (5,960,871)

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

Due within one year	\$	20,096,220	
Long-term debt, including premium/discount		422,686,300	
Total long-term liabilities	\$	<u>442,782,520</u>	(442,782,520)

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

Difference in expected and actual experience	\$	(1,858,780)	
Changes in assumptions		(2,929,875)	
	\$	<u>(4,788,655)</u>	(4,788,655)

Net position of governmental activities \$ 218,648,318

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

CITY OF TEMPLE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended September 30, 2024

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 61,894,578	\$ 25,211,002	\$ -	\$ 2,957,668	\$ 90,063,248
Franchise fees	9,662,354	-	-	-	9,662,354
Licenses and permits	1,864,977	-	-	-	1,864,977
Intergovernmental	14,242,426	1,422,034	-	12,436,330	28,100,790
Drainage fees	-	-	-	3,099,572	3,099,572
Charges for services	38,871,966	-	-	569,008	39,440,974
Fines	1,219,810	-	-	-	1,219,810
Interest and other	5,339,458	677,925	7,606,831	338,423	13,962,637
Total revenues	<u>133,095,569</u>	<u>27,310,961</u>	<u>7,606,831</u>	<u>19,401,001</u>	<u>187,414,362</u>
Expenditures:					
Current:					
General government	26,034,540	-	5,079,157	2,434,840	33,548,537
Public safety	57,615,926	-	5,958,279	242,331	63,816,536
Highways and streets	5,812,231	-	24,203,049	11,186,381	41,201,661
Sanitation	18,271,232	-	132,851	15,000	18,419,083
Health and welfare	-	-	-	1,001,880	1,001,880
Culture and leisure services	18,711,544	-	1,922,186	3,692,571	24,326,301
Airport	3,959,980	-	1,412,376	-	5,372,356
Debt service:					
Principal retirement	1,364,149	17,527,936	-	40,060	18,932,145
Interest and fiscal charges	302,239	11,225,777	262,568	3,432	11,794,016
Total expenditures	<u>132,071,841</u>	<u>28,753,713</u>	<u>38,970,466</u>	<u>18,616,495</u>	<u>218,412,515</u>
Excess (deficiency) of revenues over expenditures	<u>1,023,728</u>	<u>(1,442,752)</u>	<u>(31,363,635)</u>	<u>784,506</u>	<u>(30,998,153)</u>
Other financing sources (uses):					
Transfers in	334,630	3,003,725	2,064,816	534,575	5,937,746
Transfers out	(4,754,709)	-	-	(1,183,037)	(5,937,746)
Issuance of loans and bonds	-	-	61,460,000	-	61,460,000
Discount on bond issuance	-	-	(551,730)	-	(551,730)
Original issue premium	-	-	4,861,248	-	4,861,248
Leases (as lessee)	2,483,777	-	-	-	2,483,777
Subscription proceeds	5,882,999	-	-	-	5,882,999
Total other financing sources (uses)	<u>3,946,697</u>	<u>3,003,725</u>	<u>67,834,334</u>	<u>(648,462)</u>	<u>74,136,294</u>
Net change in fund balances	4,970,425	1,560,973	36,470,699	136,044	43,138,141
Fund balances, beginning of year	50,322,257	91,422	125,529,686	5,943,579	181,886,944
Fund balances, end of year	<u>\$ 55,292,682</u>	<u>\$ 1,652,395</u>	<u>\$ 162,000,385</u>	<u>\$ 6,079,623</u>	<u>\$ 225,025,085</u>

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

CITY OF TEMPLE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended September 30, 2024

Net change in fund balances-total governmental funds \$ 43,138,141

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

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

Capital outlay expenditures	\$ 60,431,853	
Depreciation and amortization expense	(24,934,933)	
Net adjustment	\$ 35,496,920	35,496,920

Capital contributions of infrastructure that do not provide current financial resources to governmental funds. 3,278,235

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals and donations) is to decrease net position. (535,961)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the net change in "unavailable" revenues. Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance the expenditures of the current period; accrual- basis recognition is not limited to availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. (1,081,800)

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

Issuance of certificate and contractual obligation bonds	\$ (63,160,000)	
Increase in subscription and lease obligations	(8,393,321)	
Discount/(premium) on issuance	(4,309,518)	
Principal payments to bond and note holders	17,527,936	
Amortize right of use obligations	1,447,543	
Amortization of bond premiums/discounts	1,728,006	
Amortization of bond refunding amounts	(386,459)	
Net adjustment	\$ (55,545,813)	(55,545,813)

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

Increase in compensated absences liability	\$ (877,216)	
Total adjustment	\$ (877,216)	(877,216)

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

Decrease in net pension liability	\$ 8,202,108	
Increase in OPEB liability	(212,584)	
Difference in investment experience - outflow	699,488	
Difference in expected and actual experience - outflow	(10,767,863)	
Difference in changes in assumptions - outflow	(353,205)	
Difference in expected and actual experience - inflow	267,447	
Difference in changes in assumptions - inflow	(664,677)	
Increase in deferred pension and OPEB contributions	1,079,467	
	\$ (1,749,819)	(1,749,819)

Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds. This amount is the change in accrued interest. (3,054,637)

Change in net position of governmental activities \$ 19,068,050

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



CITY OF TEMPLE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the year ended September 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 63,977,702	\$ 63,977,702	\$ 61,894,578	\$ (2,083,124)
Franchise fees	9,249,257	9,293,552	9,662,354	368,802
Licenses and permits	1,247,100	1,437,100	1,864,977	427,877
Intergovernmental	42,000	14,408,471	14,242,426	(166,045)
Charges for services	37,588,562	38,988,799	38,871,966	(116,833)
Fines	1,395,514	1,447,348	1,219,810	(227,538)
Interest and other	3,911,963	5,847,826	5,339,458	(508,368)
Total revenues	117,412,098	135,400,798	133,095,569	(2,305,229)
Expenditures:				
Current:				
General government:				
City council	370,510	352,390	338,270	14,120
City manager	1,503,055	1,560,527	1,413,242	147,285
Housing & community development	587,535	649,292	637,647	11,645
Finance	2,751,539	3,120,136	2,906,686	213,450
Purchasing	760,018	804,251	802,230	2,021
City secretary	440,371	449,887	405,186	44,701
Special services	1,161,481	1,775,217	1,465,292	309,925
City attorney	1,515,636	1,524,478	1,337,962	186,516
City planning	1,191,665	1,510,516	1,274,196	236,320
Information technology services	5,926,412	5,381,393	4,960,888	420,505
People operations	1,829,536	1,796,794	1,649,862	146,932
Economic development	932,068	879,483	766,592	112,891
Fleet services	2,363,114	2,428,742	1,936,022	492,720
Inspections/Permits	1,416,784	1,652,695	1,476,475	176,220
Customer care	-	337,777	233,914	103,863
Facility services	2,399,505	3,051,687	2,374,995	676,692
Strategy & innovation	478,919	481,984	421,610	60,374
Marketing and communications	1,627,504	1,743,931	1,633,471	110,460
Total general government	27,255,652	29,501,180	26,034,540	3,466,640
Public safety:				
Municipal court	1,114,645	1,100,928	922,000	178,928
Police	27,044,786	37,181,550	34,125,149	3,056,401
Animal services	887,721	1,104,226	846,492	257,734
Fire	17,341,013	19,021,875	18,578,869	443,006
Communications	1,160,134	1,160,134	1,160,134	-
Code Enforcement	1,847,166	2,774,767	1,983,282	791,485
Total public safety	49,395,465	62,343,480	57,615,926	4,727,554
Highways and streets:				
Streets	4,580,934	4,847,460	4,253,179	594,281
Traffic control	739,337	887,739	747,498	140,241
Engineering	951,020	926,020	811,554	114,466
Totals highways and streets	6,271,291	6,661,219	5,812,231	848,988
Sanitation:	11,816,502	19,008,461	18,271,232	737,229
Parks & Recreation:				
Parks	8,826,756	9,958,795	7,878,518	2,080,277
Recreation	6,798,634	6,376,448	5,463,392	913,056
Administration	1,008,977	1,090,706	1,001,060	89,646
Golf course	2,035,190	2,265,237	2,029,589	235,648
Education	2,495,156	2,791,922	2,338,985	452,937
Total parks & recreation	21,164,713	22,483,108	18,711,544	3,771,564
Airport:	4,293,711	4,365,268	3,959,980	405,288
Debt service:				
Principal	45,997	1,364,151	1,364,149	2
Interest	2,368	302,242	302,239	3
Total debt service	48,365	1,666,393	1,666,388	5
Total expenditures	120,245,699	146,029,109	132,071,841	13,957,268
Excess (deficiency) of revenues over expenditures	(2,833,601)	(10,628,311)	1,023,728	11,652,039
Other financing sources (uses):				
Transfers in	334,630	334,630	334,630	-
Transfers out	(2,510,179)	(7,389,488)	(4,754,709)	2,634,779
Lease proceeds	-	2,483,778	2,483,777	(1)
Subscription proceeds	-	5,883,001	5,882,999	(2)
Total other financing sources (uses)	(2,175,549)	1,311,921	3,946,697	2,634,776
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(5,009,150)	(9,316,390)	4,970,425	14,286,815
Fund balance, beginning of period	50,322,257	50,322,257	50,322,257	-
Fund balance, end of period	\$ 45,313,107	\$ 41,005,867	\$ 55,292,682	\$ 14,286,815

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

CITY OF TEMPLE, TEXAS
STATEMENTS OF NET POSITION
WATER AND WASTEWATER FUND
September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
ASSETS			
Current assets:			
Cash	\$ 8,050	\$ 8,050	\$ -
Investments	20,454,115	19,965,942	488,173
Restricted cash and investments:			
Revenue bond debt service	3,492,038	3,231,983	260,055
Customer deposits	935,075	902,984	32,091
Construction account	51,880,322	79,528,340	(27,648,018)
Customer receivables	4,215,075	3,557,749	657,326
Accounts receivable	9,073	-	9,073
Inventories	397,184	533,357	(136,173)
Prepaid items	317,840	296,170	21,670
Total current assets	<u>81,708,772</u>	<u>108,024,575</u>	<u>(26,315,803)</u>
Noncurrent assets:			
Capital assets:			
Land	4,155,932	4,154,314	1,618
Buildings	60,383,190	60,275,895	107,295
Improvements other than buildings	393,587,095	381,533,236	12,053,859
Machinery, furniture and equipment	19,907,568	17,622,305	2,285,263
	<u>478,033,785</u>	<u>463,585,750</u>	<u>14,448,035</u>
Less accumulated depreciation	(189,550,907)	(177,120,447)	(12,430,460)
Construction in progress	92,960,607	70,978,773	21,981,834
Total capital assets (net of accumulated depreciation)	<u>381,443,485</u>	<u>357,444,076</u>	<u>23,999,409</u>
Right-to-use leased/subscription assets:			
Machinery, furniture and equipment	22,540	22,540	-
Subscriptions	306,339	306,339	-
Less accumulated amortization	(138,502)	(71,599)	(66,903)
Total right-to-use assets (net of accumulated amortization)	<u>190,377</u>	<u>257,280</u>	<u>(66,903)</u>
Total noncurrent assets	<u>381,633,862</u>	<u>357,701,356</u>	<u>23,932,506</u>
Total assets	<u>463,342,634</u>	<u>465,725,931</u>	<u>(2,383,297)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts on refunding	3,256,132	3,637,639	(381,507)
Deferred amounts of contributions	977,342	878,983	98,359
Difference in investment experience	667,760	548,513	119,247
Difference in expected and actual experience	658,082	1,681,597	(1,023,515)
Changes in assumptions	139,247	148,495	(9,248)
Total deferred outflows of resources	<u>5,698,563</u>	<u>6,895,227</u>	<u>(1,196,664)</u>

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

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
LIABILITIES			
Current liabilities:			
Vouchers and contracts payable	\$ 5,729,454	\$ 2,911,490	\$ 2,817,964
Retainage payables	1,914,798	1,797,700	117,098
Accrued payroll	454,427	388,664	65,763
Unearned revenues	80,279	70,641	9,638
Customer deposits	935,075	902,984	32,091
Accrued interest - revenue bonds	1,196,174	1,267,206	(71,032)
Current maturities of long-term liabilities	15,223,115	14,704,367	518,748
Total current liabilities	<u>25,533,322</u>	<u>22,043,052</u>	<u>3,490,270</u>
Noncurrent liabilities:			
Arbitrage payable	2,334,122	782,872	1,551,250
Revenue bonds payable	210,342,316	225,370,732	(15,028,416)
Compensated absences payable	625,339	613,763	11,576
Other post-employment benefits payable	541,335	528,854	12,481
Net supplemental death benefits payable	271,727	254,386	17,341
Net pension liability	4,831,124	5,705,685	(874,561)
Notes payable	126,276	139,242	(12,966)
Lease payable	-	5,869	(5,869)
Subscription payable	130,462	191,641	(61,179)
Total noncurrent liabilities	<u>219,202,701</u>	<u>233,593,044</u>	<u>(14,390,343)</u>
Total liabilities	<u>244,736,023</u>	<u>255,636,096</u>	<u>(10,900,073)</u>
DEFERRED INFLOWS OF RESOURCES			
Difference in expected and actual experience	230,736	256,016	(25,280)
Changes in assumptions	394,448	308,207	86,241
Total deferred inflows of resources	<u>625,184</u>	<u>564,223</u>	<u>60,961</u>
NET POSITION			
Net investment in capital assets	205,794,642	196,449,371	9,345,271
Restricted for:			
Debt service	2,295,864	1,964,777	331,087
Unrestricted	15,589,484	18,006,691	(2,417,207)
Total net position	<u>\$ 223,679,990</u>	<u>\$ 216,420,839</u>	<u>\$ 7,259,151</u>

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



CITY OF TEMPLE, TEXAS
WATER AND WASTEWATER FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Charges for sales and services:			
Water service	\$ 28,068,873	\$ 29,020,846	\$ (951,973)
Sewer service	23,374,623	20,496,684	2,877,939
Other	2,734,186	2,597,029	137,157
Total operating revenues	<u>54,177,682</u>	<u>52,114,559</u>	<u>2,063,123</u>
Operating expenses:			
Personnel services	9,697,051	9,188,441	508,610
Supplies	3,400,955	3,233,315	167,640
Repairs and maintenance	2,000,870	1,869,930	130,940
Depreciation/amortization	12,748,663	11,589,290	1,159,373
Other services and charges	16,930,756	16,905,147	25,609
Total operating expenses	<u>44,778,295</u>	<u>42,786,123</u>	<u>1,992,172</u>
Operating income	<u>9,399,387</u>	<u>9,328,436</u>	<u>70,951</u>
Nonoperating revenues (expenses):			
Intergovernmental revenues	9,073	-	9,073
Interest income	6,844,790	6,262,129	582,661
Interest expense	(8,460,743)	(8,388,423)	72,320
Arbitrage expense	(1,551,250)	(782,872)	768,378
Other expense	(1,493,852)	(1,660,622)	(166,770)
Total nonoperating revenues (expenses)	<u>(4,651,982)</u>	<u>(4,569,788)</u>	<u>82,194</u>
Income (loss) before contributions	<u>4,747,405</u>	<u>4,758,648</u>	<u>(11,243)</u>
Contributed capital	<u>2,511,746</u>	<u>19,698,818</u>	<u>(17,187,072)</u>
Change in net position	<u>7,259,151</u>	<u>24,457,466</u>	<u>(17,198,315)</u>
Total net position - beginning	<u>216,420,839</u>	<u>191,963,373</u>	<u>24,457,466</u>
Total net position - ending	<u>\$ 223,679,990</u>	<u>\$ 216,420,839</u>	<u>\$ 7,259,151</u>

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

CITY OF TEMPLE, TEXAS
STATEMENTS OF CASH FLOWS
PROPRIETARY FUND

For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)

	Water and Wastewater	
	2024	2023
Cash flows from operating activities:		
Cash received from customers	\$ 53,562,085	\$ 51,613,133
Cash paid to suppliers	(9,622,851)	(14,414,450)
Cash paid to employees	(9,479,004)	(9,133,843)
Cash paid to other funds for administration, franchise fees and data processing	(9,786,335)	(9,010,075)
Net cash provided by operating activities	<u>24,673,895</u>	<u>19,054,765</u>
Cash flows from noncapital financing activities:		
Subsidy from federal grants	<u>9,073</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>9,073</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Capital expenses	(35,767,997)	(32,559,369)
Interest paid on debt	(9,773,684)	(9,185,563)
Debt principal payments	(12,890,000)	(11,840,000)
Proceeds from other governmental entities	36,224	5,376
Proceeds from debt issuance	<u>-</u>	<u>38,800,000</u>
Net cash provided (used) by capital and related financing activities	<u>(58,395,457)</u>	<u>(14,779,556)</u>
Cash flows from investing activities:		
Interest received on investments	<u>6,844,790</u>	<u>6,262,129</u>
Net cash provided by investing activities	<u>6,844,790</u>	<u>6,262,129</u>
Net change in cash and cash equivalents	(26,867,699)	10,537,338
Cash and cash equivalents, beginning of year	<u>103,637,299</u>	<u>93,099,961</u>
Cash and cash equivalents, end of year	<u><u>\$ 76,769,600</u></u>	<u><u>\$ 103,637,299</u></u>

(Continued)

CITY OF TEMPLE, TEXAS
STATEMENTS OF CASH FLOWS
PROPRIETARY FUND

(Continued)

For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)

	Water and Wastewater	
	2024	2023
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 9,399,387	\$ 9,328,436
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization	12,748,663	11,589,290
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Change in accounts receivable	(666,399)	(529,265)
Change in inventory	136,173	(86,195)
Change in prepaids	(21,670)	(65,692)
Change in vouchers payable	2,817,965	(1,264,246)
Change in accrued liabilities	65,763	68,545
Change in OPEB liability	12,481	(188,802)
Change in supplemental death benefit liability	17,341	(128,651)
Change in net pension liability	110,886	228,866
Change in customer deposits	32,091	27,839
Change in accrued vacation and sick leave	11,576	74,640
Change in unearned revenue	9,638	-
Total adjustments	<u>15,274,508</u>	<u>9,726,329</u>
Net cash provided by operating activities	<u>\$ 24,673,895</u>	<u>\$ 19,054,765</u>

RECONCILIATION OF CASH AND CASH EQUIVALENTS FROM STATEMENT OF CASH FLOWS TO STATEMENT OF NET POSITION

Cash	\$ 8,050	\$ 8,050
Investments	20,454,115	19,965,942
Restricted assets - debt service, and bond proceeds:		
Cash and investments	<u>56,307,435</u>	<u>83,663,307</u>
Total cash and cash equivalents	<u>\$ 76,769,600</u>	<u>\$ 103,637,299</u>

During the fiscal years ended September 30, 2024, and 2023, the estimated value of water and wastewater infrastructure contributed by developers was \$ 2,511,746 and \$ 19,698,818, respectively.

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



CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING MODEL AND ENTITY

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

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

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

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

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

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Financial Reporting Entity

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

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

Blended Component Unit

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

Discretely Presented Component Units

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

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Temple Economic Development Corporation (TEDC) is a legally separate entity from the City. TEDC was created for the purpose of promoting economic development within the City of Temple. The Board of Directors consist of fifteen voting members. Five of those members are appointed by TEDC. The remaining eight of those voting members are appointed by the City, acting through its City Council. Three of the eight voting members of the Board are the Mayor of the City Council, the City Manager, and the Chairman of the Board of Directors for the City of Temple Reinvestment Zone No. 1. The remaining five of the voting members the City appoints to the TEDC Board, the City Council appoints from the public at large. TEDC has been included in the reporting entity as a discretely presented component unit of the City because the City appoints a voting majority of the board and provides a majority of funding for the board.

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

Related Organizations

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

D. FUND ACCOUNTING

The government reports the following major governmental funds:

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

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

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

The government reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

Nonmajor Governmental Funds:

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

Reconciliation of Government-Wide and Fund Financial Statements

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Deposits and Investments

The government’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

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

2. Receivables

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

General Fund	\$	208,676
Special Revenue Funds		38,336
Debt Service Fund		90,057
Enterprise Fund		538,717

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Inventories and Prepaid Items

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

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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

4. Restricted Assets

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

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the City during the current fiscal year was \$19,992,191.

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

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Compensated Absences

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

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

7. Net Pension Liability

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – amendment of GASB Statement No. 27*.

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

Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from the Temple Firefighters' Relief and Retirement Fund through a report prepared for the City by the Temple Firefighters' Relief and Retirement Fund consulting actuary, Definiti-LLC, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pensions Plans – amendment of GASB Statement No. 25*, and Statement No. 68, *Accounting and Financial Reporting for Pensions – amendment of GASB Statement No. 27*.

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Other Post-Employment Benefits

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

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

For purposes of measuring the Other Post-Employment (OPEB) liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, City specific information about its Fiduciary Net Position in the City's Retiree Health Care Plan and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by the City. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms.

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

9. Interfund Transactions

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

10. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed as incurred per GASB 65.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Deferred Outflows/Inflows of Resources

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

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Differences in expected and actual experience – The change is deferred and amortized over the average of the remaining service lives.
- Changes in assumptions – The result of changes in actuarial assumptions used to measure the total OPEB or net pension liability. The change is deferred and amortized over the average of the remaining service lives.

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

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

12. Net Position

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Fund Balance

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

Nonspendable Fund Balance - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance – amounts constrained to specific purposes by a government itself, by the adoption of resolution by The using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body. The City Council authorizes the assignment of fund balance by resolution.

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

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

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

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

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Leases

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

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

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

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

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

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

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

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

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

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

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

15. Subscription-Based Information Technology Arrangements (SBITAs)

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

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

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

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

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

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

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

16. Comparative Data/Reclassification

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

17. Estimates

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

F. NEW AND FUTURE FINANCIAL REPORTING REQUIREMENTS

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

Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62* – This statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant,

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

consistent, and comparable information for making decisions or assessing accountability. This statement was implemented in fiscal year 2024.

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

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

Statement No. 102, *Certain Risk Disclosures* – This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within twelve months of the date the financial statements are issued. This statement will be implemented in fiscal year 2025.

Statement No. 103, *Financial Reporting Model Improvements* – This statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This statement also addresses certain application issues. This statement will be implemented in fiscal year 2026.

Statement No. 104, *Disclosure of Certain Capital Assets* – This statement requires certain type of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement 87, *Leases*, intangible right-to-use assets recognized in accordance with Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capita assets note disclosures. Subscription assets recognized in accordance with Statement 96, *Subscription-Based Information Technology Arrangements*, also should be disclosed separately. In addition, this statement requires intangible assets other than those three types to be disclosed separately by major class. This statement will be implemented in fiscal year 2026.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

- Prior to August 1, the City Manager submits a proposed operating budget to the City Secretary, who in turn submits it to the City Council for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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

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

	<u>Encumbrances</u>
Major Funds:	
General Fund	\$ 8,624,907
Capital Projects Fund	55,187,108
Nonmajor Funds:	5,207,203
Totals	\$ 69,019,218

III. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investments

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

contracts, and (10) and common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City’s agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank’s dollar amount of Federal Deposit Insurance Corporation (“FDIC”) insurance.

Deposits

As of September 30, 2024, the City’s deposit balances were as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
Total Deposits	<u>\$ 51,829,634</u>	<u>\$ 22,701,161</u>	<u>\$74,530,795</u>
Carrying Amount	<u>\$ 48,254,581</u>	<u>\$ 21,627,075</u>	<u>\$69,881,656</u>
Petty Cash	<u>\$ 17,850</u>	<u>\$ -</u>	<u>\$ 17,850</u>

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

Custodial Credit Risk – The City’s policy is to be collateralized. The City was fully collateralized during the year for deposits. The policies of the Temple Economic Development Corporation, discretely presented component unit, also require full collateralization. As of September 30, 2024, the Temple Economic Development Corporation had a total of \$ 8,147,381 in deposits. Of this amount, \$ 192,823 was insured, and \$ 7,954,558 was collateralized with securities held by pledging financial institution’s agent in the entity’s name. Certain land closings, that were scheduled to close before year end, were delayed until the next fiscal year which resulted in a temporary period of uninsured and uncollateralized cash. After these transactions closed, all cash and cash equivalents are either insured or collateralized.

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

Investments

The City evaluated all its investment positions and determined that it had no investments subject to recurring fair value recognition or disclosures. As of September 30, 2024, the City had the following investments:

	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Primary Government</u>		
Investment pools:		
Texpool	\$ 9,891,104	\$ 9,891,104
TexSTAR	243,891,755	243,891,755
Texas CLASS	<u>6,066,176</u>	<u>6,066,176</u>
Total investment in pools:	<u>259,849,035</u>	<u>259,849,035</u>
Total investments	<u>\$ 259,849,035</u>	<u>\$ 259,849,035</u>
<u>Discretely Presented Component Units</u>		
Investment pools:		
Texpool	7,333,844	7,333,844
TexSTAR	59,814,255	59,814,255
Texas CLASS	<u>1,718,771</u>	<u>1,718,771</u>
Total investment in pools:	<u>68,866,870</u>	<u>68,866,870</u>
Total investments	<u>\$ 68,866,870</u>	<u>\$ 68,866,870</u>
<u>Reporting Entity</u>		
Total investments	<u>\$ 328,715,905</u>	<u>\$ 328,715,905</u>

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

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

Interest Rate Risk – In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to less than nine months. As of September 30, 2024, the weighted average maturity of the City’s investment portfolio was 55.74 days.

Credit Risk – In compliance with the City’s Investment Policy, as of September 30, 2024, the City minimized credit risk losses due to default of a security issuer or backer, by; limiting investments to the safest types of securities; limiting Certificates of Deposit that are insured by the Federal Deposit Insurance Corporation (FDIC); limiting the City’s investments to obligations issued, guaranteed, insured by or backed by the full faith and credit of the United States or its agencies and instrumentalities; pre-qualifying the financial institutions, broker/dealers, intermediaries and advisers with which the City will do business; and diversifying the investment portfolio so that potential losses on individual securities were minimized.

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

TexPool has been established for governmental entities in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both Participants in TexPool and other persons who do not have a business relationship with TexPool. Finally, TexPool is rated AAAM by Standard & Poor's. TexPool carries investments at amortized cost, which approximates fair value. The City's fair value position is the same as the value of TexPool shares.

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

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

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

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

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

	Primary Government	Discretely Presented Component Units	Total Reporting Entity
Cash and investments (from above):			
Cash on hand	\$ 17,850	\$ -	\$ 17,850
Carrying amount of deposits	48,254,581	21,627,075	69,881,656
Carrying amount of investments	<u>259,849,035</u>	<u>68,866,870</u>	<u>328,715,905</u>
 Total	 <u>\$ 308,121,466</u>	 <u>\$ 90,493,945</u>	 <u>\$ 398,615,411</u>
 Statement of Net Position:			
Cash	\$ 17,850	\$ 4,348,423	\$ 4,366,273
Investments	248,948,978	21,834,416	270,783,394
Restricted cash and investments	<u>57,913,581</u>	<u>65,552,162</u>	<u>123,465,743</u>
 Total	 <u>\$ 306,880,409</u>	 <u>\$ 91,735,001</u>	 <u>\$ 398,615,410</u>

B. PROPERTY TAXES AND RECEIVABLES

The City's property tax is levied each October 1 on the assessed value listed as of the previous January 1 for all real and business personal property located in the City. The assessed value at January 1, 2023, upon which the fiscal year 2024 levy was based, was \$ 7,762,481,688. This amount is the net taxable value adjusted for frozen taxable value. The amount of the levy attributable to frozen taxes was \$ 4,048,822. The total levy assessed was \$ 50,938,518. The total taxable value before the adjustment for frozen taxable value was \$ 8,683,508,717.

The tax assessment of October 1, 2023, set a tax levy at \$ 0.6130 per \$ 100 of assessed valuation at 100% of assumed market value. The City may levy a tax of up to \$ 1.20 per \$ 100 of assessed valuation. Taxes are due by January 31 following the October 1 levy date, at which time a lien attaches to the property.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue. At September 30, 2024, delinquent property taxes receivable is \$ 995,277, net of an allowance for doubtful accounts of \$ 265,400.

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

In addition, this legislation creates a Property Tax Code and provides, among other things, for the establishment of county-wide appraisal districts and for a State Property Tax Board which commenced operations in January 1980. Since 1982, the appraisal of property within the City has been the responsibility of the Tax Appraisal District of Bell County. The Appraisal District is required under the Property Tax Code to assess all property within the appraisal district based on 100 percent of its appraised

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

value and is prohibited from applying any assessment ratios. The value of property within the Appraisal District must be reviewed at least every three years. The City may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on property within the City limits. However, if the no-new-revenue 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 three and one-half percent, the taxing unit is required to hold an election so that the voters may accept or reject the proposed tax rate. If a majority of voters reject the proposed tax rate, the tax rate will be the voter-approval tax rate. The governing body shall order that the election be held in the taxing unit on the uniform election date prescribe by Section 41.001, Election Code, that occurs in November of the applicable tax year.

C. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024, was as follows:

	Balance October 1, 2023	Additions Net of CIP Reclassifications	Transfers/ Retirements	Balance September 30, 2024
Primary government:				
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 44,377,469	\$ 4,394,282	\$ (163,515)	\$ 48,608,236
Construction in progress	29,330,376	60,470,386	(38,385,680)	51,415,082
Total capital assets not being depreciated	<u>73,707,845</u>	<u>64,864,668</u>	<u>(38,549,195)</u>	<u>100,023,318</u>
Capital assets being depreciated				
Buildings	105,513,033	1,978,529	(48,500)	107,443,062
Infrastructure	384,812,603	14,737,993	(279,479)	399,271,117
Furniture & equipment	36,925,410	4,587,545	(116,427)	41,396,528
Machinery & equipment	51,571,759	7,533,789	(2,195,572)	56,909,976
Total capital assets being depreciated	<u>578,822,805</u>	<u>28,837,856</u>	<u>(2,639,978)</u>	<u>605,020,683</u>
Less accumulated depreciation for:				
Buildings	(49,063,033)	(2,517,200)	48,500	(51,531,733)
Infrastructure	(168,014,872)	(15,139,242)	51,238	(183,102,876)
Furniture & equipment	(27,160,771)	(1,877,162)	116,427	(28,921,506)
Machinery & equipment	(32,678,650)	(3,807,664)	2,062,043	(34,424,271)
Total accumulated depreciation	<u>(276,917,326)</u>	<u>(23,341,268)</u>	<u>2,278,208</u>	<u>(297,980,386)</u>
Total capital assets being depreciated, net	<u>301,905,479</u>	<u>5,496,588</u>	<u>(361,770)</u>	<u>307,040,297</u>
Capital assets being amortized				
Right-to-use leased equipment	1,249,926	2,483,777	-	3,733,703
Right-to-use subscription	1,946,271	5,909,467	(32,027)	7,823,711
Total capital assets being amortized	<u>3,196,197</u>	<u>8,393,244</u>	<u>(32,027)</u>	<u>11,557,414</u>
Less accumulated amortization for:				
Right-to-use leased equipment	(1,056,598)	(366,178)	-	(1,422,776)
Right-to-use subscription	(754,993)	(1,227,487)	21,351	(1,961,129)
Total accumulated amortization	<u>(1,811,591)</u>	<u>(1,593,665)</u>	<u>21,351</u>	<u>(3,383,905)</u>
Total capital assets being amortized, net	<u>1,384,606</u>	<u>6,799,579</u>	<u>(10,676)</u>	<u>8,173,509</u>
Total capital assets being depreciated/amortized, net	<u>303,290,085</u>	<u>12,296,167</u>	<u>(372,446)</u>	<u>315,213,806</u>
Governmental Activities capital assets, net	<u>\$ 376,997,930</u>	<u>\$ 77,160,835</u>	<u>\$ (38,921,641)</u>	<u>\$ 415,237,124</u>

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

	Balance October 1, 2023	Additions	Transfers/ Retirements	Balance September 30, 2024
Business-type Activities:				
Capital assets not being depreciated				
Land	\$ 4,154,314	\$ 1,618	\$ -	\$ 4,155,932
Construction in progress	70,978,773	36,713,370	(14,731,536)	92,960,607
Total capital assets not being depreciated	75,133,087	36,714,988	(14,731,536)	97,116,539
Capital assets being depreciated				
Buildings	60,275,895	107,295	-	60,383,190
Infrastructure	381,533,236	12,053,859	-	393,587,095
Furniture & equipment	3,172,085	24,412	-	3,196,497
Machinery & equipment	14,450,220	2,544,351	(283,500)	16,711,071
Total capital assets being depreciated	459,431,436	14,729,917	(283,500)	473,877,853
Less accumulated depreciation for:				
Buildings	(35,580,075)	(1,146,158)	-	(36,726,233)
Infrastructure	(128,791,333)	(10,390,566)	-	(139,181,899)
Furniture & equipment	(2,873,026)	(95,827)	-	(2,968,853)
Machinery & equipment	(9,876,013)	(1,049,209)	251,300	(10,673,922)
Total accumulated depreciation	(177,120,447)	(12,681,760)	251,300	(189,550,907)
Total capital assets being depreciated, net	282,310,989	2,048,157	(32,200)	284,326,946
Capital assets being amortized				
Right-to-use leased equipment	22,540	-	-	22,540
Right-to-use subscription	306,339	-	-	306,339
Total capital assets being amortized	328,879	-	-	328,879
Less accumulated amortization for:				
Right-to-use leased equipment	(10,331)	(5,635)	-	(15,966)
Right-to-use subscription	(61,268)	(61,268)	-	(122,536)
Total accumulated amortization	(71,599)	(66,903)	-	(138,502)
Total capital assets being amortized, net	257,280	(66,903)	-	190,377
Total capital assets being depreciated/amortized, net	282,568,269	1,981,254	(32,200)	284,517,323
Business-type Activities capital assets, net	\$ 357,701,356	\$ 38,696,242	\$ (14,763,736)	\$ 381,633,862

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

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

Governmental activities:	
General government	\$ 1,398,092
Public safety	3,759,807
Highways and streets	12,945,132
Sanitation	1,897,786
Health and welfare	114,081
Culture and leisure services	3,525,034
Airport	1,295,001
Total depreciation/amortization expense - Governmental Activities	<u>\$ 24,934,933</u>
Business-type activities:	
Water and sewer	<u>\$ 12,748,663</u>
Total depreciation/amortization expense - Business-type Activities	<u>\$ 12,748,663</u>

The City has active construction projects as of September 30, 2024. Total accumulated commitments for ongoing capital projects are composed of the following:

General Fund	\$ 123,198
Capital Projects Fund	26,388,212
Water and Sewer Fund	13,720,506
Special Revenue Fund-Federal/State Grants	4,614,628
Total	<u>\$ 44,846,544</u>

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

	Balance October 1, 2023	Additions	Transfers/ Retirements	Balance September 30, 2024
Discretely presented component units:				
Reinvestment Zone No 1:				
Capital assets not being depreciated				
Land	\$ 25,757,352	\$ 558,611	\$ (998,764)	\$ 25,317,199
Construction in progress	61,204,496	38,640,686	(51,968,011)	47,877,171
Total capital assets not being depreciated	<u>86,961,848</u>	<u>39,199,297</u>	<u>(52,966,775)</u>	<u>73,194,370</u>
Capital assets being depreciated				
Buildings	3,461,083	30,990,147	-	34,451,230
Infrastructure	155,427,459	20,419,252	-	175,846,711
Furniture & equipment	33,862	-	-	33,862
Machinery & equipment	42,559	-	-	42,559
Total capital assets being depreciated	<u>158,964,963</u>	<u>51,409,399</u>	<u>-</u>	<u>210,374,362</u>
Less accumulated depreciation for:				
Buildings	(769,650)	(472,702)	-	(1,242,352)
Infrastructure	(53,264,239)	(8,003,875)	-	(61,268,114)
Furniture & equipment	(8,888)	(1,693)	-	(10,581)
Machinery & equipment	(42,559)	-	-	(42,559)
Total accumulated depreciation	<u>(54,085,336)</u>	<u>(8,478,270)</u>	<u>-</u>	<u>(62,563,606)</u>
Total capital assets being depreciated, net	<u>104,879,627</u>	<u>42,931,129</u>	<u>-</u>	<u>147,810,756</u>
Reinvestment Zone No.1 capital assets, net	<u>\$ 191,841,475</u>	<u>\$ 82,130,426</u>	<u>\$ (52,966,775)</u>	<u>\$ 221,005,126</u>
Temple Economic Development Corporation:				
Capital assets being depreciated				
Buildings & improvements	\$ 5,432,772	\$ -	\$ -	\$ 5,432,772
Office equipment	95,811	19,932	-	115,743
Total capital assets being depreciated	<u>5,528,583</u>	<u>19,932</u>	<u>-</u>	<u>5,548,515</u>
Less accumulated depreciation for:				
Buildings & improvements	(786,521)	(157,244)	-	(943,765)
Office equipment	(60,549)	(15,178)	-	(75,727)
Total accumulated depreciation	<u>(847,070)</u>	<u>(172,422)</u>	<u>-</u>	<u>(1,019,492)</u>
Total capital assets being depreciated, net	<u>4,681,513</u>	<u>(152,490)</u>	<u>-</u>	<u>4,529,023</u>
Temple Economic Development Corp. capital assets, net	<u>\$ 4,681,513</u>	<u>\$ (152,490)</u>	<u>\$ -</u>	<u>\$ 4,529,023</u>

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at September 30, 2024, in the Statement of Net Position were as follows:

	Property (Net of Allowance)	Other (Net of Allowance)	Leases	Other Governments	Total Receivables
General Fund	\$ 437,094	\$ 4,957,598	\$ 20,081,862	\$ 4,658,220	\$ 30,134,774
Debt Service Fund	558,183	-	-	3,564,467	4,122,650
Capital Projects Fund	-	100,253	-	-	100,253
Nonmajor Governmental Funds	-	435,258	-	5,233,171	5,668,429
Total Governmental Funds	<u>995,277</u>	<u>5,493,109</u>	<u>20,081,862</u>	<u>13,455,858</u>	<u>40,026,106</u>
Water & Sewer Fund	-	4,215,075	-	9,073	4,224,148
Total	<u>\$ 995,277</u>	<u>\$ 9,708,184</u>	<u>\$ 20,081,862</u>	<u>\$ 13,464,931</u>	<u>\$ 44,250,254</u>

Payables at September 30, 2024, in the Statement of Net Position were as follows:

	Vouchers & Contracts	Retainages	Accrued Payroll	Deposits	Total Payables
General Fund	\$ 5,162,021	\$ 21,481	\$ 3,693,150	\$ 58,983	\$ 8,935,635
Capital Projects Fund	5,374,276	596,154	8,192	-	5,978,622
Nonmajor Governmental Funds	1,093,619	458,197	131,879	91,205	1,774,900
Total Governmental Funds	<u>11,629,916</u>	<u>1,075,832</u>	<u>3,833,221</u>	<u>150,188</u>	<u>16,689,157</u>
Water and Sewer Fund	5,729,454	1,914,798	454,427	935,075	9,033,754
Total	<u>\$ 17,359,370</u>	<u>\$ 2,990,630</u>	<u>\$ 4,287,648</u>	<u>\$ 1,085,263</u>	<u>\$ 25,722,911</u>

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. DEFERRED AMOUNT ON REFUNDING

The amounts reported for deferred amount of refunding balances of the City for the year ended September 30, 2024:

	Balance October 1, 2023	Additions	Retirements	Balance September 30, 2024
<u>Governmental Activities</u>				
General obligation bonds	\$ 2,755,807	\$ -	\$ 386,459	\$ 2,369,348
Total governmental activities	<u>2,755,807</u>	<u>-</u>	<u>386,459</u>	<u>2,369,348</u>
<u>Business-Type Activities</u>				
General obligation bonds	3,637,639	-	381,507	3,256,132
Total business-type activities	<u>3,637,639</u>	<u>-</u>	<u>381,507</u>	<u>3,256,132</u>
Total government	<u>\$ 6,393,446</u>	<u>\$ -</u>	<u>\$ 767,966</u>	<u>\$ 5,625,480</u>
<u>Component Units</u>				
Reinvestment Zone No. 1	\$ 900,164	\$ -	\$ 90,016	\$ 810,148
Total component units	<u>\$ 900,164</u>	<u>\$ -</u>	<u>\$ 90,016</u>	<u>\$ 810,148</u>

F. DEFERRED INFLOWS OF RESOURCES – LEASE RELATED

The amounts reported for lease related deferred inflows of resources for the year ended September 30, 2024, were as follows:

	Balance October 1, 2023	Additions	Retirements	Balance September 30, 2024
<u>Governmental Activities</u>				
Building leases	\$ 1,752,221	\$ -	\$ 143,213	\$ 1,609,008
Hangar leases	514,924	9,083	46,209	477,798
Land leases	403,253	62,555	21,364	444,444
Landfill lease	12,944,473	4,158,683	824,529	16,278,627
Total governmental activities	<u>\$ 15,614,871</u>	<u>\$ 4,230,321</u>	<u>\$ 1,035,315</u>	<u>\$ 18,809,877</u>

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

G. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The amounts reported for deferred outflows/inflows of resources related to pensions and other post-employment benefits of the City for the year ended September 30, 2024:

	Balance October 1, 2023	Additions	Retirements	Balance September 30, 2024
Deferred Outflows of Resources related to pensions and other post-employment benefits				
Contributions subsequent to the measurement date				
Texas Municipal Retirement System	\$ 6,154,463	\$ 7,176,386	\$ (6,154,463)	\$ 7,176,386
Firemen's Pension	1,772,374	1,942,082	(1,772,374)	1,942,082
Texas Municipal Retirement System- Supplemental Death Benefits	65,941	61,794	(65,941)	61,794
Retiree Health Care Plan	128,579	118,921	(128,579)	118,921
Total contributions subsequent to the measurement date	<u>\$ 8,121,357</u>	<u>\$ 9,299,183</u>	<u>\$ (8,121,357)</u>	<u>\$ 9,299,183</u>
Differences between expected and actual plan experience				
Texas Municipal Retirement System	\$ 4,698,878	\$ 3,969,174	\$ (2,946,033)	\$ 5,722,019
Firemen's Pension	1,247,248	-	(203,122)	1,044,126
Texas Municipal Retirement System- Supplemental Death Benefits	1,284	-	(1,284)	-
Total differences between expected and actual plan experience	<u>\$ 5,947,410</u>	<u>\$ 3,969,174</u>	<u>\$ (3,150,439)</u>	<u>\$ 6,766,145</u>
Changes in assumptions				
Texas Municipal Retirement System	\$ 16,376	\$ -	\$ (16,376)	\$ -
Firemen's Pension	1,305,646	-	(284,938)	1,020,708
Texas Municipal Retirement System- Supplemental Death Benefits	358,888	114,595	(181,416)	292,067
Retiree Health Care Plan	862,642	196,731	(191,049)	868,324
Total differences between changes in assumptions	<u>\$ 2,543,552</u>	<u>\$ 311,326</u>	<u>\$ (673,779)</u>	<u>\$ 2,181,099</u>
Differences between projected and actual investment earnings				
Texas Municipal Retirement System	\$ 14,409,571	\$ (10,105,999)	\$ 1,335,518	\$ 5,639,090
Firemen's Pension	6,605,659	(2,142,603)	(878,294)	3,584,762
Total differences between projected and actual investment earnings	<u>\$ 21,015,230</u>	<u>\$ (12,248,602)</u>	<u>\$ 457,224</u>	<u>\$ 9,223,852</u>
Deferred Inflows of Resources related to pensions and other post-employment benefits				
Differences between expected and actual plan experience				
Texas Municipal Retirement System	\$ 257,480	\$ -	\$ (237,521)	\$ 19,959
Firemen's Pension	241,695	-	(75,531)	166,164
Texas Municipal Retirement System- Supplemental Death Benefits	114,234	40,184	(54,759)	99,659
Retiree Health Care Plan	1,768,834	360,018	(325,118)	1,803,734
Total differences between expected and actual plan experience	<u>\$ 2,382,243</u>	<u>\$ 400,202</u>	<u>\$ (692,929)</u>	<u>\$ 2,089,516</u>
Changes in assumptions				
Texas Municipal Retirement System	\$ -	\$ 1,626,493	\$ (431,431)	\$ 1,195,062
Firemen's Pension	5,017	-	(627)	4,390
Texas Municipal Retirement System- Supplemental Death Benefits	926,242	-	(225,455)	700,787
Retiree Health Care Plan	1,642,146	-	(218,062)	1,424,084
Total differences between changes in assumptions	<u>\$ 2,573,405</u>	<u>\$ 1,626,493</u>	<u>\$ (875,575)</u>	<u>\$ 3,324,323</u>

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. UNEARNED REVENUE

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

	<u>Deferred</u>	<u>Unearned</u>	<u>Total</u>
Governmental Activities			
General Fund:			
Delinquent property taxes	\$ 409,509	\$ -	\$ 409,509
Street escrow	-	25,392	25,392
Parks escrow	-	1,098,360	1,098,360
Police escrow	-	192,015	192,015
Child safety fees	-	140,195	140,195
Electric franchise	-	2,801,764	2,801,764
Gas franchise	-	407,513	407,513
Other	-	829,214	829,214
Total General Fund	<u>409,509</u>	<u>5,494,453</u>	<u>5,903,962</u>
Debt Service Fund:			
Delinquent property taxes	546,983	-	546,983
Pass-through toll agreement	<u>3,564,467</u>	<u>-</u>	<u>3,564,467</u>
Total Debt Service Fund	<u>4,111,450</u>	<u>-</u>	<u>4,111,450</u>
Total Governmental Funds	<u>\$ 4,520,959</u>	<u>\$ 5,494,453</u>	<u>\$ 10,015,412</u>

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. LEASES

Lease receivable

During the current fiscal year, the City leased various buildings to third parties. The lease terms range from fifteen to fifty years. The City will receive monthly payments ranging from \$ 1,138 to \$ 7,680. The City recognized \$ 143,214 in lease revenue and \$ 36,708 in interest revenue during the current fiscal year related to the building leases.

During the current fiscal year, the City leased various hangars to third parties. The lease terms range from five to twenty-five years. The City will receive monthly payments ranging from \$ 360 to \$ 4,692. The City recognized \$ 46,209 in lease revenue and \$ 9,464 in interest revenue during the current fiscal year related to the hangar leases.

During the current fiscal year, the City leased various parcels of land to third parties. The lease terms range from twenty to forty years. The City will receive monthly or annual payments ranging from \$ 178 to \$ 10,043. The City recognized \$ 21,364 in lease revenue and \$ 9,687 in interest revenue during the current fiscal year related to the land leases.

During the current fiscal year, the City leased a landfill to two third parties. The lease term is for forty years for one lease and twenty years for the second lease. The City will receive monthly payments ranging from \$ 25,000 to \$ 66,101. The City recognized \$ 824,528 in lease revenue and \$ 350,260 in interest revenue during the current fiscal year related to the landfill leases.

As of September 30, 2024, the City's receivable for all lease payments was \$ 20,081,862. The City also has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease terms. As of September 30, 2024, the balance of the deferred inflow of resources was \$ 18,809,877.

Lease payable

During the current fiscal year, the City leased fire equipment, police equipment, and copiers. The lease terms range from four to five years. As of September 30, 2024, the value of the lease liability was \$ 2,333,741. The value of the right-to-use assets as of the end of the current fiscal year was \$ 2,700,865 and had accumulated amortization of \$ 402,148.

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

J. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

In the current fiscal year, the City has entered into four new SBITA contracts, bringing the total number of SBITA contracts for information technology (IT) software to 15. The SBITA terms range from three to five years. As of September 30, 2024, the value of the SBITA liability was \$ 5,880,956. The value of the right-to-use assets as of the end of the current fiscal year was \$ 8,130,050 and had accumulated amortization of \$ 2,083,665.

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

K. LONG-TERM DEBT

The following is a summary of long-term debt transactions, including current portion of the City for the year ended September 30, 2024:

	Balance October 1, 2023	Additions	Retirements	Balance September 30, 2024	Due within one year
<u>Governmental Activities</u>					
General obligation bonds	\$ 51,185,000	\$ -	\$ 5,535,000	\$ 45,650,000	\$ 5,820,000
Certificates of obligation	224,750,000	60,130,000	10,150,000	274,730,000	9,445,000
Contractual obligations	9,485,000	3,030,000	1,670,000	10,845,000	2,115,000
Notes payable	2,048,770	-	172,936	1,875,834	174,671
Lease liability	108,365	2,483,778	264,271	2,327,872	265,551
Subscription liability	963,043	5,909,543	1,183,272	5,689,314	838,619
Plus deferred amount:					
Issuance premium	24,523,171	4,861,248	1,880,815	27,503,604	2,063,489
Issuance discount	(2,016,465)	(551,730)	(152,809)	(2,415,386)	(178,253)
Total bonds payable	311,046,884	75,862,839	20,703,485	366,206,238	20,544,077
Compensated absences	9,884,637	1,566,271	625,764	10,825,144	887,972
Net pension liability - TMRS	42,620,616	-	6,619,537	36,001,079	-
Net pension liability - FP	26,042,466	-	1,582,571	24,459,895	-
OPEB liability - RHCP	4,031,357	73,345	-	4,104,702	134,914
OPEB liability - SDBF	1,934,195	139,239	-	2,073,434	80,767
Arbitrage rebate	991,637	3,159,878	84,772	4,066,743	-
Total governmental activities	396,551,792	80,801,572	29,616,129	447,737,235	21,647,730
<u>Business-Type Activities</u>					
General obligation bonds	22,925,000	-	4,485,000	18,440,000	4,715,000
Revenue bonds	194,945,000	-	8,405,000	186,540,000	8,690,000
Notes payable	152,079	-	12,837	139,242	12,966
Lease liability	11,559	-	5,690	5,869	5,869
Subscription liability	250,125	-	58,484	191,641	61,179
Plus deferred amount:					
Issuance premium	23,894,764	-	1,767,125	22,127,639	1,767,124
Issuance discount	(1,880,616)	-	(143,709)	(1,736,907)	(143,708)
Total bonds payable	240,297,911	-	14,590,427	225,707,484	15,108,430
Compensated absences	697,458	88,238	75,083	710,613	85,274
Net pension liability - TMRS	5,705,686	-	874,562	4,831,124	-
OPEB liability - RHCP	549,731	10,001	-	559,732	18,397
OPEB liability - SDBF	263,753	18,988	-	282,741	11,014
Arbitrage rebate	782,872	1,551,250	-	2,334,122	-
Total business-type activities	248,297,411	1,668,477	15,540,072	234,425,816	15,223,115
<u>Component Units</u>					
Reinvestment Zone No. 1	182,127,763	975,369	4,776,166	178,326,966	5,612,662
Temple Economic Development Corp.	3,383,641	-	79,498	3,304,143	87,840
Total component units	185,511,404	975,369	4,855,664	181,631,109	5,700,502
Total government	\$ 830,360,607	\$ 83,445,418	\$ 50,011,865	\$ 863,794,160	\$ 42,571,347

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

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

Long-term debt at September 30, 2024 is comprised of the following:

	Governmental Activities	Business-type Activities
General obligation bonds:		
\$ 24,895,000 2012 refunding bonds due in annual installments of \$ 10,000 to \$ 3,820,000 through 2026; interest at 2.00% to 5.00%	\$ -	\$ 6,435,000
\$ 21,360,000 2014 refunding bonds due in annual installments of \$ 535,000 to \$ 3,460,000 through 2026; interest at 2.00% to 5.00%	4,105,000	940,000
\$ 36,780,000 2015 refunding & improvement bonds due in annual installments of \$ 590,000 to \$ 4,480,000 through 2035; interest at 2.00% to 5.00%	21,850,000	3,195,000
\$ 9,500,000 2016 refunding bonds due in annual installments of \$ 705,000 to \$ 1,090,000 through 2029; interest at 2.00% to 5.00%	4,895,000	-
\$ 17,780,000 2017 refunding bonds due in annual installments of \$ 400,000 to \$ 2,255,000 through 2034; interest at 2.00% to 5.00%	14,120,000	-
\$ 20,320,000 2019 refunding bonds due in annual installments of \$ 565,000 to \$ 3,650,000 through 2030; interest at 5.00%	-	7,870,000
\$ 685,000 2020 refunding bonds due in annual installments of \$ 5,000 to \$ 660,000 through 2031; interest at 0.35% to 1.78%	680,000	-
	45,650,000	18,440,000
Certificates of obligation:		
\$ 9,420,000 2012 certificates due in annual installments of \$ 400,000 to \$ 685,000 through 2033; interest at 2.00% to 3.00%	5,380,000	-
\$ 4,645,000 2012 taxable certificates due in annual installments of \$ 50,000 to \$ 410,000 through 2032; interest at 1.50% to 3.50%	2,875,000	-
\$ 21,230,000 2014 certificates due in annual installments of \$ 255,000 to \$ 1,815,000 through 2034; interest at 1.00% to 3.00%	15,595,000	-
\$ 18,285,000 2016 certificates due in annual installments of \$ 295,000 to \$ 1,520,000 through 2036; interest at 2.00% to 5.00%	14,270,000	-
\$ 33,900,000 2017 certificates due in annual installments of \$ 770,000 to \$ 2,485,000 through 2037; interest at 3.00% to 5.00%	25,695,000	-
\$ 17,820,000 2019 certificates due in annual installments of \$ 595,000 to \$ 2,230,000 through 2039; interest at 2.00% to 4.00%	13,060,000	-
\$ 20,935,000 2020 certificates due in annual installments of \$ 790,000 to \$ 2,875,000 through 2040; interest at 2.00% to 3.00%	15,610,000	-
\$ 50,280,000 2021 certificates due in annual installments of \$ 1,205,000 to \$ 3,490,000 through 2041; interest at 2.00% to 5.00%	45,885,000	-
\$ 39,865,000 2022A certificates due in annual installments of \$ 1,095,000 to \$ 2,810,000 through 2042; interest at 4.00% to 5.00%	36,960,000	-
\$ 41,340,000 2023A certificates due in annual installments of \$ 455,000 to \$ 3,090,000 through 2043; interest at 4.00% to 5.00%	39,270,000	-
\$ 60,130,000 2024 certificates due in annual installments of \$ 370,000 to \$ 4,510,000 through 2043; interest at 4.00% to 5.00%	60,130,000	-
	274,730,000	-

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Contractual obligations:		
\$ 1,210,000 2019 limited tax notes due in annual installments of \$ 160,000 to \$ 190,000 through 2026; interest at 3.00% to 4.00%	\$ 375,000	\$ -
\$ 2,725,000 2020 limited tax notes due in annual installments of \$ 355,000 to \$ 425,000 through 2027; interest at 2.00% to 4.00%	1,250,000	-
\$ 2,940,000 2021 limited tax notes due in annual installments of \$ 390,000 to \$ 455,000 through 2028; interest at 2.00% to 4.00%	1,740,000	-
\$ 2,575,000 2022 limited tax notes due in annual installments of \$ 315,000 to \$ 425,000 through 2029; interest at 5.00%	1,930,000	-
\$ 2,890,000 2023 limited tax notes due in annual installments of \$ 370,000 to \$ 470,000 through 2030; interest at 5.00%	2,520,000	-
\$ 3,030,000 2024 limited tax notes due in annual installments of \$ 385,000 to \$ 495,000 through 2031; interest at 5.00%	3,030,000	-
	<u>10,845,000</u>	<u>-</u>
Revenue bonds:		
\$ 12,990,000 2014 bonds due in annual installments of \$ 90,000 to \$ 790,000 through 2044; interest at 0.45% to 5.05%	-	665,000
\$ 23,685,000 2015 bonds due in annual installments of \$ 830,000 to \$ 1,755,000 through 2035; interest at 2.00% to 5.00%	-	5,145,000
\$ 32,755,000 2017 bonds due in annual installments of \$ 1,085,000 to \$ 2,245,000 through 2037; interest at 3.00% to 5.00%	-	24,200,000
\$ 20,705,000 2019 bonds due in annual installments of \$ 710,000 to \$ 1,335,000 through 2039; interest at 2.00% to 5.00%	-	16,890,000
\$ 68,145,000 2021 bonds due in annual installments of \$ 2,060,000 to \$ 4,470,000 through 2041; interest at 3.00% to 5.00%	-	58,510,000
\$ 26,445,000 2021A bonds due in annual installments of \$ 905,000 to \$ 1,700,000 through 2041; interest at 2.00% to 5.00%	-	23,670,000
\$ 23,145,000 2021 refunding bonds due in annual installments of \$ 335,000 to \$ 2,250,000 through 2044; interest at 0.31% to 3.01%	-	22,020,000
\$ 17,695,000 2022 bonds due in annual installments of \$ 575,000 to \$ 1,275,000 through 2042; interest at 4.00% to 5.00%	-	16,365,000
\$ 19,775,000 2023 bonds due in annual installments of \$ 625,000 to \$ 1,495,000 through 2043; interest at 4.25% to 5.00%	-	19,075,000
	<u>-</u>	<u>186,540,000</u>
Notes payable:		
\$ 2,836,634 2020 loan agreement due in quarterly installments of \$ 44,680 to \$ 51,642 through 2034; interest at 1.00%	1,875,834	139,242
	<u>1,875,834</u>	<u>139,242</u>
Lease liability:		
\$ 182,654 2021 copier lease with quarterly payments of \$ 12,091 through 2025; interest at 3.102%	47,561	-
\$ 11,894 2021 copier lease with quarterly payments of \$ 787 through 2025; interest at 3.102%	3,097	-
\$ 22,540 2021 copier lease with quarterly payments of \$ 1,492 through 2025; interest at 3.102%	-	5,869
\$ 54,919 2023 fire equipment lease with annual payments of \$ 6,520 through 2023; interest at 3.96%	50,352	-
\$ 2,428,858 2023 police equipment lease with annual payments of \$ 288,317 through 2033; interest at 3.96%	2,226,862	-
	<u>2,327,872</u>	<u>5,869</u>

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
SBITA liability:		
\$ 13,256 2021 TargetSolutions LMS subscription with annual payments of \$ 13,780 through 2026; interest at 3.85%	\$ 27,040	\$ -
\$ 113,994 2023 ESRI subscription with annual payments of \$ 58,723 through 2026; interest at 3.05%	57,689	-
\$ 93,871 2021 CentralSquare Cloud subscription with annual payments of \$ 31,500 through 2026; interest at 0.67%	62,790	-
\$ 36,760 2021 CentralSquare Learning subscription with annual payments of \$ 12,000 through 2026; interest at 0.67%	23,920	-
\$ 66,714 2021 Visual Lease subscription with annual payments of \$ 22,500 through 2026; interest at 0.67%	22,387	-
\$ 57,033 2023 Crowdriff subscription with annual payments of \$ 19,680 through 2026; interest at 2.78%	39,502	-
\$ 44,384 2022 Leads Online subscription with annual payments of \$ 11,695 through 2027; interest at 3.37%	33,842	-
\$ 82,205 2022 Building Blocks subscription with annual payments of \$ 21,600 through 2027; interest at 3.37%	62,679	-
\$ 127,620 2023 CalAmp subscription with monthly payments of \$ 2,591 through 2028; interest at 2.57%	99,416	-
\$ 359,310 2024 Rubicon subscription with annual payments of \$ 110,553 through 2026; interest at 2.59%	216,875	-
\$ 5,121,795 2024 Axon-Police subscription with annual payments of \$ 607,980 through 2033; interest at 3.96%	4,695,841	-
\$ 69,585 2024 Axon-Fire subscription with annual payments of \$ 8,260 through 2033; interest at 3.96%	63,798	-
\$ 332,309 2024 Flock Safety subscription with annual payments of \$ 75,000 through 2028; interest at 3.83%	283,535	-
\$ 306,339 2023 Selectron subscription with annual payments of \$ 65,999 through 2027; interest at 3.37%	-	191,641
	<u>5,689,314</u>	<u>191,641</u>
Issuance premium	27,503,604	22,127,639
Issuance discount	<u>(2,415,386)</u>	<u>(1,736,907)</u>
Total bonds payable	366,206,238	225,707,484
Accrual for compensated absences	10,825,144	710,613
Accrual for net pension liability - TMRS	36,001,079	4,831,124
Accrual for net pension liability - FP	24,459,895	-
Accrual for OPEB liability - RHCP	4,104,702	559,732
Accrual for OPEB liability - SDBF	2,073,434	282,741
Accrual for arbitrage rebate	<u>4,066,743</u>	<u>2,334,122</u>
Total primary government debt	<u>447,737,235</u>	<u>234,425,816</u>

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Component Units:		
Reinvestment Zone No 1:		
\$ 16,750,000 2020 general obligation bonds due in annual installments of \$ 205,000 to \$ 1,910,000 through 2033, interest at 0.35% to 1.98%; guaranteed by the City of Temple	\$ 15,895,000	\$ -
\$ 40,560,000 2022B certificates of obligation due in annual installments of \$ 520,000 to \$ 2,755,000 through 2047, interest at 4.00% to 5.00%; guaranteed by the City of Temple	40,560,000	-
\$ 12,145,000 2022C certificates of obligation due in annual installments of \$ 170,000 to \$ 860,000 through 2047, interest at 3.51% to 5.17%; guaranteed by the City of Temple	12,145,000	-
\$ 38,360,000 2023B certificates of obligation due in annual installments of \$ 1,025,000 to \$ 2,625,000 through 2048, interest at 4.125% to 5.00%; guaranteed by the City of Temple	38,360,000	-
\$ 23,565,000 2018 revenue bonds due in annual installments of \$ 140,000 to \$ 1,990,000 through 2038, interest at 5.00%; guaranteed by the City of Temple	20,675,000	-
\$ 25,455,000 2021A revenue bonds due in annual installments of \$ 865,000 to \$ 1,890,000 through 2041, interest at 4.00% to 5.00%; guaranteed by the City of Temple	23,685,000	-
\$ 19,160,000 2021B taxable revenue bonds due in annual installments of \$ 835,000 to \$ 1,280,000 through 2041, interest at 0.75% to 3.25%; guaranteed by the City of Temple	17,480,000	-
Issuance premium	9,602,802	-
Issuance discount	(1,423,307)	-
Accrual for arbitrage rebate	1,347,471	-
Total Reinvestment Zone No 1	<u>178,326,966</u>	<u>-</u>
Temple Economic Development Corporation:		
\$ 3,864,000 note due in monthly payments of \$ 31,424 through July 2027, interest at 6.00%; this represents the corporation's 69% portion of the note which is shared with another entity	3,304,143	-
Total Temple Economic Development Corporation	<u>3,304,143</u>	<u>-</u>
Total component units debt	<u>181,631,109</u>	<u>-</u>
Total debt - reporting entity	<u>\$ 629,368,344</u>	<u>\$ 234,425,816</u>

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

The annual requirements to amortize debt outstanding as of September 30, 2024, are shown on the following schedules. Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been included in the following summary.

General Obligation Bonds

Year Ending September 30,	Governmental Activities		Business-type Activities		Component Units		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2025	\$ 5,820,000	\$ 2,039,095	\$ 4,715,000	\$ 761,350	\$ 1,650,000	\$ 241,960	\$ 15,227,405
2026	6,090,000	1,760,545	4,930,000	589,000	1,680,000	227,110	15,276,655
2027	6,475,000	1,495,295	2,590,000	418,050	1,705,000	208,966	12,892,311
2028	5,545,000	1,204,083	2,715,000	299,200	1,730,000	187,653	11,680,936
2029	4,030,000	971,111	3,490,000	264,000	1,750,000	162,914	10,668,025
2030-2034	15,780,000	2,695,380	-	-	7,380,000	351,237	26,206,617
2035	1,910,000	95,500	-	-	-	-	2,005,500
Total	<u>\$ 45,650,000</u>	<u>\$ 10,261,009</u>	<u>\$ 18,440,000</u>	<u>\$ 2,331,600</u>	<u>\$ 15,895,000</u>	<u>\$ 1,379,840</u>	<u>\$ 93,957,449</u>

Certificates of Obligations

Year Ending September 30,	Governmental Activities		Component Units		Total
	Principal	Interest	Principal	Interest	
2025	\$ 9,445,000	\$ 11,194,018	\$ 690,000	\$ 4,119,838	\$ 25,448,856
2026	9,545,000	10,388,176	1,395,000	4,087,871	25,416,047
2027	11,010,000	9,996,783	2,480,000	4,022,844	27,509,627
2028	12,690,000	9,540,208	2,600,000	3,903,364	28,733,572
2029	14,980,000	8,995,320	2,730,000	3,777,468	30,482,788
2030-2034	87,460,000	34,773,565	15,770,000	16,756,972	154,760,537
2035-2039	81,010,000	17,903,013	20,050,000	12,466,747	131,429,760
2040-2044	48,590,000	4,669,317	25,045,000	7,470,798	85,775,115
2045-2048	-	-	20,305,000	1,943,630	22,248,630
Total	<u>\$ 274,730,000</u>	<u>\$ 107,460,400</u>	<u>\$ 91,065,000</u>	<u>\$ 58,549,532</u>	<u>\$ 531,804,932</u>

Contractual Obligations

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 2,115,000	\$ 447,542	\$ 2,562,542
2026	2,180,000	374,175	2,554,175
2027	2,070,000	287,375	2,357,375
2028	1,720,000	200,225	1,920,225
2029	1,325,000	138,000	1,463,000
2030-2031	1,435,000	96,500	1,531,500
Total	<u>\$ 10,845,000</u>	<u>\$ 1,543,817</u>	<u>\$ 12,388,817</u>

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

Revenue Bonds

Year Ending September 30,	Business-type Activities		Component Units		Total
	Principal	Interest	Principal	Interest	
2025	\$ 8,690,000	\$ 6,731,460	\$ 2,855,000	\$ 2,516,763	\$ 20,793,223
2026	9,090,000	6,324,611	2,970,000	2,404,613	20,789,224
2027	9,525,000	5,886,073	3,090,000	2,285,955	20,787,028
2028	9,990,000	5,434,113	3,215,000	2,158,580	20,797,693
2029	10,435,000	4,982,079	3,350,000	2,024,233	20,791,312
2030-2034	58,320,000	18,778,157	18,980,000	7,899,168	103,977,325
2035-2039	55,940,000	9,187,382	21,155,000	3,648,791	89,931,173
2040-2044	24,550,000	1,746,338	6,225,000	347,300	32,868,638
Total	<u>\$ 186,540,000</u>	<u>\$ 59,070,213</u>	<u>\$ 61,840,000</u>	<u>\$ 23,285,403</u>	<u>\$ 330,735,616</u>

Notes Payable

Year Ending September 30,	Governmental Activities		Business-type Activities		Component Units		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2025	\$ 174,671	\$ 18,105	\$ 12,966	\$ 1,344	\$ 87,840	\$ 198,666	\$ 493,592
2026	176,425	16,351	13,096	1,214	86,047	192,565	485,698
2027	178,196	14,581	13,227	1,082	91,430	186,358	484,874
2028	179,984	12,792	13,360	950	97,150	180,273	484,509
2029	181,791	10,985	13,494	815	102,453	172,789	482,327
2030-2034	936,694	27,186	69,530	2,018	2,839,223	1,382,042	5,256,693
2035	48,074	120	3,569	9	-	-	51,772
Total	<u>\$ 1,875,835</u>	<u>\$ 100,120</u>	<u>\$ 139,242</u>	<u>\$ 7,432</u>	<u>\$ 3,304,143</u>	<u>\$ 2,312,693</u>	<u>\$ 7,739,465</u>

Lease Liability

Year Ending September 30,	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 265,551	\$ 80,798	\$ 5,869	\$ 99	\$ 352,317
2026	223,559	71,277	-	-	294,836
2027	232,574	62,261	-	-	294,835
2028	241,953	52,883	-	-	294,836
2029	251,710	43,125	-	-	294,835
2030-2033	1,112,525	66,818	-	-	1,179,343
Total	<u>\$ 2,327,872</u>	<u>\$ 377,162</u>	<u>\$ 5,869</u>	<u>\$ 99</u>	<u>\$ 2,711,002</u>

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

Subscription Liability

Year Ending September 30,	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 838,619	\$ 185,738	\$ 61,179	\$ 4,317	\$ 1,089,853
2026	786,233	157,885	63,793	2,206	1,010,117
2027	622,017	133,605	66,669	-	822,291
2028	591,039	110,564	-	-	701,603
2029	526,104	90,137	-	-	616,241
2030-2034	2,325,302	139,657	-	-	2,464,959
Total	<u>\$ 5,689,314</u>	<u>\$ 817,586</u>	<u>\$ 191,641</u>	<u>\$ 6,523</u>	<u>\$ 6,705,064</u>

(1) General Obligation Bonds and Certificates of Obligation -

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

(2) Revenue Bonds -

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

The Revenue Bonds are collateralized by the revenue of the water and sewer system established by the bond ordinances. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the Revenue Bond funds. Remaining revenues may then be used for any lawful purpose. The ordinances also contain provisions which, among other items, restrict the issuance of additional Revenue Bonds unless the special funds noted above contain the required amounts and certain financial ratios are met. The City is in compliance with all significant financial requirements as of September 30, 2024.

(3) Taxable Revenue Bonds –

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

The Taxable Revenue Bonds, Series 2008, are collateralized by the tax increment generated by the Reinvestment Zone No.1 (a discretely presented component unit) by the First Supplemental Ordinance to the Master Ordinance Establishing the City of Temple, Texas Reinvestment Zone Number One Tax Increment Revenue Financing Program. The ordinance provides that the revenue of the Reinvestment Zone No. 1 be used to meet all financial obligations related to the bonds. The City is in compliance with all significant requirements as of September 30, 2024.

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (Continued)

(4) 2024 Issuances -

On June 6, 2024, the City issued \$ 60,130,000 of Combination Tax and Revenue Certificates of Obligation bonds. The interest rate of the bonds ranges from 4.00% to 5.00% and the maturity date of the bonds is August 1, 2044. These bonds were issued to design, acquire and construct streets, roads, bridges, trails, sidewalks, intersections, traffic signalization and other transportation improvement projects, constructing and equipping City buildings, public safety facilities, and parks facilities, public safety equipment and vehicles, neighborhood planning district plans and related improvements and other costs associated with these projects.

On September 5, 2024, the City issued \$ 3,030,000 of Limited Tax notes. The interest rate of the notes is 5.00% and the maturity date of the bonds is August 1, 2031. The notes were sold to purchase sanitation, parks, and street equipment and vehicles.

In the debt service fund, a fund balance of \$ 1,652,395 is available to service general long-term debt.

The bond indentures require the establishment and maintenance of interest and sinking funds and reserve funds in varying amounts. Restricted cash on the accompanying combined balance sheet represents these amounts. The enterprise fund has restricted cash of \$ 56,307,435, of which \$ 3,492,038 will be used to pay accrued interest and current maturities of bond indentures, \$ 51,880,322 represents remaining bonds proceeds, and the remaining \$ 935,075 represents customer security deposits. In addition, there are restrictions concerning the maintenance of sufficient rates charged for services to users to generate enough funds for debt service requirements, the maintenance of accounting records and insurance as well as reporting the results of the City's operations to specified major bondholders. The City is in compliance with all significant requirements and restrictions contained in the bond indentures.

L. INTERFUND TRANSFERS

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

	Transfers In	Transfers Out
Major Funds:		
General	\$ 334,630	\$ 4,754,709
Debt Service	3,003,725	-
Capital Projects	2,064,816	
Nonmajor Governmental Funds:		
Special Revenue	<u>534,575</u>	<u>1,183,037</u>
Total	<u>\$ 5,937,746</u>	<u>\$ 5,937,746</u>

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION

A. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grants

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

Long-Term Agreements

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

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

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

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

The City's major responsibility is paying the contractor the agreed annual compensation in monthly installments due on the first of each month. The base fee for eleventh year (2025) of the agreement is \$ 2,722,969 for the Temple-Belton WWTP, \$ 1,904,456 for the Doshier Farm WWTP and Lift Stations, and \$ 211,229 for the City's industrial pretreatment program. On or before May 1st of each year, BRA will provide the City with an annual budget which will include an estimate of all operation and maintenance expenses plus a management fee of 3.00% for the Doshier WWTP, Temple-Belton WWTP and the lift stations. The budget will be calculated based on the estimated amount of wastewater to be delivered to the plants in the next fiscal year. The City must approve the proposed budget by July 15th of each year. Operation and maintenance expenses and the maintenance fee for

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IV. OTHER INFORMATION (Continued)

the Temple-Belton WWTP will be allocated based upon the annual flow percentages of each City. Any capital expenses for the Temple-Belton WWTP (costs of capital improvements) will be allocated to the Cities based on ownership – 75.00% to Temple and 25.00% to Belton. Payments to BRA will be made monthly and will equal 1/12 of the approved annual budget.

Landfill Operations - On March 16, 2011, the City renegotiated its agreement with the commercial entity to operate the City's solid waste landfill. Under the terms of the agreement, the contractor pays the City \$ 827,256 annually (\$ 68,938 per month). In addition, the contractor pays a fee for each ton of solid waste disposed at the landfill, regardless of the source or point of origin of the waste, with a guaranteed minimum surcharge equivalent to 200,000 tons per year. The fee per ton is calculated as follows on waste disposed at the landfill each year:

\$ 3.49/ton up to 200,000 tons
\$ 4.35/ton over 200,000 tons

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

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

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

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

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

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

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IV. OTHER INFORMATION (Continued)

In February 2016, on the first anniversary of the project's completion, the City received its first reimbursement totaling \$ 1,339,427. On the second anniversary of the project's completion, the City received its second reimbursement totaling \$ 1,462,140 and received \$ 1,505,000 on its third through fifth reimbursement. The City received \$ 1,280,286 on its sixth reimbursement, \$ 1,344,934 on its seventh reimbursement, and \$ 1,348,047 on its eighth reimbursement. These lower amounts are due to less travel during the pandemic which has continued into FY 2024. During FY 2024, the City received its ninth reimbursement, which was \$ 1,422,034. Based on these reimbursements, as well as original projections based on state traffic counts on the loop, the City anticipates collecting the full \$ 16,555,000 over a period of approximately twelve years.

Effective February 2015, the City recorded the total anticipated receivable, net of implied interest at 4.783%, for a net receivable of \$ 12,013,000. Based on the payments received, the anticipated collection period was revised, and as of September 30, 2024, the net receivable is \$ 3,564,467.

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

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

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

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

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

- March 2020 - Develop and implement an electronic asset management program.
- September 2022 - Develop 5-year and 10-year design storm hydraulic collection system model, calibrated to reflect actual and existing system conditions.

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IV. OTHER INFORMATION (Continued)

- September 2024 - Address power source redundancy for plants and lift stations; implement CMOM program.
- September 2025 - Complete system evaluation capacity and assurance plan (SECAP); evaluate all private non-plastic lateral lines.
- September 2027 - Address defective private lateral lines.
- September 2028 - Complete projects addressing system deficiencies.

Gas Rights Agreement - On May 3, 2024, the City authorized a gas rights agreement with WM Renewable Energy, LLC to construct and operate a renewable natural gas production facility at the Temple Landfill for the sale and distribution of the renewable natural gas processed from landfill gas.

The City has an agreement with Waste Management of Texas, Inc. to operate and lease the Temple Landfill. The lease gives Waste Management of Texas, Inc the rights to the methane gas or other gases produced as a result of solid waste disposal (landfill gases) and the right of first refusal to recover, process, and market the renewable natural gas converted from landfill gases. Pursuant to the lease, the City and Waste Management of Texas, Inc have agreed to provide WM Renewable Energy, LLC the exclusive use of the landfill gases in connection with the construction, development, and operation of a renewable natural gas facility on the Landfill. Waste Management of Texas, Inc is an independently owned affiliate of WM Renewable Energy, LLC.

The term of the agreement is twenty (20) years after WM Renewable Energy, LLC achieves full operating capacity and begins producing renewable natural gas sale and distribution, WM Renewable Energy, LLC. Full operating capacity and production of renewable natural gas sale and distribution began on December 10, 2024. WM Renewable Energy, LLC is solely responsible for the production, sale, and distribution of the renewable natural gas. In turn, WM Renewable Energy, LLC will pay the City monthly, either \$25,000 or an amount calculated in an industry-standard formula using the renewable natural gas sold that month, whichever is greater.

B. RISK MANAGEMENT

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

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IV. OTHER INFORMATION (Continued)

Pool. The City also carries commercial insurance on all other risks of loss including employee health and accident insurance.

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

C. TAX ABATEMENTS

(1) Property Tax

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

Date of Abatement Agreement	First Year of Abatement	Firm	2024 Abated Value	Term of Abatement	Abatement Percentage	Commitment by Recipient
05/11	FY 2016	BKV-BPP Power, LLC	\$ 124,684,850	10 years	50%	Construct new electric power generating facility; create 20 new jobs
12/12	FY 2017	CXA Temple 2, LLC	103,177,025	10 years	12% to 65%	Construct new electric power generating facility
05/13	FY 2017	Buc-ee's, LTD	5,122,658	10 years	50%	Construct new travel center; create 150 new jobs
10/17	FY 2022	Cargill, Inc.	14,620,537	10 years	50% to 100%	Construct new real property improvements; create 10-33 new jobs
01/18	FY 2023	Palladio Industries, Inc.	1,890,684	5 years	50%	Construct new real property improvements; create 30 new jobs
12/18	TBD	Turner Behringer Temple One, LLC {Hawn & Arcadia}	-	10 years	50% to 100%	Construct new real property improvements
12/18	FY 2024	East Penn Manufacturing Co.	38,500,000	5 years	50%	Construct new real and personal property improvements; create 266 new jobs
02/19	FY 2022	Niagara Bottling, LLC and Tanglefoot Properties, LLC	88,647,274	10 years	50% to 100%	Construct new real and personal property improvements; create 70 new jobs
11/19	TBD	Turner Behringer Temple One, LLC {102 East Central Ave, Sears Bldg}	-	10 years	50% to 100%	Construct new real property improvements
08/20	TBD	VKDM Investment, LLC	-	10 years	50% to 100%	Construct new real property improvements
11/20	FY 2023	Sunbelt Transformer, LTD	1,349,695	5 years	50%	Construct new real property improvements; retain 48 jobs; create 100 new jobs
12/21	TBD	Polmer, LLC	-	10 years	75%	Construct new real and personal property improvements; create 40 new jobs
05/22	TBD	Temple Green Data, LLC	-	10 years	20%	Construct new real and personal property improvements; create 20 new jobs
03/23	TBD	H-E-B, LP	-	10 years	60% to 100%	Construct new real property improvements; create 100 new jobs

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IV. OTHER INFORMATION (Continued)

During fiscal year 2024, the total amount of abated property value was \$ 377,992,723. Based on the city tax rate of \$ 0.6130 per \$ 100 of value, the foregone tax levy due to abatement agreements was \$ 2,317,095.

(2) Sales Tax

The City has entered into a Chapter 380 Economic Development Agreement with Buc-ee's, LTD. The City's participation in the agreement is authorized under Chapter 380 of the Texas Local Government Code, and under City Ordinance Number 2011-4504, Section III, B. This agreement provided an incentive to Buc-ee's, LTD in amount not to exceed 75% of the sales tax collected by Buc-ee's, LTD during each calendar year of the agreement. Per the agreement, Buc-ee's, LTD agreed to invest approximately \$ 16,000,000 to construct the Travel Center with approximately 60,000 square feet, employ 150 people by the end of the first full calendar year of operation and to start construction of the Travel Center no later than twelve months after the public utilities were constructed and available for connection by the Travel Center. The term of the agreement is 10 years beginning January 1 of the year following the date the travel center opened to the public. The travel center opened in 2015; therefore, the agreement began January 1, 2016, and will expire December 31, 2025. Under the terms of the agreement, the total amount of the incentive for fiscal year 2024 was \$ 743,593.

The City has entered into a Chapter 380 Economic Development Agreement with Spare Time Family Entertainment, LLC. The City's participation in the agreement is authorized under Chapter 380 of the Texas Local Government Code, and under City Ordinance Number 2020-5026, Section III, B. This agreement provides an incentive to Spare Time Family Entertainment, LLC to rebate any sales tax generated and paid to the City that exceeds \$ 36,000 in one calendar year. Rebate payments will not exceed a total of \$ 100,000. Per the agreement, Spare Time Family Entertainment, LLC agreed to invest approximately \$ 4,700,000 to construct an outdoor expansion including go karts, ropes course, batting cages, sand volleyball, outdoor bar and grill, and other similar amenities and to start construction of the outdoor expansion no later than twelve months after the execution of the agreement. The agreement was executed on April 17, 2020, and shall remain in effect for five years from January 1 of the year following the date the outdoor expansion opens for business to the public. The outdoor expansion was completed in March 2021. Based on terms of the agreement, year one of the sales tax rebate begins January 2022, with the first payment due March 15, 2023. Under the terms of the agreement, the total amount of the incentive for fiscal year 2024 was \$ 22,999.

D. EMPLOYEE BENEFITS

(1) Retirement Plans

The City participates in two retirement plans. The Texas Municipal Retirement System covered 787 employees as of December 31, 2023. The Temple Firefighters' Relief and Retirement Fund covered 118 employees as of September 30, 2024.

The Texas Municipal Retirement System

Plan Description

The City participates as one of 936 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency

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IV. OTHER INFORMATION (Continued)

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

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

Benefits Provided

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

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

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

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

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

The City does not participate in Social Security.

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IV. OTHER INFORMATION (Continued)

Employees Covered by Benefit Terms –

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

Retirees or beneficiaries currently receiving benefits	497
Inactive employees entitled to but not yet receiving benefits	594
Active employees	<u>787</u>
	<u>1,878</u>

Contributions

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

Employees for the City of Temple were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2024, the City made required contributions of 16.80% for the months in 2023 and required contributions of 17.42% for the months in 2024. The City’s contributions for the year ended September 30, 2024, were \$ 9,588,132, and were equal to the required contributions.

Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions –

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

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Salary increases	3.60% to 11.85% per year including inflation
Investment rate of return	6.75%

Salary increases were based on a service-related table.

Retirement age is based on the experience table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.

Mortality rates for service retirees and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. Males rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with

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IV. OTHER INFORMATION (Continued)

immediate convergence). Pre-retirement PUB (10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global equity	35.0%	6.70%
Core fixed income	6.0%	4.70%
Non-core fixed income	20.0%	8.00%
Other public and private markets	12.0%	8.00%
Real estate	12.0%	7.60%
Hedge Funds	5.0%	6.40%
Private equity	10.0%	11.60%
Total	<u>100.0%</u>	

Discount Rate –

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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

Changes in the Net Pension Liability –

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2022	\$ 258,240,126	\$ 209,913,824	\$ 48,326,302
Changes for the year:			
Service cost	9,060,808	-	9,060,808
Interest	17,357,418	-	17,357,418
Change of benefit terms	-	-	-
Difference between expected and actual experience	3,969,174	-	3,969,174
Changes of assumptions	(1,626,493)	-	(1,626,493)
Contributions - employer	-	8,566,208	(8,566,208)
Contributions - employee	-	3,569,255	(3,569,255)
Net investment income	-	24,275,183	(24,275,183)
Benefit payments, including refunds employee contributions	(11,247,192)	(11,247,192)	-
Administrative expense	-	(154,560)	154,560
Other changes	-	(1,080)	1,080
Net changes	<u>17,513,715</u>	<u>25,007,814</u>	<u>(7,494,099)</u>
Balance at December 31, 2023	<u>\$ 275,753,841</u>	<u>\$ 234,921,638</u>	<u>\$ 40,832,203</u>

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

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

	1% Decrease in <u>Discount Rate</u> (5.75%)	Current <u>Discount Rate</u> (6.75%)	1% Increase in <u>Discount Rate</u> (7.75%)
City's net pension liability	\$ 78,774,162	\$ 40,832,203	\$ 9,614,853

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IV. OTHER INFORMATION (Continued)

Pension Plan Fiduciary Net Position –

Detailed information about the pension plan’s Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

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

For the year ended September 30, 2024, the City recognized pension expense of \$ 9,793,370.

At September 30, 2024, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,722,019	\$ 19,959
Changes in assumptions	-	1,195,062
Differences between projected and actual investment earnings	5,639,090	-
Contributions subsequent to the measurement date	<u>7,176,386</u>	<u>-</u>
Total	<u>\$ 18,537,495</u>	<u>\$ 1,215,021</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$ 7,176,386 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2024 (i.e., recognized in the City’s financial statements September 30, 2025). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Measurement Year Ended December 31</u>	
2024	\$ 3,983,529
2025	3,369,123
2026	4,814,635
2027	(2,021,199)
2028	-
Total	<u>\$ 10,146,088</u>

IV. OTHER INFORMATION (Continued)

Temple Firefighters' Relief and Retirement Fund

Plan Description

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

Benefits Provided

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

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

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

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Members Covered by the Fund –

In the September 30, 2023, actuarial valuation, the following numbers of members were covered by the Fund:

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

Funding Policy

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

The funding policy of the Temple Firefighters’ Relief and Retirement Fund requires contributions equal to 16% of pay by the firefighters, the rate elected by the firefighters according to TLFFRA. The City currently contributes according to a city ordinance either the same percentage of payroll that the City contributes to the Texas Municipal Retirement System for other employees or the firefighter contribution rate (16% of payroll) if lesser. The City has also agreed to contribute an additional 0.24% of payroll. The actuarial valuation includes the assumption that the City contribution rate will be 16.24% over the UAAL amortization period. The costs of administering the plan are paid from the Fund assets.

Ultimately, the funding policy also depends upon the total return of the Fund’s assets, which varies from year to year. Investment policy decisions are established and maintained by the Board of Trustees. The Board selects and employs investment managers with the advice of their investment consultant who is completely independent of the investment managers. For the year ending September 30, 2023, the annual money-weighted rate of return on pension plan investments was 12.34%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

Net Pension Liability

The City’s net pension liability was measured as of September 30, 2023.

Total pension liability	\$ 76,145,689
Plan fiduciary net position	<u>(51,685,794)</u>
City's net pension liability	<u>\$ 24,459,895</u>

Plan fiduciary net position as a percentage of the total pension liability 67.88%

Actuarial Assumptions –

The total pension liability in the September 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the SOA Public Safety Mortality tables with generational mortality projection using Scale MP-2021.

The long-term expected rate of return on pension plan investments is reviewed for each biennial actuarial valuation and was determined using a building-block method in which best-estimate ranges of expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed 2.75%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2023, are summarized in the following table:

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

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

Discount Rate –

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

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

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

	1% Decrease in <u>Discount Rate</u> (6.75%)	Current <u>Discount Rate</u> (7.75%)	1% Increase in <u>Discount Rate</u> (8.75%)
City’s net pension liability	\$ 33,500,033	\$ 24,459,895	\$ 16,888,179

Pension Plan Fiduciary Net Position –

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

Changes in the Net Pension Liability –

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2022	\$ 73,457,556	\$ 47,415,090	\$ 26,042,466
Changes for the year:			
Service cost	1,957,670	-	1,957,670
Interest	5,653,897	-	5,653,897
Change of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	1,771,257	(1,771,257)
Contributions - employee	-	1,744,510	(1,744,510)
Net investment income	-	5,759,576	(5,759,576)
Benefit payments, including refunds of employee contributions	(4,923,434)	(4,923,434)	-
Administrative expense	-	(81,205)	81,205
Changes in benefit terms	-	-	-
Net changes	<u>2,688,133</u>	<u>4,270,704</u>	<u>(1,582,571)</u>
Balance at September 30, 2023	<u>\$ 76,145,689</u>	<u>\$ 51,685,794</u>	<u>\$ 24,459,895</u>

The net pension liability was \$ 24,459,895 as of September 30, 2023, which is the City's measurement date associated with its September 30, 2024, reporting date. The results are based on the Fund's September 30, 2023, actuarial valuation.

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

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

For the year ended September 30, 2024, the City's GASB 68 pension expense was \$ 3,621,481.

Components of Pension Expense for the Fiscal Year Ended September 30, 2024 –

Service cost	\$ 1,957,670
Interest	5,653,897
Firefighter contributions	(1,744,510)
Projected earnings on pension plan investments	(3,616,976)
Amortization of differences between projected and actual earnings on plan investments	878,293
Amortization of changes of assumptions	284,311
Amortization of differences between expected and actual experience	127,591
Pension plan administrative expenses	81,205
Total pension expense	<u>\$ 3,621,481</u>

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,044,126	\$ 166,164
Changes in assumptions	1,020,708	4,390
Differences between projected and actual investment earnings	3,584,762	-
Contributions subsequent to the measurement date	1,942,082	-
Total	<u>\$ 7,591,678</u>	<u>\$ 170,554</u>

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

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

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

Measurement Year Ended September 30	
2025	\$ 1,164,568
2026	1,362,087
2027	2,667,343
2028	(88,696)
2029	309,907
Thereafter	<u>63,833</u>
Total	<u>\$ 5,479,042</u>

The total of the contributions by the City to the Fund contributed subsequent to the measurement date of the net pension liability September 30, 2023, through September 30, 2024, is a deferred outflow of resources that will be recognized as a reduction in the net pension liability in the fiscal year ending September 30, 2025.

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

(1) Retirement Plans Combined Data

For the year ended September 30, 2024, the City's total net pension liability and pension expense is as follows:

<u>Net Pension Liability</u>	
Texas Municipal Retirement System	\$ 40,832,203
Temple Firefighters' Relief and Retirement Fund	24,459,895
Total Net Pension Liability	<u>\$ 65,292,098</u>
<u>Net Pension Assets</u>	
Texas Municipal Retirement System	\$ 234,921,638
Temple Firefighters' Relief and Retirement Fund	51,685,794
Total Net Pension Assets	<u>\$ 286,607,432</u>
<u>Deferred Outflows of Resources Related to Pensions</u>	
Texas Municipal Retirement System	\$ 18,537,495
Temple Firefighters' Relief and Retirement Fund	7,591,678
Total Deferred Outflows of Resources Related to Pensions	<u>\$ 26,129,173</u>
<u>Deferred Inflows of Resources Related to Pensions</u>	
Texas Municipal Retirement System	\$ 1,215,021
Temple Firefighters' Relief and Retirement Fund	170,554
Total Deferred Inflows of Resources Related to Pensions	<u>\$ 1,385,575</u>
<u>Pension Expense</u>	
Texas Municipal Retirement System	\$ 9,793,370
Temple Firefighters' Relief and Retirement Fund	3,621,481
Total Pension Expense	<u>\$ 13,414,851</u>

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

(2) Deferred Compensation Fund

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

The plan, available to all full time City employees, permits them to defer until future years up to 100% of annual gross earnings not to exceed \$ 23,000. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City does not make contributions to the plan.

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

E. OTHER POST- EMPLOYMENT BENEFITS

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

Plan Description

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

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$ 7,500.

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during the employee’s entire career.

Employees Covered by Benefit Terms –

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

Retirees or beneficiaries currently receiving benefits	380
Inactive employees entitled to but not yet receiving benefits	136
Active employees	<u>787</u>
	<u>1,303</u>

Total OPEB Liability - SDBF

The City’s total OPEB liability for SDBF of \$ 2,356,174 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions –

The total OPEB liability for SDBF in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

Inflation	2.50% per year
Salary increases	3.60% to 11.85% including inflation
Discount rate*	3.77%
Retirees' share of benefit-related costs	\$ 0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements for GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

Discount Rate –

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

The discount rate changed from 4.05% as of December 31, 2022, to 3.77% as of December 31, 2023.

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of an actuarial experience study for the period December 31, 2022.

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

Changes in the Total OPEB Liability – SDBF

	<u>Increase (Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at December 31, 2022	\$ 2,197,948
Changes for the year:	
Service cost	86,682
Interest	88,915
Change of benefit terms	-
Difference between expected and actual experience	(40,184)
Changes of assumptions	114,595
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds employee contributions *	(91,781)
Administrative expense	-
Other changes	-
Net changes	<u>158,227</u>
Balance at December 31, 2023	<u>\$ 2,356,175</u>

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

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.77%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

	<u>1% Decrease in</u>	<u>Current</u>	<u>1% Increase in</u>
	<u>Discount Rate</u>	<u>Discount Rate</u>	<u>Discount Rate</u>
	(2.77%)	(3.77%)	(4.77%)
City’s total OPEB liability - SDBF	\$ 2,808,328	\$ 2,356,175	\$ 2,003,060

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$ 78,082.

Components of OPEB Expense for the Fiscal Year Ended September 30, 2024 –

Service cost	\$	86,682
Interest		88,914
Projected earnings on pension plan investments		-
Amortization of differences between projected and actual earnings on plan investments		(53,475)
Amortization of changes of assumptions		(44,039)
Amortization of differences between expected and actual experience		-
Administrative expenses		-
Changes in benefit terms		-
Total Supplemental Death Benefit expense	<u>\$</u>	<u>78,082</u>

At September 30, 2024, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 99,659
Changes in assumptions	292,067	700,787
Contributions subsequent to the measurement date	<u>61,794</u>	<u>-</u>
Total	<u>\$ 353,861</u>	<u>\$ 800,446</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$ 61,794 will be recognized as a reduction of the total OPEB liability for the measurement year ending December 31, 2024 (i.e., recognized in the City's financial statements September 30, 2025). Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expenses as follows:

<u>Measurement Year Ended December 31</u>	
2024	\$ (98,321)
2025	(151,292)
2026	(189,250)
2027	(74,517)
2028	<u>5,001</u>
Total	<u>\$ (508,379)</u>

IV. OTHER INFORMATION (Continued)

(1) Retiree Health Care Plan (RHCP)

Plan Description

The City offers its retired employees medical and dental insurance through a single employer defined benefit OPEB plan, under City policy. This plan is administered by the City and no separate audited financial statements are available. The OPEB plan is an unfunded OPEB plan (i.e., no assets are accumulated).

Benefits Provided

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

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

Employees who retire prior to May 1, 2007:

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

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

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

Employees who retire on or after May 1, 2007:

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

Provisions Regarding Medicare for Retirees Over the Age of 65

- a. An individual who retires from the City of Temple, and who informed the City not later than their date of retirement, upon attaining age 65 is no longer eligible for benefits under the City-sponsored plan for employees. Upon attaining age 65, such retiree is eligible to enroll in the Medicare Supplement Plan adopted by the City as a substitute for coverage under the Plan offered to employees.

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

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

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

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

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

Employees Covered by Benefit Terms –

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

Retirees or beneficiaries currently receiving benefits	101
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>884</u>
	<u>985</u>

Total OPEB Liability - RHCP

The City’s total OPEB liability for Retiree Health Care Plans of \$ 4,664,435 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions –

The total OPEB liability for RHCP in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

Inflation	2.50% per year
Salary increases	3.60% to 11.85% for TMRS and 3.75% to 9.46% for firefighters, including inflation
Discount rate	3.77% as of December 31, 2023
Demographic assumptions	TMRS - Based on the December 31, 2022, experience study conducted for the Texas Municipal Retirement System (TMRS). Fire – Based on the September 30, 2022, actuarial valuation report for the City of Temple Firefighters’ Relief and Retirement Fund.
Health Care Trend Rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years.
Mortality rates – TMRS	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality improvement tables are used. Male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Mortality rates – Firefighters	The gender-distinct PubS-2010 Public Retirement Plans mortality tables are used. The rates are projected on a fully generational basis scale MP-2021 to account for future mortality improvements.

Participation Rates –

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

Discount Rate –

The discount rate changed from 4.05% as of December 31, 2022, to 3.77% as of December 31, 2023. The discount rate equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of the valuation, the municipal bond rate is 3.77% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”). The discount rate was 4.05% as of the prior measurement date.

Additionally, the demographic and salary increase assumptions were updated to reflect the 2023 TMRS Experience Study, the mortality assumption for firefighters was updated, and the health care trend rates were updated to better reflect the plan’s anticipated experience.

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

Changes in the Total OPEB Liability – RHCP

	<u>Increase (Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at December 31, 2022	\$ 4,581,088
Changes for the year:	
Service cost	213,198
Interest	186,747
Change of benefit terms	-
Difference between expected and actual experience	(360,018)
Changes of assumptions	196,731
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds of employee contributions	(153,311)
Administrative expense	-
Changes in benefit terms	-
Net changes	<u>83,347</u>
Balance at December 31, 2023	<u>\$ 4,664,435</u>

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

The following presents the total OPEB liability for RHCP of the City, calculated using the discount rate of 3.77%, as well as what the City's total OPEB liability for RHCP would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

	<u>1% Decrease in</u> <u>Discount Rate</u> (2.77%)	<u>Current</u> <u>Discount Rate</u> (3.77%)	<u>1% Increase in</u> <u>Discount Rate</u> (4.77%)
City's total OPEB liability	\$ 5,336,504	\$ 4,664,435	\$ 4,102,221

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

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

	<u>1% Decrease in</u> <u>Trend Rate</u>	<u>Current</u> <u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1% Increase in</u> <u>Trend Rate</u>
City's total OPEB liability	\$ 3,982,878	\$ 4,664,435	\$ 5,524,231

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$ 47,814.

Components of OPEB Expense for the Fiscal Year Ended September 30, 2024 –

Service cost	\$ 213,198
Interest	186,747
Projected earnings on pension plan investments	-
Amortization of differences between projected and actual earnings on plan investments	-
Amortization of changes of assumptions	(27,013)
Amortization of differences between expected and actual experience	(325,118)
Administrative expenses	-
Changes in benefit terms	-
Total OPEB expense	<u>\$ 47,814</u>

At September 30, 2024, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,803,734
Changes in assumptions	868,324	1,424,084
Contributions subsequent to the measurement date	<u>118,921</u>	<u>-</u>
Total	<u>\$ 987,245</u>	<u>\$ 3,227,818</u>

Deferred outflows of resources related to OPEB for RHCP resulting from contributions subsequent to the measurement date of \$ 118,921 will be recognized as a reduction of the total OPEB liability for the measurement year ending December 31, 2024 (i.e., recognized in the City’s financial statements September 30, 2025). Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expenses as follows:

<u>Measurement Year Ended December 31</u>	
2024	\$ (352,131)
2025	(352,131)
2026	(390,693)
2027	(361,440)
2028	(279,960)
Thereafter	<u>(623,139)</u>
Total	<u>\$ (2,359,494)</u>

CITY OF TEMPLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (Continued)

(1) Other Post-Employment Benefits Combined Data

For the year ended September 30, 2024, the City’s total OPEB liability and OPEB expense is as follows:

<u>Total OPEB Liability</u>	
Texas Municipal Retirement System - SDBF	\$ 2,356,175
Retiree Health Care Plan	4,664,435
Total OPEB Liability	<u>\$ 7,020,610</u>
<u>Deferred Outflows of Resources Related to OPEB</u>	
Texas Municipal Retirement System - SDBF	\$ 353,861
Retiree Health Care Plan	987,245
Total Deferred Outflows of Resources Related to OBEB	<u>\$ 1,341,106</u>
<u>Deferred Inflows of Resources Related to OPEB</u>	
Texas Municipal Retirement System - SDBF	\$ 800,446
Retiree Health Care Plan	3,227,818
Total Deferred Inflows of Resources Related to OBEB	<u>\$ 4,028,264</u>
<u>OPEB Expense</u>	
Texas Municipal Retirement System - SDBF	\$ 78,082
Retiree Health Care Plan	47,814
Total OPEB Expense	<u>\$ 125,896</u>

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

F. RELATED PARTY TRANSACTIONS

On October 5, 2023, the City awarded a construction contract to construct the Lorraine Avenue and Tower Road Water Line Extension to a council member in the amount of \$ 1,154,557. The actual cost of the construction contract was \$ 1,146,121. All payments except for retainage were paid by March 15, 2024. The final payment for retainage only was made on October 15, 2024.

G. SUBSEQUENT EVENTS

Management has reviewed and evaluated events and transactions through February 5, 2025, the date the financials statements were available to be issued. No events occurred that required recognition or disclosure in the financial statements.



REQUIRED SUPPLEMENTARY INFORMATION

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

	Measurement Year 2014*	Measurement Year 2015*	Measurement Year 2016*	Measurement Year 2017*	Measurement Year 2018*	Measurement Year 2019*	Measurement Year 2020*	Measurement Year 2021*	Measurement Year 2022*	Measurement Year 2023*
Total pension liability:										
Service cost	\$ 4,177,238	\$ 4,778,653	\$ 5,254,599	\$ 5,481,820	\$ 5,622,478	\$ 5,958,781	\$ 6,760,655	\$ 7,160,469	\$ 8,110,043	\$ 9,060,808
Interest	11,004,160	11,472,372	11,697,930	12,319,765	13,006,047	13,728,559	14,384,945	15,096,532	16,156,029	17,357,418
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(1,874,758)	467,238	635,118	1,184,000	1,142,305	(1,204,885)	(818,343)	3,332,299	4,097,042	3,969,174
Change in assumptions	-	68,221	-	-	-	520,228	-	-	-	(1,626,493)
Benefit payments, including refunds of employee contributions	(6,991,011)	(6,846,202)	(8,379,414)	(8,598,375)	(9,179,172)	(9,291,032)	(10,067,714)	(9,902,568)	(10,833,094)	(11,247,192)
Net change in total pension liability	6,315,629	9,940,282	9,208,233	10,387,210	10,591,658	9,711,651	10,259,543	15,686,732	17,530,020	17,513,715
Total pension liability - beginning	158,609,168	164,924,797	174,865,079	184,073,312	194,460,522	205,052,180	214,763,831	225,023,374	240,710,106	258,240,126
Total pension liability - ending (a)	\$ 164,924,797	\$ 174,865,079	\$ 184,073,312	\$ 194,460,522	\$ 205,052,180	\$ 214,763,831	\$ 225,023,374	\$ 240,710,106	\$ 258,240,126	\$ 275,753,841
Plan fiduciary net position:										
Contributions - employer	\$ 4,687,061	\$ 4,857,267	\$ 4,847,807	\$ 5,226,253	\$ 5,418,611	\$ 5,718,615	\$ 6,543,936	\$ 6,878,078	\$ 7,682,964	\$ 8,566,208
Contributions - employee	1,874,825	2,033,251	2,141,889	2,236,174	2,301,599	2,436,418	2,709,461	2,823,847	3,214,626	3,569,255
Net investment income	7,718,713	209,717	9,611,394	20,831,979	(5,088,354)	25,227,862	14,202,682	26,123,938	(16,509,434)	24,275,183
Benefit payments, including refunds of employee contributions	(6,991,011)	(6,846,202)	(8,379,414)	(8,598,375)	(9,179,172)	(9,291,032)	(10,067,714)	(9,902,568)	(10,833,094)	(11,247,192)
Administrative expense	(80,587)	(127,743)	(108,574)	(107,997)	(98,383)	(142,642)	(91,964)	(120,957)	(142,966)	(154,560)
Other	(6,626)	(6,309)	(5,850)	(5,474)	(5,141)	(4,285)	(3,588)	829	170,600	(1,080)
Net change in plan fiduciary net position	7,202,375	119,981	8,107,252	19,582,560	(6,650,840)	23,944,936	13,292,813	25,803,167	(16,417,304)	25,007,814
Plan fiduciary net position - beginning	134,928,884	142,131,259	142,251,240	150,358,492	169,941,052	163,290,212	187,235,148	200,527,961	226,331,128	209,913,824
Plan fiduciary net position - ending (b)	142,131,259	142,251,240	150,358,492	169,941,052	163,290,212	187,235,148	200,527,961	226,331,128	209,913,824	234,921,638
Net pension liability - ending (a) - (b)	\$ 22,793,538	\$ 32,613,839	\$ 33,714,820	\$ 24,519,470	\$ 41,761,968	\$ 27,528,683	\$ 24,495,413	\$ 14,378,978	\$ 48,326,302	\$ 40,832,203
Plan fiduciary net position as a percentage of total pension liability	86.18%	81.35%	81.68%	87.39%	79.63%	87.18%	89.11%	94.03%	81.29%	85.19%
Covered payroll	\$ 26,783,210	\$ 28,996,683	\$ 30,585,560	\$ 31,945,335	\$ 32,879,988	\$ 34,805,966	\$ 38,698,655	\$ 40,340,668	\$ 45,923,231	\$ 50,989,353
Net pension liability as a percentage of covered payroll	85.10%	112.47%	110.23%	76.75%	127.01%	79.09%	63.30%	35.64%	105.23%	80.08%

*As of December 31

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

Fiscal Year	Actuarially determined contribution	Contribution in relation to the actuarially determined contribution	Contribution excess (deficiency)	Covered payroll	Contributions as a percentage of covered payroll
2015	\$ 4,981,397	\$ 4,981,397	\$ -	\$ 29,438,972	16.92%
2016	4,870,468	4,870,468	-	30,345,108	16.05%
2017	5,108,422	5,108,422	-	31,447,836	16.24%
2018	5,401,115	5,401,115	-	32,829,410	16.45%
2019	5,630,457	5,630,457	-	34,245,953	16.44%
2020	6,121,136	6,121,136	-	36,432,610	16.80%
2021	6,664,361	6,664,361	-	39,173,524	17.01%
2022	7,512,631	7,512,631	-	44,681,606	16.81%
2023	8,317,414	8,317,414	-	49,562,288	16.78%
2024	9,588,132	9,588,132	-	55,551,875	17.26%

Texas Municipal Retirement System
Notes to Schedule:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.
Mortality Rates – Post Retirement	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates – Pre-Retirement	PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

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

Significant assumption differences for fiscal years prior to 2021:

Inflation	3.00% for fiscal years prior to 2016
Investment Rate of Return	7.00% for fiscal years prior to 2016
Mortality Rates	RP-2014 blue collar Combined Healthy Mortality Tables for males and for females adjusted backward to 2006 with Scale MP-2014 and projected with Scale MP-016.
Discount Rate	2.00% for fiscal years prior to 2021

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

	Measurement Year 2014*	Measurement Year 2015*	Measurement Year 2016*	Measurement Year 2017*	Measurement Year 2018*	Measurement Year 2019*	Measurement Year 2020*	Measurement Year 2021*	Measurement Year 2022*	Measurement Year 2023*
Total pension liability:										
Service cost	\$ 1,282,932	\$ 1,339,217	\$ 1,592,233	\$ 1,715,631	\$ 1,665,027	\$ 1,794,067	\$ 1,801,626	\$ 1,869,187	\$ 1,816,647	\$ 1,957,670
Interest	3,846,369	4,062,023	4,125,592	4,353,316	4,377,179	4,545,971	4,716,537	5,082,479	5,423,733	5,653,897
Changes of benefit terms	-	442,935	-	-	-	-	-	-	-	-
Difference between expected and actual experience	-	-	(770,412)	-	329,123	-	1,235,997	-	292,895	-
Change in assumptions	-	-	1,471,671	-	-	-	1,265,915	-	(5,646)	-
Benefit payments, including refunds of employee contributions	(2,625,283)	(3,240,391)	(3,359,067)	(3,641,902)	(4,448,915)	(3,937,803)	(4,340,570)	(4,255,919)	(4,474,155)	(4,923,434)
Net change in total pension liability	2,504,018	2,603,784	3,060,017	2,427,045	1,922,414	2,402,235	4,679,505	2,695,747	3,063,474	2,688,133
Total pension liability - beginning	48,109,317	50,613,335	53,217,119	56,277,136	58,704,181	60,626,595	63,028,830	67,708,335	70,404,082	73,457,556
Total pension liability - ending (a)	\$ 50,613,335	\$ 53,217,119	\$ 56,277,136	\$ 58,704,181	\$ 60,626,595	\$ 63,028,830	\$ 67,708,335	\$ 70,404,082	\$ 73,457,556	\$ 76,145,689
Plan fiduciary net position:										
Contributions - employer	\$ 1,111,042	\$ 1,222,221	\$ 1,246,449	\$ 1,299,059	\$ 1,316,481	\$ 1,311,459	\$ 1,411,796	\$ 1,541,404	\$ 1,790,441	\$ 1,771,257
Contributions - employee	1,096,265	1,205,751	1,229,286	1,281,087	1,293,455	1,285,044	1,387,808	1,517,009	1,765,009	1,744,510
Net investment income (loss)	2,415,802	(1,348,337)	3,450,509	4,003,079	3,428,230	2,745,755	4,456,931	10,504,434	(9,264,398)	5,759,576
Benefit payments, including refunds of employee contributions	(2,625,283)	(3,240,391)	(3,359,067)	(3,641,902)	(4,448,915)	(3,937,803)	(4,340,570)	(4,255,919)	(4,474,155)	(4,923,434)
Administrative expense	(68,151)	(85,189)	(92,392)	(101,321)	(47,886)	(78,271)	(67,661)	(72,628)	(64,364)	(81,205)
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	1,929,675	(2,245,945)	2,474,785	2,840,002	1,541,365	1,326,184	2,848,304	9,234,300	(10,237,467)	4,270,704
Plan fiduciary net position - beginning	37,703,887	39,633,562	37,387,617	39,862,402	42,702,404	44,243,769	45,569,953	48,418,257	57,652,557	47,415,090
Plan fiduciary net position - ending (b)	39,633,562	37,387,617	39,862,402	42,702,404	44,243,769	45,569,953	48,418,257	57,652,557	47,415,090	51,685,794
Net pension liability - ending (a) - (b)	\$ 10,979,773	\$ 15,829,502	\$ 16,414,734	\$ 16,001,777	\$ 16,382,826	\$ 17,458,877	\$ 19,290,078	\$ 12,751,525	\$ 26,042,466	\$ 24,459,895
Plan fiduciary net position as a percentage of total pension liability	78.31%	70.25%	70.83%	72.74%	72.98%	72.30%	71.51%	81.89%	64.55%	67.88%
Covered payroll	\$ 7,308,427	\$ 8,038,340	\$ 8,195,240	\$ 8,540,580	\$ 8,623,033	\$ 8,566,960	\$ 9,252,053	\$ 9,481,306	\$ 11,031,306	\$ 10,903,188
Net pension liability as a percentage of covered payroll	150.23%	196.93%	200.30%	187.36%	189.99%	203.79%	208.50%	134.49%	236.08%	224.34%

* As of September 30

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

Fiscal Year	Actuarially determined contribution	Contribution in relation to the actuarially determined contribution	Contribution excess (deficiency)	Covered payroll	Contributions as a percentage of covered payroll
2015	\$ 1,222,757	\$ 1,222,757	\$ -	\$ 8,038,339	15.21%
2016	1,217,439	1,217,439	-	8,195,240	14.86%
2017	1,296,597	1,296,597	-	8,540,580	15.18%
2018	1,318,723	1,318,723	-	8,623,033	15.29%
2019	1,302,987	1,302,987	-	8,566,960	15.21%
2020	1,399,577	1,399,577	-	9,252,053	15.13%
2021	1,528,626	1,528,626	-	9,424,545	16.22%
2022	1,787,229	1,787,229	-	11,011,229	16.23%
2023	1,772,374	1,772,374	-	10,910,169	16.25%
2024	1,942,082	1,942,082	-	11,955,825	16.24%

Temple Firefighters' Relief and Retirement Fund
Notes to Schedule:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, open period
Remaining Amortization Period	25.6 years
Asset Valuation Method	Market value of assets
Inflation	2.75%
Salary Increases	3.75% plus promotion, step, and longevity increases that vary by service
Investment Rate of Return	7.75%, net pension plan investment expense, including inflation
Mortality	SOA Public Safety Mortality tables with generational mortality projection using Scale MP-2021.

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

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

There were no changes in assumptions or actuarial methods since the prior valuation.

Significant assumption differences for fiscal years prior to 2021:

Investment Rate of Return	8.00% for fiscal years prior to 2016
Inflation	2.75% for fiscal years prior to 2020; 3.75% in fiscal year 2020; 2.75% in fiscal year 2021
Mortality	RP-2000 Combined Healthy Lives Mortality Tables for males and for females projected to 2024 by scale AA for fiscal years prior to 2016. RP-2014 blue collar Combined Healthy Mortality Tables for males and for females adjusted backward to 2006 with Scale MP-2014 and projected with Scale MP-2016 prior to 2020. SOA Public Safety Mortality tables with generational mortality projection using Scale MP-2019 prior to 2021.

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

	Measurement Year 2017*	Measurement Year 2018*	Measurement Year 2019*	Measurement Year 2020*	Measurement Year 2021*	Measurement Year 2022*	Measurement Year 2023*
Total OPEB liability - SDBF:							
Service cost	\$ 76,669	\$ 88,776	\$ 83,534	\$ 119,966	\$ 149,260	\$ 165,324	\$ 86,682
Interest	69,658	70,624	79,076	70,606	60,301	59,535	88,915
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	-	9,009	(116,985)	(99,319)	(16,274)	(30,214)	(40,184)
Change in assumptions	159,536	(144,306)	397,960	395,527	98,611	(1,110,605)	114,595
Benefit payments, including refunds of employee contributions	(19,167)	(23,016)	(24,364)	(27,089)	(80,681)	(78,069)	(91,781)
Net change in total OPEB liability	286,696	1,087	419,221	459,691	211,217	(994,029)	158,227
Total OPEB liability - beginning	1,814,065	2,100,761	2,101,848	2,521,069	2,980,760	3,191,977	2,197,948
Total OPEB liability - ending	<u>\$ 2,100,761</u>	<u>\$ 2,101,848</u>	<u>\$ 2,521,069</u>	<u>\$ 2,980,760</u>	<u>\$ 3,191,977</u>	<u>\$ 2,197,948</u>	<u>\$ 2,356,175</u>
Covered-employee payroll	\$ 31,945,335	\$ 32,879,988	\$ 34,805,966	\$ 38,698,655	\$ 40,340,668	\$ 45,923,231	\$ 50,989,353
Total OPEB liability as a percentage of covered payroll	6.58%	6.39%	7.24%	7.70%	7.91%	4.79%	4.62%

*As of December 31

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

Fiscal Year	Actuarially determined contribution	Contribution in relation to the actuarially determined contribution	Contribution excess (deficiency)	Covered payroll	Contributions as a percentage of covered- employee payroll
2016	\$ 21,242	\$ 21,242	\$ -	\$ 30,345,108	0.07%
2017	18,869	18,869	-	31,447,836	0.06%
2018	22,160	22,160	-	32,829,410	0.07%
2019	23,972	23,972	-	34,245,953	0.07%
2020	25,503	25,503	-	36,432,610	0.07%
2021	64,671	64,671	-	39,173,524	0.17%
2022	79,465	79,465	-	44,681,606	0.18%
2023	87,919	87,919	-	49,562,288	0.18%
2024	87,635	87,635	-	55,551,875	0.00%

Supplemental Death Benefit Fund
Notes to Schedule:

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

Methods and Assumptions Used to Determine Contribution Rates:

Inflation	2.50% per year
Salary Increases	3.50% to 11.50% including inflation
Discount Rate*	4.05%
Retirees' Share of Benefit-Related Costs	\$ 0
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements for GASB Statement No. 68.
Mortality Rates – Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP.
Mortality Rates – Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.50% and a 3.00% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

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

Note: The actuarial assumptions used in the December 31, 2022, valuation was based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

No assets have been accumulated in a trust to pay related benefits for the plan.

Significant assumption differences for fiscal years prior to 2021:

Discount Rate	2.75% for fiscal years prior to 2020; 2.00% for fiscal year 2021; 1.84% for fiscal year 2022
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**Retiree Health Care Plan
Schedule of Changes in Total OPEB Liability and Related Ratios
(Unaudited)**

	Measurement Year 2017*	Measurement Year 2018*	Measurement Year 2019*	Measurement Year 2020*	Measurement Year 2021*	Measurement Year 2022*	Measurement Year 2023*
Total OPEB liability - RHCP:							
Service cost	\$ 257,976	\$ 302,192	\$ 285,093	\$ 304,598	\$ 397,966	\$ 338,679	\$ 213,198
Interest	224,587	218,073	242,260	167,239	141,849	111,556	186,747
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	-	(16,542)	(1,208,893)	(536)	(1,379,702)	(4,188)	(360,018)
Change in assumptions	397,198	(336,351)	441,074	690,214	18,720	(1,671,461)	196,731
Benefit payments, including refunds of employee contributions	(206,788)	(209,691)	(224,764)	(210,764)	(183,628)	(173,969)	(153,311)
Net change in total OPEB liability	672,973	(42,319)	(465,230)	950,751	(1,004,795)	(1,399,383)	83,347
Total OPEB liability (RHCP) - beginning	5,869,091	6,542,064	6,499,745	6,034,515	6,985,266	5,980,471	4,581,088
Total OPEB liability (RHCP) - ending	<u>\$ 6,542,064</u>	<u>\$ 6,499,745</u>	<u>\$ 6,034,515</u>	<u>\$ 6,985,266</u>	<u>\$ 5,980,471</u>	<u>\$ 4,581,088</u>	<u>\$ 4,664,435</u>
Covered-employee payroll	\$ 40,501,584	\$ 41,466,897	\$ 42,151,571	\$ 48,257,210	\$ 50,186,647	\$ 56,866,973	\$ 62,096,387
Total OPEB liability as a percentage of covered-employee payroll	16.15%	15.67%	14.32%	14.48%	11.92%	8.06%	7.51%

*As of December 31

**Retiree Health Care Plan
Schedule of Employer Contributions
(Unaudited)**

Fiscal Year	Actuarially determined contribution	Contribution in relation to the actuarially determined contribution	Contribution excess (deficiency)	Covered payroll	Contributions as a percentage of covered- employee payroll
2018	\$ 208,943	\$ 208,943	\$ -	\$ 41,452,443	0.50%
2019	210,890	210,890	-	42,812,913	0.49%
2020	226,387	226,387	-	45,684,663	0.50%
2021	219,854	219,854	-	48,598,069	0.45%
2022	149,657	149,657	-	55,692,835	0.27%
2023	168,959	168,959	-	60,472,457	0.28%
2024	143,653	143,653	-	67,507,700	0.00%

**Retiree Health Care Plan
Notes to Schedule:**

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

Methods and Assumptions Used to Determine Contribution Rates:

Inflation	2.50% per year
Salary Increases	TMRS - 3.50% to 11.50%, including inflation Firefighters - 3.75% to 9.46%, including inflation
Discount Rate	4.05% as of December 31, 2022
Demographic Assumptions - TMRS	Based on the experience study covering the four-year period ending December 31, 2018, as conducted for the Texas Municipal Retirement System (TMRS).
Demographic Assumptions - Firefighters	Based on the September 30, 2020, actuarial valuation report for the City of Temple Firefighters' Relief and Retirement Fund.
Health Care Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 13 years.
Mortality Rates – TMRS	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.
Mortality Rates – Firefighters	The gender-distinct PubS-2010 Public Retirement Plans mortality tables adjusted backward to 2006 are used. The rates are projected on a fully generational basis scale MP-2019 to account for future mortality improvements.

Participation Rates –

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

NONMAJOR GOVERNMENTAL FUNDS

COMBINING FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

HOTEL/MOTEL TAX FUND

To account for the accumulation of resources from the hotel/motel tax assessment levied by the City. These monies are to be spent to promote the progress, development or growth of the City within the guidelines set forth on disposition of revenue collected under the authority of the Texas Hotel Occupancy Tax Act.

FEDERAL/STATE GRANT FUND

To account for revenues received from award of federal and state grants. Such revenues are restricted to expenditures as specified in the applicable grant.

DRAINAGE FUND

To account for the levy and utilization of a municipal drainage fee. Revenues are restricted to expenditures for maintenance of the City's drainage system.

TEMPLE REVITALIZATION CORPORATION

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

CITY OF TEMPLE, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2024

	Special Revenue				Total Nonmajor Governmental Funds
	Hotel/ Motel	Federal/State Grant	Drainage	Temple Revitalization Corporation	
ASSETS					
Cash	\$ 4,500	\$ -	\$ -	\$ -	\$ 4,500
Investments	2,956,797	-	2,886,642	159,565	6,003,004
Receivables, net	264,825	-	170,433	-	435,258
Due from other governments	-	5,233,171	-	-	5,233,171
Inventories	8,037	-	-	-	8,037
Prepaid items	17,335	2,567	3,505	-	23,407
Other assets	18,561	-	-	-	18,561
Total assets	<u>\$ 3,270,055</u>	<u>\$ 5,235,738</u>	<u>\$ 3,060,580</u>	<u>\$ 159,565</u>	<u>\$ 11,725,938</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Vouchers and contracts payable	\$ 102,458	\$ 942,484	\$ 46,284	\$ 2,393	\$ 1,093,619
Retainage payable	-	458,197	-	-	458,197
Accrued payroll	76,682	243	54,954	-	131,879
Vacation and sick leave payable	20,278	-	16,323	-	36,601
Deposits	91,205	-	-	-	91,205
Due to other funds	-	3,834,814	-	-	3,834,814
Total liabilities	<u>290,623</u>	<u>5,235,738</u>	<u>117,561</u>	<u>2,393</u>	<u>5,646,315</u>
Fund Balances:					
Nonspendable:					
Inventory and prepaid items	25,372	-	3,505	-	28,877
Restricted for:					
Museum	17,581	-	-	-	17,581
Other purposes	2,936,479	-	-	-	2,936,479
Committed to:					
Drainage	-	-	2,939,514	-	2,939,514
Economic and community development activities	-	-	-	157,172	157,172
Total fund balances	<u>2,979,432</u>	<u>-</u>	<u>2,943,019</u>	<u>157,172</u>	<u>6,079,623</u>
Total liabilities and fund balances	<u>\$ 3,270,055</u>	<u>\$ 5,235,738</u>	<u>\$ 3,060,580</u>	<u>\$ 159,565</u>	<u>\$ 11,725,938</u>

CITY OF TEMPLE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2024

	<u>Special Revenue</u>				Total Nonmajor Governmental Funds
	Hotel/ Motel	Federal/State Grant	Drainage	Temple Revitalization Corporation	
Revenues:					
Taxes	\$ 2,957,668	\$ -	\$ -	\$ -	\$ 2,957,668
Intergovernmental	-	12,419,386	16,944	-	12,436,330
Drainage fees	-	-	3,099,572	-	3,099,572
Charges for services	569,008	-	-	-	569,008
Interest and other	161,335	-	177,088	-	338,423
Total revenues	<u>3,688,011</u>	<u>12,419,386</u>	<u>3,293,604</u>	<u>-</u>	<u>19,401,001</u>
Expenditures:					
General government	-	2,049,956	-	384,884	2,434,840
Public safety	-	242,331	-	-	242,331
Highways and streets	-	9,163,931	2,022,450	-	11,186,381
Sanitation	-	15,000	-	-	15,000
Health and welfare	-	1,001,880	-	-	1,001,880
Culture and leisure services	3,692,571	-	-	-	3,692,571
Debt Service:					
Principal	20,534	19,526	-	-	40,060
Interest	1,358	2,074	-	-	3,432
Total expenditures	<u>3,714,463</u>	<u>12,494,698</u>	<u>2,022,450</u>	<u>384,884</u>	<u>18,616,495</u>
Excess (deficiency) of revenues over expenditures	<u>(26,452)</u>	<u>(75,312)</u>	<u>1,271,154</u>	<u>(384,884)</u>	<u>784,506</u>
Other financing sources (uses):					
Transfers in - General Fund	-	75,312	-	459,263	534,575
Transfers out - General Fund	-	-	(334,630)	-	(334,630)
Transfers out - Debt Service Fund	(67,551)	-	(780,856)	-	(848,407)
Total other financing sources (uses)	<u>(67,551)</u>	<u>75,312</u>	<u>(1,115,486)</u>	<u>459,263</u>	<u>(648,462)</u>
Net change in fund balances	(94,003)	-	155,668	74,379	136,044
Fund balances, beginning of year	3,073,435	-	2,787,351	82,793	5,943,579
Fund balances, end of year	<u>\$ 2,979,432</u>	<u>\$ -</u>	<u>\$ 2,943,019</u>	<u>\$ 157,172</u>	<u>\$ 6,079,623</u>





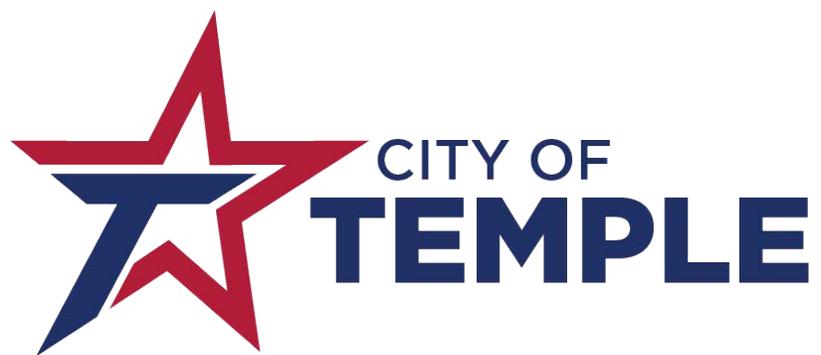
**DISCRETELY PRESENTED
COMPONENT UNIT
FINANCIAL STATEMENTS
REINVESTMENT ZONE NO. 1**

CITY OF TEMPLE, TEXAS
REINVESTMENT ZONE NO. 1
COMPARATIVE BALANCE SHEETS
September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
ASSETS			
Current assets:			
Investments	\$ 21,834,416	\$ 17,885,888	\$ 3,948,528
Receivables (net of allowance for estimated uncollectible):			
Ad valorem taxes	1,471,656	395,734	1,075,922
Accounts receivable	16,983	30,947	(13,964)
Total current assets	<u>23,323,055</u>	<u>18,312,569</u>	<u>5,010,486</u>
Restricted assets:			
Reserve for debt service	5,387,777	5,384,977	2,800
Bond proceeds	56,426,569	84,511,282	(28,084,713)
Total restricted assets	<u>61,814,346</u>	<u>89,896,259</u>	<u>(28,081,913)</u>
 Total assets	 <u>\$ 85,137,401</u>	 <u>\$ 108,208,828</u>	 <u>\$ (23,071,427)</u>
LIABILITIES AND FUND BALANCES			
Current liabilities:			
Vouchers and contracts payable	\$ 898,271	\$ 991,524	\$ (93,253)
Retainage payable	-	32,272	(32,272)
Unearned revenues	1,471,656	395,734	1,075,922
Total current liabilities	<u>2,369,927</u>	<u>1,419,530</u>	<u>950,397</u>
Liabilities from restricted assets:			
Vouchers and contracts payable	4,368,983	2,848,221	1,520,762
Retainage payable	1,380,554	2,210,141	(829,587)
Total liabilities from restricted assets	<u>5,749,537</u>	<u>5,058,362</u>	<u>691,175</u>
Total liabilities	<u>8,119,464</u>	<u>6,477,892</u>	<u>1,641,572</u>
 Fund Balance:			
Restricted for:			
Debt service	5,387,777	5,384,977	2,800
Arbitrage	1,050,708	-	1,050,708
Construction	50,677,032	79,452,920	(28,775,888)
Committed to:			
Reinvestment Zone No. 1 Projects	19,902,420	16,893,039	3,009,381
Total fund balance	<u>77,017,937</u>	<u>101,730,936</u>	<u>(24,712,999)</u>
Total liabilities and fund balances	<u>\$ 85,137,401</u>	<u>\$ 108,208,828</u>	<u>\$ (23,071,427)</u>

CITY OF TEMPLE, TEXAS
REINVESTMENT ZONE NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Taxes	\$ 29,842,805	\$ 29,842,805	\$ 29,548,482	\$ (294,323)	\$ 24,176,236
Intergovernmental	5,050,000	80,330	80,330	-	50,000
Licenses and permits	150,000	150,000	322,967	172,967	258,432
Interest and other	8,520,000	8,020,000	9,400,914	1,380,914	4,088,114
Total revenues	<u>43,562,805</u>	<u>38,093,135</u>	<u>39,352,693</u>	<u>1,259,558</u>	<u>28,572,782</u>
Expenditures:					
General government	4,893,351	7,791,843	5,146,622	2,645,221	5,107,912
TEDC land purchases	-	10,500,000	10,500,000	-	-
Capital outlay	31,878,016	94,989,508	38,640,684	56,348,824	40,279,061
Debt service:					
Principal retirement	4,350,000	4,350,000	4,350,000	-	4,195,000
Interest and fiscal charges	7,128,409	7,128,409	7,128,386	23	5,494,876
Bond issuance costs	-	-	-	-	139,845
Total expenditures	<u>48,249,776</u>	<u>124,759,760</u>	<u>65,765,692</u>	<u>58,994,068</u>	<u>55,216,694</u>
Excess (deficiency) of revenues over expenditures	<u>(4,686,971)</u>	<u>(86,666,625)</u>	<u>(26,412,999)</u>	<u>60,253,626</u>	<u>(26,643,912)</u>
Other financing sources (uses):					
Bond proceeds	-	1,700,000	1,700,000	-	38,360,000
Original issue premium	-	-	-	-	2,261,093
Bond discount	-	-	-	-	(479,664)
Total other financing sources (uses)	<u>-</u>	<u>1,700,000</u>	<u>1,700,000</u>	<u>-</u>	<u>40,141,429</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(4,686,971)</u>	<u>(84,966,625)</u>	<u>(24,712,999)</u>	<u>60,253,626</u>	<u>13,497,517</u>
Fund balance, beginning of year	101,730,936	101,730,936	101,730,936	-	88,233,419
Fund balance, end of year	<u>\$ 97,043,965</u>	<u>\$ 16,764,311</u>	<u>\$ 77,017,937</u>	<u>\$ 60,253,626</u>	<u>\$101,730,936</u>





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

CITY OF TEMPLE, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
Revenues:					
Taxes	\$ 25,776,845	\$ 25,776,845	\$ 25,211,002	\$ (565,843)	\$ 20,609,761
Intergovernmental	1,348,047	1,348,047	1,422,034	73,987	1,348,047
Interest and other	431,200	431,200	677,925	246,725	409,178
Total revenues	<u>27,556,092</u>	<u>27,556,092</u>	<u>27,310,961</u>	<u>(245,131)</u>	<u>22,366,986</u>
Expenditures:					
Debt Service:					
Principal	17,586,507	17,586,507	17,527,936	58,571	15,561,217
Interest and fiscal charges	12,984,373	12,984,373	11,225,777	1,758,596	9,663,520
Total expenditures	<u>30,570,880</u>	<u>30,570,880</u>	<u>28,753,713</u>	<u>1,817,167</u>	<u>25,224,737</u>
Deficiency of revenues over expenditures	<u>(3,014,788)</u>	<u>(3,014,788)</u>	<u>(1,442,752)</u>	<u>1,572,036</u>	<u>(2,857,751)</u>
Other financing sources:					
Transfers in - General Fund	2,166,379	2,166,379	2,155,318	(11,061)	1,935,673
Transfers in - Drainage Fund	780,857	780,857	780,856	(1)	778,856
Transfers in - Hotel/Motel Fund	67,552	67,552	67,551	(1)	67,551
Total other financing sources	<u>3,014,788</u>	<u>3,014,788</u>	<u>3,003,725</u>	<u>(11,063)</u>	<u>2,782,080</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	-	-	1,560,973	1,560,973	(75,671)
Fund balance, beginning of year	91,422	91,422	91,422	-	167,093
Fund balance, end of year	<u>\$ 91,422</u>	<u>\$ 91,422</u>	<u>\$ 1,652,395</u>	<u>\$ 1,560,973</u>	<u>\$ 91,422</u>

CITY OF TEMPLE, TEXAS

HOTEL-MOTEL FUND

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

For the year ended September 30, 2024

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

	2024			2023	
	Original Budget	Amended Budget	Actual	Variance with Budget	Actual
Revenues:					
Taxes	\$ 2,803,176	\$ 2,835,733	\$ 2,957,668	\$ 121,935	\$ 2,713,494
Charges for services					
Civic center and Visitor center	444,700	448,700	500,649	51,949	579,719
Museum	56,500	56,500	68,359	11,859	75,679
Interest and other	102,714	102,714	161,335	58,621	111,622
Total revenues	<u>3,407,090</u>	<u>3,443,647</u>	<u>3,688,011</u>	<u>244,364</u>	<u>3,480,514</u>
Expenditures:					
Civic center	1,581,882	1,667,629	1,143,629	(524,000)	1,121,332
Railroad museum	705,317	705,317	621,225	(84,092)	694,791
Tourism marketing	1,049,189	2,137,893	1,927,717	(210,176)	937,342
Debt Service:					
Principal	2,996	20,534	20,534	-	44,167
Interest	154	1,359	1,358	(1)	1,495
Total expenditures	<u>3,339,538</u>	<u>4,532,732</u>	<u>3,714,463</u>	<u>(818,269)</u>	<u>2,799,127</u>
Excess (deficiency) of revenues over expenditures	<u>67,552</u>	<u>(1,089,085)</u>	<u>(26,452)</u>	<u>1,062,633</u>	<u>681,387</u>
Other financing sources (uses):					
Transfers out - Debt Service Fund	(67,552)	(67,552)	(67,551)	1	(67,551)
Subscription Proceeds	-	-	-	-	73,708
Total other financing sources (uses)	<u>(67,552)</u>	<u>(67,552)</u>	<u>(67,551)</u>	<u>1</u>	<u>6,157</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	(1,156,637)	(94,003)	1,062,634	687,544
Fund balance, beginning of year	<u>3,073,435</u>	<u>3,073,435</u>	<u>3,073,435</u>	<u>-</u>	<u>2,385,891</u>
Fund balance, end of year	<u>\$ 3,073,435</u>	<u>\$ 1,916,798</u>	<u>\$ 2,979,432</u>	<u>\$ 1,062,634</u>	<u>\$ 3,073,435</u>

CITY OF TEMPLE, TEXAS
FEDERAL/STATE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
Revenues:					
Intergovernmental	\$ 778,505	\$ 22,586,897	\$ 12,419,386	\$ (10,167,511)	\$ 5,782,901
Total revenues	<u>778,505</u>	<u>22,586,897</u>	<u>12,419,386</u>	<u>(10,167,511)</u>	<u>5,782,901</u>
Expenditures:					
Current:					
General government	408,413	2,098,376	2,049,956	48,420	3,845,539
Public safety	104,099	272,656	242,331	30,325	239,451
Highways and streets	-	15,961,451	9,163,931	6,797,520	728,320
Sanitation	-	15,000	15,000	-	12,000
Health and welfare	265,993	2,716,833	1,001,880	1,714,953	1,367,994
Culture and leisure services	-	-	-	-	-
Airport	-	2,635,800	-	2,635,800	-
Debt Service:					
Principal	-	19,526	19,526	-	18,880
Interest	-	2,074	2,074	-	2,720
Total expenditures	<u>778,505</u>	<u>23,721,716</u>	<u>12,494,698</u>	<u>11,227,018</u>	<u>6,214,904</u>
Deficiency of revenues over expenditures	-	(1,134,819)	(75,312)	1,059,507	(432,003)
Other financing sources :					
Transfers in - General Fund	-	231,927	75,312	(156,615)	38,678
Transfers in - Capital Projects	-	902,892	-	(902,892)	292,240
Subscription proceeds	-	-	-	-	101,085
Total other financing sources	<u>-</u>	<u>1,134,819</u>	<u>75,312</u>	<u>(1,059,507)</u>	<u>432,003</u>
Excess of revenues and other financing sources over expenditures and other financing sources	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF TEMPLE, TEXAS

DRAINAGE FUND

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

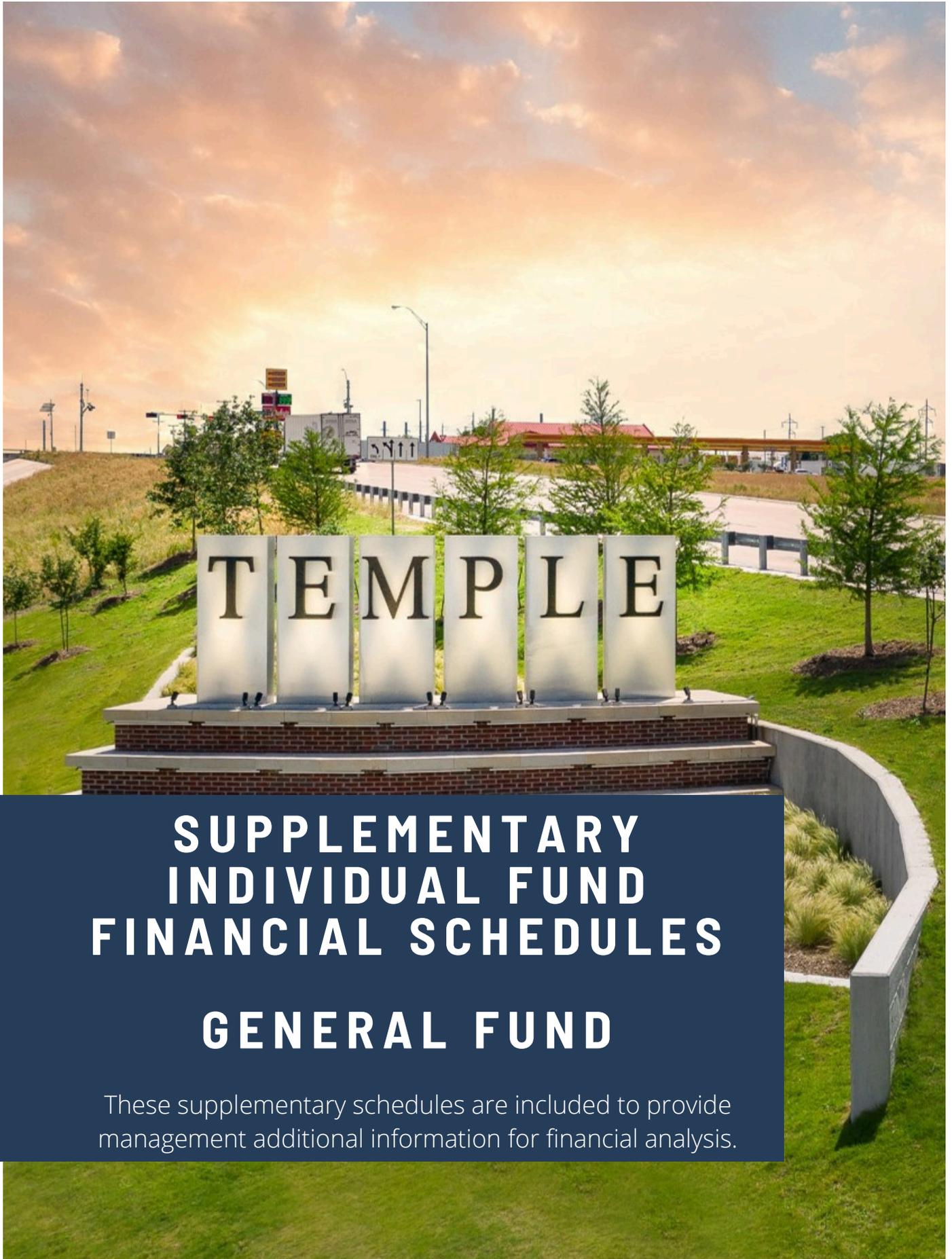
For the year ended September 30, 2024

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

	2024				2023
	Original Budget	Amended Budget	Actual	Variance with Budget	Actual
Revenues:					
Drainage fees	\$ 3,048,907	\$ 3,048,907	\$ 3,099,572	\$ 50,665	\$ 3,045,945
Intergovernmental	-	5,826	16,944	11,118	-
Interest and other	138,038	138,038	177,088	39,050	134,231
Total revenues	<u>3,186,945</u>	<u>3,192,771</u>	<u>3,293,604</u>	<u>100,833</u>	<u>3,180,176</u>
Expenditures:					
Drainage					
Personnel services	1,388,373	1,392,105	1,190,406	(201,699)	1,236,437
Operations	379,654	474,758	295,732	(179,026)	268,389
Capital outlay	303,431	949,591	536,312	(413,279)	933,319
Total expenditures	<u>2,071,458</u>	<u>2,816,454</u>	<u>2,022,450</u>	<u>(794,004)</u>	<u>2,438,145</u>
Excess (deficiency) of revenues over expenditures	<u>1,115,487</u>	<u>376,317</u>	<u>1,271,154</u>	<u>894,837</u>	<u>742,031</u>
Other financing sources (uses):					
Transfers out - General Fund	(334,630)	(334,630)	(334,630)	-	(321,516)
Transfers out - Debt Service Fund	<u>(780,857)</u>	<u>(780,857)</u>	<u>(780,856)</u>	<u>1</u>	<u>(778,856)</u>
Total other financing uses	<u>(1,115,487)</u>	<u>(1,115,487)</u>	<u>(1,115,486)</u>	<u>1</u>	<u>(1,100,372)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	(739,170)	155,668	894,838	(358,341)
Fund balance, beginning of year	<u>2,787,351</u>	<u>2,787,351</u>	<u>2,787,351</u>	-	<u>3,145,692</u>
Fund balance, end of year	<u>\$ 2,787,351</u>	<u>\$ 2,048,181</u>	<u>\$ 2,943,019</u>	<u>\$ 894,838</u>	<u>\$ 2,787,351</u>

CITY OF TEMPLE, TEXAS
TEMPLE REVITALIZATION CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)

	<u>2024</u>			<u>2023</u>	
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
City of Temple - Contributed Capital, Land	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Other services	8,800	6,614	6,613	1	218
Contracted services	285,000	132,494	66,244	66,250	67,518
Capital outlay	50,000	375,272	312,027	63,245	310,546
Total expenditures	<u>343,800</u>	<u>514,380</u>	<u>384,884</u>	<u>129,496</u>	<u>378,282</u>
Deficiency of revenues over expenditures	<u>(343,800)</u>	<u>(514,380)</u>	<u>(384,884)</u>	<u>129,496</u>	<u>(378,282)</u>
Other financing sources:					
Transfers in - General Fund	343,800	459,263	459,263	-	433,400
Total other financing sources	<u>343,800</u>	<u>459,263</u>	<u>459,263</u>	<u>-</u>	<u>433,400</u>
Excess of revenues and other financing sources over expenditures	-	(55,117)	74,379	129,496	55,118
Fund balance, beginning of year	<u>82,793</u>	<u>82,793</u>	<u>82,793</u>	<u>-</u>	<u>27,675</u>
Fund balance, end of year	<u>\$ 82,793</u>	<u>\$ 27,676</u>	<u>\$ 157,172</u>	<u>\$ 129,496</u>	<u>\$ 82,793</u>



SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL SCHEDULES

GENERAL FUND

These supplementary schedules are included to provide management additional information for financial analysis.

CITY OF TEMPLE, TEXAS
GENERAL FUND
COMPARATIVE BALANCE SHEETS
September 30, 2024 and 2023

ASSETS	2024	2023	Increase (Decrease)
Current Assets:			
Cash	\$ 5,300	\$ 5,200	\$ 100
Investments	52,971,910	53,433,051	(461,141)
Receivables (net of allowance for estimated uncollectible):			
State sales tax	3,088,359	3,016,454	71,905
Accounts	1,698,853	1,664,539	34,314
Franchise fees	170,386	192,298	(21,912)
Ad valorem taxes	437,094	427,248	9,846
Leases	20,081,862	16,518,809	3,563,053
Due from other funds	3,834,814	-	3,834,814
Due from other governments	4,658,220	474,740	4,183,480
Inventories	447,839	557,010	(109,171)
Prepaid items	792,743	828,982	(36,239)
Total current assets	<u>88,187,380</u>	<u>77,118,331</u>	<u>11,069,049</u>
Restricted Assets:			
Drug enforcement	173,845	124,792	49,053
Public safety	30,343	29,201	1,142
R.O.W. escrow	25,392	24,076	1,316
Parks escrow	1,098,360	1,046,999	51,361
Rob Roy MacGregor Trust - Library	359	341	18
Hillcrest Cemetery	277,848	263,452	14,396
Total restricted assets	<u>1,606,147</u>	<u>1,488,861</u>	<u>117,286</u>
Total assets	<u>\$ 89,793,527</u>	<u>\$ 78,607,192</u>	<u>\$ 11,186,335</u>

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
LIABILITIES			
Vouchers payable	\$ 5,162,021	\$ 4,406,175	\$ 755,846
Retainage payable	21,481	-	21,481
Accrued payroll	3,693,150	3,154,399	538,751
Vacation and sick leave payable	851,371	768,165	83,206
Deposits	58,983	54,319	4,664
Unearned revenues:			
Ad valorem taxes	409,509	399,663	9,846
R.O.W. escrow	25,392	24,076	1,316
Parks escrow	1,098,360	1,047,224	51,136
Electric franchise	2,801,764	2,059,035	742,729
Gas franchise	407,513	426,187	(18,674)
Other	1,161,424	330,821	830,603
Total liabilities	<u>15,690,968</u>	<u>12,670,064</u>	<u>3,020,904</u>
DEFERRED INFLOWS OF RESOURCES			
Lease related	<u>18,809,877</u>	<u>15,614,871</u>	<u>3,195,006</u>
Total deferred inflows of resources	<u>18,809,877</u>	<u>15,614,871</u>	<u>3,195,006</u>
FUND BALANCES			
Fund Balance:			
Nonspendable:			
Inventories, prepaid items and leases	2,512,565	2,289,930	222,635
Restricted for:			
Drug enforcement	173,845	124,792	49,053
Public safety	30,343	29,201	1,142
Rob Roy MacGregor Trust - Library	359	341	18
Municipal court restricted fees	231,358	191,445	39,913
Vital statistics preservation fund	56,235	45,496	10,739
Public education channel	201,965	146,090	55,875
Hillcrest Cemetery	277,848	263,452	14,396
Opioid settlement	23,201	58,381	(35,180)
Assigned to:			
Technology replacement	575,000	555,011	19,989
Capital projects	12,592,170	10,298,695	2,293,475
Self-funded health insurance	-	2,000,000	(2,000,000)
Purchases on order	8,624,907	7,601,167	1,023,740
Unassigned	<u>29,992,886</u>	<u>26,718,256</u>	<u>3,274,630</u>
Total fund balance	<u>55,292,682</u>	<u>50,322,257</u>	<u>4,970,425</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 89,793,527</u>	<u>\$ 78,607,192</u>	<u>\$ 11,186,335</u>

CITY OF TEMPLE, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)

	2024				2023
	Original Budget	Amended Budget	Actual	Variance with Budget	Actual
Revenues:					
Taxes	\$63,977,702	\$63,977,702	\$61,894,578	\$ (2,083,124)	\$58,330,680
Franchise fees	9,249,257	9,293,552	9,662,354	368,802	8,965,302
Licenses and permits	1,247,100	1,437,100	1,864,977	427,877	1,626,105
Intergovernmental	42,000	14,408,471	14,242,426	(166,045)	532,993
Charges for services	37,588,562	38,988,799	38,871,966	(116,833)	36,541,616
Fines	1,395,514	1,447,348	1,219,810	(227,538)	1,287,461
Interest and other	3,911,963	5,847,826	5,339,458	(508,368)	3,953,837
Total revenues	<u>117,412,098</u>	<u>135,400,798</u>	<u>133,095,569</u>	<u>(2,305,229)</u>	<u>111,237,994</u>
Expenditures:					
General government	27,255,652	29,501,180	26,034,540	3,466,640	22,597,084
Public safety	49,395,465	62,343,480	57,615,926	4,727,554	42,014,127
Highways and streets	6,271,291	6,661,219	5,812,231	848,988	4,367,198
Sanitation	11,816,502	19,008,461	18,271,232	737,229	11,480,699
Parks and recreation	21,164,713	22,483,108	18,711,544	3,771,564	16,481,969
Airport	4,293,711	4,365,268	3,959,980	405,288	3,942,325
Debt Service:					
Principal	45,997	1,364,151	1,364,149	2	732,410
Interest	2,368	302,242	302,239	3	21,861
Total expenditures	<u>120,245,699</u>	<u>146,029,109</u>	<u>132,071,841</u>	<u>13,957,268</u>	<u>101,637,673</u>
Excess (deficiency) of revenues over expenditures	<u>(2,833,601)</u>	<u>(10,628,311)</u>	<u>1,023,728</u>	<u>11,652,039</u>	<u>9,600,321</u>
Other financing sources (uses):					
Transfers in:					
Transfers in - Drainage Fund	334,630	334,630	334,630	-	321,516
Transfers out:					
Transfers out - Grant Fund	-	(231,927)	(75,312)	156,615	(38,678)
Transfers out - Capital Projects	-	(4,531,919)	(2,064,816)	2,467,103	(3,098,863)
Transfers out - Debt Service Fund	(2,166,379)	(2,166,379)	(2,155,318)	11,061	(1,935,673)
Transfers out - Temple Revitalization Corporation	(343,800)	(459,263)	(459,263)	-	(433,400)
Lease proceeds	-	2,483,778	2,483,777	(1)	-
Subscription proceeds	-	5,883,001	5,882,999	(2)	358,600
Total other financing sources (uses)	<u>(2,175,549)</u>	<u>1,311,921</u>	<u>3,946,697</u>	<u>2,634,776</u>	<u>(4,826,498)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(5,009,150)</u>	<u>(9,316,390)</u>	<u>4,970,425</u>	<u>14,286,815</u>	<u>4,773,823</u>
Fund balance, beginning of year	<u>50,322,257</u>	<u>50,322,257</u>	<u>50,322,257</u>	<u>-</u>	<u>45,548,434</u>
Fund balance, end of year	<u>\$45,313,107</u>	<u>\$41,005,867</u>	<u>\$55,292,682</u>	<u>\$14,286,815</u>	<u>\$50,322,257</u>

CITY OF TEMPLE, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)

	2024				2023
	Original Budget	Amended Budget	Actual	Variance with Budget	Actual
Taxes:					
Ad valorem:					
Property, current year	\$ 23,987,453	\$ 23,987,453	\$ 23,533,351	\$ (454,102)	\$ 21,314,067
Property, prior year	247,449	247,449	118,628	(128,821)	43,497
Penalty and interest	125,000	125,000	167,265	42,265	146,099
Total ad valorem taxes	24,359,902	24,359,902	23,819,244	(540,658)	21,503,663
Non-property taxes:					
City sales	39,320,000	39,320,000	37,769,286	(1,550,714)	36,496,375
Mixed beverage	235,000	235,000	275,291	40,291	260,833
Occupation	46,000	46,000	4,775	(41,225)	47,790
Bingo	16,800	16,800	25,982	9,182	22,019
Total non-property taxes	39,617,800	39,617,800	38,075,334	(1,542,466)	36,827,017
Total taxes	63,977,702	63,977,702	61,894,578	(2,083,124)	58,330,680
Franchise Fees:					
Electric franchise	4,355,000	4,355,000	4,897,921	542,921	4,014,040
Gas franchise	950,000	950,000	815,490	(134,510)	1,056,786
Telephone franchise	165,000	165,000	216,054	51,054	293,923
Cable franchise	755,000	799,295	678,155	(121,140)	771,088
Water/Wastewater franchise	2,939,257	2,939,257	2,939,257	-	2,710,262
Other	85,000	85,000	115,477	30,477	119,203
Total franchise fees	9,249,257	9,293,552	9,662,354	368,802	8,965,302
Licenses and permits:					
Building permits	795,000	920,000	1,148,891	228,891	1,056,894
Electrical permits and licenses	45,600	45,600	58,580	12,980	56,650
Mechanical	25,000	25,000	38,208	13,208	33,403
Plumbing permit fees	175,500	175,500	158,193	(17,307)	197,238
Other	206,000	271,000	461,105	190,105	281,920
Total licenses and permits	1,247,100	1,437,100	1,864,977	427,877	1,626,105
Intergovernmental revenues:					
Federal grants	-	13,988,501	13,716,116	(272,385)	3,753
State grants	-	377,970	484,310	106,340	487,240
State reimbursements	42,000	42,000	42,000	-	42,000
Total intergovernmental revenues	42,000	14,408,471	14,242,426	(166,045)	532,993

(Continued)

CITY OF TEMPLE, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)

(Continued)

	2024				2023
	Original Budget	Amended Budget	Actual	Variance with Budget	Actual
Charges for services:					
Library fees	\$ 6,000	\$ 6,000	\$ 13,811	\$ 7,811	\$ 15,565
Recreational entry fees	78,300	78,300	75,956	(2,344)	80,430
Summit recreational fees	344,200	345,700	365,579	19,879	356,718
Hillcrest cemetery	56,400	56,400	97,052	40,652	81,850
Crossroads park	43,250	43,250	36,720	(6,530)	35,795
Golf course revenues	1,118,000	1,327,158	1,510,415	183,257	1,480,277
Swimming pool	20,000	25,000	23,265	(1,735)	19,804
Lions Junction water park	465,000	548,600	516,445	(32,155)	459,054
Sammons indoor pool	62,500	113,500	115,774	2,274	95,919
Vital statistics	140,000	140,000	158,179	18,179	160,132
Police revenue	1,160,393	1,195,681	1,353,657	157,976	1,155,389
Contractual services					
-proprietary fund	6,952,078	6,952,078	6,949,825	(2,253)	6,407,329
County fire protection	9,000	9,000	20,987	11,987	29,889
Curb and street cuts	140,000	140,000	226,716	86,716	198,071
Other	-	-	105,818	105,818	66,613
Solid waste collection - residential	7,816,860	8,072,867	8,124,850	51,983	7,572,225
Solid waste collection - commercial	4,232,047	4,329,477	4,322,105	(7,372)	4,213,873
Solid waste collection - roll-off	3,857,970	4,391,577	4,450,436	58,859	4,392,389
Landfill contract	3,226,267	3,444,234	3,550,341	106,107	3,169,309
Airport sales and rental	3,832,066	3,837,166	3,712,677	(124,489)	3,892,019
Recreational services	2,019,920	970,299	863,524	(106,775)	838,283
Fire department	45,500	54,823	74,639	19,816	70,846
Subdivision fees	30,000	30,000	26,954	(3,046)	34,447
Reinvestment zone reimbursements	1,932,811	2,877,689	2,176,241	(701,448)	1,715,390
Total charges for services	37,588,562	38,988,799	38,871,966	(116,833)	36,541,616
Fines:					
Court	997,384	1,044,909	883,801	(161,108)	951,766
Animal services	45,000	45,000	56,639	11,639	52,031
Overparking	100,000	100,000	4,586	(95,414)	4,257
Administrative fees	253,130	257,439	274,784	17,345	279,407
Total fines	1,395,514	1,447,348	1,219,810	(227,538)	1,287,461
Interest and other:					
Interest	3,041,500	3,041,500	3,654,392	612,892	2,697,876
Lease and rental	171,322	171,322	161,857	(9,465)	146,013
Sale of assets	125,000	140,800	433,861	293,061	306,553
Insurance claims	143,000	1,432,903	476,858	(956,045)	149,783
Payment in lieu of taxes	19,380	19,380	19,510	130	19,296
Building rental - BOA bldg.	28,500	28,500	29,572	1,072	34,830
Other	383,261	1,013,421	563,408	(450,013)	599,486
Total Interest and other	3,911,963	5,847,826	5,339,458	(508,368)	3,953,837
Total revenues	\$117,412,098	\$135,400,798	\$133,095,569	\$ (2,305,229)	\$111,237,994

CITY OF TEMPLE, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)

	2024				2023
	Original Budget	Amended Budget	Actual	Variance with Budget	Actual
General government:					
City council	\$ 370,510	\$ 352,390	\$ 338,270	\$ 14,120	\$ 248,090
City manager	1,503,055	1,560,527	1,413,242	147,285	1,281,709
Housing & community development	587,535	649,292	637,647	11,645	604,249
Finance	2,751,539	3,120,136	2,906,686	213,450	2,550,351
Purchasing	760,018	804,251	802,230	2,021	831,494
City secretary	440,371	449,887	405,186	44,701	397,445
Special services	1,161,481	1,775,217	1,465,292	309,925	995,338
City attorney	1,515,636	1,524,478	1,337,962	186,516	1,272,625
City planning	1,191,665	1,510,516	1,274,196	236,320	934,906
Information technology services	5,926,412	5,381,393	4,960,888	420,505	4,740,635
People operations	1,829,536	1,796,794	1,649,862	146,932	1,265,605
Economic development	932,068	879,483	766,592	112,891	778,271
Fleet services	2,363,114	2,428,742	1,936,022	492,720	1,750,421
Inspections/Permits	1,416,784	1,652,695	1,476,475	176,220	1,136,444
Customer care	-	337,777	233,914	103,863	-
Facility services	2,399,505	3,051,687	2,374,995	676,692	1,956,986
Strategy & innovation	478,919	481,984	421,610	60,374	626,491
Communications and marketing	1,627,504	1,743,931	1,633,471	110,460	1,226,024
	<u>27,255,652</u>	<u>29,501,180</u>	<u>26,034,540</u>	<u>3,466,640</u>	<u>22,597,084</u>
Public safety:					
Municipal court	1,114,645	1,100,928	922,000	178,928	849,082
Police	27,044,786	37,181,550	34,125,149	3,056,401	21,637,340
Animal services	887,721	1,104,226	846,492	257,734	668,573
Fire	17,341,013	19,021,875	18,578,869	443,006	16,274,959
Communications	1,160,134	1,160,134	1,160,134	-	1,090,009
Code compliance	1,847,166	2,774,767	1,983,282	791,485	1,494,164
	<u>49,395,465</u>	<u>62,343,480</u>	<u>57,615,926</u>	<u>4,727,554</u>	<u>42,014,127</u>
Highways and streets:					
Streets	4,580,934	4,847,460	4,253,179	594,281	3,053,164
Traffic control	739,337	887,739	747,498	140,241	613,408
Engineering	951,020	926,020	811,554	114,466	700,626
	<u>6,271,291</u>	<u>6,661,219</u>	<u>5,812,231</u>	<u>848,988</u>	<u>4,367,198</u>
Sanitation:	<u>11,816,502</u>	<u>19,008,461</u>	<u>18,271,232</u>	<u>737,229</u>	<u>11,480,699</u>
Parks and recreation:					
Parks	8,826,756	9,958,795	7,878,518	2,080,277	7,283,582
Recreation	6,798,634	6,376,448	5,463,392	913,056	4,597,696
Administration	1,008,977	1,090,706	1,001,060	89,646	767,880
Golf course	2,035,190	2,265,237	2,029,589	235,648	1,696,756
Library	2,495,156	2,791,922	2,338,985	452,937	2,136,055
	<u>21,164,713</u>	<u>22,483,108</u>	<u>18,711,544</u>	<u>3,771,564</u>	<u>16,481,969</u>
Airport:	<u>4,293,711</u>	<u>4,365,268</u>	<u>3,959,980</u>	<u>405,288</u>	<u>3,942,325</u>
Debt service:	<u>48,365</u>	<u>1,666,393</u>	<u>1,666,388</u>	<u>5</u>	<u>754,271</u>
Totals	<u>\$120,245,699</u>	<u>\$146,029,109</u>	<u>\$132,071,841</u>	<u>\$ 13,957,268</u>	<u>\$101,637,673</u>

CITY OF TEMPLE, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)

	2024				2023
	Original Budget	Amended Budget	Actual	Variance with Budget	Actual
General government:					
City council:					
Personnel services	\$ 38,755	\$ 20,596	\$ 20,595	\$ 1	\$ 7,459
Operations	331,755	331,794	317,675	14,119	230,144
Capital outlay	-	-	-	-	10,487
	<u>370,510</u>	<u>352,390</u>	<u>338,270</u>	<u>14,120</u>	<u>248,090</u>
City manager:					
Personnel services	1,215,503	1,257,510	1,257,510	-	1,174,086
Operations	197,552	251,923	118,232	133,691	107,623
Capital outlay	90,000	51,094	37,500	13,594	-
	<u>1,503,055</u>	<u>1,560,527</u>	<u>1,413,242</u>	<u>147,285</u>	<u>1,281,709</u>
Housing & community development					
Personnel services	526,881	581,764	577,909	3,855	513,819
Operations	60,654	63,303	55,513	7,790	51,541
Capital outlay	-	4,225	4,225	-	38,889
	<u>587,535</u>	<u>649,292</u>	<u>637,647</u>	<u>11,645</u>	<u>604,249</u>
Finance:					
Personnel services	1,908,042	1,951,499	1,951,499	-	1,826,566
Operations	843,497	1,122,565	955,187	167,378	717,212
Capital outlay	-	46,072	-	46,072	6,573
	<u>2,751,539</u>	<u>3,120,136</u>	<u>2,906,686</u>	<u>213,450</u>	<u>2,550,351</u>
Purchasing:					
Personnel services	708,697	732,565	732,565	-	792,315
Operations	51,321	47,263	45,243	2,020	39,179
Capital outlay	-	24,423	24,422	1	-
	<u>760,018</u>	<u>804,251</u>	<u>802,230</u>	<u>2,021</u>	<u>831,494</u>
City secretary:					
Personnel services	364,094	373,718	373,197	521	353,771
Operations	76,277	76,169	31,989	44,180	43,674
	<u>440,371</u>	<u>449,887</u>	<u>405,186</u>	<u>44,701</u>	<u>397,445</u>
Special services:					
Personnel services	500,000	720,000	658,002	61,998	669,663
Operations	647,739	1,055,217	807,290	247,927	325,675
Capital outlay (contingency)	13,742	-	-	-	-
	<u>1,161,481</u>	<u>1,775,217</u>	<u>1,465,292</u>	<u>309,925</u>	<u>995,338</u>
City attorney:					
Personnel services	1,392,891	1,391,508	1,258,171	133,337	1,208,463
Operations	122,745	132,970	79,791	53,179	64,162
	<u>1,515,636</u>	<u>1,524,478</u>	<u>1,337,962</u>	<u>186,516</u>	<u>1,272,625</u>
City planning:					
Personnel services	998,011	1,027,946	1,027,946	-	902,220
Operations	193,654	482,570	246,250	236,320	32,686
	<u>1,191,665</u>	<u>1,510,516</u>	<u>1,274,196</u>	<u>236,320</u>	<u>934,906</u>
Information technology services:					
Personnel services	2,443,716	2,443,716	2,370,821	72,895	2,162,272
Operations	3,242,696	2,826,272	2,478,663	347,609	2,225,327
Capital outlay	240,000	111,405	111,404	1	353,036
	<u>5,926,412</u>	<u>5,381,393</u>	<u>4,960,888</u>	<u>420,505</u>	<u>4,740,635</u>

(Continued)

**CITY OF TEMPLE, TEXAS
GENERAL FUND**

(Continued)

**DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)**

	2024				2023
	Original Budget	Amended Budget	Actual	Variance with Budget	Actual
People operations:					
Personnel services	\$ 1,397,404	\$ 1,336,125	\$ 1,307,197	\$ 28,928	\$ 1,007,279
Operations	432,132	460,669	342,665	118,004	229,463
Capital outlay	-	-	-	-	28,863
	<u>1,829,536</u>	<u>1,796,794</u>	<u>1,649,862</u>	<u>146,932</u>	<u>1,265,605</u>
Economic development:					
Operations	<u>932,068</u>	<u>879,483</u>	<u>766,592</u>	<u>112,891</u>	<u>778,271</u>
	<u>932,068</u>	<u>879,483</u>	<u>766,592</u>	<u>112,891</u>	<u>778,271</u>
Fleet services:					
Personnel services	1,876,712	1,848,481	1,643,758	204,723	1,589,869
Operations	396,502	424,733	136,738	287,995	108,428
Capital outlay	89,900	155,528	155,526	2	52,124
	<u>2,363,114</u>	<u>2,428,742</u>	<u>1,936,022</u>	<u>492,720</u>	<u>1,750,421</u>
Customer care:					
Personnel services	-	64,769	64,768	1	-
Operations	-	273,008	169,146	103,862	-
	<u>-</u>	<u>337,777</u>	<u>233,914</u>	<u>103,863</u>	<u>-</u>
Inspections/Permits:					
Personnel services	1,126,262	1,124,711	1,016,714	107,997	848,279
Operations	241,322	456,112	387,889	68,223	122,558
Capital outlay	49,200	71,872	71,872	-	165,607
	<u>1,416,784</u>	<u>1,652,695</u>	<u>1,476,475</u>	<u>176,220</u>	<u>1,136,444</u>
Facility services:					
Personnel services	1,517,112	1,518,803	1,468,518	50,285	1,279,443
Operations	632,393	1,389,189	819,189	570,000	593,586
Capital outlay	250,000	143,695	87,288	56,407	83,957
	<u>2,399,505</u>	<u>3,051,687</u>	<u>2,374,995</u>	<u>676,692</u>	<u>1,956,986</u>
Strategy & innovation:					
Personnel services	367,833	367,833	346,357	21,476	557,008
Operations	111,086	114,151	75,253	38,898	69,483
	<u>478,919</u>	<u>481,984</u>	<u>421,610</u>	<u>60,374</u>	<u>626,491</u>
Communications and marketing:					
Personnel services	1,154,641	1,170,148	1,127,574	42,574	929,982
Operations	472,863	548,890	481,005	67,885	296,042
Capital outlay	-	24,893	24,892	1	-
	<u>1,627,504</u>	<u>1,743,931</u>	<u>1,633,471</u>	<u>110,460</u>	<u>1,226,024</u>
Total general government	<u>27,255,652</u>	<u>29,501,180</u>	<u>26,034,540</u>	<u>3,466,640</u>	<u>22,597,084</u>
Public safety:					
Municipal court:					
Personnel services	943,352	955,169	801,377	153,792	774,436
Operations	101,293	105,602	80,467	25,135	74,646
Capital outlay	70,000	40,157	40,156	1	-
	<u>1,114,645</u>	<u>1,100,928</u>	<u>922,000</u>	<u>178,928</u>	<u>849,082</u>
Police:					
Personnel services	22,623,443	23,221,775	22,204,104	1,017,671	18,627,225
Operations	3,364,043	2,780,316	2,295,870	484,446	2,427,483
Capital outlay	1,057,300	11,179,459	9,625,175	1,554,284	582,632
	<u>27,044,786</u>	<u>37,181,550</u>	<u>34,125,149</u>	<u>3,056,401</u>	<u>21,637,340</u>
Animal services:					
Personnel services	673,083	673,203	633,809	39,394	515,008
Operations	176,638	220,882	159,893	60,989	104,760
Capital outlay	38,000	210,141	52,790	157,351	48,805
	<u>887,721</u>	<u>1,104,226</u>	<u>846,492</u>	<u>257,734</u>	<u>668,573</u>

(Continued)

CITY OF TEMPLE, TEXAS
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)

(Continued)

	2024				2023
	Original Budget	Amended Budget	Actual	Variance with Budget	Actual
Fire:					
Personnel services	\$ 15,215,552	\$ 15,938,905	\$ 15,936,097	\$ 2,808	\$ 14,385,323
Operations	1,686,361	1,944,727	1,760,918	183,809	1,475,479
Capital outlay	439,100	1,138,243	881,854	256,389	414,157
	<u>17,341,013</u>	<u>19,021,875</u>	<u>18,578,869</u>	<u>443,006</u>	<u>16,274,959</u>
Communications:					
Operations	1,160,134	1,160,134	1,160,134	-	1,090,009
	<u>1,160,134</u>	<u>1,160,134</u>	<u>1,160,134</u>	<u>-</u>	<u>1,090,009</u>
Code compliance:					
Personnel services	1,505,855	1,416,127	1,364,882	51,245	1,185,118
Operations	240,311	1,025,302	363,429	661,873	177,477
Capital outlay	101,000	333,338	254,971	78,367	131,569
	<u>1,847,166</u>	<u>2,774,767</u>	<u>1,983,282</u>	<u>791,485</u>	<u>1,494,164</u>
Total public safety	<u>49,395,465</u>	<u>62,343,480</u>	<u>57,615,926</u>	<u>4,727,554</u>	<u>42,014,127</u>
Sanitation:					
Personnel services	4,614,172	5,082,102	5,070,741	11,361	4,508,401
Operations	6,833,030	13,082,713	12,518,908	563,805	6,705,482
Capital outlay	369,300	843,646	681,583	162,063	266,816
Total sanitation	<u>11,816,502</u>	<u>19,008,461</u>	<u>18,271,232</u>	<u>737,229</u>	<u>11,480,699</u>
Highways and streets:					
Streets:					
Personnel services	2,131,356	2,149,610	1,826,077	323,533	1,418,336
Operations	2,338,378	2,369,610	2,296,151	73,459	1,375,424
Capital outlay	111,200	328,240	130,951	197,289	259,404
	<u>4,580,934</u>	<u>4,847,460</u>	<u>4,253,179</u>	<u>594,281</u>	<u>3,053,164</u>
Traffic control:					
Personnel services	477,268	484,570	423,122	61,448	393,187
Operations	135,069	130,568	73,750	56,818	67,007
Capital outlay	127,000	272,601	250,626	21,975	153,214
	<u>739,337</u>	<u>887,739</u>	<u>747,498</u>	<u>140,241</u>	<u>613,408</u>
Engineering:					
Personnel services	780,170	780,170	714,472	65,698	510,079
Operations	170,850	145,850	97,082	48,768	112,997
Capital outlay	-	-	-	-	77,550
	<u>951,020</u>	<u>926,020</u>	<u>811,554</u>	<u>114,466</u>	<u>700,626</u>
Total highways and streets	<u>6,271,291</u>	<u>6,661,219</u>	<u>5,812,231</u>	<u>848,988</u>	<u>4,367,198</u>
Parks & recreation:					
Parks:					
Personnel services	3,030,944	2,997,487	2,509,973	487,514	2,280,017
Operations	4,911,962	5,190,854	4,463,113	727,741	4,313,824
Capital outlay	883,850	1,770,454	905,432	865,022	689,741
	<u>8,826,756</u>	<u>9,958,795</u>	<u>7,878,518</u>	<u>2,080,277</u>	<u>7,283,582</u>
Recreation:					
Personnel services	3,606,557	3,707,156	3,416,574	290,582	2,895,830
Operations	3,086,877	2,061,862	1,679,456	382,406	1,478,261
Capital outlay	105,200	607,430	367,362	240,068	223,605
	<u>6,798,634</u>	<u>6,376,448</u>	<u>5,463,392</u>	<u>913,056</u>	<u>4,597,696</u>

(Continued)

CITY OF TEMPLE, TEXAS
GENERAL FUND

(Continued)

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended September 30, 2024
(With comparative amounts for the year ended September 30, 2023)

	2024				2023
	Original Budget	Amended Budget	Actual	Variance with Budget	Actual
Administration:					
Personnel services	\$ 818,329	\$ 818,403	\$ 768,908	\$ 49,495	\$ 631,652
Operations	190,648	258,542	218,392	40,150	131,138
Capital outlay	-	13,761	13,760	1	5,090
	<u>1,008,977</u>	<u>1,090,706</u>	<u>1,001,060</u>	<u>89,646</u>	<u>767,880</u>
Golf course:					
Personnel services	1,047,150	1,182,333	1,169,111	13,222	1,017,527
Operations	858,940	910,721	688,297	222,424	646,210
Capital outlay	129,100	172,183	172,181	2	33,019
	<u>2,035,190</u>	<u>2,265,237</u>	<u>2,029,589</u>	<u>235,648</u>	<u>1,696,756</u>
Library:					
Personnel services	1,866,714	1,866,714	1,786,142	80,572	1,572,370
Operations	628,442	613,184	536,774	76,410	546,087
Capital outlay	-	312,024	16,069	295,955	17,598
	<u>2,495,156</u>	<u>2,791,922</u>	<u>2,338,985</u>	<u>452,937</u>	<u>2,136,055</u>
Total parks & recreation	<u>21,164,713</u>	<u>22,483,108</u>	<u>18,711,544</u>	<u>3,771,564</u>	<u>16,481,969</u>
Airport:					
Personnel services	1,281,577	1,272,662	1,268,768	3,894	1,048,131
Operations	2,792,134	2,830,453	2,576,072	254,381	2,757,565
Capital outlay	220,000	262,153	115,140	147,013	136,629
Total airport	<u>4,293,711</u>	<u>4,365,268</u>	<u>3,959,980</u>	<u>405,288</u>	<u>3,942,325</u>
Debt service:					
Principal	45,997	1,364,151	1,364,149	2	732,410
Interest	2,368	302,242	302,239	3	21,861
Total debt service	<u>48,365</u>	<u>1,666,393</u>	<u>1,666,388</u>	<u>5</u>	<u>754,271</u>
Total	<u>\$ 120,245,699</u>	<u>\$ 146,029,109</u>	<u>\$ 132,071,841</u>	<u>\$ 13,957,268</u>	<u>\$ 101,637,673</u>





**SUPPLEMENTARY
SCHEDULES**

**CITY OF TEMPLE, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDING SEPTEMBER 30, 2024**

<u>Federal/State Grantor</u> Agency or Pass-Through Program Title	Federal ALN Number	Grant Number	Program or Award Amount	Passed Through to Subrecipients	Program Expenditures
Federal Financial Assistance:					
<u>U.S. Department of Housing & Urban Development</u>					
Community Development Block Grant					
Entitlement Grants Cluster					
CDBG 2019	14.218	B-19-MC-48-0021	\$ 588,159	\$ 3,401	\$ 13,332
CDBG 2020	14.218	B-20-MC-48-0021	626,646	17,380	28,065
COVID-19 CDBG-CV 2020	14.218	B-20-MW-48-0021	777,790	-	65,878
CDBG 2021	14.218	B-21-MC-48-0021	606,562	-	51,351
CDBG 2022	14.218	B-22-MC-48-0021	571,485	10,574	186,953
CDBG 2023	14.218	B-23-MC-48-0021	674,406	-	297,872
					<u>643,451</u>
<u>Texas Department of Housing and Community Affairs</u>					
HOME Investment Partnership Program	14.239	2021-0003	624,265	-	342,292
HOME Investment Partnership Program Homeowner Reconstruction Assistance	14.239	2024-0030	588,000	-	31,379
Tenant-Based Rental Assistance	14.239	2024-0030	134,472	-	13,837
					<u>387,508</u>
<u>U.S. Department of Homeland Security</u>					
Texas Severe Storms, Straight-line Winds, Tornadoes, and Flooding	97.036	FEMA DR-4781	5,470,252	-	4,364,826
Office of the Governor-Homeland Security Grants Division					
Hazardous Substance Identification Equipment	97.067	EMW-2022-SS-00021 / 3664305	51,889	-	16,305
Hazardous Substance Identification Equipment	97.067	EMW-2023-SS-00025 / 3664306	50,600	-	50,600
Fire Station Security Enhancements	97.067	EMW-2023-SS-00025 / 4848901	20,000	-	19,230
					<u>4,450,961</u>
<u>U.S. Department of Justice</u>					
2022 Bullet Proof Vests Grant	16.607	2022BUBX22032711	14,368	-	3,076
2023 Bullet Proof Vests Grant	16.607	2023BUBX23035967	22,542	-	14,854
Public Safety Partnership and Community Policing Grant	16.710	2020UMWX0201	375,000	-	113,072
Office of the Attorney General					
Internet Crimes Against Children	16.543	15PJDP-21-GK-03802-MECP / C-01288	3,173	-	3,173
Office of the Governor-Criminal Justice Division					
Crisis Assistance Program	16.575	15POVC-22-GG-00807-ASSI / 2820007	107,145	-	92,973
City of Killeen					
2022 Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-22-GG-02234-JAGX	17,348	-	-
2023 Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-23-GG-03837-JAGX	20,713	-	20,713
					<u>247,861</u>
<u>U.S. Department of Transportation</u>					
Texas Department of Transportation					
Highway Planning and Construction Cluster					
Surface Transportation Program (Outer Loop West, Ph 1)	20.205	0909-36-168	13,238,558	-	8,623,930
Pass-Through Agreement (NW Loop 363 Improvements)	20.205	0320-06-001	16,555,000	-	1,422,034
IH-35 Landscaping Developments at SH53/FM 2305	20.205	0015-14-131	540,000	-	540,000
Highway Infrastructure Program (Veterans Memorial Blvd)	20.205	0320-01-074	5,000,000	-	-
Highway Safety Improvement Program (Georgetown Railroad Trail, Ph 1)	20.205	0909-36-173	1,280,000	-	-
Highway Safety Improvement Program (East Central Sidewalk)	20.205	0909-36-190	211,778	-	-
Aviation Division					
Airport Project Participation Grant - NPE	20.205	4222SAMCI	571,500	-	-
Taxiway D Realignment Project	20.205	2309TEMPL	1,914,300	-	-
					<u>10,585,964</u>
<u>U.S. Department of the Treasury</u>					
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	SLT-8432	14,170,861	-	9,374,330
					<u>9,374,330</u>
Total Federal Financial Assistance			64,826,812	31,355	25,690,075

(Continued)

CITY OF TEMPLE, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDING SEPTEMBER 30, 2024

(Continued)

<u>Federal/State Grantor</u> Agency or Pass-Through Program Title	<u>Federal</u> <u>ALN</u> <u>Number</u>	<u>Grant</u> <u>Number</u>	<u>Program</u> <u>or Award</u> <u>Amount</u>	<u>Passed</u> <u>Through to</u> <u>Subrecipients</u>	<u>Program</u> <u>Expenditures</u>
State Financial Assistance:					
<u>Office of the Attorney General</u>					
Chapter 59 Asset Forfeitures	-	-	\$ 3,568	-	\$ 3,568
					<u>3,568</u>
<u>Office of the Governor-Criminal Justice Division</u>					
Rifle-Resistant Body Armor Grant Program	-	2024-BG-ST-0025 / 4822601	\$ 3,479	\$ -	\$ 3,479
					<u>3,479</u>
<u>Office of the Governor-Texas Military Preparedness Commission</u>					
Defense Economic Adjustment Assistance Grant	-	2022-01-03	5,000,000	-	1,875,000
					<u>1,875,000</u>
<u>Central Texas Council of Governments</u>					
Household Hazardous Waste Collection	-	-	15,000	-	15,000
					<u>15,000</u>
<u>Texas Department of Transportation</u>					
Routine Airport Maintenance Program (RAMP)	-	M2409TEMP	100,000	-	80,330
Automated Weather Observing System (AWOS)	-	24AWTEMPL	135,000	-	-
					<u>80,330</u>
<u>Texas Department of Emergency Management</u>					
TIFMAS Grant Assistance Program	-	Winter Fire Weather	21,171	-	21,171
TIFMAS Grant Assistance Program	-	Smokehouse Creek Fire	66,329	-	66,329
TIFMAS Grant Assistance Program	-	Spring Fire Weather	86,106	-	86,106
TIFMAS Grant Assistance Program	-	Spring Fire Weather 2	17,878	-	17,878
TIFMAS Grant Assistance Program	-	June 17 Tropical Weather	31,685	-	31,685
TIFMAS Grant Assistance Program	-	July 6 Tropical Weather	20,846	-	20,846
TIFMAS Grant Assistance Program	-	Summer Fire Weather	232,225	-	232,225
					<u>476,240</u>
<u>Texas State University System - Texas School Safety Center</u>					
Tobacco Enforcement Program 2024	-	N/A	7,500	-	7,500
					<u>7,500</u>
Total State Financial Assistance			5,740,787	-	2,461,117
Total Federal and State Financial Assistance			\$ 70,567,599	\$ 31,355	\$ 28,151,192

CITY OF TEMPLE, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended September 30, 2024

Basis of Presentation - The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and state financial assistance programs of the City of Temple, Texas. The City's reporting entity is defined in Note I to the City's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule. State financial assistance received directly from state agencies is also included on the schedule.

Summary of Significant Accounting Policies - The accompanying schedule of federal and state financial assistance is presented using the modified accrual basis of accounting, which is described in Note I to the City's financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate – The City has elected not to use the 10% de minimis indirect cost rate allowed under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Relationship to Federal and State Financial Reports - Amounts reported in the accompanying schedule agree with the amounts reported in the related federal and state financial reports in all material respects.

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

<u>Subrecipient</u>	<u>Community Development Block Grant</u>
Citizens for Progress	\$ 27,954
Un-Included Club	3,401
	<u>\$ 31,355</u>

Program Income – In accordance with terms of the Community Development Block Grant Program, program income totaling \$ 0 was used to reduce the amount of federal funds in conjunction with the program's objective.

STATISTICAL SECTION (UNAUDITED)

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

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

Table I

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

	2015	2016	2017	2018	Fiscal Year 2019	2020 ¹	2021 ²	2022 ³	2023	2024
Governmental activities										
Net investment in capital assets/right-to-use assets	\$ 40,996,292	\$ 43,934,442	\$ 48,754,446	\$ 52,987,220	\$ 60,880,317	\$ 66,565,782	\$ 72,557,317	\$ 138,746,724	\$ 194,236,539	\$ 213,400,621
Restricted	306,050	-	-	-	-	-	-	3,077,924	3,912,235	3,949,214
Unrestricted	7,799,938	3,756,702	(3,690,323)	(7,610,201)	(9,969,891)	(10,732,638)	(3,199,545)	3,574,018	1,431,494	1,298,483
Total governmental activities net position	\$ 49,102,280	\$ 47,691,144	\$ 45,064,123	\$ 45,377,019	\$ 50,910,426	\$ 55,833,144	\$ 69,357,772	\$ 145,398,666	\$ 199,580,268	\$ 218,648,318
Business-type activities										
Net investment in capital assets/right-to-use assets	\$ 69,469,800	\$ 71,123,596	\$ 74,981,111	\$ 85,851,741	\$ 91,337,862	\$ 98,533,741	\$ 107,495,236	\$ 177,201,006	\$ 196,449,371	\$ 205,794,642
Restricted	941,206	1,069,608	960,360	1,303,447	1,258,484	1,453,385	1,935,878	1,876,997	1,964,777	2,295,864
Unrestricted	31,586,228	33,699,494	35,678,455	29,874,800	26,340,410	23,250,644	12,194,849	12,885,370	18,006,691	15,589,484
Total business-type activities net position	\$ 101,997,234	\$ 105,892,698	\$ 111,619,926	\$ 117,029,988	\$ 118,936,756	\$ 123,237,770	\$ 121,625,963	\$ 191,963,373	\$ 216,420,839	\$ 223,679,990
Primary government										
Net investment in capital assets/right-to-use assets	\$ 110,466,092	\$ 115,058,038	\$ 123,735,557	\$ 138,838,961	\$ 152,218,179	\$ 165,099,523	\$ 180,052,553	\$ 315,947,730	\$ 390,685,910	\$ 419,195,263
Restricted	1,247,256	1,069,608	960,360	1,303,447	1,258,484	1,453,385	1,935,878	4,954,921	5,877,012	6,245,078
Unrestricted	39,386,166	37,456,196	31,988,132	22,264,599	16,370,519	12,518,006	8,995,304	16,459,388	19,438,185	16,887,967
Total primary government net position	\$ 151,099,514	\$ 153,583,842	\$ 156,684,049	\$ 162,407,007	\$ 169,847,182	\$ 179,070,914	\$ 190,983,735	\$ 337,362,039	\$ 416,001,107	\$ 442,328,308

1 - In FY 2021, the City restated its government-wide net position for FY 2020 to properly record non-capital expenses that were previously reported as capital expenses. The reclassification of capital expenses to non-capital expenses were \$ 1,333,377 for Governmental Activities and \$ 2,970,594 for Business-Type Activities.

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

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

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

	2015	2016	2017	2018	Fiscal Year 2019	2020 ¹	2021 ²	2022 ³	2023	2024
Expenses										
Governmental activities:										
General government	\$ 14,904,124	\$ 15,656,749	\$ 16,538,056	\$ 16,643,280	\$ 18,391,391	\$ 17,662,291	\$ 18,750,792	\$ 21,726,667	\$ 28,947,790	\$ 32,966,115
Public safety	29,912,951	33,628,711	35,449,316	36,004,472	37,492,964	38,922,907	37,229,079	40,415,164	46,304,951	53,165,284
Highways and streets	10,259,565	7,273,731	8,963,462	8,483,731	9,058,790	10,113,674	9,925,757	14,379,444	14,725,735	21,775,248
Sanitation	5,990,896	6,455,973	7,272,582	7,473,148	8,461,326	9,117,863	9,652,499	11,028,193	13,550,411	19,627,422
Health and welfare	112,058	149,961	157,201	225,837	105,146	515,154	693,254	785,754	1,133,909	1,065,377
Cultural and leisure services	12,312,968	13,589,344	13,916,558	14,601,953	15,750,444	14,744,515	15,095,711	17,779,783	23,810,117	24,118,969
Airport	3,683,154	3,500,076	3,564,403	3,711,779	3,668,067	3,165,090	3,267,703	4,695,458	5,074,212	5,221,719
Interest on long term debt	4,237,351	5,351,692	5,453,732	5,963,802	6,275,371	5,395,933	5,706,669	7,624,817	9,530,691	15,791,685
Total governmental activities expenses	81,413,067	85,606,237	91,315,310	93,108,002	99,203,499	99,637,427	100,321,464	118,435,280	143,077,816	173,731,819
Business-type activities:										
Water and sewer	26,081,271	28,649,118	28,840,885	30,906,838	32,407,309	40,372,635	42,443,757	46,513,909	53,618,040	56,284,140
Total business-type activities expenses	26,081,271	28,649,118	28,840,885	30,906,838	32,407,309	40,372,635	42,443,757	46,513,909	53,618,040	56,284,140
Total primary government expenses	107,494,338	114,255,355	120,156,195	124,014,840	131,610,808	140,010,062	142,765,221	164,949,189	196,695,856	230,015,959
Program Revenues										
Governmental activities:										
Fees, Fines, and Charges for Services:										
General government	4,143,573	4,189,072	4,415,190	4,537,237	4,483,482	5,673,482	5,493,736	5,880,297	6,667,225	7,221,499
Public safety	4,341,516	4,778,461	4,858,940	4,339,843	4,542,570	3,624,888	3,745,543	3,921,449	4,169,690	4,534,070
Highways and streets	1,322,099	1,425,168	2,510,680	2,974,290	2,993,074	3,132,555	3,191,166	3,338,952	3,391,325	3,507,123
Sanitation	11,303,186	11,764,582	12,897,932	13,380,840	15,505,181	15,013,659	16,047,480	18,045,770	19,347,795	20,364,710
Cultural and leisure services	3,703,956	4,025,396	4,136,650	3,942,908	4,980,209	2,974,552	4,146,962	4,633,635	5,834,483	6,363,791
Airport	2,294,963	2,174,080	2,387,297	2,619,637	2,464,369	1,880,095	2,019,538	3,677,553	3,892,020	3,712,678
Operating grants and contributions	12,501,829	453,554	484,715	356,115	362,394	3,359,451	2,700,918	5,656,804	5,323,506	17,463,336
Capital grants and contributions	391,026	899,586	310,655	1,371,345	2,027,054	1,479,579	2,388,612	15,986,125	47,700,095	16,045,384
Total governmental activities program revenues	40,002,148	29,709,899	32,002,059	33,522,215	37,358,333	37,138,261	39,733,955	61,140,585	96,326,139	79,212,591
Business-type activities:										
Charges for services:										
Water and sewer	30,375,811	31,720,917	33,261,271	35,227,519	31,913,681	39,084,642	39,290,715	46,391,050	52,114,559	54,177,682
Operating grants and contributions	-	-	-	-	-	-	6,861	-	-	-
Capital grants and contributions	381,295	134,570	41,235	16,401	1,144,596	3,989,857	104,702	19,814,909	19,698,818	2,511,746
Total business-type activities program revenues	30,757,106	31,855,487	33,302,506	35,243,920	33,058,277	43,074,499	39,402,278	66,205,959	71,813,377	56,689,428
Total primary government program revenues	\$ 70,759,254	\$ 61,565,386	\$ 65,304,565	\$ 68,766,135	\$ 70,416,610	\$ 80,212,760	\$ 79,136,233	\$ 127,346,544	\$ 168,139,516	\$ 135,902,019

(continued)

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

Table II
 (Continued)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020 ¹	2021 ²	2022 ³	2023	2024
Net (Expense) Revenue										
Governmental activities	\$ (41,410,919)	\$ (55,896,338)	\$ (59,313,251)	\$ (59,585,787)	\$ (61,845,166)	\$ (62,499,166)	\$ (60,587,509)	\$ (57,294,695)	\$ (46,751,677)	\$ (94,519,228)
Business-type activities	4,675,835	3,206,369	4,461,621	4,337,082	650,968	2,701,864	(3,041,479)	19,692,050	18,195,337	405,288
Total primary government net expense	\$ (36,735,084)	\$ (52,689,969)	\$ (54,851,630)	\$ (55,248,705)	\$ (61,194,198)	\$ (59,797,302)	\$ (63,628,988)	\$ (37,602,645)	\$ (28,556,340)	\$ (94,113,940)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Ad valorem	\$ 20,847,366	\$ 23,231,944	\$ 24,983,232	\$ 26,596,960	\$ 27,468,319	\$ 30,972,535	\$ 34,060,244	\$ 36,793,912	\$ 42,546,516	\$ 49,110,760
Sales	21,311,743	20,859,081	21,652,524	21,831,623	23,136,176	24,418,211	28,357,487	32,579,840	36,496,375	37,769,286
Franchise	6,780,354	6,712,490	6,771,002	6,834,212	7,128,549	7,376,450	7,149,264	7,664,979	8,965,301	9,662,353
Hotel/Motel	1,440,351	1,473,592	1,583,762	1,593,331	1,783,186	1,563,648	1,854,579	2,371,876	2,713,494	2,957,668
Mixed beverage	156,030	148,247	162,580	172,509	190,466	163,391	205,921	234,279	260,833	275,291
Other taxes	72,392	62,915	63,316	57,906	82,499	66,345	69,651	63,911	69,809	30,757
Investment earnings	156,778	398,306	674,264	1,513,600	1,919,652	1,328,204	804,067	1,107,913	8,805,593	14,116,541
Miscellaneous	746,050	1,598,627	4,742,010	1,298,542	5,669,726	1,533,100	1,610,924	2,468,714	1,075,358	(335,378)
Settlement income, net expense	-	-	-	-	-	-	-	-	-	-
Transfers	(2,267)	-	-	-	-	-	-	-	-	-
Total governmental activities	\$ 51,508,797	\$ 54,485,202	\$ 60,632,690	\$ 59,898,663	\$ 67,378,573	\$ 67,421,884	\$ 74,112,137	\$ 83,285,424	\$ 100,933,279	\$ 113,587,278
Business-type activities:										
Investment earnings	353,239	689,095	831,715	1,072,980	1,255,800	1,599,150	1,429,672	2,376,134	6,262,129	6,844,790
Miscellaneous	-	-	-	-	-	-	-	-	-	9,073
Transfers	2,267	-	-	-	-	-	-	-	-	-
Total business-type activities	\$ 355,506	\$ 689,095	\$ 831,715	\$ 1,072,980	\$ 1,255,800	\$ 1,599,150	\$ 1,429,672	\$ 2,376,134	\$ 6,262,129	\$ 6,853,863
Total primary government	\$ 51,864,303	\$ 55,174,297	\$ 61,464,405	\$ 60,971,663	\$ 68,634,373	\$ 69,021,034	\$ 75,541,809	\$ 85,661,558	\$ 107,195,408	\$ 120,441,141
Changes in Net Position										
Governmental activities	10,097,878	(1,411,136)	1,319,439	312,896	5,533,407	4,922,718	13,524,628	25,990,729	54,181,602	19,068,050
Business-type activities	5,031,341	3,895,464	5,293,336	5,410,062	1,906,768	4,301,014	(1,611,807)	22,068,184	24,457,466	7,259,151
Total primary government	\$ 15,129,219	\$ 2,484,328	\$ 6,612,775	\$ 5,722,958	\$ 7,440,175	\$ 9,223,732	\$ 11,912,821	\$ 48,058,913	\$ 78,639,068	\$ 26,327,201

1 - In FY 2021, the City restated its government-wide net position for FY 2020 to properly record non-capital expenses that were previously reported as capital expenses. The reclassification of capital expenses to non-capital expenses were \$ 1,333,377 for Governmental Activities and \$ 2,970,594 for Business-Type Activities.

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

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

Table III

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

General fund	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021 ¹	2022	2023	2024
Nonspendable:										
Inventories, prepaid items and leases	\$ 375,039	\$ 441,741	\$ 432,639	\$ 492,994	\$ 495,781	\$ 552,260	\$ 934,017	\$ 1,426,486	\$ 2,289,930	\$ 2,512,565
Restricted for:										
Drug enforcement	345,852	204,399	173,517	258,281	204,651	207,562	108,586	129,260	124,792	173,845
Library, museum, and other	867,470	874,506	822,992	507,571	431,019	321,970	522,573	582,020	734,406	821,309
Assigned to:										
Capital technology acquisition	420,476	379,099	405,484	356,940	337,071	411,381	617,097	750,478	555,011	575,000
Capital projects	4,920,337	5,061,813	4,648,577	4,356,474	5,686,284	7,433,980	12,106,214	11,245,698	10,298,695	12,592,170
Self-funded health insurance	-	-	-	-	-	-	-	-	2,000,000	-
Purchases on order	2,106,552	1,429,303	1,866,603	1,675,168	1,961,384	2,968,619	3,496,702	7,713,867	7,601,167	8,624,907
Unassigned	18,293,530	19,160,910	20,132,300	20,132,300	20,132,300	21,616,233	22,116,233	23,700,625	26,718,256	29,992,886
Total general fund	<u>\$27,329,256</u>	<u>\$27,551,771</u>	<u>\$28,482,112</u>	<u>\$27,779,728</u>	<u>\$29,248,490</u>	<u>\$33,512,005</u>	<u>\$ 39,901,422</u>	<u>\$ 45,548,434</u>	<u>\$ 50,322,257</u>	<u>\$ 55,292,682</u>
All other governmental funds										
Nonspendable:										
Prepaid items	\$ 19,400	\$ 21,804	\$ 24,842	\$ 22,625	\$ 31,205	\$ 23,890	\$ 17,615	\$ 19,247	\$ 20,398	\$ 28,877
Restricted for:										
Debt service	959,697	724,003	551,747	283,612	1,457,372	303,617	222,280	167,093	91,422	1,652,395
Construction	44,922,504	41,698,442	24,117,550	40,117,952	40,520,676	49,682,906	95,420,298	115,537,578	125,529,686	162,000,385
Museum	11,149	11,775	14,108	11,631	12,690	16,096	16,505	17,581	17,581	17,581
Other	1,305,093	1,338,791	1,442,633	1,410,456	1,556,991	1,345,760	1,632,683	2,349,063	3,035,456	2,936,479
Committed to:										
Drainage	1,982,887	1,489,689	1,815,299	2,143,407	2,524,970	2,704,936	3,350,262	3,145,692	2,787,351	2,939,514
Economic and community development	-	-	-	-	-	-	-	27,675	82,793	157,172
Total all other governmental funds	<u>\$49,200,730</u>	<u>\$45,284,504</u>	<u>\$27,966,179</u>	<u>\$43,989,683</u>	<u>\$46,103,904</u>	<u>\$54,077,205</u>	<u>\$100,659,643</u>	<u>\$121,263,929</u>	<u>\$131,564,687</u>	<u>\$169,732,403</u>

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

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020 ¹	2021 ²	2022	2023	2024
REVENUES:										
Taxes:										
Ad valorem	\$ 20,801,261	\$ 23,256,440	\$ 25,022,473	\$ 26,562,209	\$ 27,443,146	\$ 30,899,626	\$ 34,102,994	\$ 36,794,988	\$ 42,113,424	\$ 49,030,246
Sales	21,311,743	20,859,081	21,652,524	21,831,623	23,136,176	24,418,211	28,357,487	32,579,840	36,496,375	37,769,286
Hotel/Motel	1,440,351	1,473,592	1,583,762	1,593,331	1,783,186	1,563,648	1,854,579	2,371,876	2,713,494	2,957,668
Mixed beverage	156,030	148,247	162,580	172,509	190,466	163,391	205,921	234,279	280,833	275,291
Other taxes	72,392	62,916	63,316	57,906	82,499	66,346	69,651	69,809	69,809	30,757
Franchise fees	6,780,354	6,712,490	6,771,002	6,834,212	7,128,549	7,376,450	7,149,264	7,664,979	8,965,302	9,662,354
Licenses and permits	613,187	961,527	905,004	1,034,209	1,057,631	1,178,048	1,282,122	1,633,380	1,626,105	1,864,977
Intergovernmental	879,854	2,163,530	2,236,621	3,232,460	3,894,448	6,344,031	6,369,816	7,568,544	7,663,941	28,100,790
Drainage fees	1,125,126	1,157,851	2,283,793	2,705,091	2,698,046	2,822,622	2,885,991	2,979,150	3,045,945	3,099,572
Charges for services:										
Library fees	32,118	34,107	30,612	29,254	30,339	18,733	7,838	7,994	15,565	13,811
Recreational entry fees	120,588	120,492	111,980	99,492	83,628	60,784	81,233	79,197	80,430	75,956
Summit recreational fees	486,234	389,249	414,075	440,543	411,726	232,395	309,425	360,290	356,718	365,579
Hillcrest cemetery	-	-	-	-	96,787	76,032	376,154	96,107	81,850	97,052
Crossroads park	-	-	-	-	-	8,760	42,479	43,945	35,795	36,720
Golf course revenues	789,908	690,985	688,258	443,479	706,010	727,560	946,692	1,146,812	1,480,277	1,510,415
Swimming pool	48,870	37,242	33,954	37,128	48,670	12,093	6,720	10,365	19,804	23,265
Lions Junction water park	351,788	478,483	464,370	426,115	465,592	453	335,642	416,295	459,054	516,445
Sammons indoor pool	91,330	94,050	71,740	87,928	66,339	33,988	44,945	92,120	95,919	115,774
Vital statistics	124,847	130,034	125,722	129,426	152,412	112,743	125,399	157,476	160,132	158,179
Police revenue	1,602,266	1,587,110	1,714,226	1,375,183	1,325,852	866,546	902,635	970,616	1,155,389	1,353,657
Contractual services - proprietary fund	3,702,807	3,789,646	4,056,239	4,127,979	4,221,934	5,474,172	5,264,423	5,625,151	6,407,329	6,949,825
County fire protection	4,630	4,136	5,928	5,983	8,986	8,772	9,298	10,177	29,889	20,987
Curb and street cuts	62,195	96,155	41,340	69,847	89,651	74,164	110,141	178,242	198,071	226,716
Other	301,443	62,014	77,134	89,098	106,393	113,833	117,349	98,991	66,613	105,818
Solid waste collection - residential	4,169,597	4,310,048	4,943,210	5,198,061	5,619,184	5,844,439	6,442,387	7,042,176	7,572,225	8,124,850
Solid waste collection - commercial	2,945,727	3,183,821	3,183,821	3,229,411	3,484,347	3,536,912	3,643,549	3,964,627	4,213,873	4,322,105
Solid waste collection - roll-off	2,216,659	2,414,007	2,724,886	2,924,373	3,159,736	3,228,982	3,260,545	4,025,721	4,392,389	4,450,436
Landfill contract	1,971,203	1,913,357	2,046,014	2,028,996	3,241,914	2,403,326	2,700,999	3,013,247	3,169,309	3,550,341
Airport sales and rental	2,294,963	2,174,080	2,387,297	2,619,637	2,464,369	1,880,095	2,019,588	3,677,553	3,892,019	3,712,677
Recreational services	1,034,161	1,269,230	1,200,269	1,262,332	1,316,268	497,527	562,210	669,706	838,283	863,524
Fire department	34,758	51,854	26,969	56,236	61,110	71,679	72,341	60,118	70,846	74,639
Subdivision fees	18,465	22,298	31,151	33,898	32,133	29,250	34,519	33,170	34,447	26,954
Reinvestment zone reimbursements	-	388,036	616,710	654,810	1,198,722	1,052,991	1,172,408	1,238,442	1,715,390	2,176,241
Civic center & railroad museum revenues	508,062	523,522	504,684	461,829	556,130	253,238	261,216	472,364	655,398	569,008
Economic and community development	-	-	-	-	-	-	-	138,282	-	-
Fines	2,086,676	2,173,835	2,206,811	1,868,233	2,088,993	1,499,844	1,479,146	1,287,461	1,219,810	-
Interest and other	1,728,607	2,082,522	1,912,673	2,747,339	3,459,109	2,377,148	1,945,088	3,032,008	10,201,613	13,962,637
Total revenues	\$ 79,908,200	\$ 84,759,337	\$ 90,301,148	\$ 94,470,160	\$ 101,910,481	\$ 105,328,832	\$ 114,552,144	\$ 129,799,298	\$ 151,641,316	\$ 187,414,362
EXPENDITURES:										
Current:										
General government	15,445,404	15,286,507	15,899,956	16,287,762	17,357,817	17,160,208	19,326,499	23,298,863	28,783,265	33,548,537
Public safety	31,013,726	32,680,185	31,367,272	34,394,350	35,948,102	36,181,386	37,565,531	42,177,089	49,033,859	63,816,536
Highways and streets	17,506,619	22,407,217	14,086,349	17,781,421	17,586,774	17,839,336	13,254,061	19,785,483	31,670,629	41,201,661
Sanitation	5,177,927	7,380,079	6,590,675	8,411,828	8,598,519	9,281,009	10,714,231	20,198,438	20,261,863	18,419,083
Health and welfare	102,069	83,828	201,810	150,312	107,832	409,437	596,914	701,303	1,367,994	1,001,880
Culture and leisure services	12,361,459	18,135,207	21,366,366	21,462,623	21,143,045	14,523,577	14,123,629	18,133,659	23,671,470	24,326,301
Airport	2,640,628	2,347,196	2,374,228	2,605,547	2,500,007	2,083,011	4,027,283	3,609,751	3,990,643	5,372,356
Debt service:										
Principal retirement	5,821,194	7,673,106	9,075,096	10,603,767	9,961,569	12,679,412	13,527,298	14,075,218	16,356,674	18,932,145
Interest and fiscal charges	4,540,888	5,598,274	5,873,142	6,420,961	6,634,848	6,917,279	7,094,600	8,391,917	9,968,333	11,794,016
Total expenditures	\$ 94,609,914	\$ 111,591,599	\$ 106,834,894	\$ 118,118,571	\$ 119,838,513	\$ 117,074,655	\$ 120,230,046	\$ 150,371,741	\$ 185,104,730	\$ 218,412,515

(continued)

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020 ¹	2021 ²	2022	2023	2024
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (14,701,714)	\$ (26,832,262)	\$ (16,533,746)	\$ (23,648,411)	\$ (17,928,032)	\$ (11,745,823)	\$ (5,677,902)	\$ (20,572,443)	\$ (33,463,414)	\$ (30,998,153)
OTHER FINANCING SOURCES (USES):										
Transfer in	1,888,658	1,611,257	1,739,077	3,191,375	3,362,525	3,503,656	3,161,204	5,374,067	6,966,777	5,937,746
Transfer out	(1,873,486)	(1,611,257)	(1,739,077)	(3,191,375)	(3,362,525)	(3,503,656)	(3,161,204)	(5,374,067)	(6,966,777)	(5,937,746)
Issuance of loans and bonds	46,360,000	20,235,000	145,762	36,614,488	20,666,188	23,667,652	53,220,000	42,440,000	44,230,000	61,460,000
Original issue premium	3,275,997	4,158,590	-	5,338,055	1,608,272	1,530,082	5,392,427	4,406,590	4,044,851	4,861,248
Discount on bond issuance	(556,444)	(176,238)	-	(465,394)	(358,232)	(137,516)	(319,306)	(217,397)	(270,249)	(551,730)
Issuance of refunding bonds	7,544,558	9,500,000	-	17,780,000	4,880,000	685,000	-	-	-	-
Payment to refunded bond escrow agent	(7,469,063)	(10,578,801)	-	(20,297,618)	(5,285,213)	(1,762,579)	-	194,548	-	-
Leases (as lessee)	-	-	-	-	-	-	-	-	533,393	-
Subscription proceeds	-	-	-	-	-	-	-	-	-	2,483,777
Total other financing sources (uses)	49,170,220	23,138,551	145,762	38,969,531	21,511,015	23,982,639	58,293,121	46,823,741	48,537,995	74,136,294
NET CHANGE IN FUND BALANCES	\$ 34,468,506	\$ (3,693,711)	\$ (16,387,984)	\$ 15,321,120	\$ 3,582,983	\$ 12,236,816	\$ 52,615,219	\$ 26,251,298	\$ 15,074,581	\$ 43,138,141
Debt service as a percentage of noncapital expenditures	13.2%	16.6%	18.3%	19.0%	18.8%	20.1%	20.1%	18.8%	23.9%	19.4%
Capital Outlay	\$ 15,920,233	\$ 31,519,203	\$ 24,998,876	\$ 28,374,357	\$ 31,532,720	\$ 19,521,157	\$ 17,473,063	\$ 30,589,440	\$ 74,818,508	\$ 60,431,853

1 - In FY 2021, the City restated its government-wide net position for FY 2020 to properly record non-capital expenses that were previously reported as capital expenses. The reclassification of capital expenses to non-capital expenses were \$ 1,333,377 for Governmental Activities and \$ 2,970,594 for Business-Type Activities.

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

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

Table V

Fiscal Year	General Property Tax	City Sales Tax	Hotel/Motel Tax	Mixed Beverage Tax	Other Tax	Franchise Fee	Total
2015	\$ 20,801,261	\$ 21,311,743	\$ 1,440,351	\$ 156,030	\$ 72,392	\$ 6,780,354	\$ 50,562,131
2016	23,256,440	20,859,081	1,473,592	148,247	62,916	6,712,490	52,512,766
2017	25,022,473	21,652,524	1,583,762	162,580	63,316	6,771,002	55,255,657
2018	26,562,209	21,831,623	1,593,331	172,509	57,906	6,834,212	57,051,790
2019	27,443,146	23,136,176	1,783,186	190,466	82,499	7,128,549	59,764,022
2020	30,899,626	24,418,211	1,563,648	163,391	66,346	7,376,450	64,487,672
2021	34,102,994	28,357,487	1,854,579	205,921	69,651	7,149,264	71,739,896
2022	36,794,988	32,579,840	2,371,876	234,279	63,911	7,664,979	79,709,873
2023	42,113,424	36,496,375	2,713,494	260,833	69,809	8,965,302	90,619,237
2024	49,030,246	37,769,286	2,957,668	275,291	30,757	9,662,354	99,725,602

Table VI

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

Fiscal Year ^{1,3}	Estimated Market Value		Less: Productivity Loss	Less: Homestead Cap	Less: Tax-Exempt Property	Total Taxable Assessed Value	Less: Tax Increment District	Less: Applicable Adjustments	Total Taxable Value ²	Total Direct Tax Rate	Assessed Value ¹ as a Percentage of Actual Value
	Real Property	Personal Property									
2015	\$4,173,699,490	\$1,074,874,361	\$39,043,656	\$2,470,938	\$1,027,167,363	\$4,179,891,894	\$480,646,226	\$-	\$3,699,245,668	\$0.5864	79.64%
2016	4,711,559,006	1,087,575,985	42,551,747	3,064,323	1,242,700,918	4,510,818,003	670,071,846	-	3,840,746,157	0.6298	77.78%
2017	4,794,096,787	1,071,474,150	45,275,225	4,656,862	1,409,041,409	4,406,597,441	436,256,703	-	3,970,340,738	0.6572	75.13%
2018	5,007,603,892	1,046,175,076	55,340,251	4,820,212	1,418,880,200	4,574,738,305	426,069,294	-	4,148,669,011	0.6772	75.57%
2019	5,263,381,076	1,134,164,140	58,366,206	4,088,787	1,496,982,486	4,838,107,737	440,490,768	-	4,397,616,969	0.6612	75.62%
2020	5,956,906,936	1,149,461,868	73,659,723	49,890,121	1,619,513,374	5,363,305,586	481,248,712	-	4,882,056,874	0.6727	75.47%
2021	6,938,240,752	1,271,940,789	77,130,785	86,679,386	1,910,311,943	6,136,059,427	567,652,363	-	5,568,407,064	0.6525	74.74%
2022	7,739,330,129	1,320,493,948	83,721,608	133,631,500	2,146,109,693	6,696,361,276	609,983,494	-	6,086,377,782	0.6400	73.91%
2023	9,995,458,028	1,591,917,405	87,417,138	703,873,413	2,555,665,553	8,240,419,329	786,094,086	-	7,454,325,243	0.6130	71.12%
2024	12,004,601,651	1,723,671,326	138,696,632	866,153,491	2,978,093,713	9,745,329,141	1,061,820,424	-	8,683,508,717	0.6130	70.99%

Source: Property tax information - Tax Appraisal District of Bell County

Note: Property is reassessed annually. The Tax Appraisal District of Bell County assesses property at approximately 100 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$100 of assessed value.

1 - Includes tax-exempt property.

2 - Net taxable value not adjusted for frozen values.

3 - FY 2020 information was restated in FY 2021 to account for accurate data.

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

Fiscal Year	City of Temple				Overlapping Rates						Troy			
	Operating	Debt Service	Direct Tax Rate	Total	Bell County		Temple		Elm Creek		Temple		Belton	
					County	Road District	College	Independent School District	Flood Control District	Independent School District	Independent School District	Independent School District		
2015	\$ 0.3300	\$ 0.2564	\$ 0.5864	\$ 0.4212	\$ 0.0299	\$ 0.2065	\$ 0.0327	\$ 1.3600	\$ 1.4400	\$ 1.4400	\$ 1.3317	\$ 1.4400	\$ 1.3317	
2016	0.3234	0.3064	0.6298	0.4212	0.0299	0.2100	0.0327	1.3600	1.4400	1.4400	1.3317	1.4400	1.3317	
2017	0.3142	0.3430	0.6572	0.4212	0.0299	0.2057	0.0327	1.4000	1.4400	1.4400	1.3102	1.4400	1.3102	
2018	0.3142	0.3630	0.6772	0.4212	0.0299	0.2047	0.0327	1.4000	1.6030	1.6030	1.2902	1.6030	1.2902	
2019	0.2982	0.3630	0.6612	0.4212	0.0299	0.1980	0.0327	1.4000	1.6030	1.6030	1.2902	1.6030	1.2902	
2020	0.3097	0.3630	0.6727	0.4208	0.0292	0.1886	0.0327	1.3509	1.4651	1.4651	1.3619	1.4651	1.3619	
2021	0.3000	0.3525	0.6525	0.3968	0.0285	0.1837	0.0327	1.2838	1.3651	1.3651	1.2434	1.3651	1.2434	
2022	0.3030	0.3370	0.6400	0.3680	0.0263	0.2237	0.0314	1.2353	1.3571	1.3571	1.2036	1.3571	1.2036	
2023	0.2863	0.3267	0.6130	0.3160	0.0233	0.2044	0.0287	1.2203	1.3371	1.3371	1.1579	1.3371	1.1579	
2024	0.2670	0.3460	0.6130	0.2914	0.0211	0.2017	0.0250	1.1489	1.1517	1.1517	0.9600	1.1517	0.9600	

Source: Tax Appraisal District of Bell County

Notes: Statutes of the State of Texas (Article 1028) limit the maximum amount that a city can designate for debt service to \$ 2.50 per \$ 100 of assessed valuation. However, under City Charter, a limitation on taxes levied for general municipal operating purposes and for the purpose of paying interest and providing a proper sinking fund for paying the outstanding bonds and other obligations of the City, issued for municipal purposes, and any such future bonds or obligations which may be authorized, may not exceed \$ 1.20 per \$ 100 assessed valuation.

¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Temple. Not all overlapping rates apply to all City of Temple property owners (e.g. rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district). A property's location within the City limits will determine which school district's tax will be applicable for the property.

- Tax rate limit, City: \$ 1.20
- Is limitation by statute or constitution? Statute.
- Do they include debt service? Yes.
- Tax due date: January 31.
- Discount allowed? Yes: October 31, 3.0%; November 30, 2.0%; December 31, 1.0%.
- Penalty and interest: 1.5% per month beginning on the first day of delinquency (February 1) until tax is 12 months delinquent, at which time a 1.0% per monthly penalty is assessed until taxes are paid.
- Uncollected taxes:
 1. Second notice mailed in March or April following due date.
 2. Letter of intent to sue sent.
 3. Tax suit filed.
- Source: As ordered; not set by date.
Tax Appraisal District of Bell County.

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

Table VIII

Taxpayer	FY 2024			FY 2015		
	Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value ²	Rank	Percentage of Total Taxable Assessed Value
Panda Temple Power II, LLC	\$ 154,442,053	1	1.78%	\$ 320,034,006	1	8.65%
H.E. Butt Grocery	132,452,112	2	1.53%	55,067,523	8	1.49%
BKV-BPP Power, LLC	127,855,803	3	1.47%	-	-	-
Oncor Electric Delivery Company	109,446,562	4	1.26%	57,726,082	7	1.56%
Wilsonart International	109,144,441	5	1.26%	71,576,591	5	1.93%
McLane Company, Inc.	106,450,503	6	1.23%	128,191,015	2	3.47%
Temple Green Data, LLC	92,000,000	7	1.06%	-	-	-
Wal-Mart Real Estate Business Trust	89,807,208	8	1.03%	101,707,431	3	2.75%
Reynolds Consumer Products, Inc.	82,647,077	9	0.95%	35,241,520	9	0.95%
Pactiv Corporation	79,653,225	10	0.92%	86,257,201	4	2.33%
Sam's East, Inc.	-	-	-	59,684,760	6	1.61%
BNSF Railway Company	-	-	-	26,986,775	10	0.73%
Totals	\$ 1,083,898,984		12.49%	\$ 942,472,904		25.48%

Source: Tax Appraisal District of Bell County

1 - Total taxable value including real and personal property for fiscal year 2024 was \$ 8,683,508,717 (net taxable value not adjusted for frozen values).

2 - Total taxable value including real and personal property for fiscal year 2015 was \$ 3,699,245,668 (net taxable value not adjusted for frozen values).

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

Table IX

Fiscal Year	Taxes Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collected within the Tax Year of the Levy		Collections in Subsequent Years ¹		Total Collections to Date	
	Amount	Amount	Amount	Amount	% of Levy	Amount	% of Levy	Amount	% of Levy
2015	\$ 21,446,210	\$ -	\$ 21,446,210	\$ 21,046,789	98.14%	\$ 172,999	0.81%	\$ 21,219,788	98.94%
2016	23,742,734	155,641 ²	23,898,375	23,489,014	98.29%	583,821 ³	2.44%	24,072,835	100.73%
2017	25,523,538	189,564 ²	25,713,102	25,197,579	98.00%	412,263 ³	1.60%	25,609,842	99.60%
2018	27,354,869	175,306 ²	27,530,175	26,924,017	97.80%	258,998	0.94%	27,183,015	98.74%
2019	28,389,695	-	28,389,695	27,847,040	98.09%	113,556	0.40%	27,960,596	98.49%
2020	31,951,512	-	31,951,512	31,342,048	98.09%	34,172	0.11%	31,376,220	98.20%
2021	34,688,045	-	34,688,045	34,421,238	99.23%	34,080	0.10%	34,455,318	99.33%
2022	37,755,601 ⁴	-	37,755,601	37,196,777	98.52%	24,618	0.07%	37,221,395	98.59%
2023	43,933,095	-	43,933,095	42,784,514	97.39%	30,734	0.07%	42,815,248	97.46%
2024	50,938,518	-	50,938,518	49,781,106	97.73%	-	0.00%	49,781,106	97.73%

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

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

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

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

Source: Tax Appraisal District of Bell County

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

	Calendar Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Building Material	\$ 134,845,790	\$ 144,716,363	\$ 159,203,586	\$ 161,496,329	\$ 162,629,267	\$ 155,514,451	\$ 184,176,659	\$ 226,523,790	\$ 270,963,148	\$ 236,790,270
General Merchandise Stores	170,777,243	183,917,251	181,806,372	167,677,353	171,691,097	174,970,541	177,688,509	202,822,474	201,472,683	200,303,223
Food Stores ¹	64,396,707	83,112,785	90,942,344	89,780,255	93,833,108	105,728,093	113,487,335	138,779,364	156,757,116	163,753,466
Auto Dealers & Service Stations	66,094,355	67,535,037	71,376,272	74,955,553	75,166,776	79,844,949	86,961,616	104,931,869	116,011,445	124,966,558
Apparel & Accessory Stores	32,629,286	30,461,426	30,751,032	33,002,280	34,530,283	35,452,100	28,267,351	41,967,447	43,063,427	42,499,630
Furniture & Home Furnishings	43,053,963	46,769,756	46,601,996	47,960,047	49,331,679	50,825,775	43,453,411	55,768,836	53,065,302	53,999,171
Eating & Drinking Places	144,994,011	150,750,242	159,260,682	161,976,431	171,344,019	185,579,213	168,195,997	228,639,212	250,463,292	277,377,720
Miscellaneous Retail	66,214,000	67,057,766	78,107,089	88,605,255	87,625,171	87,806,535	97,219,223	117,301,661	126,018,223	127,732,096
Nonstore Retailers	1,451,906	2,225,442	2,551,369	1,768,028	1,444,784	2,608,127	2,490,789	3,510,081	5,651,278	5,798,029
Total Retail Sales	\$ 724,457,261	\$ 776,546,068	\$ 819,600,742	\$ 827,221,531	\$ 847,596,184	\$ 878,329,784	\$ 901,940,890	\$ 1,120,244,734	\$ 1,223,465,914	\$ 1,233,220,163
Total Non-Retail Sales	235,556,192	246,809,563	264,689,421	263,376,676	271,722,828	307,790,848	281,998,957	336,773,937	377,922,847	413,406,262
Total Taxable Sales	\$ 960,013,453	\$ 1,023,355,631	\$ 1,084,290,163	\$ 1,090,598,207	\$ 1,119,319,012	\$ 1,186,120,632	\$ 1,183,939,847	\$ 1,457,018,671	\$ 1,601,388,761	\$ 1,646,626,425
Applicable Sales Tax Rates:										
City of Temple	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Bell County	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
State of Texas	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
TOTAL SALES TAX RATE	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%

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

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

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

1 - General grocery items are not taxable; the sales tax applies only to prepared food items and nonfood items.

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

Fiscal Year	General Obligation Bonds ¹	General Bonded Debt Outstanding			Pass-Through Revenue & Limited Tax Bonds	Unamortized ² Premium / Discount	Total General Bonded Debt Outstanding	Less: Amount Restricted for Debt Service Fund ³	Total General Net Bonded Debt Outstanding	% of Estimated Actual Taxable Value ⁴ of Property		Per Capita ⁵
		Certificates of Obligation Bonds	Contractual Obligations	Revenue Bonds						Actual Taxable Value ⁴ of Property	Per Capita ⁵	
2015	\$ 75,420,000	\$ 36,650,000	\$ 4,415,000	\$ 465,000	\$ 24,700,000	\$ 8,595,491	\$ 150,245,491	\$ 959,697	\$ 149,285,794	79.64%	\$ 2,034	
2016	70,300,000	53,360,000	5,700,000	-	24,580,000	11,697,438	165,637,438	724,003	164,913,435	77.78%	2,190	
2017	66,265,000	50,440,000	4,525,000	-	23,685,000	10,978,104	155,893,104	-	155,893,104	75.13%	2,028	
2018	78,860,000	81,145,000	3,335,000	-	4,665,000	14,924,453	182,929,453	-	182,929,453	75.57%	2,322	
2019	73,560,000	96,540,000	3,330,000	-	3,715,000	15,207,445	192,352,445	-	192,352,445	75.62%	2,377	
2020	69,255,000	112,600,000	4,645,000	-	1,030,000	14,585,819	202,115,819	-	202,115,819	75.47%	2,463	
2021	64,030,000	156,925,000	6,780,000	-	-	17,556,643	245,291,643	-	245,291,643	74.74%	2,850	
2022	57,530,000	190,900,000	8,150,000	-	-	20,354,021	276,934,021	-	276,934,021	73.91%	3,108	
2023	51,185,000	224,750,000	9,485,000	-	-	22,506,706	307,926,706	-	307,926,706	71.12%	3,356	
2024	45,650,000	274,730,000	10,845,000	-	-	25,088,218	356,313,218	-	356,313,218	70.99%	3,753	

Notes: The above general bonded debt is repaid by general government resources.

General obligation bond debt within the proprietary fund (for water & wastewater) is all refunding debt and not supported by general government resources; therefore, it is not reflected within this table.

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

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

2 - FY 2014 through FY 2017 have been restated to include unamortized premium/discount amounts.

3 - FY 2014 through FY 2020 have been restated to reflect only net position externally restricted for the repayment of debt principal.

4 - See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 199 for property value data. (Table VI)

5 - Population data can be found in the Schedule of Demographic and Economic Statistics on page 209. (Table XVI)

**CITY OF TEMPLE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2024**

Table XIII

<u>Governmental Unit</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Temple¹</u>	<u>Amount Applicable to City of Temple</u>
Direct Debt:			
City of Temple	\$ 356,313,218	100.00%	\$ 356,313,218
Total direct debt	<u>356,313,218</u>		<u>356,313,218</u>
Overlapping Debt:			
Academy Independent School District	88,078,994	48.80%	42,982,549
Bell County	122,380,000	28.30%	34,633,540
Belton Independent School District	369,655,000	34.29%	126,754,700
Temple College	116,990,000	97.47%	114,030,153
Temple Independent School District	302,355,000	95.96%	290,139,858
Troy Independent School District	25,774,997	16.00%	4,124,000
Total estimated overlapping debt	<u>1,025,233,991</u>		<u>612,664,800</u>
Total direct and overlapping debt	<u><u>\$ 1,381,547,209</u></u>		<u><u>\$ 968,978,018</u></u>

Sources: Finance departments of respective entities.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Temple. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident -- and therefore responsible for repaying the debt -- of each overlapping government.

Reinvestment Zone No. 1 net general obligation bonded debt outstanding at September 30, 2024 was \$168,800,000.

¹ - For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. The percentage applicable to City of Temple was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas.

CITY OF TEMPLE, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
Last Ten Fiscal Years

Table XIV

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value 2023/2024 tax roll ¹	\$ 77,622,368
Limit on amount designated for debt service per \$ 100 assessed valuation (\$ 7,762,236,812 / \$ 100 = \$ 77,622,368)	x \$ 1.20
Legal debt service limit	\$ 93,146,842

Actual amount expended by debt Service fund for general obligation debt service during the year ended September 30, 2024	(28,560,937)
	<u>\$ 64,585,905</u>

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt service limit	\$ 39,964,632	\$ 41,332,748	\$ 42,527,390	\$ 44,246,881	\$ 47,120,031	\$ 52,247,126	\$ 59,347,043	\$ 64,550,683	\$ 80,088,371	\$ 93,146,842
Total net debt applicable to limit	(8,687,176)	(11,552,053)	(13,610,630)	(16,648,102)	(15,993,238)	(18,969,314)	(19,853,899)	(21,776,487)	(25,031,961)	(28,560,937)
Legal debt margin	\$ 31,277,456	\$ 29,780,695	\$ 28,916,760	\$ 27,598,779	\$ 31,126,793	\$ 33,277,812	\$ 39,493,144	\$ 42,774,196	\$ 55,056,410	\$ 64,585,905
Total net debt applicable to the limit as a percentage of debt service limit	21.74%	27.95%	32.00%	37.63%	33.94%	36.31%	33.45%	33.74%	31.26%	30.66%
Ad Valorem Debt Service Requirement, Fiscal Year Ending 09-30-2025						\$ 43,238,802				
2025 Interest and Sinking Fund Tax Levy					\$ 26,841,837					
Fiscal Year 2024 Interest and Sinking Fund Balance					1,652,395					
Pass-Through Toll Agreement Revenue					1,436,255					
Self-Supporting Debt Service					15,000,553	44,931,040				
Estimated Balance, 09-30-2025						\$ 1,692,238				

Notes: Statutes of the State of Texas (Article 1028) limit the maximum amount that a city can designate for debt service to \$ 2.50 per \$ 100 of assessed valuation. However, under City Charter, a limitation on taxes levied for general municipal operating purposes and for the purpose of paying interest and providing a proper sinking fund for paying the outstanding bonds and other obligations of the City, issued for municipal purposes, and any such future bonds or obligations which may be authorized, may not exceed \$ 1.20 per \$ 100 assessed valuation.

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

**CITY OF TEMPLE, TEXAS
PLEGGED-REVENUE COVERAGE
Last Ten Fiscal Years**

Table XV

Water Revenue Bonds					
Fiscal Year	Gross Revenue ¹	Less: Operating Expenses ²	Net Available Revenue	Average Annual Debt Service ³	Coverage
2015	\$ 31,110,346	\$ 18,124,858	\$ 12,985,488	\$ 4,600,597	2.82
2016	32,544,582	19,120,589	13,423,993	4,541,253	2.96
2017	33,835,002	19,165,579	14,669,423	6,065,724	2.42
2018	36,316,901	20,214,445	16,102,456	5,988,747	2.69
2019	33,189,134	21,157,412	12,031,722	6,814,698	1.77
2020	40,692,703	23,599,872	17,092,831	6,674,494	2.56
2021	40,727,248	24,345,479	16,381,769	11,920,773	1.37
2022	68,582,093	26,558,246	42,023,847	11,598,048	3.62
2023	78,075,506	31,196,833	46,878,673	13,935,384	3.36
2024	63,543,291	32,029,632	31,513,659	13,679,111	2.30

Water Revenue Bonds					
Fiscal Year	Gross Revenue ¹	Less: Operating Expenses ²	Net Available Revenue	Maximum Annual Debt Service ⁴	Coverage
2015	\$ 31,110,346	\$ 18,124,858	\$ 12,985,488	\$ 4,661,879	2.79
2016	32,544,582	19,120,589	13,423,993	4,661,879	2.88
2017	33,835,002	19,165,579	14,669,423	4,661,879	3.15
2018	36,316,901	20,214,445	16,102,456	6,975,742	2.31
2019	33,189,134	21,157,412	12,031,722	6,350,978	1.89
2020	40,692,703	23,599,872	17,092,831	6,350,978	2.69
2021	40,727,248	24,345,479	16,381,769	12,684,203	1.29
2022	68,582,093	26,558,246	42,023,847	12,537,069	3.35
2023	78,075,506	31,196,833	46,878,673	15,420,462	3.04
2024	63,543,291	32,029,632	31,513,659	15,424,157	2.04

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

1 - Gross revenues (as defined by revenue bond covenants) includes all income of the water and sewer system including interest income and noncash contributions of capital.

2 - Total operating expense less depreciation.

3 - Includes 2014 Utility Revenue Bonds for fiscal years beginning in 2015, 2015 Utility Revenue Bonds for fiscal years beginning in 2016, 2017 Utility Revenue Bonds beginning in fiscal year 2017, 2019 Utility Revenue Bonds beginning in fiscal year 2019, 2021 Utility Revenue Bonds beginning in fiscal year 2021, 2021A Utility Revenue Bonds beginning in fiscal year 2022, 2022 Utility Revenue Bonds beginning in fiscal year 2023, and 2023 Utility Revenue Bonds beginning in fiscal year 2024 . Includes 2012, 2014, 2015, and 2019 GO Refunding Debt issues, as well as 2021 Utility Revenue Refunding.

4 - Includes 2014 Utility Revenue Bonds for fiscal years beginning in 2015, 2015 Utility Revenue Bonds for fiscal years beginning in 2016, 2017 Utility Revenue Bonds beginning in fiscal year 2017, 2019 Utility Revenue Bonds beginning in fiscal year 2019, 2021 Utility Revenue Bonds beginning in fiscal year 2021, 2021A Utility Revenue Bonds beginning in fiscal year 2022, 2022 Utility Revenue Bonds beginning in fiscal year 2023, and 2023 Utility Revenue Bonds beginning in fiscal year 2024 . Also includes 2021 Utility Revenue Refunding.

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

Table XVI

Calendar Year	Population ¹⁻³	Personal Income ⁴	Per Capita Personal Income ⁵	Median Age ⁶	School Enrollment ⁷	Unemployment Rate ⁸
2015	73,408	\$ 2,847,789,952	\$ 38,794	34.6	8,635	3.70%
2016	75,293	2,989,357,979	39,703	34.6	8,658	3.80%
2017	76,864	3,042,892,032	39,588	34.6	8,672	3.70%
2018	78,793	3,225,549,041	40,937	34.6	8,734	3.50%
2019	80,930	3,412,737,170	42,169	33.9	8,579	3.30%
2020	82,073	3,468,815,345	42,265	33.9	8,425	6.10%
2021	86,075	3,871,223,125	44,975	33.9	8,461	4.90%
2022	89,112	4,303,485,816	48,293	34.9	8,663	3.80%
2023	91,751	4,367,072,347	47,597	33.8	8,790	4.09%
2024	94,935	4,774,471,020	50,292	34.1	8,832	4.01%

Sources:

- 1 - 2015 thru 2019 population is based on new residential water customers multiplied by 2010 Census data of average household size of 2.47.
- 2 - 2020 population is restated based on actual results of 2020 Census.
- 3 - 2021 thru 2024 population is based on new residential water customers multiplied by 2020 Census data of average household size of 2.65.
- 4 - Calculating personal income based on per capita personal income and estimated population.
- 5 - Per capita income provided by Metropolitan Area publication on the U.S. Department of Commerce's Bureau of Economic Analysis website. Based on most recent data available which will lag one year behind. This includes updates to prior years as they are updated by the Bureau of Economic Analysis.
- 6 - 2015 thru 2018 median age of 34.6 provided in the 2010 Census, 2019 thru 2021 median age of 33.9 provided by 2019 American Community Survey 1-Year Estimates, 2022 median age of 34.9 provided by 2021 American Community Survey 1-Year Estimates, 2023 median age of 33.8 provided by 2022 American Community Survey 1-Year Estimates, 2024 median age of 34.1 provided by 2023 American Community Survey 1-Year Estimates. Median age to be updated upon receipt of 2020 Census data related to median age for Temple.
- 7 - School enrollment (for public schools in Temple) provided by Temple Independent School District.
- 8 - Unemployment rates provided on the Texas Labor Market Information website. This includes updates to prior years as they are updated by Texas Workforce Commission.

**CITY OF TEMPLE, TEXAS
PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

Table XVII

Employer	FY 2024			FY 2015		
	Employees ¹	Rank	Percentage of Total City Employment ²	Employees ¹	Rank	Percentage of Total City Employment ²
Baylor Scott & White Health	6,685	1	17.99%	8,682	1	27.48%
Central Texas Veterans Healthcare Systems	4,631	2	12.47%	2,407	2	7.62%
McLane Company - Corporation Headquarters & SW Distribution Center	2,182	3	5.87%	1,497	3	4.74%
Temple Independent School District	1,509	4	4.06%	1,071	5	3.39%
H-E-B Retail Distribution Center	1,450	5	3.90%	500	10	1.58%
Wilsonart International	1,185	6	3.19%	895	6	2.83%
City of Temple	1,045	7	2.81%	837	7	2.65%
Scott & White Health Plan	986	8	2.65%	-	-	-
Wal-Mart Distribution Center	919	9	2.47%	-	-	-
McLane Children's Medical Center	888	10	2.39%	-	-	-
Wal-Mart Superstore, Distribution Center and Sam's Club	-	-	-	1,194	4	3.78%
Sprint/Nextel Communications	-	-	-	685	8	2.17%
PACTIV Packaging Corporation	-	-	-	600	9	1.90%
Totals	21,480		57.80%	18,368		58.14%

1 - Source: Employer Human Resources Department

2 - Source: Texas Labor Market Information website

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

Table XVIII

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government -										
Assistant city manager	2.00	2.00	-	-	-	-	-	-	-	-
City attorney	9.00	9.00	9.00	9.00	9.00	9.00	10.00	10.00	11.00	11.00
City council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City manager	6.00	7.00	7.00	8.00	13.00	7.00	6.00	6.00	6.00	6.00
City secretary	5.00	6.00	6.00	6.00	6.00	6.00	5.00	4.00	4.00	4.00
Communications & marketing	-	-	-	-	-	6.80	9.25	9.25	12.25	12.25
Customer care	-	-	-	-	-	-	-	-	-	4.55 ²
Facility services	15.45	16.45	15.70	16.45	18.45	19.45	19.54	20.54	20.54	22.04 ³
Finance	11.00	11.00	11.00	11.70	11.00	13.00	13.00	15.00	16.00	16.00
Fleet services	18.00	18.00	19.00	19.00	20.00	20.33	20.50	22.50	23.73	23.73
General services	3.35	2.90	7.10	-	-	-	-	-	-	-
Housing & community development	-	-	-	-	-	-	4.30	4.95	5.48	5.63 ¹
Information technology services	18.00	18.00	18.00	20.00	18.00	19.00	21.20	22.20	22.20	24.00 ⁴
People operations	5.00	6.00	6.00	6.00	6.00	7.00	7.38	8.63	11.00	12.00 ⁵
Permits & inspections	7.00	7.00	8.00	8.00	8.00	8.00	9.00	10.00	13.00	15.00 ^{6,7}
Planning	8.00	8.00	8.00	8.00	8.00	8.75	7.75	8.75	8.70	10.00 ^{1,8}
Purchasing	7.00	7.00	7.00	8.00	8.00	7.00	8.00	8.00	8.00	8.50 ^{3,9}
Strategy & Innovation	-	-	-	-	-	3.00	5.00	8.00	6.00	5.00 ¹⁰
Total general government	119.80	123.35	126.80	125.15	130.45	142.33	155.92	170.82	178.90	193.70
Public safety -										
Animal services	7.50	7.50	7.50	7.50	8.00	8.00	8.00	8.00	10.00	11.00 ¹¹
Code compliance	9.00	9.00	9.00	13.60	13.11	16.89	15.03	17.43	19.33	13.20 ¹
Fire	121.00	121.00	121.00	124.00	124.00	124.00	125.00	125.00	126.00	128.00 ¹²
Municipal court	12.03	12.03	12.03	12.03	12.03	12.03	12.03	12.03	12.03	12.03
Police	170.50	171.50	177.50	181.63	184.63	184.63	186.63	192.63	202.63	203.63
Transform Temple	-	-	-	-	-	-	-	-	5.50	9.13 ¹³
Total public safety	320.03	321.03	327.03	338.76	341.77	345.55	346.69	355.09	375.49	376.99
Highways and streets -										
Engineering	7.95	7.95	7.95	7.95	8.35	7.90	6.63	6.63	6.63	9.15 ^{14,15}
Drainage	17.23	16.40	16.70	16.40	19.60	19.57	20.19	20.59	21.59	19.83 ^{4,14}
Street	23.50	24.50	24.50	24.50	24.50	28.61	28.34	28.94	30.94	30.94
Traffic control	4.75	4.75	4.75	5.75	5.75	5.86	5.58	5.58	5.58	5.58
Total highway and streets	53.43	53.60	53.90	54.60	58.20	61.94	60.74	61.74	64.74	65.50

(continued)

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sanitation -	47.22	48.22	51.22	51.22	53.50	55.83	58.00	64.50	67.50	70.50 ¹⁶
Health and welfare -										
Community development projects/grants	0.65	1.10	2.65	1.33	4.52	4.99	5.55	6.50	5.12	5.67 ^{1,20}
Total health and welfare	0.65	1.10	2.65	1.33	4.52	4.99	5.55	6.50	5.12	5.67
Cultural and leisure services -										
Destination marketing	1.85	2.60	2.60	2.60	3.75	4.75	5.65	6.63	5.00	5.00
Golf course	19.16	19.16	19.16	19.16	19.41	19.41	19.41	19.41	20.16	20.16
Library	28.15	28.15	28.15	27.65	28.15	28.15	28.15	28.40	28.40	29.90 ¹⁷
Main street program	-	-	-	-	-	-	1.50	1.50	2.00	1.00 ⁸
Mayborn center	15.40	18.29	17.20	17.20	16.40	16.55	12.95	12.75	13.75	13.75
Parks	35.41	35.41	37.41	37.91	39.04	41.04	41.04	42.04	48.29	46.41 ¹⁸
Parks & recreation administration services	6.75	6.75	6.20	6.20	2.52	3.02	3.02	3.12	5.12	7.00
Railroad & heritage museum	4.88	5.38	5.38	5.75	5.80	6.05	6.73	6.63	6.63	7.13 ¹⁷
Recreation	65.24	68.49	69.74	69.74	71.39	71.89	72.80	74.23	74.23	77.73 ¹⁹
Total cultural and leisure services	176.84	184.23	185.84	186.21	186.46	190.86	191.25	194.71	203.58	208.08
Airport -	13.38	14.38	13.38	13.38	13.38	13.38	13.38	13.38	16.38	16.38
Water and wastewater -	88.19	91.78	92.48	95.41	101.81	118.46	114.57	118.57	122.57	127.08 ^{2,4,14,21,22,23,24}
Totals	819.54	837.69	853.30	866.06	890.09	933.34	946.10	985.31	1,034.28	1,063.90

Source: City Budget Office

1 - During the budget process each position funded within the Federal/State Grant Fund is evaluated based on program needs and available resources. Therefore, personnel distributions amongst the divisions within the Federal/State Grant Fund will be adjusted accordingly each fiscal year. Several positions within Code Compliance, Housing & Community Development, Planning, and Police are partially funded with Federal/State Grant Funds.

2 - In FY 2024, the following changes occurred with the creation of the Customer Care Department:

- *Reclassified the Utility Business Division Director to Director of Customer Care and position was moved to the Customer Care Department (25% GF/75%WW);
- *Added one Assistant Director of Customer Care (30% Customer Care GF/70% UBO);
- *Moved the Customer Care Coordinator position to Customer Care (50% GF/50% WW);
- *Added three Community Solutions Specialist positions (100% GF);
- *Added a Customer Care Supervisor position (50% GF/50% WW);
- *Moved the Customer Care Specialist positions to Customer Care (100% WW); and
- *Reclassified the Customer Care Specialist - PT to full time and moved to Customer Care (100% WW).

(continued)

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

- 3 - In FY 2024, the Director of Purchasing & Facility Services was funded 50% Purchasing and 50% Facility Services.
- 4 - In FY 2024, funding allocations for the following positions changed:
 - *Two GIS Analysts from 40% Information Technology, 20% Drainage, 40% PW Admin to 100% Information Technology, and
 - *GIS Technician from 40% Information Technology, 30% Drainage, 30% PW Admin to 100% Information Technology.
- 5 - In FY 2024, a Benefits Administrator position was added.
- 6 - In FY 2024, one Combination Building Inspector was added.
- 7 - During FY 2024, one Combination Building Inspector was added.
- 8 - In FY 2024, the Office Assistant II position was moved from Main Street Program to Planning & Development.
- 9 - During FY 2024, one Buyer position was added.
- 10 - In FY 2024, the Equity Manager position was eliminated.
- 11 - In FY 2024, one Animal Shelter Technician was added.
- 12 - In FY 2024, one Administrative Assistant II position was added, as well as one Fire Driver position for the Deputy Fire Marshal.
- 13 - In FY 2024, an Administrative Assistant II, a Lead Transform Temple Agent, and a Transform Temple Agent was added.
- 14 - In FY 2024, one Administrative Assistant III position was reclassified to a Transportation Dispatch Manager. Funding allocations for the following position changed as follows:
 - *City Engineer from 34% Engineering, 33% Drainage, 33% PW Admin to 70% Engineering and 30% PW Admin;
 - *Deputy City Engineer from 40% Engineering, 20% Drainage, 40% PW Admin to 50% Engineering and 50% PW Admin;
 - *Director of Public Works from 10% Engineering, 20% Drainage, 70% PW Admin to 45% Engineering, 10% Drainage, and 45% PW Admin;
 - *Senior Project Engineer from 34% Engineering, 33% Drainage, 33% PW Admin to 50% Engineering and 50% PW Admin; and
 - *Senior Project Engineer position from 20% Engineering, 10% Drainage, 25% TCIP, 20% PW Admin, 25% Utility Revenue Bonds to 50% TCIP and 50% Utility Revenue Bonds.
- 15 - In FY 2024, an additional Project Engineer was authorized and funded.
- 16 - In FY 2024, one Maintenance Worker position was reclassified to an Equipment Operator I position. In addition, one Heavy Duty Truck Technician I position and two Solid Waste Driver positions were added.
- 17 - In FY 2024, one Facility Manager and one Assistant Director of Library were added. Both positions were split funded 50% Library (General Fund) and 50% Railroad Museum (Hotel/Motel Fund). The Director of Library changed funding from 100% Library (General Fund) to 50% Library (General Fund) and 50% Railroad Museum (Hotel/Motel Fund). The Museum Archivist moved from Railroad Museum (Hotel/Motel Fund) to Library (General Fund).
- 18 - In FY 2024, the Park Planner was reclassified to Parks Development Manager. The Operations Coordinator was reclassified to an Operations Manager position and the funding was changed to 100% Parks and Recreation Administration.
- 19 - In FY 2024, a Special Events Assistant and two Program Coordinators were added. In addition, the following organizational changes occurred: Administrative Assistant I - PT to a full time Athletics Assistant, one Senior Program Coordinator to Program Coordinator, five Recreation Specialists to Program Coordinators, Assistant Program Coordinator to Program Coordinator, Recreation Leader I to Administrative Assistant II, three Program Coordinator positions to Program Managers, and one Program Manager to Operations Manager.
- 20 - During FY 2024, a Case Manager position was added.
- 21 - In FY 2024, one Environmental Programs Tech I position was authorized and funded.
- 22 - In FY 2024, one Meter Technician I position was authorized and funded.
- 23 - In FY 2024, three Utility Technician positions were moved from Water Distribution to Wastewater Collection.
- 24 - In FY 2024, two Water Operator positions were added.

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

Table XIX

Function/Program	Fiscal Year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
General government -											
Capital projects obligated	\$235M	\$251M	\$203M	\$249M	\$264M	\$289M	\$469M	\$488M	\$588M	\$581M	
Total funds invested @ 9/30	\$165,743,994	\$159,839,429	\$163,789,917	\$183,092,888	\$180,183,000	\$175,862,578	\$347,811,152	\$372,167,910	\$410,995,173	\$390,511,320	
Average return on investments	0.23%	0.42%	0.83%	1.63%	2.42%	1.43%	0.29%	0.69%	4.55%	5.39%	
Public safety -											
Police:											
Noise violations	17	13	5	2	-	3	10	9	10	5	
Speeding citations	7,137	9,310	8,548	5,738	9,296	4,362	4,122	2,987	2,445	2,307	
Stop sign/red light citations	651	637	576	402	861	610	617	424	423	586	
Priority 1 calls	7 min 13 sec	6 min 44 sec	6 min 46 sec	5 min 32 sec	6 min 19 sec	6 min 22 sec	6 min 49 sec	7 min 9 sec	7 min 3 sec	7 min 22 sec	
Priority 2 calls	12 min 34 sec	9 min 44 sec	11 min 35 sec	11 min 41 sec	12 min 39 sec	11 min 16 sec	12 min 10 sec	12 min 16 sec	12 min 56 sec	13 min 21 sec	
Fire:											
Fire/EMS response time average (minutes)	4 min 44 sec	5 min 4 sec	4 min 22 sec	4 min 21 sec	4 min 57 sec	6 min 21 sec	5 min 34 sec	5 min 43 sec	6 min 7 sec	5 min 16 sec	
Fire/EMS incidents responded to	13,010	12,659	13,133	12,986	10,960	12,781	16,261	14,473	14,995	15,419	
% of one & two-family residential structure fires confined to room/structure of origin	86% / 97%	76% / 96%	63% / 92%	83% / 97%	83% / 98%	62% / 96%	52% / 83%	68% / 94%	59% / 90%	62% / 94%	
Animal control:											
Animals handled	4,021	5,034	4,021	3,543	3,188	2,616	2,633	3,411	3,215	3,923	
Animals euthanized	1,622	1,574	1,622	1,038	869	834	801	1,105	1,128	1,409	
Animals adopted	1,719	1,822	1,719	1,824	1,748	1,307	1,425	1,685	1,498	1,788	
Animals reclaimed by owner	619	612	619	582	482	463	402	524	547	551	
Inspections:											
Permits issued	7,286	9,094	9,148	8,510	9,071	10,259	10,991	12,452	11,549	12,760	
Building inspections	13,475	15,549	17,053	20,238	19,324	24,470	27,684	33,833	33,986	37,882	
Highways & streets -											
Street:											
New lane miles	13.0	17.5	8.9	18.9	28.1	7.9	36.3	29.6	45.0	27.1	
Streets seal coated (lane miles)	-	-	-	-	-	-	-	-	-	-	
Streets overlaid (lane miles)	50.3	26.9	27.1	27.0	-	-	-	-	21.5	23.2	
Traffic signals:											
Signal lights repaired	383	560	441	571	598	192	191	280	385	305	
Equipment upgraded by intersection	24	18	6	10	23	9	3	17	3	18	
Engineering:											
Construction contracts administered/managed	75	75	95	100	90	29	29	38	36	34	
Construction/building plans & plats reviewed	538	523	480	545	594	334	433	282	305	232	
Health and welfare -											
Public service contracts											
Number of residential customers	21,178	22,496	23,230	23,945	24,868	26,314	27,352	28,494	31,055	32,141	
Number of commercial/industrial customers	1,905	2,025	2,082	2,094	2,082	2,088	2,139	2,219	2,824	2,851	
Tons of garbage and bulk collected	83,614	88,097	91,443	95,145	104,923	98,274	100,470	103,875	113,183	115,168	

* = Not available

(continued)

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

Table XIX
(Continued)

Function/Program	Fiscal Year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Culture and leisure services -											
Destination marketing:											
Number of hotel room nights booked - city wide	14,180	15,490	13,197	14,680	15,194	9,757	3,272	3,535	1,335	1,335	
Mayborn center:											
Event days booked	336	322	282	235	226	218	142	201	265	221	
Number of hotel rooms nights booked - associated to events booked at Mayborn ⁴	-	-	-	-	-	-	1,283	2,108	2,505	2,375	
Parks:											
Ratio of acres maintained per maintenance staff employee	34.0	37.5	39.3	79.0	79.0	80.6	70.8	70.8	71.0	65.2	
Park master plans designed	2	6	3	1	-	1	-	2	3	3	
Park/city improvement projects completed	224	217	214	298	125	107	79	134	137	143	
Leisure services:											
Number of classes offered	1,544	2,140	2,267	2,960	4,501	4,404	3,455	6,791	5,534	4,030	
Overall customer satisfaction	97.0%	97.0%	95.0%	99.0%	99.0%	99.0%	95.0%	83.2%	83.0%	92.0%	
Golf course:											
Number of rounds of golf played	32,081	24,334	26,202	19,400	25,812	27,753	33,268	35,966	39,053	41,492	
Number of youth in 'Learn to Golf' program	126	220	170	181	212	-	-	24	72	160	
Education:											
Circulation per capita	5.58	5.03	4.65	4.20	4.34	2.79	4.30	5.86	6.36	4.06	
Library visits per capita	3.66	3.68	3.43	3.09	2.98	1.86	1.40	1.89	2.06	1.86	
Airport -											
Airshow attendance ⁵	26,500	21,000	-	25,000	21,000	-	-	-	1,680	4,238	
T-Hangars available / occupancy rate	74 / 100%	74 / 100%	74 / 100%	74 / 100%	74 / 100%	74 / 100%	74 / 100%	74 / 100%	74 / 100%	74 / 97%	
Water/wastewater -											
Surface water treated (billions of gallons)	5.32	5.14	5.71	6.29	5.34	5.83	5.81	6.71	6.97	6.38	
Number of active meters	25,953	26,765	27,435	28,214	29,140	30,718	32,244	33,460	34,512	35,608	
Water billed (billions of gallons)	4.21	4.39	4.57	5.10	4.37	5.11	4.73	5.81	6.05	5.59	
Wastewater billed (billions of gallons)	2.25	2.38	2.45	2.53	2.48	2.36	2.50	2.68	2.82	3.00	
Average daily production of treated water in MG (millions of gallons)	14,400	14,000	15,360	16,567	14,510	16,150	15,900	18,740	19,110	17,670	
Highest daily production of treated water in MG (millions of gallons)	25,200	26,970	26,410	31,330	30,881	32,812	33,800	32,920	32,480	29,930	
Average cost of water treated per 1,000 gallons ^{1,3}	\$0.87	\$0.86	\$0.75	\$0.76	\$0.81	\$0.79	\$0.85	\$0.81	\$0.97	\$1.25	
Water main breaks repaired	289	311	271	389	341	301	309	314	400	353	
New water taps installed	837	893	823	897	850	1,760	1,635	1,321	1,183	1,408	
Wastewater mains replaced (linear feet)	20,570	18,717	14,675	15,180	15,970	3,963	3,454	4,544	2,193	2,401	
Average cost for wastewater treated per 1,000 gallons ²	\$0.82	\$0.82	\$1.09	\$1.06	\$0.86	\$1.25	\$0.86	\$1.15	\$1.17	\$0.80	

* = Not available

Source: Data collected from various city departments for the budget.

1 - In FY 2018, average costs of water treated per 1,000 gallons was restated for FY 2017.

2 - In FY 2019, the average costs for wastewater treated per 1,000 gallons was restated to include both wastewater treatment plants (Doshier and Temple-Belton).

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

4 - Beginning in FY 2021, the number of hotel room nights booked within the City associated to the number of events booked at Mayborn were monitored. No data provided prior to FY 2021.

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

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

Table XX

Function/Program	Fiscal Year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Public safety -											
Police:											
Stations					1	1	1	1	1	1	1
Fire:											
Stations					8	8	8	8	8	8	8
Hydrants	3,441	3,500	3,500	3,700	3,801	3,900	4,200	4,253	4,483	4,492	
Culture & leisure services -											
Parks & recreation:											
Park acreage developed	718	718	775	775	894	894	902	1,170	1,461	1,509	
Park acreage undeveloped	109	396	403	403	416	416	408	158	158	250	
Golf course					1	1	1	1	1	1	
Baseball/softball fields	17	17	17	17	25	25	25	25	25	25	
Football field					1	1	1	1	1	1	
Tennis courts	14	14	11	10	19	19	16	16	15	11	
Swimming pools/water park					5	5	5	5	5	5	
Soccer fields					15	15	13	13	13	13	
Picnic pavilions	26	28	31	32	32	32	35	33	32	34	
Basketball courts	18	19	20	20	20	20	20	20	20	19	
Playgrounds	41	41	41	47	49	49	50	50	50	50	
Community centers					3	3	3	3	3	2	
Recreation centers					3	3	3	3	3	3	
Multi-use fields					8	8	8	8	9	8	
Sand volleyball courts					3	3	3	3	3	3	
Hike and bike trail miles	18	19	23	28	28	28	29	29	29	29	
Extreme skate park	1	1			1	1	1	1	1	1	
Disc golf course					3	3	3	3	3	3	
Community garden					1	1	1	1	1	1	
Museum					1	1	1	1	1	1	
Convention center					1	1	1	1	1	1	
Pickleball courts					1	1	1	1	1	1	
Education:											
Number of volumes	184,993	190,835	195,327	199,289	198,325	193,862	155,881	152,509	147,146	142,853	

(continued)

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

Table XX
 (Continued)

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Highways & streets -										
Paved streets (lane miles) ³	1,058.00	1,083.00	1,099.00	1,117.00	1,173.85	1,146.83	1,156.97	1,168.51	1,201.94	1,216.84
Unpaved streets (miles) ⁴	1.50	1.50	1.50	1.50	1.68	0.65	0.65	0.61	0.61	0.61
Paved alleys (miles)	7.50	7.50	7.50	7.50	9.94	10.01	10.01	10.01	10.01	10.73
Water and wastewater -										
Water:										
Water mains (miles)	599	608	613	628	642	652	661	679	692	711
Daily average production (MGD ¹)	14,400	14,000	15,360	16,570	14,510	16,150	15,900	18,740	19,110	17,670
Plant capacity (MGD) ²	41.14	41.14	41.14	41.14	41.14	41.14	41.14	41.14	41.14	54.00
Number of service connections	25,953	26,765	27,435	28,214	29,141	30,718	32,244	33,460	34,512	34,543
Wastewater:										
Wastewater collection system lines (miles)	389	397	400	410	449	459	463	481	501	511
Number of lift stations	32	32	32	30	29	28	28	30	31	33
Daily average treatment:										
Doshier Farm (MGD ¹)	2,240	3,210	2,290	1,900	3,010	2,010	2,700	2,190	2,190	3,630
Temple-Belton WWTP (MGD ¹)	7,070	8,460	5,220	6,230	8,230	7,010	7,800	7,200	7,200	9,490
Maximum capacity of treatment plants:										
Doshier Farm (MGD ¹)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Temple-Belton WWTP (MGD ¹)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Number of disposal plants					2	2	2	2	2	2
Number of service connections	21,983	22,757	23,489	24,232	25,142	26,545	27,658	28,820	29,853	30,746

1 - MGD = million gallons daily

2 - In FY 2017, plant capacity was restated from 41.40 to 41.14 for FY 2015 through FY 2016

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

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

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

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

Calendar Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1/2)	(4) Unfunded Accrued Liability	(5) Annual Covered Payroll	(6) UAAL as a Percentage of ACP (4/5)	(7) Total TMRS Required Contribution Rate ¹	(8) Prior Service Portion of the TMRS Rate
2014	\$ 136,099,382	\$ 164,924,797	82.5%	\$ 28,825,415	\$ 28,503,722	101.1%	17.50%	6.16%
2015	145,276,139	174,865,079	83.1%	29,588,940	30,081,165	98.4%	16.73%	7.06%
2016	153,186,312	184,073,312	83.2%	30,887,000	31,463,368	98.2%	15.85%	6.37%
2017	162,957,405	194,460,522	83.8%	31,503,117	32,939,866	95.6%	16.36%	6.18%
2018	171,285,542	205,052,180	83.5%	33,766,638	33,685,233	100.2%	16.48%	6.32%
2019	182,033,794	214,763,831	84.8%	32,730,037	35,459,280	92.3%	16.43%	6.33%
2020	193,970,131	225,023,374	86.2%	31,053,243	38,252,963	81.2%	16.91%	6.79%
2021	208,403,786	240,710,106	86.6%	32,306,320	40,019,740	80.7%	17.05%	6.58%
2022	220,889,433	258,240,126	85.5%	37,350,693	43,900,065	85.1%	16.73%	5.98%
2023	236,045,341	275,753,841	85.6%	39,708,500	49,107,567	80.9%	16.80%	6.14%

Source: Texas Municipal Retirement System Actuarial Valuation Report

Note: In June, 2011, SB 350 was enacted by the Texas Legislature, resulting in a restructure of the TMRS funds. This legislation provided for the actuarial valuation to be completed, as if restructuring had occurred on December 31, 2010. In addition, the actuarial assumptions were updated for the new fund structure, based on an actuarial experience study that was adopted by the TMRS Board at their May, 2011 meeting (the review compared actual to expected experience for the four-year period of January 1, 2006 through December 31, 2009). For a complete description of the combined impact of the legislation and new actuarial assumptions, including the effects on TMRS city rates and funding ratios, please see the December 31, 2010 TMRS Annual Comprehensive Financial Report.

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

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

Fiscal Year*	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1/2)	(4) Unfunded Actuarial Accrued Liability	(5) Annual Covered Payroll	(6) UAAL as a Percentage of ACP (4/5)	(7) Total Actual Contribution Rate
2014	\$ 39,633,562	\$ 50,613,335	78.3%	\$ 10,979,773	\$ 7,308,427	150.2%	15.20%
2015	37,387,617	53,217,119	70.3%	15,829,502	8,038,340	196.9%	15.21%
2016	39,862,402	56,277,136	70.8%	16,414,734	8,195,240	200.3%	14.86%
2017	42,702,404	58,704,181	72.7%	16,001,777	8,540,580	187.4%	15.18%
2018	44,243,769	60,626,595	73.0%	16,382,826	8,623,033	190.0%	15.29%
2019	45,569,953	63,028,830	72.3%	17,458,877	8,566,960	203.8%	15.21%
2020	48,418,257	67,708,335	71.5%	19,290,078	9,252,053	208.5%	15.13%
2021	57,652,557	70,404,082	81.9%	12,751,525	9,481,306	134.5%	16.22%
2022	47,415,090	73,457,556	64.5%	26,042,466	11,031,306	236.1%	16.23%
2023	51,585,794	76,145,689	67.7%	24,459,895	10,903,188	224.3%	16.25%

Source: Temple Firefighters' Relief and Retirement Fund

* Measurement date September 30

CITY OF TEMPLE, TEXAS
ACTIVE AND RETIREE HEALTH CARE COSTS
Last Ten Fiscal Years

Table XXIII

Fiscal Year	Total Health Care Expenses	Retiree Expense	Percentage Retiree Costs to Total	Active Members	Retirees Using City Health Care	Total TMRS Retirees	Total Firemen's Retirees	Percentage Retirees Using Plan to Total Members	Retiree Contributions	Net Subsidy of Retirees	Subsidy as Percentage of Total Expense	Cost per Active Member	Cost per Retiree
2015	\$ 4,228,885	\$ 489,387	11.6%	588	110	354	73	18.7%	\$ 342,249	\$ (147,138)	3.5%	\$ 6,360	\$ 4,449
2016	4,595,754	506,246	11.0%	609	101	377	78	16.6%	361,625	(144,620)	3.1%	6,715	5,012
2017	4,737,595	513,254	10.8%	623	106	392	81	17.0%	368,197	(145,056)	3.1%	6,781	4,842
2018	5,556,880	570,723	10.3%	608	112	416	91	18.4%	423,038	(147,685)	2.7%	8,201	5,096
2019	5,693,986	584,085	10.3%	606	108	430	96	17.8%	452,939	(131,146)	2.3%	8,432	5,408
2020	5,480,354	522,951	9.5%	643	98	443	99	15.2%	383,559	(139,392)	2.5%	7,710	5,336
2021	5,586,851	458,156	8.2%	624	95	445	104	15.2%	129,430	(328,726)	5.9%	8,219	4,823
2022	5,431,959	414,416	7.6%	613	88	460	103	14.4%	120,115	(294,301)	5.4%	8,185	4,709
2023	5,501,893	333,857	6.1%	682	82	484	106	12.0%	111,209	(222,648)	4.0%	7,578	4,071
2024	6,569,572	315,206	4.8%	757	82	496	109	10.8%	105,956	(209,251)	3.2%	8,262	3,844
Total	\$ 53,383,729	\$ 4,708,280				430	94	15.6%	\$ 2,798,316	\$ (1,909,964)		\$ 76,442	\$ 47,591
Average	\$ 5,338,373	\$ 470,828	9.0%	635	98				\$ 279,832	\$ (190,996)	3.6%	\$ 7,644	\$ 4,759

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

AVERAGE DAILY TREATED WATER VS. AVERAGE DAILY TREATMENT CAPACITY

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Average Daily Treatment (MGD)</u>	<u>Maximum Daily Treatment Capacity (MGD) ^{1, 2}</u>	<u>Peak Day Usage (MGD)</u>
2015	14.4000	41.14	25.20
2016	14.0000	41.14	26.97
2017	15.3600	41.14	26.41
2018	16.5670	41.14	31.33
2019	14.5100	41.14	30.88
2020	16.1500	41.14	32.81
2021	15.9000	41.14	33.80
2022	18.7400	41.14	32.92
2023	19.1100	41.14	32.48
2024	17.6700	54.00	29.93

Source: Public Works Administration Office

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

2 - In FY 2024, the Water Treatment Plant Membrane Facility Expansion became operational.

CITY OF TEMPLE, TEXAS
ANNUAL TREATED WATER VS. TOTAL AVAILABLE WATER
Last Ten Fiscal Years

Table XXV

Fiscal Year	Annual Treated Water (Acre feet)	Total Available Water (Acre feet)
2015	16,313	44,453
2016	15,767	44,453
2017	17,525	44,453
2018	19,315	44,453
2019	16,402	44,453
2020	18,436	44,453
2021	17,809	44,453
2022	21,008	44,453
2023	21,409	44,453
2024	19,587	44,453

Source: Public Works Administration Office

CITY OF TEMPLE, TEXAS
WATER AND WASTEWATER UTILITY SYSTEM
Schedule of Water Pumped to Town vs. Water Billed

Table XXVI

Fiscal Year	Water Pumped to Town (gals) ^{1,2}	Water Billed (gals) ¹	City Usage (gals) ¹	% (Billed + City) vs Pumped	Water Revenues	% Increase (Decrease)	
						Water Revenues	Water Billed
2015	4,824,441	4,213,140	97,517	89.35%	\$ 16,278,062	-0.12%	-1.10%
2016	4,922,493	4,391,601	91,018	91.06%	16,780,446	3.09%	4.24%
2017	5,636,190	4,568,607	96,354	82.77%	17,727,639	5.64%	4.03%
2018	6,067,268	5,100,503	120,257	86.05%	19,277,829	8.74%	11.64%
2019	5,361,078	4,372,084	85,722	83.15%	16,660,392	-13.58%	-14.28%
2020	5,893,446	5,105,281	156,720	89.29%	21,483,096	28.95%	16.77%
2021	5,811,790	4,732,557	135,617	83.76%	20,287,335	-5.57%	-7.30%
2022	6,708,071	5,812,427	187,334	89.44%	25,649,247	26.43%	22.82%
2023	6,973,774	6,045,452	210,002	89.70%	27,575,896	7.51%	4.01%
2024	6,380,011	5,588,479	134,799	89.71%	26,647,723	-3.37%	-7.56%

Source: Public Works Administration Office and Utility Business Office

1 - Information is reported in thousands of gallons.

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

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

Table XXVII

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial ¹ / Wholesale</u>	<u>Total</u>	<u>Percentage Growth</u>
2015	23,097	2,856	25,953	2.88%
2016	23,860	2,905	26,765	3.13%
2017	24,496	2,939	27,435	2.50%
2018	25,277	2,937	28,214	2.84%
2019	26,142	2,999	29,141	3.29%
2020	27,633	3,085	30,718	5.41%
2021	29,143	3,101	32,244	4.97%
2022	30,289	3,171	33,460	3.77%
2023	31,285	3,227	34,512	3.14%
2024	32,352	3,256	35,608	3.18%

Source: Utility Business Office

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

AVERAGE DAILY TREATED WASTEWATER VS. AVERAGE DAILY TREATMENT CAPACITY

Last Ten Fiscal Years

Fiscal Year	Average Daily Wastewater Treated (MGD)			Average Daily Treatment Capacity (MGD)
	Temple-Belton WWTP	Doshier WWTP	Total	
2015	7.07	2.24	9.31	17.50
2016	8.46	3.21	11.67	17.50
2017	6.61	2.29	8.90	17.50
2018	6.23	1.90	8.13	17.50
2019	8.23	3.01	11.24	17.50
2020	7.01	2.01	9.02	17.50
2021	7.80	2.70	10.50	17.50
2022	7.20	2.19	9.39	17.50
2023	8.05	2.52	10.57	17.50
2024	9.49	3.63	13.12	17.50

Source: Public Works Administration Office

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

Table XXIX

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>	<u>Percentage Growth</u>
2015	19,823	2,160	21,983	2.79%
2016	20,582	2,175	22,757	3.52%
2017	21,284	2,205	23,489	3.22%
2018	22,033	2,199	24,232	3.16%
2019	22,906	2,236	25,142	3.76%
2020	24,264	2,281	26,545	5.58%
2021	25,361	2,297	27,658	4.19%
2022	26,490	2,330	28,820	4.20%
2023	27,511	2,342	29,853	3.58%
2024	28,419	2,364	30,783	3.12%

Source: Utility Business Office

WATER AND WASTEWATER UTILITY SYSTEM
Schedule of Water and Wastewater Rates

WATER RATES					
Minimum Bill / Minimum Service Charge for the First 2,000 Gallons of Water Consumed					
Meter Size	Effective 10/01/24 ¹	Effective 10/01/23 ²	Effective 10/01/22 ³	Effective 10/01/21 ⁴	Effective 10/04/19 ⁵
3/4" - 5/8"	\$ 12.75	\$ 11.75	\$ 11.00	\$ 10.00	\$ 10.00
1"	\$ 20.45	\$ 18.75	\$ 17.60	\$ 16.00	\$ 16.00
1-1/2"	\$ 25.55	\$ 23.75	\$ 22.00	\$ 20.00	\$ 20.00
2"	\$ 81.75	\$ 75.50	\$ 70.40	\$ 64.00	\$ 64.00
3"	\$ 163.50	\$ 150.75	\$ 140.80	\$ 128.00	\$ 128.00
4"	\$ 255.45	\$ 235.50	\$ 220.00	\$ 200.00	\$ 200.00
6"	\$ 817.35	\$ 753.50	\$ 704.00	\$ 640.00	\$ 640.00
8"	\$ 1,430.30	\$ 1,318.25	\$ 1,232.00	\$ 1,120.00	\$ 1,120.00
10"	\$ 2,247.60	\$ 2,071.75	\$ 1,936.00	\$ 1,760.00	\$ 1,120.00
Water Volumetric Rates					
Straight Volumetric Rate (above 2,000 gallons)	Effective 10/01/24 ¹	Effective 10/01/23 ²	Effective 10/01/22 ³	Effective 10/01/21 ⁴	Effective 10/04/19 ⁵
Industrial Class - Large Volume User	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20
All Other Classes	\$ 4.00	\$ 4.00	\$ 4.00	\$ 3.95	\$ 3.70
Volumetric Rate	\$ 4.50	\$ -	\$ -	\$ -	\$ -

WASTEWATER RATES					
Minimum Bill / Minimum Service Charge for the First 2,000 Gallons of Wastewater Produced					
	Effective 10/01/24 ¹	Effective 10/01/23 ²	Effective 10/01/22 ³	Effective 10/01/21 ⁴	Effective 10/04/19 ⁵
Industrial Class - Large Volume User	\$ 17.60	\$ 17.60	\$ 17.60	\$ 16.00	\$ 16.00
All Other Classes	\$ 17.60	\$ 17.60	\$ 17.60	\$ 16.00	\$ 16.00
Base Rate	\$ 22.10	\$ -	\$ -	\$ -	\$ -
Wastewater Volumetric Rates					
Straight Volumetric Rate (above 2,000 gallons)	Effective 10/01/24 ¹	Effective 10/01/23 ²	Effective 10/01/22 ³	Effective 10/01/21 ⁴	Effective 10/04/19 ⁵
Industrial Class - Large Volume User	\$ 6.75	\$ 6.75	\$ 5.75	\$ 4.75	\$ 4.50
All Other Classes	\$ 7.75	\$ 7.75	\$ 6.75	\$ 5.75	\$ 5.50
Volumetric Rate	\$ 9.00	\$ -	\$ -	\$ -	\$ -

Source: Finance Department

1 - Effective October 1, 2024 per Resolution No. 2024-0294-R

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

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

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

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

**City of Temple, Texas
Top 10 Water Customers
For the year ended September 30, 2024**

Customer	Gallons	Revenue	% of Total Annual Revenue	% of Total Usage
Niagara Bottling, LLC	364,143,000	\$ 1,441,433	5.14%	6.52%
Baylor Scott & White Hospital	224,600,300	1,025,399	3.65%	4.02%
City of Morgan's Point Resort*	190,435,100	779,580	2.78%	3.41%
City of Troy*	161,711,600	655,767	2.34%	2.89%
City of Temple	134,798,800	747,479	2.66%	2.41%
VA Hospital	65,702,100	294,405	1.05%	1.18%
Wilsonart International	55,591,500	245,509	0.87%	0.99%
Pactiv Corporation	54,289,800	234,090	0.83%	0.97%
Housing Authority	42,292,400	198,721	0.71%	0.76%
Bell County WCID #2	36,552,400	155,130	0.55%	0.65%
	1,330,117,000	\$ 5,777,514	20.58%	23.80%

* Wholesale customers

**City of Temple, Texas
Top 10 Wastewater Customers
For the year ended September 30, 2024**

Customer	Gallons	Revenue	% of Total Annual Revenue	% of Total Usage
Niagara Bottling, LLC	287,832,000	\$ 2,003,491	8.57%	9.61%
Baylor Scott & White Hospital	130,694,500	1,009,213	4.32%	4.36%
VA Hospital	49,266,400	379,487	1.62%	1.64%
Housing Authority	37,585,600	289,539	1.24%	1.25%
Wilsonart International	28,633,900	220,957	0.95%	0.96%
Pactiv Corporation	26,039,900	200,774	0.86%	0.87%
Meadow Village Apartments	24,278,100	187,052	0.80%	0.81%
Temple Public Schools	19,296,700	149,661	0.64%	0.64%
City of Temple	16,747,000	133,820	0.57%	0.56%
Wildewood Apartments	11,755,200	90,719	0.39%	0.39%
	632,129,300	\$ 4,664,711	19.96%	21.09%

Source: Utility Business Office

**City of Temple, Texas
Insurance Coverage**

Table XXXII

Type of Coverage and Insurer	Amount of Coverage		Deductible Amounts ¹	Policy Expiration Date ²
Property:				
Building & Contents:				
Texas Municipal League	\$ 422,120,859	Real and Personal	\$ 5,000	10/01/24
Fine Arts/Valuable Papers:				
Texas Municipal League	\$ 957,733	Fine Arts	\$ 500	10/01/24
	\$ 1,600,000	Valuable Papers & Records: Includes EDP Media	\$ 5,000	10/01/24
Mobile Equipment:				
Texas Municipal League	\$ 9,144,831		\$ 1,000	10/01/24
Portable Equipment:				
Texas Municipal League	\$ 300,000	Equipment	\$ 1,000	10/01/24
Liability:				
Employee Dishonesty, Theft, Disappearance, & Destruction:				
Texas Municipal League	\$ 200,000		\$ 5,000 per event	10/01/24
Airport:				
Texas Municipal League	\$ 1,000,000	Premises	\$ 0	10/01/24
	\$ 1,000,000	Products/ Completed Operations	\$ 0	10/01/24
	\$ 1,000,000	Hangar- Keepers-Each Aircraft	\$ 2,500	10/01/24
	\$ 1,000,000	Non-Owned- Each Occurrence	\$ 0	10/01/24
Cyber Liability & Data Breach (Computer Fraud)	\$ 50,000	Each Claim	\$ 5,000	10/01/24
Cyber Loss Expense Coverage	\$ 3,000,000		\$ 50,000	10/01/25
Cyber Contingent Business Interruption Loss	\$ 3,000,000		\$ 50,000	10/01/25
Cyber Crime Loss	\$ 250,000		\$ 50,000	10/01/25
Cyber Liability Expense	\$ 3,000,000		\$ 50,000	10/01/25
Ransomware Event (Loss or Liability)	\$ 1,000,000		\$ 50,000	10/01/25

(Continued)

**City of Temple, Texas
Insurance Coverage**

**Table XXXII
(Continued)**

Type of Coverage and Insurer	Amount of Coverage	Deductible Amounts ¹	Policy Expiration Date ²
Liability (Cont'd):			
Error & Omissions:			
Texas Municipal League	\$ 2,000,000	\$ 10,000	10/01/24
General:			
Texas Municipal League	\$ 2,000,000	\$ 0	10/01/24
Auto:			
Texas Municipal League	\$ 1,000,000	\$ 0	10/01/24
Auto Physical Damage:			
Texas Municipal League	Per Schedule	\$ 10,000	10/01/24
Law Enforcement:			
Texas Municipal League	\$ 2,000,000	\$ 10,000	10/01/24
Bonds:			
Western Surety Company	\$ 500,000	Finance Director	03/03/24
Hartford Casualty Ins. Co	\$ 500,000	City Manager	12/20/24
Worker's Compensation:			
Texas Municipal League			10/01/24

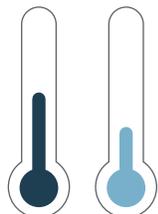
Source: City of Temple Legal Department

1 - Per occurrence, unless noted.

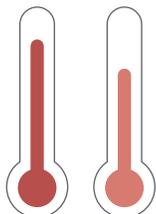
2 - Policies are renewed annually or replaced with similar coverage.

STATISTICAL DATA

AVERAGE TEMPERATURES



JANUARY
HI: LOWER 60'S
LOW: UPPER 30'S



JULY
HI: UPPER 90'S
LOW: LOWER 70'S

AVERAGE ANNUAL TEMPERATURE **66.83°F**

RAINFALL

WETTEST MONTH

MAY • 5.13 in

DRIEST MONTH

JULY • 0.83 in

AVERAGE ANNUAL RAINFALL **30.03"**



LAND USE

● AGRICULTURAL	32.90 sq. miles
● COMMERCIAL/INDUSTRIAL	24.10 sq. miles
● RESIDENTIAL	21.42 sq. miles
● MIXED USE	0.35 sq. miles

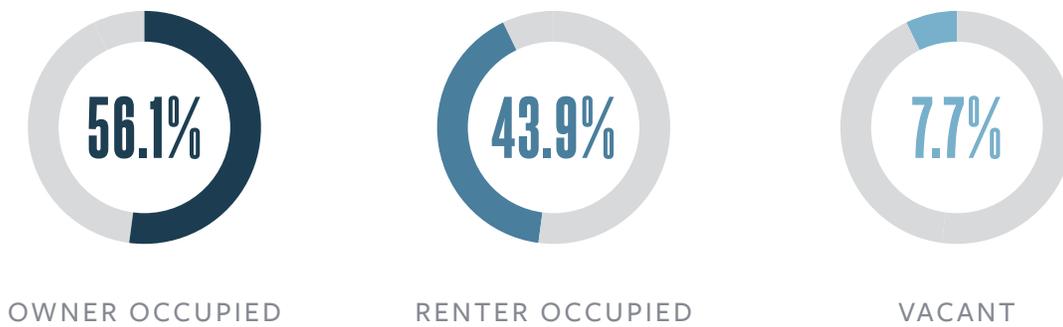


AVAILABLE LAND REMAINING

● AGRICULTURAL	7,868 acres
● HEAVY/LIGHT INDUSTRY	1,777 acres
● VARIOUS RESIDENTIAL	1,634 acres
● VARIOUS COMMERCIAL	905 acres

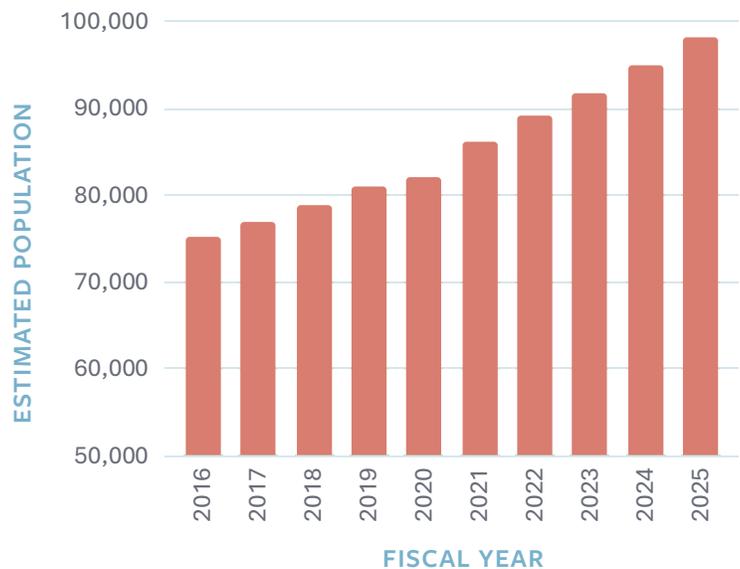
2025 POPULATION	2025 ASSESSED VALUE	2025 MEDIAN HOUSEHOLD INCOME	2025 AVERAGE HOME SALE PRICE
98,298⁴	\$9,365,664,535	\$61,003	\$285,322
MEDIAN AGE	34.1	TOTAL LABOR FORCE IN TEMPLE	38,682
TOTAL EMPLOYMENT IN TEMPLE	37,040	CITY TOTAL SQUARE MILES	78.769

HOUSING UNITS



DEMOGRAPHICS - LAST TEN FISCAL YEARS

FISCAL YEAR	SINGLE FAMILY	% INCREASE
2016	75,293 ¹	2.57%
2017	76,864	2.09%
2018	78,793	2.51%
2019	80,930	2.71%
2020	82,073 ²	1.41%
2021	86,075 ³	4.88%
2022	89,112	3.55%
2023	91,751	2.96%
2024	94,935	3.47%
2025	98,298 ⁴	3.54%



⁽¹⁾ 2016 thru 2019 is based on new residential water customers multiplied by 2010 Census data of average household size of 2.47.
⁽²⁾ 2020 is restated based on actual results of 2020 Census.
⁽³⁾ 2021 thru 2024 is based on new residential water customers multiplied by 2020 Census data of average household size of 2.65.
⁽⁴⁾ 2025 is estimated based on average growth for the past 5 years (2020 thru 2024) of new residential water customers multiplied by 2020 Census data of average household size of 2.65.



HEALTHCARE

ONLY HEALTH & BIOSCIENCE DISTRICT IN TEXAS

BAYLOR SCOTT & WHITE HOSPITAL

Only Level I Trauma Center between Dallas and Austin

**MCLANE CHILDREN'S HOSPITAL
SCOTT & WHITE**

Only children's hospital between Dallas and Austin

TEMPLE VETERANS AFFAIRS CLINIC

One of two major facilities in the Central Texas Veterans Healthcare system

80% OF TEXAS' POPULATION IS WITHIN 180 MILES OF TEMPLE



EDUCATION

TEMPLE INDEPENDENT SCHOOL DISTRICT

SENIOR HIGH SCHOOLS	MIDDLE SCHOOLS	ELEMENTARY SCHOOLS	EARLY CHILDHOOD ACADEMY	ALTERNATIVE EDUCATION PROGRAM
2	3	8	1	1
2,438 STUDENTS	1,890 STUDENTS	3,955 STUDENTS	485 STUDENTS	64 STUDENTS

PRIVATE SCHOOLS

Central Texas Christian School
Pre K - 12th grade

Holy Trinity Catholic School
9th - 12th grade

Primrose Schools
Pre K - Kindergarten

St. Francis Episcopal School
Pre K - Kindergarten

St. Mary's Catholic School
Pre K - 8th grade

The Montessori Schools of Central Texas
Pre K - 5th grade

TEMPLE COLLEGE

Number of classrooms & labs	175
Number of principal administrative officers	8
Number of full-time professors	142
Number of full-time students	2,076
Number of part-time students	3,217
Population served	447,436
Counties served (East Bell, Milam and East Williamson Counties)	3
Annual budget	\$57,916,211

HIGHER EDUCATIONAL INSTITUTIONS

(within 75 miles of Temple)

Austin Community College	Huston-Tillotson College	Temple College
Baylor University	McLennan Community College	Texas A&M University
Central Texas College	St. Edward's University	Texas State Technical College
Concordia University Texas	Southwestern University	The University of Texas at Austin
Hill Junior College	Tarleton State University	University of Mary Hardin-Baylor

CITY SERVICES

FIRE PROTECTION

Fire Stations	8
Fire Hydrants	4,492
Firefighters	123
Firefighters per 1,000 population	1.30
Insurers Services Office (ISO) Rating	3



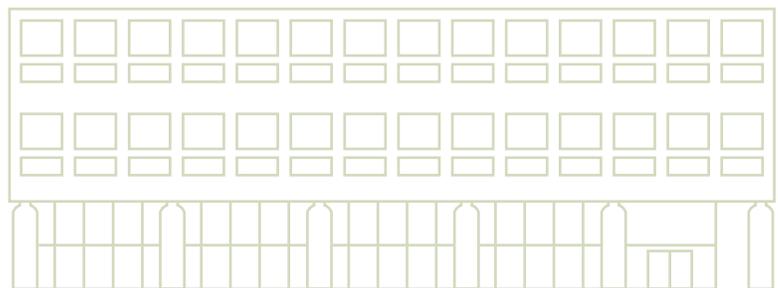
POLICE PROTECTION

Police Stations	1
Police Officers	166
Officers per 1,000 population	1.75



LIBRARIES

Libraries	1
No. of volumes	142,853
Circulation of volumes	386,097
Library cards in force	20,739



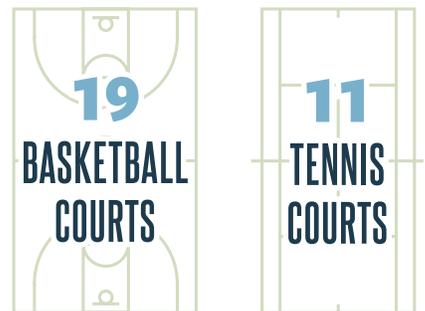
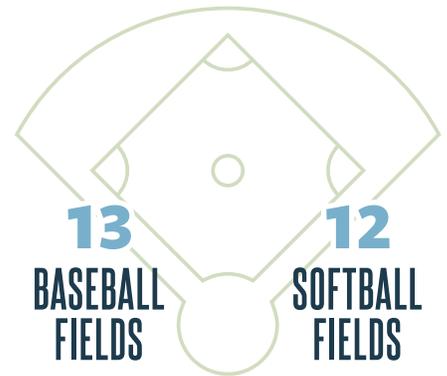
AIRPORT

Airports	1
Full precision approach runway	7,000 ft
RNAV approach crosswind runway serving general aviation and military aircraft	4,740 ft



PARKS & RECREATION

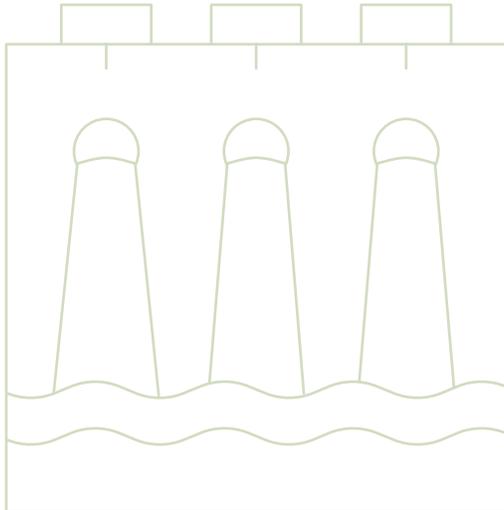
AMENITIES	
Picnic pavilions	34
Playgrounds	50
Community centers	2
Recreation centers	3
Multi-use fields	8
Trail miles	29.46
Extreme skate park	1
Family water park	1
Splash pads	4
Community garden	1
Museum	1
Convention center	1



PARK ACREAGE DEVELOPMENT



CITY SERVICES



UTILITIES

711 MILES

OF WATER MAINS

17.67 MGD

DAILY AVERAGE WATER TREATMENT

54 MGD

WATER TREATMENT PLANT CAPACITY

WATER
SOURCE
**SURFACE
WATER**

34,543 NUMBER OF WATER SERVICE CONNECTIONS



511 MILES OF WASTEWATER COLLECTION SYSTEM LINES



33 NUMBER OF LIFT STATIONS

	Doshier Farm WWTP	Temple-Belton WWTP
Daily average wastewater treatment	3.63 MGD	9.49 MGD
Max. capacity of treatment plants	7.5 MGD	10.0 MGD

WASTEWATER TREATMENT PLANTS **2**

WASTEWATER SERVICE CONNECTIONS **30,746**

*MGD = MILLION GALLONS DAILY

STREETS

PAVED STREETS
549.83 MILES

PAVED ALLEYS
10.73 MILES

UNPAVED STREETS
0.61 MILES

UNPAVED ALLEYS
28.31 MILES

TRAFFIC CONTROL

TRAFFIC SIGNALS
78 SIGNALS

PEDESTRIAN CROSSING BEACONS
2 DEVICES



CITY GOVERNMENT

FORM OF GOVERNMENT

COUNCIL - MANAGER
JULY 8, 1922

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





**COMPLIANCE
SECTION**





**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Temple, Texas (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 5, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Temple, Texas
February 5, 2025



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Temple, Texas' (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Temple, Texas
February 5, 2025

**CITY OF TEMPLE, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued was unmodified.

Internal control over financial reporting:

Material weakness(es) identified:	___yes	<u>X</u> no
Significant deficiency(ies) identified:	___yes	<u>X</u> none reported
Noncompliance material to financial statements noted?	___yes	<u>X</u> no

Federal Awards

Internal control over major programs:

Material weakness(es) identified:	___yes	<u>X</u> no
Significant deficiency(ies) identified:	___yes	<u>X</u> none reported

Type of auditor's report issued on compliance for major programs was unmodified.

Any audit findings disclosed that are required to be reported in accordance with
2 CFR 200.516(a)?

___yes Xno

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
97.036	Disaster Grants – Public Assistance

State

2022-01-03	Office of the Governor – Texas Military Preparedness Commission Defense Economic Adjustment Assistant Grant
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Dollar threshold used to distinguish between
type A and type B programs:

\$ 776,212 and \$ 750,000 for federal and state,
respectively

Auditee qualified as low-risk auditee?

Xyes ___no

**CITY OF TEMPLE, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Section II-Financial Statement Findings

There were no findings and no matters were reported.

Section III-Federal Award Findings and Questioned Costs

There were no findings and no matters were reported.

